

**IndusInd Bank**

**Empowering Innovation,  
Unleashing Digitization**

Annual Report 2022-23





# Empowering Innovation, Unleashing Digitization


Sustainability and innovation serve as catalysts for progress on the back of a digital-driven world. IndusInd Bank aims to re-imagine the banking experience by delivering tailored solutions, expanding the branch network, diversifying into new domains and establishing its relevance nationally and globally.

At the dawn of its 6th planning cycle, IndusInd Bank remains resolute in its mission to drive profitability through targeted strategies. The Bank sets its sights on the 3 Gs: Growth, Granularity, and Governance. Grounded in the belief in human ingenuity and the spirit of India, IndusInd Bank takes a bold and responsible approach to banking, embracing an ESG-focused perspective across the board and setting new benchmarks.

Growth is the great separator between those who succeed and those who do not. With consistency, responsibility and a spirit of innovation, IndusInd Bank challenges conventional norms to redefine the way the banking experience is perceived. Unleashing the potential of its Digital 2.0 strategy is the key to unlocking fresh dimensions of efficiency, accessibility and personalization - where diverse customer needs are catered to as they evolve with time.

IndusInd Bank has stood the test of time by embracing granularity in its business operations and unlocking profound insights that resonate with individual customer segments such as NRIs, affluent client and SMEs - with an aim to foster enduring relationships with all its stakeholders and expand its circle of influence to reach more people.

At the heart of organizational integrity lies sound corporate governance practices, placing greater emphasis and thrust on transparency & ethical conduct that safeguards trust and long-term success. With board-level involvement in environmental, social, and governance policies, IndusInd Bank embodies a sense of responsibility and accountability by leveraging its experience and domain knowledge to adapt to an ever-changing industry. As the digital era unfolds, IndusInd Bank is committed to empowering innovation and embracing digitization to drive transformative change for the larger ecosystem.



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# About IndusInd Bank Limited



Established in 1994 by a platform conceived and promoted by Late Mr. Srichand P Hinduja along with members of the Indian diaspora, the name 'IndusInd Bank' was inspired by the Indus Valley Civilization - one of the greatest cultural examples of a combination of innovation with sound business and trade practices. Over the years, IndusInd Bank has grown ceaselessly and dynamically driven by a zeal to offer its customers banking services at par with the highest quality standards in the industry.

Over an enriching journey of 28 years, IndusInd Bank has established itself as the favored provider and partner for over 34 million customers throughout the nation, with clientele including individuals, large corporations, various government entities, and PSUs. With an extensive network, the Bank's coverage encompasses 1,37,000 villages, ensuring accessibility to even the remotest areas. In addition, IndusInd Bank maintains representative offices in London, Dubai, and Abu Dhabi.

The Bank's array of products and services cater to both individuals and corporates. IndusInd Bank specializes in microfinance, personal loans, personal and commercial vehicle loans, credit cards, and SME loans. The Bank takes pride in its diverse offerings, ensuring that its customers' financial needs are met with precision, while exceeding their expectations and earning their trust.

## 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.

A change agent for financial inclusion in India.

An equal opportunity and preferred employer.

## 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.



— IN LOVING MEMORY OF —

## Srichand Parmanand Hinduja

Nov 28, 1935 – May 17, 2023

There are a few champions of industry, who occasionally grace us with their presence and in their wake leave behind unparalleled benchmarks that can hardly ever be replicated. A straight-talking, forward-thinking, industry titan with spine & an institution by himself.

We at IndusInd Bank, owe our existence to SP – as Srichand Parmanand Hinduja was very fondly called globally. He conceptualized and laid the roots of IndusInd Bank in a day and age when the private sector was looked at with skepticism. It was his anchor role, way back in 1992-93, that marshalled financial support from NRIs and pooled those contributions into a broadbased institution which dreamt of IndusInd Bank Limited and that in its present avatar nourishes the dreams of millions of customers and entrepreneurs.

The patriarch of the Hinduja family and Chairman of the Hinduja group built one of the world's most successful business empires. Truly he was a global citizen, his business empire spread in 38 countries across multiple sectors.

As we come to terms with the irreparable loss of our seminal mentor, our abiding homage will be to take forward the legacy & values which SP stood for – and tread the path propelled by integrity, exceptional commitment and ethics. We must remain steadfast in our goal of creating an institution that Srichand Parmanand Hinduja would be proud of to have conceptualized and created.



# Message from the Chairman

“Your Bank is deeply committed to delivering sustainable value to all its stakeholders, including customers, employees, and society at large.”



## Dear Shareholders,

I am delighted to address you as we reflect upon the remarkable performance of IndusInd Bank Limited and navigate through the ever-evolving economic landscape. It is my privilege to present the annual report for FY2023.

### A Dynamic Landscape

The global economic outlook remains both challenging and promising, as we emerge from a tumultuous year. We have witnessed stronger-than-expected growth in advanced economies despite multiple global shocks. Re-opening of the Chinese economy is also expected to aid global recovery. However, we anticipate muted global economic activity due to the lagged effects of last year's coordinated monetary tightening by major global central banks led by the US Federal Reserve. Recent stress in the banking sector of advanced economies is also likely to further tighten bank lending standards, adversely impacting credit supply and overall growth.

There are growing concerns in global financial markets over governance, sustainable growth, stability of markets and rapid technological evolution. Global regulators are closely monitoring the developments in Generative Artificial Intelligence and Machine Learning and its use or misuse. This mandates urgent reskilling of market players, regulators and policy makers. The extant climate crises require significant investment in sustainable finance for mitigation, adaptation and building resilience.

The extreme volatility of interest rates has a direct impact on domestic markets and also leaves repercussions on international markets. Emergent risks from crypto need global consensus on issues around property rights, custody, transfer, and valuation. Apart from this, concerns also stand tall around the lack of regulatory supervision and crypto insolvency, exponentially compounding risks for financial regulators. These risks and fast emerging technological developments, including Artificial Intelligence, defy sovereign boundaries and sectoral silos. Managing the growing milieu of "Known Risks" in addition to potential cyber threats and more importantly the new universal "Unknown Risks" requires an urgent need to forge a global consensus and institutional cooperation that transcends geographical boundaries.

India's increasing global credibility and stature make it a potential leader in establishing an international regulatory alliance to create a more modern global regulatory framework that considers the interests of Emerging Economies and the Global South. The opportunity presented by India's presidency of the G20 in 2023 allows for the building of consensus in a world currently marked by polarized divisions. If successful, this initiative could have significant positive consequences on a global scale.

Amidst the challenges, central banks and authorities have taken decisive action to mitigate the impact on the broader financial system and emerging economies. While global inflation is easing from its peak last year, core inflation persists in several developed economies, nudging central banks to remain watchful. In fact, inflation is projected to remain above targets in many countries throughout 2023 and 2024. Moreover, subdued demand and the shift from goods to services are dampening global trade. Compounding these issues are protracted geopolitical tensions and divergent global positions on multilateral matters, which increase the risks of geo-economic fragmentation and impact international capital flows.

In this global backdrop, the Indian economy shines as a beacon of hope. The real GDP growth is projected to be in the range of 6 to 6.5% this fiscal year, contributing over 15% to global growth,



according to the International Monetary Fund (IMF) projections. Although growth in India is expected to be moderate compared to the previous fiscal year's 7.2%, the impact of tighter financial conditions is expected to be felt in the second half. Nevertheless, the ongoing recovery in the services sector, resurgence in rural demand robust consumption outlook and improved conditions for capital formation and investments from public and private sources, will support strong growth.

### Looking Ahead with Confidence

While private consumption growth may witness a temporary weakness in some sectors, we anticipate an overall sustained improvement in consumer sentiment due to a steady pickup in employment and other macroeconomic factors. The strength of rural consumption recovery hinges on the outcome of monsoons, which are predicted to be normal, although some uncertainty remains due to El Nino. The easing of CPI inflation over the year, to around 5% in FY2024 from 6.7% in FY2023, will provide support to consumption as well. Government capital expenditure (CapEx) will play a critical role in driving capital formation, with a substantial increase in budgeted capital spending during FY2024. The moderation in commodity prices, the government's focus on CapEx, healthy balance sheets of banks and corporates, and robust credit growth will foster private investment activity. Encouragingly, RBI's enterprise surveys indicate higher investment intentions of manufacturing companies during the year. The economic outlook for India is promising, relative to most other leading economies.

### Robust Performance

IndusInd Bank continues to deliver robust performance and this was seen in outcomes of the recently concluded 3-year Planning Cycle 5 (PC-5 over FY2020-23). The key balance sheet metrics in terms of capital adequacy, liquidity, retail deposit mobilisation, provision coverages etc. are at their healthiest levels in the past several years. Having achieved the balance sheet strengthening, the Bank cautiously moved on to accelerating growth.

This is reflected in the Balance Sheet footage of ₹4,57,837 crores (14% Y-o-Y growth), deposits of ₹3,36,120 crores (15% Y-o-Y increase) and loans of ₹2,89,924 crores (21% Y-o-Y increase) as of March 2023. As a consequence, the Bank's Total Income stood at ₹44,541 crores, compared to ₹38,167 crores in the previous year. Operating expenses were ₹11,346 crores, and Pre-Provision Operating Profit rose to ₹14,419 crores. Net Profit soared to ₹7,443 crores (55% Y-o-Y increase).

The Bank has now also announced a strategy for the next Planning Cycle 6 (PC-6) spanning FY2023-26. The PC-6 strategy is **"Market Share with Diversification"** with a focus on **Growth, Granularity and Governance**. The strategy will be executed through continuing Retailization of deposits, diversifying areas of domain expertise, scaling sub-scale businesses, accelerating Digital initiatives and delivering value to our esteemed customers, while continuously imbibing ESG principles in the businesses. Bank believes the current operating environment is conducive to sturdy growth and thus confident of achieving the ambitions laid out in the PC-6 strategy.

### Resilience in the Face of Challenges

While we embrace the healthy growth outlook, we remain cognizant of the persistent risks. Weak external demand, geo-economic fragmentation impacting trade and capital flows, and protracted geopolitical tensions pose challenges. However, we believe that the risks to growth are balanced, with strong domestic drivers sustaining growth while a challenging global economic environment acts as a headwind.

Our macroeconomic stability, characterized by easing inflation, manageable external financing requirements, strong external buffers, including adequate foreign exchange reserves, and a stable policy environment, provides a solid foundation to complement our domestic growth impulses. In this dynamic environment, I take pride in highlighting the resilience of IndusInd Bank.

### A Better Future in Mind

IndusInd Bank is actively expanding its ESG impact throughout its operations. We are proud to announce that IndusInd Bank has been recognized as the 'Best Bank in India for ESG-FY2023' by Asiamoney for the second consecutive year, affirming our commitment to sustainability and responsible banking practices. We have embedded ESG principles throughout our business, launching products that promote sustainability across sectors such as Retail Banking, Corporate Banking, CFD, Digital Banking and Microfinance. With integrated ESG risk assessments and a board-approved policy and governance system, we prioritize ethical practices and responsible lending while monitoring exposure to high ESG risk industries.

IndusInd Bank is the sole Indian bank chosen for the TNFD (Task Force on Nature-related Financial Disclosures) Pilot program, showcasing our dedication to managing biodiversity-related risks. Our goal is to become a carbon-neutral Bank by 2032, with all PIONEER branches now LEED certified. Inclusive practices extend beyond our internal operations, as evidenced by the launch of all-women branches, the employment of neurologically diverse individuals, and a board composition that promotes gender equality. We ensure credibility and reliability in our sustainability reporting by aligning our policies with the latest ESG trends and obtaining third-party assurance.

As we move forward, your Bank remains steadfastly dedicated to its core values of trust, transparency and excellence. We are focused on continuously strengthening our corporate governance practices, effectively managing risks, building the highest levels of compliance, fair and ethical practices within the Bank. Given fast-evolving market opportunities, risks and global technological changes, the Bank is fully prepared to respond with alacrity and dexterity. We recognize the need to constantly reskill our 38,179 highly talented and enthusiastic employees who adroitly adapt to market changes. I am delighted to say that your Bank was certified as a "Great Place to Work" by the Great Place to Work Institute® a reputed global body involved in the assessment of company culture and people practices across sectors and countries. We stay fully committed to building an ethos that cherishes diversity, strong core values and integrity of purpose.

Your Bank is deeply committed to delivering sustainable value to all its stakeholders, including customers, employees, and society at large.

I extend my heartfelt gratitude to our esteemed shareholders, loyal customers, dedicated employees, regulators and all supportive stakeholders for their unwavering trust and support. Together, we shall navigate the fast-evolving landscape, overcome challenges, and expeditiously seize new opportunities to drive the growth and success of IndusInd Bank.

With warm regards,

**Sunil Mehta**

Chairman



# Message from the Managing Director

## Dear Shareholders,

India's vast and relatively underserved markets exemplify the untapped growth opportunity and, to no one's surprise, are attracting investors from foreign and domestic shores alike, in an otherwise challenging global economic outlook. It is a testament to India's and Indians' resiliency and optimism that the likes of the International Monetary Fund, the World Bank and the Asian Development Bank have all pegged India's economic growth rate in the range of 5.9% to 6.4%, well ahead of other developing as well as developed economies. There is much to cherish within the Indian business ecosystem considering the thriving appetite for capital, and healthy bank credit offtake rate. In the fiscal year that ended March 2023, bank credit grew at a rate of 15% as opposed to 9.6% in FY2021.

Without any doubt, India's robust position in the global economy is well-earned. This is supported by the government's increased focus on capital spending, especially in infrastructure projects, along with higher domestic consumption and rising wages in rural areas. India is expected to continue to deliver in the backdrop of the persistent volatility in the external world. The external challenges include a global financial ecosystem geared towards tightening, elevated inflation levels across economies, and protracted geopolitical uncertainties. Last but not the least, recent instances of banking instabilities stemming in the developed economies of the USA and Switzerland reinforce the importance of governance and conservative balance sheet management. One must appreciate the banking regulator, RBI, for effectively ring-fencing the banking ecosystem, and preventing build-up of financial vulnerabilities.

One of the biggest goals a CEO envisages for running a multi-dimensional, multi-faceted bank like ours is innovation and synergy encompassing all operations, which are neatly manifested in diversified portfolios and the spread of digital banking. Furthermore, we are deeply committed to integrating Environmental, Social, and Governance (ESG) principles into our operations, aligning our business strategy with sustainable development.

The FY2023 proved to be another successful year, with the Bank delivering stronger NII's, healthy NIMs, and net profit levels that - given the overwhelmingly positive outlook for the banking ecosystem - are expected to trend upwards. As the FY ended on a high note, it certainly set the stage for an ambitious FY2024.

### Performance Highlights:

#### Key Financial Metrics:

Over the last year, our loan book has leapfrogged by 21% to ₹2.89 lakh crores, supported by deposit growth of 15% to ₹3.36 lakh crores. Working in our favour is the fact that our loan mix is tilted towards the granular retail borrower comprising 54% of loans, whereas 46% of the loan portfolio is accounted for by the wholesale segment.

Our balance sheet is stronger than ever before, with adequate capital adequacy and contingency buffers. The Bank had comfortable liquidity with LCR of 123% and strong CRAR of 17.86%. Our net NPA has reduced by 5 bps with PCR of 71%, whereas the NIM improved to 4.25% on a year-on-year basis. The Bank's core fee income has also grown by 27% on a Y-o-Y basis, indicating that momentum is being maintained and will likely maintain a healthy pace moving ahead. The Bank continues to scale up new initiatives with affluent deposits at ₹ 42,900 crores, growing by 23% Y-o-Y and NRI deposits at ₹34,300 crores, growing by 28% Y-o-Y.

“ We anticipate that a meaningful part of our business will come from digital channels across retail individuals and micro and small enterprises in the next three years. ”







In FY2023, we also reported consistent improvement in return ratios, with Q4 exit ROA at 1.90% and ROE at 15.26%. Our net profit at ₹7,443 crores scaled up by 55% on a year-on-year basis.

#### Customer Base:

The Bank has over 34 million customers, with close to 2,606 Branches/Banking Outlets and 2,878 ATMs spread across geographical locations of the country and covering 1,37,000 villages. In FY2023, we prioritized deposit growth by incentivizing granular retail deposits to create a stable and cost-efficient deposit book. Currently, our CASA ratio stands at 40%, while retail deposits, according to LCR, grew by 19% Y-o-Y, making up 43% of our total deposits.

#### Digital Innovation:

We are marching ahead on the technology front, conscious of the competition posed by our banking sector peers but also egged on by the responsive innovation agenda we demand from ourselves. With our sight set high on digital innovation, we have adopted and executed the 5th Planning Cycle for the bank and are re-imagining our existing technology firmament to create the next-generation bank. Our customized solutions – Indus Easy Credit, UPI Pre-Paid voucher, and applications designed specifically for merchants, SMEs and corporates, are all being widely used by the targeted customer base, signalling that the Bank's digital foundation is firmly secured.

#### New Growth Areas:

In the realm of digital banking, we foresee a fundamental transformation over the next few years. We anticipate that a meaningful part of our business will come from digital channels across retail individuals and micro and small enterprises in the next three years. In the coming months, the Bank will also be launching INDIE, a revolutionary new way to bank, marking the first of many digital initiatives.

Our NRI business segment has seen a significant surge. With our market share in NRI liabilities rising from 1.58% in March 2019 to 3.1% as of March 2023, we aim to reach a 5% market share by the end of the current planning cycle. To cater to our NRI customers, we have enhanced our digital offerings. This includes a multi-partner remittance platform, Indus Fast Remit, and cross-border product offerings through our IFSC GIFT City branch.

Our PIONEER Banking segment is on a high growth trajectory. We are poised to double the business in three years. As part of our expansion plan, we aim to grow to over 40 PIONEER branches by 2026 and launch PIONEER Private to cater to the top end of this segment.

In the microfinance sector, our commitment is to create self-employment opportunities and provide access to financial services for the underserved. We are transitioning from "Micro lender to Micro Banker", driving the financial inclusion agenda of the government, and taking up various customer awareness programs for Financial Literacy and Fraud Prevention.

Our mortgage business, which includes Loan Against Property and Prime Home Loans, gathered momentum in FY2023. We saw a 39% increase in annual disbursements and a 10% increase in the book for Loan Against Property. We also commenced our Prime Home Loan business during the year, with a closing book for FY2023 at ₹383 crores. We plan to embark on a scale up trajectory in the next financial year.

#### Sustainability:

At the heart of IndusInd Bank is our unwavering commitment to weave sustainability into every facet of our operations. To promote greater thrust on ESG (Environmental, Social, and Governance) linked products, we are launching a series of ESG-linked products and initiatives. We are committed to strong ESG practices and have fully integrated ESG Risk assessment into our Credit Risk assessment. Our efforts are well acknowledged and I am happy to share that

we have once again scored amongst the highest ranks for private sector banks from 2 marquee international rating agencies – Carbon Disclosure Projects (CDP) and S&P Global Rankings. We won another prestigious global recognition and got ranked as the 'Market leader' for ESG in India by Euromoney for FY2022.

#### Winning Prestigious Reviews:

Those who have been observing our growth know that we have bagged the pick of technology awards in the last couple of years, be it the Celent Model Bank Award in 2022 or Finacle Innovation Award in 2021 or VMware Customer Excellence Award in 2021.

Further, our work in the banking ecosystem is being recognized at numerous forums, and we have been bagging several awards, such as:

'Governance Now' Award for the 'SME Connect' category

Escorts Kubota Ltd. recently awarded IndusInd Bank – TFE Team for being the Number 1 Financier for 2 consecutive Financial years.

IndusInd Bank won the Best CIO award at the recently concluded Bharat FinTech Summit 2023.

Our Bank has been awarded the 'Great Place to Work' certification, where the Bank was evaluated on parameters of Credibility, Fairness, Respect, Pride & Camaraderie. The Bank received this recognition in its very first attempt.

#### Looking Ahead:

I am happy to share our Planning Cycle 6 strategy for the next three years' period till FY2026. Our focus is clear towards Growth, building Granularity with relentless focus on Governance i.e., 3G, in short. The strategy for PC-6 is 'Market Share with Diversification' where we will aim to maintain or gain market share in key businesses while building diversification in certain areas to improve risk-adjusted return profile of the Bank. We have outlined the themes driving our strategy: 1) Continuing the Retailization Journey, 2) Diversifying Domains, 3) Scaling Sub-Scale Businesses, 4) Accelerating Digital 2.0 and 5) Imbibing ESG into Business.

Overall, the PC-6 strategy is aligned towards the Bank's long term goal of delivering 'Sustainable Growth' and with multiple initiatives in place the Bank is well-equipped to progress towards strategic goals and drive long-term stakeholder value.

I believe that IndusInd Bank is poised for accelerating growth in Planning Cycle 6. As banking credit offtake continues to remain robust along with cyclical recovery in the Bank's large businesses, IndusInd Bank is well positioned to benefit from the country's robust growth outlook. Our strategic roadmap involves strengthening our core banking capabilities, expanding our digital prowess, and harnessing the potential of strategic partnerships. Prioritizing risk management and maintaining governance standards will remain at the forefront. We see immense potential in our Digital, PIONEER, NRI business, Mortgages and MFI business segments. We aim to leverage our strengths in these areas to drive growth and deliver superior value to our stakeholders.

We stand firm in our commitment to all stakeholders. With a strategic direction and resilient business model, we are confident of achieving our objectives and creating shared value.

Your continued support is deeply appreciated as we navigate this exciting journey together.

#### Sumant Kathpalia

Managing Director & CEO





# Key Highlights



**2,606**  
Branches



**2,878**  
ATMs



Covering  
**1,37,000**  
Villages



Across  
**21**  
States

## Performance (Standalone)



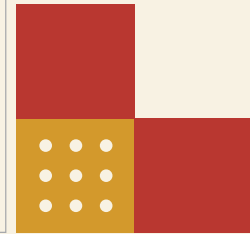
**₹7,390**  
crore  
Net profit



**4.27%**  
Net interest  
margin



Pre-provision  
operating profit  
up by **12%** to  
**₹14,346** crore



**17.86%**  
Capital  
adequacy Ratio



Deposit up by  
**15%** to  
**₹3,36,438**  
crore



**40%**  
CASA ratio



**71%**  
Provision  
coverage  
ratio

## Ratings

### Domestic Rating

#### CRISIL AA +

for Infrastructure  
Bonds Program/  
Tier 2 Bonds

#### CRISIL A1+

for Certificate of Deposits  
Program / Short term  
FD Program

#### IND AA

for Additional Tier 1  
Bonds Program by India  
Ratings and Research

#### CRISIL AA

for Additional Tier 1  
Bonds Program

#### IND AA+

for Senior Bonds Program/  
Tier 2 Bonds by India  
Ratings and Research

#### CARE A1+

for Certificate of Deposits

### International Rating

#### Ba1

for Senior Unsecured MTN  
Programme by  
Moody's Investors Service





# Visionary Leadership

At IndusInd Bank, success is driven by the collective wisdom and leadership of its esteemed Board of Directors and Management Team. Comprised of seasoned professionals from diverse backgrounds, they bring a wealth of experience and expertise to guide the Bank towards its strategic goals. With their visionary thinking and strong governance, they ensure that IndusInd Bank operates with utmost integrity, transparency, and accountability. Together, they embody a culture of innovation, excellence, and customer centricity that facilitates the Bank's continued growth and prosperity.

## Board of Directors



**Mr. Sunil Mehta**  
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. Pradeep Udhas**  
Director



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



## Management Team



**Sumant Kathpalia**  
Managing Director & CEO



**Arun Khurana**  
Deputy CEO



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



**Gobind Jain**  
Chief Financial Officer



**Zubin Mody**  
Chief Human Resources  
Officer



**Bijayananda Pattanayak**  
Head - Gems & Jewellery



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



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



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



**Vivek Bajpeyi**  
Chief Risk Officer



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



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



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



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



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

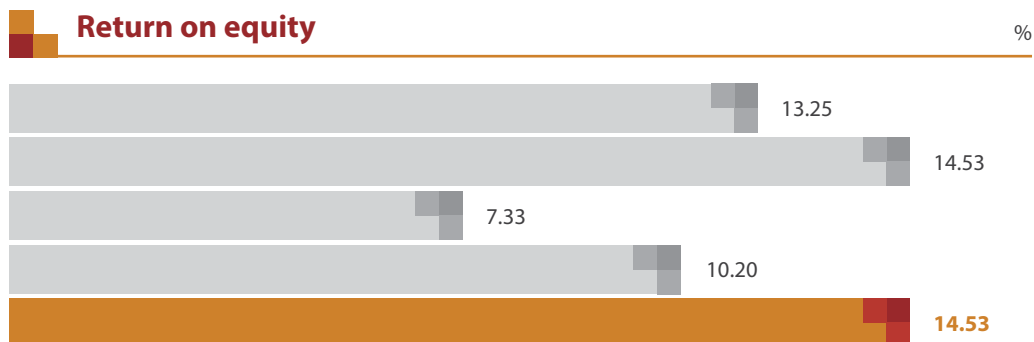
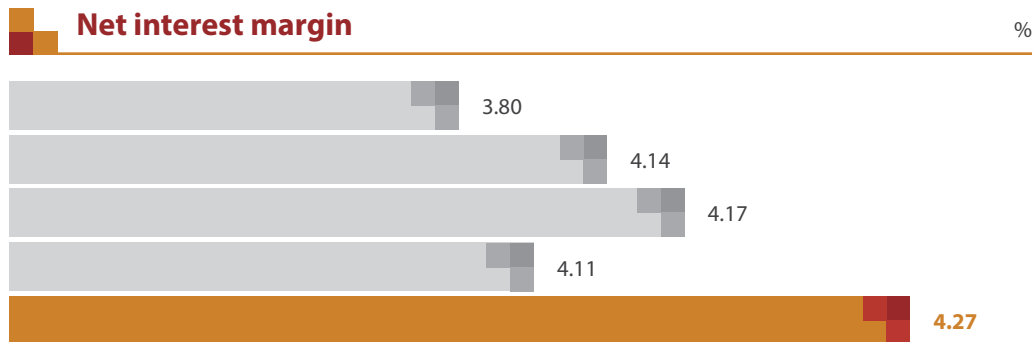
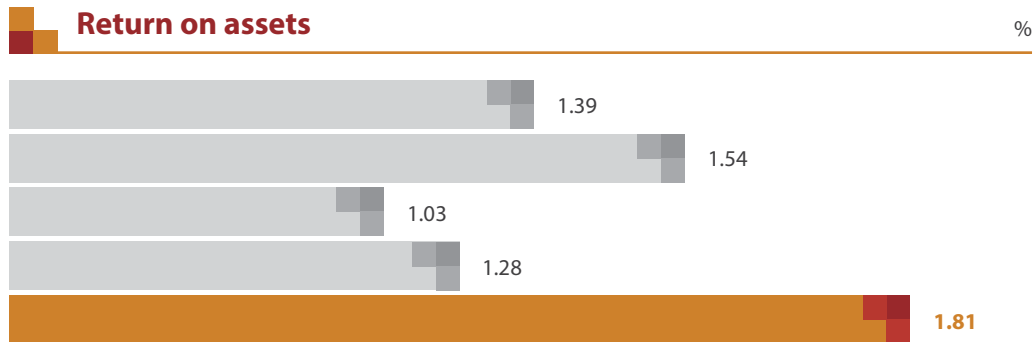


**Indrajit Yadav**  
Head - Investor Relations  
and Strategy



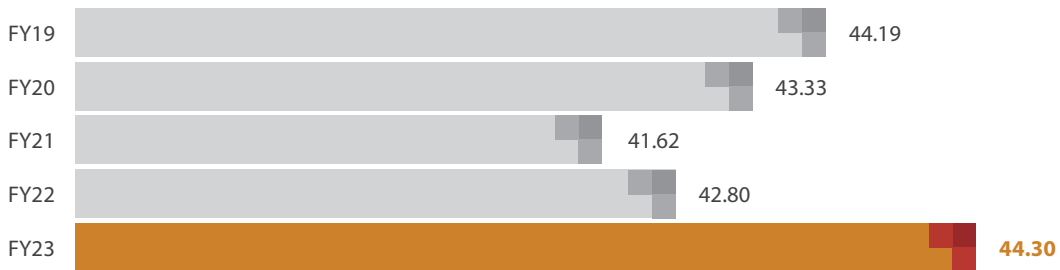
# Key Performance Indicators

Year after year, IndusInd Bank has consistently achieved robust financial results, demonstrating its strong fundamentals and effective risk management practices. The Bank's focus on sustainable growth, prudent lending, and diversified revenue streams has positioned it as a trusted and resilient financial institution. With a solid capital base, healthy asset quality, and steady profitability, IndusInd Bank continues to generate sustainable returns and create long-term value for its shareholders.

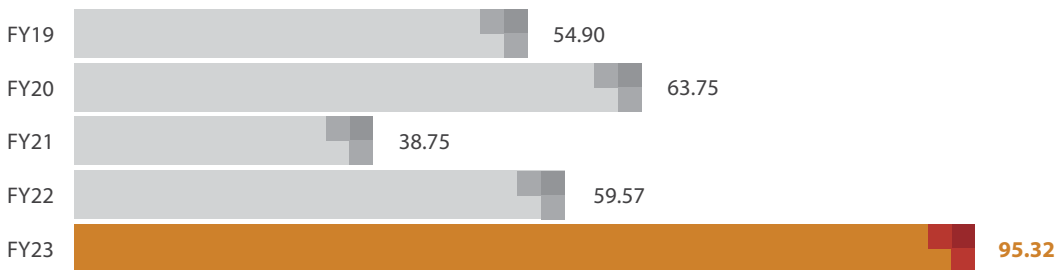




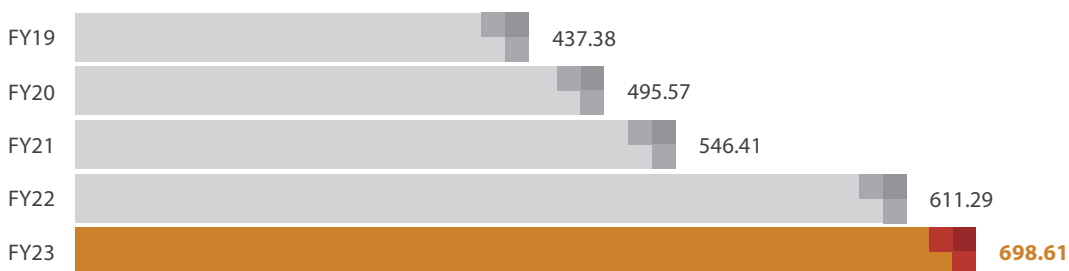
### Cost to income %

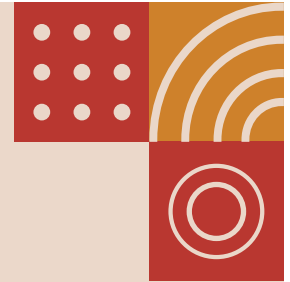


### Earnings per share ₹



### Book Value per share ₹



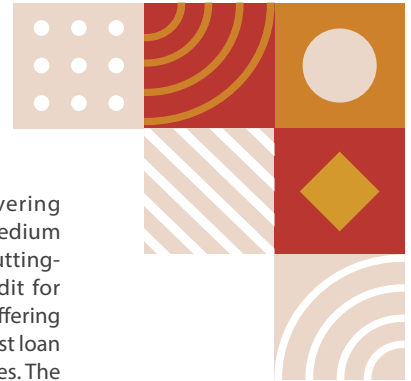


# At the Forefront of Digital Banking

IndusInd Bank takes pride in providing its customers with a seamless and convenient banking experience that harnesses the power of technology and adapts to the evolving banking landscape. The Bank's digital banking platforms empower its clients with the freedom to effortlessly manage their finances anytime, anywhere, placing control at their fingertips.







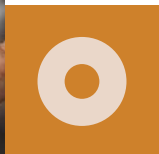
## SME

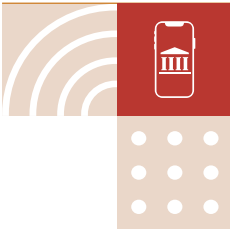
IndusInd Bank takes great pride in its unwavering commitment to empowering micro, small, and medium enterprises (MSMEs) in the SME sector through cutting-edge digitalization initiatives. Its Indus Easy Credit for Business platform is a testament to this dedication, offering a diverse range of lending products with lightning-fast loan disbursements of up to ₹20 Lakhs in under 10 minutes. The Bank is honored to have received recognition for these efforts at the prestigious India BFSI Conclave.

## Individual

The Bank understands the importance of convenience for individuals and proprietors. Keeping this in mind IndusInd Bank has introduced a seamless digital journey for opening current accounts quickly. The Indus Merchant Solutions platform has seen remarkable growth, and the Bank is excited to expand its availability to vernacular languages, catering to an even broader audience. Moreover, to facilitate digital payments, the Bank provided merchants with sound boxes and enabled UPI payments through Rupay credit cards.

IndusInd Bank has invested significantly in digitalization for its valued individual customers, offering a personalized and easily accessible banking experience. In fact, a staggering 93% of retail transactions and 76% of service requests were conducted digitally in the previous fiscal year. IndusInd Bank is proud to have witnessed a 30% Y-o-Y growth in mobile app users, a 60% increase in mobile transaction volume, and substantial expansions in user bases for WhatsApp Banking (33%) and ChatBot (66%).





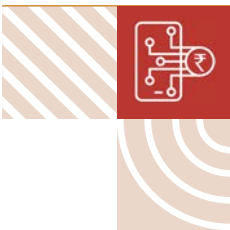
### IndusMobile

The IndusMobile app by the Bank has been at the forefront of enhancing customer interactions and engagement across various channels. With real-time events-based engagement, the Bank tailors communications to each customer, resulting in improved app ratings. Security is of utmost importance which is why the IndusInd bank has integrated One Span and LookOut SDK to safeguard against fraudsters. The Bank has exciting plans ahead, including a UI/UX revamp, improved UPI and investment journeys, and seamless cross-selling integration for insurance, loans, and credit cards. The Bank's goal is to provide its customers with enhanced financial control and unparalleled convenience.



### Digital GIFT City App

Within Gujarat International Finance-Tech CITY (GIFT City), the Bank maintains an active branch as part of its "Digital-First" approach. To cater to its GIFT City customers better, the Bank is developing a groundbreaking mobile application, leveraging advanced technology and streamlined processes. This focus on innovation allows the Bank to meet the evolving needs of its customers within this dynamic ecosystem.



### IndusNet

IndusNet, a comprehensive platform of IndusInd Bank, offers a holistic view of accounts, loans, cards, and investments to enhance the customer experience further. The Bank has seamlessly integrated with the CBDT and GST portals for tax payments, processing over 1 lakh tax payments amounting to ₹400 Cr+. With alliances with various partners, it aims to fortify its digital payment ecosystem while ensuring strict compliance with regulatory mandates for a safe and secure banking environment.



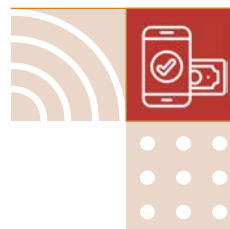
### Indus Easy Credit

Indus Easy Credit, a digital platform by IndusInd Bank, has been a resounding success, providing scalable and customer-centric solutions. The Bank has seen tremendous growth in the DIY segment, offering personal loans, credit cards as well as the introduction of co-branded cards and a unique interactive credit card. Its loan origination system now approves loans in less than five minutes. By collaborating with fintech companies, IndusInd Bank has expanded its reach and offered innovative solutions while adhering to strict security and transparency standards.



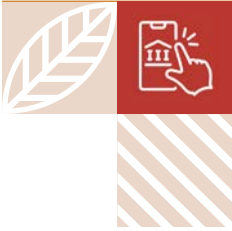
### Central Bank Digital Currency

As a pioneering institution in the digitization of banking services, IndusInd Bank played a crucial role in the RBI's Central Bank Digital Currency (CBDC) pilot. The Digital Rupee application has been adopted enthusiastically, and the Bank actively promotes the digital currency's adoption in 26 pilot cities. With exciting initiatives like CBDC-UPI QR interoperability, offline CBDC, and programmable CBDC, IndusInd Bank strives to revolutionize financial transactions across India.



### Savings Account and Fixed Deposits Online Platform

The Bank's commitment to continuous improvement extends to its Online Account Opening process for Savings Accounts and Fixed Deposits. Through user-friendly enhancements and Mo-engage integration, IndusInd Bank has experienced a remarkable 40% Y-o-Y increase in the number of savings accounts opened through its portal. Bank remains focused on creating long-term value and attracting customers who align with its core business objectives, ensuring an exceptional banking experience at every touchpoint.



### Indus Merchant Solutions App for microfinance users

IndusInd Bank implemented the Indus Merchant Solutions App, a comprehensive paperless solution that combines the digital, paperless, and omniflow experience of various payment companies with banking features. This all-in-one 'Merchant in a Box' solution is specifically designed for microfinance users, allowing Bharat Super Shop merchants to access UPI collections in real time and utilize their banking facilities.



### Agency Banking

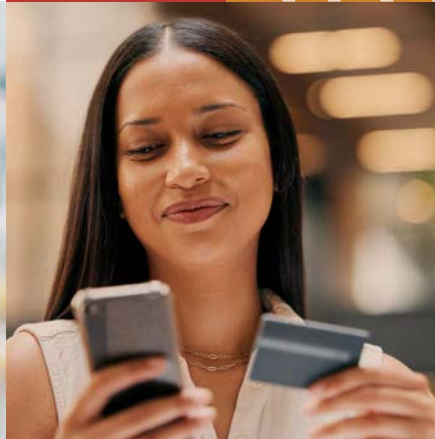
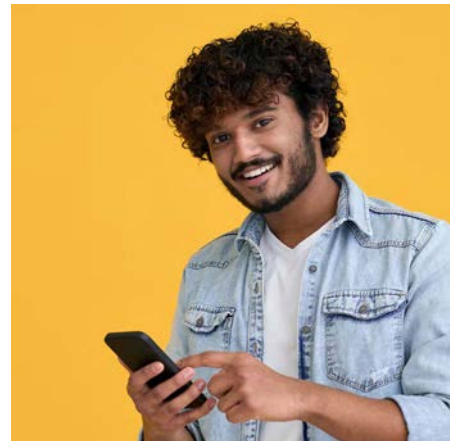
IndusInd Bank was authorized to act as an agency bank on behalf of the Government of India for the collection of various direct and indirect taxes, including income tax, goods and services tax, and customs duty. The Bank facilitates these collections through multiple channels, such as IndusNet, Indus Direct, and its wide branch network, ensuring timely remittance of collected taxes to the RBI on the next business day.

(Read more about the Digital Banking section on page 54)



### Indus Fast Remit (IFR)

IndusInd Bank introduced Indus Fast Remit, an online marketplace for remittances accessible across different geographical locations. Its customers now have the flexibility to choose remittance services based on their preferences and partner offerings, presenting significant potential for the Bank to expand its Non-Resident liability book.





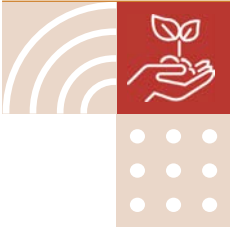
# Social Initiatives

IndusInd Bank firmly believes in the transformative power of Corporate Social Responsibility (CSR). The Bank recognizes that true success lies not only in financial profitability but also in positively impacting the lives of the less privileged. The Bank is committed to touching lives and making a meaningful difference in the lives of those in need. In FY 2022-23 alone, its initiatives have reached and impacted the lives of over millions of individuals across the nation. Together, through its collective efforts, the Bank strives to build a brighter and more inclusive future where every individual can thrive and succeed.

## Holistic Rural Transformation Program

IndusInd Bank has commenced a comprehensive flagship CSR Program aimed at Holistic Rural Transformation in two aspirational districts as identified by the Government of India's NITI Aayog. The program aims to bring about holistic community development by integrating various elements such as active community involvement, a collaboration between district, state, and central authorities, the convergence of government schemes, utilization of technology and innovation, and data-driven assessments. The Bank has scheduled the implementation of this program to span a period of 10 years.





### Environment

IndusInd Bank follows the sustainability principle of 'Good Ecology is Good Economics.' The Bank extends its environmental conservation initiatives beyond the boundaries, focusing on water stewardship in water-scarce rural areas. The Bank's projects aim to improve water security, enhance income opportunities, strengthen community institutions, and build climate resilience.

Additionally, IndusInd Bank undertakes activities like restoring water bodies, promoting afforestation, and implementing renewable energy solutions for hospitals. These initiatives demonstrate IndusInd Bank's commitment to environmental sustainability and holistic community development.



**5.12 lakh+**  
Beneficiaries



**70.47 lakh+**  
liters

Water Harvesting Capacity



**1.14 lakh+**  
Trees planted



**6,300+ MTCO<sub>2</sub>**  
Sequestration / emission saving potential per annum



### Education

The Bank enhances the learning outcomes of school children through improved methods and pedagogy, focusing on comprehensive teacher training programs. Its initiatives foster children's overall development with active community participation. These programs primarily target government schools and schools in remote areas.

Additionally, the Bank offers scholarships to economically disadvantaged students who have excelled academically, enabling them to pursue higher education. IndusInd Bank's support ensures access to educational opportunities and promotes social mobility.



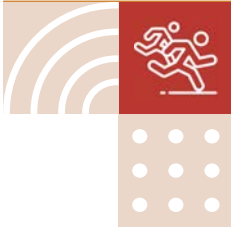
**2.27 lakh**  
Student Beneficiaries



**2,900+**  
Schools



**8,100+**  
Teachers



### Sports

The Bank prioritizes both inclusivity and sporting excellence in its sports programs. IndusInd Bank emphasizes the participation of individuals from diverse backgrounds, including different genders, persons with disabilities, and underprivileged communities. Through its programs, the Bank identifies and scouts talented athletes, providing them with the necessary support to compete in national and international sports tournaments. The aim is to bring honor and recognition to the nation. The Bank's focus extends beyond promoting talent; it also strives to foster a sense of national pride through its sporting achievements.



**960+**  
Sportspersons  
sponsored



**1,115+**  
Tournaments  
participated



**275+**  
Medals/wins



### Other Areas of Special Interest

IndusInd Bank takes pride in its commitment to various areas of special interest. These include collaborating with the Armed Forces, healthcare initiatives, and doorstep veterinary services, on a range of impactful projects.

In the realm of healthcare, IndusInd Bank supports critical and financially demanding ailments through screening, diagnosis, treatment, surgeries, and infrastructure development, including the provision of essential equipment. Bank's efforts focus on areas such as pediatric and general cancer, pediatric congenital heart diseases, and mother and child healthcare. Through these initiatives, the Bank has positively impacted the lives of over a hundred thousand beneficiaries.

The Bank has also extended its support to the families of soldiers who have made sacrifices for the nation. This assistance comes in the form of grants, which are utilized for educational support, including scholarships. Additionally, IndusInd Bank provides vocational training to empower widows and educational assistance for differently-abled children.

In collaboration with BFIL, its Bharat Sanjeevani project aims to enhance the accessibility of quality livestock care for farmers. By reaching farmers at their doorstep, the Bank ensures steady and increased livelihood opportunities, contributing to their overall well-being.

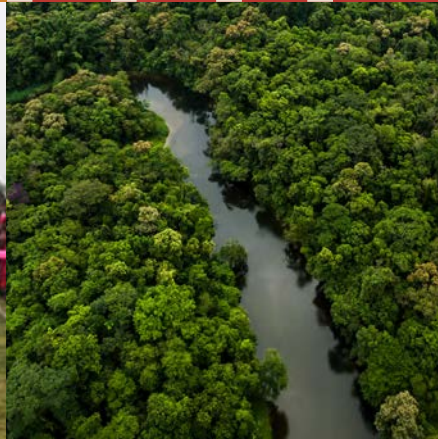
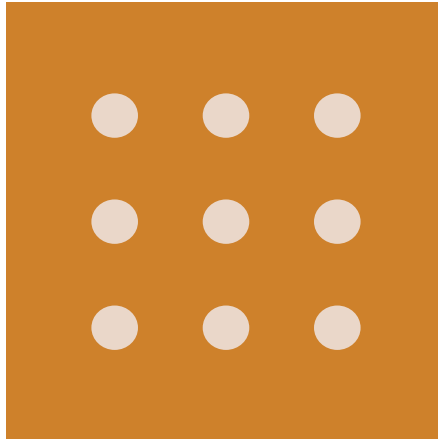


**2.2 lakh+**  
Beneficiaries



**2.18 lakh+**  
Livestock treated

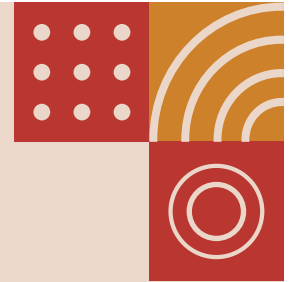
(Read more about the Social Initiatives section on page 77)





## Embedding ESG

IndusInd Bank has demonstrated its commitment to sustainable banking through the incorporation of Environmental, Social, and Governance (ESG) strategies throughout its business, risk underwriting and operations. To ensure the effective implementation of these strategies, the Bank has established a centralized Sustainability Unit that collaborates closely with various stakeholders, shaping the Bank's comprehensive ESG strategy. This approach is aligned with the Bank's overall strategy and emphasizes sustainability as a core element in its planning cycles.







IndusInd Bank sets its strategic objectives within three-year planning cycles, breaking them into yearly and quarterly ambitions. Throughout these planning cycles, sustainability plays a crucial role, with ESG identified as one of the key pillars in the strategic framework of Planning Cycle 6 (PC-6), effective from FY2024 to FY2026. The Bank integrates ESG targets into the business targets of its different Business Units (BUs), demonstrating a strong commitment to promoting sustainability-oriented initiatives across its business and banking operations. These targets undergo thorough discussions and approvals by the Bank's board, eventually being integrated into the Key Performance Indicators (KPIs) of the BUs and Key Managerial Persons (KMPs).

To ensure effective governance of its ESG strategy, the Bank employs a robust governance mechanism involving various internal stakeholders. The CSR and Sustainability Committee of the Board, assumes a pivotal role in overseeing the Bank's sustainability efforts. The committee reviews and approves the Bank's sustainability strategy. Moreover, the committee reviews the integration of sustainability with the different business units, promoting consistency throughout the organization. It also undertakes the responsibility of reviewing compliance and reporting, ensuring that the Bank adheres to its sustainability commitments and maintains transparency in its efforts.

Within the Bank's Sustainable Banking Unit, there is a focus on integrating ESG considerations into three specialized areas: Risk Underwriting, Business, and Operations. Particularly in the area of risk underwriting, the Bank recognizes the

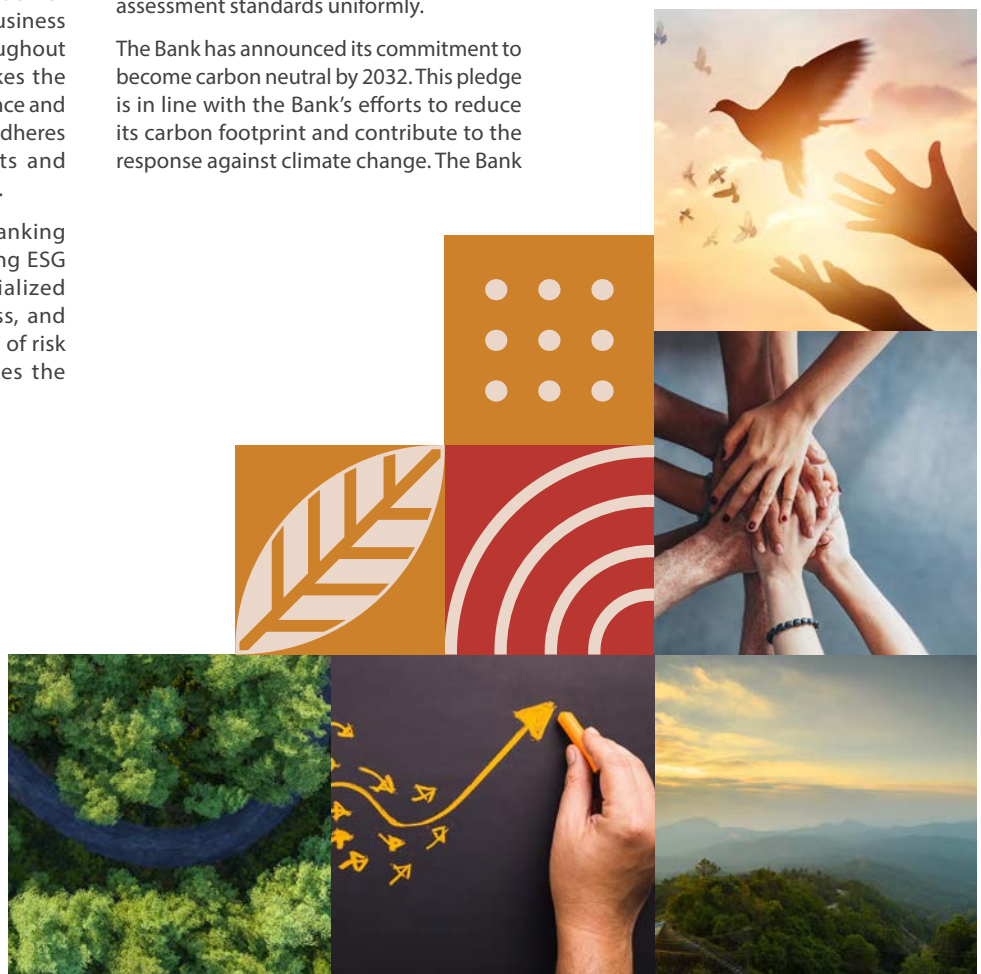
significance of comprehending broader social, environmental, and ethical risks associated with its services and clients. To fulfill this responsibility, the Bank has implemented an Environmental and Social Management System (ESMS). The ESMS ensures that environmental and social considerations are integrated into all business activities, safeguarding the Bank's investments from credit risk, reputational risk, and risks associated with ESG factors. Wholesale banking loan proposals above a certain threshold are evaluated for physical and transitional risks associated with ESG factors. The Bank categorizes loan proposals based on risk levels and conducts focused reviews and approvals for high-risk proposals through the ESMS Committee. In the current year, the Bank has introduced an updated ESMS policy and monitoring framework, which identifies and assesses industries with significant risks, incorporating due diligence measures and specific actions to be taken. The ESMS coverage has expanded to include additional Business Units, demonstrating the Bank's dedication to addressing climate change risks and maintaining high assessment standards uniformly.

The Bank has announced its commitment to become carbon neutral by 2032. This pledge is in line with the Bank's efforts to reduce its carbon footprint and contribute to the response against climate change. The Bank

has implemented various measures to achieve this target, including investments in renewable energy, energy-efficient technologies, and sustainable practices. This commitment to sustainability aligns with the Bank's values and its efforts to support a greener and more sustainable future.

Overall, IndusInd Bank's incorporation of ESG strategies showcases its commitment to sustainable banking. Through its centralized Sustainability Unit, strategic planning cycles, robust governance mechanisms, and focused efforts in risk underwriting, business, and operations, the Bank aims to promote sustainability, address ESG factors, and ensure positive impact on the environment and society while upholding high standards of governance.

(Read more about the ESG section on page 79)





# Business Overview

With a comprehensive suite of banking products and services, IndusInd Bank caters to the diverse needs of individuals, businesses, and corporates. Guided by a customer-centric approach, the Bank is committed to delivering personalized solutions and building long-lasting relationships with its valued customers.





# Consumer Banking

IndusInd Bank prioritizes its customers' financial well-being and convenience, offering a wide range of tailored banking solutions.



## Consumer Liabilities

The Consumer Bank business sustained its growth trajectory, experiencing robust expansion on the liabilities front across all client segments. A key element of the Bank's strategy is the realization of deposits and the Consumer Bank made significant progress in this area. Consumer Liabilities witnessed an impressive Y-o-Y growth, primarily fueled by the acquisition of new customers, branch expansion, strengthened client relationships and effective cross-selling across various business units. These achievements were made possible through concerted efforts across client segments, employing a comprehensive approach to attract retail deposits by leveraging the potential of digital technology and analytics.

## NRI Banking

The NRI segment has demonstrated continuous growth, with IndusInd Bank's market share in NRI liabilities doubling since March 2019. This achievement has established the Bank as a vital player in the NRI banking landscape. In a bid to further strengthen its position, the Bank relaunched its Indus Fast Remit platform in specific corridors, enabling NRI clients to send money to India using a multi-partner platform. In the years ahead, the Bank will continue enhancing this platform by expanding partner options and currencies. Underscoring its commitment to the NRI community, IndusInd Bank introduced a global offering through its IFSC GIFT City branch - International Banking Unit (IBU).

## SME and Merchant Acquiring

The Bank focused on strengthening its Merchant Acquisition business by making notable improvements to the Indus Merchant Solutions (IMS) App and enhancing its digital payment collection capabilities. As part of its commitment to providing comprehensive payment solutions, the Bank introduced a 4G sandbox to its range of offerings for merchant communities. This addition contributed to a threefold increase in the Bank's merchant base as of March 2023, compared to the previous year. The expansion of the Bank's geographic reach, coupled with the enhanced productivity facilitated by the IMS App, was instrumental in achieving this growth. Furthermore, the Indus Merchant Solutions App received recognition at the 10th edition payment industry awards in 2023, winning the esteemed title of Best Merchant Acquirer of the Year.

## Retail Payments

The retail deposit growth surpassed market expectations, attributable to the higher-than-average growth in UPI transactions. The transaction velocity per debit card user stood at an impressive 10 transactions per month, exceeding the industry average of 9 transactions per month. This achievement was made possible through persona-based campaigns designed to encourage digital payment activation across various channels and merchant categories. To further incentivize card usage, the Bank introduced the market-leading Delights Debit card, offering esteemed customers up to 5% cashback on transactions across merchant categories, thus driving card spending. Additionally, the Bank upgraded its IndusMobile app to enhance user experience, introducing auto-pay facilities for bills and offering the convenience of making recharge payments through Bank accounts or cards as payment options.

## Client Wealth Management

The Bank is dedicated to providing its customers with a diverse range of wealth and risk solution services that enable them to achieve their financial goals and secure their future. With a focus on customization, the Bank offers a comprehensive suite of products and services tailored to meet the specific needs of each client. To ensure convenience and accessibility, the Bank is committed to investing in digital solutions for the seamless delivery of wealth and risk products through various channels.

## Retail Assets and Credit Cards

Retail Assets and Credit Cards (RACC) offer a wide range of services to cater to various financial needs. IndusInd Bank's asset franchise includes Retail Agriculture, Loan Against Property, Credit Cards, Personal Loans, Business Loans, Loan Against Card Receivable, Gold Loans, Healthcare Finance, ODFD, and Loan Against Securities. It also soft-launched Prime Home Loans in select geographies.

(Read more about Consumer Banking on page 45)





# PIONEER Banking

IndusInd Bank offers bespoke banking solutions to the Affluent and HNW client segments across India and International Markets, through its flagship brand PIONEER Banking and Wealth Management. Through this brand the Bank has built a strong foundation based on trust, transparency, convenience and service.

PIONEER is a bespoke, high-end program with a team of experts who work dedicatedly towards simplifying banking and wealth management for our discerning clients. The specialized team leverages data analytics with a nuanced understanding of various sub-segments within the affluent clientele to provide timely insights and customized offers and handhold clients over the long term, in their journey from Wealth creation to Management to Preservation.

This unwavering commitment to delivering superior client service sets the Business apart, distinguishing it from the competition and fueling its growth.

PIONEER offers a comprehensive bouquet of products and services including credit and structuring solutions, trade and forex, customized wealth offerings, and offers GIFT City offerings for its NRI clientele.

The state-of-the-art PIONEER lobbies, managed by a dedicated team of Service RMs, provide an experience that is unparalleled in the industry. Customers can discuss their banking requirements in the comfort of a private meeting lounge or even book a



**PIONEER**  
the lost art of wealth management

Amidst all the chaos  
in the world,  
reap the benefits of  
a peaceful approach.

Indus Valley was the first to figure out the link  
between lasting peace and a prosperous  
civilization. We believe that this lesson should  
never be forgotten.





conference room to conduct their own private business meetings. Moreover, all thirteen PIONEER branches have been officially recognized by the United States Green Building Council (USGBC) through their LEED (Leadership in Energy and Environmental Design) certification program, including nine which are Platinum-certified.

PIONEER also offers 'Segment-first Metal Credit and Debit cards', unlimited rounds of golf games and lessons, unlimited international airport lounge access, premium movie vouchers, and invitations to VIP events, among a list of best-in-class perks to this select client segment.

As a result, PIONEER has increasingly become the brand of choice for discerning high-end customers.

The business continues on a high growth trajectory and is well poised to double in the current planning cycle. We also plan to launch PIONEER Private to cater to the top end of this segment with an upgraded PIONEER proposition.

(Read more about PIONEER Banking on page 47)

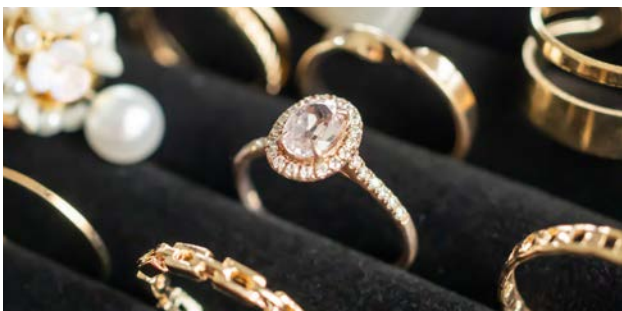




## Consumer Finance

IndusInd Bank recognizes the unique aspirations of its customers and provides a comprehensive range of solutions to meet their diverse needs. The Bank's vehicle loans offer a seamless journey toward the customer's desired mode of transportation. Whether it's a car, a bike, or any other vehicle, the Bank offers affordable financing options that align with customers' budgets and preferences. Additionally, in support of the government's Housing for All initiative, the Bank offers housing loans specifically tailored for the low-cost/affordable housing segments. The goal is to transform its customers' dream of owning a home into a tangible reality.

(Read more about Consumer Finance on page 47)



## Global Diamond and Jewellery Group (GDJG)

Being a leading player in the banking sector for the gems and jewellery industry, IndusInd Bank possesses a profound understanding of its unique requirements. It takes immense pride in being recognized as a 'Centre of Excellence' by the Gems and Jewellery Export Promotion Council (GJEPC) and awarded as the industry's 'Best Bank' for its exceptional financing services.

With its extensive knowledge of the industry and meticulous client onboarding and monitoring processes, the Bank offers comprehensive banking support to a diverse range of clients. This includes those engaged in rough trading activities, polished distribution, jewellery manufacturing and distribution, domestic retail jewellery, and lab-grown diamonds.

Product portfolio comprises pre/post-shipment credit, working capital facilities, domestic receivables finance, funding for gold bullion purchases, and international market services facilitated through its operations at Gujarat International Finance Tec-City (GIFT City).

(Read more about Global Diamond and Jewellery Group on page 49)



## Corporate and Commercial Banking Group (CCBG)

With a proven track record of serving multinational corporations and conglomerates, IndusInd Bank is a trusted provider of integrated banking solutions. Leveraging over a decade of industry experience, the Bank specializes in catering to diverse banking requirements by offering working capital, term loans, and structured facilities. Its dedicated Corporate and Commercial Banking Group is committed to address the ever-evolving financing needs of its clients, delivering tailored solutions for their expansion plans, strategic projects, and infrastructure support.

IndusInd Bank prioritizes meeting the high expectations of its clients and upholding exceptional service delivery standards. The Bank's range of financial products and services is designed to be comprehensive and customized, ensuring a perfect fit for their specific needs. Comprehensive corporate product suite offering of the Bank includes working capital finance, supply chain solutions, trade solutions (export credit, bill discounting, letters of credit and bank guarantees), cash management services, CapEx and project financing, strategic advisory & financing, capital markets solutions, global market solutions services and cross-selling of varied products and services.

(Read more about Corporate and Commercial Banking Group on page 50)

### Client coverage groups

IndusInd Bank's comprehensive client coverage extends to businesses of all sizes, ensuring that each one receives the attention and customized solutions they require. Whether it's partnering with global corporations and conglomerates to fulfill their diverse banking needs or providing specialized support to small, medium and large corporates. The Bank is dedicated to helping businesses thrive.



## 1 Global Corporate and Institutional Banking Group

Global Corporate and Institutional Banking Group provides integrated banking solutions to multinational corporates and conglomerates. With a decade of experience, tailored financial products and services to meet diverse needs, including working capital, term loans, and structured facilities. IndusInd Bank excels in handling complex financing requirements and deliver exceptional service standards. The unit aims to be a strategic and financing partner to its clients by providing tailor-made financial solutions, dedicated and bespoke coverage, and strong panel of embedded product partners and differentiated client & service delivery.

## 2 Corporate Banking Group covering large and mid-corporates

IndusInd Bank's Corporate Banking Group is dedicated to serving a diverse client base of mid to large-sized corporations. The Bank addresses all funding requirements, focusing on transactional working capital, term loan facilities, and structured deals tailored to its client's specific needs.

A key aspect of the group is the Bank's strategic approach to relationship lending. IndusInd Bank understands its client's business requirements and offers customized products and services that evolve with their needs. From strategic considerations to transactional demands across industries, the Bank supports the growth and success of clients.

(Read more about Corporate Banking Group on page 51)

## 3 SME Business Group

IndusInd Bank's SME Business Group is dedicated to fueling the entrepreneurial spirit of SMEs and driving their business growth. As a trusted banking partner, the Bank provides tailored financial solutions specifically designed for SMEs. Whether its customers are startups with ambitious dreams or established businesses seeking expansion, the Bank has the expertise and resources to support their journey.

IndusInd Bank understands that every business has a unique story, and the Bank helps its customers to write the next chapter. The Bank's wide range of banking services includes working capital loans, trade finance solutions, effective cash management, and cutting-edge digital banking tools. These services equip businesses with the necessary tools to navigate the dynamic business landscape confidently and flexibly.

(Read more about SME Business Group on Page 51)

## Specialized business verticals

IndusInd Bank is dedicated to delivering specialized banking solutions across a diverse range of industries through its specialized business verticals and sector expertise. Whether it's providing nuanced banking support to the healthcare sector or offering comprehensive offerings for real estate projects, the Bank has you covered. Its tailored solutions address the unique needs of each industry, empowering businesses to thrive and achieve their goals.



## 1 Healthcare

In the healthcare sector, the Bank aims to provide nuanced banking support to major players, including hospitals, diagnostic centers, and medical equipment manufacturers. The Bank's tailor-made solutions cater to the specific needs of these organizations, offering financing options for expansions, mergers and acquisitions, medical equipment, and supply chain management.

## 2 Financial services

IndusInd Bank's financial services unit is a powerhouse, catering to a diverse range of players in the financial sector. From NBFCs and HFCs to insurance companies, mutual funds, and public financial institutions, the Bank offers a comprehensive suite of products and services tailored to their unique needs.

## 3 Real estate

The Bank's real estate unit takes center stage, offering a diverse range of product offerings tailored to both commercial and residential projects. From providing financial support for construction projects to offering expert advisory services for REITs and syndication, the Bank is committed to empowering the growth and success of the real estate sector.

## 4 Education

With the education sector undergoing rapid transformations fueled by private investments, public-private partnerships, and government initiatives, IndusInd Bank sees great growth potential. The Bank is committed to providing specialized banking solutions and support to educational institutions, both public and private, as well as online players, to help them achieve their business goals.

## 5 Agriculture business group

IndusInd Bank follows a value chain financing approach that covers the entire Agri Value Chain, from farmers to agri-corporates. With its strong presence in 17 states and operations across 60 locations, the Bank has established a robust foothold in core Agriculture-based markets. The Bank's innovative Agri Project Finance, Agri Trade Finance, and Agri Infrastructure Finance products and services have garnered industry acclaim.

(Read more about Specialized Business Verticals on Page 51)



## Supply Chain Finance

The unit specializes in providing comprehensive financing solutions, including channel finance and vendor finance, to meet the financing needs of dealers and vendors working with large and mid-sized corporations across various industries, with a focus on sectors such as automotive, steel, and consumer durables. The unit has built strong relationships with large corporations through its Supply Chain Finance product, supported by a dedicated team, attractive product offerings, and efficient services.

(Read more about Supply Chain Finance on Page 52)

## Bharat Financial Inclusion Limited (BFIL)

With the acquisition of Bharat Financial Inclusion Limited (BFIL) in 2019, IndusInd Bank has bolstered its domain expertise in microfinance by offering asset and liability product solutions. With over two decades of operational experience, BFIL, a valued subsidiary, empowers the underserved segments through microfinance solutions, while the Bank's merchant acquiring services facilitate secure payments for businesses across industries.

(Read more about Bharat Financial Inclusion Limited on page 48)

## Private Sector Lending (PSL)

IndusInd Bank offers specialized services to meet the Priority Sector Lending (PSL) requirements set by the Reserve Bank of India. The Bank's tailored products cater to sectors such as agriculture, MSMEs, and underprivileged segments. With digital innovations and streamlined processes, it provides quick loan sanction and disbursement, empowering borrowers to access micro and small loans digitally. IndusInd Bank's focus on expanding in rural and semi-urban areas enhances accessibility and awareness of banking services. IndusInd Bank is committed to fulfilling PSL targets and contributing to the growth of priority sectors in alignment with regulatory guidelines.

## Investment Banking

The Investment Banking unit is a master conductor of financial symphonies, orchestrating exceptional corporate finance advisory services for Indian business conglomerates across a diverse range of sectors. Virtuoso expertise covers everything from BFSI and Renewable Energy to EV-mobility solutions, Fintech/ Digital Tech, Healthcare, Hospitality, Logistics, Education, Real Estate, and Industrials and Manufacturing.

With strategic prowess, the unit offers M&A Advisory, Private Equity Advisory, and Debt Capital Markets solutions, composing growth, capitalization, and consolidation for its clients. This is performed through its deep connections with the investor community, market intermediaries, and domestic and international corporates, making the unit the maestro of equity and debt, harmonizing it all into a seamless, one-stop symphony of financial solutions.

(Read more about Investment Banking on page 52)

## Public Sector Group

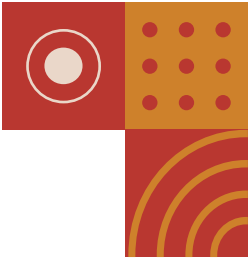
IndusInd Bank builds strong relationships with various Public Sector Undertakings (PSUs) and offers tailored solutions across trade, forex, cash management, and digital products. The Bank's comprehensive range of asset products, including term loans and working capital finance, is customized to meet the specific requirements of PSU clients.

The Bank also provides targeted retail banking products to PSU employees, such as salary accounts, credit cards, and retail loans. As a trusted banking partner, the Bank aims to increase its market share in this space and offer exceptional services to PSUs, which were traditionally served by larger banks.

(Read more about Public Sector Group on Page 53)








**BHARAT**  
Financial Inclusion Ltd  
Prayaas se pragati

A 100% subsidiary of IndusInd Bank Limited



# Prioritizing People

At IndusInd Bank, employees are the cornerstone of success. Within the Bank, a culture is fostered that empowers employees to excel and achieve their professional goals. The core values revolve around client-centricity, entrepreneurship, agility, excellence, execution, trust, compliance, and governance.

The Human Resources agenda is focused on providing a positive work experience. Across the organization, top talent is acquired and retained by creating growth opportunities leading to stronger employee relations, wherein employee welfare and wellness is prioritized.

The Bank takes pride in being recognized as a 'Great Place to Work', with emphasis on credibility, respect, fairness, pride, and camaraderie.



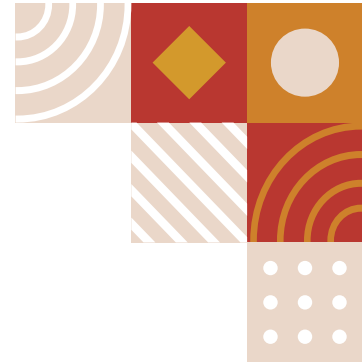


# Key Highlights

## Employee Headcount

As of March 31, 2023, the employee headcount reached **38,179.**

The Bank prioritizes diversity and has launched all-women branches across the country.



## Diversified Hiring Channels

IndusInd Bank utilizes various channels for hiring, including referrals, job portals, consultants, and social media platforms. The Bank focuses on campus hiring and partnerships to onboard fresh talent.

## Robust Succession Planning

IndusInd Bank has a strong succession planning process to ensure smooth leadership transitions and develop internal talent for future positions.

## Learning and Development

The Bank's learning programs include customized roadmaps, e-learning, leadership development, and certifications. In FY2023, we conducted over

**1,445,000** virtual learning man-hours.

## Performance Management

The Bank has a performance management process aligned with business objectives, emphasizing

### SMART

goals and regular feedback conversations.

## Attracting, Rewarding, and Retaining Talent

IndusInd Bank offers competitive compensation based on performance and criticality. Long-term incentives, job enhancements, and work-life balance contribute to employee retention.

## Employee Experience and Engagement

The Bank prioritizes engagement through webcasts, programs, celebrations & employee benefits. IndusInd Bank reaches out to every employee at a particular stage in his/her work life-cycle to track & action upon the real-time feedback.



## Employee Welfare and Digitization

The Bank supports employee welfare through initiatives such as paternity leave, pre & post maternity benefits, a women's leadership program and a plethora of other benefits. Digitization, along with an AI Bot-based HR mobile app, enhances efficiency, employee satisfaction and correctness of information while complying with the required regulatory norms.

IndusInd Bank values its employees and strives to create an exceptional work environment for their growth and success.

(Read more about Human Resources practices on page 62)



# Employee Testimonials



### Sumeet Sharma

Zonal Manager  
Client Experience Group  
Gurugram

I would like to highlight the extra effort taken by the management in increasing the Medclaim limit. We were provided the facility to avail top-up option of up to five Lakhs, over and above the existing policy (on a minimum premium increase vis-à-vis competition). This has really helped cater to the extended medical requirements of my family, including my parents.



### Ajay Kumar Syal

Regional Head - Defence Banking  
Government Banking Group  
Gurugram

Considering the ever-increasing medical expenses, the management has made an exceptional effort to help its employees by upgrading the existing Medclaim Policy and offering a top-up option. Employees can now benefit from it based on their individual requirements, saving them from unwanted and unexpected additional expenses that could dent our pockets. The upgraded Medclaim Policy covers almost everything, including a list of various major and minor monthly treatments. I would like to express my gratitude to the management for supporting all of us by providing such an option to all employees and their families.



### V Anuradha

Senior Manager - Legal  
CFD Controlling Office  
Tamil Nadu

The enhancement in the amount of medical top-up coverage for the employee and dependents with nominal premium amount has helped me and my family with financial security and peace of mind. It was a relief at the time of medical emergencies that the exorbitant medical bills were taken care of.



### C S Balasubramaniam

CR-Credit  
CFD Controlling Office  
Tamil Nadu

The arrival of a newborn is a wonderful as well as a challenging phase in one's life. IndusInd Bank's progressive Paternity Leave Policy enabled me to support my spouse at this crucial juncture. It feels great to know that our organization cares and understands the responsibility of a new parent.



**Ali Imam Zaidi**

Zonal Manager – TDM  
Trade Desk Management  
Kolkata

I would like to express my sincere gratitude to the recent implementation of the Paternity Leave Policy. As an employee of the Bank, I have witnessed firsthand the positive impact this policy has had in enabling me to spend quality time with my better half and newborn, and for me to fully enjoy parenthood. This has not only boosted my satisfaction level, but made me feel that at IndusInd Bank, we care for the employee!



**G Karthick Kumar**

System Analyst – DM  
Information Technology  
Chennai (South)

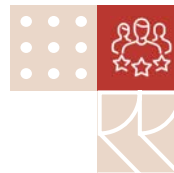
I would like to thank IndusInd Bank for introducing the Paternity Leave Policy. It gave me an opportunity to be a primary caregiver. I was able to spend time with my newborn baby and take care of my wife as well. I really appreciate the initiative taken by the Bank for its employees.



**Monika Prakash**

Regional Marketing Manager  
Marketing  
Patna

The introduction of Indus Cares has provided me with greater flexibility in managing my work schedule in this crucial period of my life. This has allowed me to strike a better balance between my professional and personal life leading to reduced stress levels and increased productivity. Through this initiative, the Bank has demonstrated its commitment to our overall well-being and has provided much-needed support for motherhood.



**Ameya Suresh Mainkar**

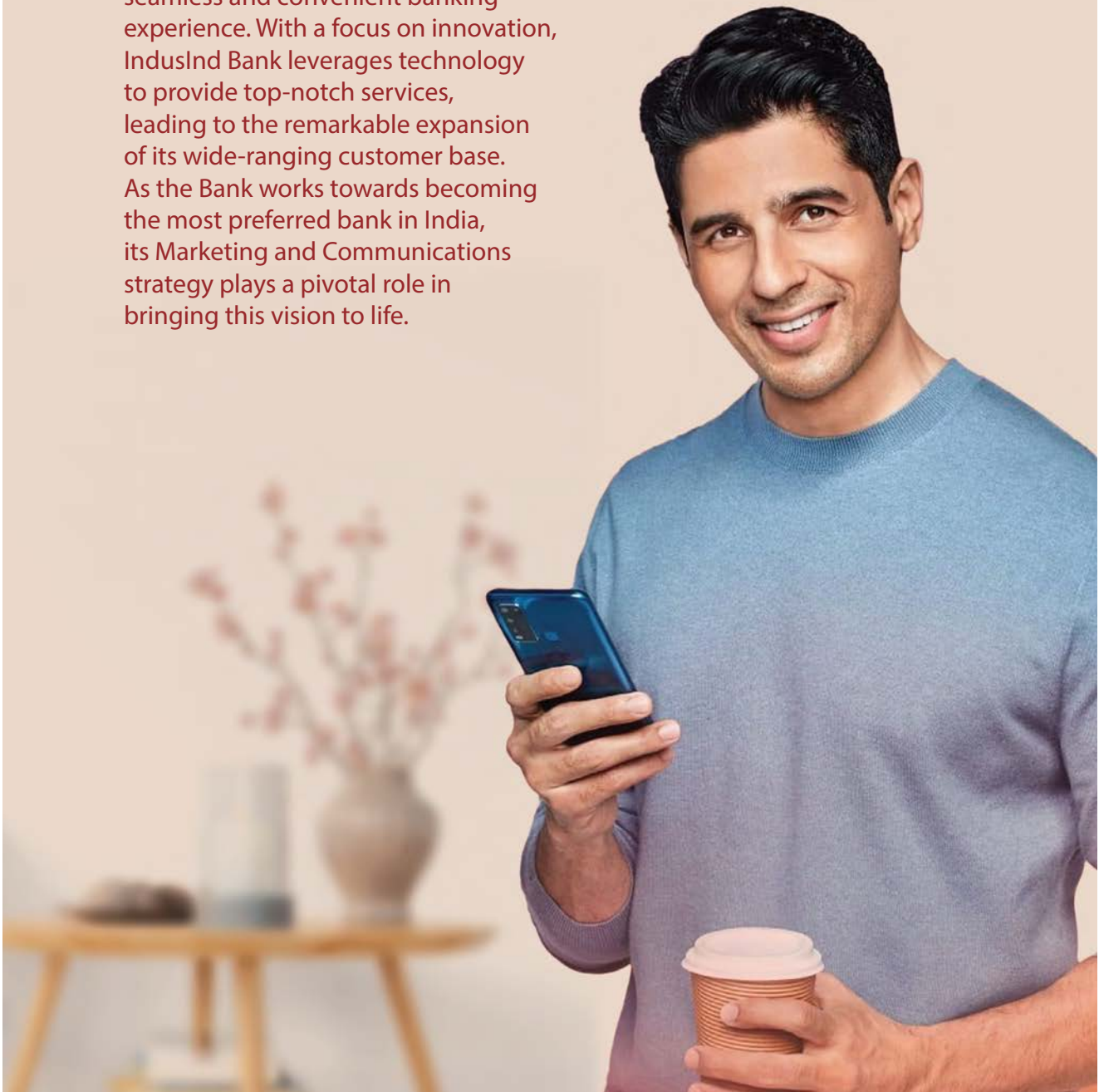
Finacle Application Support  
Information Technology  
Mumbai

I am thankful that IndusInd Bank has implemented a Paternity Leave Policy and I have been one of the first few to benefit from it. This time it was very vital and I was able to be there with my wife and newborn, and share and enjoy the special moments of parenthood with my family. It not only helps us to spend time with family but also makes us feel that IndusInd Bank cares for its employees.



# Branding and Marketing

IndusInd Bank is committed to providing its customers with a seamless and convenient banking experience. With a focus on innovation, IndusInd Bank leverages technology to provide top-notch services, leading to the remarkable expansion of its wide-ranging customer base. As the Bank works towards becoming the most preferred bank in India, its Marketing and Communications strategy plays a pivotal role in bringing this vision to life.





## Consumer-centric efforts

IndusInd Bank signed Siddharth Malhotra, the renowned Indian film actor, as the face of its 360-degree campaign. His popularity spanning across diverse customer demographics made him the perfect choice as the Bank's brand ambassador. With this, the Bank showcased the value proposition of its Savings Accounts, catering to the evolving banking needs and lifestyles of its customers.

Under the tagline 'Savings Account ho toh aisa,' the Bank unveiled an array of attractive offers and features that make banking with IndusInd Bank beneficial. This includes attractive interest rates on Fixed Deposits and Savings Accounts, free airport lounge access, autopay for utility bills and subscriptions, exciting discounts on food and groceries, buy one get one free movie tickets, and even India's first Debit-cum-Credit Card - DUO Card!

To ensure that the campaign reaches far and wide, IndusInd Bank embraced both digital and print platforms. The Bank's ads graced the pages of prestigious publications like The Times of India and The Economic Times. The Bank aired captivating TV commercials during prime-time slots, capturing the attention of English news, general English, business news, and English movie channels. IndusInd Bank also made its presence felt on popular digital platforms like YouTube, Facebook, and Instagram, garnering over 40 million views within a mere three weeks.



As restrictions eased and dining out regained popularity, the Bank seized the opportunity to launch the EazyDiner Credit Card in partnership with EazyDiner. This co-branded credit card caters specifically to the premium dining space, rewarding frequent diners with an unforgettable experience. IndusInd Bank's product lineup expanded even further with the introduction of 'Prime Home Loans.' The Bank aimed to meet the growing demand of customers seeking independent living, providing them with a comprehensive solution.

Additionally, IndusInd Bank unveiled three new PIONEER branches in Bengaluru, Chennai, and Jaipur, capturing affluent markets and delivering full-stack banking and wealth management solutions to a diverse customer base.

## Collaborative efforts

IndusInd Bank also embarked on a remarkable partnership with British Airways Executive Club and Qatar Airways Privilege Club, introducing a multi-branded credit card powered by Visa. This groundbreaking collaboration aims to enhance customers' travel experience, offering best-in-class rewards and benefits with exclusive access to airport lounges, companion vouchers, bonus miles, and much more. A pan-India press release celebrated this partnership, creating a buzz among the Bank's target audience and travel enthusiasts.

The Bank launched the #BankOnHappiness campaign, where it went above and beyond to make its customers' festive season truly memorable. The Bank provided offers, discounts, and generous cashback across various categories, including online shopping, dining, travel, and entertainment.

## Awareness and well-being

IndusInd Bank takes clients' security seriously. IndusInd Bank launched the #DamnTheScam campaign with data security at its core. The Bank believes in educating and empowering its customers with knowledge and awareness to protect themselves from financial fraud. With the help of creative visuals and witty comic characters, essential tips and information on safe banking practices were shared.

IndusInd Bank cares about its employees equally. The Bank believes in fostering a fitness, wellbeing, and work-life balance culture. The Bank also launched the IndusInd ForSports initiative, encouraging its employees to embrace a healthy lifestyle. From life lessons through sports to desk exercises, marathons, and cricket tournaments, the Bank has created a supportive environment where employees can thrive both personally and professionally.

Throughout the year, the Bank conducted numerous customer engagement programs and below-the-line activities. From activities for senior citizens and health check-ups to traders' connect sessions and celebrations of national and international days, IndusInd Bank left no stone unturned in engaging with its customers and strengthening the relationship with them.

IndusInd Bank's relentless pursuit of becoming the ultimate "Employer of Choice" culminated in a valuable partnership with the renowned Great Place to Work organization, leading to a remarkable certification that substantially elevated employee morale and engagement.

At IndusInd Bank, it's not just about banking but also about transforming lives, sparking joy, and creating a meaningful impact. The journey continues, and the Bank looks forward to exceeding the client's expectations with its innovative products, exceptional service, and commitment to their financial well-being.

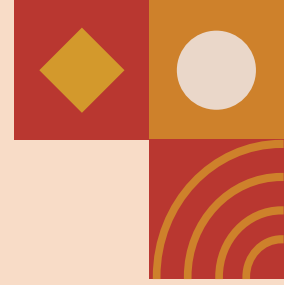
IndusInd Bank orchestrated a myriad of BTL and customer engagement initiatives throughout the year, thoughtfully aligning them with noteworthy occasions, festivals, and prominent international days. From Senior Citizen events and Health check-ups to Traders Connect and Independence Day celebrations, these diverse activities nurtured lasting bonds with customers while reinforcing their profound banking relationship with the Bank.

(Read more about branding and marketing efforts on page 68)





# Awards and Recognitions







## Digital CX Award

IndusInd Bank was bestowed with the highly acclaimed award for Outstanding Digital CX Payments & Collection Services at the Digital CX Awards 2022

## Asiamoney Best Bank Award 2022

IndusInd Bank was adjudged as the Best Bank for ESG –India at the Asiamoney Best Bank Award 2022

## Celent Model Bank 2022

IndusInd Bank was awarded the 'Celent Model Bank' award under the category – 'Payments System Transformation' for building a best-in-class Enterprise Payments Hub (EPH)

## ET CX Award 2022

IndusInd Bank was recognized as one of the most customer centric brand and was awarded at the 3rd Edition of ET CX Summit 2022

## Governance Now 5th India BFSI Conclave & Awards

IndusInd Bank was awarded by 'Governance Now' under the category – 'SME Connect' for initiating 'Indus Credit for Business'.

## The Asset Triple Asian Awards 2022

IndusInd Bank was awarded the Best SCF Solution Award for various clients at The Asset Triple Asian Awards 2022.

## MeitY-Digidhan Dashboard for Digital Payments

MeitY ranked IndusInd Bank #1 amongst Private Banks for FY2022 on its Digidhan Dashboard for Digital Payments

## Marksmen

IndusInd Bank was honored as the "Most Preferred Workplace 2022–23" by Marksmen

## Euromoney 2022 Market Leaders Award

IndusInd Bank was ranked as a Market Leader for ESG in India by Euromoney 2022

## Global Transaction Banking Innovation Awards 2022

At the Global Transaction Banking Innovation Awards 2022, IndusInd Bank was awarded for:

Best Transaction Banking Innovation Lab

Best ERP Integration Initiative

Outstanding use of Technology in Cash and Liquidity Management

## Escorts Kubota Ltd

Escorts Kubota Ltd. awarded the IndusInd Bank – TFE Team for being the Number 1 Financier for 2 consecutive Financial years

## Bharat FinTech Summit 2023

IndusInd Bank won the Best CIO award at the Bharat FinTech Summit 2023

## 10th Payments Industry Awards, 2023

IndusInd Bank's Indus Merchant Solutions App was awarded the Best Merchant Acquirer of the Year at the 10th Payments Industry Awards, 2023

The EazyDiner IndusInd Bank Credit Card was awarded the Best Co-brand Card at the 10th Payments Industry Awards, 2023

## CSR Journal Excellence Awards

IndusInd Bank's Education and Skill Training Initiative, particularly the Early Learning and Language Program, garnered nationwide acclaim at the esteemed CSR Journal Excellence Awards

## 9th National CSR Summit and CSR Times Awards 2022

The 'Go Sports—Para Champion Program' by IndusInd Bank achieved an extraordinary feat, secured an award under the distinguished 'Promotion of Sports' category at the 9th National CSR Summit and CSR Times Awards 2022

## UBS Forum

IndusInd Bank's Blind Cricket Program was recognized as the 'Project of the Year' at the UBS Forum

The UBS Forum recognized IndusInd Bank's 'Early Learning and Language Programme' with the esteemed 'Best CSR Impact Award,' earning widespread recognition and appreciation nationally

## FICCI CSR Awards

At the 20th edition of the FICCI CSR Awards, IndusInd Bank's 'Early Learning and Language Programme' secured the esteemed award in Category 3: Education





# Corporate Information

## Board of Directors

(as on March 31, 2023)

**Mr. Sunil Mehta**  
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. Pradeep Udhas**  
Director

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

## Company Secretary

**Mr. Anand Kumar Das**

## Auditors

**M/s. M S K A & Associates**

Chartered Accountants  
602, Raheja Titanium, Western Express Highway, Geetanjal Railway Colony,  
Ram Nagar, Goregaon (East), Mumbai - 400063.  
Tel: (022) 62280817

**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

**Company CIN:** L65191PN1994PLC076333

## Registered Office

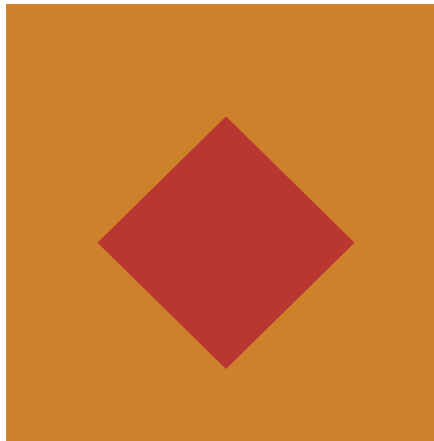
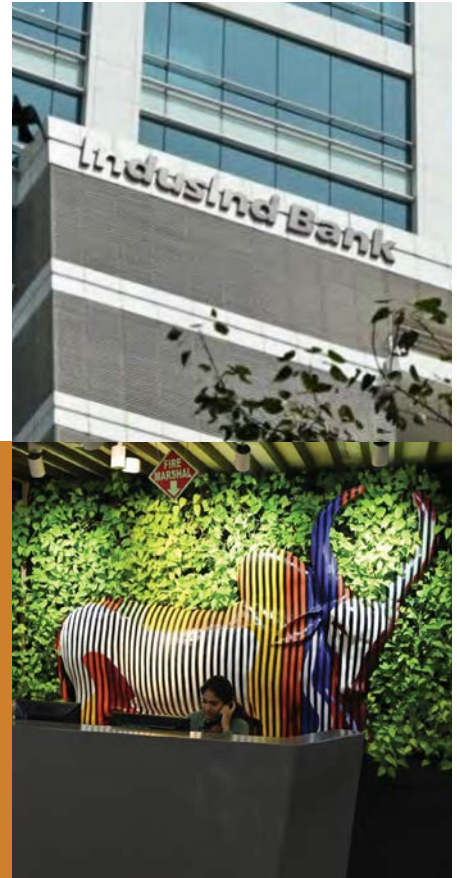
2401, Gen. Thimmayya Road (Cantonment),  
Pune - 411001, India.  
Tel: (020) 69019000

## 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





## Management Discussion & Analysis

### 1. Macroeconomic and banking environment

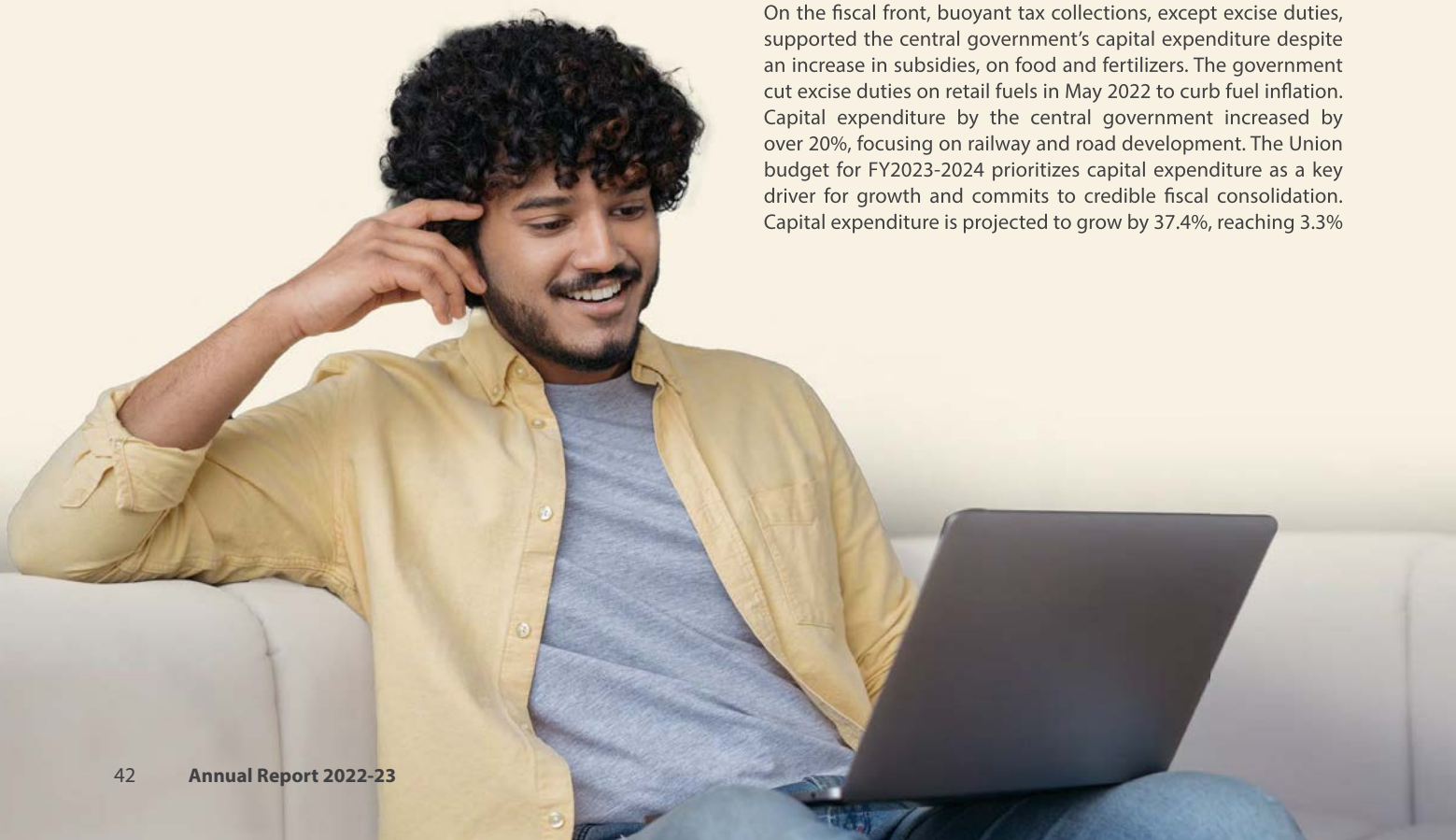
The Indian economy showed resilience despite multiple global shocks during FY2023, facilitated by its domestic orientation. India emerged as the fastest-growing large economy globally, after fully recovering from the COVID-19 pandemic. However, the global economic challenges intensified throughout the year, particularly with the Russia-Ukraine conflict, which drove up commodity prices, especially energy and food, leading to increased inflationary pressures. In major advanced economies, inflation reached multi-decade highs.

According to the International Monetary Fund (IMF), global inflation rose to 8.7% in 2022 from an average of 3.7% in the previous five-year period. This increase was driven by strong demand, supply chain bottlenecks and a rise in energy prices. China's Zero-Covid policy put pressure on global supply chains, prompting interest in the 'China Plus One' strategy to secure critical inputs and products. In the United States, consumer price index (CPI) inflation reached a 40-year high of 9.1% in June 2022, significantly exceeding the US Federal Reserve's target of 2%. In response, the US Fed raised the Fed funds rate by 450 basis points over the year, resulting in a 20-year high for the US dollar. Other major central banks, including the Reserve Bank of India (RBI), also raised rates to control inflation, leading to a synchronized global monetary tightening. This tightening of global financial conditions resulted in significant capital outflows from emerging markets and exchange rate depreciation as a result. Higher commodity prices widened India's current account deficit (CAD), adding to the exchange rate pressure.

Despite these challenges, the Indian economy experienced 7.2% real GDP growth in FY2023, driven by domestic growth drivers of private consumption and public investments. The normalization of contact-intensive services and a resilient agricultural sector supported private consumption. The capital formation rate increased, supported by public sector capital spending. However, the manufacturing sector faced challenges due to higher input costs. The external sector, had a large negative impact on growth, with imports surpassing exports, particularly in the first half of the year. Goods and services exports reached \$750 billion, with strong growth in IT services helping to counter the drag from commodity prices and increased demand for merchandise imports. India is expected to contribute 15% of global growth in 2023. The International Monetary Fund (IMF) predicts global growth to slow down to 2.8% in 2023 from 3.4% in 2022.

Macroeconomic policy focused on supporting recovery and sustaining growth. The fiscal policy aimed to bolster public investments to create a favorable environment for private capital expenditure. Monetary policy shifted its focus to curbing inflation and withdrawing pandemic era stimulus. The Monetary Policy Committee (MPC) raised the Repo rate by 250 basis points over the year to 6.50% as Consumer Price Index (CPI) inflation rose to an average of 6.7% in FY2023 from 5.5% in the previous year. Inflation remained above the upper end of the target band for the first seven months, driven by higher food and core inflation. Surplus liquidity in the banking system decreased significantly due a balance of payments deficit, higher currency-in-circulation and government cash balance buildup. Higher policy rates and tighter liquidity conditions led to an increase in sovereign yields across the curve, particularly in the shorter tenors.

On the fiscal front, buoyant tax collections, except excise duties, supported the central government's capital expenditure despite an increase in subsidies, on food and fertilizers. The government cut excise duties on retail fuels in May 2022 to curb fuel inflation. Capital expenditure by the central government increased by over 20%, focusing on railway and road development. The Union budget for FY2023-2024 prioritizes capital expenditure as a key driver for growth and commits to credible fiscal consolidation. Capital expenditure is projected to grow by 37.4%, reaching 3.3%





of Gross Domestic Product (GDP), up from an average of 1.7% during 2010-2020. The fiscal deficit target is set at 5.9% of GDP, down from 6.45% in FY2023. The government aims to consolidate its fiscal position by controlling subsidies and other revenue expenditures. However, gross borrowings would increase, which would put pressure on sovereign bond yields. The budget proposals focus on infrastructure development, digitization, and transitioning to green energy.

In the banking sector, credit growth accelerated to 15% from 9.6% in FY2022, surpassing deposit growth of 9.6%. Non-food credit growth was widespread across sectors, regions, population groups, organizations, account types, and Bank groups. Compared to the previous fiscal year, incremental non-food credit flow nearly doubled. While retail loans and loans to the services sector led the surge, industrial credit also gained momentum. Going forward, sustaining the current pace of credit growth may prove challenging due to slower deposit growth and significantly higher lending rates. Repo rate increases were effectively transmitted to deposit and lending rates, especially in the second half of the year, aided by the moderation of surplus liquidity and the External Benchmark Lending Rate (EBLR) regime for loans.

On the external front, the Indian Rupee depreciated by 8.4% against the US dollar over the year. A larger Current Account Deficit (CAD) due to a surge in the merchandise trade deficit, net portfolio capital outflows, and repayment of external commercial borrowings, led to an overall Balance of Payments (BoP) deficit. As a result, the RBI's foreign exchange reserves declined by \$29 billion, ending the year at \$578.4 billion, still providing a comfortable buffer for adverse external shocks, equivalent to 9.8 months of imports.

Looking ahead, the Indian economy faces strong headwinds from tighter global financial conditions, persistently high global inflation, uncertainty surrounding oil prices due to the Russia-Ukraine conflict and OPEC+ production cuts, the reopening of the Chinese economy, and new financial stability concerns. The IMF now estimates a 15% chance of a global recession in FY2023, assuming higher rates and tighter lending conditions with investors adopting a risk-averse approach. India's growth is expected to slow down due to the withdrawal of monetary stimulus and weak external demand and will continue to be driven by private consumption and investments. The Union budget FY2023-2024 aims to boost capital expenditure in transport, logistics, and renewable energy in order to crowd-in private investments. Public investments are expected to have a multiplier effect on private sector investments over the next three years. A recovery in private investment activity is anticipated, marking a long-awaited upturn in the investment cycle. The focus on developing the domestic manufacturing sector through policies like the production-linked incentive (PLI) scheme, investment in physical infrastructure, and a robust public digital infrastructure bodes well for investment activity and sustainable credit growth.

### 1.1. Outlook

Financial stability concerns with sharply higher policy rates in advanced economies came to the fore, in the backdrop of regional bank failures in the US in March 2023 and the resultant contagion risks. Financial stability risks in India are contained as the RBI has focused on macro and micro-prudential measures in recent years to prevent the build-up of financial vulnerabilities. The Indian banking system remains sound and healthy, with strong capital and liquidity positions, improving asset quality, better provision coverage and improved profitability.

Moody's Investor Service shares a similar perspective, as this renowned global credit rating agency believes that the banking sector in India maintains a stable outlook. This positive outlook is underpinned by the country's economic growth and improved financial performance. Moody also anticipates that rising

inflationary pressures will prompt companies to rely on domestic banks to fulfill their financing needs at more affordable rates. This trend is expected to contribute to the sustained recovery in credit growth, which commenced in FY2023 and is projected to be around 15%.

## 2. Business Overview

During FY2023, the macroeconomic environment remained challenging, marked by geopolitical uncertainties, inflationary pressures and liquidity tightening. Amidst these the Bank remained steadfast in executing and delivering on strategic objectives. The Bank saw consistent improvement across business parameters while maintaining robust position across sustainability metrics. Deposits growth was healthy at 15% Y-o-Y driven by granular retail deposits as defined by Liquidity Coverage Ratio (LCR) which grew by 19% Y-o-Y. Loan growth accelerated to 21% Y-o-Y with broad-based contribution across business units. Profit After Tax (PAT) for the year increased by 60% Y-o-Y at ₹7,389.72 crores with Return on Assets (ROA) and Return on Equity (ROE) of 1.81% & 14.53%, respectively.

### 2.1. Planning Cycle 5 Outcome

The Bank completed final year of our Planning Cycle 5 (PC-5) in March 2023 and final outcomes are broadly in line with the stated objectives:

**1. Retail Liabilities Surge:** The Bank progressed towards building robust retail deposit franchise with 74% of incremental deposits during the last three years coming from granular retail LCR deposits and CASA. The share of retail deposits is now at 43% compared to 31% at the beginning of PC-5 and concentration of top-20 depositors reduced to 16% from 23%.

**2. Fine-tuning Corporate Banking Approach:** This was one of the key focus areas for the Bank at the start of PC-5 and the Bank has realigned the corporate banking approach towards granular annuity driven business and steadily pivoted towards growth. Share of A & above rated portfolio increased to 73% from 63% in March 2020.

**3. Holistic Rural Banking:** The Bank continued to leverage its deep rural distribution network with holistic offerings via Bharat Financial Inclusion Ltd. (BFIL) and rural branches. The share of rural loans now stands at 19% of the Bank's loan book.

**4. Scaling Up Domains:** Our domains have delivered strong risk adjusted returns across credit cycles and this period was no different amidst multiple macro challenges. The Bank saw recovery in growth following asset quality outperformance and domains now contribute 42% of our loan book.

**5. New Growth Boosters:** We continued scaling-up our PC-4 and PC-5 initiatives including Affluent Banking, NRI Banking, Tractor Finance, Affordable Housing & Merchant Loans etc.

Overall, the Bank has strengthened its position across sustainability metrics and closed the PC-5 a capital adequacy ratio of 17.86%, Provisioning Coverage Ratio (PCR) at 71% with contingent provisions of ₹1,900 crores, Credit Deposit ratio at ~86%, Liquidity Coverage ratio at ~123%, Operating profit margin in excess of 5.5% of loans.





## 2.2. Planning Cycle 6 Strategy

The Bank finalized its Planning Cycle 6 strategy for the next three years' period till FY26. The focus is clear towards Growth, building Granularity with relentless focus on Governance i.e. 3G in short. The strategy for PC-6 is 'Market Share with Diversification' where the Bank will maintain or gain market share in key businesses building diversification in certain areas to improve risk adjusted return profile of the Bank. We have outlined key themes driving our strategy:

**1. Continuing Retailization Journey:** The Bank believes this as a work in progress agenda while we have come a long way in the last 2-3 years. The Bank will continue its sharp focus on retailization of deposits and aim to increase share of retail deposits to 45%-50% by the end of PC-6.

**2. Diversifying Domains:** Domains have delivered strong risk adjusted return for the Bank across cycles and the Bank will continue to grow these domains while diversifying via launch/scale-up of new initiatives. The Bank will continue to build on its leadership position across vehicle categories while diversifying the portfolio with scale-up of used vehicle & affordable housing portfolio. The Bank aims to transition from microfinance to micro-banking with aim to become banker of choice for rural India. For Gems & Jewellery, the Bank is going with community banking approach with focus on capturing the entire ecosystem.

**3. Scaling Sub-Scale Businesses:** Building scale in current sub-scale businesses is a key focus area for PC-6. The Bank has multiple initiatives in place including comprehensive mortgage backed loans with launch of home loan, driving MSME penetration with broad-based offering, scaling-up PC-5 Initiatives like Affluent Banking, NRI banking, Merchant offering.

**4. Accelerating Digital 2.0:** Digital bank has been carved out as distinct business unit focused on delivering innovative customer centric solutions across Individual & MSMSE segments with a goal to build a profitable digital bank.

**5. Imbibing ESG into Business:** Sustainability continues to be core to the Bank's philosophy and the Bank continues to take various initiatives with focus on incorporating Environmental, Social and Governance (ESG) into overall business.

Overall, the PC-6 strategy is aligned towards Bank's long term goal of delivering 'Sustainable Growth' and with multiple initiatives in place the Bank is well equipped to progress towards its strategy of delivering 'Market Share with Diversification'.

## 2.3. Operating Performance

The salient features of the Bank's Operating Performance during FY2022-23 are summarized in the table below:

(₹ in crores)			
Particulars	FY22-23	FY21-22	Y-o-Y Growth
Interest Earned	36,367.92	30,822.44	17.99%
Interest Expended	18,775.80	15,821.60	18.67%
<b>Net Interest Income</b>	<b>17,592.12</b>	<b>15,000.84</b>	<b>17.27%</b>
Non-Interest Income	8,166.37	7,334.20	11.35%
<b>Revenue</b>	<b>25,758.49</b>	<b>22,335.04</b>	<b>15.33%</b>
Payment to Employees	3,030.52	2,488.34	21.79%
Other Expenses	8,008.05	6,749.74	18.64%
<b>Operating Expenses</b>	<b>11,038.57</b>	<b>9,238.08</b>	<b>19.49%</b>
Operating profit before Depreciation, Provisions and Contingencies	14,719.92	13,096.96	12.39%
Depreciation	373.44	321.21	16.26%
<b>Operating Profit</b>	<b>14,346.48</b>	<b>12,775.75</b>	<b>12.29%</b>
Provision and Contingencies	4,486.83	6,602.10	(32.04)%
<b>Profit Before Tax</b>	<b>9,859.65</b>	<b>6,173.65</b>	<b>59.71%</b>
Provision for Tax	2,469.93	1,562.53	58.07%
<b>Net Profit</b>	<b>7,389.72</b>	<b>4,611.12</b>	<b>60.26%</b>
<b>Net Profit (Consolidated)</b>	<b>7,443.49</b>	<b>4,805.03</b>	<b>54.91%</b>

## Key Balance Sheet Parameters:

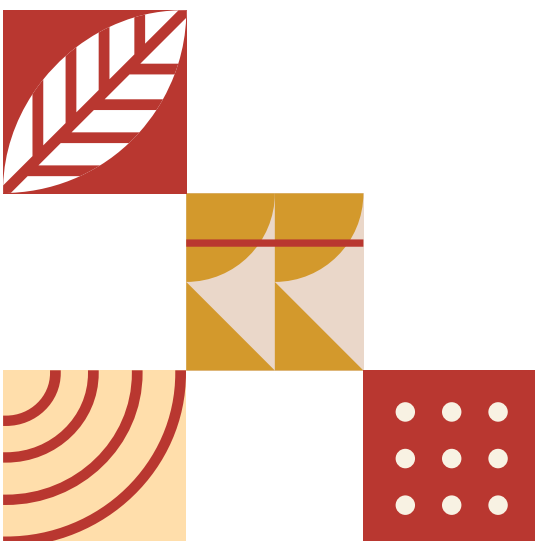
(₹ in crores)			
Particulars	FY22-23	FY21-22	Y-o-Y Growth
Deposits	3,36,438.14	2,93,681.35	14.56%
Advances	2,89,923.68	2,39,051.53	21.28%
Balance sheet size	4,57,804.05	4,01,974.58	13.89%

## 2.4. Business Performance highlights

LCR Retail deposits for the current year recorded a year-on-year growth of 19%, with the share of LCR Retail deposits increasing to 43% from 41% compared to the previous year. The Net Interest Margin (NIM) for the current year rose from 4.11% to 4.27%. This increase can be attributed to several factors, including improved disbursements, higher yields, a higher proportion of loans in the total balance sheet, and an enhancement in the share of retail loans to 54%.

The Bank's Net Interest Income experienced a growth of 17.27%, amounting to ₹17,592.12 crores, compared to ₹15,000.84 crore in the previous year. The Yield on Advances also improved to 11.68% from 11.56% in the previous year, while the Cost of Deposits increased to 5.32% from 4.78% a year ago.

Non-Interest Income witnessed a growth of 11.35%, reaching ₹8,166.37 crores from ₹7,334.20 crores. The increase in economic activities played a role in the rise of Core Fee Income, including commission, exchange, loan processing and account management fees, distribution of third-party products, and earnings from foreign exchange business, which grew by 30.64% to ₹7,685.33 crores compared to ₹5,882.89 crores in the previous year.





As of March 31, 2023, the Bank held Loan Related Provisions, which included a Specific provision of ₹4,041 crores for non-performing accounts (towards PCR), Floating provisions of ₹70 crores (towards PCR), Standard contingent provisions of ₹1,900 crores surplus outside PCR, and Standard asset provisions of ₹1,313 crores, excluding contingent provisions. The proportion of restructured loans to the total loan book was as low as 0.84% as of March 31, 2023.

Driven by improved Operating Profit and asset quality, the Net Profit of the Bank for the year increased by 60.26% to ₹7,389.72 crores compared to ₹4,611.12 crores in the previous year. The Bank's Net Non-Performing Assets Ratio improved to 0.59% as of March 31, 2023, and the Return on Assets for the year stood at 1.81%.

During the current year, the Bank did not raise any non-equity Tier 1 capital and Tier 2 capital. However, it redeemed unsecured, redeemable, subordinated Tier 1 Basel III compliant non-convertible taxable Bonds worth ₹1,000 crores by exercising the call option on April 18, 2022.

In terms of expansion, the Bank increased its branch network to 2,606 branches/banking outlets from 2,265 branches/banking outlets at the beginning of the year. Additionally, the extended network includes 2,878 ATMs, 3,303 branches of BFIL, and 582 outlets of IndusInd Marketing and Financial Services Private Limited, an associate entity.



### 3. Consumer Banking

#### 3.1. Consumer liabilities

The Consumer Bank business sustained its growth trajectory, experiencing robust expansion on the liabilities front across all client segments. A key element of the Bank's strategy is the realization of deposits and the Consumer Bank made significant progress in this area. Consumer Liabilities witnessed an impressive Y-o-Y growth, primarily fueled by the acquisition of new customers, branch expansion, strengthened client relationships and effective cross-selling across various business units. These achievements were made possible through concerted efforts across client segments, employing a comprehensive approach to attract retail deposits by leveraging the potential of digital technology and analytics. The Bank successfully launched an omnichannel advertising campaign highlighting its outstanding savings product, IndusInd's Savings, which was recognized as the industry's best by Financial Express in the previous year. Additionally, the Bank conducted an extensive campaign promoting its Merchant Payment solution and Current Account offering for retailers. As a result of these initiatives, the Bank achieved the highest-ever new Current Account and Savings Account (CASA) acquisition in FY2023, with market beating 21% Y-o-Y growth in retail deposits, solidifying the Bank's position as a market leader and enhancing its liabilities profile.

#### 3.2. NRI banking

The NRI segment has demonstrated continuous growth, with IndusInd Bank's market share in NRI liabilities doubling since March 2019. This achievement has established the Bank as a vital player in the NRI banking landscape. In a bid to further strengthen its position, the Bank relaunched its Indus Fast Remit platform in specific corridors, enabling NRI clients to send money to India using a multi-partner platform. In the years ahead, the Bank will continue enhancing this platform by expanding partner options and currencies. Underscoring its commitment to the NRI community, IndusInd Bank introduced a global offering through its IFSC GIFT City branch - International Banking Unit (IBU). To

provide NRI clients with a seamless onboarding experience, the Bank offers a robust NRI Non-Face to Face Digital Account Opening platform, allowing clients to open accounts from the comfort of their overseas homes. Recognizing the importance of dedicated services, IndusInd Bank has designated 203 branches as NRI-focused branches. Moreover, the Bank has established a strong Virtual Service team, digital banking platforms and 24x7 Toll-Free Call Center numbers in select countries to cater to NRI clients residing outside India.

#### 3.3. SME and Merchant acquiring

The Bank focused on strengthening its Merchant Acquisition business by making notable improvements to the Indus Merchant Solutions (IMS) App and enhancing its digital payment collection capabilities. As part of its commitment to providing comprehensive payment solutions, the Bank introduced a 4G sandbox to its range of offerings for merchant communities. This addition contributed to a threefold increase in the Bank's merchant base as of March 2023, compared to the previous year. The expansion of the Bank's geographic reach, coupled with the enhanced productivity facilitated by the IMS App, was instrumental in achieving this growth. Furthermore, the Indus Merchant Solutions App received recognition at the 10th edition payment industry awards in 2023, winning the esteemed title of Best Merchant Acquirer of the Year.

#### 3.4. Retail Payments

The retail deposit growth surpassed market expectations, attributable to the higher-than-market Y-o-Y growth in UPI transactions leading to best-in-class digital payments throughput per customer. The transaction velocity per debit card user stood at an impressive 10 transactions per month, exceeding the industry average of 9 transactions per month. This achievement was made possible through persona-based campaigns designed to encourage digital payment activation across various channels and merchant categories. To further incentivize card usage, the Bank introduced the market-leading Delights Debit card, offering esteemed customers up to 5% cashback on transactions across merchant categories, thus driving card spending. Additionally, the Bank upgraded its IndusMobile app to enhance user experience, introducing auto-pay facilities for bills and offering the convenience of making recharge payments through Bank accounts or cards as payment options.

#### 3.5. Client Wealth Management

The Bank is dedicated to providing its customers with a diverse range of wealth and risk solution services that enable them to achieve their financial goals and secure their future. With a focus on customization, the Bank offers a comprehensive suite of products and services tailored to meet the specific needs of each client. To ensure convenience and accessibility, the Bank is committed to investing in digital solutions for the seamless delivery of wealth and risk products through various channels.

The Bank has established a wide network of partners to offer a robust selection of Wealth and Risk Solutions. These solutions are made available through two life insurers, three general insurers, one standalone health insurer and more than 25 Asset Management Companies (AMCs).

As of March 31, 2023, the Bank managed substantial Assets Under Management (AUM) of ₹1,82,208 crores on behalf of its customers. These assets include investments in Mutual Funds, Portfolio Management Services (PMS), Alternate Investment Funds (AIF) and Demat accounts.



### 3.6. RACC – Retail Assets and Cards

RACC continued to scale up its asset franchise which inter alia includes Retail Agriculture, Loan Against Property, Credit Cards, Personal Loans, Business Loans, Loan Against Card Receivable, Gold Loans, Healthcare Finance, Loan Against ODFD, and Loan Against Securities. Additionally, the RACC team also soft launched Prime Home Loans in select geographies. Overall, in RACC FY2023, Retail Assets disbursements grew by 83% Y-o-Y and Cards Spends grew by 61% Y-o-Y, as a result, the book grew by 26% Y-o-Y.

Debt Management teams delivered superior performance across all key vectors, leading to significant improvement in risk cost. FY2023 risk costs were <2% of ANR (Average Net Receivables) and overall delinquencies closed at a record low for all key products.

#### 3.6.1 Retail Agriculture business

The Bank has sanctioned an impressive amount of over ₹2,600 crores to support more than 17,000 farming households across 105 districts in Madhya Pradesh, Gujarat, Haryana, Punjab, Kerala, Rajasthan, Maharashtra and Chhattisgarh. These funds are intended to aid Agricultural and Agri-allied activities in these regions.

In line with its commitment to enhancing digital literacy, the Bank continues to empower its customers by promoting and educating them about the benefits of cashless transactions through RuPay Debit Card and Net/Mobile Banking.

The Bank has extended loans to small and marginal farmers, women beneficiaries and other economically disadvantaged sections of society, reaffirming its dedication to serving these segments. By actively engaging with stakeholders in the AgriValue chain, the Bank remains informed about the latest developments in the agricultural sector, enabling it to provide the best-suited products to its customers.

To ensure the financial security of its customers, the Bank offers a unique insurance facility that safeguards their loan liabilities in the event of death or disability. Additionally, through the Pradhan Mantri Fasal Bima Yojana (PMFBY) crop insurance scheme, the Bank provides crop insurance to protect farmers against losses. The Bank also facilitates the implementation of government subsidy schemes such as Kisan Credit Card (KCC) Interest subvention and Pashu KCC for individual farmers.

### 3.6.2 Loan Against Property

IndusInd Bank's Loan Against Property (LAP) business gathered momentum in FY2023, with annual disbursements and books exceeding the previous fiscal year. LAP disbursements grew by 39% Y-o-Y along with 30% Y-o-Y growth in Fee income. The book grew by 9.3% Y-o-Y to ₹9,640 crores. The growth was driven by branch channel, thereby reducing the cost of acquisition of loans. Internal credit score was introduced in FY2023 which has provided a tool to assess the overall risk of new customers availing LAP. New product variants were introduced in FY2023 which will further help increase sourcing and revenue.

#### 3.6.3 Personal Loans

Personal loan disbursements grew by 106% Y-o-Y in net value and 62% Y-o-Y in volume along with 46% Y-o-Y growth in Fee income. The focus was on cross-selling Personal Loans to existing Savings account customers and other clients of the Bank using analytics tools. The product has a live portfolio size of ₹5,351 crores with 1.87 lakh accounts being onboarded in FY2023 itself.

#### 3.6.4 Credit Cards

The Bank continues to build a strong Credit card franchisee and has made rapid strides in FY2023.

With the adoption of the new digital platform: EasyCredit by large channels, customer acquisition through the digital platform has grown from 85-95%+ and the business is confident to achieve 100% digital customer onboarding in the coming year. Credit Cards has over 2.2 million Cards in Force (CIF) as of FY2023.

Spends growth continued its upward trajectory for the overall industry and IndusInd Bank continued to increase its throughput faster than the industry which has helped the Bank improve its market share in overall spending volumes. Total Spends in the financial year grew by 61% Y-o-Y. Portfolio metrics have shown a robust growth in numbers. ENR (End Net Receivable) grew by 52% compared to the last fiscal.

To cater to changing customer behaviour with best-in-class offerings, Bank launched the Cobranded EazyDiner IndusInd Credit Card. EazyDiner is an integrated app offering the most enjoyable, authentic and friction-free table booking experience with great discounts at top hotels and restaurants in India & Dubai. The EazyDiner IndusInd Bank was awarded the Co-branded Credit Card of 2023 in the recently concluded 10th Edition Payment Industry Awards.

#### 3.6.5 Business Banking Group

With the Government's and the financial sector's efforts to create all around support mechanisms for MSMEs, the demand for MSME credit increased in FY23. Growing digital infrastructure for the MSME sector eased credit availability for this segment.

The Bank's MSME Book under business banking grew by 16% Y-o-Y. The asset growth has bounced back, as NTB acquisition has been scaled up leveraging digital products like 'GST' and 'Banking Secured Overdraft' launched during the last financial year.

The Business Banking unit is the major contributor to retail deposits from MSME franchise, and FY23 has been a phenomenal year with liability growth surpassing asset growth, reflecting increasing focus on liabilities. In terms of asset quality, the quality of the book which was earlier impacted by COVID, has stabilized. Further, this segment being a MSME-focused segment, furthers the Bank's presence in Priority Sector Lending.

Going into PC-6, the Bank continues its strong focus on the Micro, Small, and Medium Enterprises (MSME) segment business, and considers them as one of the core growth engines, augmenting







the Bank's asset book and granularity. Further, considering the growing focus of the Government for providing ease of doing business for MSMEs, the Bank anticipates significant growth in the portfolio in the coming years.

Digital is one of the core growth levers to achieve the scale in this segment, and the Bank aims at strengthen its digital capabilities with investment in digital infrastructure. Digital transformation is aimed across clients as well as other internal/external stakeholders.

With continuous enhancement of client experience and addressing client's financial needs across business and personal wallet, the Bank also aims at providing highest quality servicing to clients and continually invests in revamping processes and new products towards this direction.



#### 4. Affluent Banking

The Affluent banking business offers a unique personalized banking experience to the affluent client segment across India and International markets, via its flagship brand PIONEER Banking and Wealth Management. Built on the bedrock of trust, transparency, simplicity and service, reinforced by the strength of technology and innovation, IndusInd PIONEER is uniquely poised to leverage this rapidly growing client segment.

The Affluent business is a key focus area of the Bank and continues to demonstrate robust growth across key metrics. The liability balance sheet showed sustained growth in FY2023 driven by granular CASA. The Fee delivery grew by 30% over the previous year, which was well diversified with secular growth across products.

The Affluent business operates with a strong focus on client-centricity, offering a personalized approach to wealth creation, management, and preservation. Their dedicated team of experts guides clients throughout the entire wealth cycle, ensuring a seamless experience. The hallmark of the Affluent Banking Unit lies in delivering superior client service, which has not only set them apart from the competition but also fueled their business growth. The state-of-the-art PIONEER lobbies, managed by a dedicated team of Service RMs, provide a unique and personalized experience unparalleled in the industry. Customers are pampered in these lobbies, where they can discuss their banking requirements in the comfort of a private meeting lounge or even book a conference room to conduct their private business meetings.

The service proposition is designed for seamless delivery through options like a one-touch Relationship Manager (RM) call button in the mobile app, video calling, doorstep banking, priority processing and queue jump both at the front and back-end systems.

With superior credit and wealth solutions, holistic trade and forex products, and GIFT City offerings, the Affluent Business offers best-in-class universal banking services to clients for their individual and Business Banking requirements. Customers benefit from timely insights and customized offers provided by the business using data analytics and a nuanced understanding of various sub-segments within Affluent.

PIONEER continues to offer best-in-class lifestyle benefits for affluent clientele. With segment-first metal credit and debit cards, unlimited rounds of Golf games and lessons, unlimited international airport lounge access, premium movie vouchers and invites to VIP events, PIONEER has increasingly become the brand of choice for this client segment.



#### 5. 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 for the 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.

Customers recouped their business and returned to normalcy. The revival was quick and the disbursements for year FY2022-23 was ₹46,309 crores as against ₹32,580 crores in FY 2021-22, an increase of 42% over FY2021-22. During FY2022 the disbursement towards new vehicles was ₹36,219 crores (43% increase), and used vehicles was at ₹9,751 crores, (48% increase). During the year, 10.73 lakh new loans have been sourced.

Tractor funding, a major initiative towards Priority Sector Lending and Financial Inclusion, performed well during the year with the disbursement of ₹4,826 crores in FY2023 as against ₹4,084 crores in FY2022, an 18% growth over the previous year.

Besides lending, CFD also earned a commission Income of ₹53.65 crores through the distribution of various third-party insurance products in the General Insurance segment.

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 which 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.





## 6. Bharat Financial Inclusion Limited

Bharat Financial Inclusion Limited (BFIL) serves as a wholly-owned subsidiary of the Bank, acts as a business correspondent for promoting financial inclusion and offers various banking services such as microfinance loans, merchant acquisition, liability products, remittances, and more. Over a decade ago, IndusInd Bank entered the microfinance lending sector through partnerships with microfinance lenders, and the acquisition of Bharat Financial Inclusion Limited (BFIL) in 2019 positioned the Bank as one of India's leading microfinance providers. BFIL has an extensive distribution network in rural areas, serving over 1,37,000 villages, and operates in 535 districts across 23 states as of March 2023, encompassing rural, semi-urban, and urban centers. With a dedicated team of approximately 33,000 field staff, BFIL facilitates daily financial transactions for customers, including small loan disbursements, installment repayments, opening savings and deposit accounts, insurance services, and fulfilling aspirations like owning a two-wheeler or consumer durable items.

Having started as a micro-financier 25 years ago, BFIL currently caters to around 7.7 million borrowers under the Joint Liability Group (JLG) model. Its focus lies in supporting women entrepreneurs at the bottom of the economic pyramid, enabling them to achieve financial independence, good health, well-being, and quality education. Despite their rural backgrounds and limited technological proficiency, BFIL assists these women in conducting financial transactions digitally. Most of these women engage in rural economic activities, such as livestock rearing, farming, producing agricultural products, crafting handmade goods, tailoring, and providing rural services. Under the JLG model, these women form groups of five members, and regular meetings are held at designated centers for the transparent processing of financial transactions. BFIL's in-house technology platform facilitates real-time interaction between field personnel and microfinance customers during these meetings, covering everything from onboarding customers and forming groups to loan disbursements and collections. All processes are recorded digitally, eliminating the need for paperwork. The systems in place handle a large volume of transactions, with loan disbursements reaching speeds of up to 1.2 loans per second.

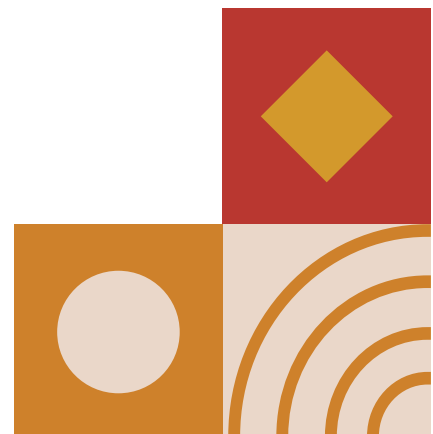
The Bank's market standing and reputation are built upon responsible lending practices, respect for bottom-of-the-pyramid entrepreneurs, and prompt service delivery on the ground. Women are at the forefront of BFIL's microfinance operations, and the loan, deposit, and insurance products offered to them promote their financial independence and entrepreneurial aspirations. As of the end of FY 2022-23, the Bank's JLG-based loan book managed through BFIL, amounted to ₹32,215 crores. With BFIL's assistance, the Bank aims to extend its reach to more women borrowers and their families, providing a wider range of banking services, such as individual loans, affordable housing loans, and micro-insurance products for comprehensive coverage.

Addressing the "Missing Middle," which comprises a significant entrepreneurial population managing small retail outlets across the country, BFIL's Bharat Super Shop (BSS) vertical offers comprehensive banking services to this nano/micro-entrepreneur segment. Aligned with BFIL's mission to serve the underserved, BSS provides merchants with a range of banking services, including zero-balance current accounts, recurring deposits, secured and unsecured working capital loans, payment services like UPI/QR codes, and Mobile/WhatsApp banking channels. BFIL's Bharat Super Shop (BSS) field staff, totalling over 6,000, employ a paperless, digital, and technology-based approach to assist customers throughout their journey, right at their doorstep. This

unique offering strikes the right balance between technology and human touch, enabling rapid resolution of customer queries while ensuring consistent and quality service whenever needed. As of March 2023, BSS operates in 500+ cities across 19 states, serving over 1 million retailers, around 6 lakh active borrowers and a loan book of ₹4,033 crores.

To bridge the last-mile gap and enhance financial inclusion in India, BFIL, in collaboration with IndusInd Bank, developed Bharat Money Store (BMS), a banking and transaction platform for Kirana Merchants. BMS aims to provide financial services to the general public, particularly in rural and remote areas. Equipped with basic smartphones and software, merchants serve as hyper-localized banking service providers, empowering the unbanked and underbanked populations and revolutionizing rural landscapes. BMS has a presence in 628 districts, covering over 48,000 villages across 11 states. During FY 2022-23, BMS enrolled over 1,00,000 merchants and served more than 10 million rural customers through essential banking and financial services, including Aadhaar-enabled remittances, opening savings and deposit accounts, utility payments, and more. In October 2022, IndusInd Bank entered an MOU with the State Government of Uttarakhand to extend banking services through BMS to over 600 Nyaya Panchayats. This pilot program can be expanded to include all Gram Panchayats, facilitating easy access to banking and financial services for the deep rural citizens of Uttarakhand. Since 2017, the BMS outlets, acting as sub-BC agents of the Bank, have facilitated transactions for over 58 million individual customers, with a total transaction value exceeding ₹13,200 crores. Additionally, BFIL provides working capital loans to merchants, supporting the growth of their businesses. As of FY 2022-23, the Asset POS for BMS reached ₹96 crores. In the non-MFI open-market segment, the BMS network allows access to a large customer base for liability products, positioning BFIL to acquire, serve, and transform the lives of rural customers.

As of March 2023, BFIL, with its motivated team of over 36,000 employees, serves approximately 10 million, customers maintaining an outstanding loan book of over ₹36,297 crores. During the year, disbursements exceeded ₹43,500 crores. Approximately 9,70,000 Bank customers serviced by BFIL hold over 14.2 million active accounts with IndusInd Bank, and the liability pool for all BFIL-serviced customers, including savings, current, recurring, and fixed deposit accounts, amounts to ₹2,344 crores as of March 2023.



## CSR Initiatives

At BFIL, we firmly believe that sustainable growth involves uplifting communities. Through our Corporate Social Responsibility (CSR) initiatives, we strive to collaborate with communities and governments to improve the lives of people in the regions where we operate. Our CSR programs focus on livelihood enhancement, watershed development, education, healthcare, and safe drinking water availability in remote areas.

One of our flagship programs, Bharat Sanjeevani, facilitates doorstep veterinary services for livestock owners, utilizing appropriate technology. This program received the National CSR Award from the Ministry of Corporate Affairs, Government of India, in 2019. Several state governments and cooperative milk federations have expressed interest in collaborating under the Bharat Sanjeevani program. In FY 2022-23, the program expanded its scope to include projects in Artificial Insemination in Himachal Pradesh, Karnataka, and Maharashtra in collaboration with respective state governments. The objective is to increase per capita milk availability and farmers' income in the long run. The program benefited over 3,80,000 people, preventing economic losses of approximately ₹447 crores for farmers.

Under the "Pragat" program, a holistic village-level development initiative launched in collaboration with the Government of Karnataka in 2019, we implemented projects in 12 villages in the Kalburgi District. The program focuses on watershed management, healthcare, education, and safe drinking water.

The Pragat Watershed model involves a joint community-led approach to sustainable resource management. It successfully restored and treated 17,157 hectares of watershed, conserving over 30,649 million liters of water, benefiting more than 13,750 farming families and enhancing their livelihoods. The project achieved a Social Return on Investment (SROI) of ₹46 in social value for every rupee invested over three years.

Pragat Health Care integrates a world-class healthcare delivery mechanism with the government's primary healthcare system. The program has provided healthcare services to over 48,953 individuals.

Pragat Education aims to improve foundation skills, numeracy, and literacy among children in 35 adopted schools. Post-implementation of the program, 95% of the children who were lagging in their studies reached proficiency levels. The project achieved an SROI of ₹66 in social value for every rupee invested over three years.

Pragat Safe Drinking Water is a sustainable model that revives defunct RO water plants by integrating the financial and infrastructural resources of government departments and village-level Panchayats. The program has significantly increased access to safe drinking water, benefiting 65% of households (up from 4%), with approximately 2.01 lakh beneficiaries. The project achieved an SROI of ₹58 in social value for every rupee invested over three years.

BFIL's CSR initiatives align with eleven of the seventeen Sustainable Development Goals set by the UN Conference on Sustainable Development.



## 7. Global Diamonds and Jewellery Group (GDJG)

The Gems and Jewellery Industry has been an important component of India's export. The sector is one of the focused areas in India's growth story, especially for promoting exports of goods and services. Apart from contributing to merchandise exports, the sector also provides massive employment in India and also promotes the growth of MSMEs. GDJG is the biggest player in financing this industry segment not only in India but also globally. This is one of the bank's major domain leadership verticals. The Bank has been recognized by the Trade Council as a Center of Excellence through many awards and accolades, the latest award being, the Gems and Jewellery Export Promotion Council (GJEPC) sponsored by the Commerce Ministry of the Government of India, awarding the Bank as the Best Bank financing the industry in the category of 'Highest Growth of limit sanctioned with Minimum base of ₹500 crores.'

GDJG, from predominantly being a mid-stream player for financing manufacturers of polished diamonds, has evolved to financing rough trading activities, polished distribution, Jewellery manufacturing and distribution, domestic retail jewellery and lab-grown Diamonds. Apart from financing through the domestic tariff area, GDJG has reached out to clients in Hong Kong, UAE, Belgium, USA and Luxembourg, etc. through GIFT City. The total client base comprises 41% MSME and the portfolio had zero delinquency during FY2023. The coverage model is based on relationship banking capturing the entire wallet of the client. It provides a huge cross-sell opportunity to the Bank for incremental assets, liabilities and revenue. The Bank is embarking upon community banking during this year.



## 8. Corporate and Commercial Banking Group (CCBG)

The Corporate and Commercial Banking Group of the Bank serves a wide range of corporates, starting from emerging mid-large Indian companies with an annual turnover of over ₹150 crores to large conglomerates, public sector undertakings, NBFCs, financial institutions and Indian branches of multinational corporations.

The CCBG franchise offers a comprehensive corporate product suite to support the financial and strategic banking needs of the client during their entire business lifecycle including working capital finance, supply chain solutions, trade solutions, cash management services, capex and project financing, strategic advisory & financing, capital markets solutions, global market solutions, in addition to varied cross-bank products and services.

In the last three-year planning exercise (PC-5) concluded in FY2023, the organization achieved success in fine-tuning their corporate book with normalized slippages, even while navigating the challenges posed by Covid-19. Through the structural reorganization of the business over the past 12 months to align its coverage model with strategic priorities, the unit was able to get back on track for growth.

Despite facing global headwinds, India's economy performed well in FY2023. The credit expansion across various sectors, including the corporate sector, was supported by government-led initiatives and investments in infrastructure and manufacturing. There was also an increasing demand for credit from MSMEs, primarily driven by higher working capital requirements. The corporate sector also observed a shift in preferred financing avenues, with a reduction in offshore issuances and investments by Private Equity (PE)/Venture Capital (VC). The corporate sector's funding requirements were largely fulfilled through domestic resources, resulting in increased reliance on Bank borrowing for operational

and capital expenditure financing. The growth in deposits over the past few years enabled banks to meet the rising loan demand. India's corporate credit profile in FY2023 was one of the healthiest in over a decade, characterized by ongoing deleveraging, steady revenue and profitability growth. As of March 31, 2023, the organization's corporate book stood at ₹1,34,150 crores, experiencing Y-o-Y growth of 19-20% for the sixth consecutive quarter, with slippages remaining within an expected range. The credit expansion showed widespread growth across large, mid-sized, and small corporates in FY2023, with small corporates growing at a faster pace, aligning with the bank's strategic focus on developing its small and emerging mid-corporate book.

Looking ahead to FY2024, the organization anticipates the momentum in credit growth to continue, at least during the initial quarters, as the overall capital expenditure cycle strengthens.

In the upcoming Planning Cycle (PC-6), the unit's focus is on achieving growth with improved profitability. The Bank has identified four strategic priorities to guide its efforts:

- Deepening corporate franchise across segments with a focus on small and mid-corporates.
- Sharpening client profitability through continued focus on annuity income and new revenue streams.
- Enhancing a sustainable and cost-effective liability franchise
- Institutionalizing client experience for differentiated service.

The MSME segment, present across their corporate and consumer franchises, remains a focal point for the organization. With the unit's 3D (Distribution; Data; Digital) strategy, aimed at scaling productivity, this segment will continue to be the growth frontier for the bank's corporate franchise.

### 8.1 Client Coverage groups

#### Global Corporates and Institutional Banking Group

This unit was carved out in March 2022 to focus strategically on conglomerates and to strengthen the Bank's position in serving multinational corporations (MNC), given the competitive nature





of this segment. Corporates in this segment are sought after and have evolved, complicated financing requirements and high service delivery standards and require customized product solutions owing to the client's group structure and presence across geographies and sectors. The unit aims to be a strategic partner to the bank's clients within this segment by providing dedicated & bespoke coverage, a strong panel of embedded product partners and differentiated client & service delivery.

During FY2023, the unit has deepened the Bank's wallet of shares in many new and existing credit relationships and is witnessing strong momentum in onboarding new conglomerates. As the Bank steps into the next financial year, the focus would be to further diversify the book by deepening underpenetrated regions and strengthening MNC franchise.

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

Operating in 14 cities, the Bank's Large and Mid-Corporates Group caters to a wide range of businesses across diverse industries and sectors, offering comprehensive financial products and services. The unit specializes in meeting the ever-changing needs of the Bank's clients and operates with an objective to expand the Bank's franchise presence especially in the mid-corporate segment. Additionally, the unit aims to foster strong partnerships with large corporates, supporting them throughout their growth journeys.

The unit is guided by the Bank's 'relationship-lending' approach which provides a strong foothold with the bank's clients and enhances product penetration in this segment. Focusing on client relationships at all levels has enabled the unit to detect and act on early warning signals, maintaining low stress in the book. The unit also has a significant liability book spread across customers providing granularity in deposits as well.

FY2023 showed a healthy growth trajectory for the unit across the asset and liabilities book. In the upcoming Planning Cycle (PC-6), the focus of the unit is to further diversify the portfolio by onboarding new clients from industries that are sunrise industries and offer high growth potential. The unit aims to increase the share of mid-corporates through strong promoter connections and be able to capture the entire ecosystem's opportunities.

#### SME Business Group

SME Business Group, carved out in FY2022, aims to cater to the banking requirements of emerging mid-corporate enterprises. In FY2023, the unit has shown strong growth of 40%+ Y-o-Y (albeit on a small base).

Granular businesses have been a key focus for the corporate franchise and this unit coupled with existing units focused on small businesses, has resulted in small businesses as a percentage of corporate business to increase from 8% in March 2022 to 10% in March 2023. The Bank's small businesses have exhibited continued business momentum for the last four consecutive quarters.

Going into FY2024 and PC-6, the unit continues to focus on the Bank's strategic initiatives to scale up these small business units. One of the main focuses in the upcoming years is to improve distribution through the Phygital channel strategy, which involves utilizing both physical and digital channels. This includes leveraging the bank's branch network, integrating digital solutions at every stage of the client's onboarding journey and providing seamless servicing and engagement.

## 8.2 Specialized Business Verticals

Through dedicated coverage in the identified specialized sectors, the Corporate and Commercial Banking Group (CCBG) group aims to provide a customized product & services suite backed by in-house domain expertise:

### Education

The unit provides a consultative approach to banking solutions for clients operating in the Education Segment with a suite of financial products and services ranging from project financing, Cash Management, virtual account solutions, Escrow services and Digital services for end-to-end fee collection & reconciliation.

### Healthcare

The unit services the healthcare businesses ecosystem, majorly hospitals (Primary, Secondary and Tertiary care units) and Large Diagnostics chains. The unit is complemented by the Bank's presence in the Bank's consumer franchise, wherein it provides medical equipment loans to doctors.

Under Education & Healthcare, the unit aims to further strengthen the Bank's franchise in this segment by leveraging on the 'ONE Bank' approach and catering to the diverse requirements of all players in the ecosystem across retail products, corporate lending products, cash management & advisory.

### Financial Services

The unit provides financial products and services to a wide range of players in the financial services sector, including NBFCs, HFCs, insurance companies, mutual funds and public financial institutions. The unit has developed strong relationships with key players, with over 90% of its portfolio rated 'A' or higher. The unit has established itself as a preferred transaction banking partner and has a leading market share in cash management and escrow services for top NBFCs. With fintech and other new-age financial services providers becoming mainstream, the unit aims to focus on tapping this opportunity through a partnership & program-based approach. The unit has already made in-roads into well-capitalized and proven fin-techs across their cash management journey.





## Real Estate

The unit provides product offerings for commercial and residential projects including LRD and construction finance. It also offers advisory for REITs and syndication. The unit follows a targeted underwriting strategy with a micro-market approach, resulting in a resilient and robust portfolio.

## Agriculture Business Group

Following a value chain financing approach, the bank's unit provides comprehensive coverage of the entire Agri Value Chain, from High Networth Individuals (HNI) farmers to agri corporates. With a strong presence in 17 states, operating across 60 locations and catering to 45 different commodities, the unit has established a robust foothold in core agriculture-based markets. The Bank's innovative Agri Project Finance, Agri Trade Finance and Agri Infrastructure Finance products and services have received acclaim in the industry.

Currently, the bank's unit leads the way in commodity funding through the bank's flagship Pledge Finance product. The unit is progressively focusing on mid-size corporates in the food and agriculture sectors, positioning the Bank as a significant player in the dairy financing segment. Leveraging the bank's subject matter expertise in the agriculture domain and the success the unit has achieved in the dairy sector, it aims to expand the Bank's presence into selected sub-sectors such as commodities and edible oils.

Furthermore, the unit has played a pivotal role in boosting the Bank's liability business and is a major contributor to the Priority Sector Lending (PSL) targets of the Bank.

### 8.3 Supply Chain Finance (SCF)

The unit provides comprehensive financing solutions including channel finance and vendor finance catering to the financing needs of dealers/vendors of large and mid-corporates across industries, of which the key ones are Auto and Auto Original Equipment Manufacturers (OEMs), Steel and Consumer Durables.

The Supply Chain Finance product offered by the unit has facilitated the development of strong relationships with large corporations, with the support of a dedicated and experienced relationship team, strong product propositions and seamless services. Using a hub and spoke model, the unit covers more than 250 business locations, serving around 2000 dealers and 3000 suppliers through a range of comprehensive product structures.

Our portfolio under supply chain financing has been one of the key contributors to the initiative of portfolio granularity for corporate franchises. SCF unit clocked a Y-o-Y growth of over 40% the bank's comprehensive product solutions are one of the best-in-class which is further validated by various accolades received. The unit received several recognitions at International and Domestic platforms for SCF solutions/business.

The Bank has entered a partial guarantee program with the Asian Development Bank with an initial outlay of \$70 million exclusively towards promoting supply chain finance solutions in India. With supply chain finance (SCF) being a focus area, the Bank has initiated a host of strategic efforts including the launch of new ESG/ Green finance product structures in SCF.

In addition to this, the Bank has recently launched a state-of-the-art digital portal for SCF products – 'Early Credit' enabling 24\*7 seamless processing of SCF transactions for corporates, suppliers and dealers. Digitization has been one of the key contributors to the unit growth story and the Bank will continue to invest in the end-to-end digitization of the customer journey.

The Bank has been able to maintain a high-quality portfolio in its SCF book and achieve significant growth in the portfolio during the current planning cycle, owing to its strict governance processes and comprehensive portfolio monitoring tools.

### 8.4 Project Finance

The Project Finance unit provides financial solutions for projects in various sectors, including Wind Energy, Solar Energy, Hybrid Projects, Roads, Logistics, Water and Power Transmission & Distribution. With strong expertise in project financing, the unit has successfully underwritten and syndicated projects for renowned infrastructure players in the country.

In line with the Bank's sustainability strategy, the unit has expanded the Bank's focus on Project Finance to include sectors that support Sustainable Development Goals (SDGs). Over the years, the Bank has extended financing to projects in sectors such as Renewables, Water Treatment, E-mobility, Energy Efficiency and City Gas Distribution. By investing in these sectors, the Bank contributes to sustainable development while meeting the evolving needs of the Bank's clients.

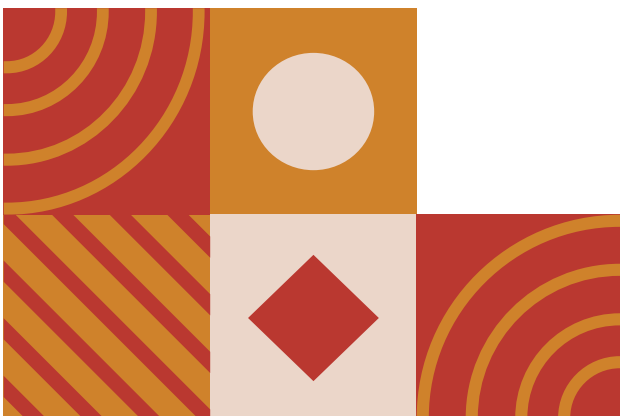
The unit has been the Bank's pillar of strength in creating value for the clients and the Bank. It has developed significant underwriting and syndication abilities and showcased its structuring capabilities through its deep understanding of the Transportation, Energy and Water sector. With the increased focus of the Government on Infrastructure development, the Unit is well poised to take advantage of the opportunities that would come by.

### 8.5 Investment Banking

The Bank's Investment Banking unit specializes in providing corporate finance advisory services, encompassing equity and debt solutions, to Indian business conglomerates across an array of sectors. The Bank caters to a wide range of industries, including but not limited to, BFSI, Renewable Energy EV - mobility solutions, Fintech/Digital Tech, Healthcare, Hospitality Logistics, Education, Real Estate and the entire spectrum of Industrials and Manufacturing.

The Investment Banking unit provides strategic solutions across M&A Advisory, Private Equity Advisory and Debt Capital Markets (DCM) to aid growth, capitalization or consolidation initiatives for the bank's clients. This is facilitated by the bank's expertise across various investment banking products and well-entrenched relationships with the investor community, market intermediaries & Indian and International corporates enabling the Bank to act as a one-stop solution provider for both equity and debt.

The Investment Banking team is currently handling client requirements across sectors and products including M&A, Private Equity/VC fundraising, & Financing (INR & USD)/Mezzanine capital raise.





The well-established DCM team given their sector-agnostic expertise continues to partner with other units in the Bank to provide exclusive debt solutions for the Bank's clients across project finance, structured finance, foreign currency, working capital, securitization, off-balance sheet, mezzanine, acquisition financing etc. In addition to employing a debt underwriting and sell-down strategy, the DCM team has been highly engaged in providing debt advisory and fundraising services for corporate clients. This involves syndicating the debt with reputable institutions that align with the client's specific end-use requirements, all while adhering to the local regulatory framework. This is enabled by leveraging the bank's excellent distribution reach in Banks (Private, Public & Foreign), NBFCs, asset management companies (mutual funds, credit funds, impact funds, infra debt funds etc.), FPIs, insurance companies, multilateral institutions, etc.

With a remarkable track record, the Bank has established itself as one of the leading Mandated Lead Arrangers (INR Loan Borrowings by Refinitiv) in India. In CY2022, the Bank secured an impressive 2nd rank in both deal count and deal volumes. This consistent upward trajectory is evident in the bank's league table position, climbing from 6th place in CY2016 to 4th place in CY2019 and maintaining the 2nd position ever since. The Bank's strong performance is a testament to its expertise and commitment to delivering exceptional financial solutions to its clients.

#### 8.6 Public Sector Group

The Public Sector Group cultivates close ties with a variety of Public Sector Undertakings (PSUs), including illustrious Maharatnas, Navratnas and Mini Ratnas controlled by the Central Government and certain State Governments. Because of the bank's singular focus, we can comprehend and meet the specific needs and goals of these prestigious PSUs.

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. 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 extends tailored solutions to PSU clients across various domains, encompassing Trade, Forex, Cash management and an array of digital products. Moreover, a comprehensive range of Asset products, including Term Loans, Working Capital Finance, Bonds and NCDs, among others, are also available to these esteemed clients, meticulously customized to meet their specific requirements. The Bank offers targeted Retail Banking products to the employees of its PSU clients, such as Salary Accounts, Credit Cards and Retail loans amongst 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 sizable banking partner to strategic large PSUs, which until recently, was the exclusive domain of large banks.



#### 8.7 Financial Institution Group

Within the Bank, the Financial Institution Group (FIG) stands as a pivotal business unit, entrusted with the crucial task of overseeing and nurturing relationships with diverse categories of Financial Intermediaries in the global financial landscape. This unit manages relationships with a wide spectrum of financial Institutions, including Domestic Banks, International Banks, Development Financial Institutions (DFIs), Export Credit Agencies (ECAs) and Multilateral Financial Institutions (MFIs), ensuring seamless collaboration and mutual growth. The unit also manages and supervises the Correspondent Banking network of the Bank comprising the bank's 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 specialized sectoral vertical of the Bank, managing diverse roles from business origination and facilitation to policymaking and risk management, along with their primary role as the Channel Manager of the Bank's correspondent banking network.

Despite the headwinds in the global trade and payments landscape due to the ongoing geopolitical tensions and turbulence in the global financial market, FIG has acquitted itself very well in the year under review, helping the Bank to offer superior correspondent banking services to the clients. FIG 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, working side by side with the Global Markets Group. During the year FIG helped in generating liquidity from global and domestic financial institutions to the tune of \$ 5 billion 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.

#### 8.8 International Financial Services Center Banking Unit (IBU)

The International Financial Services Center Banking Unit (IBU), which had a balance sheet size of US\$2.36 billion as of March 31, 2023, has seen extraordinary growth. International Retail Offerings, External Commercial Borrowings (ECBs), Trade Credits, Loans to Overseas Entities, Non-Funded Products, Swaps and Derivatives for Proprietary and Client portfolios are just a few of the wide variety of goods and services provided by the IBU.

The IBU serves as a gateway to both established and untapped clients and product segments, making substantial contributions to the Bank's Balance Sheet and profitability. With its comprehensive range of products in global currencies, the IBU plays a pivotal role in catering to the diverse needs of the large Indian diaspora. Additionally, the unit offers end-to-end solutions to large corporates with an international presence, leveraging its presence by participation in the global syndicated loan market and strengthening the Bank's brand globally. Through these endeavors, the IBU enhances the Bank's global reach and establishes itself as a trusted partner for clients worldwide.

The Global Markets desk at IBU is leveraging its presence and strengthening the Bank's ability to trade in non-deliverable derivatives contracts and other offshore products, enabling the Bank to serve the clients round-the-clock and creating a steady revenue stream.

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



## 9. Digital Banking

The bank undertook several digital initiatives across all its lines of business and recorded strong growth in key metrics.

### 9.1 SME

IndusInd Bank has maintained its commitment to facilitating credit accessibility for micro, small, and medium enterprises (MSMEs) in the small and medium enterprise (SME) sector. The bank has actively implemented multiple digitalization initiatives across its asset products to achieve this goal. Its digital lending platform, IndusEasyCredit for Business, now offers a comprehensive range of lending products, including secured and unsecured loans, with loan limits extending up to ₹2 crores. Leveraging its advanced underwriting engine, powered by cutting-edge analytics and extensive data from various public and proprietary sources, IndusInd Bank can disburse loans of up to 20 Lakhs in less than 10 minutes. The bank's efforts in this area were recognized when the IndusEasyCredit platform won the "SME connect" category at the 5th India BFSI Conclave & Awards held in Mumbai.

On the liabilities side, IndusInd Bank introduced a convenient digital journey for individuals and proprietors called "Do-it-yourself (DIY) Video KYC current account." This initiative enables customers to digitally open a current account within 15 minutes from anywhere, eliminating the need to visit a physical bank branch.

Throughout the year, IndusInd Bank witnessed significant growth and engagement on its digital platform for merchants, known as Indus Merchant Solutions. The monthly active user base on the platform increased sevenfold year-on-year, with approximately 7% of the bank's active merchant base now onboarded digitally through this platform. To enhance the merchant experience, the bank introduced real-time event-based engagement capabilities. IndusInd Bank remains committed to serving merchants better and plans to make the platform available in Hindi and eight other vernacular languages, including Marathi, Bengali, Gujarati, Telugu, Tamil, Kannada, Malayalam, and Punjabi. This move aims to promote wider adoption among merchants across India. Indus Merchant Solutions received the prestigious "Best Merchant Acquirer" award at the 10th Industry Payments Awards held in Mumbai.

In the realm of payments, IndusInd Bank was among the early adopters to offer sound boxes to its merchants, enhancing their confidence in accepting digital payments. Merchants can now request sound boxes digitally through the Indus Merchant Solutions platform. Additionally, following the RBI's approval to collect UPI payments via Rupay credit cards, IndusInd Bank's QR codes are now equipped to facilitate payment collection through this mode for merchants.

### 9.2 Individual

IndusInd Bank played a vital role in fuelling growth within the individual segment through digitalization. The Bank delivered an exceptional, tailored, and readily accessible banking experience to its customers while enhancing operational efficiency. In the previous fiscal year, a remarkable 93% of all retail transactions were conducted digitally, and 76% of service requests were processed through digital channels. The Bank witnessed a noteworthy Y-o-Y growth of 30% in the monthly active user base of its mobile app, accompanied by a significant 60% increase in mobile transaction volume. Furthermore, the Bank experienced a substantial expansion in its alternative channels, with a 33% rise in the user base for WhatsApp Banking and a remarkable 66% surge in monthly active users for ChatBot.

### IndusMobile

As part of IndusInd Bank's strategic approach to foster personalized interactions and engagement across multiple channels, the Bank introduced real-time events-based engagement capabilities within the IndusMobile app. This empowers the Bank to send tailored communications and prompts to its customers based on specific events. Furthermore, the Bank implemented several enhancements to improve user experience and functionality within its mobile app, resulting in a significant boost in the app ratings on both PlayStore (4.5) and AppStore (4.2).

To strengthen app security and protect customers, IndusInd Bank integrated One Span and LookOut SDK, effectively thwarting fraudsters and attackers from exploiting the app and ensuring a secure banking experience. In the Bank's ongoing commitment to providing the best services, customers are enabled to openly share their feedback on PlayStore and AppStore directly from within the app. Additionally, customer NPS surveys were launched for both the Mobile and Net Banking platforms.

As a result, the Bank's mobile app has witnessed remarkable growth, with mobile app transactions experiencing an astonishing 149% year-on-year increase and a 53% rise in FD sales value. These figures not only showcase the expanding customer base but also highlight the trust placed in the Bank's digital channels.

Looking ahead, the Bank's pipeline includes an overall revamp of the UI/UX, offering an enhanced experience for its PIONEER customers, as well as improving the existing UPI and investment journeys. The Bank is also working on the seamless integration of various cross-selling journeys, such as insurance, loans, and credit cards.

With an ever-improving user interface and innovative features, the Bank's app remains committed to providing its esteemed customers with enhanced financial control and convenience.







## IndusNet

The IndusNet platform, the popular Net-Banking service of the bank, achieved significant milestones in the FY2023, with a remarkable 20% increase in monthly active users (MAU). This application offers users a comprehensive view of their accounts (CASA), loans, cards, and investments, and facilitates transactions, placing great emphasis on enhancing the customer experience.

IndusInd Bank, in its commitment to introducing new features, seamlessly integrated with the CBDT portal for direct tax payments and the GST portal for GST payments, enabling its customers to conveniently pay their taxes. In 2023 alone, the Bank's IndusNet platform processed over 1 lakh tax payments, totalling an amount exceeding ₹400 Cr+. Furthermore, the Bank's future plans involve expanding its tax payment capabilities by integrating with the tax platforms of various state governments to accommodate state tax payments.

In addition to its existing partnerships with esteemed organizations like Razorpay, BillDesk, Paytm, and PayU, the Bank has continued to forge alliances with partners such as Cashfree, EaseBuzz, JioPay, Xsilica, among others. These collaborations play a crucial role in fortifying the Bank's digital payment ecosystem, promoting a seamless and secure payment experience for its customers.

Moreover, beyond serving as an on-demand servicing channel for customers, the Bank's IndusNet platform has evolved into a pivotal cross-selling platform. The Bank witnessed a remarkable 50% year-on-year growth in fixed deposit (FD) sales through the platform. Furthermore, the Bank integrated its remittances platform, IndusFastRemit, to enhance its value proposition and further stimulate cross-selling opportunities.

The Bank prioritizes compliance and accords the utmost importance to adhering to multiple mandates issued by regulatory authorities such as the Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI). By implementing these mandates, the Bank strives to provide a safe and secure banking environment for its customers.

## Central Bank Digital Currency

IndusInd Bank proudly participated in the Reserve Bank of India's (RBI)'s Central Bank Digital Currency (CBDC) pilot, making it one of the select few banks to be involved in this groundbreaking initiative. The Bank played a pivotal role in launching and expanding the Digital Rupee, the latest form of sovereign currency introduced by the RBI. The Digital Rupee aims to fortify the country's financial services and digital payments network, harnessing the advantages of blockchain technology to facilitate faster, more secure, and cost-effective transactions.

In April 2023, IndusInd Bank successfully launched its own Digital Rupee application, achieving the distinction of being the fastest among its peers to onboard the first 1,000 registered users. To encourage widespread adoption of the digital rupee, the Bank is conducting multiple campaigns to educate and onboard customers in 26 pilot cities, empowering them to transact using this digital currency.

In recognition of its expertise and commitment, the Bank has been designated as the lead bank for the cities of Indore and Hyderabad. In this capacity, the Bank provides extensive support to other institutions in expanding the digital rupee network, thereby contributing to its growth and development.

The Bank's dedication to advancing the CBDC network is deeply ingrained in its core values. The Bank actively engages in upcoming initiatives, with a notable focus on CBDC-UPI QR interoperability, offline CBDC, and programmable CBDC. By participating in these initiatives, the Bank strives to enhance the functionality and accessibility of the CBDC ecosystem, ensuring its widespread benefits.

IndusInd Bank is proud to be at the forefront of this transformative digital currency initiative, revolutionizing the way financial transactions are conducted in the nation.





## Digital GIFT CITY App

IndusInd Bank proudly maintains an active branch within Gujarat International Finance-Tec City (GIFT City), placing the Bank among a select group of organizations with a presence in this thriving location.

GIFT City is a visionary project of the Government of India, aimed at positioning the country as a global hub for international trade and enticing businesses worldwide to establish their operations within India. The city encompasses an International Financial Services Center (IFSC), which functions as a distinct economic zone. To attract global firms to the IFSC, the Government has established frameworks offering special benefits and concessions. These include, but are not limited to, tax advantages, streamlined regulations facilitating business operations, support for real estate, state-of-the-art physical infrastructure, and much more.

Adhering to the Bank's "Digital-First" approach for operations within GIFT City, IndusInd Bank is diligently working on launching a ground-breaking mobile application specifically tailored for GIFT City customers. Supported by efficient backend operations, technology-driven processes, and streamlined workflows, this industry-first app aims to significantly enhance the customer experience for remittance transactions.

By embracing the unique opportunities presented by GIFT City, IndusInd Bank is poised to provide exceptional financial services to customers operating within this dynamic ecosystem. The Bank is committed to leveraging cutting-edge technology and efficient operations to deliver seamless banking experiences that meet the evolving needs of customers in GIFT City.

### Indus Easy Credit (for Individuals)

IndusInd Bank has achieved significant milestones over the past year with the successful launch of its digital platform, 'Indus Easy Credit'. This end-to-end digital sourcing platform has improved the Bank's scalability and enabled it to effectively meet the increasing demands of customers. The Bank's strategic focus on digital interventions has played a crucial role in driving its growth, streamlining processes, reducing turnaround times, and providing unparalleled convenience to customers.

The DIY (Do-It-Yourself) segment of the platform has experienced remarkable growth, with the overall value of assets in personal loans and credit cards increasing sixfold Y-o-Y. In terms of volumes, the growth has been even more impressive, with DIY Credit Cards growing by 10.2 times and DIY Personal Loans growing by 5.6 times.

To further strengthen its digital offerings and support its tech stack, the Bank has implemented several enhancements for credit cards and personal loans. These include the introduction of assisted Video KYC and co-browsing to improve conversion rates,

enhance the customer experience, and increase the efficiency of tele support staff. The Bank has also revamped the user interface and user experience of the platform, making it more intuitive and user-friendly for customers.

In the realm of credit cards, the Bank has expanded its portfolio by launching various co-branded cards in addition to Easy Diner. These include Aura Edge credit cards for government sector employees and Nexxt Credit Card, India's first interactive credit card with buttons. Furthermore, the Bank is on track to launch co-branded cards with two different international airlines, in addition to Club Vistara, to provide enhanced value and rewards to customers.

Aligned with its commitment to technological advancement, the Bank has successfully upgraded its loan origination capabilities by migrating to a modern, flexible Loan Origination System (LOS). This transition has allowed the Bank to streamline processes, enhance operational efficiency, and reduce the time for loan approvals to less than 5 minutes, meeting the evolving demands of customers.

Moreover, the Bank's Indus Easy Credit digital stack and APIs have facilitated remarkable scalability and growth through strategic partnerships with fintech companies. These partnerships have enabled the Bank to expand its reach and offer innovative solutions to a wider customer base.

The Bank has prioritized industry-leading security practices and diligently complied with the Digital Lending Guidelines published by the Reserve Bank of India (RBI). This commitment to transparency and accountability has fostered trust among customers and solidified the Bank's reputation as a reliable financial institution.

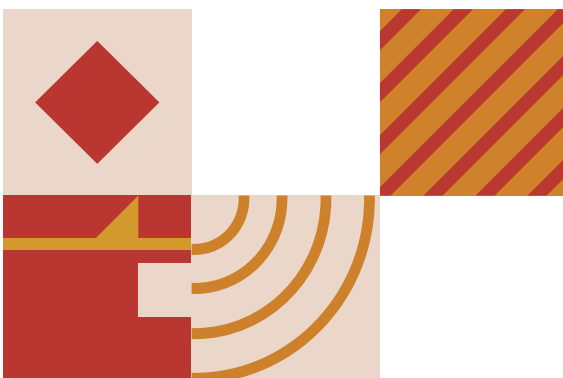
Looking ahead, the Bank remains fully dedicated to continuous innovation, proactively anticipating customer needs, and delivering cutting-edge digital solutions that enhance the banking experience.

### Savings Account and Fixed Deposits Online Platform

IndusInd Bank has achieved remarkable progress in enhancing the customer experience of its Online Account Opening process for Savings Accounts and Fixed Deposits over the previous year. Through a comprehensive revamp, the Bank has successfully optimized the process to be more user-friendly and intuitive, ensuring a seamless journey for customers. To further facilitate engagement and scalability, the Bank has also implemented Mo-engage, enabling it to engage with customers in a timely and relevant manner and reconnect with prospects who may have dropped off. These enhancements have not only improved operational efficiency but have also resulted in a notable 40% year-on-year increase in the number of savings accounts opened through the portal in DIY mode.

Looking ahead, the Bank's primary focus remains on creating long-term value. It has strategically refined its campaigns to target customers who are genuinely interested and actively contribute to adding value to its liability book. By honing targeting strategies, the Bank aims to attract customers who align with its core business objectives, fostering sustainable growth and profitability.

Overall, these initiatives have significantly enhanced the customer experience and positioned IndusInd Bank for future success. The Bank remains steadfast in its commitment to continuous improvement and innovation as it strives to provide customers with the finest banking solutions and establish a robust foundation for long-term value creation.





## Marketing

IndusInd Bank has implemented a comprehensive digital marketing strategy that encompasses all stages of the user funnel, from driving awareness to acquiring users, increasing activation, fostering engagement, and winning back at-risk customers. The bank's plan is designed to effectively reach relevant customers at appropriate stages and intervals.

As a result of the Bank's efforts to enhance campaign efficiency, the traffic to its product lead pages has significantly increased over the past financial year. The Savings Account lead page witnessed a growth of approximately 130%, Personal Loan saw a growth of about 120%, and the Credit Card page experienced a growth of around 70%. Additionally, the bank's brand search volumes have seen an increase across all its digital product offerings.

The Bank's social media endeavors to increase visibility and drive brand recall through moment marketing, thought leadership-based content and product feature promotions have successfully increased conversation currencies across all social platforms. A notable campaign for the bank was the Siddharth Malhotra campaign, which involved creating three short digital films to promote specific features of the Savings Account.

IndusInd Bank has brought the performance marketing function entirely in-house, resulting in a significant reduction in customer acquisition cost (CAC) across channels for the individual segment.

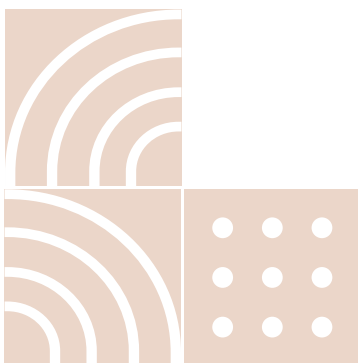
In the self-serve channels, the bank has effectively scaled Meta and Google campaigns across products, achieving a CAC reduction of approximately 60% on Meta platforms (Facebook and Instagram) and around 50% reduction in Google for asset products (credit cards and personal loans).

Starting from the first quarter of the year, the bank has expanded its advertising efforts to direct partner platforms such as Amazon, Flipkart, and PhonePe, leveraging its high-intent audience to acquire quality customers for the credit card business. The bank has optimized its CAC by approximately 60% over the next three quarters, enabling it to leverage these platforms at scale.

The Bank's commitment to running experiments and growing the partner pool is evident through initiatives such as native advertising platforms like Outbrain, Taboola, and other ad networks like Airtel. Affiliate marketing has also witnessed significant growth over the last financial year, with a reduction of around 60% in CAC and an increase in the number of quality partners.

Furthermore, IndusInd Bank has successfully launched MSME app campaigns in-house, achieving a 50% reduction in overall CAC while scaling the top funnel.

In terms of recognition, the bank's IndusEasyCredit platform received the award in the "SME connect" category at the 5th India BFSI Conclave & Awards held in Mumbai. Additionally, the Indus Merchant Solutions App was honoured with the "Best Merchant Acquirer" award at the 10th Industry Payments Awards held in Mumbai.



## 10. 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), 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 both, 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 transacts across asset classes like Interest Rates, Equities, Foreign Exchange and Commodities. It strategizes and takes proprietary positions in Government Bonds, Corporate Debt, Equities, Interest Rates (INR and Foreign Currency), Interest Rate Futures and Currencies.

The Foreign Exchange and 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 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 fund, banks, NBFCs, 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 provides 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 Over-the-Counter (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 liberalized 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 seamless straight-through flow of transactions.



### 11. Transaction Banking Group

The Bank's Transaction Banking Group (TBG) provides a complete range of products and services for Cash Management, Trade Services, Trade Finance and Global Remittances to Customers of all Business Units. These services are delivered through market-leading Digital Banking platforms.

Under the Cash Management Services (CMS) umbrella, the Bank offers customized and differentiated products to its Corporate and Consumer Banking customers, designed to improve efficiencies in their Payables and Receivables Management. The Bank has partnered with fintech players and integrated them with its digital banking platforms to enable seamless payment, collection and reconciliation solutions for its Customers. Anchor CMS solutions like Escrow and Nodal services, API-based e-Payments and e-Collections and structured solutions around UPI, NACH and BBPS provide large corporate clients with the ability to manage their fund flows and liquidity more efficiently. A strong product stack has enabled the bank in building scale to process large volumes of PPI, BBPS and NACH transactions for its customers.

The Bank has also been a frontrunner in providing customized solutions for its Customers in the City Gas Distribution and Renewable Energy segments and is a dominant player in the NBFC sector. The Bank has launched a unique program with Raipur Municipal Corporation which is a QR based smart address system (Digital Door Number) to enable online payments for various municipal services availed by house owners. In addition to the above, the Bank has strengthened its presence in the Government segment by providing bespoke CMS solutions through multiple Digital platforms for e-Tendering, e-Procurement, GeM, PFMS and Subsidy management, improving efficiency for customers and increasing sustainable CASA flows for the Bank.

The Bank, under its Agency Bank license, has further deepened its strategic partnerships with the Central Government and enabled the Bank's Customers to pay their Direct & indirect Taxes through their IndusInd Bank accounts – online or through the Bank's branches. This will be further extended to enable collections of Customs Duty and Railway Freight payments. The Bank is also in the process of integrating with the State treasuries of two states for collection of the State's Tax and non-Tax receipts.

The Bank's Trade product is designed to address the requirements of Large, Medium and MSME customers, by providing short to medium-term Trade Financing complemented by a full suite of Trade services for Domestic and International Trade flows.

The Bank's Exporter and Importer clients avail of various Trade Services related to Pre-shipment and Post-shipment financing, Export and Import Letters of Credit, Shipping Guarantees, Bank line discounting and Direct and Advance remittances. The Bank also offers Bank Guarantee services and caters to clients' 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, enjoying a significant market share in LRS Outward Remittances from India and being a preferred India Correspondent for Overseas Banks, Exchange Houses and Money Services Business/Money Transfer Operators.

Digital platforms are the foundation of all Transaction Banking products and the Bank continued to enhance its capabilities in this domain. Clients embraced the Bank's platforms for initiating their Payments & Trade transactions and managing their Collections Digitally, with an increase in client adoption and transaction volumes across the Portals, Mobile Apps and API platforms. The platforms offer rich functionality for clients to initiate individual and bulk payments, payroll processing, Tax, EPFO and ESIC payments, Bank Guarantee and LC issuance, Inward and Outward Remittances and Import and Export collections. The platform also provides a comprehensive view of IDPMS/EDPMS Dashboards and allows for regularization thereof.

Digitizing Bank Guarantee issuance through initiatives such as eBG and Templated BGs is one of the marquee engagements undertaken by the Bank this year. This initiative involves automated issuance and processing of Bank guarantees leveraging the Bank's Digital platform alongwith the recently launched NeSL platform. The success of this initiative has enabled the Bank to provide end-to-end digital experience to clients availing its Bank Guarantee services.

The Bank is also in the forefront in other Central Bank initiatives, including the launch of its Central Bank Digital Currency (CBDC) App for its customers.



### 12. Pan Bank Liabilities Group

To improve the Bank's liability franchise and encourage the retailization and diversification of its liability base, the Pan Bank Liabilities Group (PBLG) was founded in FY2021. Supporting the Business Unit in mobilizing suitable liabilities, co-creating the Liability strategy and coordinating it with the Product and Operations teams are among the duties of the Group.

The PBLG was crucial in enabling 53% of additional deposits from granular sources throughout the course of the year, increasing the share of retail deposits in the Bank's total deposit base. The Bank had strong growth across a variety of liability metrics, outpacing the sector's average growth rate.

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. The share of low-cost CASA deposits has grown in line with the plan.

As a way to improve the sourcing of liabilities business and increase product penetration, PBLG has aggressively promoted inter-segment synergy projects. We have seen greater adoption of liability products among the Bank's current clients because of this strategic approach, which has produced sustainable deposits and enhanced customer loyalty. The coordinated efforts within the



Bank has allowed the expansion of a varied and detailed liability book, demonstrating a good growth trend. Additionally, in line with the Bank's goals in this area, its emphasis on retailization has led to an increase in deposits from retail and small company clients.

### 13. Financial Restructuring and Reconstruction Group

The Financial Restructuring and Reconstruction Group (FRRG) oversees all operations about the recovery of non-performing loans, restructuring of stressed assets and the sale of Non-performing Assets (NPA)/ stressed accounts. Additionally, the FRRG is entrusted with the responsibility of managing NCLT activities, including timely and centralized claim filing. To efficiently handle and monitor IBC-related activities, the FRRG has established a dedicated NCLT desk.

The Bank has also actively utilized the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (RDDB Act) for recovery of dues. In addition to this, the Bank is also actively utilizing other tools provided by the Reserve Bank of India such as Prudential Framework for Resolution of Stressed Assets / Transfer of Loan Exposure.

The Gross NPA as a percentage of Gross Advances is 1.98% while the Net NPAs of the Bank stand at 0.59% of Net Advances.



### 14. General Banking Operations

The Bank has continually strengthened its policy framework regarding Know Your Customer (KYC) norms, in compliance with regulations. It has implemented a simplified KYC procedure, benefiting individuals from the Lower Income Group who can now open accounts with minimal documentation, aligning with RBI policy guidelines.

To enhance operational efficiency, the Bank has introduced a state-of-the-art Workflow and Imaging System for various banking processes, including account opening, term deposit bookings, trade finance transactions and branch expenses processing. This system enables faster turnaround times and real-time movement of work from branches to the Central Operations Unit, eliminating the delays associated with physical forms sent through couriers. The implementation has resulted in improved branch efficiency and elevated client service standards.

With a focus on digitalization and e-KYC, the Bank has introduced Digital Account Opening through a mobile application. This seamless process allows for straight-through account opening and online verification of KYC, reducing turnaround time and providing customers with greater convenience, along with enhanced controls and compliance measures.

The Bank has embraced the use of electronic KYC documents in accordance with the third amendment to the Prevention of Money-laundering Rules, 2005. Additionally, to facilitate Customer Identification Process (CIP), the RBI has permitted a Video-based Customer Identification Process (V-CIP) as an alternate method for establishing customer identity during onboarding. As a result, the Bank has introduced a Video-Based Customer Identification Process, allowing customers to complete their KYC verification and account opening procedures remotely, without the need for paperwork.

Participating in the Clearing through Cheque Truncation System (CTS), the Bank has 2,298 branches covered under the Grid Clearing, with CTS Centers in Mumbai, Chennai and New Delhi.

It also engages in National Automated Clearing House (NACH) transactions, including Debit and Credit (ECS) transactions in Mumbai, as well as Aadhaar-based Payment System (ABPS) transactions through NPCI.

To ensure efficient settlement of claims for deceased depositors, the Bank has established a comprehensive policy that covers all types of deposits and lockers. The policy simplifies the settlement process and the necessary forms are available on the Bank's website.

The Bank has formulated a Deposit Policy outlining the guiding principles and terms and conditions governing various banking products, as well as the rights of depositors. It has also developed a voluntary Fair Practice Code, setting standards for customer interactions across all branches.

To promote fair banking practices and provide information on customer service activities, the Bank has introduced the Citizen's Charter. Additionally, it has implemented a Customer Compensation Policy, which compensates customers for any direct and actual loss resulting from service deficiencies as mentioned in the policy.

The Bank has adopted an Unclaimed Deposit Policy based on RBI guidelines, facilitating the classification of unclaimed deposits and establishing a Grievance Redressal Mechanism for prompt complaint resolution and record-keeping. Balances from unclaimed deposits and other accounts are periodically transferred to the Depositor Education and Awareness Fund (DEAF) in accordance with RBI directives. Customer details related to unclaimed deposits are regularly uploaded on the Bank's website.

The Bank has developed a Customer Rights Policy, which can be accessed on its website. Additionally, it has implemented a Customer Protection Policy based on RBI guidelines to provide a safe, reliable, transparent and superior service experience. This policy addresses customer complaints regarding unauthorized transactions conducted through electronic channels, defines criteria for determining customer liability in different circumstances and enhances customer awareness.





### 15. Corporate and Global Markets Operations

The Corporate and Global Market Operations (CGMO) department takes responsibility for delivering a wide range of products to customers in both the Corporate and Retail segments. These products encompass various areas such as Trade Services, Supply Chain Finance, Cross Border Remittances, Cash Management, Foreign exchange, Derivatives, Bullion and Depository Services, Portfolio Investment Schemes, and Exchange Clearing.

CGMO teams are dedicated to maintaining high standards of operational delivery, ensuring that customers receive exceptional service. In pursuit of this goal, we have made significant progress in key focus areas. Firstly, we have focused on enhancing the customer experience by providing seamless delivery and embracing digital enablement. Secondly, we prioritize strong employee engagement and development, recognizing that the Bank's talented workforce is crucial to the Bank's success. Thirdly, we have implemented process simplification and automation initiatives to improve efficiency. Fourthly, we take a proactive approach to risk management, mitigating potential issues before they arise. Finally, we are committed to ensuring compliance with regulatory guidelines and upholding the highest standards of integrity and accountability.

#### Customer experience

During the year, CGMO implemented a cutting-edge 'EarlyCredit system' for Supply Chain Finance customers, enabling 24/7 customer access and transaction processing. This, along with the establishment of a dedicated service desk, has significantly improved the Bank's ability to provide best-in-class service. Additionally, we expanded the coverage of the state-of-the-art iTRAC system, introduced last year, to include Outward remittance products. This seamless transaction flow, with automated checks and approvals, has streamlined processing time and elevated the overall customer experience. Moreover, dedicated teams were established to support the current and future growth of business at GIFT City, ensuring specialized handling of transactions in that area.

#### People management

The exemplary service delivery of CGMO teams earned them numerous appreciations and accolades from customers across all segments. The unit further strengthened the Bank's training initiatives, covering both technical and soft skills, resulting in significant progress in building a Centre of Excellence. Staff engagement initiatives, including well-received staff Town Halls, continued to foster a positive work environment at all levels and locations.

#### Capability enhancements

CGMO made substantial strides in enhancing delivery capability through major system upgrades and automation initiatives, leading to superior customer experience and operational efficiency. In retail remittances operations, we implemented the state-of-the-art Digi Bureau system which is scalable and has improved operational efficiencies by handling higher volumes with built-in checks and controls. As one of the early adopters, the Bank is on the NeSL platform, enabling the issuance of electronic Bank Guarantees. This paperless process reduces turnaround time, provides clients with a digital repository of all their BGs in one place, and enhances fraud prevention while eliminating manual documentation and authentication processes.

#### Risk

CGMO maintains a proactive focus on identifying risks and implementing controls and mitigations through a robust Risk and Control Self-Assessment framework. All key processes across CGMO are now covered by RCSA, and Key Risk Indicators (KRIs) have been established to ensure comprehensive risk management.





## 16. Branch Network and Infrastructure

The Bank has established a comprehensive network with a total of 2,606 banking outlets and 2,878 ATMs, ensuring a presence in all 28 States and 7 out of the 9 Union Territories. To cater to offshore banking operations, the Bank has an International Financial Services Unit (IFSC) Banking Unit (IBU) located at the Gujarat International Finance Tec-City IFSC (GIFT City). Furthermore, Representative Offices are operational in key international locations such as London, Dubai and Abu Dhabi.

In addition to expanding its network across India, the Bank has introduced 13 PIONEER branches in prominent locations. These branches are situated in Mumbai (Juhu, Pedder Road and Lower Parel), Pune (Koregaon Park and Ghole Road), Delhi (Defence Colony and Punjabi Bagh), Gurugram (Palm Springs), Chandigarh (Sector-9), Kolkata (AJC Bose Road), Chennai (R. K. Salai Road), Bangalore (Church Street) and Jaipur (Malviya Marg).

To facilitate efficient currency management, the Bank operates six currency chests strategically located in Mumbai, Delhi, Chennai, Kolkata, Bengaluru and Chandigarh.

### ESG in Operations

IndusInd Bank is actively expanding its ESG footprint within its operations, particularly through initiatives such as the Green Branch Initiative. It is worth noting that two of the Bank's large offices, namely IBL House Andheri in Mumbai and Karapakkam in Chennai, have already achieved Leadership in Energy and Environmental Design (LEED) certification.

Furthermore, in the current financial year, the Bank has successfully obtained LEED certification for 10 PIONEER Branches, bringing the total number of LEED-certified PIONEER Branches across the country to 13. These accomplishments exemplify IndusInd Bank's commitment to meeting the rigorous standards set by the United States Green Building Council (USGBC) and underline its ongoing dedication to sustainable building practices.

## 17. Information Technology

IndusInd Bank's information technology division remains committed to its strategic objectives and continues to collaborate with business functions to reimagine the next-generation bank. By leveraging innovative business models, products, and partnerships, IT consistently delivers compliant, secure, resilient, and high-performing solutions to both employees and customers. The IT strategy and execution, guided by the board and executive management, are rooted in the following fundamental principles:

1. Leapfrog Digital 2.0: Embracing advanced digital technologies to stay ahead of the curve.
2. Building and servicing resilient products with superior performance.
3. Enhancing customer service to provide an exceptional experience.
4. Improving risk management practices to ensure robust control measures.
5. Aligning business strategy with sustainability goals.

IT actively collaborates with business units to support the Bank's strategic objectives, modernizing the entire technology stack from infrastructure to applications, with a strong focus on customer experience and convenience. The Bank has strategically worked on its digital Infrastructure revamp to support ever increasing digitization of the processes. Key initiatives were to break the solutions into microservices hosted on self-healing and scaling Kubernetes instances, 'Hollow the core' systems by building data pipelines through CDC technology, centralized authentication and authorization systems through unified customer management and API standardization across bank with highly resilient and scalable API platform. The API platform serves as the foundation for the bank's digital initiatives, with APIs powering all channels and partnerships. The API banking platform is highly resilient, supported by centralized governance and enhanced security standards.

To ensure stable and resilient IT systems, the Bank has invested in tools that provide early warning mechanisms, enabling proactive identification of potential issues, effective root cause analysis, and predictive analytics. This framework promotes collaboration among teams, leading to greater predictability, improved reliability, and stable applications. Additionally, the Bank has implemented a stack of APM tools to automate observability, root cause analysis and remediation.

To enhance client experience, the Bank established a centralized customer communication platform to streamline interactions with customers. It provides customers with a unified view, standardized template management, a consistent omni-channel experience, personalized multi-lingual communication, and support for various communication formats. The platform also enables the Bank to send static and interactive communications such as print, email, and WhatsApp messages to customers.

The Bank has undertaken multiple Payment modernization initiatives and is amongst the few banks in India which runs its payments technology stack for products like NEFT RTGS IMPS AePS UPI on an architecture which is a microservices container stack which runs on a unified platform to build, modernize, and deploy applications at scale, implemented on a leading virtual private cloud platform and also on an on-premise model. The architecture ensures higher standards of stability, resiliency and scalability to meet client demand. IndusInd Bank was also one of the first few banks to adopt and implement the CBDC initiative using on-premises model for the Distributed Ledger Technology Platform which was the vision of RBI and NPCI. We also are glad to share that IndusInd bank was ranked #1 in the grading of peer banks in managing fast growing UPI Volumes and need to maintain scale and stability as per MeITY (Ministry of Information Technology) score published periodically.

During the year, IndusInd Bank embarked on a journey to transition to a modern Data center (DC). This state-of-the-art facility not only enhances safety measures for fire and security but also supports a sustainable future by reducing the carbon footprint. The hyper-scaled DC ensures scalability, resource optimization through modular design, and economies of scale, enabling the Bank to meet its evolving technology needs.

During the FY2022-2023, several significant transformation themes and initiatives were introduced, aiming to drive progress and innovation. These key areas of transformation include:

### Enhanced Customer Experience Initiatives

#### • API Open Banking with omnichannel experience

The Bank introduced API Open Banking, a comprehensive initiative to extend banking services across channels and partners. This solution enables customers to have a seamless and efficient banking experience by interacting with various service providers. It also offers an omnichannel experience and promotes innovation through single sign-on, ensuring secure transactions without sharing credentials with third parties.

#### • Digital currency (CBDC e₹)

As part of the pilot for Cohort-3, the Bank launched the capability for CBDC e₹ (Digital Rupee), which is the Central Bank Digital Currency introduced by the RBI in India. This initiative provides customers with an additional option for digital transactions while mitigating credit and liquidity risks.

#### • Indus Merchant Solutions App for microfinance users

The Bank implemented the IndusMerchant App, a comprehensive paperless solution that combines the digital, paperless, and omni-flow experience of various payment companies with banking features. This all-in-one 'Merchant in a Box' solution is specifically designed for microfinance users, allowing Bharat Super Shop merchants to access UPI collections in real-time and utilize their banking facilities.



#### • Indus Fast Remit

The Bank introduced IndusFastRemit, an online marketplace for remittances accessible across different geographical locations. Customers now have the flexibility to choose remittance services based on their preferences and partner offerings, presenting significant potential for the Bank to expand its Non-Resident liability book.

#### • Agency Banking

IndusInd Bank was authorized to act as an agency Bank on behalf of the Government of India for the collection of various direct and indirect taxes, including income tax, goods and services tax, and customs duty. The Bank facilitated these collections through multiple channels, such as IndusNet, IndusDirect, and its branch network, ensuring timely remittance of collected taxes to the RBI on the next business day.

#### Innovations for Superior Operating Efficiency

##### • Finacle Digital Accelerator

The Bank has upgraded its API foundation by leveraging Finacle's Digital Accelerator. This microservices-based architecture empowers the Bank to easily scale up and manage high volumes and surges in services across traditional, modern, and emerging channels. As a result, the Bank is now processing significantly higher composite channel transactions with improved transaction throughput.

##### • Vehicle Finance Loan Origination

The Bank has implemented a revamped loan origination platform specifically designed for the passenger vehicle and two-wheeler segments. This platform utilizes best-in-class products and enables the Bank to provide customers with in-principle loan sanctions within 15 minutes and same-day disbursals. The platform leverages Business Rule Engines (BREs) and incorporates risk-based pricing. Additionally, it allows for seamless integration with government and regulatory agencies. Comprehensive API integrations capture vehicle prices and enable geo-tagging for field investigations, ensuring an end-to-end digitized customer journey.

##### • Project Pragati

The Bank has enhanced its Loan Management System to strengthen the backbone of its microfinance business. With a robust architecture and real-time sync capabilities, Project Pragati brings centralized instantaneous reporting, timely data reconciliation, 100% same-day branch sync, and compliance with the latest regulatory norms. This project significantly improves operational efficiency and supports the Bank in meeting regulatory requirements effectively.

#### Security, Risk & Internal Efficiency Initiatives

##### • Digital Centre of Excellence

Recognizing the importance of early adoption of cloud-native journeys, artificial intelligence (AI), machine learning, DevOps optimization, and cloud strategies, the Bank established a Digital Centre of Excellence (CoE). This CoE brings together a core team of product experts, solution delivery professionals, and engineering teams to work collaboratively. The purpose of the CoE is to drive continuous improvement, facilitate digital transformation, and ensure alignment between business requirements and system design.

##### • Managing Technical Debt

The Bank has taken proactive steps to manage technical debt by identifying assets that are EOS / EOL and prioritizing remediation efforts based on criticality and risk. By investing in top-of-the-line security measures and state-of-the-art hardware, we have

ensured longevity and stability of our systems, resulting in improved security profile, efficiency and reduced downtime.

#### Technology Awards

##### • IBA Banking Technology Awards 2022

IndusInd Bank achieved remarkable success at the 18th IBA Banking Technology Awards, securing awards in all five categories it was nominated for. The Bank emerged as the winner in the categories of Best Technology Bank, Best Digital Engagement, and Best IT Risk Management. It was also the runner-up in the Best Technology Talent category and received a special prize for Best Financial Inclusion.

##### • Technology Senate Awards 2022

IndusInd Bank received recognition in two categories at the Technology Senate Awards 2022. The Bank was honored for its Cloud Initiative, which involved the deployment of new-age cloud-native applications on a hybrid multi-cloud architecture. Additionally, the Bank was acknowledged for its innovative use of Artificial Intelligence in IndusInd WhatsApp Banking.

##### • Finnoviti Awards 2022

At the 10th edition of the Finnoviti Awards 2022, IndusInd Bank was bestowed with awards for its Open Banking Initiatives, namely IndusQode (developer portal) and Account Aggregator. These initiatives demonstrated the Bank's commitment to innovation and delivering distinct benefits to stakeholders.



## 18. Human Resources

At IndusInd Bank, the organization recognizes the immense value of its human capital as the foundation of its business success. The Bank strives to cultivate an enabling culture that empowers employees to work, perform, and achieve their professional goals. The core values and guiding principles of the Bank revolve around client-centricity, entrepreneurship, agility, excellence, execution, trust, compliance, and governance.

As a strategic business partner, the Human Resources agenda at IndusInd Bank focuses on providing employees with a positive work experience. The Bank aims to acquire the right talent, retain them in the long term, create growth opportunities, foster strong employee connections, and prioritize employee welfare and wellness. Over the years, the Bank has implemented employee policies and processes that are benchmarked against the market to enhance the Employee Value Proposition.

IndusInd Bank takes pride in being recognized as a 'Great Place to Work' by the Great Place to Work® Institute, a global authority on high-trust and high-performance cultures in workplaces. This certification serves as a testament to the Bank's organizational climate and culture, which prioritize credibility, respect, fairness, pride, and camaraderie. The Bank is committed to creating an exceptional work environment, resulting in improved business performance, enhanced employee productivity, positive word of mouth from employees, increased diversity and inclusion, and stability in the strategic business leadership layers. IndusInd Bank is acknowledged as a preferred employer brand in the industry.

#### Key Highlights

##### 1. Employee Headcount

As of March 31, 2023, the bank's employee headcount reached 38,179. The Bank pursued strategic resourcing and achieved net hiring of 4,597 resources in FY2023 to support new business initiatives, fulfill critical and specialized roles, and expand the





branch network. The Bank also focuses on improving diversity by increasing female participation in the workforce and has launched 10 all-women branches across the country.

## 2. Diversified Hiring Channels

The Bank invests in diversified hiring channels, including employee referral schemes, job portals, consultants, campus hiring, and social media platforms such as LinkedIn and Facebook. Social media platforms are leveraged to attract domain experts and senior leaders. The Bank emphasizes employee referral schemes as a strong brand endorsement. The Bank also utilizes the 'Hire-Train-Deploy' approach through industry and academia partnerships to hire frontline sales personnel. Additionally, the Bank conducts campus-to-corporate programs to onboard fresh talent and provide career opportunities across corporate and retail verticals.

## 3. Robust Succession Planning

The Bank places significant importance on robust succession planning guided by the board. The Bank aims to ensure business continuity for critical roles, facilitate smooth leadership transitions, and identify and develop internal talent for future leadership positions. As part of this exercise, the Bank has onboarded several external and internal candidates for leadership positions and actively nurtures potential successors to build a strong leadership pipeline.

## 4. Focus on Learning and Development

The bank's learning process emphasizes capacity building through business unit-specific learning roadmaps, gamified e-learning programs, leadership development programs, domain-specific programs, and certifications mandated by regulators and the bank. The Bank follows a well-defined learning process that includes identifying learning needs, disseminating learning plans, delivering digital learning sessions, and implementing a structured feedback mechanism to improve learning design and effectiveness. In FY2023, the Bank conducted over 1,445,000 virtual learning man-hours, focusing on areas such as managerial effectiveness, customer focus, banking products, risk management, operational processes, and orientation programs. The bank's e-learning app, 'Indus Evolve,' contributes to the ease of learning and provides scalable and cost-effective learning solutions.

## 5. Performance Management

The Bank adheres to a robust performance management process that includes setting Key Result Areas (KRAs) and SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals linked to the bank's business objectives. Compliance is integrated as a goal within employees' SMARTs. The annual performance appraisal for FY2022 was based on the tangible achievement of performance objectives, which influenced compensation decisions. The Bank conducts periodic performance feedback conversations to address performance issues, mentor employees, and enhance performance and productivity.

## 6. Attracting, rewarding, and retaining talent

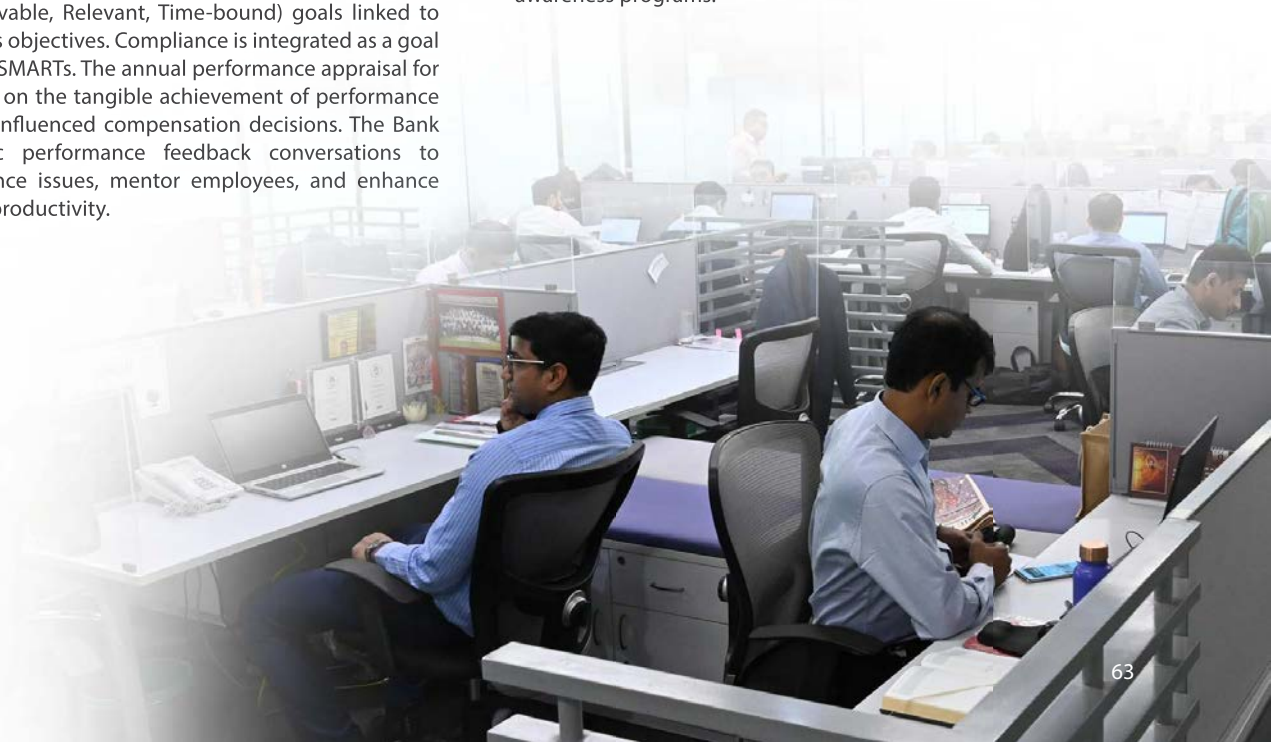
The bank's strategic intent is to attract, reward, and retain critical talent. The Bank believes in rewarding employees based on performance and follows a compensation philosophy of 'Pay for Performance' and role criticality. The Bank aims to be a competitive paymaster by offering market-linked, performance-based compensation. Additionally, the Bank provides long-term incentives such as ESOPs (Employee Stock Ownership Plans) and implements retention plans. The Bank focuses on job enhancement, accelerated career paths, work-life balance, job rotations, empowerment, and autonomy as drivers for employee retention.

## 7. Employee Engagement and Welfare

The Bank prioritizes employee engagement through various initiatives, including quarterly webcasts by the MD & CEO to communicate the bank's direction, performance and emphasize compliance, governance, integrity, and discipline. Programs like We Connect, Let's Connect, Coffee Connect, and Employee Appreciation programs facilitate grievance resolution, employee retention, and development. The Bank celebrates occasions such as International Women's Day, regional festivals, and sports events, fostering a sense of community across locations. It also acknowledges employees' long-term association with the Bank through service awards. The Bank continuously tracks employee experience through various processes like welcome calls, extended experience calls, service anniversary processes and exit processes, to gather real-time employee feedback and improve employee processes.

## 8. Employee Welfare and Digitization

The Bank implements employee welfare schemes to support and motivate its workforce. It introduced measures such as paternity leave, career guidance programs for employees' children, and women-centric policies. The Bank leverages the Employee Welfare Fund to provide financial assistance to families of deceased employees. Digitization is a key focus to improve employee lifecycle processes, enhance efficiency, and drive productivity. The Bank has launched several digital initiatives for employees, including HR Mobile application, AI assisted Chatbot, automated Ticketing system, online staff account opening, career portal, IJP / employee referral portal, digitisation of offline processes and new learning management system platform. The Bank ensures compliance with all regulatory and statutory norms in its employee processes and promotes employee adherence to the bank's Code of Conduct through education and awareness programs.





## 19. 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. 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 vested 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.



## 20. 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, along with 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 hereunder:

- 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 Behavior Models;
- Sector reviews are carried out to assess and evaluate potential risks and stress within such sectors for analyzing 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 Modernization of SAS Platform which supports in 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 COVID-19 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 book.

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 out the criteria on 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 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 including Back Testing, Risk Sensitivity limits such as PV01, Greeks (Delta, Gamma, Vega) 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 also 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 Ratios analysis, behavioral 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 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), 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 adverse movement in various internal and external factors 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, categorized 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 effective execution of contingency plans in the event of invocation of 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 minimize sensitivity to changes in interest rates on assets and liabilities. Interest Rate Risk is measured based on the re-pricing behavior of each item under asset, liability and off-Balance Sheet products. The Bank's Assets and Liabilities Management Policy has 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 in 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 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 ensures appropriate actions towards mitigation of such risks.
- Issue and Action Module enables tracking and monitoring issues emanating from Root Cause Analysis, Risk Assessment, Actionable relating to various operational risk issues, products/processes approvals, etc.
- Key Risk Indicator (KRI) Module enables reporting, monitoring, tracking, and 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 the 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.

### Product and Process Approval (PPAC) Framework:

The Bank assesses a Products and Processes Approval Framework for approval. The concerned 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. In addition the Bank has also created an Operational Risk Stress Testing Framework that covers 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 the Basic Indicator Approach for the computation of capital charges for Operational Risk.

### 20.1. Systems Risk

The Bank places a high priority on maintaining a secure technology infrastructure. Protecting its underlying applications and information. The Bank employs the best Information Security capabilities available to ensure the confidentiality, integrity and availability of its data. It continuously seeks to improve its security posture and keep up with evolving trends to proactively ensure that the Bank safeguards its customers' data.

The adoption of the ITIL framework and ISO/IEC27001 standards by the Bank are indicative of its focus on maintaining the best-in-industry standards of information security. These are globally accepted and proven standards which provide guidance for implementing the best practices and tools for managing and monitoring technology functions. This has helped the Bank to identify & manage Technology related risks, ensure compliance, business continuity, security and privacy by implementing a globally accepted framework.

The Bank's data centers, IT and support functions are certified to the ISO 27001:2013 standard which is a globally recognized Information Security Management System (ISMS). The Bank's commitment to these standards is an assurance to its customers that it values their data privacy and is taking appropriate measures to protect their sensitive information. These standards help the technology teams to align themselves with the business needs which in turn helps to map the processes correctly with clear roles and responsibilities.

The Bank has a board-approved Information Security Policy and Cyber Security Policy and 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 cybersecurity incidents, effectively and efficiently. This establishes the cyber security resilience vision of the Bank. The ISO 27001:2013 framework defines consistent approaches during various stages of detection, identification, containment, eradication and recovery from specific cyber security incidents. Additionally, the Bank has a Board-approved Privacy Policy which guides the Bank in protecting the privacy of its customers' confidential information.

The Cyber Security Department identifies risks, vulnerabilities across various applications and solutions implemented in the Bank, which helps in securing critical information and enforcement activities related to information and 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. The Bank also has a DR site and connectivity of 1Gbps between the DC and DR Center. 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.

The Bank's security services are a blend of on-site and off-site resources to provide security services. The Bank has implemented industry leading security solutions such as SIEM, Anti-phishing, Anti-malware, DDoS protection services, Web application firewall, etc. The Bank has also implemented tools such as NAC and End point detection and response tools for reduction of internal malware threats. The remote security team is responsible for monitoring alerts and responding to them 24x7. IndusInd Bank has ISO 27001:2013 certified captive Security Operations Center (SOC), which works across the year to ensure it monitors all security incidents that occur in the IndusInd Bank infrastructure and correlate events, identify threats and support incident response in real-time.

The Bank has partnered with external specialists for managing Cyber Security Incidents. Their Incident Response Plan outlines various categories of incidents and the corresponding procedures to handle them. For severe Cyber Security incidents, the Bank has arrangements with retained external experts to provide vital expertise during the response. Additionally, the Bank has secured cyber security incident insurance.

The Bank employs various channels, including the Surveillance Unit, to monitor and mitigate insider threats and internal fraud. Through digital channels, e-learning, classroom training and workshops, the Bank disseminates awareness messages and tips to increase awareness of cyber frauds, safe internet and online banking practices, identification and avoidance of phishing/vishing attempts, secure use of credit/debit cards, protection from malware and malicious websites and other related topics. This program is designed to educate and raise awareness among internal users, customers and partners.

Furthermore, the Bank has introduced a dedicated service to monitor Dark Web feeds through its Threat Intelligence Services, enhancing its ability to identify potential threats.

The Bank has a comprehensive and regularly updated Disaster Recovery Strategy in place to mitigate the risks of loss or damage caused by unexpected events such as ransomware attacks, natural disasters, or potential vulnerabilities. The Bank has implemented Disaster Recovery (DR) Plan for their technology staff and for the underlying technology stack, which has been tested against the DR plan. The strategy focuses on recovering critical information, restoring systems, and swiftly resuming operations. These measures are part of the Bank's broader Business Continuity Management (BCM) plan, which aims to ensure uninterrupted operations with minimal downtime.

The Bank has established a well-defined Vulnerability Management Plan to proactively mitigate risks associated with applications and systems. This plan aims to identify and address vulnerabilities before they can be exploited or cause any harm. The Bank employs various practices such as testing, auditing and scanning to detect and rectify potential issues, ensuring a secure environment for its operations.

The Bank is implementing threat-hunting capabilities that involve verifying specific hypotheses related to emerging threat scenarios. The Bank deploys a variety of tools for fine-grained authentication and authorizations to restrict unauthorized users from accessing information. These measures help the Bank to prevent harm related to information theft, modification, or loss.

The Bank is using public cloud infrastructure for faster go-to-market and has maintained similar protection levels for application and infrastructure. The Bank religiously performs risk assessment of its cloud infrastructure and ensures that the identified risks are being fixed.







The partnership with the actor was opportune, given his recent success in films and his appeal to the Bank's target audience and brand persona. It is worth mentioning that IndusInd Bank's Savings Account offering was awarded as 'Best Savings Product' in FE Best Bank Awards 2020-21.

With the tagline 'Savings Account ho toh aisa', the campaign highlighted the Bank's attractive and exciting offers like:

1. Attractive Interest rates of up to 7.75% on Fixed Deposits and up to 6% on Savings Account
2. Free Airport lounge access
3. Autopay for utility bills, subscriptions and SIPs using UPI, cards and mobile
4. Upto 20% off on food and groceries on Swiggy and BigBasket
5. Buy one get one free movie ticket on BookMyShow
6. India's first Debit cum Credit Card - DUO Card
7. My Account-My Number with the freedom to choose your account number
8. Instant personal loans and much more, that conveniently fits into the fast-paced lifestyle of its customers.
9. Choice Money- Denominations of your choice at IndusInd Bank ATMs

**IndusInd Bank**

FE BEST BANK AWARDS 2020-21

With all that money, you're sure to go on a holiday. That's why, **FREE AIRPORT LOUNGE ACCESS**.

When on a holiday, you won't remember paying bills. That's why, **AutoPay** on IndusMobile.

But you will remember important dates. Thanks to **My ACCOUNT My NUMBER**. Freedom to choose your account number.

No need to carry multiple cards in your vacy-clothing. Just take **DUO CARD: DEBIT-CUM-CREDIT CARD**.

And if you end up splurging a bit much, don't worry. There's **INSTANT PERSONAL LOAN**.

Back home? Don't come back from a long vacation and start cooking. **GET UP TO 20% OFF** on food & groceries from Swiggy & BigBasket.

Let the holiday vibe continue. **BUY ONE GET ONE FREE** movie ticket on BookMyShow.

Your every need and convenience has been thought-out in advance.

**Savings Account ho toh aisa**

Visit your nearest IndusInd Bank branch or Call 1860 267 7777 | 022 4406 6666 | www.indusind.com

Scan the QR code to open a savings account

To ensure maximum reach, the campaign had both digital and print legs, with ads published in the Times of India and Economic Times, TVCs released in prime-time slots on English news

channels, general English channels, business news channels and English movie channels, as well as vernacular TVCs in 4 languages (Tamil, Telugu, Kannada and Malayalam). The campaign was also released on digital platforms like YouTube, Facebook and Instagram, garnering over 40 million views within just three weeks and targeting select OTT platforms like Sony LIV and HotStar. With the buzz around the Indian nominations, the Oscars were also targeted to showcase the campaign. The Bank also leveraged marquee sites at airports like Mumbai, Delhi, Bangalore and Bhubaneswar and metro stations in Delhi and Mumbai to ensure increased visibility for the campaign. The campaign was also implemented at branches in key cities across the country.

### EazyDiner Credit Card

With the pandemic-related restrictions easing out, there has been a rise in customers choosing to dine out. This presented a favorable opportunity to launch a credit card in partnership with EazyDiner. Again, targeting the mass affluent segment, the EazyDiner Credit Card is the first co-branded credit card catering to the premium dining space. It rewards customers every time they dine out, making it an attractive proposition for frequent diners.



A 360-degree marketing approach was used to promote the product, which included joint press releases, press advertisements in leading financial dailies, social media buzz, airport and metro branding across Tier 1 cities, branch posters, standees, ATM screens, app notifications, email and WhatsApp communication. Social media platforms such as YouTube, Instagram, Twitter and LinkedIn were utilized for product launch posts and videos.

To capture the authentic user experience and delight of the card and its features, an influencer campaign was conducted. Around 200 influencers and Ultra HNI customers, including celebrity chefs, high-profile restaurant owners, food bloggers and prominent media personalities, were invited to try out the card and share their experiences. Their videos were published and promoted on various social media channels, leading to increased interest and uptake of the card.

Restaurant visibility was also ensured by branding across over 100+ restaurants in 8 major cities across India, particularly during peak dining times like Christmas and New Year. The marketing campaign highlighted the key features of the IndusInd Bank EazyDiner card, which included complimentary membership, dining benefits, more rewards with instant redemption and entertainment and travel benefits.



## Home Loans

IndusInd Bank introduced a new product in FY2023, known as 'Prime Home Loans,' to their already extensive line of offerings. This launch was crucial to cater to the growing demand of customers who desire independent living.

During the launch, the product was marketed in 11 top residential housing markets in India and has now expanded to 23 key markets across the country. Initially, home loans were available for ready properties, but the Bank later opened offerings for under-construction properties, focusing on CAT A+/A developers in select 6 cities with certain risk ring-fencing.

**IndusInd Bank**  
**Home Loans**

**A HOUSE, WHERE YOUR FAMILY FEELS AT HOME**

**#AbMumkinHai with IndusInd Bank Home Loans**

- Longer Loan Tenure up to 30 years
- Fastest Turnaround Time
- Attractive Rate of Interest
- Pre-Approved Projects for Funding

To know more, please call our customer care at 1860 267 7777/022 4220 7777 or visit [www.indusind.com](http://www.indusind.com)

To ensure maximum reach, the Bank organized Loan Mela campaigns at select target markets during the Diwali festival, along with branding visibility at metro covers, ATM screens and social media-led campaigns, posts and customer engagement through emailers. The marketing campaign highlighted the loan's key features, including quick processing, tenure of up to 30 years, prompt and personalized service and attractive interest rates. The efforts of the Bank have resulted in an impressive book of ₹385 Cr in just the first seven months since the launch.

## Launch of New PIONEER Branches

During the year, IndusInd Bank launched three new PIONEER branches in Bengaluru, Chennai and Jaipur. The launch was a strategic move by the Bank, capturing key affluent markets and enhancing coverage for the program.

With PIONEER, the Bank offers a whole new world of banking and beyond, which provides full-stack Banking and Wealth Management solutions for high-net-worth individuals, C Suite corporate executives, business owners, NRIs, SME businesses and upwardly mobile affluent Individuals.

**IndusInd Bank**

**WALK IN TO A NEW WORLD OF BESPOKE BANKING**

**PIONEER**  
the art of wealth management

**NOW IN CHENNAI**  
OLD NO. 105, NEW NO. 75, DR. RADHAKRISHNAN SALAI, MYLAPORE

Built on the age-old principles of trust, transparency, simplicity and service, PIONEER is a customized banking programme, where experts backed by innovation and technology, work dedicatedly towards simplifying your banking and managing your wealth, while you enjoy a rewarding lifestyle with a host of privileges we offer. So come, reap the rewards of being a PIONEER!

- Specialty curated customer lounge
- Team of experts with dedicated service & relationship managers
- Best-in-class credit card loaded with rewards & privileges
- Zero cross-currency markup
- Complimentary & discounted lockers
- PIONEER privileges for family group accounts
- Free doorstep banking

AN ACTUAL PIONEER BRANCH IMAGE\*. LOOKS EVEN BETTER WHEN YOU WALK IN!

To know more, call at 044 - 48923400 between 9:30 am - 5:00 pm | Visit our IndusInd Bank PIONEER branch at Old No. 105, New No. 75, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 019 | Website: [www.indusind.com](http://www.indusind.com) | Email: [pioneer@indusind.com](mailto:pioneer@indusind.com)

As a part of the launch plan and to build awareness about the opening, full front-page ads were released in city editions of The Times of India and The Economic Times respectively. The ads focused on showcasing the unique benefits of the PIONEER Program 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 Program.

## Partnership with British Airways and Qatar Airways

IndusInd Bank joined hands with British Airways Executive Club and Qatar Airways Privilege Club to provide customers with a unique and elevated travel experience.

In a first-of-its-kind initiative, the Bank announced a partnership with the international airlines to introduce a unique multi-branded credit card, powered by Visa. The launch is scheduled to take place in Q1 of FY2024.

The announcement was made through a pan India press release, covering various media channels, including financials, mainlines, wires, and electronic and online media. The press release aimed to publicize the partnership to the key target constituents of





IndusInd Bank. With this multi-branded credit card, customers can earn best-in-class rewards and benefits to enhance their international travel experience with British Airways or Qatar Airways and redeem them for exclusive benefits.

**Bank On Happiness Campaign**

In its perpetual endeavor to engage with the customers and to bring to life the customer-centric approach of the Bank, IndusInd Bank commemorated the festive season of Diwali by launching the #BankOnHappiness marketing campaign. Through the Bank's different products, services and offers, this campaign focused on the critical role that IndusInd Bank plays in spreading happiness in the lives of its customers. Be it attractive interest rates, offers on CC & DC, or loan products, the objective of the campaign was to bring happiness to the lives of customers in the first-big-post-pandemic festive season.

This campaign included a plethora of offers, discounts and cashback on purchases and spending across leading brands and e-commerce platforms through a wide range of Bank's debit and credit cards. The campaign theme was also extended to loan products and other business segments of the Bank. These

festive offers were made available across online, offline, national, regional and hyperlocal merchants covering the widest range of categories including electronics and gadgets, lifestyle, grocery, bill payments, travel and dining category.

In order to achieve maximum visibility for the campaign, a multi-faceted approach was adopted, encompassing a wide range of activities. These included customer and employee emailers, captivating short videos, engaging digital banners, and social media assets, as well as appealing branch collaterals and activation activities. To sustain the campaign's impact, compelling digital videos featuring influencer Soha Ali Khan were produced. A press release was strategically crafted, with a focus on Advertising & Marketing media, to capture the essence of this campaign.

**Customer awareness campaign**

**#DamnTheScam**

As a Bank, we are committed to the online safety and security of the bank's customers. So, to create general awareness among the masses about safe banking practices, the Bank rolled out a differentiated awareness campaign called #DamnTheScam.

The awareness campaign aimed at getting the attention of youngsters and senior citizens alike with a Call to Action against fraudsters' new and upcoming tactics. With this campaign, we aimed at enhancing customers' safety and trust in the Bank by informing them about what to do when suspicious activity occurs. The campaign focused on highlighting simple things which can help prevent individuals from getting scammed.

To resonate with the audience visually, the campaign was based on comic characters and creatives were published on all social media platforms (Facebook, LinkedIn, Instagram, Twitter) with short animated videos as well to better comprehend the messaging in a way that reaches the target audience.

**Taste the festivities**

**#BankOn Happiness**  
with IndusInd Bank Credit Cards

Get <b>20%</b> Discount	Up to ₹110 on orders above ₹399 on all Swiggy orders
	Offer applicable on Friday, Saturday, Sunday

**ORDER NOW**

Connect with us:

For terms and conditions click here. Click here for IndusInd Bank disclaimer



### Mumbai Metro & Chennai Metro:

Train Wraps and Branding/ Naming rights of the Mumbai Metro (Red and Yellow Line) and Chennai Metro (Blue Line)



IndusInd Bank has a very strong brand presence at the Metro Stations at New Delhi's Okhla, Noida and Mumbai's Chakala. This year, the Bank also procured transit branding rights for the newly opened Mumbai Metro lines (Red and Yellow Line), in the form of Train Wraps. Additionally, the Bank also gained naming and branding rights for the Chennai Metro (Blue Line).

The Mumbai Metro's Red and Yellow Line seamlessly connect commuters from Western, Central and Northern Suburban Mumbai, with an estimated daily ridership of 9 lakh. 44 branded trains traverse more than 35 km across suburban Mumbai, each comprising six coaches with various media formats for added creativity and impact, including internal branding.

Similarly, the Chennai Metro Line covers 54.41 km, with 41 stations providing maximum visibility to capture larger audiences. With the inclusion of nine new stations on Corridor-1 - from Washermanpet to Wimco Nagar - the visibility has increased for passengers on both Corridors 1 and 2.

### IndusInd ForSports

Under IndusInd ForSports, the Bank uses sports to promote the culture of fitness and well-being among employees and motivate them to draw important lessons for life.

We have supported the ForSports Team in this endeavor through various weekly campaigns like 'Life Lessons through Sports' and 'Deskercise'. While the former is about the key lessons one can take from the life and journey of some champion athletes, the latter was about simple exercises employees could do at their desks to stay fit.



**IndusInd For Sports**

**IndusInd Bank**

THE LIFE LESSONS FROM SPORTS

**ALWAYS BE UNBREAKABLE**

**DETERMINATION**

**LET DETERMINATION BE YOUR POWER PUNCHES**

**MIC** Mary Kom, the most celebrated Indian boxer is a 14-time world champion and an Olympic bronze medalist. Rightly known as 'Queen of Boxing', her success story was no less than a roller coaster ride.

As a young girl from an economically backward Manipal household, Mary Kom did not receive support from her family and society. She kept her interests a secret, as the patriarchal society discouraged any notions of a woman becoming a boxer. She faced many struggles and was discriminated throughout her journey. However, she continued to focus on her dreams despite all odds.

Mary Kom became a sensation in the boxing world and set several landmark records throughout her career.

Mary Kom took a substantial loss from boxing after the birth of her twins in 2007. Just when the world thought they would never see the great Mary Kom again, nothing stopped the mother of 2 as she got back in the ring and did what she loved the most - boxing! She went on to win gold and silver medals at prestigious Asian boxing championships in 2008 and became an inspiration for women as she defied the prejudice that marred women, particularly mothers, cannot be successful athletes.

This incident which shows Mary Kom's unshakable determination is, during Shaolin Open Boxing tournament in Thailand in 2016, when she was slightly overweight and on the verge of being disqualified for not being underweight. She lost 2.5 kg by skipping non-stop for 2 hours, lowered her weight to the weight category and then went on to win another Gold medal.

Mary Kom is a living example of how determination and grit can make a difference.

**LIFE LESSON**

Your background holds no power over you, success is achieved by ordinary people with extraordinary determination.

Let the determination and determination for your power punches to make you achieve greater heights.

**IndusInd For Sports**

**IndusInd Bank**

THE LIFE LESSONS FROM SPORTS

**WILL FINDS A WAY**

**WILL POWER**

**CONQUER THE MOUNTAINS OF SELF-DOUBT**

Anshika Sarda is the world's first woman triathlete to complete the Ironman triathlon in just 24 hours. Her incredible journey from a 17-year-old girl to a professional triathlete.

From a dream come true to her success as a triathlete, she was called by CEO (Central Industrial Security Force), for a job interview in Delhi. She boarded the Patkai Bora Express from Lucknow on the night of 17<sup>th</sup> April 2011. Some robbers entered her coach and tried to snatch her bag and gold chain. She was thrown off a running train for missing them. At that very moment, another train was approaching on the parallel track. She leaped against it and fell. Within both the trains passing, having broken a shattering silence, Anshika tried to lift herself up but failed.

She realized that her one leg was cut off. She kept shouting all night, in pain and for someone to come to her rescue. But nobody was around. Anshika made her small rails on the tracks started chugging on her cut leg. She spent the whole night like that. Finally the next morning she was spotted by villagers who rescued her and immediately rushed her to the nearest district hospital where her leg had to be amputated from below the knee.

Anshika had multiple fractures in her spine and also was given a prosthetic leg. While dealing with getting married to a man who was a professional triathlete, she decided to do the unthinkable - "Climb the Everest."

For Anshika, whose wounds were still fresh from the training week at all but there on her hospital bed she decided to do the unthinkable - "Climb the Everest."

Anshika created history. She hiked the mountain of self-doubt. Anshika's journey is the world's highest peak. Her journey to the summit was 2125 days.

Anshika didn't stop with the Everest. Over the next five years, she climbed & hiked the Himal on all the seven highest peaks in all seven continents. The intently courageous Anshika Sarda is truly an inspiration.

**LIFE LESSON**

A strong willpower always finds its way to success. Conquer the mountains of self-doubt and strive for the best.

### Get Set Run

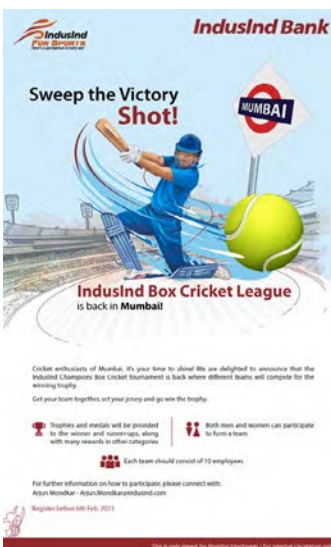
The 'Get Set Run' is the key Employee Engagement initiative of the ForSports team that encourages employees to participate in marathons while providing support with things like participation fees and a t-shirt. The Marketing and Communications team has supported the ForSports team with Communications and Branding for these activities that saw 4195 employees participating in 30 cities, covering over 21,000 km in FY 2022-23.



### Box Cricket Tournament

Additionally, the ForSports Team organized the IndusInd Bank Box Cricket Tournament in Mumbai and Kolkata which saw 880 employees participating. We supported them with the communication for the events.

Furthermore, we supported the ForSports team by creating one-off communication for key announcements and days of National Importance. We also designed an entire campaign aimed at internal and external audiences for the T20 World Cup for the Blind, which has been detailed separately in this section of the report.



### Other BTL and Zonal Customer Engagement activities

During the year, a host of BTL and customer engagement-related activities were conducted including during important occasions, festivals and international days of prominence. A range of activities that were conducted includes Senior Citizen activity, Health check-up, Traders Connect, Independence Day activities, Drawing competition, Blood donation camp, Teachers Day and International Women's Day amongst others. These activities ensured consistent connections with customers and emphasized their banking relationship with the Bank.

Along with customer-centric initiatives, the Bank also focused on enriching the lives of employees with employee-centric initiatives during the year, supported by marketing & communications.





## Human Resources

Along with customer-centric initiatives, the Bank also focused on enriching the lives of employees with employee-centric initiatives during the year, supported by marketing & communications.

### Making strides towards 'Employer of Choice'

IndusInd Bank strives to inculcate a performance-driven and result-oriented culture. The Bank partnered with the Great Place to Work organization and conducted an employee survey to assess the organizational culture and climate. Positive employee participation resulted in the Bank receiving the Great Place to Work certification, bringing us closer to the bank's objective of becoming the 'Employer of Choice.' Even more impressive is the fact, that the Bank achieved this certification on its very first attempt. This is a testament to the bank's outstanding company culture, great people and exceptional management.

### HR-employee experience lifecycle process

In FY2022-2023, the HR-Employee Experience (HR-EX) team significantly contributed to enhancing the employee experience, engagement and retention at the Bank. The team celebrated a milestone achievement of over 55,000 employee connections, which reflects the positive impact of these programs.

The HR-EX lifecycle process focused on different stages of the employee journey, connecting with employees at each stage, like onboarding new joiners, conducting employee satisfaction surveys, celebrating service anniversaries, long service awards etc. The team conducted welcome calls to assist new joiners, extended experience calls to gather feedback from employees on completing six months in the system and first-service anniversary calls to congratulate employees. The team also congratulated employees who completed five years with the Bank and multiples thereof and conducted exit interventions to understand the reasons for resignation and discuss retention.

### Employee-centric initiatives

The HR-EX team introduced several initiatives to support the employees' needs and priorities. Indus Cares, a flexible maternity benefits program, provided extended maternity benefits to new mothers, while You Matter, a flexible work arrangement program, allowed women employees to work from home or change their profile or location if their parents were critically ill or upon transfer of their spouses' office location. The Paternity Leave initiative provided fathers with 14 days of leave on the birth or adoption of a child. The Long Service Award recognized employees' contributions on completion of five years and multiples thereof. The Welcome Kit provided personalized kits to new joiners in grades VP and above. Indus1, HR's Mobile App with an AI Chatbot was launched and supported by an end-to-end employee engagement marketing campaign.

### Commemorating important days

The Bank celebrated various festivals and events during the year, to foster employee engagement on Independence Day, Diwali, Christmas, International Women's Day, World Mental Health Day etc. The Bank rolled out theme-based contests and traditional days and conducted multiple Pan-India virtual programs. The Women Leaders' Mentorship Program supported women in leadership roles. The Bank also launched the Positive Moves program, to assist employees' children in making the right education and career decisions.

## CSR-related activities

### Campaign for the 3rd T20 World Cup for the Blind:

Through the IndusInd Blind Cricket Program (under CSR), in partnership with the Cricket Association for the Blind in India (CABI), the cricketing arm of Samarathanam Trust for the Disabled, the Bank proudly supports the **Indian Blind Cricket Team** as a part of the bank's support for **700 visually impaired cricketers** (men and women) to excel at this sport on a larger scale.

In December 2022, the Indian Blind Cricket Team, for the third consecutive time, was crowned the champions of the T20 Cricket World Cup for the Blind. To garner support for the team, the Bank ran an internal and external campaign (on social media) with the hashtag.

### #CheerForThemToHear

- The campaign consisted of **ten employee mailers** and **nine social media posts** (including five video posts).
- The Social Media campaign garnered about **1.25 Cr impressions**, which pertains to the number of people that saw the digital assets of the campaigns across platforms.





- The **five videos** received almost **50 lakh** views across Facebook, Instagram, Twitter and YouTube.

**Felicitation of the Indian Blind Cricket Team**

IndusInd Bank proudly felicitated the Indian Blind Cricket Team in February 2023 for their historic win at the 3rd T20 World Cup for the Blind, played in India, in the month of December 2022. The felicitation took place at the Bank's Head Office in the presence of the Managing Director & CEO of IndusInd Bank, Mr. Sumant Kathpalia, along with CABI President Mr. Mahantesh G Kivadasannavar and other senior Bank officials. As a token of appreciation, the Bank awarded the team with a cash prize for their consistency, unwavering spirit and dedication to the sport.

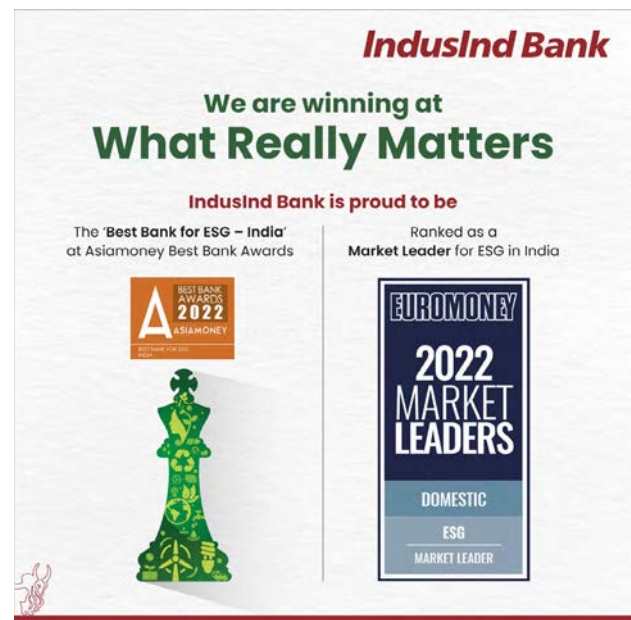
- The felicitation ceremony was communicated externally on Social Media and through PR.

- The total number of impressions that the post received across Facebook, Instagram and Twitter was about 16 lakhs.
- The story was covered by 10 online portals and 13 print publications.

**Recognitions for ESG**

IndusInd Bank was honored with the prestigious 'Best Bank for ESG - India' award at the Asiamoney Best Bank Awards 2023, marking its **second consecutive win**. Furthermore, the Bank was elated to secure the title of Market Leader for ESG in India, according to Euromoney's 2022 rankings.

The Bank had published a half-page ad on the front page of The Economic Times. Furthermore, a social media post about both recognitions received 7.7 lakh impressions across Facebook, Instagram, Twitter and LinkedIn.



**Sustainability and CSR**

The communication and branding for the sustainability team included:

- Creating a series of employee communication about ESG risks and best practices.
- Revamping the sustainability pages on the Bank's Website.





## 23. Sports

The non-banking sports vertical 'IndusInd For Sports,' which we introduced in 2016, aims to harness the incredible power of sports to motivate both the bank's internal and external populations.

We have launched several activities across several platforms under the name IndusInd For Sports to offer athletes unwavering support through the bank's focused program. Recognizing the significance of physical well-being and its beneficial effects on people and the workplace, we have also aggressively promoted health and fitness inside the bank's company.

### Programs

#### A. Para champions program

We assist 45 para-athletes competing in 10 different sports through the bank's cooperation with the Go Sports Foundation. We take care of all their requirements, including high-performance training, travel, injury management, rehabilitation, strength training and medical care.

These extraordinary para-athletes have excelled since the program's inception, winning a total of 892 medals, including 485 Gold, 234 Silver and 173 Bronze medals.

These committed athletes demonstrated their amazing skills by winning a total of 167 medals throughout FY2023, including 82 Gold, 45 Silver and 40 Bronze medals, via their great achievements in numerous championships and competitions.

In addition, we are proud to announce that three para-athletes from the elite Para Champions Programme received the privilege of representing India in the prestigious Commonwealth Games in Birmingham, England, in 2022.

**In FY2023, 2 Para athletes from the bank's program were conferred with the Arjuna Award.**

#### B. Cricket for the Blind program

Through a valuable partnership with the Cricket Association for the Blind in India (CABI), which is the sporting wing of the esteemed Samarthanam Trust, the bank's program extends support to the Indian Blind Cricket Team as well as over 700 blind cricketers at the state and district level.

The Indian Blind Cricket team won their 3rd consecutive T-20 World Cup 2022, hosted by India where 6 Nations - Sri Lanka, Nepal, South Africa, Australia, Bangladesh and India participated. Team India, supported by the bank, won all the matches they played in the tournament.

**#CheerForThemToHear** – An inspiring campaign was created around the 3rd T-20 World Cup for the Blind to showcase the bank's support of the cause and to motivate the Indian Blind cricket team for their unwavering spirit.

**IndusInd Bank felicitated the Indian Blind Cricket Team** for their historic three-peat win at the 3rd T-20 World Cup for the Blind 2022 at IndusInd Bank's corporate office in Mumbai.

The Women's National Tournament for Blind was concluded in Bangalore. 24 States participated in a tournament consisting of more than 400 Female blind cricketers.

#### C. Girl power program

We assist 31 gifted female athletes who compete in the sport of judo through the bank's partnership with the Inspire Institute of Sports (IIS). We want to help these young athletes grow and develop by providing them with excellent coaching, personalized academic and life skills programs. To help these athletes achieve their Olympic dreams, it is the bank's mission.

These judokas have won 107 Medals – 59 Gold, 15 Silver and 33 Bronze since the inception of this program.

Sushila Devi from this program was the sole judoka to represent India at the Commonwealth Games 2022 in Birmingham, England, won a silver medal for India and her victory also made her the first women judoka to win a medal in CWG 2022.

Linthoi Chanambam from this program became the first and only Indian to win a gold medal in Judo at the world championship across any age category.

**In FY2023, 1 Judoka from the Bank's program was conferred with the Arjuna Award.**

#### D. Elite athlete program

The Bank's backing for a program that helps 60 athletes from backward castes and nomadic tribes in the Satara region of Maharashtra demonstrates its dedication to both sports excellence and diversity. Three sports—wrestling, wrestling and field hockey—are the emphasis of the program, which is run in collaboration with the Mann Deshi Foundation. The program uses sports as a means of enhancing rural children's leadership, motor and life skills as well as their quality of life.

The athletes have bagged a total of 275 medals - 138 Gold, 90 Silver and 47 Bronze since the inception of this program.

2 athletes were inducted into the U-23 Indian Women's hockey team

#### E. Hockey for her excellence program

The program offers assistance to 40 gifted female players, aged 13 to 16, who practice and are supported at the Odisha Naval Tata Hockey High-Performance Academy in Bhubaneswar, Odisha. The program contains actual video analysis of practice matches to improve training methods and raise the caliber of talents and playing approaches. Artificial intelligence (AI) is used in this ground-breaking method to pinpoint problem areas and come up with workable fixes.

10 Girl athletes from the programme, participated in the Khelo India Youth Games 2022 and secured the second position. 4 athletes were inducted into the U-23 Indian Women's hockey team.

### Employee Engagement

#### A. Get Set Run

'Get Set Run' is the Bank's flagship employee engagement initiative that has been running successfully since its establishment in 2016. This initiative aims to promote a happy and healthy workforce by encouraging employees to participate in running activities.

Even in a year when the pandemic presented difficulties, IndusInd ForSports was able to maintain the spirit of sportsmanship. Employees have been able to take part in running activities while complying with COVID-19 regulations owing to virtual engagement platforms and GPS-enabled tracking. With the help of this novel strategy, staff well-being and engagement have been maintained, promoting harmony and well-being inside the company.

In FY2023, the Get Set Run initiative kick-started with the return of on-ground running events.

- Running events held in 30 cities across the country.
- 4,200 employees participated
- A cumulative distance of 21,000 Km was covered.



## B. IndusInd Box Cricket League

In Mumbai, an exciting inter-department box cricket competition was organized to promote friendship and collaboration among the workforce. This league was created to encourage cooperation and a sense of community inside the company.

There were 600 employees in the competition, divided into 60 teams and 78 exciting matches were played. Employees were given a platform to demonstrate their cricketing prowess and forge close relationships with co-workers from all areas.

Additionally, the event supported virtual participation, enabling over 10,000 employees to take part remotely and cheer on their preferred teams and players.

## C. Deskercise

A specially curated informative campaign, involving a set of exercises designed for the employees to practice at the comfort of their desks to improve their physical abilities like agility, balance, posture and speed thus reducing stress.

## D. Life lesson through sports

An innovative storytelling campaign, touching upon various attributes that sports teach us like sportsmanship, determination, willpower, perseverance and teamwork using real-life sporting events and incidences of legendary athletes.

The life lessons were portrayed in a way that helped the employees implement the attribute in their daily lives to better their personal and professional lives.



## 24. Corporate Social Responsibility

SATTVAM - Our Country. Our Commitment.

In accordance with our pledge to promote social progress and environmental sustainability, IndusInd Bank has embarked on a significant Corporate Social Responsibility (CSR) initiative. Under SATTVAM (the umbrella brand under which the Bank conducts its CSR activities), our endeavors now span across India, bolstered by our close collaboration with grassroots-level, non-governmental organizations (NGOs) and community-based groups operating on the ground. Our CSR strategy has been meticulously designed to seamlessly align with national development priorities and the United Nations' Sustainable Development Goals for 2030.

Throughout the years, the Bank has focused on key areas such as education, sports, and the environment. In the FY2022, we introduced our Flagship CSR Programme, focused on holistic rural development, closely aligned with the 'Transformation of Aspirational Districts' initiatives of the Government of India's NITI Aayog. By integrating this Flagship CSR Programme with our existing Strategic CSR Programme, the Bank has adopted a comprehensive approach towards holistic rural development and the economic empowerment of rural communities.

A significant portion of our CSR initiatives has been aligned with the objectives of the Aspirational Districts Programme by Government of India's NITI Aayog. Our initiatives aim to make a tangible impact in the areas of education, healthcare, and livelihoods for underprivileged and marginalized communities in the most disadvantaged districts.

SATTVAM's alignment with the Aspirational Districts Programme exemplifies our commitment to inclusive and sustainable development. It reinforces our belief that development should extend to the farthest corners of the country, benefiting every Indian. During FY 2022-23, the Bank has positively impacted the lives of over 15 lakh individuals.

## Flagship CSR Programme



### Five Aspirational Districts

During FY2022, IndusInd Bank successfully designed and launched its first phase of the Flagship CSR Programme aimed at Holistic Rural Development in two Aspirational Districts identified by NITI Aayog, namely Osmanabad in Maharashtra and Begusarai in Bihar.

FY2023 witnessed notable accomplishments in the Flagship Program, achieved through the Bank's advocacy efforts with both central and state governments. These achievements include:

- Expanding interventions to three additional aspirational districts, namely Baran in Rajasthan, Bahraich in Uttar Pradesh, and Virudhunagar in Tamil Nadu, bringing the total count to five.
- Signing Memorandums of Understanding (MoUs) with the District Administration to ensure shared responsibilities and ownership from the program's inception.
- Establishing a Statement of Intent (SOI) with the NITI Aayog's Atal Innovation Mission.
- Signing a Non-Disclosure Agreement (NDA) and MoU with the National Skills Development Corporation (NSDC).
- Securing commitments for partnerships from public sector undertakings (PSUs) and from other companies' Corporate Social Responsibility (CSR) initiatives.
- Collaborating with partners such as ASCI (Administrative College of India) and Haqdarshak for sector-specific interventions related to WASH (Water, Sanitation, and Hygiene) and social entitlements.

*Disclaimer: The map used is for general illustration only, and is not intended to be used for reference purposes. The representation of political boundaries does not necessarily reflect the position of the Government of India on international issues of recognition, sovereignty or jurisdiction.*



The Bank has made a 10-year commitment to “Make a Sustainable Impact Among Marginalized Communities Through an Integrated Holistic Approach.” Accordingly, the interventions planned under the Flagship CSR Programme aim to enhance and create livelihood opportunities in agriculture, water management, allied and non-farm value chains, farmer producer organizations (FPOs), skilling initiatives, as well as collaborative efforts in health, education, and basic infrastructure.

Climate resilience and women’s socio-economic development are central to the objectives of the Flagship CSR Programme. By empowering communities economically and improving natural resource management efficiency, the program strives to uplift income levels and foster sustainable impact.

In FY 2022-23, in the initial phase of flagship interventions, the Bank has been able to create following impact:

Villages Covered in 31 Aspirational District Blocks	872
Beneficiaries impacted	5.4 Lakh
Benefitted under improved livestock management	4,949 HH
Cub Litre Water Harvesting Capacity Created	39.18 lakhs
Land Treated	5,266 Ha
SHGs have supported more than 94,000 women through the programme	4,729
Students tinkered from 76 schools for building an innovative mindset and entrepreneurial skills	42,000
Women and adolescent girls benefitted through health camps	1 lakh+
Community members trained via capacity building sessions	37,000+
Water harvesting structures created	619
Convergence worth	45 Cr.
Benefitted through social security schemes unlocking ₹1.45 crores	5,288 HH

#### STRATEGIC PROJECTS:

The Bank’s strategic projects aim to empower and benefit marginalized groups, vulnerable populations, and weaker sections of society. These projects primarily focus on the Environment, Education, and Sports, with the goal of bringing about positive changes in the short to medium term.

#### ENVIRONMENT

IndusInd Bank holds the belief that a robust economy is intricately connected to a healthy planet, which forms the fundamental basis of our sustainability philosophy encapsulated in the phrase ‘Good Ecology is Good Economics’.

As we fortify our business model, we recognize that it is not merely an option but imperative to proactively adopt measures aimed at safeguarding the environment and advancing towards healthier, low-carbon societies. The Bank has undertaken various initiatives to ensure environmental sustainability, preserve ecological balance, protect flora and fauna, promote agroforestry, conserve natural resources, and uphold the quality of soil and water.

Our projects pertaining to Water Stewardship are implemented in rural areas facing water scarcity, emphasizing collective responsibility and action to ensure responsible, sustainable, and equitable management of water resources. These endeavors not only contribute to water security but also translate into enhanced crop productivity, increased income, soil conservation, strengthening of community institutions, and bolstering climate resilience.

Additionally, we engage in activities such as spring water conservation, rooftop rainwater harvesting and river water harvesting, restoration and revitalization of traditional water bodies such as lakes and drains, afforestation (both traditional and Miyawaki methods), as well as the deployment of renewable energy solutions in educational and healthcare institutions. Through these initiatives, we strive to create sustainable value for all stakeholders.

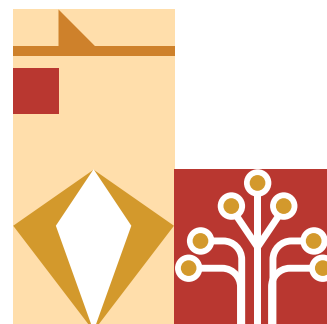
Villages	467
Beneficiaries	5.12 lakh+
Ha Land Treated	9,815+
Cub Mtr Water Harvesting Capacity	70.47 lakh+
Trees planted	1.14 lakh+
MTCO2 sequestration/ emission saving potential over 25 years	6,300+

#### EDUCATION

Education initiatives under CSR are crucial to the Bank’s aim for social upliftment, with a primary emphasis on enhancing the learning outcomes of students in the primary section. The focus lies on improving skills related to reading, writing, and comprehension. We have partnered with implementing agencies to introduce enhanced pedagogical approaches and ensure effective implementation. Another key aspect involves capacity building and skill development initiatives aimed at empowering teachers in government schools.

Furthermore, our interventions extend to providing scholarship support for academically accomplished yet economically disadvantaged students, facilitating their pursuit of higher education. Additionally, we offer technical education and skilling programs targeting youth who have discontinued mainstream education, enabling them to acquire meaningful employment opportunities.

Students	2,27,000+
Schools	2,900+
Teachers	8,100+
No of youth employed	1,000+







## SPORTS

The sports programs implemented by IndusInd Bank prioritize both inclusion (regarding gender, differently-abled individuals, and the underprivileged) and sporting excellence. These initiatives actively seek out aspiring athletes from rural and urban areas of India, equipping them with the necessary resources to unlock their full potential. The Bank supports these athletes as they participate in national and international sports tournaments, aiming to achieve success and bring honor to the nation.

Sportspersons	960+
Tournaments	1,115+
Medals/Wins	275+

## OTHER AREAS OF SPECIAL INTEREST

Under the umbrella of "Other areas of special interest," the interventions encompass a range of projects conducted in collaboration with the Armed Forces, healthcare initiatives, and support for doorstep veterinary services.

In the realm of healthcare, our efforts encompass various aspects such as supporting screening, diagnosis, treatment, surgeries, and infrastructure development (including equipment) for critical and financially demanding ailments. This includes pediatric and general cancer, pediatric congenital heart diseases, and mother and child healthcare. These initiatives have positively impacted the lives of over one lakh beneficiaries.

In support of the Armed Forces, we extend assistance to the families of soldiers who have either lost their lives or sustained injuries/disabilities. This aid takes the form of grants utilized for educational support, including scholarships, vocational training to empower widows and educational assistance for differently-abled children.

Through the Bharat Sanjeevani project in collaboration with BFIL, the Bank's aim is to enhance the accessibility of quality livestock care for farmers. This initiative reaches farmers at their doorsteps, ensuring steady and increased livelihood opportunities.

Beneficiaries	2.20 lakh+
Livestock treated	2.18 lakh+



## 25. Sustainability

### Sustainable Banking

**Strategy:** Aligned with the overall approach, a centralized Sustainability Unit collaborates closely with diverse stakeholders to develop the ESG strategy for each department. This contributes to shaping the Bank's comprehensive ESG strategy.

The Bank formulates its strategic objectives within three-year planning cycles, which are further divided into yearly and quarterly ambitions. Sustainability lies at the core of all the Bank's endeavors and plays a pivotal role in the Planning Cycles.

Under the strategic framework of Planning Cycle 6 (PC-6), which will be effective from FY2024 to FY2026, ESG represents one of the key pillars. ESG targets are incorporated into the business targets of the various Business Units (BUs), demonstrating the Bank's commitment to promoting sustainability-oriented initiatives in its business and banking operations. These business targets are discussed and approved by the Bank's board and then integrated into the Key Performance Indicators (KPIs) of the BUs and Key Managerial Persons (KMPs).

**Governance Mechanism:** The implementation of the Bank's ESG strategy is driven by a range of internal stakeholders. At the highest level, the CSR and Sustainability Committee of the Board oversees the process, followed by the Sustainability Council, the Sustainability Team, and Sustainability Single Points of Contact (SPOCs) at the Business Units (BUs).

### The CSR and Sustainability Committee of the 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 the alignment of sustainability policies with the business units
- Review compliance and reporting





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

1. ESG in Risk underwriting:

As a prominent private sector bank in India, the Bank's business decisions and the clients play a dynamic role in shaping the economic and entrepreneurial landscape at the national and global levels. While the Bank prioritizes the sustainability of its own operations, it also recognizes the importance of comprehending the broader social, environmental, and ethical risks associated with the services it offers to its diverse range of clients.

To fulfill this responsibility, the Bank has established an Environmental and Social Management System (ESMS) that ensures its investment activities have a positive impact and adhere to well-established international and national ESG lending principles. Through the ESMS, the Bank aims to ensure that the

broader effects of its investments contribute positively to the environment and society while upholding recognized standards in environmental, social, and governance considerations.

A. Environment & Social Management System (ESMS):

The Bank has implemented a comprehensive and integrated ESMS system that mandates the evaluation of wholesale banking loan proposals above a certain threshold for physical and transitional risks associated with ESG factors.

This system ensures that environmental and social considerations are integrated into all business activities, safeguarding the

Bank's investments from credit risk, reputational risk, and risks associated with ESG-related factors that could impact credit or asset values. The loan proposals are categorized as High, Medium, or Low risk based on a thorough evaluation and scoring matrix. High-risk proposals are escalated to the Sustainability team for focused review and approval by the ESMS Committee. In some cases, third-party due diligence on clients is also conducted.

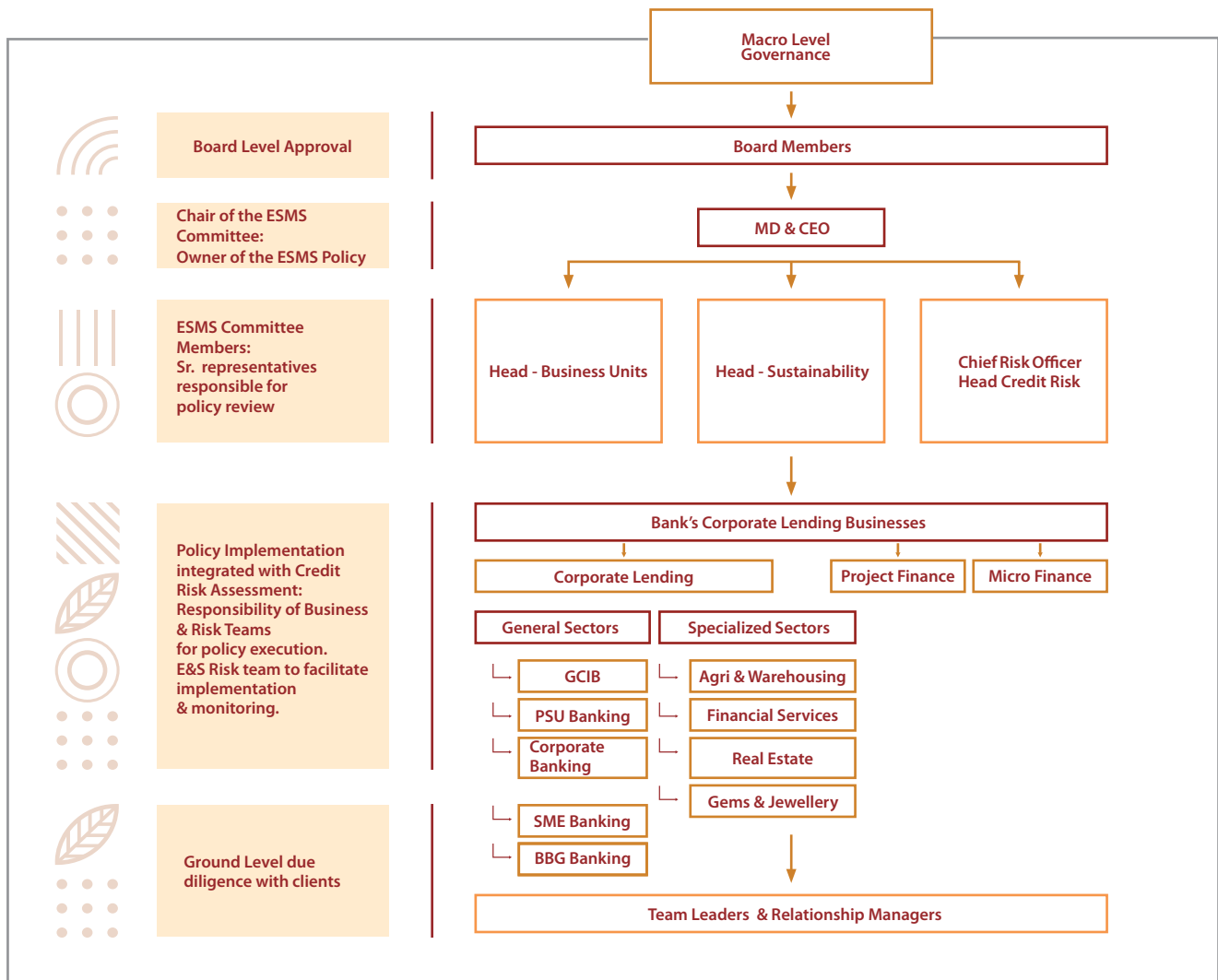
In FY2023, the Bank introduced an updated ESMS policy and monitoring framework that identifies and assesses industries with severe risks. This includes implementing greater due diligence measures and defining specific actions to be taken, such as client engagement and required evaluation outcomes. A monitoring unit has been established to ensure compliance and provide actionable advice for high-risk cases. The ESMS coverage has also been expanded to include additional Business Units, such as supply chain finance and microfinance. The updated policy has a broader scope and a stronger focus on addressing climate change risks. It incorporates a dedicated checklist for industries classified as severe risk, enhancing assessment standards uniformly.

As of March 31, 2023, exposure to severe risk industries accounts for less than 5% of the Bank's total advances.

The updated ESMS policy can be accessed at:

<https://www.indusind.com/content/dam/indusind-corporate/generic/ESMS.pdf>

The Governance Mechanism of the ESMS system is shown in the below diagram:





### Enhancement of Assessment Standards for Severe Risk Industries:

The Bank has achieved remarkable strides in elevating its assessment standards for industries associated with severe risk. Through close collaboration with esteemed subject matter experts, the Bank has meticulously crafted industry-specific checklists tailored to nine high-risk sectors. These carefully devised checklists provide a robust framework for conducting consistent and well-informed evaluations of environmental, social, and governance (ESG) risks.

Effectively disseminated to the relevant business units, these checklists are accompanied by comprehensive knowledge-sharing sessions, fostering a profound understanding and widespread adoption of these exemplary practices. This unwavering commitment to fortifying assessment standards exemplifies the Bank's resolute dedication to effectively managing ESG risks across diverse sectors while propelling the adoption of responsible business practices.

### C. Selected for TNFD Pilot – Developing Comprehensive Nature-related Risk Management Framework in India:

The Bank has been chosen by (Taskforce on Nature-related Financial Disclosures) TNFD to serve as a pilot partner in India for the development of a comprehensive risk management and disclosure framework related to nature. This collaboration aims to address dependencies, risks, impacts, and opportunities associated with nature and biodiversity.

TNFD is a globally supported initiative backed by the United Nations, focusing on the financial sector's role in safeguarding nature and biodiversity. Similar to the Task Force on Climate-related Financial Disclosures (TCFD), TNFD aims to establish a global framework that enables financial institutions to assess and disclose nature-related risks and opportunities.

By participating in this pilot program, the Bank will have the opportunity to contribute valuable insights and provide on-the-ground feedback to TNFD. This contribution will help refine and strengthen the global framework, ensuring its effectiveness and relevance to financial institutions worldwide. The Bank's involvement demonstrates its commitment to responsible and sustainable practices in relation to nature and biodiversity.

### 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 Products:** Various products were developed which promote and embed ESG principles:

#### Platform to Support Women Entrepreneurs ("WE"):

WE is a pioneering and comprehensive digital solution designed specifically to empower women entrepreneurs and facilitate the scaling up of their businesses. This all-in-one platform offers a holistic ecosystem that addresses women entrepreneurs' diverse financial and professional needs. The Bank has partnered with esteemed organizations to provide various forms of support to women entrepreneurs, including mentoring, training, online workshops, industry connections, and access to service providers such as legal, tax, and HR experts. Additionally, the platform helps in equity funding, grants, and government schemes.

### The offering is built on three core pillars:

1. Learn: Providing mentoring, training, and online workshops to enhance skills and knowledge.
2. Connect: Facilitating industry connections, fostering peer networks, and building communities to share success stories. Collaborating with service providers such as legal, accounting, taxation, and HR experts. Supporting through incubators.
3. Grow: Offering bank finance options for debt, access to accelerators, equity funding, loans from NBFCs, grants from government and foundations, and access to various government schemes tailored for women entrepreneurs.

The Bank has strategically developed this scalable model, allocating dedicated capital resources in alignment with its overall business plan. This model emphasizes a partnership-focused approach that combines banking and non-banking solutions to empower and support women entrepreneurs throughout their growth journey. As part of this initiative, the Bank organized a 'Shark Tank' style event where women entrepreneurs had the opportunity to raise equity. Facilitated by the Bank, the event garnered significant interest from investors, highlighting the strong potential and attractiveness of the participating women entrepreneurs' ventures.

### Green Fixed Deposits:

The Bank's Green Fixed Deposits scheme, launched in December 2021, received a positive market response. This scheme offered customers the opportunity to invest in deposits that would be utilized to finance assets aligned with the United Nations Sustainable Development Goals (UNSDGs).

To ensure transparency and build trust, the Bank engaged the services of an independent third party, EY, to verify and assure the utilization of funds. The results of this verification process are published on the Bank's website, adding credibility to the scheme. For more details, please refer to the following link:

<https://www.indusind.com/content/dam/indusind-corporate/generic/Green-Fixed-Deposits-FY22-Assurance-Statement.pdf>

### Electric Vehicle (EV) Finance Program:

The Bank has also introduced an Electric Vehicle (EV) Finance Program in collaboration with Tata Motors, a leading EV manufacturer in India. This program aims to make electric vehicles more accessible and affordable for consumers. Additionally, the Bank has provided channel financing to dealers and corporates for stocking EV cars from Tata Motors. This initiative was recognized with the prestigious Asset AAA Treasury Awards at the Asia Pacific level for 2023, where the Bank received the Best Solution Supply Chain India award.

### B. Partnership with Development Finance Institutions:

The Bank has actively pursued collaborations with funds, foundations, and Development Financial Institutions (DFIs) to provide support to entities and projects in sectors such as Water, Sanitation, and Hygiene (WASH), Healthcare, Agriculture, and Microfinance.

As of March 2023, the Bank has established risk-sharing partnerships totaling over USD 130 million with USAID and DFC. Throughout FY2023, the Bank continued to finance new loans under these partnerships with DFIs.

Furthermore, the Bank has secured direct funding of USD 475 million from DFC to expand support for 'MSME' and 'microfinance lending for women borrowers in rural communities.' Of these funds, USD 150 million was raised during FY2023 to enhance the Bank's microfinance lending portfolio for women borrowers in rural communities in Jharkhand, Uttar Pradesh, and Bihar.



### C. Sustainable Finance Portfolio:

The Bank has established various sustainable financing initiatives and frameworks, leading to the successful completion of numerous financial deals. Ongoing discussions are focused on further advancing sustainable finance initiatives. The Bank's sustainable finance portfolio for FY2023, currently undergoing assurance, represents approximately 46% of the Bank's total advances. This reflects a significant increase compared to the 33% reported in FY2018. Aligned with its commitment to sustainability, the Bank aims to double its climate and transition finance portfolio by FY2026.

### 3. ESG in Operations

Demonstrating a strong commitment to sustainable and responsible finance, the Bank is actively working to expand its ESG impact within its operations. The following progressive initiatives showcase the Bank's dedication to integrating ESG considerations throughout its banking practices:

#### A. Greening the Bank

- **Carbon Neutrality Target 2032:** The Bank has made a firm commitment to achieve carbon neutrality by 2032. This commitment aligns with the Bank's efforts to reduce its carbon footprint and contribute to the fight against climate change. The Bank has implemented various measures to reach this target, including investments in renewable energy, energy-efficient technologies, and sustainable practices. By embracing sustainability, the Bank upholds its values and strives to create a greener and more sustainable future.
- **GHG Emission Intensity:** The Bank has achieved remarkable progress in reducing greenhouse gas (GHG) emissions. The Bank's emission intensity, measured in Metric Tons of CO<sub>2</sub> (MTCO<sub>2</sub>) per number of branches, has significantly declined from 45.41 in FY2018 to 29.5 in FY2022. Additionally, the Bank's emission intensity per full-time equivalent employee has also seen notable improvement, decreasing from 2.5 in FY2018 to 1.9 in FY2022. These significant reductions highlight the Bank's strong commitment to sustainability and proactive approach in mitigating climate impact. Continuously enhancing its emission performance, the Bank is making substantial strides toward achieving its carbon neutrality goal by 2032.
- **Greening of Bank Branches and Offices:** The Bank is deeply committed to supporting Sustainable Development Goal 13, which addresses climate action. In line with this commitment, the Bank has undertaken numerous initiatives to promote sustainability within its own operations and facilitate the transition to a sustainable future.

During FY2023, the Bank reached a remarkable milestone as all its PIONEER branches received official recognition from the United States Green Building Council (USGBC) through their esteemed LEED program. Among these branches, nine have been awarded Platinum certification.

In addition to the Bank's PIONEER branches, it's noteworthy that two of its offices are also LEED certified.

Furthermore, the Bank has taken a proactive stance in promoting electric mobility by installing "Electric Vehicle Charging Stations for Four-Wheelers" at two of its branches. This initiative exemplifies the Bank's readiness to embrace electric vehicles and encourages the adoption of clean transportation options.

By implementing these initiatives, the Bank actively contributes to the greening of its operations, nurtures sustainability, and plays a significant role in addressing climate change.

#### • ESG Integration with Technology:

The Bank has demonstrated its innovative use of emerging technologies to develop transformative solutions that address ESG challenges. These solutions offer clients superior digital experiences.

The Bank continuously explores ways to conduct business effectively and efficiently, with technology playing a key enabling role. It has embraced a new-age architecture and transitioned to a multi-cloud environment, aiming to achieve a balanced presence in a hybrid cloud. To enhance the customer experience, the Bank has implemented multiple solutions that focus on providing paperless, presence-less, and cashless options, supported by its new data center. These initiatives align with the Datacenter Evaluation Framework (DEF) and adhere to the latest international guidelines from IEEE.

#### B. Ratings and Reporting:

- **CDP and S&P Global Rankings:** The Bank has maintained its leadership position in the FY2022 rankings by CDP and S&P Global, placing it among the top five private sector banks in India.
- **S&P Global Yearbook:** For three consecutive years, IndusInd Bank has been the only bank featured in the S&P Global Yearbook.

#### C. Assurances:

In addition to meeting mandatory assurance requirements, the Bank has obtained assurance on ESG initiatives and disclosures from reputable third-party firms for:

- Sustainable Finance Portfolio
- Green Fixed Deposits
- Integrated Report
- GHG Emissions

These assurances have been made available on the Bank's website.

#### D. Policies:

During the year, the Bank reviewed and revised all its policies to align with the latest ESG trends and relevant regulations. The Bank has also enhanced transparency by making these policies accessible on its website at:

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

#### E. Diversity and Inclusion:

The Bank recognizes that diversity and inclusion extend beyond its internal operations. It extends its commitment to diversity to its customers, partners, and the communities it serves. Key highlights of Diversity and Inclusion at the Bank include:

- **10 Exclusive All-Women Branches:** The Bank has launched all-women branches across India in cities such as Jalandhar, Chandigarh, Delhi, Jaipur, Pune, Bhubaneswar, Kolkata, Bengaluru, Chennai, and Thiruvananthapuram.
- **Hiring of Neurologically Diverse Employees:** In FY2023, the Bank hired 10 neurologically diverse employees, and it currently has 25 specially-abled permanent employees.
- **Board of Directors:** Out of a total of 10 directors, the Bank has 2 women directors on its board.
- **Plus 1 Initiative:** All department heads have been directed to add female resources to their existing teams.

#### F. Capacity Building:

- **Training and Awareness:** The Sustainable Banking team disseminates information to all employees of the Bank using engaging infographics to communicate key ESG topics.



Infographics enhance accessibility and understanding of complex sustainability concepts, empowering employees to contribute to the Bank's sustainable objectives.

- **Upskilling of Staff:** The Bank is committed to upskilling its staff. Four team members have obtained a certificate in ESG investing from the CFA Institute, while three members hold the UNEP FI Environmental & Social Risk Analyses certification. These accomplishments reflect the Bank's dedication to staying at the forefront of sustainable finance and promoting responsible banking practices.

#### G. Employee Volunteering:

In November 2022, the Bank introduced its inaugural employee volunteering policy, highlighting its commitment to fostering a vibrant and unified approach to volunteering across the organization. By encouraging employees to contribute their time and expertise to support communities in need, the Bank promotes a culture of giving back and making a positive difference. To facilitate employee volunteering, the Bank launched a dedicated portal in January 2023, providing a platform for employees to choose volunteering activities aligned with their interests and skills. In FY2023, the Bank's employees collectively dedicated approximately 4,000 hours to volunteering, demonstrating their passion for making meaningful contributions to society.

The Bank strives to align its strategic focus areas with its sustainability commitments. In line with its commitment to transparency and accountability, the Bank has been publishing an Integrated Report for six years. This report serves as a comprehensive communication tool, illustrating how the Bank's strategy, governance, performance, and prospects generate long-term value. Prepared voluntarily in adherence to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 6, 2017, the Integrated Report showcases the Bank's value creation story. The latest Integrated Report, highlighting the Bank's green initiatives, is available on its website:

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



## 26. 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 operationalized for attaining uniformity in processes followed by branches, to minimize 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 assure 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 comprehensive Internal Audit Policy and the Internal Audit function undertakes a risk-based audit of the Bank's businesses.

An Audit Plan is drawn up based on risk profiling of auditee units and the audit is undertaken at a frequency synchronized to the risk profile of each unit in line with the guidelines relating to risk-based internal audit. The audit function also serves as an advisory by recommending improvements in processes and service quality, wherever deemed fit.

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 combating financing of terrorism.

Compliance is an integral part of the culture at 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 tone of the compliance culture within the Bank 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.

The strong compliance culture is ensured through detailed policies and guidelines, strong procedures, 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, namely RBI, SEBI, DFS, UIDAI, IBA, IRDAI, PFRDA, etc., and provides guidance to all verticals in the Bank on applicable regulatory framework, i.e., regulatory guidelines, statutes and advisories issued by the Regulatory Authorities.

The Bank has adopted three lines of defense approach with (a) operations and business controls as the first line of defense; (b) internal governance including Compliance Risk Management as the second line; and (c) Internal Audit being the third line of defense 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 analyze corruption/wrongdoing/misdemeanors on the part of the employees and follow it up by 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, 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 policy and processes in this regard are in complete sync 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) 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 as per their guidelines.

### Customer Service

Over the years, IndusInd Bank has been continuously evolving its Customer Service strategy to improve efficiency and enhance the client experience in line with its vision of being the 'Most Convenient Bank'. The CEX strategy for FY2023 aimed at building strong and lasting customer relationships by providing exceptional services to clients across all touchpoints including online and offline channels. This includes identifying experienced drivers, quantifying their impact and prioritizing action for superior customer Experience.

The Bank has invested in setting up a dedicated Client Experience unit that continuously measures the Voice of Customers through transaction and engagement feedback, in a digital mode. During the year, the Bank adopted the Net Promoter Score (NPS) as a key metric to measure Customer Loyalty and Satisfaction and to drive improvement actions across its various customer channels and journeys.

The Bank is making steady progress in its commitment to deliver superior customer service experience as exhibited by the increase in the Promoters trends, resulting in improved Net Promoter Score across journeys. During the year, the overall Net Promoter score showed a healthy increase of 16 points since the launch of the NPS program. The Voice of the customer along with the feedback from the relationship managers helps to assess customer satisfaction and enhance the existing client experience and service delivery standards for every channel.

Client Experience often reflects how the organization's employees feel about their work. The Bank believes there is a direct connection between employee experience and customer experience and happy and supported employees are more likely to deliver enhanced customer experiences. Considering the employee as one of the critical stakeholders, the Bank has continuously placed renewed thrust on increasing employee engagement and ensuring employee satisfaction. Moreover, to ensure a positive client experience, it is imperative to have synergies across all teams to bridge gaps. With this objective, the Bank captures and measures the voice of internal customers (i.e. Employees). This not only allows employees to share their feedback but also allows driving improvement through benchmarks for internal departments.

Providing an exceptional client experience is an ongoing process and IndusInd Bank is committed to the continuous process of understanding its customers and devising its client experience strategy to meet their changing requirements.

### 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 Offices, 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 Standing Committee on Customer Service (SCCS), Customer Service Committee of the Board (CSCB) and Board of Directors (BOD). 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 center on the toll-free number or email 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 promptly.





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

### Shareholder Satisfaction

At IndusInd Bank, we understand the significance of regular and transparent communication with our shareholders. We are committed to providing our shareholders with best-in-class services and promptly informing them of any developments within the Bank.

To facilitate effective communication, we collect contact details such as email addresses, mobile numbers, and telephone numbers from our shareholders. This enables us to directly communicate with them regarding Bank updates. In addition to these direct communications, we also disseminate information through various channels, including Stock Exchanges, Press releases, the Bank's website, and the Registrar & Transfer Agent's (RTA) website.

Our practice of sending SMS/ email messages to shareholders continues, keeping them informed about Board meetings for Quarterly/ Annual Financial Results and providing snapshots of the results.

As part of our commitment to "Green Initiatives," we strive to transition to paperless disclosures and compliance. With the implementation of the Companies Act, 2013, we are now permitted to send Annual Reports and other communications electronically to shareholders who have registered their email addresses with the Bank or provided them through the Depository.

We kindly request shareholders to furnish their email IDs to investor@indusind.com or submit a written request to the Secretarial & Investor Services Office. This will help us accelerate the migration to paperless communication.

The complete text of the Annual Report is readily available in an easily navigable format on our website at [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 any unclaimed dividend amounts held by the Bank.

Regarding the transmission of securities, in the case of physical mode securities (held in a single name without nomination), SEBI has prescribed simplified documentation for a threshold limit of up to ₹5,00,000 (Rupees Five lakhs only) as per Circular No. SEBI/HO/MIRSD/RTAMB/P/CIR/2022/65 dated May 18, 2022.

However, the Bank has discretion to increase this threshold limit up to ₹10,00,000 (Rupees Ten lakhs only) for shares held in physical mode, as decided at the Board Meeting held on October 13, 2014.

To ease the difficulties faced by legal heirs of deceased shareholders in obtaining Succession Certificates/Probates/Letters of Administration, the Board of Directors has delegated authority to the Share Transfer Committee. This authority approves the transmission of securities held in physical mode with a market value of up to ₹10,00,000 (Rupees Ten lakhs only), subject to compliance with the simplified documentation procedure prescribed by SEBI.

Shareholders should note that as per Section 124 of the Companies Act, 2013, any unpaid or unclaimed dividends remaining for a period of 7 years from the date of 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.

Furthermore, the Ministry of Corporate Affairs has enforced Section 124(6) of the Companies Act, 2013, which mandates the transfer of all shares on which dividends have not been paid or claimed for seven consecutive years or more to the IEPF Authority.

On April 28, 2023, the Bank sent intimation to shareholders regarding unpaid or unclaimed dividends for FY 2015-16 that have remained unclaimed for seven consecutive years or more. Shareholders were requested to claim the dividend on or before July 31, 2023, to avoid the corresponding shares being transferred to the IEPF Authority. Notice of this matter was also published in Financial Express (all editions) and Loksatta (Pune Region) on April 29, 2023.

For detailed procedures on claiming shares/dividend amounts transferred to the IEPF Authority, shareholders are encouraged to visit the website of the IEPF Authority at: <http://www.iepf.gov.in/IEPFA/refund.html>.

Shareholders can contact Link Intime India Pvt. Ltd., the Registrar & Share Transfer Agent of the Bank (contact details and office address provided in the Notice), or the Secretarial and Investor Services Department of the Bank to claim any unclaimed dividends in their name.

Information regarding unpaid or unclaimed dividends, details of affected shareholders, and shares due for transfer to the IEPF Authority can also be found on the Bank's website at [www.indusind.com](http://www.indusind.com).





# DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of the Bank have pleasure in presenting the Twenty-Ninth Annual Report of IndusInd Bank Limited (the Bank) covering business and operations of the Bank, together with the Audited Financial Statements for the year ended March 31, 2023.

The financial performance for the year ended March 31, 2023 is summarized as under:

(₹ in crores)

Particulars	As on March 31, 2023	As on March 31, 2022
Deposits	3,36,438.14	2,93,681.35
Advances	2,89,923.68	2,39,051.53
Operating Profit (before Provisions and Contingencies)	14,346.48	12,775.75
Net Profit	7,389.72	4,611.12

The Bank demonstrated traction in operating performance metrics, like disbursements, resource mobilization through deposits, growth in operating profit, and better asset quality.

Our deposits grew by 14.56% while loan growth accelerated to 21.28% for the year. Balance sheet footage crossed ₹4.5 trillion mark as of March 31, 2023.

The Bank maintained healthy profitability amidst a challenging operating environment, with improvement in operating profit before provisions and contingencies by 12.29% (i.e., ₹14,346.48 crores from ₹12,775.75 crores in Previous Year). Net Interest Margin of the Bank stood at 4.27%. Further, total Provisions and Contingencies decreased by 14.79% from ₹8,164.63 crores to ₹6,956.77 crores. The net profit increased to ₹7,389.72 crores, as against ₹4,611.12 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>14,346.48</b>
Less: Provisions and Contingencies inclusive of Income Tax	6,956.76
<b>Net Profit</b>	<b>7,389.72</b>
Profit Brought Forward	18,923.15
Amount available for Appropriation	26,312.87
Transfer to Statutory Reserve	1,847.43
Transfer to Capital Reserve	10.19
Dividend Paid	658.89
Transfer to investment fluctuation reserve account	3.00
<b>Total Appropriations</b>	<b>2,519.51</b>
Balance carried over to Balance Sheet	23,793.36

## Dividend

The Earning Per Share (EPS) of the Bank during the year showed an improvement to ₹95.32 compared to ₹59.57 in the Previous Year.

The Board of Directors, in their meeting held on April 24, 2023, have recommended dividend of ₹14.00 per equity share of ₹10 each (140% of Face Value) for the year ended March 31, 2023 (Dividend for the year 2021-22 was ₹8.50 per equity share of ₹10 each). This proposal is subject to the approval of the shareholders at the ensuing 29<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 last year of the 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+5)". The focus of the Bank during the year under review was towards building resilience, fortifying the Balance Sheet, Scaling up Domains of Expertise, Investing in New Growth Engines, Loan Disbursement acceleration driven by retail businesses, Expanding Network, Human Capital mobilization, Maintaining Credit Quality, Building Robust Retail Deposit Franchise, Leveraging Deep Rural Distribution and Leapfrog Digital Banking. While Deposits grew by 14.56% year-on-year (with CASA improving by 7.47%), Advances grew by 21.28% over the Previous Year, and the Bank continued to maintain Liquidity Coverage Ratio above statutory requirements.





Total Income (net of interest expense) of the Bank for the year under review grew by 15.33% to ₹25,758.49 crores from ₹22,335.04 crores during the Previous Year. Net Interest Income increased by 17.27% to ₹17,592.12 crores from ₹15,000.84 crores during the Previous Year.

Given the economic activities that has almost “recouped” what it lost, “renewed”, and “re-energized” what had stalled during the pandemic, the Non-Interest Income increased by 11.35% to ₹8,166.37 crores from ₹7,334.20 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 30.64% to ₹7,685.33 crores from ₹5,882.89 crores during the Previous Year.

With long-term inflation, borrowing costs remained higher for longer period and lengthen the tightening cycle. While Yield on Advances rose to 11.68% as compared to 11.56% in the Previous Year, the Cost of Deposits increased to 5.32% from 4.78% a year ago.

The Bank expanded its branch network and has 2,606 branches/ banking outlets, as against 2,265 branches/ banking outlets at the beginning of the year. The extended network of the Bank included 2,878 ATMs, 3,303 branches of Bharat Financial Inclusion Ltd. (“BFIL”), and 582 outlets of IndusInd Marketing and Financial Services Private Limited, an associate entity. Revenue (net of interest expense) per employee stood at ₹67.47 lakhs.

The Net Non-Performing Assets of the Bank improved to 0.59% as on March 31, 2023 as compared to 0.64% a year ago.

During the year business performance of the Bank improved due to which, Return on Assets for the year stood at 1.81% as against 1.28% 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 ₹4.5 trillion mark as of March 31, 2023.
- The Bank has exercised call option and redeemed Additional Tier 1 Bonds of ₹1,000 crores on April 18, 2022.
- The Bank has launched Home Loan product. The end-to-end process for the product launch was implemented including the customer service related processes for Home Loan product.
- The Bank is live on RBI’s pilot project of Central Bank Digital Currency (CBDC).
- 2 DBUs (Digital Banking Units) one being PPR Market Jalandhar – DBU and other being Chengalpattu – DBU were launched with 23 services.
- CBDT TIN 2.0 Collection of Direct Taxes:

TIN 2.0 is an initiative by Income Tax Department of India (ITD) which will be part of IEC (Integrated e-Filing and CPC) for tax collection, processing, monitoring and accounting of direct taxes. IndusInd Bank has been authorized for collection of direct taxes under the Agency Bank License. As an Agency Bank, IndusInd Bank will perform collection of Taxes, Reporting and Remittance to the regulators. The tax collection process for CBDT will cover online modes of payment and at branches of the bank.

- IndusInd Bank has been certified “Great Place to Work”.
- Bank has finalized The Triennial Business Plan for Planning Cycle 6 covering 2023-26 with **3G Strategy i.e., Growth, Granularity, Governance.**

### 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 ₹1,735.53 crores as against ₹1,637.21 crores earned during the Previous Year. The Net Profit for the year under review amounted to ₹53.42 crores as against ₹193.52 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 36,842 as on March 31, 2023.

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 ₹475.55 crores as against ₹419.72 crores earned in the Previous Year. The net profit earned by IMFS during the year under review amounted to ₹1.21 crores as against ₹1.33 crores earned in the Previous Year. IMFS had 12,828 employees on its rolls as on March 31, 2023.

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 at ₹1,000.00 crores.

The issued, subscribed and paid-up share capital of the Bank as at March 31, 2023 is ₹775.90 crores comprising of 77,58,95,198 equity shares of face value of ₹10 each.



During the year under review, the Bank has allotted 12,32,035 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 ₹1.23 crores and share premium by ₹84.48 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:

<b>Trustee I:</b>	
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	: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
Email	: <a href="mailto:dt@ctltrustee.com">dt@ctltrustee.com</a>
<b>Trustee II:</b>	
Name of Debenture Trustee	: Beacon Trusteeship Limited
Address	: 4C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (East), Mumbai – 400 051.
Website	: <a href="http://www.beacontrustee.co.in">www.beacontrustee.co.in</a>
Email	: <a href="mailto:info@beacontrustee.co.in">info@beacontrustee.co.in</a>

## Tier 1 Capital

During the current year, the Bank has not raised any non-equity 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 April 18, 2022 of ₹1,000 crores.

## Tier 2 Capital

During the current year, the Bank has not raised any Tier 2 capital. As on March 31, 2023, 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 under 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, 2023	March 31, 2022
i) Capital Adequacy Ratio (CRAR)	17.86%	18.42%
ii) CRAR- Common Equity Tier 1 Capital	15.93%	15.96%
iii) CRAR- Tier 1 Capital	16.37%	16.80%
iv) CRAR- Tier 2 Capital	1.49%	1.62%

## 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
<b>International Ratings</b>		
Senior Unsecured MTN Programme	Ba1	Moody's Investors Service



## Bank's Directors

The Bank's Board comprised ten Directors as on March 31, 2023, i.e., nine Non-Executive, Independent Directors, viz., Mr. Sunil Mehta, Part-time 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. Pradeep Udhas, and Mr. Sumant Kathpalia, Managing Director & CEO.

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

All Independent Directors have submitted a declaration that they meet the criteria of independence as laid down under sub-section (6) of Section 149 of the Companies Act, 2013. In compliance with Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], and based on these Declarations, the following Non-Executive Directors continue to be identified as Independent Directors as on March 31, 2023:

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

Pursuant to Regulation 25(9) of SEBI Listing Regulations, the Bank's Board of Directors have also 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 at **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 are as under:

**Mrs. Akila Krishnakumar (DIN: 06629992)**, who joined the Board on August 10, 2018, is a Non-Executive, Independent Woman 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 a Member of the I.T. Strategy Committee and the Review Committee (for identification of Non-Cooperative Borrowers and Wilful Defaulters).

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

### • Appointment/ Re-appointment of Directors

Pursuant to the recommendation of the Compensation and Nomination & Remuneration Committee (C&NRC), the Board of Directors have appointed/ re-appointed the following Directors:

- **Mr. Pradeep Udhas (DIN: 02207112):** The Shareholders of the Bank had, at the 28<sup>th</sup> Annual General Meeting held on August 19, 2022, approved the appointment of Mr. Pradeep Udhas as 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). In accordance with Section 149(13) of the Companies Act, 2013, Mr. Pradeep Udhas is not liable to retire by rotation.
- **Mrs. Akila Krishnakumar (DIN: 06629992):** The Shareholders of the Bank had, at the 28<sup>th</sup> Annual General Meeting held on August 19, 2022, approved the re-appointment of Mrs. Akila Krishnakumar as Non-Executive, Independent Director of the Bank, for a second term of four consecutive years, with effect from August 10, 2022 up to August 9, 2026 (both days inclusive). In accordance with Section 149(13) of the Companies Act, 2013, Mrs. Akila Krishnakumar is not liable to retire by rotation.
- **Mr. Rajiv Agarwal (DIN: 00336487):** The Board of Directors had, at their meeting held on January 18, 2023, approved the re-appointment of Mr. Rajiv Agarwal as Non-Executive, Independent Director of the Bank, for a second term of four consecutive years, with effect from March 15, 2023 up to March 14, 2027 (both days inclusive), subject to the approval of the Shareholders of the Bank.

The Shareholders of the Bank had, on February 27, 2023, approved the re-appointment of Mr. Rajiv Agarwal as Non-Executive, Independent Director, by passing of a Special Resolution through Postal Ballot. In accordance with Section 149(13) of the Companies Act, 2013, Mr. Rajiv Agarwal is not liable to retire by rotation.

- **Mr. Sunil Mehta (DIN: 00065343):** The Board of Directors had, at their meeting held on January 30, 2023, approved the appointment of Mr. Sunil Mehta as Additional Director in the capacity of Non-Executive, Independent Director and Part-time Chairman of the Bank, with effect from January 31, 2023 up to January 30, 2026 (both days inclusive), i.e., for a tenure of 3 years, as approved by Reserve Bank of India vide letter dated January 25, 2023.

The Shareholders of the Bank had, on April 6, 2023, approved the appointment of Mr. Sunil Mehta as Non-Executive, Independent Director and Part-time Chairman of the Bank, for a period of 3 years, with effect from January 31, 2023 up to January 30, 2026 (both days inclusive), by passing of a Special Resolution through Postal Ballot. In accordance with Section 149(13) of the Companies Act, 2013, Mr. Sunil Mehta is not liable to retire by rotation.

- **Mr. Sumant Kathpalia (DIN: 01054434):** The Board of Directors of the Bank had, at their meeting held on September 15, 2022, approved the re-appointment of



Mr. Sumant Kathpalia as Managing Director & CEO of the Bank with effect from March 24, 2023, subject to approval of Reserve Bank of India and the Shareholders of the Bank.

Reserve Bank of India had, vide letter dated March 10, 2023, approved the re-appointment of Mr. Sumant Kathpalia as the Managing Director & CEO of the Bank for a further period of 2 years, with effect from March 24, 2023 up to March 23, 2025 (both days inclusive).

The Shareholders of the Bank had, on June 6, 2023, approved the re-appointment of Mr. Sumant Kathpalia as Managing Director & CEO of the Bank, with effect from March 24, 2023 up to March 23, 2025 (both days inclusive), by passing of an Ordinary Resolution through Postal Ballot. Mr. Sumant Kathpalia being a Non-Independent Director, is liable to retire by rotation.

- **Mr. Arun Khurana (DIN: 00075189):** The Board of Directors had, at their meeting held on June 28, 2023, recommended the appointment of Mr. Arun Khurana, Deputy CEO of the Bank, as Additional Director, in the capacity of Executive Director, (i.e., Whole-time Director) of the Bank, for a period of 3 years, with effect from such date or such other period, subject to approval of Reserve Bank of India, at a remuneration as may be approved by Reserve Bank of India and subject to approval of the Shareholders of the Bank.

- **Retirement by Rotation**

In compliance with Section 152 of the Companies Act, 2013, **Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & CEO** of the Bank, will retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment.

A resolution seeking approval of the Shareholders for Mr. Sumant Kathpalia's re-appointment, forms part of the Notice of this Annual General Meeting. A brief Resume of Mr. Kathpalia is furnished in the Report on Corporate Governance for information of the Shareholders.

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/ re-appointment, as aforesaid, are given in the Annexure to the Statement attached to the Notice convening the 29<sup>th</sup> Annual General Meeting, which forms part of the Annual Report.

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

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a Certificate from M/s Alwyn Jay & Co., Practicing Company Secretaries, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the companies, either by the SEBI or the MCA or any other statutory/ regulatory authorities. The said Certificate is attached as **Annexure II** to 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 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 the extant norms prescribed by the Reserve Bank of India.

Based on the recommendation of the Compensation and Nomination & Remuneration Committee, the Board of Directors have, after conducting their own assessment, opined that the Independent Directors, appointed/ re-appointed during the year, possess the necessary integrity, expertise and experience, and that their appointment/ re-appointment, is in the interest of the Bank.

- **Cessation of Directors during the year under review**

**Mr. Arun Tiwari (DIN: 05345547)** ceased to be Part-time Chairman of the Bank on conclusion of his tenure on January 30, 2023.

The Board places on record its sincere appreciation for Mr. Tiwari's leadership, and the contribution made by him as Chairman of the Board.

- **Cessation of Directors after the end of the year under review and up to the date of this Report**

None of the Directors have demitted office after the end of the financial year 2022- 2023, and up to the date of this Report.

## Board and Committee Meetings

During the year, 23 meetings of the Board of Directors and 19 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.

Mr. Pradeep Udhas was appointed Non-Executive, Independent Director on the Board of the Bank for a period of four consecutive years, from June 9, 2022 up to June 8, 2026 (both days inclusive), and was inducted as a Member of the Audit Committee of the Board.

As on March 31, 2023, the Audit Committee of Board comprised the following Independent Directors, Mrs. Bhavna Doshi (Chairperson), Mr. Sanjay Asher, Mr. Shanker Annaswamy and Mr. Pradeep Udhas.

During the year, there were no instances where the recommendations of the Audit Committee were not accepted by the Board.

Details of composition of the Board and its Committees, 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, was 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.

The Bank has engaged an external Independent Professional agency 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 Director, 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 policy on Performance Evaluation is available on the Bank's website at:

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

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 2022-23, the following changes took place in Key Managerial Personnel of the Bank:

### i) Company Secretary:

Mr. Girish Koliyote had, for personal reasons, resigned as Company Secretary and Key Managerial Personnel (KMP) 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. He was also appointed as the 'Compliance Officer of the Bank' with effect from June 20, 2022, 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.

The Board of Directors had, at their meeting held on December 16, 2022, approved the appointment of Mr. Anand Kumar Das as 'Company Secretary' and 'Key Managerial Personnel' ('KMP') of the Bank with effect from December 16, 2022. Mr. Anand Kumar Das shall continue to be 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.

## Adequacy of internal financial controls related to financial statements

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, 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.

Further details about the Vigil Mechanism are furnished in the Report on Corporate Governance and the 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, pursuant to Section 143(12) of the Companies Act, 2013 neither the statutory auditors nor the secretarial auditor of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

### Statutory Auditors

M/s M S K A & Associates, Chartered Accountants (ICAI Firm Registration Number 105047W) 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, 2023.

The Joint Central Statutory Auditors have not made any qualification/ reservation/ adverse remarks or disclaimer in their report for FY 2022-23.

As per RBI guidelines issued on April 27, 2021, a Statutory Auditor can conduct audit of a 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.

M/s. M. P. Chitale & Co., Chartered Accountants (ICAI Firm Registration Number 101851W) are re-appointed as Joint Statutory Auditors of the Bank for FY 2023-24, being their third year of appointment.

Appointment of M/s M S K A & Associates, Chartered Accountants (ICAI Firm Registration Number 105047W) was approved by the members in the 28<sup>th</sup> AGM of the Bank held on August 19, 2022, for a period of three (3) consecutive years, i.e., until the conclusion of the 31<sup>st</sup> AGM, subject to approval from the RBI on annual basis.

M/s M S K A & Associates, Chartered Accountants (ICAI Firm Registration Number 105047W) are re-appointed as Joint Statutory Auditors of the Bank for FY 2023-24, being their second year of appointment.

### Independent Auditors' Report

M/s M S K A & Associates and M/s M. P. Chitale & Co., Joint Central Statutory Auditors of the Bank, have audited the accounts of the Bank for the year 2022-23 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 Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had appointed M/s Alwyn Jay & Co., Company Secretaries in Practice, to undertake Secretarial Audit of the Bank for the FY 2022-23. The Secretarial Audit Report submitted by M/s Alwyn Jay & Co. is furnished at **Annexure III**, and forms an integral part of this Report. There are no qualifications, reservations, adverse remarks or disclaimers made by the secretarial auditor of the Bank, in its Report.

### Employees Stock Option Scheme

The Bank had instituted the Employees 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 5,33,77,879 Options, comprising 6.88% 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 29<sup>th</sup> 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, provisions of Section 148(1) of the Companies Act, 2013, relating to maintenance of cost records is not applicable to the Bank.



## 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 application for dissolution of Gallium Industries Ltd. is pending before the Hon'ble NCLT.
AAACC1921B	Cox & Kings Ltd(Borrower) Cox and Kings Global Services Pvt Ltd. (Corporate Guarantor)	29/06/2020	05/01/2023	No	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., which has been admitted on January 5, 2023, and the Bank has filed its claim. The CIRP process is going on.
AAACW6349M	Siti Network Ltd (Borrower) Zee Entertainment Enterprises Ltd (DSRA Guarantor)	25/01/2022	22/02/2023	No	Admitted/ Stayed	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 January 25, 2022, before Mumbai NCLT, which is admitted vide Order dated February 22, 2023. However, vide Order dated February 24, 2023, NCLAT directed a stay on said Order. Meanwhile, DSRA guarantor has approached the Bank for a settlement and the Bank has entered into a settlement.
AAACW6349M	SITI Networks Limited	30/04/2022	22/02/2023	No	Admitted/ Stayed	The matter has been stayed by NCLAT vide Order dated March 7, 2023. The Bank is pursuing the matter.
AABCA5291P	Coffee Day Global Limited	09/04/2022		No	Yet to be admitted	The Bank has filed an application u/s 7 against the Borrower, Coffee Day Global Limited, and has claimed full dues.
AACCH3475M	Hacienda Projects Pvt. Ltd.	05/05/2022		No	Admitted/ Stayed	The matter has been stayed by NCLAT vide Order dated November 28, 2022. The Bank is pursuing the matter.
AADCC5681P	Cloud 9 Projects Pvt. Ltd.	05/05/2022		No	Yet to be admitted	The Bank has filed an application u/s 7 against the Borrower and has claimed full dues.
AADCT5306Q	Fidere Facilities Management Pvt. Ltd	16/02/2023		No	Yet to be admitted	The Bank has filed an application u/s 7 against the Borrower and has claimed full dues.

## 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:

- that in the preparation of the Annual Accounts for the year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2023, and of the profit of the Bank for the year ended on that date;
- 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, 2023, 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 38,179 employees on its rolls as on March 31, 2023.

101 employees employed throughout the year were in receipt of remuneration of ₹1.02 crores per annum or more, and 17 employees employed for the part of the FY 2023 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 of 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 accordance with the guidelines prescribed in RBI Circular dated April 26, 2021, on compensation of Non-Executive Directors of private sector banks.

The Independent Non-Executive Directors of the Bank were paid Fixed Remuneration of ₹20 lakhs per annum, and Sitting Fees for attending meetings of the Board and various Board Committees held during the year under review.

During the year under review, Mr. Arun Tiwari, Part-time Chairman of the Bank, was paid fixed remuneration on pro rata basis, @ ₹30 lakhs per annum, as approved by the Reserve Bank of India and the Shareholders, as well as Sitting Fees for attending meetings of the Board and various Board Committees, up to his tenure, which concluded on January 30, 2023.

During the year under review, Mr. Sunil Mehta, Part-time Chairman of the Bank, was paid fixed remuneration on pro rata basis, @ ₹30 lakhs per annum, with effect from January 31, 2023, i.e., from the date of his appointment as Chairman of the Bank, as approved by the Reserve Bank of India, and the Shareholders through Postal Ballot. Mr. Sunil Mehta was also paid Sitting Fees for attending meetings of the Board and various Board Committees from the date of his appointment on the Board of the Bank. Mr. Sunil Mehta has also been provided with a car for official use.

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:

[>>Policies & Codes >> Related Party Transaction Policy](https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html)

### Consolidated Financial Statements

In accordance with Section 129 (3) of the Act, Consolidated Financial Statements comprising 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, 2023, 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

### Corporate Social Responsibility

The Bank is committed to various interventions through multiple CSR projects and programs that have long-term and sustainable impact, in line with its CSR strategy. As per the requirements of Section 135 of the Companies Act, 2013 and CSR Rules 2014, the Bank has 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.

Continuing with the CSR policy and strategy under Sattvam, the brand name, under which the Bank conducts all its CSR activities, under the Bank’s projects now encompass the length and breadth of India, enabled by deep collaboration with NGOs and community-based groups.

The CSR framework is built on the following Key Principles:

- Long-term commitment: 3-5 years’ commitment on systemic changes, objectives and outcomes.
- Scale for Impact: Create scalable and replicable models/theory of change.
- Community Ownership: Ensuring accountability, relevance, awareness and empowerment of local communities through their continuous engagement.
- Collaboration: Establishing a multi-stakeholder forum, bringing together local institutions, district officials, sectoral experts and community influencers to ensure increased collaboration.
- Convergence: Bringing together of Knowledge and Resources to ensure existing support mechanisms (such as Government Schemes) are leveraged effectively for community-centric development and rapid scale and achievement of outcomes.
- Technology & Innovation: Integrating innovative solutions into the Program for enhanced project delivery, efficient reporting and better scalability.

The meticulous design of our CSR strategy ensures that it seamlessly aligns with the National Development Agenda and the United Nation’s 2030 Sustainable Development Goals.

We have a two-pronged approach to CSR implementation - the Flagship CSR Programme is designed to improve the quality of life of rural communities in the selected districts aligned with the Government’s Aspirational Districts Programme. In parallel, the Strategic Projects comprise of short-term to mid-term projects that empower and benefit marginalised groups, vulnerable populations and weaker sections of society. By combining our flagship and strategic programmes, we have adopted a truly holistic approach towards the nation’s development.

Our Flagship CSR Programme is a ‘Holistic Rural Development Programme’ and aims to improve the income levels and standard of living in the selected Aspirational Districts of Niti Aayog, over a period of 5-10 years, in multiple focus areas, including enhancing and creating Livelihood in Agriculture, Water, allied & non-farm value chains, FPO (Farmer Producer Organizations), Skilling, collaborative efforts in Health, Education & Basic Infrastructure. Climate-resilience and women’s socio-economic development is



at the core of the Flagship CSR Programme. It seeks to achieve this goal by impacting economic empowerment of communities and improving efficiency in natural resource management.

Strategic Projects, which comprise of projects of short-term to mid-term duration projects, continue to work in line with the Bank's commitment to social upliftment and environmental sustainability. These projects focus on three overarching themes: Environment, Education and Sports and include biodiversity conservation, renewable energy, water stewardship, scholarships, remedial classes, foundational literacy & numeracy, inclusive sports for women, the differently-abled and the underprivileged.

Under 'Other Areas of Special Interest', the Bank supports various healthcare, livelihood & skilling programs and also extends support to Armed Forces Veterans, Widows and their families.

Furthermore, the Bank supports 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 by the Bank.

The CSR Initiatives/ Projects that are 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 ₹108.51 crores against adjusted budget of ₹107.52 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 in **Annexure VI** and forms an integral part of this Report.

The CSR Policy, 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 understands that the 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 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 and the sustainability theme is embedded across our diverse Businesses, Risk and Operations units. At the apex lies the CSR and Sustainability Committee of the Board, followed by the Sustainability Council and the Sustainability Unit. The centralized Sustainability unit works closely with various stakeholders in developing the ESG strategy for each department.

The Bank prepares its strategic objectives in 3-year planning cycles, which are further segmented into yearly and quarterly

ambitions. One of the key pillars of the three-year (FY24 to FY26) Planning Cycle-6 (PC6) is 'Imbibing ESG into Business'.

ESG targets are also being included in the targets of Business Units (BUs) to demonstrate Bank's commitment towards promoting sustainability-linked initiatives in its business and banking operations. These business targets are discussed and approved by Bank's Board and then integrated with the KPIs of the BUs and KMPs (Key Managerial Persons).

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 has resulted in the Bank maintaining its leadership position in the FY 2022 rankings by CDP and S&P Global within the cohort of the top five private sector banks in India as well as maintaining its inclusion in the S&P Dow Jones Sustainability Yearbook 2022 for a third consecutive year.

## Business Responsibility and Sustainability Report (BRSR)

As per SEBI Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") shall form part of the Directors' Report.

The Bank has provided BRSR, 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 Business Responsibility and Sustainability Report forms part of this Annual Report and is also hosted on the Bank's website at:

<https://www.indusind.com/in/en/sustainability/esg-ratings-and-reporting.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 2022-23, no significant and/ or material order was passed by any regulator, court or tribunal against the Bank, which could impact its going concern status or 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) DIGITAL CX AWARD

- IndusInd Bank was bestowed with highly Acclaimed award for Outstanding Digital CX Payments & Collection Services" at the Digital CX Awards 2022

#### 2) ASIAMONEY BEST BANK AWARD 2022

- IndusInd Bank was adjudged as the BEST BANK FOR ESG – INDIA at the ASIAMONEY BEST BANK AWARD 2022

#### 3) CELENT MODEL BANK 2022

- IndusInd Bank recognized as 'Celent Model Bank' award under the category-'Payments System Transformation' for building a best-in class Enterprise Payments Hub (EPH)

#### 4) ET CX AWARD 2022

- IndusInd Bank was recognized as one of the most customer centric brand and was awarded at the 3<sup>rd</sup> Edition of ET CX Summit 2022

#### 5) Governance Now 5<sup>th</sup> India BFSI Conclave & Awards

- IndusInd Bank awarded by 'Governance Now' under the category – 'SME Connect' for initiating 'Indus Credit for Business'.

#### 6) The Asset Triple Asian Awards 2022

- IndusInd Bank was awarded Best SCF Solution for various clients at The Asset Triple Asian Awards 2022

#### 7) MeitY-Digidhan Dashboard for Digital Payments

- MeitY has ranked IndusIndBank #1 amongst Private Banks for FY22 on its Digidhan Dashboard for Digital Payments

#### 8) Marksmen

- IndusInd Bank was honored as "Most Preferred Workplace 2022–23 by Marksmen"

#### 9) Euro money 2022 Market Leaders Award

- IndusInd Bank is proud to be ranked as a Market Leader for ESG in India by Euromoney 2022

#### 10) Global Transaction Banking Innovation Awards 2022

- Best Transaction Banking Innovation Lab
- Best ERP Integration Initiative
- Outstanding Use of Technology in Cash and Liquidity Management

#### 11) Escorts Kubota Ltd

- Escorts Kubota Ltd. recently awarded IndusInd Bank – TFE Team for being the Number 1 Financier for 2 consecutive Financial years

#### 12) Bharat FinTech Summit 2023

- IndusInd Bank won the Best CIO award at the recently concluded Bharat FinTech Summit 2023

#### 13) 10<sup>th</sup> Payments Industry Awards, 2023

- IndusInd Bank's Indus Merchant Solutions App was awarded the Best Merchant Acquirer of the Year at the 10<sup>th</sup> Payments Industry Awards, 2023
- EazyDiner IndusInd Bank Credit Card has been awarded the Best co-brand card at the 10<sup>th</sup> Edition Payments Industry Awards, 2023

### Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Bank has complied with the extant provisions relating to the constitution of Internal 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, 2023.
- (iv) Statutory Disclosures regarding administration of ESOPs for the financial year ended March 31, 2023.
- (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, 2023, in terms of Notification dated January 22, 2021, issued by the MCA.

**Place : Mumbai**

**Date : July 20, 2023**

**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**

**sd/-**

**Sunil Mehta**

**Chairman**

**DIN: 00065343**



# 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 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, 2023** fulfill the criteria of Independence as specified in Section 149 of the Companies Act, 2013 and Regulation 16 and 25 of the Listing Regulations.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1	Mr. Sunil Mehta	00065343	31/01/2023
2	Mr. Shanker Annaswamy	00449634	12/01/2016
3	Dr. T. T. Ram Mohan	00008651	12/05/2016
4	Mrs. Akila Krishnakumar	06629992	10/08/2018
5	Mr. Rajiv Surajbhan Agarwal	00336487	15/03/2019
6	Mr. Sanjay Khatau Asher	00008221	10/10/2019
7	Mrs. Bhavna Gautam Doshi	00400508	14/01/2020
8	Mr. Jayant Vasudeo Deshmukh	08697679	24/07/2021
9	Mr. Pradeep Udhas	02207112	09/06/2022

Ensuring the eligibility of 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: F005559E000645297]

Place : Mumbai  
Date : July 20,2023

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, 2023** 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. Sunil Mehta	00065343	Director	31/01/2023
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. Pradeep Udhas	02207112	Director	09/06/2022
10	Mr. Sumant Kathpalia	01054434	Managing Director & CEO	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 :F005559E000645385]

Place : Mumbai  
Date : July 20,2023

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, 2023

[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").

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, 2023**, 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, 2023** 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 June 29, 2022, a monetary penalty of ₹1 Crore (Rupees One Crore 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) of the Banking Regulation Act, 1949 (the Act), for non-compliance with certain directions issued by RBI on 'Reserve Bank of India Know Your Customer (KYC) Directions, 2016'. The penalty was paid by the Bank.
2. In exercise of the powers conferred under Section 11(1), 11(4), 11(4A), 11A and 11B(1), 11B(2) read with section 19 of SEBI Act, 1992 and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, SEBI vide its order No. WTM/AB/CFID/CFID\_1/20149/2022-23 dated October 04, 2022 has imposed a penalty of ₹1 crore (Rupees One crore only) on the Bank under Section 15HA of the SEBI Act, 1992, for the alleged commission and omission to get its loan repaid earlier sanctioned to CG power group companies. This penalty pertains to loans disbursed in the year 2017. Further, the Bank has preferred an appeal before Securities Appellate Tribunal (SAT) against the said order. The matter is still pending.

**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 12,32,035 Equity Shares of ₹10 each under the Bank's ESOP Schemes.
2. Approval of the Shareholders was obtained at the Annual General Meeting held on August 19, 2022 for raising funds through debt securities in any permitted mode on a private placement basis as may be decided for an aggregate amount not exceeding ₹20,000 Crores or its equivalent amount in such foreign currencies as may be necessary.

**ALWYN JAY & Co.**  
**Company Secretaries**

Sd/-

[Alwyn D'Souza, FCS.5559]

[Partner]

[Certificate of Practice No.5137]

[UDIN : F005559E000645495]

Place : Mumbai

Date : July 20, 2023

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 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 : F005559E000645495]**

Place : Mumbai

Date : July 20, 2023

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, 2023)

Particulars	Total ESOP 2020 & 2018 (Upto March 31, 2023)	ESOP 2020 Scheme							Granted on January 17, 2023	
		Granted on May 6, 2022	Granted on June 21, 2022	Granted on July 9, 2022	Granted on September 9, 2022	Granted on September 23, 2022	Granted on October 28, 2022	Granted on December 14, 2022		
1 No. of options granted	53,377,879.00	10,000.00	120,500.00	48,720.00	24,500.00	150,000.00	325,726.00	34,000.00	739,000.00	
2 No. of options surrendered (canceled)	6,331,927.00	0.00	0.00	0.00	3,500.00	0.00	8,001.00	0.00	42,500.00	
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	8,349,144.00	0	0	0	0	0	0	0	0	
5 No. of options Exercised	35,762,047.00	0	0	0	0	0	0	0	0	
6 No. of shares arising as a result of exercise of options	35,762,047.00	0	0	0	0	0	0	0	0	
7 Options Lapsed	277,909.00	0	0	0	0	0	0	0	0	
8 Variation in terms of ESOP	N.A.	NA	NA	NA	NA	NA	NA	NA	NA	
9 Money realized by exercise of options (₹ in Lakhs)	8,405.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10 Total No. of Options in force	11,005,996.00	10,000.00	120,500.00	48,720.00	21,000.00	150,000.00	317,725.00	34,000.00	696,500.00	
11 Employee-wise details of options granted to:										
(a) Key Managerial Personnel, i.e., Managing Director & CEO, Chief Financial Officer and Company Secretary		<b>Name of KMP</b>	<b>Number of options granted</b>	<b>Exercise Price</b>						
	5,916,403	Mr. Sumant Kathpalia	48,720 (Exercise Price- 784.05)							
		Mr. Gobind Jain		10,668 (Exercise Price 1142.50)						
(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)		<b>Name of employees</b>	<b>Number of options granted</b>							
	5,018,232	Mr. Arun Khurana		88,898 (Exercise Price 1142.5)						
		Mr. Samir Dewan		150000 (Exercise Price 1216.55)						
(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.	
<b>Note to "Table A"</b>										
1. Mr. Arun Khurana										
33% of these Options will vest on							28-Oct-23			
33% of these Options will vest on							28-Oct-24			
34% of these Options will vest on							28-Oct-25			
Mr. Samir Dewan										
<b>Note to "Table A"</b>										
33% of these Options will vest on							23-Sep-23			
33% of these Options will vest on							23-Sep-24			
34% of these Options will vest on							23-Sep-25			



## 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 2022-23, is given below:

Name	Ratio
Mr. Sumant Kathpalia, Managing Director & CEO	163x
Mr. Arun Tiwari, Non-Executive Part-time Chairman*	5.44x
Mr. Sunil Mehta, Non-Executive Part-time Chairman#	1.09x

\* Mr. Arun Tiwari ceased to be Non-Executive, Non-Independent, Part-time Chairman of the Bank, from the close of business hours on January 30, 2023.

# Mr. Sunil Mehta was appointed Non-Executive, Part-time Chairman of the Bank with effect from January 31, 2023.

#### Notes:

- The ratio pertains to the fixed remuneration of the KMP and Directors to the median fixed remuneration of the Bank's employees for FY23.
- The ratio of remuneration paid to Mr. Arun Tiwari and Mr. Sunil Mehta, 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, 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 ₹20,00,000 per annum, in line with RBI Guidelines and based on the approval of the Shareholders.

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 2022-23, is mentioned below:

Name of the Non-Executive Director	Ratio
Mr. Shanker Annaswamy	4.36x
Dr. T. T. Ram Mohan	4.36x
Mrs. Akila Krishnakumar	4.36x
Mr. Rajiv Agarwal	4.36x
Mr. Sanjay Asher	4.36x
Mrs. Bhavna Doshi	4.36x
Mr. Jayant Deshmukh	4.36x
Mr. Pradeep Udhas <sup>§</sup>	3.53x

§ Mr. Pradeep Udhas was appointed as Director on the Board of the Bank with effect from June 9, 2022.

- 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	NA
Mr. Gobind Jain, Chief Financial Officer	73.6%
*Mr. Girish Koliyote, Company Secretary	NA
**Mr. Anand Kumar Das, Company Secretary	NA

\* Mr. Girish Koliyote was appointed as Secretary of the Bank with effect from November 27, 2021. Mr. Koliyote resigned from the services of the Bank with effect from June 17, 2022.

\*\* Mr. Anand Kumar Das was appointed as Company Secretary of the Bank with effect from December 16, 2022.

**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 8.4%.

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 FY23.

**• The number of permanent employees on the rolls of the Bank:**

There were 38,179 employees on the rolls of the Bank as on March 31, 2023.

- 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 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 company

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 realises the importance of engaging with its stakeholders to conduct business and continuously improve its CSR practices. With a vision to be trusted, valued, and respected for our financial, environmental, and social performance, the Bank is committed to bringing grassroots level change to disadvantaged and minority communities to improve livelihood and make them self-sustainable, promoting environment, health, & education, and focussing on transforming the lives of women and children. The Bank engages with diverse stakeholders and ensure compliance & high levels of governance while monitoring & measuring the impact caused. The Bank has partnered with reputable implementing agencies and work in collaboration with various ecosystem players to adopt the best practices.

Over the years, the Bank focussed on broad themes that include education, sports and the environment. Around a year back, the Bank launched its flagship programme closely aligned to the Government of India's 'Transformation of Aspirational Districts' initiative. By combining our flagship Aspirational District program with existing strategic projects, a comprehensive approach has been taken for holistic rural development and economic empowerment of rural communities. This will enable us to speedily reach key milestones towards nation-building.

## 2. Composition of Corporate Social Responsibility (CSR) & Sustainability 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 & S 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 Corporate Social Responsibility (CSR) & Sustainability Committee committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition of CSR & S 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-approach/annual-action-plan-FY2022-23.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)

Under 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, no project qualified for Impact Assessment study in 2022-23 since all were ongoing projects.

5.	a)	Average net profit of the company as per section 135(5) against Average net profit	: ₹5,428.58 crores
	b)	Two percent of average net profit of the company as per section 135(5)	: ₹108,57,16,367
	c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: NIL
	d)	Amount required to be set off for the financial year, if any	: ₹1,05,55,596.70
	e)	Total CSR obligation for the financial year (b+c-d)	: ₹1,07,51,60,770.30
6.	a)	Amount spent on CSR Projects (Both Ongoing Project and other than Ongoing Project)	: ₹105,26,85,996.62
	b)	Amount spent in Administrative Overheads	: ₹3,03,39,241.98
	c)	Amount spent on Impact Assessment, if applicable	: ₹20,83,760.74
	d)	Total amount spent for the financial year (a+b+c)	: ₹108,51,08,999.34



## 6. e) 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 subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,08,51,08,999.34	--	--	--	--	--

## 6. f) Excess amount for set-off, if any

Sr. No.	Particular	Amount (in ₹)
1	2	3
i	Two percent of average net profit of the company as per sub-section (5) of section 135	1,07,51,60,770.30*
ii	Total amount spent for the Financial Year	1,08,51,08,999.34
iii	Excess amount spent for the Financial Year [(ii)-(i)]	99,48,229.04
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	99,48,229.04

\* Net CSR Budget for 2022-23 was ₹1,07,51,60,770.30 after setting off the excess amount of ₹1,05,55,596.70.

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY 2021-22	-	2,87,76,182	2,87,76,182	-	-	0.00	-
2	FY 2020-21	26,00,00,000	-	23,12,23,818	-	-	2,87,76,182	-
3	FY 2019-20	-	-	-	-	-	-	-

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

YES	NO
-----	----

## If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

**Note:** This section is not applicable. No creation of assets.

## 9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub section (5) of section 135.

Not applicable.

Sd/-  
**Sumant Kathpalia**  
Managing Director & CEO  
(DIN: 01054434)

Sd/-  
**Akila Krishnakumar**  
Chairperson  
CSR&S Committee  
(DIN: 06629992)



# CORPORATE GOVERNANCE

(The Report on Corporate Governance forms part of the Directors' Report for the Financial Year ended March 31, 2023)

## 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, 2023, has been obtained and placed before the Board of Directors at its meeting held on July 20, 2023.

## 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 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, 2023. 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, Human Resources, Risk Management, Business 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.

All Independent Directors of the Bank have been appointed as per the provisions of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations. The Chairman of the Bank is a Non-Executive Independent Director and Part-time Chairman and not related to the Managing Director & CEO.

As on March 31, 2023, the Bank's Board comprised of ten Directors, viz., Mr. Sunil Mehta, Non-Executive, Independent Director and Part-time Chairman, Mr. Sumant Kathpalia, Managing Director & Chief Executive Officer (MD&CEO), and eight 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, Mr. Jayant Deshmukh and Mr. Pradeep Udhas. The Board is led by Non-Executive Independent Director and Part-time Chairman. The Board has two Independent Women Directors.

The composition of the Board represents an optimal mix of professionalism, knowledge, and experience. All the Independent Directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provision of Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations.

#### During the year under review:

##### Mr. Pradeep Udhas (DIN: 02207112):

The Board of Directors had, at their meeting held on June 9, 2022 approved the appointment of Mr. Pradeep Udhas as a 'Non-Executive, Independent Director' of the Bank, from June 9, 2022 up to June 8, 2026 (both days inclusive). The said appointment was approved by the Shareholders for a period of four years of the Bank at 28<sup>th</sup> Annual General Meeting held on August 19, 2022, by means of a Special Resolution. In accordance with Section 149(13) of the Companies Act, 2013, Mr. Pradeep Udhas is not liable to retire by rotation.

##### Mrs. Akila Krishnakumar (DIN: 06629992):

The Board of Directors had, at their 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 years' effective from August 10, 2022 up to August 9, 2026 (both days inclusive), subject to the approval of the Shareholders of the Bank.

The Shareholders of the Bank at its 28<sup>th</sup> Annual General Meeting held on August 19, 2022 had approved the re-

appointment of Mrs. Akila Krishnakumar as the 'Non-Executive Independent Director' of the Bank for her second term of four years' effective from August 10, 2022 up to August 9, 2026 (both days inclusive). In accordance with Section 149(13) of the Companies Act, 2013, Mrs. Akila Krishnakumar is not liable to retire by rotation.

##### Mr. Arun Tiwari (DIN:05345547):

Mr. Arun Tiwari (DIN: 05345547) ceased to be Part-time Chairman of the Bank on conclusion of his tenure on January 30, 2023.

The Board places on record its sincere appreciation for Mr. Tiwari's leadership and the contribution made by him as Chairman of the Board and for the remarkable growth of the Bank during his tenure.

##### Mr. Rajiv Agarwal (DIN:00336487):

The Board of Directors had, at their meeting held on January 18, 2023, approved the re-appointment of Mr. Rajiv Agarwal as a Non-Executive Independent Director of the Bank, for the second term of four consecutive years, with effect from March 15, 2023 up to March 14, 2027 (both days inclusive), subject to the approval of the Shareholders of the Bank.

The Bank's Shareholders had, on February 27, 2023, approved the re-appointment of Mr. Rajiv Agarwal as a Non-Executive Independent Director, by passing of a Special Resolution through Postal Ballot. In accordance with Section 149(13) of the Companies Act, 2013, Mr. Rajiv Agarwal is not liable to retire by rotation.

##### Mr. Sunil Mehta (DIN:00065343):

The Board of Directors had, at their meeting held on January 30, 2023, approved the appointment of Mr. Sunil Mehta as Part-time Chairman of the Bank, with effect from January 31, 2023 up to January 30, 2026 (both days inclusive), i.e., for a tenure of 3 years, as approved by Reserve Bank of India.

The Bank's Shareholders had, on April 6, 2023, approved the appointment of Mr. Sunil Mehta as Part-time Chairman of the Bank, by passing of a Special Resolution through Postal Ballot. In accordance with Section 149(13) of the Companies Act, 2013, Mr. Sunil Mehta is not liable to retire by rotation.

#### During the period April 1, 2023 until the date of this Report:

##### Mr. Sumant Kathpalia (DIN: 01054434):

The Board of Directors of the Bank had, at their meeting held on September 15, 2022, approved the re-appointment of Mr. Sumant Kathpalia as Managing Director & Chief Executive Officer (MD&CEO) of the Bank with effect from March 24, 2023, subject to approval of Reserve Bank of India and the Shareholders of the Bank.

The Reserve Bank of India have approved the re-appointment of Mr. Sumant Kathpalia as MD&CEO of the Bank for a further period of 2 years, with effect from March 24, 2023 up to March 23, 2025 (both days inclusive).

The Shareholders of the Bank had, on June 6, 2023, approved the re-appointment of Mr. Sumant Kathpalia as MD&CEO of the Bank by passing of an Ordinary Resolution through Postal Ballot. Mr. Sumant Kathpalia being a Non-Independent Director, is liable to retire by rotation.

**Mr. Arun Khurana (DIN: 00075189):**

The Board of Directors had, at their meeting held on June 28, 2023, recommended the appointment of Mr. Arun Khurana, Deputy CEO of the Bank, as Additional Director, in the capacity of Executive Director, (i.e., Whole-time Director) of the Bank, for a period of 3 years, with effect from such date or such other period, subject to approval of Reserve Bank of India, and at a remuneration as may be approved by Reserve Bank of India, subject to approval of the Shareholders of the Bank.

**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, and in terms of Schedule V of the SEBI Listing Regulations and in the context of the Bank's business and Sector(s) the Board has 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. Payments & Settlement Systems;
11. Human Resources;
12. Risk Management;
13. Business Management; and
14. Any other skills which, in the opinion of the Reserve Bank of India, is useful to the Bank.

Professional information including skill/ expertise/ competencies/ practical knowledge in respect of each of the Directors during FY 2022-23 is furnished below:

Name of Director*	DIN	Nature of Directorship	Special Knowledge/ Practical Experience	Occupation/ Previous Employment
Mr. Sunil Mehta <sup>1</sup>	00065343	Non-Executive, Independent, Part-time Chairman	Banking, Finance, Economics and Accountancy	Consulting and Advisory Services. Chairman & Managing Director SPM Capital Advisors Pvt. Ltd.
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 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	Consulting and Advisory Services. Partner, Bhavna Doshi Associates LLP.
Mr. Jayant Deshmukh	08697679	Non-Executive, Independent	Agriculture & Rural Economy and Co-operation	Retired as Director of Agriculture, Government of Maharashtra.
Mr. Pradeep Udhas <sup>2</sup>	02207112	Non-Executive, Independent	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	Head – Consumer Banking, Indusind Bank Ltd.
Mr. Arun Tiwari <sup>3</sup>	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.

**Note:**

\*Details of change in Directorships during the year are mentioned under the head 'Board Composition', forming part of this Report.

1. Mr. Sunil Mehta (DIN: 00065343) was appointed as Non-Executive Independent Director and Part-time Chairman of the Bank, with effect from January 31, 2023 up to January 30, 2026 (both days inclusive), i.e., for a tenure of 3 years, as approved by Reserve Bank of India.
2. Mr. Pradeep Udhas (DIN:02207112) was appointed as a Non-Executive Independent Director with effect from June 9, 2022 up to June 8, 2026 (both days inclusive).
3. Mr. Arun Tiwari (DIN: 05345547) ceased to be Non-Executive Non-Independent, Part-time Chairman of the Bank on conclusion of his tenure on January 30, 2023.

**(ii) Attendance of Directors at meetings of the Board and 28<sup>th</sup> Annual General Meeting ('AGM')**

During the financial year ended March 31, 2023, twenty-three meetings of the Board were held on: April 20, 2022, April 29, 2022, May 10, 2022, June 9, 2022, June 30, 2022, July 18, 2022, July 20, 2022, August 1-2, 2022, August 22, 2022, August 25, 2022, September 15, 2022, October 17, 2022, October 19, 2022, October 31, 2022, November 25, 2022, December 16, 2022, December 22, 2022, January 18, 2023, January 27, 2023, January 30, 2023, February 23, 2023, March 3, 2023, and March 29, 2023.

Details of attendance at the Board meetings and at the 28<sup>th</sup> Annual General Meeting, other Directorships, and Memberships and Chairpersonships of Committees pertaining to each Director, as on March 31, 2023 are as follows:

Name of the Director*	Attendance at Board meetings (No. of meetings attended #)	Attendance at the 28 <sup>th</sup> AGM held on August 19, 2022#	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. Sunil Mehta <sup>1</sup>	2/3	-	1	4	-	-
Mr. Shanker Annaswamy	22/23	✓	2	-	1	-
Dr. T. T. Ram Mohan	23/23	✓	1	-	1	-
Mrs. Akila Krishnakumar	22/23	✓	3	2	1	-
Mr. Rajiv Agarwal	23/23	✓	-	3	-	-
Mr. Sanjay Asher	21/23	✓	8	4	5	4
Mrs. Bhavna Doshi	21/23	✓	5	3	2	3
Mr. Jayant Deshmukh	22/23	✓	1	-	-	-
Mr. Pradeep Udhas <sup>2</sup>	20/20	✓	1	2	-	-
Mr. Sumant Kathpalia	20/23	✓	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. Arun Tiwari had attended the Bank's AGM held on August 19, 2022, and had attended 20/20 meetings of the Board of Directors as Non-Executive Non-Independent Part-time Chairman of the Bank until January 30, 2023.

1. Mr. Sunil Mehta was appointed as Non-Executive, Independent Director and Part-time Chairman of the Bank w.e.f January 31, 2023 and his appointment was approved by the Shareholders of the Bank through Postal Ballot on April 6, 2023.

2. Mr. Pradeep Udhas was appointed as 'Non-Executive, Independent Director' of the Bank w.e.f. June 9, 2022 and the appointment was approved by the Shareholders of the Bank at the 28th Annual General Meeting held on August 19, 2022.

**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, 2023:**

Name of Directors	Other Listed Entities in which he / she is a Director	Category of Directorship
Mr. Sunil Mehta	-	-
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
	Meghmani Finechem Ltd.	Non-Executive Independent Director
	Sun Pharmaceutical Industries Limited.	Non-Executive Independent Director



Name of Directors	Other Listed Entities in which he / she is a Director	Category of Directorship
Mrs. Bhavna Doshi	Sun Pharma Advanced Research Company Ltd.	Non-Executive Independent Director
	Everest Industries Ltd.	Non-Executive Independent Director
	KPIT Technologies Ltd.	Non-Executive Independent Director
	Nuvoco Vistas Corporation Ltd.	Non-Executive Independent Director
Mr. Jayant Deshmukh	-	-
Mr. Pradeep Udhas	Hinduja Global Solutions Limited	Non-Executive Independent Director
Mr. Sumant Kathpalia	-	-

### iii. Remuneration to Non-Executive Directors

During the year under review, all the Non-Executive Directors, including the Non-Executive, Independent, Part-time Chairman of the Bank, were paid remuneration in the form of sitting fees and fixed pay, in terms of the RBI Circular dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board. The fixed remuneration was paid to Mr. Arun Tiwari, Non-Executive Non-Independent, Part-time Chairman of the Bank, up to January 30, 2023, and to Mr. Sunil Mehta, Non-Executive Independent, Part-time Chairman of the Bank, with effect from January 31, 2023, 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, 2023, are as under:

Particulars	Sitting Fees (in ₹)	Remarks
Board of Directors	1,00,000	For every meeting attended.
Audit Committee	60,000	For every meeting attended.
Risk Management Committee	60,000	For every meeting attended.
Committee of Directors	50,000	For every meeting attended.
Compensation and Nomination & Remuneration Committee	40,000	For every meeting attended.
Customer Service Committee	40,000	For every meeting attended.
Special Committee (for monitoring Large Value Frauds)	40,000	For every meeting attended.
I.T. Strategy Committee	40,000	For every meeting attended.
For all other Board Committees	20,000	For every meeting attended.

**Note:** Sitting Fees of Audit Committee, Risk Management Committee, Compensation and Nomination & Remuneration Committee, Customer Service Committee, Special Committee (for monitoring Large Value Frauds), and I.T. Strategy Committee was revised w.e.f. May 1, 2022.

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 2022-23, are as under:

Name of Director	Fixed Remuneration Paid (in ₹)	Sitting Fees (in ₹)
Mr. Sunil Mehta <sup>1</sup>	5,00,000	4,40,000
Mr. Shanker Annaswamy	20,00,000	41,80,000
Dr. T. T. Ram Mohan	20,00,000	36,20,000
Mrs. Akila Krishnakumar	20,00,000	34,20,000
Mr. Rajiv Agarwal	20,00,000	36,20,000
Mr. Sanjay Asher	20,00,000	53,50,000
Mrs. Bhavna Doshi	20,00,000	39,00,000
Mr. Jayant Deshmukh	20,00,000	24,60,000
Mr. Pradeep Udhas <sup>2</sup>	16,20,869	32,00,000
Mr. Arun Tiwari <sup>3</sup>	25,00,000	36,90,000

1. Mr. Sunil Mehta was appointed as Non-Executive, Independent Director and Part-time Chairman of the Bank w.e.f. January 31, 2023, and the appointment was approved by the shareholders of the Bank through Postal Ballot on April 6, 2023.
2. Mr. Pradeep Udhas was appointed as 'Non-Executive, Independent Director' of the Bank w.e.f. June 9, 2022.
3. Mr. Arun Tiwari ceased to be Non-Executive, Non-Independent, Part-time Chairman, from closing hours of January 30, 2023.

**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 Compensation and Nomination & Remuneration Committee, the Board of Directors of the Bank had, at their meeting held on September 15, 2022, approved the re-appointment of Mr. Sumant Kathpalia as Managing Director & CEO of the Bank with effect from March 24, 2023, subject to approval of Reserve Bank of India and the Shareholders of the Bank.

Reserve Bank of India had, vide letter dated March 10, 2023, approved the re-appointment of Mr. Sumant Kathpalia as the Managing Director & CEO of the Bank for a further period of 2 years, with effect from March 24, 2023 up to March 23, 2025 (both days inclusive).

The Shareholders of the Bank had, on June 6, 2023, approved the re-appointment of Mr. Sumant Kathpalia as Managing Director & CEO of the Bank, with effect from March 24, 2023 up to March 23, 2025 (both days inclusive), by passing of an Ordinary Resolution through Postal Ballot.

Details of the remuneration paid to Mr. Sumant Kathpalia as the Managing Director & CEO of the Bank, during the Financial Year 2022-23 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
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)
Club Membership	:	₹65,637
Insurance Cover (Physical Incapacitation)	:	₹9,64,337
Total Fixed Pay (including perquisites)	:	₹7,50,00,000

During FY 2022-23, Mr. Sumant Kathpalia had exercised 68,000 Stock Options.

**Note: During F.Y. 2022-23, Mr. Sumant Kathpalia was paid the above-mentioned remuneration as approved by the RBI for the period April 1, 2022 - March 31, 2023.**

The Bank had received approval of the RBI on May 08, 2023 for variable pay of ₹4,87,50,000 to Mr. Kathpalia for F.Y.2021-22. The Variable pay comprised of 40% of Cash component and 60% of Non-Cash component (share-linked instruments). 50% of the Cash component has been paid upfront and another 50% of cash component has deferred payment portion with vesting period of 3 years. The entire non-cash component (share-linked instruments) has a vesting period of 3 years. The Bank has submitted its proposal to the RBI, for approval of the Variable Pay for FY 23 and the Fixed remuneration to be paid to Mr. Kathpalia for F.Y.2023-24. Approval of Reserve Bank of India is awaited.

**v. Directors' Shareholding**

The details of equity shares of the Bank held by the Directors of the Bank, as on March 31, 2023, are as under:

Sr. No.	Name of the Director	Shareholding (percentage)
(i)	Mr. Sunil Mehta	1,911 shares (0.00%)
(ii)	Dr. T. T. Ram Mohan	3,800 shares (0.00%)
(iii)	Mr. Sanjay Asher	11,200 shares (0.00%)
(iv)	Mr. Sumant Kathpalia	6,22,818 shares (0.08%)

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 29<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, offers himself for re-appointment.

## vii. Committees of the Board

The Board has constituted 12 Committees, details of which are as follows:

1. Audit Committee,
2. Committee of Directors,
3. Compensation and Nomination & Remuneration Committee,
4. Customer Service Committee,
5. Corporate Social Responsibility and Sustainability (CSR&S) Committee,
6. Finance Committee,
7. I.T. Strategy Committee,
8. Risk Management Committee,
9. Review Committee - (for Non-cooperative Borrowers and Wilful Defaulters),
10. Stakeholders' Relations Committee,
11. Special Committee of the Board (for monitoring large value Frauds) and
12. Vigilance Committee.

The Board functions through various committees, 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 by 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 rupees 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;
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 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.
8. To review and approve transactions including material related party transactions with related parties including omnibus transactions and any subsequent material modification(s) thereto
9. To review and approve related party transaction to which the subsidiary of the Bank is a party but the Bank is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceed ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Bank.
10. Review of Bank's Compliance in respect to Reports (Risk Assessment Report, Inspection Report, Major Area of Non Compliance and Risk Mitigation Plan) issued by RBI under Risk Based Supervision.

11. Review of Internal Audit plan and status of achievement thereof;
12. To conduct meeting of Credit Rating Agencies with the Committee at least once in a year, to discuss issues including related party transactions, internal financial control and other material disclosures made by the management, which have a bearing on rating of the listed NCDs;
13. Review penalties imposed/ penal action taken against bank under various laws and statues and action taken for corrective measures:
14. To oversee the compliance of the Leakage Policy; (Upon merger of Inquiry Committee with ACB)
15. To deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak; (Upon merger of Inquiry Committee with ACB)
16. 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; (Upon merger of Inquiry Committee with ACB).
17. To report the incident of actual or suspected leak of UPSI to SEBI; (Upon merger of Inquiry Committee with ACB).

**Composition:** As on March 31, 2023, the Audit Committee comprised of four members, viz., Mrs. Bhavna Doshi (Chairperson), Mr. Sanjay Asher, Mr. Shanker Annaswamy and Mr. Pradeep Udhas. The Company Secretary of the Bank acts as the secretary of Audit Committee of the Board. All the four members of Committee are Independent Directors.

**Meetings:** The Audit Committee met nineteen times during the Financial year 2022-23: On April 18, 2022, April 29, 2022, June 20, 2022, June 22, 2022, July 15, 2022, July 20, 2022, August 25, 2022, September 27, 2022, October 14, 2022, October 19, 2022, November 17, 2022, November 24, 2022, December 16, 2022, January 18, 2023, February 3, 2023, February 5, 2023, February 27, 2023, March 7, 2023 and March 27, 2023.

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.

The Inquiry Committee has been merged with Audit Committee with effect from January 27, 2023.





The details of attendance of the members at the meetings of the Audit Committee of Board, held during the financial year 2022-23, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Mrs. Bhavna Doshi	19/19	-
Mr. Shanker Annaswamy	19/19	-
Mr. Sanjay Asher	19/19	-
Mr. Pradeep Udhas	17/17	Inducted as a member with effect from June 9, 2022.

## 2. Committee of Directors

### Terms of Reference:

- Sanction of Credit proposals in line with the powers delegated by the Board;
- Noting of control returns on advances sanctioned by Executive Credit Committee (ECC);
- Power to change the constitution of the ECC as per the Board approved Delegation of Power.
- Review and noting of Irregularities (Financial Overdues) in Accounts on quarterly basis;
- Review exposure to Capital Market on a Monthly basis and Large Groups on an annual basis;
- Exercising all or any powers, on behalf of the BOD, not specifically covered above, except as required per Legal/ Statutory/ Regulatory directions.
- Annual Review of Policy on Exposures to Holding Companies
- Noting the position of Takeover Accounts (CCBG Segment) on a quarterly basis.
- Noting observations by the RBI in the Risk Assessment Report (RAR) on any agenda items.
- Review and noting of NPA to advances ratio for sanctions granted by Committee of Directors and by other authorities on a half yearly basis.
- 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.
- To monitor the exposures (both credit and investments) of the Bank and to consider and approve one-time compromise settlement proposals, in respect of loan accounts which have been written off.
- To approve treasury related investments and disinvestments as mentioned in the Domestic Investment Policy, Overseas Investment Policy and Market Risk Management Policy of the Bank, as amended from time to time.

**Composition:** As on March 31, 2023, the Committee of Directors comprised of four members, viz., Mr. Sunil Mehta (Chairman), Dr. T. T. Ram Mohan, Mr. Sanjay Asher and Mr. Sumant Kathpalia. Three members of the Committee are Independent Directors.

**Meetings:** The Committee of Directors met twenty times during the financial year 2022-23: On April 25, 2022, May 13, 2022, June 7, 2022, June 20, 2022, June 29, 2022, July 25, 2022, August 10, 2022, August 26, 2022, September 19, 2022, September 28, 2022, October 13, 2022, November 16, 2022, November 29, 2022, December 13, 2022, December 19, 2022, December 29, 2022, January 25, 2023, February 22, 2023, March 16, 2023, and March 27, 2023.

The details of attendance of the members at the meetings of the Committee of Directors, held during the financial year 2022-23, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Mr. Sunil Mehta	2/2	Inducted as Chairman of the Committee w.e.f. February 23, 2023.
Dr. T. T. Ram Mohan	18/20	-
Mr. Sanjay Asher	19/20	-
Mr. Sumant Kathpalia	14/20	-
Mr. Arun Tiwari	17/17	Ceased to be a member from closing hours of January 30, 2023.

## 3. Compensation and Nomination & Remuneration Committee

### Terms of reference:

#### (For 'Employee Stock Option/ 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:**

1. 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;
2. To review the structure, size, composition, diversity of the Board and make necessary recommendations to the Board;
3. Formulate and review the policy on Board Diversity;
4. 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;
5. 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;
6. 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, 2023, the Compensation and Nomination & Remuneration Committee comprised of four members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Sunil Mehta, Mr. Rajiv Agarwal, and Mr. Sanjay Asher. All the members of Compensation and Nomination & Remuneration Committee are Independent Directors.

**Meetings:** The Compensation and Nomination & Remuneration Committee met seventeen times during the financial year 2022-2023: On May 6, 2022, June 6, 2022, June 21, 2022, July 15, 2022, July 29, 2022, September 9, 2022, September 23, 2022, September 30, 2022, October 13, 2022, October 21, 2022, October 31, 2022, November 11, 2022, December 14, 2022, January 17, 2023, January 30, 2023, March 2, 2023, and March 28, 2023.



The details of attendance of the members at the meetings of the Compensation and Nomination & Remuneration Committee, held during the financial year 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	17/17	-
Mr. Sunil Mehta	2/2	Inducted as member w.e.f. February 23, 2023.
Mr. Rajiv Agarwal	17/17	-
Mr. Sanjay Asher	17/17	-
Mr. Arun Tiwari	15/15	Ceased to be a member from closing hours of January 30, 2023.

#### 4. Customer Service Committee

##### Terms of reference:

1. The Committee's function is to monitor the quality of customer service extended by the Bank, and to review the needs of customers.
2. Review complaints and quality of service provided by the Bank & it's subsidiaries to ensure a robust grievance redressal mechanism.
3. Review the initiatives taken by the Bank to enhance customer experience.
4. To review customer complaints addressed to the members of the Board.
5. Update on Internal Ombudsman activities & analysis of cases referred.

**Composition:** As on March 31, 2023, the Customer Service Committee comprised five members, viz., Mrs. Akila Krishnakumar (Chairperson), Dr. T. T. Ram Mohan, Mr. Rajiv Agarwal, Mr. Jayant Deshmukh and Mr. Sumant Kathpalia. Four members of Customer Service Committee are Independent Directors

**Meetings:** The Customer Service Committee met four times during the financial year 2022-2023: June 15, 2022, September 29, 2022, December 21, 2022 and March 29, 2023.

The details of attendance of the members at the meetings of the Customer Service Committee, held during the financial year 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	4/4	-
Dr. T. T. Ram Mohan	2/4	-
Mr. Rajiv Agarwal	4/4	-
Mr. Jayant Deshmukh	4/4	-
Mr. Sumant Kathpalia	3/4	-

#### 5. Corporate Social Responsibility and Sustainability (CSR&S) Committee

##### Terms of reference:

1. Formulation and recommendation to the Board, the 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.
8. To oversee and monitor the Environmental Social Governance (ESG) framework, the Environmental policy, actionable and initiatives strategized and executed by the management
9. To oversee and monitor the Bank's ESG disclosures including the Sustainability Report highlighting the Bank's ESG performance.

**Composition:** As on March 31, 2023, 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. Three members of the



Corporate Social Responsibility and Sustainability Committee are Independent Directors.

**Meetings:** The Corporate Social Responsibility and Sustainability Committee met thrice during Financial Year 2022-23: On June 3, 2022, December 9, 2022 and March 28, 2023.

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 2022-23, 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, 2023, the Finance Committee comprised of four members, viz., Mr. Rajiv Agarwal (Chairman), Mrs. Bhavna Doshi, Mr. Pradeep Udhas and Mr. Sumant Kathpalia. Three members of the Finance Committee are Independent Directors.

Mr. Pradeep Udhas was inducted as a member of the Finance Committee with effect from June 9, 2022.

**Meetings :** There were no meetings of Finance Committee during the financial year 2022-2023.

## 7. I.T. Strategy Committee

### Terms of reference:

1. 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.
2. Ensure that IT architecture, investment, organisational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth
3. Review the progress made by the Bank on the Digital Banking front.
4. Review the Business Continuity Plan (BCP)/Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement
5. Exercise oversight to ensure effective functioning of the IT Operations of the Bank
6. Assessing and reviewing the strategy for addressing IT and cyber security risks

**Composition:** As on March 31, 2023, the I.T. Strategy Committee comprised of four members, viz., Mr. Shanker Annaswamy (Chairman), Mrs. Akila Krishnakumar, Mr. Pradeep Udhas and Mr. Sumant Kathpalia. Three members of the IT Strategy Committee are Independent Directors.

**Meetings:** The I.T. Strategy Committee met five times during the financial year 2022-2023: On May 17, 2022, September 23, 2022, November 23, 2022, December 21, 2022 and February 7, 2023.



The details of attendance of the members at the meetings of the IT Strategy Committee, held during the financial year 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mr. Shanker Annaswamy	5/5	-
Mrs. Akila Krishnakumar	5/5	-
Mr. Pradeep Udhas	4/5	Inducted as a member w.e.f June 9, 2022.
Mr. Sumant Kathpalia	5/5	-

## 8. 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;
16. Review and recommend risk management system/ models/internal control system;
17. To review the appointment, removal and terms of remuneration of the Chief Risk Officer;
18. Meeting of Chief Risk Officer with the Committee in accordance with RBI Circular No.DB.R.BP .BC. No.65/21.04.103/2016-17 dated April 27, 2017.

**Composition :** As on March 31, 2023, the Risk Management Committee comprised of five members, viz., Dr. T. T. Ram Mohan (Chairman), Mr. Shanker Annaswamy, Mrs. Bhavna Doshi, Mr. Sunil Mehta and Mr. Sumant Kathpalia. Four members of the Risk Management Committee are Independent Directors.

**Meetings:** The Risk Management Committee met five times during the financial year 2022-2023: On June 6, 2022, June 27, 2022, September 9, 2022, November 23, 2022, and March 15, 2023.

The details of attendance of the members at the meetings of the Risk Management Committee, held during the financial year 2022-23, are as under:

Members	Number of Meetings attended (includes attendance through video conference)	Remarks
Dr. T. T. Ram Mohan	5/5	-
Mr. Shanker Annaswamy	5/5	-
Mrs. Bhavna Doshi	5/5	-
Mr. Sunil Mehta	1/1	Inducted as member w.e.f. February 23, 2023.
Mr. Sumant Kathpalia	5/5	-
Mr. Arun Tiwari	4/4	Ceased to be a member w.e.f January 30, 2023



## 9. Review Committee - (for 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.

To review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC)

**Composition:** As on March 31, 2023, the Review Committee - for Non-Cooperative Borrowers and Wilful Defaulters comprised of four members, viz., Mr. Sumant Kathpalia (Chairman), Mrs. Akila Krishnakumar, Mr. Jayant Deshmukh and Mr. Pradeep Udhas. Three members of the Review Committee - for Non-Cooperative Borrowers and Wilful Defaulters are Independent Directors.

Mr. Pradeep Udhas was inducted in the Review Committee - for Non-Cooperative Borrowers and Wilful Defaulters as a member with effect from June 9, 2022.

**Meetings:** There were no meetings of Review Committee - for Non-Cooperative Borrowers and Wilful during the financial year 2022-2023.

## 10. 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 the various measures and 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.
6. To review and recommend policies related to investors of securities of the Bank for the approval of the Bank.

**Composition :** As on March 31, 2023, the Stakeholders' Relations Committee comprised three members, viz., Mr. Rajiv Agarwal (Chairman), Mrs. Bhavna Doshi and Mr. Sumant Kathpalia. Two members of the Stakeholders' Relations' Committee are Independent Directors.

**Meetings:** The Stakeholders' Relations' Committee met thrice during the financial year 2022-2023: On September 27, 2022, December 20, 2022 and March 17, 2023.

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 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mr. Rajiv Agarwal	3/3	-
Mrs. Bhavna Doshi	3/3	-
Mr. Sumant Kathpalia	3/3	-

Mr. Anand Kumar Das, Company Secretary of the Bank, is appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations.

## 11. Special Committee of the Board (for monitoring Large Value Frauds)

### Terms of Reference :

1. 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 crores and above.
2. Monitor the progress in all the large value frauds and implementation of the suggestions made by the Committee.
3. The Committee also reviews the accounts identified as 'Red-Flagged' (RFA) and review functioning of Fraud Monitoring Group.
4. Monitor progress of CBI/Recovery proceeding
5. Review the efficiency of remedial action taken to prevent reoccurrence of frauds, such as strengthening of internal control



**Composition :** As on March 31, 2023, the Special Committee of the Board (for monitoring of Large Value Frauds) comprised of five members, viz., Mr. Sanjay Asher (Chairman), Mr. Shanker Annaswamy, Mr. Rajiv Agarwal, Mrs. Bhavna Doshi and Mr. Sumant Kathpalia. Four members of the Special Committee for monitoring of Large Value Frauds are Independent Directors.

**Meetings:** The Special Committee for monitoring of Large Value Frauds met eight times during the financial year 2022-2023: On May 2, 2022, June 22, 2022, July 7, 2022, September 23, 2022, October 19, 2022, December 19, 2022, March 3, 2023 and March 13, 2023.

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 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mr. Sanjay Asher	8/8	-
Mr. Shanker Annaswamy	8/8	-
Mr. Rajiv Agarwal	8/8	-
Mrs. Bhavna Doshi	7/8	-
Mr. Sumant Kathpalia	4/8	-

## 12. 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, 2023, the Vigilance Committee comprised of four members, viz., Mrs. Akila Krishnakumar (Chairperson), Mr. Sanjay Asher, Mr. Jayant Deshmukh and Mr. Sumant Kathpalia. Three members of the Vigilance Committee are Independent Directors.

**Meetings :** The Vigilance Committee met four times during the financial year 2022-2023: On June 21, 2022, September 26, 2022, December 13, 2022 and March 14, 2023.

The details of attendance of the members at the meetings of the Vigilance Committee, held during the financial year 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mrs. Akila Krishnakumar	4/4	-
Mr. Sanjay Asher	4/4	-
Mr. Jayant Deshmukh	4/4	-
Mr. Sumant Kathpalia	1/4	-

## 13. Inquiry Committee

The Inquiry Committee was merged with Audit Committee w.e.f January 27, 2023.

No meeting of the Inquiry committee were held during April 1, 2022 up to January 27, 2023.

### 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 and the Management of the Bank on June 3, 2022 and July 18, 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 & Officers Liability 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's 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 2022-23, are as under:

Members	Number of meetings attended (includes attendance through video conference)	Remarks
Mr. Sunil Mehta	-	Appointed as Non- Executive Independent Director, and Part-time Chairman, w.e.f January 31, 2023.
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	1/2	-
Mr. Pradeep Udhas	1/1	Appointed as Non- Executive Independent Director, w.e.f. June 9, 2022.

#### 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>

#### Senior management: Particulars of senior management including the changes therein since the close of the previous financial year:

Sr. No.	Name	Designation
1.	Mr. Sumant Kathpalia	Managing Director & CEO
2.	Mr. Arun Khurana	Deputy CEO
3.	Mr. Ramesh Ganesan	Head - Technology, Corporate & Global Market Operations
4.	Mr. Sanjeev Anand	Head - Corporate, Commercial, Rural & Inclusive Banking
5.	Mr. Zubin Mody	Chief Human Resources Officer
6.	Mr. Bijayananda Pattanayak	Head - Gems & Jewellery
7.	Mr. Rana Vikram Anand	Head - Pan Bank Liability Group, Customer Service & Synergy
8.	Mr. Gobind Jain	Chief Financial Officer
9.	Mr. Soumitra Sen	Head - Consumer Banking & Marketing
10.	Mr. Samir Dewan	Head - Affluent Banking & International Business
11.	Ms. Roopa Satish	Head - Portfolio Management & CSR
12.	Mr. Anil M Rao	Head - Consumer Operations & Solution Delivery
13.	Mr. Anish Behl	Head - Wealth & Para Banking
14.	Mr. Siddharth Banerjee	Head - Global Markets & FIG
15.	Ms. Charu Sachdeva Mathur	Head - Digital Banking & Strategy (Existing Business)
16.	Mr. Indrajit Yadav	Head - Investor Relations and Strategy
17.	Mr. A G Sriram	Head - Consumer Finance
18.	Mr. Jyoti Prasad Ratho	Head - Inspection & Audit
19.	Mr. Niraj Shah	Head - Global Corporates & Institutional Banking
20.	Mr. Anand Kumar Das	Company Secretary
21.	Mr. Murlidhar Lakhara <sup>1</sup>	Chief Compliance Officer
22.	Mr. Sachin Patange <sup>2</sup>	Chief Compliance Officer
23.	Mr. Ramaswamy Meyyappan <sup>3</sup>	Chief Risk Officer
24.	Mr. Vivek Bajpeyi <sup>4</sup>	Chief Risk Officer
25.	Mr. Shiv Kumar Bhasin <sup>5</sup>	Chief Transformation Officer





1. Mr. Murlidhar Lakhara ceased to be Chief Compliance Officer of the Bank and took over as Head-Assurance w.e.f. May 11, 2023.
2. Mr. Sachin Patange was appointed as the Chief Compliance Officer of the Bank w.e.f. May 11, 2023.
3. Mr. Ramaswamy Meyyappan ceased to be Chief Risk Officer of the Bank w.e.f. June 7, 2023.
4. Mr. Vivek Bajpeyi was appointed as the Chief Risk Officer of the Bank w.e.f. June 28, 2023.
5. Mr. Shiv Kumar Bhasin was appointed as the Chief Transformation Officer of the Bank w.e.f. July 6, 2023.

### **Annual Evaluation of Performance of the Board, Committees of the Board, Non-Executive 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, Part-time Chairman. The framework was recommended by the Compensation and 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 Compensation and 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 Bank, on the recommendation of the Compensation and Nomination & Remuneration Committee, engaged an external professional agency for conducting the Performance Evaluation exercise.

Annual Performance Evaluation exercise for FY 2022-23 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 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>

### Succession Planning Policy for the Board of Directors of the Bank

The Bank has formulated and adopted the Succession Planning Policy for the Board of Directors of the Bank.

The objective of the policy is to inter alia assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of the non-executive chairperson, independent directors, MD&CEO, whole-time directors of the Bank, from time to time.

The Board considers the profile, skill set, experience, expertise, functional capabilities, and other relevant information and adherence to the fit and proper norms. The objective is to provide the Board with members who have diverse knowledge, practical experience and requisite skill set to serve the business interests of the Bank and overall effectiveness of the Board.

### Policy for Determining Material Subsidiary Companies

The Bank does not have a material subsidiary, however, it 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 Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Bank has formulated the 'Policy on Related Party Transactions'.



The Policy on Related Party Transactions has been hosted on the Bank's website at:

<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 2022-23: SEBI had levied monetary penalty of ₹10 Million in respect of loan sanctioned by the Bank through IBU-Gift City, an overseas entity.

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) of the SEBI Listing Regulations for delay in submitting 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.

#### Penalties or strictures imposed on the Bank by Reserve Bank of India during the last three years:

During the financial year 2022-23: RBI had levied monetary penalty of ₹10 Million under Sections 35, 35A, 46 and 47A of the Banking Regulation Act, 1949 in relation to permitting transactions beyond the stipulated limits in some accounts opened through OTP based e-KYC in non-face-to-face mode

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.

### 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 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. The Whistle Blower Policy is in sync with all statutory and regulatory guidelines and 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 24, 2023, have recommended dividend of ₹14 per equity share of 10 each (140% of Face Value) for the year ended March 31, 2023 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 29<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
28 <sup>th</sup>	Friday, August 19, 2022	11:30 a.m	Through Videoconference	Yes
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

### Special Resolutions

Details of Special Resolutions passed at the previous three Annual General Meetings, are given below:

Annual General Meeting	Date	Resolutions
28 <sup>th</sup> Annual General Meeting	August 19, 2022	Resolution No.5: To re-appoint Mrs. Akila Krishnakumar (DIN:06629992) as a Non-Executive Independent Director.
		Resolution No.6: To appoint Mr. Pradeep Udhas (DIN:02207112) as the Non-Executive Independent Director of the Bank.
		Resolution No.7: Issue of Long-Term Bonds/Debt Securities on Private Placement Basis.



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)

### Postal Ballot

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force, and as amended, from time to time), General Circular Nos.14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, and other relevant circulars and notifications issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), Securities and Exchange Board of India vide its Circular dated January 5, 2023, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and any other applicable law, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The approval of the Members of the Bank for below mentioned resolutions were obtained through Postal Ballot Notices dated January 18, 2023, February 23, 2023 and April 24, 2023 via remote e-voting.

Particulars	Postal Ballot Notice Dated January 18, 2023	Postal Ballot Notice Dated February 23, 2023	Postal Ballot Notice Dated April 24, 2023
<b>Resolution</b>	Re-appointment of Mr. Rajiv Agarwal (DIN: 00336487) as a Non-Executive Independent Director of the Bank	Appointment of Mr. Sunil Mehta (DIN: 00065343) as Non-Executive Independent Director and Part-time Chairman of the Bank	Re-appointment of Mr. Sumant Kathpalia (DIN: 01054434) as Managing Director & Chief Executive Officer (MD&CEO) of the Bank
<b>Remote e-voting</b>	National Securities Depository Limited (NSDL)	National Securities Depository Limited (NSDL)	National Securities Depository Limited (NSDL)
<b>Scrutinizer</b>	The Board of Directors of the Bank, at its Meeting held on January 18, 2023 has appointed Mr. Alwyn D'Souza holding Membership No. FCS 5559 and COP No. 5137 of Alwyn Jay & Co., Company Secretaries or failing him Mr. Jay D'Souza holding Membership No. FCS 3058 and COP No. 6915 of Alwyn Jay & Co., Company Secretaries, as the Scrutinizer for conducting the Postal Ballot e-voting process in a fair and transparent manner.	The Board of Directors of the Bank, at its Meeting held on February 23, 2023 has appointed Mr. Alwyn D'Souza holding Membership No. FCS 5559 and COP No. 5137 of Alwyn Jay & Co., Company Secretaries or failing him Mr. Jay D'Souza holding Membership No. FCS 3058 and COP No. 6915 of Alwyn Jay & Co., Company Secretaries, as the Scrutinizer for conducting the Postal Ballot e-voting process in a fair and transparent manner.	The Board of Directors of the Bank, at its Meeting held on April 24, 2023 has appointed Mr. Alwyn D'Souza holding Membership No. FCS 5559 and COP No. 5137 of Alwyn Jay & Co., Company Secretaries or failing him Mr. Jay D'Souza holding Membership No. FCS 3058 and COP No. 6915 of Alwyn Jay & Co., Company Secretaries, as the Scrutinizer for conducting the Postal Ballot e-voting process in a fair and transparent manner.
<b>Cut-off date</b>	Friday, January 20, 2023	Friday, February 24, 2023	Friday, April 28, 2023.
<b>Dispatch Date of Notice</b>	Monday, January 23, 2023	Wednesday, March 1, 2023	Wednesday, May 3, 2023
<b>Remote e-voting period</b>	Commenced on Sunday, January 29, 2023 at 9:00 A.M. IST and ended on Monday, February 27, 2023 at 5.00 P.M IST	Commenced on Wednesday, March 8, 2023 at 9:00 A.M. IST and ended on Thursday, April 6, 2023 at 5.00 P.M. IST	Commenced on Monday, May 8, 2023 at 9:00 A.M. IST and ended on Tuesday, June 6, 2023 at 5.00 P.M IST



Accordingly, the Postal Ballots were conducted by the scrutinizer and a report was submitted to the Authorized Officer, Mr. Anand Kumar Das, Company Secretary of the Bank. The results of the voting conducted through Postal Ballot are as under:

- i) **Details of voting pattern for Postal Ballot Notice dated January 18, 2023:** Re-appointment of Mr. Rajiv Agarwal (DIN: 00336487) as a Non- Executive Independent Director of the Bank.

Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
Number of members voted	Number of votes cast by them	% of total number of valid votes cast	Number of members voted	Number of votes cast by them	% of total number of valid votes cast	Number of members voted	Number of votes cast by them
2081	50,32,06,329	99.58	99	20,98,453	0.42	NIL	NIL

- ii) **Details of voting pattern for Postal Ballot Notice dated February 23, 2023:** Appointment of Mr. Sunil Mehta (DIN: 00065343) as Non-Executive Independent Director and Part-time Chairman of the Bank.

Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
Number of members voted	Number of votes cast by them	% of total number of valid votes cast	Number of members voted	Number of votes cast by them	% of total number of valid votes cast	Number of members voted	Number of votes cast by them
2060	48,03,60,899	99.994	87	27,249	0.006	NIL	NIL

- iii) **Details of voting pattern for Postal Ballot Notice dated April 24, 2023:** Re-appointment of Mr. Sumant Kathpalia (DIN: 01054434) as Managing Director & Chief Executive Officer (MD&CEO) of the Bank.

Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
Number of members voted	Number of votes cast by them	% of total number of valid votes cast	Number of members voted	Number of votes cast by them	% of total number of valid votes cast	Number of members voted	Number of votes cast by them
2111	48,53,42,001	92.70	234	3,82,34,628	7.30	NIL	NIL

### 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 2022-23, 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, 2023, none of the Directors of the Bank were disqualified under the provisions of Section 164 (2) of the Companies Act, 2013.

Certificate dated July 20, 2023 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 of directors, at its meeting held on June 27, 2023, reviewed the declarations relating to their independence as submitted by Mr. Sunil Mehta, Mr. Shanker Annaswamy, Dr. T. T. Ram Mohan, Mrs. Akila Krishnakumar, Mr. Rajiv Agarwal, Mr. Sanjay Asher, Mrs. Bhavna Doshi, Mr. Jayant Deshmukh & Mr. Pradeep Udhas and concluded that the said Directors meet 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 confirmed that the said Directors, based on their submissions are Independent of the Management and that there were no circumstances or situations 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 21 complaints of sexual harassment at workplace during the financial year 2022-23. 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
21	16	5*

\* Cases under progress are received in February 2023 and March 2023.

#### 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 2022-23 is as below:

Sr. No.	Particulars	Amount <sup>1</sup>
1	Audit Fees	3,00,00,000
2	Fees for certification and other attest services <sup>2</sup>	4,05,000
	<b>Total</b>	<b>3,04,05,000</b>

1. The above fees exclude 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 Independent 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 Independent 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 of the Board.
- 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, email messages and SMS messages were sent during the year to shareholders whose email 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 email IDs of shareholders wherever not available, so as to communicate more regularly with them via email.

#### 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 (UPSII).'

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/ creation of pledge/ 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 authorized by the Board shall be 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.

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 and investor fraternity are also held periodically. A transcript of the quarterly calls post financial results 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 "Investors" section on Bank's website ([www.indusind.com](http://www.indusind.com)). The said section is 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) 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 Business Responsibility and Sustainability Report ("BRSR") shall form part of the Directors' Report.

The Bank has provided BRSR, 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 ninth year of CSR reporting, under the statute of the Companies Act, 2013, the Bank continued building up its Flagship Project in aspirational districts and simultaneously deepened its roots in strategic focus areas of Sustainable Environment, Sports, Education, Healthcare, Livelihood, Skill Development, 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>	: 2022-2023
<b>Board meeting held for approval of Audited Financial Accounts</b>	: April 24, 2023
<b>Sending of Annual Report 2022-23- electronically in accordance with Circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).</b>	: On or before August 2, 2023
<b>Weblink for accessing Annual Report 2022-23</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 29<sup>th</sup> Annual General Meeting</b>	: Thursday, August 24, 2023 at 11.00 a.m (IST)
<b>Venue</b>	: AGM will be conducted through Video conference / OAVM.
<b>Financial Calendar</b>	: April 1, 2022 - March 31, 2023
<b>Cut-off date for e-voting</b>	: Thursday, August 17, 2023
<b>Record Date for Dividend Payment</b>	: Friday, June 2, 2023
<b>Date of Dividend Payment</b>	: On or before, Friday, September 22, 2023
<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>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 2487 Email: <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, 2023

Range – Shares	No. of Folios	Percentage of Folios	No. of Shares	Percentage of Shares
Upto 1,000	3,81,905	97.95	2,55,53,676	3.29
1,001 -5,000	6,176	1.58	1,25,78,406	1.62
5,001 -10,000	663	0.17	47,02,854	0.61
10,001 – 50,000	612	0.16	1,41,13,729	1.82
50,001 & above	555	0.14	71,89,46,533	92.66
<b>TOTAL</b>	<b>3,89,911</b>	<b>100.00</b>	<b>77,58,95,198</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, 2023, the Bank has 6,34,81,464 GDRs (equivalent to 6,34,81,464 Equity Shares) outstanding, which constituted 8.18% 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, 2023**

**i. Distribution of shareholding**

	Category	No. of shares held	% of shareholding
A.	Promoters' holding	11,75,16,010	15.15*
B.	Non-Promoters' holding	65,83,79,188	84.85
	(i) Institutional Investors		
	a. Mutual Funds and UTI	11,12,12,377	14.33
	b. Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions/ Non-government Institutions)	5,43,56,317	7.01
	c. Alternate Investment Funds	38,53,463	0.50
	d. Provident Funds/ Pension Funds	1,46,54,757	1.89
	e. FII/ Foreign Portfolio Investor	30,05,38,004	38.73
	<b>Sub Total (B) (i)</b>	<b>48,46,14,918</b>	<b>62.46</b>
	(ii) Global Depository Receipts (B) (ii)	<b>6,34,81,464</b>	<b>8.18</b>
	(iii) Others		
	a. Central Government/ State Government	273	0.00
	b. Private Corporate Bodies	3,83,92,065	4.95
	c. Indian Public **	5,64,31,737	7.27
	d. NRIs/ OCBs/ Foreign Nationals/ Foreign Company/ Foreign Bank	1,11,97,954	1.44
	e. Clearing Members	3,63,179	0.05
	f. Trusts	5,61,826	0.07
	g. Hindu Undivided Family	8,97,385	0.12
	h. Investor Education Protection Fund***	16,50,394	0.21
	i. NBFC registered with RBI	7,87,993	0.10
	Sub Total (B) (iii)	11,02,82,806	14.21
	Grand Total {A + B (i+ii+iii)}	77,58,95,198	100.00

\* The Promoters' shareholding was 15.15% of the total paid-up capital of the Bank as on March 31, 2023. However, the promoters' shareholding was 14.93% on a fully diluted basis.

\*\* 'Indian Public' includes 6,39,729 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, 2023**

Sr. No.	Name of Shareholders	No. of shares held	% of shareholding
1	IndusInd International Holdings Ltd.*	8,95,37,464	11.54
2	The Bank of New York Mellon (Global Depository Receipts)	6,34,81,464	8.18
3	IndusInd Limited	2,79,78,546	3.61
4	Route One Offshore Master Fund L.P.	2,53,96,455	3.27
5	SBI Nifty 50 ETF	2,35,35,708	3.03
6	Life Insurance Corporation of India	2,17,08,059	2.80
7	Bofa Securities Europe SA – ODI	2,16,17,080	2.79
8	Bridge India Fund	1,91,12,000	2.46
9	Dragsa India Equities III LP	1,71,22,497	2.21
10	SFSPVI Ltd	1,70,84,924	2.20
11	Morgan Stanley Investment Funds Asia Opportunity Fund	1,54,83,971	2.00
12	ICICI Prudential Life Insurance Company Limited	1,46,95,269	1.89
13	NPS Trust- A/C SBI Pension Fund Scheme- State Govt	1,46,54,757	1.89
14	Government Pension Fund Global	1,43,66,773	1.85
15	Route One Fund I, L.P.	1,41,42,742	1.82
16	UTI – Nifty Exchange Traded Fund	1,29,56,841	1.67



Sr. No.	Name of Shareholders	No. of shares held	% of shareholding
17	HDFC Trustee Company Ltd A/C HDFC Top 100 Fund	1,29,18,745	1.67
18	DF International Partners	1,23,96,730	1.60
19	BNP Paribas Arbitrage - ODI	89,00,084	1.15
20	Societe Generale -ODI	88,45,250	1.14
21	Nippon Life India Trustee Ltd -A/C Nippon India ETF Nifty Bank Bees	88,27,616	1.14
22	SBI Life Insurance Co.Ltd	86,24,796	1.11
23	Ishana Capital Master Fund	85,57,461	1.10
24	ICICI Prudential Nifty Private Banks ETF	82,59,581	1.06
25	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Nifty Bank ETF	81,67,112	1.05
26	Kotak Equity Arbitrage Fund	79,32,908	1.02
27	AIA Company Limited	78,30,152	1.01

\* The Promoters' shareholding was 15.15% of the total paid-up capital of the Bank as on March 31, 2023. However, the promoters' shareholding was 14.93% (on a fully diluted basis).

### iii. Total Foreign Shareholding as on March 31, 2023

Particulars	No. of shares held	% of shareholding
Total foreign shareholding	49,09,45,882	63.27
of which GDRs is	6,34,81,464	8.18

### Details of investor complaints received/resolved by the Bank, from April 1, 2022 to March 31, 2023:

Complaints	Pending at the beginning	Received	Attended to	Pending
Non-Receipt of Share Certificate	-	11	11	0
Non-Receipt of Dividend Warrants	-	12	12	0
Non-Receipt of Annual Report	-	1	1	0
Non-Receipt of Rejected DRF	-	5	5	0
Non-Receipt of Exchanged Certificates	-	0	0	0
Others	-	5	5	0
Stock Exchanges	-	4	4	0
SEBI (through SCORES)	3	38	41	0
<b>Total</b>	<b>3</b>	<b>76</b>	<b>79</b>	<b>0</b>

During the year, 76 complaints were received from investors/ shareholders and the same were resolved within the time stipulated by law. 3 complaints which were pending pertaining to FY 2021-22 were resolved in FY 2022-23. There were no complaints pending as on March 31, 2023.

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

The Bank has paid Annual Listing Fees on its Securities for the FY 2022-23.

**Notes:**

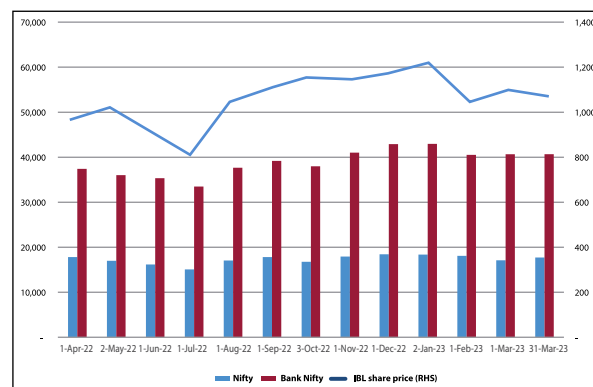
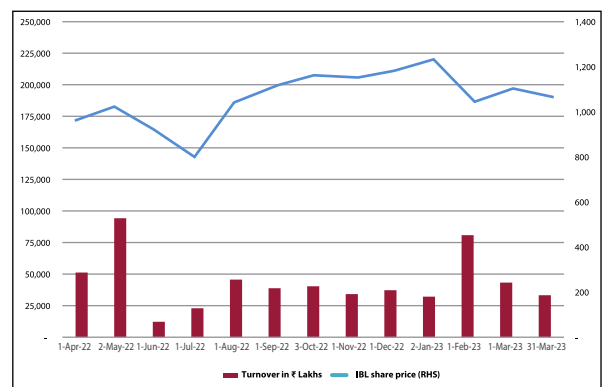
- Equity shares of the Bank are listed on the National Stock Exchange of India Ltd. and BSE Ltd.
- Global Depository Receipts are listed on Luxembourg Stock Exchange.
- Bonds are listed on the National Stock Exchange of India.

**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.

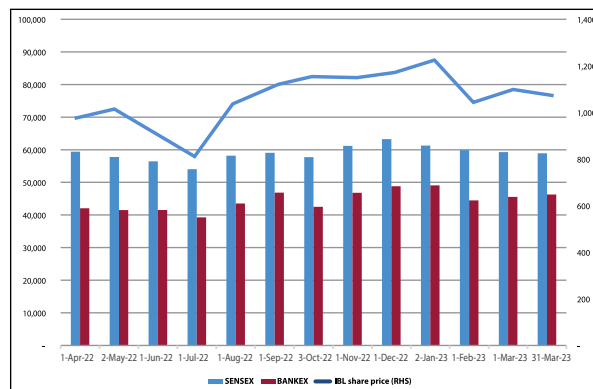
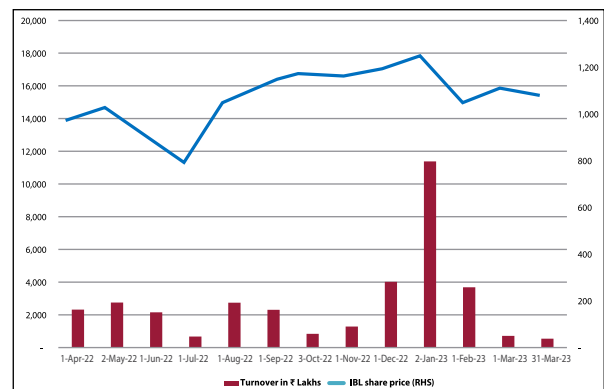
**Market Price Data of the Bank's shares****i. National Stock Exchange of India Ltd.**

	Price of Shares				Turnover in ₹ Lakhs	Nifty	Bank Nifty
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
1-Apr-22	929.45	970.95	929.15	968.60	49953.33	17670.45	37148.50
2-May-22	972.00	1026.00	966.45	1018.10	90613.36	17069.10	36163.75
1-Jun-22	930.85	938.35	918.70	928.35	10623.38	16522.75	35620.80
1-Jul-22	793.00	810.00	783.00	807.20	22419.77	15752.05	33539.45
1-Aug-22	1040.00	1047.90	1024.55	1040.15	44559.29	17340.05	37903.20
1-Sep-22	1097.65	1121.00	1095.00	1111.40	38789.29	17542.80	39301.25
3-Oct-22	1178.00	1185.90	1153.05	1156.25	39648.58	16887.35	38029.65
1-Nov-22	1146.50	1159.90	1145.00	1151.15	30680.01	18145.40	41289.55
1-Dec-22	1175.00	1180.95	1162.10	1173.90	31582.65	18812.50	43260.65
2-Jan-23	1220.10	1231.10	1211.75	1226.35	31592.06	18197.45	43203.10
1-Feb-23	1094.00	1119.00	990.00	1041.85	81138.17	17616.30	40513.00
1-Mar-23	1077.05	1106.55	1070.10	1100.45	43552.83	17450.90	40698.15
31-Mar-23	1063.00	1076.00	1060.40	1067.95	33119.59	17359.75	40608.65

**Share Price comparison with Nifty and Bank Nifty****Share Price comparison with Turn Over (in ₹ Lakhs)**

**BSE Ltd.**

Date	Price of Shares				Turnover in ₹ Lakhs	SENSEX	BANKEY
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
01-Apr-22	932.60	971.00	928.90	968.75	2269.10	59276.69	42596.21
02-May-22	979.90	1025.95	968.00	1019.00	2740.15	56975.99	41532.90
01-Jun-22	934.00	938.20	919.00	927.40	2128.68	55381.17	41088.39
01-Jul-22	794.55	809.85	782.85	807.50	795.03	52907.93	38626.25
1-Aug-22	1043.20	1047.30	1024.50	1040.85	2953.33	58115.50	43573.78
1-Sep-22	1100.00	1121.00	1096.05	1111.00	2294.72	58766.59	45017.56
3-Oct-22	1185.95	1185.95	1153.75	1156.10	970.73	56788.81	43431.30
1-Nov-22	1143.00	1159.40	1143.00	1151.45	1150.51	61121.35	47348.55
1-Dec-22	1171.35	1180.50	1162.60	1173.30	4023.19	63284.19	49335.60
2-Jan-23	1221.50	1230.00	1211.80	1226.70	11035.94	61167.79	49132.64
1-Feb-23	1090.00	1118.80	990.25	1041.60	3710.30	59708.08	45870.90
1-Mar-23	1077.85	1105.90	1071.00	1100.35	670.04	59411.08	46131.28
31-Mar-23	1057.10	1075.45	1057.10	1068.15	558.07	58991.52	46031.95

**Share Price comparison with SENSEX and BANKEY****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, 2023, 99.52% of the Bank's shares are in dematerialised form and the rest are in physical form.

Particulars	No. of Shares	Percentage (%)
In Dematerialised form	77,21,39,722	99.52
In Physical form	37,55,476	0.48
<b>Total</b>	<b>77,58,95,198</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.

#### **Suspense Escrow Demat Account:**

SEBI, vide its letter No.SEBI/HO/MIRSD/POD-1/OW/P/2022/64923 dated December 30, 2022, had issued Guidelines with respect to procedural aspects of 'Suspense Escrow Demat Account' to be opened by listed entities pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/6 dated January 25, 2022, latest by January 31, 2023.

The Bank has opened the Suspense Escrow Demat Account within the stipulated timeline.

#### **Dispute Resolution Mechanism:**

SEBI, vide its Circular No.SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, issued a Standard Operating Procedure (SOP) for dispute resolution under the stock exchange arbitration mechanism for disputes between a listed company and/or registrars to an issue and share transfer agents and its shareholder(s)/investor(s).

#### **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 **Mobile:** +91 8976792978

**Email:** [investor@indusind.com](mailto:investor@indusind.com)

#### **For IEPF related matters:**

#### **Mr. Anand Kumar Das**

#### **Company Secretary, Nodal Officer**

IndusInd Bank Ltd.

**Tel:** 022 66412487/ 66412361/ 66412359

**Mobile:** +91 8976792978

(available from Monday to Friday from 9:15 a.m. to 6:15 p.m. excluding holidays).

**Email:** [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,

**Email:** [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in)

#### **Dividends:**

The Board of Directors at its meeting held on April 24, 2023, recommended a Dividend of ₹14/-per equity share of 10/- each, fully paid, for the financial year ended March 31, 2023.

#### **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, email 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 Demand Drafts.

Updation in email 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, Email 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 2014-15 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 2015-16 onwards, and the last date for claiming the dividend for respective years, as on March 31, 2023, 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.
2015-16	Final	July 1, 2016	August 5, 2023	1,56,43,484.50	0.58
2016-17	Final	July 26, 2017	August 30, 2024	1,73,62,749.01	0.48
2017-18	Final	July 26, 2018	August 30, 2025	1,42,15,991.29	0.33
2018-19	Final	August 16, 2019	September 19, 2026	1,46,69,414.09	0.23
2019-20		<b>No Dividend was paid as per RBI directives.</b>			
2020-21	Final	August 26, 2021	September 27, 2028	89,38,629.12	0.26
2021-22	Final	August 19, 2022	September 18, 2029	1,40,75,432.24	0.24

#### 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 April 28, 2023 in respect of the shares on which Dividend had remained Unpaid or Unclaimed for seven consecutive years or more since 2015-16, 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 August 5, 2023 their shares shall be transferred to the IEPF Authority within 30 days from 'Due Date', viz. September 3, 2023. 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 April 29, 2023.

The Bank has transferred the Unclaimed Dividends/ Equity Shares for the period 2008-2009, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 to the IEPF Authority.

Members are also requested to note that the dividend declared for the financial years 2017-18, 2018-2019, 2020-21 and 2021-2022 against the shares already transferred to the IEPF Authority, has been credited to IEPF authority.

Shareholders 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 August 5, 2023 their shares shall be transferred to the IEPF Authority within 30 days from 'Due Date', viz. August 5, 2023.

Details of Shares lying in Unclaimed Suspense Account as on March 31, 2023, are as follows:

Particulars	Number of Shareholders/ Folios	Shares
Opening Balance as on April 1, 2022	89	35,621
Add: Transfer during the year 2022-23	0	0
Less: Claim received and shares transferred*	5	624
Less: Shares transferred to Investor Education Protection Fund	0	0
<b>Closing Balance as on March 31, 2023**</b>	<b>84</b>	<b>34,997</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 Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/37 dated March 16, 2023, It shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding Folio numbers.

In this regard, the Bank had sent intimation to the shareholder holding shares in physical mode on May 25, 2023.

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 October 1, 2023, shall be frozen by the RTA. 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 20, 2023



# 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, 2023**, 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 : F005559E000645211]

Place : Mumbai

Date : July 20, 2023

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 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, 2023.

**For IndusInd Bank Ltd.**

**Sd/-**

**Sumant Kathpalia**

**Managing Director & CEO**

**(DIN: 01054434)**

Place : Mumbai

Date : June 27, 2023



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65191PN1994PLC076333	
2	Name of the Listed Entity	IndusInd Bank Limited	
3	Year of incorporation	1994	
4	Registered office address	IndusInd Bank Limited, 2401, Gen Thimmayya Road, (Cantonment), Pune, Maharashtra - 411001, India.	
5	Corporate address	IndusInd Bank Limited, 8th floor, Tower 1, One World Centre, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400013	
6	Email	<a href="mailto:sustainability@indusind.com">sustainability@indusind.com</a>	
7	Telephone	022 30493999	
8	Website	<a href="http://www.indusind.com">www.indusind.com</a>	
9	Financial year for which reporting is being done	Start date	End date
	Current Financial Year	01 04 2022	31 03 2023
	Previous Financial Year	01 04 2021	31 03 2022
	Prior to Previous Financial year	01 04 2020	31 03 2021
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd.; BSE Ltd.	
11	Paid-up Capital (In ₹ crores)	775.90	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name	Ms. Roopa Satish	
	Contact	02224231960	
	E mail	<a href="mailto:roopa.satish@indusind.com">roopa.satish@indusind.com</a>	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).		
	Standalone basis		

### II. Products/services

#### 14 Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Service	Banking activities by Central, Commercial and Saving banks	100%

#### 15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Banking Activity by Commercial Banks	64191	100%

### III. Operations

#### 16 Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	-	2,662	2,662
International	-	3	3

#### 17 Markets served by the entity

##### A Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	3

##### B What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

**C A brief on types of customers**

IndusInd Bank is a universal Bank with a widespread banking footprint with over 3.4 crores customers, over 6,400 distribution points and more than 2,600 branches across the country. The Bank offers a wide array of products and services for individuals and corporates including microfinance, personal loans, personal and commercial vehicles loans, credit cards, SME loans. The Bank is also a preferred banking partner for various Government entities, PSUs and large corporates.

**IV. Employees****18 Details as at the end of Financial Year****A. Employees and workers (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/ A)	No. (C)	% (C/ A)	No. (H)	% (H/ A)
<b>EMPLOYEES</b>								
1	Permanent (D)	38,179	31,050	81.33%	7,129	18.67%	-	-
2	Other than permanent (E)	3,403	2,303	67.68%	1,100	32.32%	-	-
3	Total employees (D + E)	41,582	33,353	80.21%	8,229	19.79%	-	-
<b>WORKERS</b>								
4	Permanent (F)	-	-	-	-	-	-	-
5	Other than permanent (G)	-	-	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-	-	-

**B. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/ A)	No. (C)	% (C/ A)	No. (H)	% (H/ A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>								
1	Permanent (D)	126	94	74.60%	32	25.40%	-	-
2	Other than Permanent (E)	55	40	72.73%	15	27.27%	-	-
3	Total differently abled employees (D + E)	181	134	74.03%	47	25.97%	-	-
<b>DIFFERENTLY ABLED WORKERS</b>								
4	Permanent (F)	-	-	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-	-	-
6	Total differently abled workers (F + G)	-	-	-	-	-	-	-

**19 Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/ A)
Board of Directors	10	2	20%
Key Management Personnel	3	-	-

**20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	Turnover rate in current FY (2022-23)				Turnover rate in previous FY (2021-22)				Turnover rate in the year prior to the previous FY (2020-21)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	40%	11%	-	51%	29%	8%	-	37%	16%	5%	-	21%
Permanent Workers	-	-	-	-	-	-	-	-	-	-	-	-

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21 (a) Names of holding/ subsidiary/ associate companies/ joint ventures**

S. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bharat Financial Inclusion Limited	Subsidiary	100%	No
2	IndusInd Marketing and Financial Services Private Limited	Associate	30%	No

**VI. CSR Details**

22	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	YES
	(ii) Turnover (in ₹ crores)	25,765
	(iii) Net worth (in ₹ crores)	52,848

**VII. Transparency and Disclosures Compliances****23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide web-link for grievance redress policy)	FY (2022-23)		Remarks	PY (2021-22)		Remarks
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	YES	<a href="https://www.indusind.com/in/en/sustainability/policies.html">https://www.indusind.com/in/en/sustainability/policies.html</a>	0	-	-	-	-	-
Investors (other than shareholders)	YES	<a href="https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes">https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes</a>	0	-	-	-	-	-
Shareholders	YES	<a href="https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes">https://www.indusind.com/in/en/investors/investor-landing/investor-resources.html#policies-and-codes</a>	79	-	-	53	3	-
Employees and workers	YES	<a href="https://www.indusind.com/in/en/sustainability/policies.html">https://www.indusind.com/in/en/sustainability/policies.html</a>	0	-	-	-	-	-
Customers	YES	<a href="https://www.indusind.com/in/en/sustainability/policies.html">https://www.indusind.com/in/en/sustainability/policies.html</a>	28,657	1,067	-	33,584	1,210	-
Value Chain Partners	YES	<a href="https://www.indusind.com/in/en/sustainability/policies.html">https://www.indusind.com/in/en/sustainability/policies.html</a>	0	-	-	-	-	-

**24 Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change - Acute Physical	R	Extreme weather events arising because of climate change pose a physical risk of disruption to the company's operations, and the safety and wellbeing of its employees.	Revision of internal policy for loan disbursement. Having a well diversified portfolio across various industries and segments. Implementation of BCP. Enhancing the Bank's IT operations for employees and customers so as to be future oriented.	Negative Implications



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Operational Health and Safety	R	Health and safety issues related to air quality, physical commute infrastructure, health issues due to diseases and their spread	Regular checks and audits to ensure indoor air quality and working of physical commute infrastructure Half yearly fire and safety training and regular madatory learning modules for employees. <a href="https://www.indusind.com/content/dam/indusind-corporate/Other/sustainability/Workplace-Health-Safety-Policy.pdf">https://www.indusind.com/content/dam/indusind-corporate/Other/sustainability/Workplace-Health-Safety-Policy.pdf</a>	Negative Implications
3	Climate Change - Portfolio	O	Diversifying our portfolio from core banking to new sectors in corporate and retail banking, including renewable energy, social finance, education, livelihood etc.		Positive Implications
4	Digitisation and cybersecurity	O	Due to advances in technology and the digital landscape, remote working has increased, leading to opportunities in the digital and cybersecurity space to prevent cyber related threats, improve technical control, network security and software development controls		Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.indusind.com/in/en/sustainability/policies.html">https://www.indusind.com/in/en/sustainability/policies.html</a>								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	ISO/IEC 27001
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	Carbon Neutral by FY 2032	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	Strategy being finalised	-	-	-

**Governance, leadership and oversight****7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

The Bank understands that the 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 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 and the sustainability theme is embedded across our diverse Businesses, Risk and Operations units. At the apex lies the CSR and Sustainability Committee of the Board, followed by the Sustainability Council and the Sustainability Unit. The centralized Sustainability unit works closely with various stakeholders in developing the ESG strategy for each department.

The Bank prepares its strategic objectives in 3-year planning cycles, which are further segmented into yearly and quarterly ambitions. One of the key pillars of the three-year (FY24 to FY26) Planning Cycle-6 (PC6) is 'Imbibing ESG into Business' ESG targets are also being included in the targets of Business Units (BUs) to demonstrate Bank's commitment towards promoting sustainability linked initiatives in its business and banking operations. These business targets are discussed and approved by Bank's board and then integrated with the KPIs of the BUs and KMPs (Key Managerial Persons).

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 has resulted in the Bank maintaining its leadership position in the FY 2022 rankings by CDP and S&P Global within the cohort of the top five private sector banks in India as well as maintaining its inclusion in the S&P Dow Jones Sustainability Yearbook 2022 for a third consecutive year.

The Bank was also honoured with the 'Best Bank for ESG - India' award at the AsiaMoney Best Bank Awards 2023, marking its second consecutive win.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

CSR and Sustainability Committee of the Board

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No).**

Yes

The Corporate Social Responsibility and Sustainability Committee comprised of four members of the Board of Directors is responsible for decision making on sustainability related issues.

Name	Designation
Mrs. Akila Krishnakumar	Chairperson
Mr. Rajiv Agarwal	Member
Mr. Sanjay Asher	Member
Mr. Sumant Kathpalia	Member

**10. Details of Review of NGRBCs by the Company**

Subject for Review	Indicate whether review was undertaken by Director (D)/Committee of the Board (C)/ Any other Committee (A)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	C	C	C	C	C	C	C	C	C
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	C	C	C	C	C	C	C	C	C

Subject for Review	Frequency (Annually/ Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	Yes	No	Yes	Yes
If Yes, Provide name of the agency	-	-	-	-	-	Ernst & Young Associates LLP	-	New Haribhakti Business Services LLP	Royal Charter



## 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	-	-	-	-	-	-	-	-	-
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	-	-	-	-	-	-	-	-	-
Subject for Review	Frequency (Annually/ Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	No	No	No	No	No	No	No	No	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No	No	No	No	No	No	No	No	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	No	No	No	No	No	No	No	No	No
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.****Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Cyber Risk & Resilience: New Frontiers, Masterclass on Leading through Inflation, Program on Governance and Assurance for Directors on Boards of Banks, FIs and NBFCs, IT, Cyber Security, changes in the regulatory environment as applicable to the Bank	100%
Key Managerial Personnel	12	Honesty & Integrity, Branch Opns guidelines, Accepting/ Giving gifts & entertainment, Conflict of Interest, personal finances, personal transactions, insider trading, KYC & Anti bribery, Information sec & confidentiality of information, Sexual harassment, Non-discrimination, seek clarification & more	100%
Employees other than BoD and KMPs	12	Honesty & Integrity, Branch Opns guidelines, Accepting/ Giving gifts & entertainment, Conflict of Interest, personal finances, personal transactions, insider trading, KYC & Anti bribery, Information sec & confidentiality of information, Sexual harassment, Non-discrimination, seek clarification & more	85%
Workers	-	Not Applicable	-



2. Details of fines/ penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine		SEBI	1 crore	SEBI vide its order bearing reference no. TM/AB/CFID/CFID_1/20149/2022-23 dated October 4, 2022 in respect of the alleged violations relating to loans granted by the Bank to group companies of CG Power and Industrial Solutions Limited levying the penalty of ₹1 crore. Bank had filed an Appeal before Securities Appellate Tribunal (SAT) challenging the Order passed by SEBI. SAT vide its order passed on February 27, 2023 had granted a stay on the operation and effect of the SEBI Order until further orders, subject to deposit of ₹50 lakh by the Bank with SEBI within 3 weeks from the date of the Order.	Yes
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non- Monetary					
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Sr.	Case Details	Name of the regulatory/ enforcement agencies/judicial institutions
1	SEBI vide its order bearing reference no. TM/AB/CFID/CFID_1/20149/2022-23 dated October 4, 2022 in respect of the alleged violations relating to loans granted by the Bank to group companies of CG Power and Industrial Solutions Limited levying the penalty of ₹1 crores. Bank had filed an Appeal before Securities Appellate Tribunal (SAT) challenging the Order passed by SEBI. SAT vide its order passed on February 27, 2023 had granted a stay on the operation and effect of the SEBI Order until further orders, subject to deposit of ₹50 lakh by the Bank with SEBI within 3 weeks from the date of the Order.	SEBI

4. Does the entity have an anti-corruption or anti-bribery policy?

If yes, provide details in brief Provide a web-link to the policy, if available

IndusInd Bank does not encourage associates or any connected stakeholders to follow unethical means such as Bribery or kickbacks. The Bank has a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it cooperates, and to implement and enforce effective systems to counter bribery. Strong guidelines have been laid down to avoid malpractices and consequences of such actions are also well defined.

Strong and stringent control measures are in place to stop such activities and associates are encouraged to bring to notice any such malpractice which might have been missed out. The Bank has also made no direct or indirect political contributions.

The Bank's governance practices are laid out on the foundation of honesty and integrity, conducting business in compliance with all regulatory and legal obligations.

The principles of anti-corruption and bribery are captured in the codes of conduct the Bank:

- Code of Conduct for Directors and Senior Management
- Code of Practices and Procedures for Fair Disclosure

Web links of code of conduct:

<https://www.indusind.com/content/dam/indusind-corporate/investor-resource/PoliciesoftheBank/Code-of-Conduct-for-Directors-Senior-Management.pdf>

<https://www.indusind.com/content/dam/indusind-corporate/investor-resource/PoliciesoftheBank/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information.pdf>





5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY (2022-23)	PY (2021-22)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY (2022-23)		PY (2021-22)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-
Workers	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

**Leadership Indicators**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Sr.	Total number of awareness programmes held	Topics/ principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

Yes

Provide details of the entity have processes in place to avoid/ manage conflict of interests involving members of the Board.

Conflict of interest arises when any dealing of the Board members/ Senior Management officials with any of the related parties such as vendors/ customers/ other entities, their relatives and also among themselves may appear to be influenced by virtue of powers/ authority vested in them. Board members and Senior Management officials should avoid any activities that could involve or lead to involvement in any unlawful practice or any risk of harm to the Bank's reputation or image.

Some of the examples of situations where conflict of interest may arise are:

- Accepting outside engagements for personal interest.
- Engaging in trading in shares on personal account based on business information.
- Taking a business decision that may result in personal gain, or benefit to a relative or acquaintance.
- Competing with the Bank for a business opportunity or diverting opportunities.
- Accepting money, favours, gifts, meals, entertainment or other benefits (not in ordinary course of business) that may influence business or commercial decisions of the Bank.
- Serving in a fiduciary capacity or as a director, official, any elected post of a company or political party outside the Bank for non-profit, trade/ industry, government agency without approval by the Bank.
- Using the Bank's facilities, employees, funds, property or resources towards personal activities.
- Employing relatives\* or undertaking business with a relative or any entity where relative of a Board member or Senior Management official has a financial interest. If anyone believes that he/ she has a conflict of interest, or may be perceived to have such a conflict, he/ she must disclose this to the Managing Director or any other person authorized by the Board in this regard. \*The term "Relative" shall be as defined under Section 2 (77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014.

Link to Policy: <https://www.indusind.com/content/dam/indusind-corporate/investor-resource/PoliciesoftheBank/Code-of-Conduct-for-Directors-Senior-Management.pdf>

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY (2022-23)	PY (2021-22)	Details of improvements in environmental and social impacts
R&D	-	-	NA
Capex	-	-	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) No
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

**(a) Plastics (including packaging)**

Not Applicable

**(b) E-waste**

Aligning with government regulations, the Bank is following a sustainable approach to managing waste. Waste generation at the Bank comprises electronic and paper waste. The Bank recycles electronic waste through authorized e-waste vendors.

**(c) Hazardous waste**

Not Applicable

**(d) other waste**

The Bank has started consuming recyclable paper and reducing the use of paper in its operations by going digital.

Waste segregation bins have been placed in the pantries of corporate offices and dry waste is sent for recycling while wet waste at a few facilities is converted into compost.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No).

No

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

No

If not, provide steps taken to address the same.  
EPR is not applicable to the Bank.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY (2022-23)			PY (2021-22)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E waste	-	39,189	-	-	53,441	-
Hazardous waste	-	-	-	-	-	-



5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category  
Not Applicable

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Male	31,050	31,050	100%	31,050	100%	-	-	31,050	100%	-	-
Female	7,129	7,129	100%	7,129	100%	7,129	100%	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>38,179</b>	<b>38,179</b>	<b>100%</b>	<b>38,179</b>	<b>100%</b>	<b>7,129</b>	<b>18.67%</b>	<b>31,050</b>	<b>81.33%</b>	<b>-</b>	<b>-</b>
Other than permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b. Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other than permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2. Details of retirement benefits**

Benefits	FY (2022-23)			PY (2021-22)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Yes	100%	-	Yes
Gratuity	100%	-	Yes	100%	-	Yes
ESI	-	-	NA	-	-	NA

**3. Accessibility of workplaces**

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes

If so, provide a web-link to the policy.

The Bank believes in professing the ideologies and principles of human rights as core values for success and sustainability of business. With this in view, the Bank thrives on adopting and following the doctrines of human rights as espoused by the United Nations (UN) and the employment standards acclaimed by the International Labour Organization (ILO). IndusInd Bank is committed towards prohibition of all forms of child labour, forced labour, compulsory labour, violence, harassment and sexual harassment.

IndusInd Bank strives to empower women, differently abled persons and disadvantaged sections of society by providing equal opportunities for employment, women-friendly policies and ensures to address needs of special infrastructure for seamless integration of differently abled employees. The Bank does not discriminate with regard to marital status, sexual orientation, religion, belief, political opinion, culture, language, ethnic/social origin, age, color, disability, race, or gender. It seeks to foster a culture of diversity and inclusivity through its organizational values, policies and processes. The Bank aspires to be the most preferred employer and create an environment suitable for the talent to thrive without any discrimination. It is committed to be a company with a strong respect for human rights, safe working conditions and environmentally sound business practices for employees and customers

Link: <https://www.indusind.com/content/dam/indusind-corporate/Other/sustainability/SustainabilityPolicy.pdf>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100	100	-	-
Other	-	-	-	-
Total	100	100	-	-

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?**

Yes

If yes, give details of the mechanism in brief.	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	No	
Other than Permanent Workers	No	

Permanent Employees	Yes	<p>As per the internal HR Policy:</p> <p>The Branch Heads/MCSOPS are responsible for the resolution of complaints/ grievances of the employees working in the concerned branches and offices. It is his/her foremost duty to see that the complaints of all the employees are resolved completely and ensure closure of all complaints received at the branches/offices within 15 days. If the Branch Head/ Deputy Branch Manager is unable to solve the problem at his/her level, he/she should refer the matter to his/her reporting manager immediately.</p> <p>Besides escalation to the supervisors, employees can also lodge complaints at the following common help-desks in relation to different grievances, as under:</p> <p>a. Help-Desk for all issues pertaining to HR functions: <a href="mailto:hrhelpdesk@indusind.com">hrhelpdesk@indusind.com</a></p> <p>b. Help-Desk for all issues pertaining to joining formalities, documentations etc.: <a href="mailto:onboardingdesk@indusind.com">onboardingdesk@indusind.com</a></p> <p>c. Help-Desk for all issues pertaining to full and final settlement, relieving letters, experience certificate etc.: <a href="mailto:settlementdesk@indusind.com">settlementdesk@indusind.com</a></p> <p>d. Help-Desk for all issues pertaining to Salaries, Allowances, Compensation, Benefits, etc.: <a href="mailto:salaryhelp@indusind.com">salaryhelp@indusind.com</a></p>
Other than Permanent Employees	Yes	<p>In case, the complaint needs more time to be examined, the complainant shall be acknowledged by explaining the same. The officers at each level shall endeavor to resolve the issue to the complainant's satisfaction within a week. If the complaint is not resolved within 15 days of the lodging of the complaint or if the complainant is not satisfied with the response, he/she can approach the higher authorities given in the Employee Escalation Matrix.</p>

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY (2022-23)			PY (2021-22)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/ C)
Total Permanent Employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Other	-	-	-	-	-	-

**8. Details of training given to employees and workers:**

Category	FY (2022-23)					PY (2021-22)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C/ A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
Male	31,050	5,288	17.03%	16,169	52.07%	19,263	1,099	5.71%	12,530	65.05%
Female	7,129	4,337	60.84%	6,722	94.29%	6,300	725	11.51%	3,281	52.08%
Other	-	-	-	-	-	-	-	-	-	-
Total	38,179	9,625	25.21%	22,891	59.96%	25,563	1,824	7.14%	15,811	61.85%
<b>Workers</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

**9. Details of performance and career development reviews of employees and worker:**

	FY (2022-23)			PY (2021-22)		
	Total (A)	No. (B)	% (B/ A)	Total (D)	No. (E)	% (E/ D)
<b>Employees</b>						
Male	31,050	31,050	100%	27,453	27,453	100%
Female	7,129	7,129	100%	6,129	6,129	100%
Other	-	-	-	-	-	-
Total	38,179	38,179	100%	33,582	33,582	100%
<b>Workers</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	-	-	-	-	-	-

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes

If yes, the coverage such system?

IndusInd Bank prioritises employee health and safety and has laid out action plans for zonal managers along with a dedicated H&S department. There is documentation of health risks on a regular basis following a bottom up approach and at the strategic level a top down approach where in evaluation of progress in reducing/preventing health issues/risks is monitored through internal inspections, consultations by OHS specialists as well as independent external verification of health, safety and well-being such as OHSAS 18000. Goals regarding H&S are embedded in performance and remuneration of management. The Bank developed effective Health & Safety Management System which integrates safety in day-to-day operations and allows an organisation to consistently identify and control its safety risks, reduce the potential for accidents, help achieve compliance with safety legislations and continually improve its performance.



It has provided a systematic way to identify workplace hazards and risks and to setup a continual safety improvement programme to implement suitable controls to manage risks. The Bank is committed to providing its employees a safe and secure working environment. A Health and Safety Management System helps achieve compliance with safety legislations and the implementation of suitable controls to manage risks against identified workplace hazards. The Bank has a Fire Safety Manual, Security Manual, Facilities and Administration Manual and Workplace Health and Safety Policy in place. Regular drills and trainings in first aid, fire safety and personal safety are conducted together with periodic checks on the physical and mental health of employees. During FY 2022-2023: Fire safety training and evacuation drills were conducted at 42 high-rise buildings and 100% of the bank's branches across all zones. Further, 100% of employees including outsourced staff participated in these fire and evacuation drills /training programmes. Online e-learning modules covering emergency preparedness at ground level have been implemented for further raising the awareness threshold of the environment in this regard. The efficacy of the fire drills and practices carried out is evident from non-occurrence of any major fire incidents since 2014.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Given the nature of business, this is not directly applicable. However, in light of the pandemic, the Bank recognises the risks of infections that could take place in the office premises. To minimise these risks, the Bank took necessary precautions at the offices, which included sanitisation of all office premises, removal of biometric scanners, installation of thermal scanners, daily communication updates, restricted movements in common areas, closure of recreational facilities and avoidance of large gatherings. The Bank also adhered to all the government directives and issued travel and health advisories to its employees and advised all its employees to work from home as required or on a rotational basis to ensure employee safety and business continuity.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?**

Not Applicable

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY (2022-23)	PY (2021-22)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Bank emphasises on the importance of maintaining a safe and healthy workplace for all employees and third-party employees who work on its premises. Therefore, the following measures have been taken by the Bank to ensure a safe and healthy work place:

- Fire and burglar alarm for fire detection with fire and smoke sensors. Fire extinguishers for fire fighting
- Auto fire suppressants in data/ server rooms in select offices.
- Earthing pits in all branches and lightening conductors in select branches.
- Display of important contact numbers at branches/ offices for contacting fire brigade, police station, ambulance etc.
- Public Addressal system at premises.
- Display of floor plans, exit paths etc.
- CCTV for detection /recording of all activities including sabotage etc.
- First aid box.
- Periodic maintenance of fire safety equipment and measures.
- Carrying out mock drills covering training, fire drills and physical verification of fire safety equipment, evacuation plans etc.
- Identification and training of fire marshals. Insurance compensation etc.

**13. Number of Complaints on the following made by employees and workers:**

	FY (2022-23)			PY (2021-22)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-



## 14. Assessments for the year:

	FY (2022-23)			PY (2021-22)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)		-	-	-
Health and safety practices		100%		-	-	-
Working Conditions		-		-	-	-

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health &amp; safety practices and working conditions.

Working Conditions: Electrical Health Checkup/ Audit at Bank Branches: (Yearly): Comprehensive electrical health checks are conducted at Bank Branches annually. This activity is conducted for all category A to D branches; thereafter required repair & maintenance work is undertaken based on the ageing of the equipment and issues identified. Electrical Health Checkup includes:

1. Comprehensive electrical health check-up to identify overloading/hotspots
2. Thermal Imaging of electrical panels by use of Infrared Camera
3. Earth pit test to check ground resistance
4. Lux level check to understand illumination level at the workplace.

## Leadership Indicators

## 1. Does the entity extend any life insurance or any compensatory package in the event of death of

## (A) Employees (Y/N)

Yes

## (B) Workers (Y/N).

Not Applicable

## 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank monitors and tracks the compliance of value chain partners locally and centrally. Along with the monthly invoices, the respective user unit uploads the applicable compliance documents for monitoring by operations/admin team. The bank ensures that monthly statutory dues are remitted to respective PF/ ESI/ LWF etc. authority by the contractors and proof of the same is produced.

## 3. Provide the number of employees/ workers having suffered high consequence workrelated injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (2022-23)	PY (2021-22)	FY (2022-23)	PY (2021-22)
Employees	-	-	-	-
Workers	-	-	-	-

## 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

## 5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

## 6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Bank conducts regular ESG assurances for suppliers and any findings during these processes are tracked to closure.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.  
Any individual or group of individuals or institution that adds value to the business chain of the Bank is identified as a core stakeholder.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Investors	No	Email	Quarterly	These are aimed at providing relevant information as well as understanding stakeholders' perspectives on the Bank's performance and strategy.

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Bank communicates with investors and shareholders during investor meets, through investor grievance channels, at roundtables, quarterly conference calls, face-to-face meetings, annual general meetings and more. These are aimed at providing relevant information as well as understanding stakeholders' perspectives on the Bank's performance and strategy.

The Bank has a continuous ongoing interaction with customers through digital channels such as video conferencing, customer care, satisfaction and loyalty survey, and social media platforms to understand their requirements and create better solutions, products and services for them.

The Bank has ongoing regular communication with its employees using town-hall meetings, appraisal process, newsletters and other channels to understand and support their concerns and ensure they are aligned with the Bank's strategic priorities. IndusInd Bank interacts with its suppliers through supplier meets, techno-commercial discussions and supplier sustainability assessments. The Bank subscribes to responsible procurement practices and invests in building relationships with its suppliers.

The Bank engages with regulators through one-to-one meetings, emails and submission of performance reports. It strives to be a good corporate citizen and complies with applicable regulations. The Bank plays its role in developing and implementing public policies.

The Bank is committed to uplift the communities in which it operates. It engages with the community through its CSR team regularly. Community meetings are held to understand their needs and play an active role in supporting them.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics.

Yes

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

IndusInd Bank prioritises delivering long-term value to our stakeholders by embedding sustainability principles deeply in our business. The Bank has indeed deepened its impact on the society through responsible lending, mitigating climate change, and promoting social behavioural changes.

The Bank consistently endeavours to build good relationships with its stakeholders and focuses on initiatives with positive social impact, that help enhance the business. The Bank also supports community development by providing new livelihood opportunities, while endeavouring to contribute towards the holistic development of the society.

The launch of 'Green Fixed Deposits' was part of the Bank's larger commitment of creating value for all its stakeholders and remaining focused at driving sustainable economic growth of the country.

The Bank's current PC-5 strategy has embedded sustainability into its core framework. In line with the overall strategy, a centralised Sustainability Unit works closely with various stakeholders in developing the ESG strategy for each department. This rolls up to form the Bank's overall ESG strategy.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Kumirmari Island is one of the last inhabited masses in the Sundarban delta with 2,000 hectares. Extreme temperatures, cyclones, unseasonal rains are a characteristic to the geography. The island is currently inhabited by around 24,000 people out of which nearly 94% belonging to scheduled caste and scheduled tribes. The conventional grid lines have recently reached to the island, however it does not seem to serve as a reliable source of electricity in such remote places. Prolonged power-cut, especially during nights defies one of its purpose of providing security. These lines are also susceptible to damage in such cyclone prone areas breaking the supply for long periods of time. The project aims to provide consistent decentralised renewable supply of energy as the catchment is one of the highly remote island having a very less and consistence supply of conventional energy.

Urban lakes and ponds act as a source of water, buffer for times of flooding and recreational spaces. Government & municipality have restoration and maintenance of lakes on their agenda, however due to political dynamics and paucity of space in general, rapid urbanization, encroachment and illegal dumping poses threat to the water bodies and thus to city's water security. The project aims to primarily conserve soil, plant and water resources of a catchment, while benefitting the communities in an around the area. Refurbished water bodies make it a prime water recharging structure by mitigating floods when inlets and outlets are regulated to a proper channel, prevents erosion and also acts as a restorer of groundwater.

The Bank assists 45 para-athletes competing in 10 different sports through the bank's cooperation with the Go Sports Foundation.





The Bank also takes care of all their requirements, including high-performance training, travel, injury management, rehabilitation, strength training and medical care. These extraordinary para-athletes have excelled since the program's inception, winning a total of 892 medals, including 485 Gold, 234 Silver and 173 Bronze medals.

These committed athletes demonstrated their amazing skills by winning a total of 167 medals throughout FY 2023, including 82 Gold, 45 Silver and 40 Bronze medals, via their great achievements in numerous championships and competitions.

In addition, we are proud to announce that three para-athletes from the elite Para Champions Programme received the privilege of representing India in the prestigious Commonwealth Games in Birmingham, England, in 2022. In FY 2023, 2 Para athletes from the bank's program were conferred with the Arjuna Award.

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY (2022-23)			PY (2021-22)		
	Total (A)	No. of employees/ workers covered (B)	% (B/ A)	Total (C)	No. of employees/ workers covered (D)	% (D/ C)
<b>Employees</b>						
Permanent	38,179	10,012	26.22%	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>38,179</b>	<b>10,012</b>	<b>26.22%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY (2022-23)					PY (2021-22)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	38,179	-	-	38,179	100%	33,582	-	-	33,582	100%
Male	31,050	-	-	31,050	100%	27,453	-	-	27,453	100%
Female	7,129	-	-	7,129	100%	6,129	-	-	6,129	100%
Other	-	-	-	-	-	-	-	-	-	-
Other than Permanent	3,403	-	-	3,403	100%	2,895	-	-	2,895	100%
Male	2,303	-	-	2,303	100%	1,923	-	-	1,923	100%
Female	1,100	-	-	1,100	100%	972	-	-	972	100%
Other	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-



3. Details of remuneration/salary/wages, in the following format:

	Male		Female		Other	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	8	49,98,696	2	56,60,000	-	-
Key Managerial Personnel	3	25,000,000	-	-	-	-
Employees other than BoD and KMP	31,047	4,69,998	7,129	4,28,503	-	-
Workers	-	-	-	-	-	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees can directly write to their higher authorities up to the CEO on any issue, especially related to unacceptable behaviour or treatment, harassment by seniors, sexual harassment, unethical dealings or transactions and so on. The issue at hand is looked into by the concerned department and even the CEO, if the issue is of significant importance

6. Number of Complaints on the following made by employees and workers:

	FY (2022-23)			PY (2021-22)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	21	5	-	10	4	All complaints filed during FY 2021 – 2022 including pending 4 cases have been closed.
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As per the Banks Policy on prevention of sexual harassment:

The Internal Committee will maintain a record of the complaints received by it and keep the contents thereof confidential, except in the manner prescribed under this policy and the Act and the Rules.

Complaints made under this policy will be promptly and thoroughly investigated and the information disclosed during the course of the investigation will remain confidential, except as may be necessary to conduct the investigation and take any remedial action, in accordance with the applicable law.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-

**Details of other assessments of plant and office**

Sr.	Name of other assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
-	-	-
10.	Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above. Not Applicable	

**Leadership Indicators**

- Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.  
Not Applicable
- Details of the scope and coverage of any Human rights due-diligence conducted  
Not Applicable
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
Yes. Review is performed at quarterly interval by top management.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-

**Details of other assessments of value chain partner**

Sr.	Name of other assessment	% of value chain partners (by value of business done with such partners) that were assessed
-	-	-
5.	Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above. Not Applicable	

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY (2022-23)	PY (2021-22)
Total electricity consumption (A)	2,75,172	2,53,212
Total fuel consumption (B)	31,760	30,292
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	3,06,932	2,83,504
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1,191.3	1,100.3
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes

If yes, name of the external agency.

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2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY (2022-23)	PY (2021-22)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kiloliters)	4,58,720	6,10,511
Water intensity per rupee of turnover (Water consumed/ turnover)	17.8	27.3
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes

If yes, name of the external agency.

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4. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY (2022-23)	PY (2021-22)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY (2022-23)	PY (2021-22)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MTCO <sub>2</sub> e	19,074	9,552
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MTCO <sub>2</sub> e	53,348	59,915
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	2.8	3.1
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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7. Does the entity have any project related to reducing Green House Gas emission?

Yes



If Yes, then provide details.

The Bank is committed to preserving the environment through investing in green and alternative choices. The Bank has adopted renewable energy, dedicated to reduce its GHG emissions, and is actively advocating to inculcate sustainability in the core strategic framework of a business.

ENERGY EFFICIENCY INITIATIVES		
Particulars	Electricity saved	Emissions saved
Units	kWh	MTCO <sub>2</sub> e
Thin clients	221.60	0.16
Virtual servers	70,00,000	5,005
Energy Optimisation Project	-	-
Optimisation of AC Power Consumption	-	-
Total	-	-
RENEWABLE ENERGY (SOLAR)		
Particulars	Electricity generated	Emissions avoided
Units	kWh	MTCO <sub>2</sub> e
Solar energy generated at Karapakkam facility, Chennai -	41,179.6	29.4
Solar energy generated at IBL House, Mumbai	9,518.0	6.8

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY (2022-23)	PY (2021-22)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	38,189	53,441
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	38,189	53,441
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	7.11	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	7.11	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)**

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Bank is committed towards supporting and promoting efficient waste management measures to reduce the impact of waste (both of Bank's own operations as well as those of Bank's clients and partners) on the local environment, promoting re-use and recycling of waste and re-engineering production processes for supporting a circular economy.



10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sr No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with?	If no, the reasons thereof and corrective action taken, if any.
-	-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Sr No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
-	-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY (2022-23)	PY (2021-22)
From renewable sources (in GJ)		
Total electricity consumption (A)	183	188
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-

#### Details of Energy consumed from renewable

Sr.	Name of other parameter	FY (2022-23)	PY (2021-22)
Total energy consumed from renewable sources (A+B+C)			
		183	188
From non-renewable sources (in GJ)			
Total electricity consumption (D)		2,74,989	2,48,149
Total fuel consumption (E)		31,760	30,292
Energy consumption through other sources (F)		-	-

#### Details of Energy consumed from non renewable

Sr.	Name of other parameter	FY (2022-23)	PY (2021-22)
Total energy consumed from non-renewable sources (D+E+F)		3,06,750	2,78,441

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

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2. Provide the following details related to water discharged:

Parameter	FY (2022-23)	PY (2021-22)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility/ plant located in areas of water stress, provide the following information:

- 1 Name of the area
- 2 Nature of operations
- 3 Water withdrawal, consumption and discharge in the following format:

Parameter	FY (2022-23)	PY (2021-22)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	-	-
Total volume of water consumption (in kiloliters)	-	-
Water intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY (2022-23)	PY (2021-22)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MTCO <sub>2</sub> e	6,592	6,696
<b>Total Scope 3 emissions per rupee of turnover</b>	MTCO <sub>2</sub> e/₹ crore	0.25	0.30
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

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5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable



6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
1	Thin Clients	277 additional thin clients have been deployed with their per unit cost being lesser than a standard computer, also reducing the electricity consumption.	The total emission savings through these initiatives have been 221.6 kWh.	-
2	Data centre migration	It has embraced a new-age architecture and transitioned to a multi-cloud environment, aiming to achieve a balanced presence in a hybrid cloud. To enhance the customer experience, the Bank has implemented multiple solutions that focus on providing paperless, presence-less, and cashless options, supported by its new data center. These initiatives align with the Datacenter Evaluation Framework (DEF) and adhere to the latest international guidelines from IEEE.	With this initiative the bank reduced the GHG intensity of 2555 MTCO <sub>2</sub> e in FY22 to 1588 MTCO <sub>2</sub> e in FY23, marking a 38% reduction in emission from data centres.	-

7. Does the entity have a business continuity and disaster management plan?

Yes

Details of entity at which business continuity and disaster management plan is placed or weblink.

The Bank is committed for ensuring continuity of its critical services/ products at a minimum acceptable level even during an event while safeguarding its employees' health and safety.

BCP Manual is uploaded on Intranet of the Bank.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

6

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

S. No.	Particulars	Reach of trade and industry chambers/ associations (State/National/International)
1	Indian banks association	National
2	Micro finance institutions network	National
3	Institutional investor advisory services India limited	National
4	Bombay chamber of commerce and industry	State
5	Indo-German chamber of commerce	International
6	Foreign Exchange Dealers Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Sr.	Name of authority	Brief of the case	Corrective action taken
-	-	-	-

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr no.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
-	-	-	-	-	-



**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development****Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Sr. Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
<p>Name: Indus Oorja Renewable Energy Brief: Kumirmari Island is one of the last inhabited masses in the Sundarban delta with 2000 hectares. Extreme temperatures, cyclones, unseasonal rains are a characteristic to the geography. The island is currently inhabited by around 24000 people out of which nearly 94% belonging to scheduled caste and scheduled tribes. The conventional grid lines have recently reached to the island, however it does not seem to serve as a reliable source of electricity in such remote places. Prolonged power-cut, especially during nights defies one of its purpose of providing security. These lines are also susceptible to damage in such cyclone prone areas breaking the supply for long periods of time. The project aims to provide consistent decentralised renewable supply of energy as the catchment is one of the highly remote island having a very less and consistence supply of conventional energy</p>	Amendment from MCA vide CG-DL-E 22012021 – 224640, GSR 40 €	22nd January 2021	Yes	No	<a href="https://www.indusind.com/content/dam/indusind-csr/pdf/Indus-Oorja.pdf">https://www.indusind.com/content/dam/indusind-csr/pdf/Indus-Oorja.pdf</a>
<p>Name: Restoration of water bodies Brief: Urban lakes and ponds act as a source of water, buffer for times of flooding and recreational spaces. Government &amp; municipality have restoration and maintenance of lakes on their agenda, however due to political dynamics and paucity of space in general, rapid urbanization, encroachment and illegal dumping poses threat to the water bodies and thus to city's water security. The project aims to primarily conserve the soil, plant and water resources of a catchment, while benefitting the humanity. Refurbished water bodies makes it a prime water recharging structure by mitigating floods when inlets and outlets are regulated to a proper channel, prevents erosion and also acts as a recharge groundwater</p>	Amendment from MCA vide CG-DL-E 22012021 – 224640, GSR 40 €	22nd January 2021	Yes	No	<a href="https://www.indusind.com/content/dam/indusind-csr/pdf/Restoration-of-Waterbodies.pdf">https://www.indusind.com/content/dam/indusind-csr/pdf/Restoration-of-Waterbodies.pdf</a>

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
-	-	-	-	-	-	-

**3. Describe the mechanisms to receive and redress grievances of the community.**

Refer to page 146

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY (2022-23)	PY (2021-22)
Directly sourced from MSMEs/ small producers	-	-
Sourced directly from within the district and neighbouring districts	-	-

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Sr.	Details of negative social impact identified	Corrective action taken
1	<p><b>Indus Oorja Renewable Energy:</b></p> <ul style="list-style-type: none"> <li>For 55% of households, fishing and crab collection are the primary occupations, while 38% are involved in small farming, 4% in animal husbandry, and 3% in private jobs</li> <li>93% of the population has a monthly family income of less than ₹7,000.</li> <li>Before the installation of the solar plant, the primary sources of illumination for the population were solar home systems (SHS) and kerosene oil.</li> <li>The risk of tiger attacks was significantly higher in the project hamlet before the installation of the solar plant</li> </ul>	<ul style="list-style-type: none"> <li>The solar grid connection has become the primary source of illumination for all respondents.</li> <li>The adoption of solar grid connections has significantly reduced kerosene use, leading to an estimated savings of ₹300-400 per household, which has been redirected towards expenses such as food consumption, academics, and medicine.</li> <li>57% of households reported an increase of 2-3 hours in their children's average study time and observed an improvement in academic performance.</li> <li>74% of beneficiaries reported a decrease in women's workload.</li> <li>43% of households reported an improvement in overall social connections, including self-help group meetings, farmers' meetings, visits of relatives, and occasions.</li> <li>The installation of 50 solar streetlights has improved the overall safety and security of the villagers, resulting in an 84% reduction in human-animal conflicts.</li> </ul>
2	<p><b>Restoration of water bodies:</b></p> <ul style="list-style-type: none"> <li>Effective management of inlet and outlet points is crucial for monitoring and disposing of solid waste and garbage in waterbodies.</li> <li>Regular monitoring of the project's impact and activities is important for its continued success.</li> <li>It is recommended to involve both urban and rural government officials, as well as local communities, in the monitoring and maintenance of the project.</li> </ul>	<p><b>Waterbodies restoration:</b></p> <ul style="list-style-type: none"> <li>Stores and slows the runoff</li> <li>Creates habitat for aquatic life</li> <li>Improves status of biological elements</li> <li>Helps to control erosion</li> <li>Increases water storage capacity</li> <li>Protects flora &amp; fauna species</li> <li>Increases evapotranspiration</li> <li>Helps to recharge groundwater</li> <li>Prevents loss of biodiversity</li> <li>Increases fish stock Increases green cover</li> <li>Helps in the rejuvenation of wetlands</li> <li>Increases soil water retention</li> <li>Reduces the risk of flooding</li> <li>Improves chemical status of soil</li> <li>Improves the quality of soil</li> <li>Raises awareness about importance of cleanliness</li> <li>Promotes proper management of surrounding waste</li> </ul>

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Maharashtra	Osmanabad	11,51,76,805
2	Rajasthan	Baran	4,81,87,029
3	Uttar Pradesh	Bahraich	2,40,85,392
4	Bihar	Begusarai	10,85,85,392
5	Tamil Nadu	Virudhunagar	5,39,04,740
6	West Bengal	Murshidabad	1,58,00,000
7	Odisha	Kalahandi	27,81,322
8	Odisha	Kandhamal	20,14,061
9	Odisha	Rayagada	82,19,470
10	Madhya Pradesh	Chhattarpur	1,38,86,669
11	Jharkhand	Khunti	39,43,150

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No



(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/ No)	Basis of calculating benefit share
-		-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Sr.	Name of authority	Brief of the Case	Corrective action taken
-		-	-

6. Details of beneficiaries of CSR Projects:

Sr.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Flagship Program-Holistic Rural Development	5.4 lakh+	70%
2	Sustainable Environment	10.85 lakh+ (10,85,270)	70%
3	Education (including Skilling)	2.35 lakh+ (2,38,080)	70%
4	Inclusive Sports	900+ (971)	70%
5	Others (Healthcare, Armed Forces and Livelihood)	2.40 lakh+ (2,41,542)	70%

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following

	FY (2022-23)		Remark	PY (2021-22)		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	3,946	226	-	2,856	212	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	24,711	841	-	30,728	998	-



#### 4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

Yes

If available, provide a web-link of the policy

<https://www.indusind.com/in/en/personal/privacy-policy.html>

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

There are no incidents reported related to cyber security and data privacy in last one-year FY 2022-23.

#### Leadership Indicators

##### 1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the loan products and services provided by the Bank are available on the Company's website.

In addition, the Bank actively uses various social media and digital platforms to disseminate information on its loans and deposits.

Link of website: <https://www.indusind.com>

##### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

The Bank has developed a Customer Rights Policy, which can be accessed on its website. Additionally, it has implemented a Customer Protection Policy based on RBI guidelines to provide a safe, reliable, transparent and superior service experience. This policy addresses customer complaints regarding unauthorized transactions conducted through electronic channels, defines criteria for determining customer liability in different circumstances and enhances customer awareness. The Bank employs various channels, including the Surveillance Unit, to monitor and mitigate insider threats and internal fraud. Through digital channels, e-learning, classroom training and workshops, the Bank disseminates awareness messages and tips to increase awareness of cyber frauds, safe internet and online banking practices, identification and avoidance of phishing/ vishing attempts, secure use of credit/debit cards, protection from malware and malicious websites and other related topics.

This program is designed to educate and raise awareness among internal users, customers and partners.

##### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

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, BCP Risk Assessment, are monitored through the system, which reinforces effective monitoring and management of Business Continuity.

##### 4. Does the entity display product information on the product over and above what is mandated as per local laws?

No

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole?

Not Applicable

##### 5. Provide the following information relating to data breaches

###### a. Number of instances of data breaches along-with impact

-

###### b. Percentage of data breaches involving personally identifiable information of customers

-



# INDEPENDENT ASSURANCE STATEMENT

To,  
**The Management and Board of Directors**  
IndusInd Bank Limited,  
PNA House, 4<sup>th</sup> Floor,  
Plot No. 57, Street No. 17, MIDC, Andheri (E)

## Scope

We have been engaged by IndusInd Bank Limited to perform Independent Limited assurance, as defined by International Standards on Assurance Engagements (ISAE 3000:Revised), hereafter referred to as the engagement, to report on IndusInd Bank Limited BRSR (Business Responsibility and Sustainability Report) Report (the "Subject Matter") for the period from 01<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information

## Criteria applied by IndusInd Bank Limited

In preparing the Business Responsibility and Sustainability Report (BRSR) FY 23, IndusInd Bank Limited applied Securities and Exchange Board of India (SEBI) BRSR guidelines. As a result, the subject matter information may not be suitable for another purpose.

## IndusInd Bank Limited's Responsibilities

IndusInd Bank Limited's management is responsible for selecting the Criteria, and for presenting the Business Responsibility and Sustainability Report (BRSR) FY 23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error

## EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000:Revised). The terms of reference for this engagement as agreed with IndusInd Bank Limited on June 26, 2023. The Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



### **Our Independence and Quality Control**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### **Description of procedures performed.**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Business Responsibility and Sustainability Report (BRSR) FY 2022-23 and related information and applying analytical and other appropriate procedures

Our procedures included:

- ▶ Conducted interviews with select personnel at head office to understand the process for collecting, collating, and reporting the subject matter as per SEBI's BRSR framework;
- ▶ Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- ▶ Review of relevant data, on a selective test basis through consultations at the Company's Corporate Office
- ▶ Undertook analytical review procedures to support the reasonableness of the data through consultations with the corporate sustainability team;
- ▶ Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in the collection, transcription, and aggregation processes followed.
- ▶ Review of the Company's plans, policies, and practices, pertaining to their social, environmental, and sustainable development, to be able to make comments on the fairness of sustainability reporting;
- ▶ Review of the Company's approach towards materiality assessment disclosed in the BRSR Report to identify relevant issues;

We also performed such other procedures as we considered necessary in the circumstances

**Emphasis of matter**

The assurance scope excludes:

- ▶ Data and information outside the defined reporting period (1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023)
- ▶ Data and information on the economic and financial performance of the Company
- ▶ Data, statements, and claims already available in the public domain through Annual Report, Sustainability Report, or other sources available in the public domain
- ▶ The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention provided by the Company
- ▶ The Company's compliance with regulations, acts, and guidelines with respect to various regulatory agencies and other legal matters

**Our Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Business Responsibility and Sustainability Report (BRSR) FY 23 for the period from 01<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, in order for it to be in accordance with the Standards and Securities and Exchange Board of India (SEBI) BRSR guidelines.

**Restricted use:** This report is intended solely for the information and use of IndusInd Bank Limited and is not intended to be and should not be used by anyone other than IndusInd Bank Limited.

**For and on behalf of Ernst & Young Associates LLP**

**Chaitanya Kalia**  
**July 24, 2023**  
**Mumbai, India**



# 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, 2023, 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.

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 Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the "Act") and circulars and guidelines issued by the Reserve Bank of India, 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, including the Accounting Standards prescribed under section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 as amended to the extent applicable, of the state of affairs of the Bank as at March 31, 2023, and 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 SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the Year ended March 31, 2023. 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 (Risk)	How Was the Key Audit Matter Addressed in the Audit
<b>Identification, Classification, Provisioning and Write off of Advances</b>	
Total Loans and Advances (Net of Provision) as at 31 March 2023 – ₹2,89,92,36,827 (Amount in 000')	
Provision for NPA as at 31 March 2023 – ₹4,11,13,035.99 (Amount in 000')	
<b>(Refer Schedule 5, Schedule 9, Schedule 17(6) and Schedule 18 (4.1), (4.7), (14.5) to the standalone financial statements)</b>	
<p>The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification and provisioning pertaining to advances ("IRAC norms") prescribe the prudential guidelines for identification and classification of Non performing Assets (NPA) and the minimum provision required for such assets from time to time and other relevant circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2023 to classify its advances into performing and non performing advances and make appropriate provisions thereon.</p> <p>The Bank, as per its governing framework, made the performing and NPA provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under the relevant RBI guidelines. Additionally, the Bank makes provisions on exposures that are not classified as NPA including advances to certain sectors and identified advances or group advances. These are classified as contingency provisions.</p> <p>Since 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 and given its significance to the overall audit of Financial Statements, we have ascertained the Identification, Classification, Provisioning and Write off of Advances is a Key Audit Matter.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of, evaluated and tested the design and operating effectiveness of key controls (including application controls) around identification of NPA based on the extant IRAC norms on a test check basis;</li> <li>• Verified loans on sample basis to form our own assessment as to whether impact of days past due have been recognized in a timely manner by the Bank as per RBI Guidelines;</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 (of borrowers) comments on the financial statements, valuation of underlying security and collaterals, as obtained by the Bank for 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 and perused the write off policy duly approved by the Board;</li> <li>• Obtained understanding of Credit monitoring process including the governing framework and policy guidelines on "Loan Frauds &amp; Red Flagged Accounts"</li> </ul>





Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
	<ul style="list-style-type: none"> <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 samples for both 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). Reviewed the Bank's risk grading of the loan, and assessment of loan recoverability and the impact on the credit provision using the information on the Borrowers loan file, discussed the case with the concerned officials and senior management to verify the assessment and provisioning done by the Bank</li> </ul> <p><b>Provisions for advances:</b></p> <ul style="list-style-type: none"> <li>Understood the Bank's processes and perused the policies for determining provisions on advances in compliance with IRAC norms including provisioning for advances covered under Resolution Framework, stressed sectors, date of commencement of commercial operations (DCCO), etc.</li> <li>Verified provision for fraud accounts as at March 31, 2023 as per the RBI circular;</li> <li>Reperformed, on sample basis for both corporate and retail loans, the Days Past Due for loan accounts including their classification and provisioning, to determine the accuracy of the same (Collective for standard portfolio and case specific for non-performing portfolio);</li> <li>Perused the submissions to the Board of Directors for the NPA Provisioning made as at March 31, 2023; and</li> <li>Assessed the appropriateness, accuracy and adequacy of the related presentation and disclosures in accordance with the applicable accounting standards and requirements of RBI with respect to NPAs.</li> </ul>

Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
<p><b>Information Technology (IT) Systems and 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.</p> <p>All these applications are not fully customized to take care off all user's requirement. 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. 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><b>Our Audit procedures with respect to this matter included:</b></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 during the year. 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, end of day operations, various submission made to the regulators under risk based supervision.</p>



Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
<p>We have identified IT systems and controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, high level of automation, significant number of systems being used, 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 systems and controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for financial accounting &amp; reporting.</p>	<p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system functionality. 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 reperformance. We also tested few controls using negative testing technique.</p> <p>Verified compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant, changes made to the IT landscape during the audit period.</p>

Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
<p>Valuation of Derivatives</p> <p>Particulars</p> <p>Notional amounts</p> <p>Refer Schedule 12(III), 12(IV), 18(3)</p>	<p>As at March 31, 2023</p> <p>₹11,85,63,09,825 (Amount in 000')</p>
<p>Derivatives are valued through models with external inputs. The derivatives portfolio of the Bank primarily includes transactions which are carried out on behalf of its clients (and are covered on a back-to-back basis) and transactions to hedge the Bank's interest and foreign currency risk.</p> <p>A significant degree of management judgment is involved in the application of valuation techniques through which the value of the Bank's derivatives is determined. The financial statement risk arises particularly with respect to complex valuation models, valuation parameters, and inputs that are used in determining fair values.</p> <p>Considering the significance of the above matter to the financial statements and significant management estimates and judgments, we have identified this as a key audit matter for current year audit.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <p>Obtained an understanding of, evaluated and tested the design, and tested the operating effectiveness of the key controls over the valuation processes on a test check basis, including:</p> <ul style="list-style-type: none"> <li>Price verification performed by a management and model governance and validation.</li> <li>For selected samples, involved valuation specialists to gain an understanding of the valuation of derivatives and evaluated significant models and methodologies used in valuation, to ensure compliance with the relevant RBI regulations, reasonableness of the valuation methodology and the inputs used.</li> </ul>

### Information other than the standalone financial statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the other information. The other information comprises the Pillar 3 Disclosures under the New Capital Adequacy Framework (Basel III disclosures), which we obtained prior to the date of this auditors' report, and Director's Report including Annexures to Director's Report which is part of the Annual report (collectively called as "Other Information") but does not include the standalone financial statements and our auditors' report thereon. The Annual report 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 under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Bank's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Companies (Accounting Standards) Rules, 2021 as amended to the extent applicable, 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, the Management and Board of Directors are responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either 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 these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 made by the management in the standalone financial statements.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the 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**

The audit of standalone financial statements for the year ended March 31, 2022 was conducted by one of the joint statutory auditors of the Bank, who expressed an unmodified opinion on those financial statements vide their report dated April 29, 2022.

Our opinion on the standalone financial statement is not modified in respect of the above 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 sub-section (3) of section 30 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. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- c. Since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 67 branches to examine the records maintained at such branches for the purpose of our audit.
- (3) As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- c. The 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;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with Companies Accounting Standard Rules, 2021 as amended, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 standalone financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Bank, being a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.
- h. With respect to the other matters to be included in the Auditors' 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, 2023 on its financial position in its standalone financial statements – Refer Schedule 12 and Schedule 18 (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 17(5), 17(17), 18(3), 18(4.1), 18(15.3) 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 during the financial year ended March 31, 2023 – Refer Schedule 18 (15.5);
- (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 Schedule 18 (15.15 (1)), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, 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;
- (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 Schedule 18 (15.15 (2)), no funds have been received by the Bank from any persons or entities, 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;
- (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 (a) and (b) above, contain any material misstatement.
- (v) As stated in Schedule 18 (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.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023; and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.

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

Chartered Accountants  
ICAI Firm Registration No.101851W

**Anagha Thatte**

Partner  
Membership No. 105525  
UDIN: 23105525BGVABC4012

Place: Mumbai  
Date: April 24, 2023

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Tushar Kurani**

Partner  
Membership No. 118580  
UDIN: 23118580BGRPL4014

Place: Mumbai  
Date: April 24, 2023



# ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

**[Referred to in paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditors' Report of even date to the members of IndusInd Bank Limited on the standalone financial statements (hereinafter referred to as "financial statements") for the year ended March 31, 2023]**

## **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, 2023 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 and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 ("the Standards") issued by the ICAI and deemed to be, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone 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 judgment, 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 standalone financial statements.

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

A Bank's internal financial control with reference to standalone 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 standalone 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 unauthorized 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 standalone 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 standalone 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 the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to the standalone financial statements criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note.

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

Chartered Accountants  
ICAI Firm Registration No.101851W

**Anagha Thatte**

Partner  
Membership No. 105525  
UDIN: 23105525BGVABC4012

Place: Mumbai  
Date: April 24, 2023

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Tushar Kurani**

Partner  
Membership No. 118580  
UDIN: 23118580BGXRPL4014

Place: Mumbai  
Date: April 24, 2023



# STANDALONE BALANCE SHEET OF INDUSIND BANK LIMITED AS AT MARCH 31, 2023

₹ in '000s

	Schedule	As at 31.03.2023	As at 31.03.2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	775,89,52	774,66,32
Employee Stock Options Outstanding	18(Note 15.9.2)	44,32,29	16,07,02
Reserves and Surplus	2	53801,45,04	46906,49,24
Deposits	3	336438,13,67	293681,34,88
Borrowings	4	49011,23,42	47323,22,31
Other Liabilities and Provisions	5	17733,01,46	13272,78,71
<b>Total</b>		<b>457804,05,40</b>	<b>401974,58,48</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	42961,26,62	60141,16,35
Balances with Banks and Money at Call and Short Notice	7	13549,87,53	8133,32,98
Investments	8	83116,20,36	70970,77,72
Advances	9	289923,68,27	239051,53,46
Fixed Assets	10	1992,61,92	1848,68,68
Other Assets	11	26260,40,70	21829,09,29
<b>Total</b>		<b>457804,05,40</b>	<b>401974,58,48</b>
Contingent Liabilities	12	1264256,33,25	923779,75,12
Bills for Collection		33751,82,65	29654,24,56
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 M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**For and on behalf of Board of Directors**

**per Tushar Kurani**

Partner

Membership No: 118580

**Sunil Mehta**

Chairman

DIN: 00065343

**Sumant Kathpalia**

Managing Director & CEO

DIN: 01054434

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

Chartered Accountants

Firm Registration No: 101851W

**Sanjay Asher**

Director

DIN: 00008221

**Bhavna Doshi**

Director

DIN: 00400508

**per Anagha Thatte**

Partner

Membership No: 105525

**Gobind Jain**

Chief Financial Officer

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023





## STANDALONE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2023

₹ in '000s

	Schedule	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>I. INCOME</b>			
Interest earned	13	36367,91,28	30822,44,23
Other income	14	8166,37,06	7334,19,91
<b>Total</b>		<b>44534,28,34</b>	<b>38156,64,14</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	18775,79,67	15821,59,78
Operating expenses	16	11412,00,70	9559,29,04
Provisions and contingencies	18(Note 14.5)	6956,76,83	8164,62,99
<b>Total</b>		<b>37144,57,20</b>	<b>33545,51,82</b>
<b>III. PROFIT</b>			
Net Profit for the year		7389,71,14	4611,12,33
Profit brought forward		18923,15,06	15928,60,89
<b>Total</b>		<b>26312,86,20</b>	<b>20539,73,22</b>
<b>IV. APPROPRIATIONS</b>			
a) Transfer to statutory reserve		1847,42,79	1152,78,08
b) Transfer to capital reserve		10,18,89	76,80,62
c) Transfer to investment fluctuation reserve account		3,00,00	-
d) Dividend paid		658,88,53	386,99,45
		2519,50,21	1616,58,15
Balance carried over to the Balance Sheet		23793,35,99	18923,15,07
<b>Total</b>		<b>26312,86,20</b>	<b>20539,73,22</b>
<b>V. EARNINGS PER EQUITY SHARE</b>			
(Face value of ₹10/- per share)			
Basic (₹)	18(Note 16.5)	95.32	59.57
Diluted (₹)	18(Note 16.5)	95.20	59.47
Significant Accounting Policies	17		
Notes to the Financial Statements	18		

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

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

As per our report of even date.

For and on behalf of Board of Directors

**For M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**per Tushar Kurani**

Partner

Membership No: 118580

**Sunil Mehta**

Chairman

DIN: 00065343

**Sumant Kathpalia**

Managing Director & CEO

DIN: 01054434

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

Chartered Accountants

Firm Registration No: 101851W

**Sanjay Asher**

Director

DIN: 00008221

**Bhavna Doshi**

Director

DIN: 00400508

**per Anagha Thatte**

Partner

Membership No: 105525

**Gobind Jain**

Chief Financial Officer

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023



## STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

₹ in '000s

	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation</b>	<b>9859,64,60</b>	<b>6173,65,03</b>
<b>Adjustments for :</b>		
Depreciation on Fixed assets	373,44,39	321,20,92
Depreciation/Revauation loss on Investments	381,99,28	429,24,82
Employees Stock Option expenses	27,37,96	12,31,45
Loan Loss and Other Provisions	4185,43,49	6298,54,78
Amortization of premium on HTM investments	402,15,11	375,85,43
Loss on sale of fixed assets	2,84,54	1,03,55
<b>Operating Profit before Working Capital changes</b>	<b>15232,89,37</b>	<b>13611,85,98</b>
<b>Adjustments for :</b>		
Increase in Advances	(55057,58,30)	(32754,67,39)
Increase in Investments	(12929,57,03)	(2081,17,40)
(Increase)/ Decrease in Other Assets	(5785,14,16)	1341,52,87
Increase in Deposits	42756,78,79	37476,39,20
Increase in Other Liabilities	4461,10,06	1193,21,55
<b>Cash generated from Operations</b>	<b>(11321,51,27)</b>	<b>18787,14,81</b>
Direct Taxes paid (net of refunds)	(1116,10,71)	(2187,07,96)
<b>Net Cash generated from Operating Activities</b>	<b>(12437,61,98)</b>	<b>16600,06,85</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets (including WIP)	(527,17,35)	(368,58,79)
Proceeds from sale of Fixed Assets	6,95,18	7,02,96
<b>Net Cash used in Investing Activities</b>	<b>(520,22,17)</b>	<b>(361,55,83)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (net of issue expenses)	85,70,80	84,42,85
Redemption of Long Term Infrastructure Bonds	-	(500,00,00)
Dividends paid	(658,88,53)	(386,99,45)
Redemption of Perpetual Debt instruments	(1000,00,00)	(1000,00,00)
Proceeds from issue of Sub-ordinated Tier II capital	-	2800,00,00
Decrease in Borrowings (except redemption of Perpetual Debt Instruments)	2688,01,11	(5299,58,87)
<b>Net Cash used in Financing Activities</b>	<b>1114,83,38</b>	<b>(4302,15,47)</b>



## STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

₹ in '000s

	For the year ended 31.03.2023	For the year ended 31.03.2022
Effect of foreign currency translation reserve	79,65,60	10,94,68
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(11763,35,17)</b>	<b>11947,30,24</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>68274,49,33</b>	<b>56327,19,09</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>56511,14,16</b>	<b>68274,49,33</b>

### Notes:

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

As per our report of even date.

For and on behalf of Board of Directors

#### For M S K A & Associates

Chartered Accountants

Firm Registration No: 105047W

#### per Tushar Kurani

Partner

Membership No: 118580

#### Sunil Mehta

Chairman

DIN: 00065343

#### Sumant Kathpalia

Managing Director & CEO

DIN: 01054434

#### For M.P. Chitale & Co.

Chartered Accountants

Firm Registration No: 101851W

#### Sanjay Asher

Director

DIN: 00008221

#### Bhavna Doshi

Director

DIN: 00400508

#### per Anagha Thatte

Partner

Membership No: 105525

#### Gobind Jain

Chief Financial Officer

#### Anand Kumar Das

Company Secretary

Place : Mumbai

Date : April 24, 2023



# STANDALONE SCHEDULES

## Schedule - 1 Capital

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>Authorized Capital</b>		
1,00,00,00,000 (Previous Year 1,00,00,00,000) equity shares of ₹10 each	1000,00,00	1000,00,00
<b>Issued, Subscribed and Called Up Capital</b>		
77,58,95,198 Previous Year (77,46,63,163) equity shares of ₹10 each	775,89,52	774,66,32
<b>Paid up Capital</b>		
77,58,95,198 Previous Year (77,46,63,163) equity shares of ₹10 each [Refer Schedule 18 (Note 1.1)]	775,89,52	774,66,32
<b>Total</b>	<b>775,89,52</b>	<b>774,66,32</b>

## Schedule - 2 Reserves and Surplus

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Statutory Reserve</b>		
Opening balance	8140,10,03	6987,31,95
Additions during the year	1847,42,79	1152,78,08
	<b>9987,52,82</b>	<b>8140,10,03</b>
<b>II Share Premium Account</b>		
Opening balance	18444,02,46	18359,23,70
Additions during the year (Refer Schedule 18(Note 1.1))	84,47,60	84,78,76
	<b>18528,50,06</b>	<b>18444,02,46</b>
<b>III Revaluation Reserve</b>		
Opening balance	307,63,35	313,60,62
Transfer to General Reserve	(5,97,27)	(5,97,27)
	<b>301,66,08</b>	<b>307,63,35</b>
<b>IV Foreign Currency Translation Reserve</b>		
Opening balance	35,15,19	24,20,51
Additions during the year	79,65,60	10,94,68
	<b>114,80,79</b>	<b>35,15,19</b>
<b>V Revenue &amp; Other Reserve</b>		
<b>(a) General Reserve</b>		
Opening balance	20,27,38	14,30,11
Transfer from Revaluation Reserve	5,97,27	5,97,27
	<b>26,24,65</b>	<b>20,27,38</b>
<b>(b) Capital Reserve</b>		
Opening balance	633,84,77	557,04,15
Additions during the year	10,18,89	76,80,62
	<b>644,03,66</b>	<b>633,84,77</b>
<b>(c) Investment Fluctuation Reserve</b>		
Opening balance	351,68,08	351,68,08
Additions during the year [Refer Schedule 18(Note 2.2)]	3,00,00	-
	<b>354,68,08</b>	<b>351,68,08</b>
<b>(d) 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>1075,59,30</b>	<b>1056,43,14</b>
<b>VI Balance in the Profit and Loss Account</b>	23793,35,99	18923,15,07
<b>Total</b>	<b>53801,45,04</b>	<b>46906,49,24</b>



## STANDALONE SCHEDULES

### Schedule - 3 Deposits

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>A I Demand Deposits</b>		
i) From banks	1773,95,32	638,76,01
ii) From others	49143,96,16	36200,18,72
<b>II Savings Bank Deposits</b>	84128,39,32	88825,56,41
<b>III Term Deposits</b>		
i) From banks	20586,75,64	9341,01,50
ii) From others	180805,07,23	158675,82,24
<b>Total</b>	<b>336438,13,67</b>	<b>293681,34,88</b>
<b>B Deposits of Branches</b>		
I In India	328901,67,08	291472,40,40
II Outside India	7536,46,59	2208,94,48
<b>Total</b>	<b>336438,13,67</b>	<b>293681,34,88</b>

### Schedule - 4 Borrowings

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Borrowings in India</b>		
i) Other institutions and agencies	27953,09,00	24650,22,00
ii) Borrowing in form of bonds and debentures (excluding subordinated Debt)	1500,00,00	1500,00,00
iii) Capital Instruments		
a) Unsecured non-convertible perpetual non-cumulative bonds (Subordinated additional tier 1 capital)	1489,90,00	2489,90,00
b) Unsecured non-convertible redeemable debentures/bonds (Subordinated debt tier 2 bond)	2800,00,00	2800,00,00
<b>II Borrowings outside India</b>	15268,24,42	15883,10,31
<b>Total</b>	<b>49011,23,42</b>	<b>47323,22,31</b>

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

### Schedule - 5 Other Liabilities and Provisions

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
I Bills payable	1144,56,52	844,24,47
II Inter-office adjustments (net)	-	-
III Interest accrued	1830,29,44	1311,01,90
IV Others	14758,15,50	11117,52,34
<b>Total</b>	<b>17733,01,46</b>	<b>13272,78,71</b>

### Schedule - 6 Cash and Balances with Reserve Bank of India

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Cash in hand (including foreign currency notes)</b>	1225,74,24	1269,68,32
<b>II Balances with Reserve Bank of India</b>		
i) In Current Account	15785,52,38	14371,48,03
ii) In Other Accounts	25950,00,00	44500,00,00
<b>Total</b>	<b>42961,26,62</b>	<b>60141,16,35</b>



## STANDALONE SCHEDULES

### Schedule - 7 Balances with Banks and Money at Call and Short Notice

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I In India</b>		
i) Balances with Banks		
a) In Current Accounts	251,91,65	227,82,38
b) In Other Deposit Accounts	-	25,73
ii) Money at Call and Short Notice		
a) with Banks	-	-
b) with other institution	4204,55,70	-
<b>Total</b>	<b>4456,47,35</b>	<b>228,08,11</b>
<b>II Outside India</b>		
i) In Current Accounts	2684,14,18	3736,66,12
ii) In Other Deposit Accounts	3656,56,50	3221,18,12
iii) Money at call and short notice	2752,69,50	947,40,63
<b>Total</b>	<b>9093,40,18</b>	<b>7905,24,87</b>
<b>Grand Total</b>	<b>13549,87,53</b>	<b>8133,32,98</b>

### Schedule - 8 Investments

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I In India</b>		
Gross Value	84180,81,80	71776,35,21
Less : Aggregate of provision/ depreciation	1323,09,97	1070,73,07
<b>Net value of Investments in India</b>	<b>82857,71,83</b>	<b>70705,62,14</b>
Comprising :		
i) Government securities*	76511,68,06	66683,97,74
ii) Other approved securities	-	-
iii) Shares	634,97,32	846,63,08
iv) Debentures and bonds	58,84,37	255,31,52
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	5608,51,73	2875,99,45
<b>II Outside India</b>		
Gross Value	258,48,53	265,15,58
Less : Aggregate of provision/ depreciation	-	-
<b>Net value of Investments outside India</b>	<b>258,48,53</b>	<b>265,15,58</b>
Comprising :		
i) Government securities	81,38,14	265,15,58
ii) Debentures and bonds	177,10,39	-
iii) Others	-	-
<b>Total</b>	<b>83116,20,36</b>	<b>70970,77,72</b>
<b>III Investment in India</b>		
i) Gross value of investments	84180,81,80	71776,35,21
ii) Aggregate of provision for depreciation	1323,09,97	1070,73,07
iii) Net investments (i-ii)	82857,71,83	70705,62,14
<b>IV Investment outside India</b>		
i) Gross value of investments	258,48,53	265,15,58
ii) Aggregate of provision for depreciation	-	-
iii) Net investments (i-ii)	258,48,53	265,15,58

\*Includes Securities of ₹1,431.11 crores (Previous Year ₹2,779.03 crores) pledged with CCIL & NSE for margin requirements



## STANDALONE SCHEDULES

### Schedule - 9 Advances

₹ in '000s

		As at 31.03.2023	As at 31.03.2022
A	i) Bills purchased and discounted	11210,95,47	10127,87,39
	ii) Cash credits, overdrafts and loans repayable on demand	74732,64,96	62999,84,76
	iii) Term loans	203980,07,84	165923,81,31
	<b>Total</b>	<b>289923,68,27</b>	<b>239051,53,46</b>
B	i) Secured by tangible assets ( Includes advance against book debts)	191609,59,60	156340,14,47
	ii) Covered by Bank/ Government Guarantees	3594,83,81	6374,78,35
	iii) Unsecured	94719,24,86	76336,60,64
	<b>Total</b>	<b>289923,68,27</b>	<b>239051,53,46</b>
C	I Advances in India		
	i) Priority Sector	94398,28,55	90375,92,97
	ii) Public Sector	10134,40,31	8946,12,63
	iii) Banks	1279,08,19	251,92,45
	iv) Others	177049,30,16	132238,55,00
	<b>Total Advances in India</b>	<b>282861,07,21</b>	<b>231812,53,05</b>
	II Advances outside India		
	i) Due from banks	-	265,16,84
	ii) Due from others	7062,61,06	6973,83,57
	(a) Bills purchased and discounted	1778,25,62	1408,44,37
	(b) Syndicated loans	1758,26,88	-
	(c) Others	3526,08,56	5565,39,20
	<b>Total Advances outside India</b>	<b>7062,61,06</b>	<b>7239,00,41</b>
	<b>Total</b>	<b>289923,68,27</b>	<b>239051,53,46</b>

### Schedule - 10 Fixed Assets

₹ in '000s

		As at 31.03.2023	As at 31.03.2022
I	<b>Premises</b>		
	i) At cost as on 31st March of the preceding year	869,98,25	869,98,25
	ii) Additions during the year	-	-
		<b>869,98,25</b>	<b>869,98,25</b>
	iii) Less : Deductions during the year	-	-
	iv) Less : Depreciation to date [Refer Schedule 18(Note 15.8)]	144,72,05	131,27,51
	<b>Total</b>	<b>725,26,20</b>	<b>738,70,74</b>
II	<b>Other Fixed Assets (including furniture and fixtures)</b>		
	i) At cost as on 31st March of the preceding year	3029,50,60	2734,16,12
	ii) Additions during the year	486,26,16	349,30,43
		<b>3515,76,76</b>	<b>3083,46,55</b>
	iv) Less : Deductions on transfer to wholly owned subsidiary	-	-
	iii) Less : Deductions during the year	111,91,87	53,95,95
	iv) Less : Depreciation to date [Refer Schedule 18(Note 15.8)]	2271,91,70	2014,04,01
	<b>Total</b>	<b>1131,93,19</b>	<b>1015,46,59</b>
III	<b>Capital Work in Progress</b>	135,42,53	94,51,35
	<b>Grand Total</b>	<b>1992,61,92</b>	<b>1848,68,68</b>



## STANDALONE SCHEDULES

### Schedule - 11 Other Assets

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
I Interest accrued	2394,99,41	2016,58,78
II Tax paid in advance/ tax deducted at source	96,59,92	1212,75,55
III Stationery and stamps	71,58	49,26
IV Non-banking assets acquired in satisfaction of claims [Refer Schedule 18(Note15.11)]	63,96,57	63,96,57
V Others [Refer Schedule 18(Note 16.6)]	23704,13,22	18535,29,13
<b>Total</b>	<b>26260,40,70</b>	<b>21829,09,29</b>

### Schedule - 12 Contingent Liabilities

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
I Claims against the bank not acknowledged as debts	638,24,48	733,37,97
II Liability for partly paid investments	-	-
III Liability on account of outstanding forward exchange contracts	536483,05,13	411634,15,77
IV Liability on account of outstanding other Derivative Contracts	649147,93,12	427189,17,47
V Guarantees given on behalf of constituents		
- In India	60939,83,57	61109,94,48
- Outside India	-	308,09,65
VI Acceptances, Endorsements and Other Obligations	16471,09,96	22714,03,91
VII Other Items for which the bank is contingently liable	576,16,99	90,95,87
<b>Total</b>	<b>1264256,33,25</b>	<b>923779,75,12</b>

### Schedule - 13 Interest Earned

₹ in '000s

	Period ended March 31, 2023	Period ended March 31, 2022
I Interest/ discount on advances/ bills	29944,51,82	25143,43,83
II Income on investments	4691,63,08	4052,87,81
III Interest on balances with Reserve Bank of India and other inter-bank funds	1442,29,29	1288,36,19
IV Others	289,47,09	337,76,40
<b>Total</b>	<b>36367,91,28</b>	<b>30822,44,23</b>

### Schedule - 14 Other Income

₹ in '000s

	Period ended March 31, 2023	Period ended March 31, 2022
I Commission, exchange and brokerage	5646,14,65	4509,28,60
II Profit on sale of investments (net)	65,37,87	593,15,87
III Loss on revaluation of investments	(82,00,59)	(62,84,66)
IV Profit/ (Loss) on sale of land, buildings and Other assets (net)	(2,84,54)	(1,03,55)
V Profit on exchange transactions/ derivatives (net)	1793,44,53	1730,84,39
VI Income earned by way of dividends from subsidiaries in India	-	-
VII Miscellaneous income	746,25,14	564,79,26
<b>Total</b>	<b>8166,37,06</b>	<b>7334,19,91</b>





## STANDALONE SCHEDULES

### Schedule - 15 Interest Expended

₹ in '000s

	Period ended March 31, 2023	Period ended March 31, 2022
I Interest on deposits	15679,17,80	12430,28,58
II Interest on Reserve Bank of India/ inter-bank borrowings	611,59,36	243,24,40
III Others	2485,02,51	3148,06,80
<b>Total</b>	<b>18775,79,67</b>	<b>15821,59,78</b>

### Schedule - 16 Operating Expenses

₹ in '000s

	Period ended March 31, 2023	Period ended March 31, 2022
I Payments to and provisions for employees	3030,52,14	2488,34,24
II Rent, taxes and lighting	549,30,74	500,89,38
III Printing and stationery	87,47,20	75,20,89
IV Advertisement and publicity	95,11,69	67,01,48
V Depreciation on bank's property	373,44,39	321,20,92
VI Director's fees, allowances and expenses	6,34,73	4,43,92
VII Auditor's fees and expenses	3,22,17	2,99,66
VIII Law charges	61,35,29	48,34,67
IX Postage, Telegrams, Telephones, etc.	155,34,97	149,74,77
X Repairs and maintenance	352,29,10	332,09,51
XI Insurance	432,63,61	381,84,30
XII Other expenditure	6264,94,67	5187,15,30
<b>Total</b>	<b>11412,00,70</b>	<b>9559,29,04</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 (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 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. Actual results could differ from these estimates. Any revision to accounting estimates is recognized 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 (representative offices) 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 recognized 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 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 recognized in Profit and Loss Account as gains or losses.
- 3.5 All foreign exchange forward and other derivative contracts outstanding at the Balance Sheet date are re-valued based on the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities and the resulting gains or losses are recognized on present value basis in the Profit and Loss account. The contracts of longer tenor maturities/ or currencies where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates quoted in the market or implied by the swap curves in respective currencies and the resulting gains or losses are recognized on present value basis 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 amortized to the Profit and Loss account under the head 'Interest Expended- 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 Daily 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 relevant 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)** – In accordance with relevant RBI guidelines securities acquired with the intention to trade, which remain unsold for a period of 90 days are transferred to AFS category.



## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

- (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 relevant 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 amortized cost. Any premium on acquisition of the security is amortized 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 including SDLs (excluding treasury bills) is determined on the basis of the prices/ YTM published by Financial Benchmark India Private Limited (FBIL).
- (v) Treasury bills including US Treasury Bills, commercial papers and certificate of deposits are valued at carrying cost. Carrying cost is defined as acquisition cost adjusted for the

discount accreted at the rate prevailing at the time of acquisition.

- (vi) Pass Through Certificates (PTC) are valued by using FIMMDA credit spread as applicable for the NBFC category, based on the credit rating of the respective PTC over the Government of India curve published by FBIL.
- (vii) Fair value of other debt securities is determined basis trade price or based on the yield curve published by FBIL and relevant credit spreads corresponding to rating and residual maturity published by Fixed Income Money Market and Derivatives Association (FIMMDA). Foreign Currency (FCY) bonds are valued basis the prices sourced from Reuters
- (viii) Quoted equity shares held under AFS and HFT categories are valued at the closing price on a recognized stock exchange, in accordance with the relevant RBI guidelines. Unquoted equity shares are valued at their break-up value or at Re. 1 per company where the latest Balance Sheet is not available continuously for more than 18 months as on the date of valuation.
- (ix) Units of the schemes of mutual funds are valued at latest Net Asset Value (NAV) provided by the respective schemes of mutual funds.
- (x) Investments in equity shares held as long-term investments and classified under HTM category are valued at cost. Provision for other than temporary diminution in the value of such long-term investments is made.
- (xi) The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with RBI guidelines.
- (xii) Investment in subsidiaries and associate companies are classified under HTM category and valued at cost. Such investments are assessed for impairment and other than temporary diminution in value is provided for.
- (xiii) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitization Company (SC)/ Reconstruction Company (RC). As per RBI guideline, in respect of investments in SRs which are more than 10% of 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.
- (xiv) 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.



## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

- (xiii) Provision for non-performing investments is made in conformity with relevant RBI guidelines. Interest on non-performing investments is not recognized in the profit and loss account unless received.
- (xiv) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions with Banks or other institutions are accounted for as collateralized borrowing and lending (lending above 14 days tenor classified under schedule of advances) respectively. Repurchase (Repo) and Reverse Repurchase (Reverse Repo) with RBI are accounted for as collateralized borrowing or Balance with RBI respectively. Balances held under Standing Deposit Facility (SDF) has been reported under Cash and Balances with RBI. 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 Appropriations 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 categorized under HTM category for initial period of three years and valued at cost as per relevant RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, are marked to market based on the Net Asset Value (NAV) shown by VCF or AIF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at Re. 1 per VCF or AIF, as the case may be.

**4.6** Infrastructure Investment Trusts (InvITs) are valued at book value till it is listed. Post listing and till receipt of Quarterly NAV report, if InvIT is traded on exchange, quoted price is considered for valuation. If not traded, then the Book Value is considered for valuation. Post receipt of quarterly NAV report, if InvIT is traded on exchange, then quoted price is considered for valuation. If not traded, then the NAV based on the registered valuer's quarterly statement is considered for valuation.

### 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 relevant RBI guidelines.

**5.2** The trading contracts comprise of trading in Forward Contracts, Interest Rate Swaps, Cross Currency Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures, Currency Futures, Currency Options, Swaption 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



## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

as at the Balance Sheet date are re-valued at their fair value and resulting gains or losses are recognized 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** Pursuant to RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on all derivative contracts with the same counterparties are reversed through the profit and loss account.

### 6. Advances

**6.1** Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with RBI guidelines.

**6.2** A general provision on standard assets is made in accordance with relevant RBI guidelines for the funded outstanding on global portfolio basis. In respect of stressed advances which are not yet classified as non-performing, contingent provisions are made prudentially. Provision made against standard assets is included in 'Other Liabilities and Provisions - Others'. The general provision also includes provision for stressed sector exposures and provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. Provision made on positive mark to market of derivative contracts also forms part of general provision. Further, provision requirement under various Restructure scheme of RBI along with provision for the cases where viable resolution plan has not been implemented within timeline prescribed by RBI, from the date of default, also forms part of general provision. Such, General

provisions are included in Schedule 5 – 'Other liabilities & provisions - Others'.

**6.3** Unhedged Foreign Currency Exposures (UFCE) of Clients are subject to incremental provisions basis assessment of estimated risk in line with relevant 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 relevant 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 relevant 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 derecognized 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 recognized 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 earlier.

**6.9** Further to the provisions held according to the asset classification status, provision is held in accordance with relevant 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 utilized, with the approval of Board and RBI, if required. The floating provision is netted-off from advances.



## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

### 7. Securitization 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 accordance with RBI guidelines on Securitization of Standard Assets, any loss, profit or premium realized at the time of the sale is accounted in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealized gains arising out of sale of underlying assets to the SPV, the profit is recognized in Profit and Loss Account only when such unrealized gains associated with such income is redeemed in cash..
- 7.4** In case of sale of non-performing assets through securitization route to Securitization 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 realization; 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 relevant 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. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit/ functioning capability from/ of such assets.

- 8.2** During the year, the Bank has changed its accounting policy for revaluation of own properties. Till March 2022, the appreciation on account of revaluation of premises is credited to Revaluation Reserve. 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. In accordance with amended policy, the gross carrying value of such properties will become cost and existing revaluation reserve will be carried on reducing balance basis till the related properties are depreciated over their remaining useful lives. In case of revalued assets, depreciation is provided over the remaining useful life of the assets with reference to the gross carrying value.

Depreciation, including amortization 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 licenses 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 unamortized depreciable amount is



## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

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 realizable 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.

### **9. Revenue Recognition**

- 9.1** Interest and discount income on performing assets is recognized on accrual basis. Interest and discount income on non-performing assets is recognized on realization.
- 9.2** Interest on Government securities, debentures and other fixed income securities is recognized on a period proportion basis. Income on discounted instruments is recognized 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 Exchange and Brokerage are recognized on a transaction date and net of directly attributable expenses.
- 9.5** Fees are recognized 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 realization.
- 9.6** Income from distribution of third party products is recognized 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 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 'Other Expenditure' and the fee received from the sale of PSLCs is treated as 'Other Income'.
- 9.8** Gain/ loss on sell down of loans is recognized 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 on a straight-line basis over the lease term.

### **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 (RPF) 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,



## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

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 Employee Stock Option Scheme (ESOS) of the Bank is in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Bank has followed intrinsic value method for share-linked instruments granted under ESOS till March 31, 2021. 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 relevant RBI guidelines. Under Intrinsic value method, options cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the closing price on the stock exchange with highest trading volume of the underlying shares, immediately prior to the grant date. Under revised accounting policy, fair value of share-linked instruments on the date of grant are recognized as an expense for all instruments granted after the accounting period ending March 31, 2021. The fair value of the stock-based compensation is measured on the date of grant using Black-Scholes option pricing model and is recognized as compensation expense over the vesting period

### 12. Segment Reporting

In accordance with the relevant 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/ amortization 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. Actuarial valuation is determined based on certain assumptions regarding mortality rate, discount rate, cancellation rate and redemption rate.

### 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 recognized to the extent that it has become reasonably certain that future taxable income will be available against which





## SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

such deferred tax assets can be realized. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

### 16. Earnings per share

The Bank reports Basic and Diluted earnings per share in accordance with AS 20 – 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 share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted 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. Accounting of Dividend

In accordance with AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, the Bank does not account for proposed dividend as a liability through appropriation from the profit and loss account. The same is recognized in the year of actual payout post approval of shareholders.

### 19. Share Issue Expenses

Share issue expenses are deducted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

### 20. Impairment of Assets

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their estimated recoverable amount.

### 21. 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.

### 22. Corporate Social Responsibility

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



# STANDALONE SCHEDULES

## Schedule 18 Notes forming part of the Financial Statements

### 1. Capital

#### 1.1 Capital Issue

During the year, 12,32,035 equity shares of ₹10 each fully paid (Previous Year 12,90,864 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 ₹1.23 crores (Previous Year ₹1.29 crores) and share premium by ₹84.48 crores (Previous Year ₹84.79 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, the Bank has to maintain a Minimum Total Capital of 11.50% including Capital Conversion Buffer at 2.50%, of the total risk weighted assets. Out of the Minimum Total Capital (excluding CCB of 2.50%), at least 5.50% of risk weighted assets, shall be from Common Equity Tier 1 capital and at least 7.00% from Tier 1 capital. The capital adequacy ratio of the Bank is set out below.

(₹ in crores)			
Sr. No.	Particulars	March 31, 2023	March 31, 2022
i)	Common Equity Tier 1 capital (CET 1)	53,667.74	47,103.08
ii)	Additional Tier 1 capital	1,489.90	2,489.90
iii)	Tier 1 capital (i + ii)	55,157.64	49,592.98
iv)	Tier 2 capital	5,030.63	4,778.07
v)	Total capital (Tier 1+Tier 2)	60,188.27	54,371.05
vi)	Total Risk Weighted Assets (RWAs)	3,37,036.31	2,95,131.06
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	15.93%	15.96%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.37%	16.80%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.49%	1.62%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.86%	18.42%
xi)	Leverage Ratio	9.97%	9.97%
xii)	Percentage of the shareholding of Government of India	0.00%	0.00%
xiii)	Amount of capital raised during the year (including share premium)	85.71	86.08
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which	-	-
	Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	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

During the current year, the bank has not raised any non-equity Tier 1 capital and Tier 2 capitals. The Bank has redeemed unsecured, redeemable, subordinated Tier 1 Basel III compliant non-convertible taxable Bonds by exercising the call option on April 18, 2022 of ₹1,000 crores.

During the Previous Year, 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. Further, 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.

## STANDALONE SCHEDULES

### 2. Investments 2.1 Composition of Investment Portfolio

As at March 31, 2023

(₹ in crores)

Particulars	Investments in India				Investments outside India						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Investments in India	Government securities (including local authorities)	Others	Investments outside India	Total Investment
<b>Held to Maturity</b>											
Gross	66,514.13	-	0.94	-	43.70	155.45	66,714.22	-	-	-	66,714.22
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>66,514.13</b>	-	<b>0.94</b>	-	<b>43.70</b>	<b>155.45</b>	<b>66,714.22</b>	-	-	-	<b>66,714.22</b>
<b>Available for Sale</b>											
Gross	9,997.55	-	906.56	128.32	-	6,434.17	17,466.60	81.38	177.10	258.48	17,725.08
Less: Provision for depreciation and NPI	-	-	(272.53)	(69.48)	-	(981.09)	(1,323.10)	-	-	-	(1,323.10)
<b>Net</b>	<b>9,997.55</b>	-	<b>634.03</b>	<b>58.84</b>	-	<b>5,453.08</b>	<b>16,143.50</b>	<b>81.38</b>	<b>177.10</b>	<b>258.48</b>	<b>16,401.98</b>
<b>Held for Trading</b>											
Gross	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	<b>76,511.68</b>	-	<b>907.50</b>	<b>128.32</b>	<b>43.70</b>	<b>6,589.62</b>	<b>84,180.82</b>	<b>81.38</b>	<b>177.10</b>	<b>258.48</b>	<b>84,439.30</b>
Less: Provision for depreciation and NPI	-	-	(272.53)	(69.48)	-	(981.09)	(1,323.10)	-	-	-	(1,323.10)
<b>Net</b>	<b>76,511.68</b>	-	<b>634.97</b>	<b>58.84</b>	<b>43.70</b>	<b>5,608.53</b>	<b>82,857.72</b>	<b>81.38</b>	<b>177.10</b>	<b>258.48</b>	<b>83,116.20</b>

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	Investments in India	Government securities (including local authorities)	Others	Investments outside India	Total Investment
<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>0.94</b>	-	<b>43.70</b>	<b>184.87</b>	<b>56,590.48</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	-	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>843.09</b>	<b>255.32</b>	-	<b>2,691.12</b>	<b>14,112.54</b>	<b>265.16</b>	-	<b>265.16</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>2.60</b>	-	-	-	<b>2.60</b>	-	-	-	<b>2.60</b>
<b>Total Investments</b>	<b>66,687.19</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>265.16</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>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>265.16</b>	<b>70,970.78</b>



## STANDALONE SCHEDULES

### 2.2 Movement of Provisions for Depreciation on Investments and Investment Fluctuation Reserve (IFR)

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	1,070.73	768.24
b) Add: Provisions made during the year	499.11	541.39
c) Less: Write off/ write back of excess provisions during the year	246.74	238.90
d) Closing balance	1,323.10	1,070.73
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	351.68	351.68
b) Add: Amount transferred during the year	3.00	-
c) Less: Drawdown	-	-
d) Closing balance	354.68	351.68
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.45%

### 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, 2023</b>				
<b>Securities sold under repo</b>				
i) Government Securities	-	6,998.79	337.21	-
ii) Corporate Debt Securities	-	-	-	-
iii) Any Other Securities	-	-	-	-
<b>Securities purchased under reverse repo</b>				
i) Government Securities	-	-	-	-
ii) Corporate Debt Securities	-	49,700.00	16,036.27	4,204.56
iii) Any Other Securities	-	-	-	-
<b>Year ended March 31, 2022</b>				
<b>Securities sold under repo</b>				
i) Government Securities	-	3,918.84	124.15	-
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	-	-	-	-

In respect of repo and reverse repo transactions, amount of funds borrowed or lent have been disclosed in the table above.

## STANDALONE SCHEDULES

### 2.4 Issuer composition of Non-SLR investments as at March 31, 2023

(₹ 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	96.71	-	-	-	-
2	Financial Institutions	580.55	-	-	-	-
3	Banks	3,479.87	147.85	-	-	-
4	Private corporates	163.32	1.74	-	68.88	-
5	Subsidiaries /Joint Ventures	43.70	43.70	-	-	-
6	Others	3,563.48	2,740.08	-	-	15.00
7	Provision held towards depreciation	(1,323.10)				
	<b>Total</b>	<b>6,604.53</b>	<b>2,933.37</b>	<b>-</b>	<b>68.88</b>	<b>15.00</b>

### 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>-</b>	<b>960.68</b>	<b>-</b>

#### Notes:

- (1) Amounts reported under columns 4, 5, 6 and 7 are not mutually exclusive.
- (2) Column 7 excludes Investments in equity shares (including investment in subsidiary and associate entity), Investment in venture capital funds, Investments in Certificate of Deposit, Investment in Commercial Paper, and securities acquired by way of conversion of debt.

### 2.5 Non-performing Non-SLR investments

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Opening balance	124.96	142.86
Additions during the year	48.00	-
Reductions/ Redemption during the year	96.81	17.90
Closing balance	76.15	124.96
<b>Total provisions held</b>	<b>76.15</b>	<b>107.92</b>

### 2.6 Sale/ transfer from HTM category

During the year ended March 31, 2023, and the year ended March 31, 2022, 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.



## STANDALONE SCHEDULES

### 3. Derivatives

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

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
(i) The Notional principal of swap agreements	6,09,213.96	3,94,215.01
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	5,429.55	3,234.59
(iii) Collateral required by the Bank upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps – With banks	53.65%	57.72%
(v) The Fair value of the swap book	866.75	574.18

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 nature and terms of Interest Rate Swaps outstanding as on March 31, 2023, are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Hedging	5	1,439.38	LIBOR	Fixed Receivable vs Floating Payable
Hedging	5	1,439.38	LIBOR	Floating Receivable vs Fixed payable
Hedging	7	350.00	MIBOR	Fixed Receivable vs Floating Payable
Hedging	1	275.00	MIBOR	Floating Receivable vs Fixed payable
Trading	19	26.68	EURIBOR	Fixed Receivable vs Floating Payable
Trading	1	8.46	EURIBOR	Floating Receivable vs Fixed payable
Trading	105	21,613.31	LIBOR	Fixed Receivable vs Floating Payable
Trading	158	25,984.70	LIBOR	Floating Receivable vs Fixed payable
Trading	19	4,874.32	LIBOR	Floating Receivable vs Floating Payable
Trading	3,526	2,14,049.49	MIBOR	Fixed Receivable vs Floating Payable
Trading	3,421	2,15,695.03	MIBOR	Floating Receivable vs Fixed payable
Trading	373	29,688.50	MIFOR	Fixed Receivable vs Floating Payable
Trading	274	22,414.39	MIFOR	Floating Receivable vs Fixed payable
Trading	110	24,460.59	SOFR	Fixed Receivable vs Floating Payable
Trading	70	15,706.27	SOFR	Floating Receivable vs Fixed payable
Trading	8	1,515.12	SOFR	Floating Receivable vs Floating Payable
Trading	2	0.93	SONIA	Fixed Receivable vs Floating Payable
Trading	1	91.25	T-Bill	Floating Receivable vs Fixed payable
<b>Total</b>	<b>8,105</b>	<b>5,79,632.80</b>		

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



## STANDALONE SCHEDULES

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	30	7,836.94	LIBOR	Float Payable vs Float Receivable
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 Cross Currency Swaps outstanding as on March 31, 2023, are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Hedging	1	19.72	LIBOR	Floating Receivable vs Floating Payable (Coupon Only Swap)
Trading	1	63.71	ESTR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	2	86.08	EURIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	42.45	EURIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	3	90.72	EURIBOR vs LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	36.67	EURIBOR vs SOFR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	53.43	LIBOR	Fixed Receivable vs Floating Payable (Coupon Only Swap)
Trading	40	4,062.53	LIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	39	9,069.67	LIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	1	28.14	LIBOR vs EURIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	13	3,204.63	LIBOR vs MIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	4	55.33	MIBOR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	1	786.93	MIBOR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	10	1,475.34	MIFOR vs LIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	92	3,310.20	NA	Fixed Receivable vs Fixed Payable (Cross Currency Swap)
Trading	6	500.74	NA	Fixed Receivable vs Fixed Payable (Principal Only Swap)
Trading	7	610.16	SOFR	Fixed Receivable vs Floating Payable (Cross Currency Swap)
Trading	20	4,881.36	SOFR	Floating Receivable vs Fixed Payable (Cross Currency Swap)
Trading	1	32.46	SOFR vs EURIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
Trading	2	616.28	SOFR vs MIBOR	Floating Receivable vs Floating Payable (Cross Currency Swap)
<b>Total</b>	<b>246</b>	<b>29,026.55</b>		



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The nature and terms of Cross Currency Swaps outstanding as on March 31, 2022, are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
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)
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 Cap Floor outstanding as on March 31, 2023 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Hedging	1	554.64	LIBOR	Fix Payable vs Float Receivable (Collar)
<b>Total</b>	<b>1</b>	<b>554.64</b>		

The nature and terms of Cap Floor outstanding as on March 31, 2022 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Hedging	1	738.98	LIBOR	Fix Payable vs Float Receivable (Collar)
<b>Total</b>	<b>1</b>	<b>738.98</b>		

Forward Rate Agreement (FRA) outstanding as on March 31, 2023, and March 31, 2022, was Nil.

### 3.2 Exchange Traded Interest Rate Derivatives

The Exchange Traded Interest Rate Derivatives undertaken during the year ended March 31, 2023, and March 31, 2022, 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





## STANDALONE SCHEDULES

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.

The use of derivatives for hedging purposes is governed by the board approved Derivative policy. Bank uses derivative contracts for hedging fixed rate, floating rate or foreign currency assets/liabilities to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. For hedge transactions, the Bank earmarks the underlying (asset or liability) at the inception of the hedge itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter. Derivative transactions designated as "Hedges" are accounted on an accrual basis except the swap designated with an asset/liability that is carried at market value or lower of cost or market value. In that case, the swap is marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. In case any transaction fails the effectiveness, the same is re-designated as a trading deal and appropriate accounting treatment is followed.

The premium or discount arising on inception of forward exchange contracts, not intended for trading purpose, is amortized over the life of the contract as interest income/expense.

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 risk 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 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, Greeks, 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:

Sr. No.	Particulars	(₹ in crores)			
		March 31, 2023		March 31, 2022	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount) (Note 1 and 7)	6,04,298.15	5,81,332.84	4,73,031.36	3,65,791.97
	a) For hedging	19.72	3,433.40	142.30	4,734.45
	b) For trading	6,04,278.43	5,77,899.44	4,72,889.06	3,61,057.52
2	Marked to Market Positions (Note 2)				
	a) Asset (+)	6,181.68	4,510.79	3,933.76	2,535.73
	b) Liability (-)	(4,571.40)	(4,589.96)	(3,315.36)	(2,391.38)
3	Credit Exposure (Note 3)	20,514.97	9,894.69	14,529.53	5,933.32
4	Likely impact of one percentage change in interest rate (100*PV01) (Note 4, 6 and 8)				
	a) on hedging derivatives	28.11	0.61	16.81	35.89
	b) on trading derivatives	215.02	245.97	132.24	150.91
5	Maximum and Minimum of 100*PV01 observed during the year (Note 5, 6 and 8)				
	a) on hedging				
	Maximum	29.95	36.71	16.81	74.89
	Minimum	18.01	0.61	2.40	35.89
	b) on trading				
	Maximum	225.10	249.82	138.20	150.91
	Minimum	120.06	128.81	97.21	102.44

Note 1: Outstanding Notional principal amount of exchange traded currency future trades was Nil as at March 31, 2023 (Previous Year ₹68.39 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.



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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 on month-ends 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, Swaption, Forward rate agreement 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, 2023 (Previous Year Nil).

## 4. Asset Quality

### 4.1 Classification of advances and provisions held

Classification of advances and provisions held as on March 31, 2023, 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	2,37,521.71	2,173.95	1,964.04	1,379.16	5,517.15	2,43,038.86
Add: Additions during the year					6,892.00	
Less: Reductions during the year*					6,582.89	
Closing balance	2,88,208.72	2,080.62	2,573.70	1,171.95	5,826.27	2,94,034.99
*Reductions in Gross NPAs due to:						
i) Upgradation					996.74	
ii) Recoveries (excluding recoveries from upgraded accounts)**					1,824.58	
iii) Technical/ Prudential Write-offs					937.07	
iv) Write-offs other than those under (iii) above					2,824.50	
** includes sale to ARC/FI amounting to ₹541.81 crores						
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	1,805.78	1,121.40	1,416.76	1,379.16	3,917.32	5,723.10
Add: Fresh provisions made during the year					4,802.61	
Less: Excess provision reversed/ Write-off loans					4,678.62	
Closing balance of provisions held	2,067.11	836.77	2,032.60	1,171.94	4,041.31	6,108.42
<b>Net NPAs*</b>						
Opening Balance		982.55	547.28	-	1,529.83	
Add: Fresh additions during the year					2,089.40	
Less: Reductions during the year					1,904.27	
Closing Balance		1,173.86	541.10	-	1,714.96	
* Floating provisions have been netted off against substandard advances to compute net NPAs						
<b>Floating Provisions</b>						
Opening Balance						70.00
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						70.00



## STANDALONE SCHEDULES

(₹ in crores)

Particulars	Standard		Non-Performing			Total
	Total Standard	Sub-standard	Doubtful	Loss	Total Non-Performing	
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						973.06
Add: Technical/ Prudential write-offs during the year						937.07
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						75.91
<b>Closing balance</b>						<b>1,834.22</b>

Classification of advances and provisions held as on March 31, 2022, 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	2,11,118.84	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	
*Recoveries include sale to ARC/FI amounting to ₹2,215 crore						
<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						
<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



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(₹ in crores)

Particulars	Standard		Non-Performing			Total
	Total Standard	Sub-standard	Doubtful	Loss	Total Non-Performing	
<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

Ratios (in per cent)	March 31, 2023	March 31, 2022
Gross NPA to Gross Advances	1.98%	2.27%
Net NPA to Net Advances	0.59%	0.64%
Provision coverage ratio (Provision/ Gross NPA)	70.57%	72.27%

**Note:**

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 5th May 2021, Bank has utilized floating provision of ₹760 crores towards provision for Non-performing advances during the year ended March 31, 2022.

### 4.2 Sector-wise advances and Gross NPAs

(₹ in crores)

Sr. No.	Sector	March 31, 2023			March 31, 2022		
		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>43,499.92</b>	<b>1,650.85</b>	<b>3.80%</b>	<b>37,497.19</b>	<b>854.10</b>	<b>2.28%</b>
<b>2</b>	<b>Advances to industries sector eligible as priority sector lending</b>	<b>14,370.38</b>	<b>233.55</b>	<b>1.63%</b>	<b>14,412.05</b>	<b>160.15</b>	<b>1.11%</b>
	Of which (refer note below):						
a)	Chemicals & Chemical Products	665.76	7.87	1.18%	649.05	2.10	0.32%
b)	Basic Metal & Metal Product	1,814.19	11.71	0.65%	1,482.04	1.44	0.10%
c)	Gems & Jewellery	3,009.26	8.01	0.27%	2,534.07	4.25	0.17%
d)	Infrastructure	103.22	0.76	0.74%	121.94	0.07	0.06%
<b>3</b>	<b>Services</b>	<b>36,762.77</b>	<b>684.74</b>	<b>1.86%</b>	<b>38,036.78</b>	<b>604.00</b>	<b>1.59%</b>
	Of which:						
a)	Transport Operator's	21,436.13	347.79	1.62%	23,136.72	385.24	1.67%
b)	Commercial Real Estate	*	*	*	1,584.21	-	-
<b>4</b>	<b>Personal loans</b>	<b>1,497.83</b>	<b>71.51</b>	<b>4.77%</b>	<b>1,609.92</b>	<b>135.11</b>	<b>8.39%</b>
	Of which (refer note below):						
a)	Housing loan	*	*	*	1,144.19	55.04	4.81%
	<b>Sub-total (A)</b>	<b>96,130.90</b>	<b>2,640.65</b>	<b>2.75%</b>	<b>91,555.94</b>	<b>1,753.36</b>	<b>1.92%</b>



## STANDALONE SCHEDULES

(₹ in crores)

Sr. No.	Sector	March 31, 2023			March 31, 2022		
		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>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>47,372.66</b>	<b>735.64</b>	<b>1.55%</b>	<b>37,614.22</b>	<b>585.93</b>	<b>1.56%</b>
a)	Chemicals & Chemical Products	5,823.01	1.91	0.03%	5,238.40	0.81	0.02%
b)	Basic Metal & Metal Product	6,319.53	1.30	0.02%	4,257.08	-	-
c)	Gems & Jewellery	6,110.46	27.35	0.45%	5,687.43	26.58	0.47%
d)	Infrastructure	9,345.54	154.29	1.65%	6,636.87	193.33	2.91%
<b>3</b>	<b>Services</b>	<b>1,23,856.31</b>	<b>1,695.72</b>	<b>1.37%</b>	<b>97,128.48</b>	<b>2,271.17</b>	<b>2.34%</b>
	Of which:						
a)	Transport Operator's	41,075.55	223.62	0.54%	26,893.71	181.75	0.68%
b)	Commercial Real Estate	*	*	*	12,235.62	329.75	2.70%
<b>4</b>	<b>Personal loans</b>	<b>26,675.12</b>	<b>754.26</b>	<b>2.83%</b>	<b>16,740.22</b>	<b>906.69</b>	<b>5.42%</b>
	Of which (refer note below):						
a)	Vehicle Loans	5,001.66	352.51	7.05%	4,731.04	490.94	10.38%
b)	Credit Card	8,493.13	205.61	2.42%	5,836.38	187.88	3.14%
c)	Housing loan	*	*	*	860.49	55.04	6.40%
d)	Unsecured Personal Loans	5,350.09	60.46	1.13%	3,267.04	45.17	1.38%
	<b>Sub-total (B)</b>	<b>1,97,904.09</b>	<b>3,185.62</b>	<b>1.61%</b>	<b>1,51,482.92</b>	<b>3763.79</b>	<b>2.48%</b>
	<b>Total (A+B)</b>	<b>2,94,034.99</b>	<b>5,826.27</b>	<b>1.98%</b>	<b>2,43,038.86</b>	<b>5517.15</b>	<b>2.27%</b>

**Note:**

\* Segments contributing in excess of 10% of the Sector as at March 31 of the respective years are individually listed; Advances against Housing Loan and Commercial Real Estate constituted less than 10% on March 31, 2023.

### 4.3 Overseas Asset, NPAs and Revenue

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total Assets	7,062.62	7,239.01
Total NPAs	-	0.19
Total Revenue	511.39	297.09

Assets for this purpose means client advances.

### 4.4 Particulars of resolution plan and restructuring

During the year ended March 31, 2023, the Bank has implemented Resolution Plan for two borrowers having total exposure of ₹175.45 crores (Previous Year – Nil) in accordance with the RBI Circular dated June 7, 2019, on Prudential Revised Framework for Resolution of Stressed Assets ("Framework").

### 4.5 Divergence in Asset Classification and Provisioning for NPA

RBI vide circular no. DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022, has directed that banks shall make suitable disclosures in the financial statement for the year ended March 31, 2023, 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 10 percent of the reported 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, 2022.



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### 4.6 Details of loan transferred/acquired during the year ended March 31, 2023, 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 1st April 2022 to 31st March 2023 are given below:

Mode of Acquisition	Loan Participation	
	During 1st April 2022 to 31st March 2023	During 1st October 2021 to 31st March 2022
Aggregate amount of loans acquired (₹ in crores)	831.21	24.80
Weighted average residual maturity (in years)	3.05	3.28
Weighted average holding period by originator (in years)	1.37	1.73
Retention of beneficial economic interest by the originator	Nil	Nil
Tangible security coverage*	100%	100%
Rating wise distribution of loans acquired by value		
BBB+	9%	-
A2	3%	-
B+ S&P	12%	-
Unrated	76%	100%

\* Of the total loans acquired ₹660.36 crores, was unsecured and the same has not been considered above.

(ii) Details of loans not in default acquired during the period 1st April 2022 to 31st March 2023 are given below:

Mode of Acquisition	Assignment	
	During 1st April 2022 to 31st March 2023	During 1st October 2021 to 31st March 2022
Aggregate amount of loans transfer (₹ in crores)	1,307.45	1,222.31
Weighted average residual maturity (in years)	6.57	10.08
Weighted average holding period by originator (in years)	1.67	1.92
Retention of beneficial economic interest by the originator	Nil	Nil
Tangible security coverage*	100%	100%
Rating wise distribution # of loans Transferred by value:		
AA	25%	-
A+	-	27%
A-	7%	51%
BBB+	3%	-
B+	29%	9%
Unrated	36%	13%

\* Of the total loans transferred ₹743.80 crores (Previous Year ₹113.87 crore), was unsecured. Further ₹98.65 crore is partly secured. The same has not been considered above.

(iii) Details of Non-Performing Assets (NPAs) transferred

Particulars	FY 2022-23			FY 2021-22		
	To Asset Reconstruction Companies (ARCs)	To Permitted transferees	To other transferees	To Asset Reconstruction Companies (ARCs)	To Permitted transferees	To other transferees
Number of Accounts	15,327	3	-	4,14,390	-	-
Aggregate principal outstanding of loans transferred (₹ in crores)	780.99	104.71	-	4,270.73	-	-
Weighted average residual tenor of the loans transferred (in years)	2.22	7.10	-	2.14	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crores)	471.99	-	-	2,542.58	-	-
Aggregate consideration (₹ in crores)	468.00	98.00	-	2,455.10	-	-
Additional consideration realized in respect of accounts transferred in earlier years (₹ in crores)*	20.82	-	-	21.21	-	-

\* Represents surplus received during the current year in case of Security Receipts issued in earlier years



## STANDALONE SCHEDULES

- (iv) Bank has not acquired any Non-Performing Assets (NPAs)/ Written off accounts during the period 1st April 2022 to 31st March 2023 (During 1st October 2021 to 31st March 2022 – NIL)
- (v) Bank has transferred Special Mentioned Accounts (SMA) during the period 1st April 2022 to 31st March 2023.

Particulars	To ARCs	To Permitted transferees	To Other transferees
No of accounts	2	-	-
Aggregate principal outstanding of loans transferred	116.53	-	-
Weighted average residual tenor of the loans transferred (in years)	2.05	-	-
Net book value of loans transferred (at the time of transfer)	110.70	-	-
Aggregate consideration	99.05	-	-
Additional consideration realized in respect of accounts transferred in earlier years*	-	-	-

\* Represents surplus received during the current year in case of Security Receipts issued in earlier years (During 1st October 2021 to 31st March 2022 – NIL)

- (vi) Bank has not acquired any Special Mentioned Accounts (SMA) during the period 1st April 2022 to 31st March 2023. (During 1st October 2021 to 31st March 2022 – NIL)
- (vii) Details on recovery ratings assigned for Security Receipts:

Recovery Rating	Anticipated recovery as per recovery rating	(₹ in crores)	
		March 31, 2023	March 31, 2022
RR1*	100%-150%	1,287.34	2,376.47
RR2	75%-100%	887.34	315.95
RR3	50%-75%	-	5.78
RR4	25%-50%	257.66	135.02
RR5	0%-25%	12.00	44.62
Unrated	0%	-	33.03
<b>Total</b>		<b>2,444.34</b>	<b>2,910.87</b>

\* Includes ₹320.49 crores (Previous Year ₹862.48 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 ₹972.89 crores (Previous Year ₹921.78 crores).

#### 4.7 Provision pertaining to fraud accounts

Particulars	(₹ in crores)	
	March 31, 2023	March 31, 2022
Number of frauds reported	7,415	1,730
Amount involved in frauds	199.66	227.78
- Out of which amount written off	28.21	77.68
Provisions made during the year (excluding write off)	55.11	116.08
Amount of unamortized provision debited from "other reserves" as at the end of the year	-	-

The number of frauds reported to RBI for the year 2022-23 includes 2131 frauds (Previous Year 908 cases) amounting to ₹59.57 crores (Previous Year ₹14.23 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.



## STANDALONE SCHEDULES

### 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 beginning of April 01, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2022
(i) Personal Loans	483.52	101.50	11.92	5.68	376.34
(ii) Corporate persons	1,924.31	510.04	209.55	1,000.24	414.03
a) Of which MSMEs	-	-	-	-	-
(iii) Others	2,159.29	619.30	39.54	100.13	1,439.86
<b>Total</b>	<b>4,567.12</b>	<b>1,230.84</b>	<b>261.01</b>	<b>1,106.05</b>	<b>2,230.23</b>

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the beginning of October 01, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year \$	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2023
(i) Personal Loans	376.34	84.86	10.11	79.13	212.35
(ii) Corporate persons	414.03	243.39	-	134.00	36.64
a) Of which MSMEs	-	-	-	-	-
(iii) Others	1,439.86	233.24	31.34	255.62	950.99
<b>Total</b>	<b>2,230.23</b>	<b>561.49</b>	<b>41.45</b>	<b>468.75</b>	<b>1,199.98</b>

\* Includes cases which have been written off during the period. \$ Amount paid by the borrower during the 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 credit exposure.

#### Resolution Framework for COVID-19-related Stress for the half yearly ended 31 March 2022:

(₹ 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 credit exposure.





## STANDALONE SCHEDULES

- 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 crore except number of accounts)

Year ended	Outstanding No. of accounts restructured	Amount Outstanding – Restructured facility	Amount Outstanding – Other facilities of the customer	Total
March 31, 2023	19,141	1,220.24	197.73	1,417.97
March 31, 2022	48,963	2,855.76	330.54	3,186.30

- 4.10 During the year ended March 31, 2023, there has been no individual purchase/ sale of non-performing financial assets from/ to other banks (Previous Year Nil).

### 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, 2023:

(₹ in crores)

	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	1,453.59	9,138.62	18,399.73	8,487.60	13,643.13	12,396.83	28,606.93	57,216.51	82,701.98	23,307.92	81,085.32	3,36,438.16
Loans and Advances	330.59	9,214.03	4,130.74	11,632.47	18,824.84	17,133.03	24,834.75	45,878.12	99,914.50	33,477.46	24,553.14	2,89,923.67
Investments	23,815.41	3,222.13	2,732.69	2,237.95	4,145.60	2,402.70	6,180.12	9,200.68	13,149.07	5,385.18	10,644.67	83,116.20
Borrowings	-	22.81	506.93	-	1,323.63	693.79	5,412.61	11,961.53	17,671.94	7,740.35	3,677.64	49,011.23
Foreign currency assets	5,723.87	3,186.34	2,640.00	2,059.53	2,789.64	3,632.58	1,816.56	574.59	1,818.60	743.63	443.92	25,429.26
Foreign currency liabilities	1,002.60	1,396.34	2,589.17	1,568.04	889.31	413.96	847.42	3,610.22	9,042.77	15,018.11	4,894.33	41,272.27

As at March 31, 2022:

(₹ in crores)

	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	2,93,681.34
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

- 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.)



## STANDALONE SCHEDULES

### 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, 2023 was ₹89,289 crores, as against ₹98,823 crores for the quarter ended March 31, 2022. 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 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 day time frame 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 2022-23. The average LCR maintained by the Bank for the quarter ended March 31, 2023 was at 122.96% against 126.33% for the quarter ended March 31, 2022.

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, 2023:

(₹ in crores)

	March 2023		December 2022		September 2022		June 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		89,288.67		88,714.82		92,482.98		97,023.38
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	1,37,672.25	13,397.31	1,30,894.39	12,724.18	1,21,719.75	11,816.87	1,16,292.93	11,278.72
(i) Stable deposits*	7,398.38	369.92	7,305.32	365.27	7,102.08	355.10	7,011.47	350.57
(ii) Less stable deposits	1,30,273.87	13,027.39	1,23,589.07	12,358.91	1,14,617.67	11,461.77	1,09,281.46	10,928.15
3 Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,28,183.64	67,744.45	1,28,152.20	69,826.79	1,27,092.03	67,546.19	1,26,890.01	68,457.79
(iii) Unsecured debt								



## STANDALONE SCHEDULES

(₹ in crores)

	March 2023		December 2022		September 2022		June 2022	
	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)
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	16,257.64	16,257.64	18,339.12	18,339.12	14,947.37	14,947.37	17,165.99	17,165.99
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities								
6 Other contractual funding obligations	5,667.67	5,667.67	6,356.46	6,356.46	5,655.03	5,655.03	7,005.69	7,005.69
7 Other contingent funding obligations	1,91,497.01	8,024.59	1,89,069.86	7,835.55	1,82,874.10	7,518.14	1,76,659.64	7,207.61
<b>8 Total Cash Outflows</b>		<b>1,11,091.66</b>		<b>1,15,082.09</b>		<b>1,07,483.59</b>		<b>1,11,115.79</b>
Cash Inflows								
9 Secured lending (e.g. reverse repos)	14,166.30	--	17,654.02	--	23,927.24	--		--
10 Inflows from fully performing exposures	46,608.95	38,476.62	47,823.99	39,526.49	40,636.31	33,325.93	39,885.29	32,881.05
11 Other cash inflows	-	-	-	-				
<b>12 Total Cash Inflows</b>		<b>38,476.62</b>		<b>39,526.49</b>		<b>33,325.93</b>		<b>32,881.05</b>
<b>13 Total HQLA</b>		<b>89,288.67</b>		<b>88,714.82</b>		<b>92,482.98</b>		<b>97,023.38</b>
<b>14 Total Net Cash Outflows</b>		<b>72,615.04</b>		<b>75,555.60</b>		<b>74,157.66</b>		<b>78,234.74</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>122.96%</b>		<b>117.42%</b>		<b>124.71%</b>		<b>124.02%</b>

\* Currently, Stable Deposits under retail and small business customers include only transactional (CASA) accounts where salaries/pensions are credited & having multiple relationships with Bank. Stable Deposits shall increase to around ₹24,841 Crs (as on Mar. 31, 2023), considering entire transactional deposit & other deposits having multiple relationships with the Bank.

The following table gives the quantitative disclosures relating to LCR for the year ended March 31, 2022:

(₹ in crores)

	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)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		<b>98,822.82</b>		<b>1,00,865.84</b>		<b>1,05,011.89</b>		<b>1,01,194.50</b>
<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								



## STANDALONE SCHEDULES

(₹ in crores)

	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)
(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>

**Note:**

- The amounts in the above tables are average of daily positions during the respective quarters.
- 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, 2023	March 31, 2022
<b>(a) Direct exposure</b>		
(i) Residential Mortgages Of which housing loans eligible for inclusion in priority sector advance ₹1,668.19 crores (Previous Year ₹1,276.78 crores)]	11,197.61	8,880.25
(ii) Commercial Real Estate	29,841.22	27,644.70
(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)	4,861.75	4,759.56
<b>Total Exposure to Real Estate Sector</b>	<b>45,900.58</b>	<b>41,284.51</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.



## STANDALONE SCHEDULES

### 6.2 Exposure to Capital Market:

(₹ in crores)		
Particulars	March 31, 2023	March 31, 2022
(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*	862.75	873.90
(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	672.23	368.92
(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	3,279.45	2,402.76
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	3,364.90	3,006.15
(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)	208.32	228.36
<b>Total Exposure to Capital Market</b>	<b>8,387.65</b>	<b>6,880.09</b>

\* Excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹86.14 crores as on 31 March, 2023 (Previous Year ₹130.51 crores) which are exempted from exposure to Capital Market.

### 6.3 Risk Category-wise exposure to country risk

(₹ in crores)				
Risk category	March 31, 2023		March 31, 2022	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	12,359.87	-	15,318.95	-
Low	7,737.21	-	7,990.84	-
Moderately Low	113.26	-	12.19	-
Moderate	10.55	-	38.54	-
Moderately High	19.04	-	4.52	-
High	-	-	0.87	-
Very High	5.31	-	0.47	-
<b>Total</b>	<b>20,245.24</b>	<b>-</b>	<b>23,366.38</b>	<b>-</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, 2023	March 31, 2022
Total unsecured advances of the bank	94,719.24	76,336.61
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	-	-



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### 6.5 Advances against book debts

Advances secured by tangible asset includes advances against book debts amounting to ₹47,206.00 crores (Previous Year ₹41,110.36 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, 2023, is ₹4,110.32 crores (Previous Year ₹2,603.48 crores).

### 6.7 Details of Intra-Group Exposure

Intra-Group Exposure as on March 31, 2023- 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, 2023, included an amount of ₹62 crores (Previous Year ₹58.00 crores) towards UFCE. Further, capital held under Basel III Capital Regulations, as of March 31, 2023, includes an amount of ₹138.36 crores (Previous Year ₹178.17 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, 2023, and year ended March 31, 2022, 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, 2023	March 31, 2022
Total Deposits of twenty largest depositors (excl. CDs)	52,287.94	49,866.98
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	15.54%	16.98%

### 7.2 Concentration of Advances

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total Advances to twenty largest borrowers	52,715.00	49,402.74
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	9.88%	10.64%

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, 2023	March 31, 2022
Total Exposure to twenty largest borrowers/ customers	52,798.96	50,402.74
Percentage of Exposure of twenty largest borrowers/ customers to Total Exposure of the Bank on borrowers/ customers	9.72%	10.75%

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, 2023	March 31, 2022
Total Exposure to the top twenty NPA accounts	1,574.77	1,983.60
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	27.03%	35.95%

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



## STANDALONE SCHEDULES

8. During the year ended March 31, 2023, 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, 2023	March 31, 2022
Opening balance of amounts transferred to DEAF	90.96	66.25
Add: Amounts transferred during the year	36.06	25.26
Less: Amounts reimbursed by DEAF towards claims	0.85	0.55
Closing balance of amounts transferred to DEAF	126.17	90.96

### 11. Disclosure relating to Complaints

#### a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman:

No.	Particulars	March 31, 2023	March 31, 2022
<b>Complaints received by the bank from its customer</b>			
(1)	Number of complaints pending at the beginning of the year	1,101	800
(2)	Number of complaints received during the year	24,392	30,067
(3)	Number of complaints disposed during the year	24,532	29,766
(3.1)	Of which, number of complaints rejected by the Bank	627	781
(4)	Number of complaints pending at the end of the year	961*	1,101*
<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	3,049	3,279
(5.1)	Of 5, number of complaints resolved in favour of the Bank from OBOs*	1,541	1,515
(5.2)	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by BOs.	1,508	1,763
(5.3)	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	-	1
(6)	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

\*106 open complaints as on March 31, 2023 (Previous Year 109 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, 2023</b>					
Loans and advances	384	11,361	73.69%	478	20
Account opening/difficulty in operation of accounts	427	5,934	(33.72)%	292	1
Credit Cards	7	2,546	(31.30)%	24	-
Internet/Mobile/Electronic Banking	100	2,404	13.24%	80	1
ATM/Debit Cards	50	611	(57.54)%	19	-
Others	133	1,536	(78.97)%	68	-
<b>Total</b>	<b>1,101</b>	<b>24,392</b>	<b>(18.87)%</b>	<b>961</b>	<b>22</b>



## STANDALONE SCHEDULES

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
Others	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>

**Note:** Compiled by management and relied upon by auditors.

### 12. Penalties imposed by RBI

During the FY 2022-23, Reserve Bank of India vide their letter dated June 29, 2022 imposed a monetary penalty of ₹ One crore on the Bank under Sections 35, 35A, 46 and 47A of the Banking Regulation Act, 1949 in relation to transactions in accounts opened through OTP based e-KYC in non-face-to-face mode. In addition, Reserve Bank of India imposed a penalty of ₹10,000 on November 14, 2022 as one of the Bank's ATM had a "cash out" situation for more than 10 hours during August 2022. Also, there were two instances of penalty of ₹10,000 each and one instance of penalty of ₹20,000 levied by Reserve Bank of India on September 19, 2022, December 27, 2022 and on March 20, 2023 respectively, for non-adherence to the regulatory guidelines pertaining to exchange of mutilated/soiled notes and coins by branches.

During the year ended March 31, 2022, a penalty of ₹1 crore was imposed by the Reserve Bank of India 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'. Also, Reserve Bank of India imposed penalty of ₹50,000 vide their letter 418/08.05.09/2021-22 dated October 04, 2021 for non-reporting of Currency Chest transactions on September 27, 2021.

### 13. Disclosure on Remuneration

#### Compensation and Nomination & Remuneration Committee

Effective October 1, 2022, 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, all of these members are Independent Directors including the Chairperson of the Committee. 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 talent. 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).





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- (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. The 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 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 in the financial year. 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)/ Goals 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 Fixed Pay i.e., Cost to Company 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 FY22 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 policy.
- (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 Non-Performing Assets (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 do not form a part of the Variable Pay. ESOPs are very selectively granted to attract and retain talent. ESOPs are not granted with a defined periodicity. ESOP grant criteria include grade of the employee, criticality of the position in terms of business continuity and growth, market value of the position/ perceived future value creation, performance and behavioural track record of the employee.



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### Other Disclosures

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Number of meetings held by NRC during the financial year and remuneration paid to its members	During the year, 17 meetings of the Compensation and Nomination & Remuneration Committee were held. The members were paid aggregate sitting fees of ₹27,20,000 for the above-mentioned meetings.	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.
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 in FY 23. <i>14 employees got the Variable Pay grant for FY 22 in FY 23 and 1 employee got the Variable Pay grant for FY 21 in FY 23</i>	15 employees belonging to the category of WTD/ CEO/ Material Risk Takers/Risk Controllers 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 for FY 21/FY 22 announced in FY 23: ₹30.29 crs ( Cash: ₹10.1 crs, Fair Value of ESOPs : 20.19 crs)	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 a cash deferred remuneration paid during the Financial year 2022 – 23 of ₹2.22 crs. The fair value of Options granted in FY 21/FY22 and vested during FY 23 was ₹10.05 crs	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
Breakdown of amount of remuneration awards for the financial year	<p>Breakup of remuneration awards for the 16 employees defined as WTD/ CEO /Material Risk Takers/ Risk Controllers</p> <p>(a) Fixed pay for FY 23 - ₹61.25 crores</p> <p>(b) Variable pay for FY 21/22: ₹40.39 crs</p> <p>(i) Cash component – ₹20.20 crs</p> <p>(ii) Fair value of ESOPs – ₹20.20 crs</p> <p>(c) Deferred variable remuneration –</p> <p>(i) Cash and Fair value of ESOPs: ₹30.29 crores</p> <p>- Deferred Cash Bonus: ₹10.10 crs</p> <p>- Fair value of ESOPs: ₹20.19 crs</p> <p>(d) Non-deferred variable remuneration –</p> <p>(i) Cash component - ₹10.10 crores</p>	<p>Break-up of remuneration awards for the 19 employees defined as WTD/ CEO /Material Risk Takers/ Risk Controllers</p> <p>(a) Fixed pay for FY 22: ₹59.77 crs</p> <p>(b) Variable pay for FY 21: ₹31.61 crs</p> <p>(i) Cash component – ₹16.04 crs</p> <p>(ii) Fair value of ESOPs–₹15.58 crs</p> <p>(c) Deferred variable remuneration –</p> <p>(i) Cash and Fair value of ESOPs: ₹23.36 crs</p> <p>- Deferred Cash Bonus: ₹7.79 crs</p> <p>- Fair value of ESOPs: ₹15.58 crs</p> <p>(d) Non-deferred variable remuneration –</p> <p>(i) Cash component - ₹8.25 crs</p>



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Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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	6 MRTs and 1 WTD
Number of cases where malus has been exercised	-	-
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 91.14 times	₹0.08 crores and 97.19 times

Deferred variable remuneration includes the deferred cash value and fair value of ESOPs granted during the financial year 2022-23 pertaining to the financial years FY 22/ FY 21. Fair value of Options has been computed using Black-Scholes options pricing model.

### 14. Other Disclosures

#### 14.1 Business ratios

Ratio	March 31, 2023*	March 31, 2022**
i) Interest income as a percentage to working funds	8.88%	8.55%
ii) Non-interest income as a percentage to working funds	1.99%	2.05%
iii) Cost of Deposits	5.32%	4.78%
iv) Net Interest Margin	4.76%	4.54%
v) Operating profit as a percentage to working funds	3.50%	3.56%
vi) Return on assets	1.80%	1.28%
vii) Business (deposits plus advances) per employee (₹ in crores)	16.95	15.69
viii) Profit per employee (₹ in crores)	0.21	0.14

#### Notes:

##### \*March 31, 2023

- (1) Working funds are reckoned as the daily average of total assets
- (2) Cost of deposit is computed by dividing the interest expense with the daily average deposit.
- (3) Net Interest margin is computed by dividing the Net Interest Income with the daily Average Earning Assets. 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.
- (6) Operating profit is net profit for the year before provisions and contingencies.
- (7) Average Number of Employees has been considered for computation of business per employee and profit per employee.



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### \*\*March 31, 2022

- (1) Working funds are reckoned as 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.
- (6) Operating profit is net profit for the year before provisions and contingencies.
- (7) Average Number of Employees has been considered for computation of business per employee and profit per employee.

### 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 2023	Year ended March 2022
For selling life insurance policies	307.12	266.80
For selling non-life insurance policies	79.13	70.52
<b>Total</b>	<b>386.25</b>	<b>337.32</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 2023	Year ended March 2022
Mutual Funds, Sovereign Gold Bonds, Alternative Products, Third Party Portfolio Management Services	63.79	52.53
Housing Loan Marketing	5.50	7.81
Equity Broking	6.68	6.14
Others (LAS & Ref Fee Overseas Partners)	0.65	0.33
Marketing	332.98	229.38
<b>Total</b>	<b>409.60</b>	<b>296.19</b>

### 14.4 Priority Sector Lending Certificates (PSLC)

(₹ in crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	PSLC Sold	PSLC Purchased	PSLC Sold	PSLC Purchased
1) PSLC Agriculture	-	12,500.00	-	480.00
2) PSLC Small Farmers/ Marginal Farmers	14,345.00	4,138.00	1,800.00	700.00
3) PSLC Micro Enterprises	1,509.00	2,350.00	2,891.00	-
4) PSLC General	-	<b>5,000.00</b>	<b>6,675.00</b>	-

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

(₹ in crores)

Particulars	Year ended March 2023	Year ended March 2022
i) Provisions for depreciation on Investment (including NPI and write off)	299.99	303.55
ii) Provision towards NPA (including bad debts write off)	3,885.56	4,146.61
iii) Provision made towards Income tax	2,469.93	1,562.53
iv) Other Provisions and Contingencies	301.29	2,151.94
<b>Total Provisions</b>	<b>6,956.77</b>	<b>8,164.63</b>



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### 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

Particulars	(₹ in crores)	
	Year ended March 2023	Year ended March 2022
i) Payment of DICGC Insurance Premium	409.57	351.87
ii) Arrears in payment of DICGC premium	-	-

## 15. Miscellaneous

### 15.1 Amount of Provisions for taxation during the year

Particulars	(₹ in crores)	
	Year ended March 2023	Year ended March 2022
Current tax	2,332.02	1,773.71
Deferred tax (Refer Note 16.6)	137.91	(211.18)
<b>Total</b>	<b>2,469.93</b>	<b>1,562.53</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 ₹1.33 crores (Previous Year ₹ 1.37 crores) and has filed a suit for the same.

### 15.2.2 Intangible Assests

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

Particulars	(₹ in crores)	
	Year ended March 2023	Year ended March 2022
At cost at the beginning of the year	735.44	648.71
Addition during the year	158.32	89.59
Deduction during the year	0.11	2.86
Accumulated depreciation as at the end of the year	624.77	535.26
Closing balance as at the end of the year	268.88	200.18
Depreciation charge for the year	89.58	78.55

### 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



## STANDALONE SCHEDULES

comprise of tax demands of ₹199.05 crores (Previous Year ₹ 334.05 crores) in respect of which the Bank is in appeal, and legal cases *sub judice* of ₹439.19 crores (Previous Year ₹ 399.34 crores). The Bank carries a provision of ₹11.92 crores (Previous Year ₹ 7.41 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, 2023, as well as March 31, 2022, 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, 2022, 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 ₹107.52 crores (Previous Year ₹107.41 crores).

The amount incurred towards CSR activities during the year and recognized in the statement of profit and loss amounted to ₹108.51 crores (Previous Year ₹108.69 crores), comprising the following:

(₹ in crores)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	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	108.51	-	108.51	108.69	-	108.69
<b>Total</b>	<b>108.51</b>	<b>-</b>	<b>108.51</b>	<b>108.69</b>	<b>-</b>	<b>108.69</b>

Details of Unspent amount pertaining to FY 2020-21 has been provided below

In case of S. 135(5) unspent amount					
Spent during	Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2021-22	₹26.00 crores	₹26.00 crores	₹26.00 crores	₹23.12 crores	₹2.87 crores
FY 2022-23	₹2.87 crores	-	₹2.87 crores	₹2.87 crores	-

### 15.7 Drawdown from Reserves

During the year ended March 31, 2023, and year ended March 31, 2022, the Bank did not draw down from the reserves.

### 15.8 Movement in depreciation of Fixed Assets

(₹ in crores)

Depreciation	March 31, 2023	March 31, 2022
<b>Premises</b>		
At the beginning of the year	131.28	117.93
Charge for the year	13.44	13.35
Deduction during the year	-	-
<b>Depreciation to date</b>	<b>144.72</b>	<b>131.28</b>
<b>Other Fixed Assets</b>		
At the beginning of the year	2,014.04	1,752.07
Charge for the year	360.00	307.86
Deduction during the year	102.12	45.89
<b>Depreciation to date</b>	<b>2,271.92</b>	<b>2,014.04</b>



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### 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, 2023, the Compensation Committee of the Bank has granted a total of 5,33,77,879 options that includes 48,090,073 options granted under ESOS 2020 and 52,87,806 options granted under ESOS 2018, as set out below:

#### ESOS 2020:

Sr. No	2022-2023			2021-2022	
	Date of grant	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	196.5	13,57,450	196.50
7	14-Sep-10	73,500	236.2	73,500	236.20
8	26-Oct-10	1,43,500	274.8	1,43,500	274.80
9	17-Jan-11	25,00,000	228.7	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	253.6	21,54,750	253.60
12	16-Aug-11	89,500	254.9	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	345.6	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	419.6	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	453.9	18,35,000	453.90
25	23-Sep-13	75,000	411.5	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



## STANDALONE SCHEDULES

Sr. No	Date of grant	2022-2023		2021-2022	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
28	25-Mar-14	1,76,500	490.3	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	551.1	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	876.8	48,000	876.80
35	30-Mar-15	11,000	880.75	11,000	880.75
36	22-May-15	52,600	848.2	52,600	848.20
37	24-Jul-15	16,30,000	949.8	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	1053.75	13,500	1,053.75
42	11-Jul-16	25,000	1126.7	25,000	1,126.70
43	23-Aug-16	2,76,000	1186.75	2,76,000	1,186.75
44	10-Oct-16	18,51,000	1220.85	18,51,000	1,220.85
45	16-Nov-16	33,500	1093.1	33,500	1,093.10
46	27-Jan-17	21,500	1265.4	21,500	1,265.40
47	24-Mar-17	49,000	1383.9	49,000	1,383.90
48	19-Apr-17	16,000	1431.75	16,000	1,431.75
49	09-May-17	69,000	1424.85	69,000	1,424.85
50	19-Jun-17	38,500	1498.9	38,500	1,498.90
51	11-Jul-17	35,000	1560.35	35,000	1,560.35
52	12-Oct-17	69,000	1717.25	69,000	1,717.25
53	11-Jan-18	43,000	1734.1	43,000	1,734.10
54	27-Mar-18	15,23,000	1759.75	15,23,000	1,759.75
55	08-May-18	64,000	1889.8	64,000	1,889.80
56	28-Sep-18	1,09,000	1682	1,09,000	1,682.00
57	20-Mar-19	85,000	1725.2	85,000	1,725.20
58	22-May-19	10,44,500	1447.75	10,44,500	1,447.75
59	10-Oct-19	1,00,536	1308.65	1,00,536	1,308.65
60	14-Jan-20	3,40,000	1539.65	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	494.9	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	912.9	1,02,500	912.90
66	12-May-21	90,000	948.85	90,000	948.85
67	15-Sep-21	5,14,291	1036.6	5,14,291	1,036.60
68	18-Oct-21	1,76,500	1210	1,76,500	1,210.00
69	07-Jan-22	70,000	921.7	70,000	921.70
70	21-Feb-22	35,500	955.35	35,500	955.35
71	24-Mar-22	23,500	931.35	23,500	931.35
72	06-May-22	10,000	936.8	-	-
73	21-Jun-22	1,20,500	784.05	-	-
74	09-Jul-22	48,720	784.05	-	-
75	09-Sep-22	24,500	1108.3	-	-
76	23-Sep-22	1,50,000	1216.55	-	-
77	28-Oct-22	3,25,726	1142.5	-	-
78	14-Dec-22	34,000	1234.95	-	-
79	17-Jan-23	7,39,000	1239.25	-	-





## STANDALONE SCHEDULES

### ESOS 2018:

Sr. No	Date of grant	2022-23		2021-22	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
1.	04-Jul-19	30,01,266.00	688.00 – 1,864.00	30,01,266.00	688.00 – 1,864.00
2.	12-Jul-19	22,86,540.00	1,541.25	22,86,540.00	1,541.25

### 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 recognized 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 recognized 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	2022-23		2021-22	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	86,01,033	1,102.76	94,22,112	1,049.33
Granted during the year	14,52,446	1,157.78	9,09,791	1,046.83
Forfeited/ surrendered during the year	7,70,196	1,125.60	3,95,815	1,191.90
Exercised during the year	12,28,902	682.22	12,89,905	654.04
Expired during the year	2,07,835	1,065.71	45,150	864.77
Outstanding at the end of the year	78,46,546	1,177.55	86,01,033	1,101.09
Options exercisable at the end of the year	<b>54,41,194</b>	<b>1,264.43</b>	<b>60,68,109</b>	<b>1,228.69</b>

The weighted average market price of options exercised during the year is ₹1075.74 (Previous Year ₹971.07).

Stock option activity under ESOS 2018 is set out below

Particulars	2022-23		2021-22	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	39,34,331	1,517.36	46,62,023	1,519.63
Granted during the year	-	-	-	-
Forfeited/ surrendered during the year	7,66,236	1,518.77	7,24,736	1,534.97
Exercised during the year	3,133	703.55	959	668.00
Expired during the year	5,512	982.53	1,997	828.48
Outstanding at the end of the year	31,59,450	1,518.76	39,34,331	1,517.36
Options exercisable at the end of the year	<b>29,07,950</b>	<b>1,517.02</b>	<b>30,36,930</b>	<b>1,510.43</b>



## STANDALONE SCHEDULES

The weighted average market price of options exercised during the year is ₹1,131.32 (Previous Year ₹ 1,020.13).

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

### ESOS 2020:

Date of grant	2022-23			2021-22		
	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	-	-	453.90	-	-
29-Oct-13	-	-	-	-	-	-
29-Jan-14	389.85	-	-	389.85	-	-
29-Jan-14	-	-	-	-	-	-
25-Mar-14	490.30	-	-	490.30	17,000	-
15-May-14	537.05	-	-	537.05	1,360	0.12
02-Jun-14	533.95	-	-	533.95	3,19,980	0.17
09-Jul-14	-	-	-	-	-	-
13-Oct-14	623.25	-	-	623.25	5,905	0.54
17-Jan-15	831.85	-	-	831.85	12,580	0.80
30-Mar-15	880.75	-	-	880.75	2,680	0.01
22-May-15	848.20	1,700	0.14	848.20	3,350	0.65
24-Jul-15	949.80	1,57,280	0.31	949.80	3,98,760	0.86
21-Sep-15	918.65	0	0	918.65	5,360	0.98
04-Nov-15	911.85	5,380	0.60	911.85	7,690	1.30
12-Jan-16	886.75	3,40,000	0.79	886.75	6,70,000	1.29
12-May-16	1,053.75	2,720	1.12	1,053.75	2,720	2.12
11-Jul-16	1,126.70	3,015	0.79	1,126.70	11,500	0.92
23-Aug-16	1,186.75	1,62,500	0.92	1,186.75	1,89,500	1.73
10-Oct-16	1,220.85	14,76,248	0.92	1,220.85	17,33,000	1.61
16-Nov-16	1,093.10	4,440	1.28	1,093.10	4,440	2.12
27-Jan-17	1,265.40	12,550	1.3	1,265.40	12,550	2.04
24-Mar-17	1,383.90	44,330	1.34	1,383.90	44,330	2.04
19-Apr-17	1,431.75	12,010	1.42	1,431.75	12,010	2.15
09-May-17	1,424.85	53,000	1.45	1,424.85	69,000	2.12
19-Jun-17	1,498.90	32,750	1.58	1,498.90	32,750	2.38
11-Jul-17	1,560.35	15,000	1.62	1,560.35	15,000	2.29
12-Oct-17	1,717.25	45,000	1.55	1,717.25	65,000	2.55
11-Jan-18	1,734.10	35,000	1.80	1,734.10	35,000	2.80
27-Mar-18	1,759.75	10,45,070	1.90	1,759.75	11,33,070	2.91
08-May-18	1,889.80	40,500	2.12	1,889.80	42,500	3.12
28-Sep-18	1,682.00	66,000	2.51	1,682.00	66,000	3.51
20-Mar-19	1,725.20	40,000	2.983	1,725.20	55,000	3.98
22-May-19	1,447.75	8,06,900	2.92	1,447.75	8,70,120	4.06
10-Oct-19	1,308.65	84,202	3.54	1,308.65	86,702	4.54
14-Jan-20	1,539.65	20,000	3.80	1,539.65	20,000	4.80
24-Apr-20	409.95	8,350	2.95	409.95	11,910	5.17
19-May-20	376.75	83,300	5.14	376.75	2,66,660	5.54
07-Aug-20	494.90	3,79,525	4.65	494.90	4,97,765	5.52
14-Aug-20	518.75	7,22,750	4.56	518.75	9,33,050	5.45
30-Dec-20	912.90	36,850	4.84	912.90	82,500	5.76



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Date of grant	2022-23			2021-22		
	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)
12-May-21	948.85	43,000	5.13	948.85	72,000	6.12
15-Sep-21	1,036.60	4,34,871	5.46	1,036.60	4,86,791	6.47
18-Oct-21	1,210.00	1,22,500	5.6	1,210.00	1,76,500	6.57
07-Jan-22	921.70	52,360	5.84	921.70	70,000	6.79
21-Feb-22	955.35	35,500	5.91	955.35	35,500	6.91
24-Mar-22	931.35	23,500	5.99	931.35	23,500	7.00
06-May-22	936.8	10,000	6.11	-	-	-
21-Jun-22	784.05	1,20,500	6.24	-	-	-
09-Jul-22	784.05	48,720	6.29	-	-	-
09-Sep-22	1,108.3	21,000	6.46	-	-	-
23-Sep-22	1,216.55	1,50,000	6.48	-	-	-
28-Oct-22	1,142.5	3,17,725	6.59	-	-	-
14-Dec-22	1,234.95	34,000	6.72	-	-	-
17-Jan-23	1,239.25	6,96,500	6.81	-	-	-

### ESOS 2018:

Date of grant	2022-23			2021-22		
	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	16,97,464	1.32	668.00	21,66,367	2.21
	-1,864.00			-1,864.00		
12-Jul-19	1,541.25	14,61,986	3.78	1,541.25	17,67,964	4.71

### 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:

Particulars	2022-23	2021-22
Average dividend yield	0.69-1.00%	0.41-0.54%
Expected volatility	52.52-53.30%	46.53-55.65%
Risk free interest rates	6.94-7.24%	5.09-6.14%
Expected life of options (in years)	4.52	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. ESOPs granted from April 1, 2021 are valued at 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. ESOPs been 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, 2023 would have been higher by ₹8.82 crores with a consequent reduction in profit after tax.



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

Particulars	March 31, 2023	March 31, 2022
<b>Pro forma basis</b>		
Basic earnings per share ₹	95.23	59.40
Diluted earnings per share ₹	95.11	59.30

The weighted average fair value of options granted during the year 2022-23 is ₹570.80 (Previous Year ₹493.80).

### 15.10 Movement in provisions

Movement in provision for credit card and debit card reward points

(₹ in crores)

Particulars	2022-23	2021-22
Opening provision for Reward Points	70.86	57.69
Provision for Reward Points made during the year	43.83	42.92
Utilisation/ write back of provision for Reward Points	(45.01)	(29.75)
Closing provision for Reward Points	69.68	70.86

### 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.

(₹ in crores)

Particulars	2022-23	2021-22
Amount of land held under 'Non-Banking assets acquired in satisfaction of claim'	-	-
Provision held at the beginning of the year	-	173.79
Provision made during the year	-	100.00
Provision Reversed during the year	-	273.79
Provision held at the end of the year	-	-

### 15.12 Proposed Dividend

The Board of Directors, in their meeting held on April 24, 2023, have proposed a final dividend of ₹ 14 per equity share amounting to ₹1,086.25 crores. The proposal is subject to the approval of shareholders at the ensuing 29th Annual General Meeting and accordingly, this proposed dividend amounting to ₹1,086.25 crores are not recognized as a liability on March 31, 2023 and the same has not been considered as an appropriation from the Profit and Loss Account for the year ended March 31, 2023.

Dividend for the year ended March 31, 2022, paid during the year pursuant to the approval of the shareholders at the 28th Annual General Meeting, at the rate of ₹8.50 per equity share amounting to ₹658.88 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, 2023 (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, 2023, 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;



## STANDALONE SCHEDULES

- 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 Disclosure of Material Items

Details of expenditure in excess of 1% of total income and classified under "Other Expenditure" has been provided below. Further, details of Other assets in excess of 1% of total assets and classified under "Other Assets- Others" has been provided below.

(₹ in crores)

Particulars	March 31, 2023
<b>Other Expenditure in excess of 1% of total income.</b>	
Fees Paid For Business Partner	1,738.04
Service Provider Fees*	686.36
Business Origination Cost	463.02
<b>"Other Assets – Others" in excess of 1% of total Asset.</b>	
RIDF Deposit	7,057.34
MTM Receivable on Derivative Contracts	7,271.00
<b>"Other Liabilities – Others" in excess of 1% of total Asset.</b>	
MTM Payable on Derivatives Contracts	5,532.44

\*Service provider fees mentioned in the above table pertain to Fees paid by Consumer Finance Division.

## 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, 2023	March 31, 2022
<b>Changes in the present value of the obligation</b>		
1. Opening balance of Present Value of Obligation	168.81	159.54
2. Interest Cost	10.54	9.95
3. Current Service Cost	21.27	20.02
4. Benefits Paid	(39.50)	(24.58)
5. Actuarial loss/ (gain) on Obligation	29.28	3.90
6. Acquisition/Business Combination/Divestiture	3.98	-
7. Closing balance of Present Value of Obligation	194.38	168.81
<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	176.78	160.72
2. Adjustment to Opening Balance	0.51	(1.89)
3. Expected Return on Plan assets	12.46	11.67
4. Expenses	-	(0.52)
5. Contributions	41.77	34.56
6. Benefits Paid	(39.50)	(24.58)
7. Actuarial gain/ (loss) on Plan Assets	(5.87)	(3.18)
8. Closing balance of Fair Value of Plan Assets	186.15	176.78
<b>Profit and Loss – Expenses</b>		
1. Current Service Cost	21.27	20.02
2. Interest Cost	10.54	9.95
3. Expected Return on Plan assets	(12.46)	(11.67)
4. Expenses	-	0.52
5. Net Actuarial loss recognized in the year	35.15	7.08



## STANDALONE SCHEDULES

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
6. Expenses recognized in the Profit and Loss account	54.51	25.88
<b>Funded status</b>	100% insurance managed funds	100% insurance managed funds
<b>Actuarial Assumptions</b>		
1. Discount Rate	7.39 – 7.44%	6.90 – 7.30%
2. Expected Rate of Return on Plan Assets	6.69 – 8.00%	6.77 – 8.00%
3. Expected Rate of Salary Increase	5.00%	5.00%
4. Employee Attrition Rate		
- Past Service 0 to 5 years	35.00%	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, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	194.38	168.81	159.54	139.41	110.52
Plan Assets	186.15	177.30	160.72	147.05	116.97
Surplus/ (Deficit)	(8.25)	7.97	1.18	7.64	6.45
Experience Adjustments on Plan Liabilities	(29.28)	(3.90)	(6.12)	(11.71)	(8.22)
Experience Adjustments on Plan Assets	(5.87)	(3.18)	1.27	(2.86)	(1.85)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹48 crores (Previous Year ₹30 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, 2023	March 31, 2022
Total actuarial liability	96.52	101.76
Total expense included in Schedule 16(I)	1.22	22.27
<b>Assumptions</b>		
Discount Rate	7.39% - 7.44%	7.30%
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, 2023	March 31, 2022
Assets/ liabilities		
Present value of Interest Rate guarantee on Provident Fund	9.79	0.22
Present value of Total Obligation	334.38	287.10
Fair value of Plan Assets	339.03	298.32
Net asset/ (liability) recognized in the Balance Sheet	4.65	11.22
<b>Assumptions</b>		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.15%	8.10%
Discount rate	7.41 - 7.44%	7.45 - 8.48%



## STANDALONE SCHEDULES

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Expected average remaining working lives of employees (years)	7.98 – 8.60	6.75 – 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 ₹4.37 crores (Previous Year ₹3.34 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.

(₹ in crores)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue	6,179.01	6,930.65	12,379.44	8,737.08	28,222.29	24,301.86	74.00	115.46	46,854.74	40,085.05
Inter Segment Revenue									(2,320.46)	(1,928.41)
Total Income									44,534.28	38,156.64
Result	766.88	1,328.41	4,554.16	3,259.56	9,371.90	8,465.47	26.98	43.52	14,719.92	13,096.96
Unallocated Expenses									(373.44)	(321.21)
Operating Profit									14,346.48	12,775.75
Provisions and Contingencies (Other than tax)									(4,486.83)	(6,602.10)
Tax Expenses									(2,469.93)	(1,562.53)
Extraordinary profit/ loss									-	-
Net Profit									7,389.72	4,611.12
Other Information:										
Segment Assets	96,656.39	87,232.82	1,27,52,955	1,13,879.70	2,14,817.42	1,87,652.44	-	-	4,39,003.36	3,88,764.96
Digital Banking*					6,336.48					
Other Retail Banking*					2,08,480.94					
Unallocated Assets									18,800.69	13,209.62
Total Assets									4,57,804.05	4,01,974.58
Segment Liabilities	49,491.30	48,053.93	1,15,167.14	99,645.75	2,23,765.78	1,95,460.15	-	-	3,88,424.22	3,43,15,983
Digital Banking*					24,946.69					
Other Retail Banking*					1,98,819.09					
Unallocated Liabilities									69,379.83	58,814.75
Total Liabilities									4,57,804.05	4,01,974.58



## STANDALONE SCHEDULES

**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.

\* RBI's Master Direction on Financial Statements – Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking and (b) Other Retail Banking segment. Accordingly, Retail banking Revenue and Results includes income from digital banking amounting to ₹511.84 crore and ₹176.53 crore respectively for the quarter ended March 2023.

### 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, 2023:

#### 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	-	-	-	-	10.37 (13.21)	<b>10.37</b> <b>(13.21)</b>
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	-	-	-	-	1.33	<b>1.33</b>
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.





## STANDALONE SCHEDULES

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, 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**

(₹ 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	<b>11.46</b>
					(14.33)	<b>(14.33)</b>
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	<b>0.60</b>
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.



## STANDALONE SCHEDULES

### 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:

Particulars	(₹ in crores)	
	March 31, 2023	March 31, 2022
Future lease rentals payable as at the end of the year:		
- Not later than one year	421.32	390.33
- Later than one year but not later than five years	1,229.57	1,048.31
- Later than five years	417.18	379.26
Total of minimum lease payments recognized in the Profit and Loss Account for the year	461.05	378.41
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, 2023	March 31, 2022
Net Profit after tax (₹ in crores)	7,389.72	4,611.12
Basic weighted average number of equity shares	77,52,48,354	77,40,94,014
Diluted weighted average number of equity shares	77,62,55,183	77,53,72,364
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	95.32	59.57
Diluted Earnings per Share (₹)	95.20	59.47

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:

Particulars	(₹ in crores)			
	March 31, 2023 Deferred Tax		March 31, 2022 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	11.24	-	2.33	-
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1) (vii) of the Income Tax Act, 1961	1,318.16	-	1,390.89	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	398.53	-	364.80
Others	791.71	-	832.07	-
<b>Sub-total</b>	<b>2,121.11</b>	<b>398.53</b>	<b>2,225.29</b>	<b>364.80</b>
<b>Net Deferred Tax Asset (included in Sch. 11 – Others)</b>	<b>1,722.58</b>		<b>1,860.49</b>	



## STANDALONE SCHEDULES

17. Previous Year's figures have been regrouped/ reclassified wherever necessary.

As per our report of even date attached.

FOR INDUSIND BANK LTD

**For M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**per Tushar Kurani**

Partner

Membership No: 118580

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

**Sunil Mehta**

Chairman

DIN: 00065343

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director & CEO

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023



# 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, 2023, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by Section 29 of the Banking Regulation Act, 1949, as well as the Companies Act, 2013 (the 'Act') and circulars and guidelines issued by the Reserve Bank of India, 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, including the Accounting Standards prescribed under section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 as amended to the extent applicable, of the consolidated

state of affairs of the Group and its Associate as at March 31, 2023, and its consolidated profit, and its consolidated cash flows for the year then ended.

#### 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group and its Associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Year ended March 31, 2023. 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 (Risk)	How Was the Key Audit Matter Addressed in the Audit
<b>Identification, Classification, Provisioning and Write off of Advances</b>	
Total Loans and Advances (Net of Provision) as at 31 March 2023 – ₹2,89,92,36,827 (in 000')	
Provision for NPA as at 31 March 2023 – ₹4,11,13,036 (in 000')	
<b>(Refer Schedule 5, Schedule 9 and Schedule 17(7) to the consolidated financial statements)</b>	
The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification and provisioning pertaining to advances ("IRAC norms") prescribe the prudential guidelines for identification and classification of Non performing Assets (NPA) and the minimum provision required for such assets from time to time and other relevant circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2023 to classify its advances into performing and non performing advances and make appropriate provisions thereon.	Our audit procedures included, but were not limited to the following: <ul style="list-style-type: none"> <li>• Obtained an Understanding of, evaluated and tested the design and operating effectiveness of key controls (including application controls) around identification of NPA based on the extant IRAC norms on a test check basis;</li> <li>• Verified loans on sample basis to form our own assessment as to whether impact of days past due have been recognized in a timely manner by the Bank as per RBI Guidelines;</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 (of borrowers) comments on the financial statements, valuation of underlying security and collaterals, as obtained by the Bank for estimation of recoverable amounts on default and other sources of repayment;</li> </ul>
The Bank, as per its governing framework, made the performing and NPA provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under the relevant RBI guidelines. Additionally, the Bank makes provisions on exposures that are not classified as NPA including advances to certain sectors and identified advances or group advances. These are classified as contingency provisions.	



Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
<p>Since; 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 and given its significance to the overall audit of Financial Statements, we have ascertained the Identification, Classification, Provisioning and Write off of Advances is a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Obtained the Board approved note for advances written off during the year and perused the write off policy duly approved by the Board as per IRAC guidelines for NPA identification and provision.</li> <li>• Obtained understanding of Credit monitoring process including the governing framework and policy guidelines on “Loan Frauds &amp; Red Flagged Accounts”</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 samples for both 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). Reviewed the Bank’s risk grading of the loan, and assessment of loan recoverability and the impact on the credit provision using the information on the Borrowers loan file, discussed the case with the concerned officials and senior management to verify the assessment and provisioning done by the Bank</li> </ul> <p><b>Provisions for advances:</b></p> <ul style="list-style-type: none"> <li>• Understood the Bank’s processes and perused the policies for determining provisions on advances in compliance with IRAC norms including provisioning for advances covered under Resolution Framework, stressed sectors, date of commencement of commercial operations (DCCO), etc.</li> <li>• Verified provision for fraud accounts as at March 31, 2023 as per the RBI circular;</li> <li>• Reperformed, on sample basis for both corporate and retail loans, the Days Past Due for loan accounts including their classification and provisioning, to determine the accuracy of the same (Collective for standard portfolio and case specific for non-performing portfolio);</li> <li>• Perused the submissions to the Board of Directors for the NPA Provisioning made as at March 31, 2023; and</li> <li>• Assessed the appropriateness, accuracy and adequacy of the related presentation and disclosures in accordance with the applicable accounting standards and requirements of RBI with respect to NPAs.</li> </ul>

Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
<p><b>Information Technology (IT) Systems and 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.</p> <p>All these applications are not fully customized to take care off all user’s requirement. 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>Our Audit procedures with respect to this matter included:</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 (Risk)	How Was the Key Audit Matter Addressed in the Audit
<p>The Bank has a process for identifying the applications where the controls are embedded. 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 systems and controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, high level of automation, significant number of systems being used, 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 systems and controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for financial accounting &amp; reporting.</p>	<p>We gathered an understanding of IT applications landscape implemented at the Bank during the year. 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, end of day operations, various submission made to the regulators under risk based supervision.</p> <p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system functionality. 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 reperformance. We also tested few controls using negative testing technique.</p> <p>Verified compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant, changes made to the IT landscape during the audit period.</p>

Key Audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
Valuation of Derivatives	
Particulars	As at March 31, 2023
Notional amounts	₹11,85,63,09,825 (Amount in 000')
Refer Schedule 12(III), 12(IV), 17(6)	
<p>Derivatives are valued through models with external inputs. The derivatives portfolio of the Bank primarily includes transactions which are carried out on behalf of its clients (and are covered on a back-to-back basis) and transactions to hedge the Bank's interest and foreign currency risk.</p> <p>A significant degree of management judgment is involved in the application of valuation techniques through which the value of the Bank's derivatives is determined. The financial statement risk arises particularly with respect to complex valuation models, valuation parameters, and inputs that are used in determining fair values.</p> <p>Considering the significance of the above matter to the financial statements and significant management estimates and judgments, we have identified this as a key audit matter for current year audit.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <p>Obtained an understanding of, evaluated and tested the design, and tested the operating effectiveness of the key controls over the valuation processes on a test check basis, including:</p> <ul style="list-style-type: none"> <li>• Price verification performed by a management and model governance and validation.</li> <li>• For selected samples, involved valuation specialists to gain an understanding of the valuation of derivatives and evaluated significant models and methodologies used in valuation, to ensure compliance with the relevant RBI regulations, reasonableness of the valuation methodology and the inputs used.</li> </ul>

### Information other than the consolidated financial statements and Auditor's Report thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the Pillar 3 Disclosures under the New Capital Adequacy Framework (Basel III disclosures), which we obtained prior to the date of this auditor's report, and Director's Report including Annexures to Director's Report which is part of the Annual report (collectively called as "Other Information") but does not include the consolidated financial statements and our auditor's report thereon. The Annual report 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 under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Bank's management and Board of Directors are 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 Companies Accounting Standard Rules 2021, as amended, 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation and presentation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

In preparing the consolidated financial statements, the respective management and 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 also responsible for overseeing the financial reporting process of the Group and of its Associate.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in

accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank, its Subsidiary company and Associate company, which are companies incorporated in India, have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- a. The audit of consolidated financial statements for the year ended March 31, 2022 was conducted by one of the joint statutory auditors of the Bank, who expressed an unmodified opinion on those financial statements vide their report dated April 29, 2022.

Our opinion on the consolidated financial statement is not modified in respect of the above matter.

- b. We did not audit the financial statements of one Subsidiary whose financial statements reflect Group's share of total assets of ₹1,19,18,021 thousand as at March 31, 2023, Group's share of total revenues of ₹1,73,55,305 thousand and Group's share of net cash outflows of ₹5,85,300 thousand for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹3,636 thousand for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Subsidiary and Associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiary and Associate, is based solely on the reports of the other auditors.

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 auditors and the financial statements/ financial information certified by the management.

### 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 auditors on separate financial statements and the other financial information of the Subsidiary and Associate, 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 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 Companies Accounting Standard Rules, 2021, as amended, 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, 2023 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, 2023 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 matters 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, the Bank is a banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply 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 and based on our audit and on the consideration of report of the other auditors on separate financial statements of the Subsidiary company and Associate company as noted in the 'Other Matters' paragraph:
- 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 Schedule 18(3) 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 Schedule 18(4) 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 during the financial year ended March 31, 2023;
- 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 other auditors 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 Schedule 18 (10.4(1)), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group and its Associate, to or in any other persons or entity, ("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;
- (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 the other auditors 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 Schedule 18 (10.4(2)), no funds have been received by the Group, its Associate, from any persons or entities, 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;
- (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, and consideration of report of the other auditors 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 (a) and (b) above, contain any material misstatement.
- v. On the basis of our verification and on consideration of the reports of the statutory auditors of Subsidiary company and Associate company that are Indian companies under the Act, we report that:
- 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 neither declared nor paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023; and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.

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

Chartered Accountants  
ICAI Firm Registration No.101851W

**Anagha Thatte**

Partner  
Membership No. 105525  
UDIN: 23105525BGVABD4629

Place: Mumbai  
Date: April 24, 2023

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Tushar Kurani**

Partner  
Membership No. 118580  
UDIN: 23118580BGXRPM3200

Place: Mumbai  
Date: April 24, 2023



## ANNEXURE A TO THE 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, 2023]**

### **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 the Bank as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of IndusInd Bank Limited (hereinafter referred to as "Bank"), its subsidiary company (the Bank and its subsidiary together referred to as "the Group") 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 consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI") (the "Guidance Note"). 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 companies' 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 Companies Act, 2013 ("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 ("the Standards"), issued by the ICAI and deemed to be, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements of the Bank, its subsidiary company and its associate company.

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

A Bank's internal financial control with reference to consolidated 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 Bank's internal financial control with reference to consolidated 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 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 unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to consolidated 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, the Bank, its subsidiary company and its associate company which are companies incorporated in



India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

### Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the Bank's subsidiary company and associate company which are companies incorporated in India, is based on the corresponding reports of the other auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

### For M.P. Chitale & Co.

Chartered Accountants  
ICAI Firm Registration No.101851W

### Anagha Thatte

Partner  
Membership No. 105525  
UDIN: 23105525BGVABD4629

Place: Mumbai  
Date: April 24, 2023

### For M S K A & Associates

Chartered Accountants  
ICAI Firm Registration No. 105047W

### Tushar Kurani

Partner  
Membership No. 118580  
UDIN: 23118580BGXRPM3200

Place: Mumbai  
Date: April 24, 2023



# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

₹ in '000s

	Schedule	As at 31.03.2023	As at 31.03.2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	775,89,52	774,66,32
Employee Stock Options Outstanding	18(Note 8.2)	44,32,29	16,07,02
Reserves and Surplus	2	54184,39,53	47235,65,08
Deposits	3	336120,19,13	293349,46,95
Borrowings	4	49011,23,42	47323,22,31
Other Liabilities and Provisions	5	17700,59,41	13268,29,88
<b>Total</b>		<b>457836,63,30</b>	<b>401967,37,56</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	42974,82,71	60198,19,33
Balances with Banks and Money at Call and Short Notice	7	13801,93,44	8386,51,45
Investments	8	83075,68,42	70929,89,42
Advances	9	289923,68,27	239051,53,46
Fixed Assets	10	2078,92,79	1928,75,16
Other Assets	11	25981,57,67	21472,48,74
<b>Total</b>		<b>457836,63,30</b>	<b>401967,37,56</b>
Contingent Liabilities	12	1264262,58,16	923786,00,03
Bills for Collection		33751,82,65	29654,24,56
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 and on behalf of Board of Directors

**For M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**per Tushar Kurani**

Partner

Membership No: 118580

**Sunil Mehta**

Chairman

DIN: 00065343

**Sumant Kathpalia**

Managing Director & CEO

DIN: 01054434

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

Chartered Accountants

Firm Registration No: 101851W

**Sanjay Asher**

Director

DIN: 00008221

**Bhavna Doshi**

Director

DIN: 00400508

**per Anagha Thatte**

Partner

Membership No: 105525

**Gobind Jain**

Chief Financial Officer

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023**

₹ in '000s

	Schedule	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>I. INCOME</b>			
Interest earned	13	36367,92,05	30822,44,23
Other income	14	8172,77,05	7344,78,37
	<b>Total</b>	<b>44540,69,10</b>	<b>38167,22,60</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	18775,79,67	15821,59,78
Operating expenses	16	11345,86,70	9310,70,57
Provisions and contingencies	18(Note 10.1)	6975,89,31	8230,28,28
	<b>Total</b>	<b>37097,55,68</b>	<b>33362,58,63</b>
<b>III. PROFIT</b>			
Net Profit for the year		7443,13,42	4804,63,97
Add : Share in profit/ (loss) of Associate		36,36	39,83
Profit brought forward		19252,30,56	16063,84,91
	<b>Total</b>	<b>26695,80,34</b>	<b>20868,88,71</b>
<b>IV. APPROPRIATIONS</b>			
a) Transfer to statutory reserve		1847,42,79	1152,78,08
b) Transfer to capital reserve		10,18,89	76,80,62
c) Transfer to investment fluctuation reserve account		3,00,00	-
d) Dividend paid		658,88,53	386,99,45
		<b>2519,50,21</b>	<b>1616,58,15</b>
Balance carried over to the Balance Sheet		24176,30,13	19252,30,56
	<b>Total</b>	<b>26695,80,34</b>	<b>20868,88,71</b>
<b>V. EARNINGS PER EQUITY SHARE</b>			
(Face value of ₹10/- per share)			
Basic (₹)	18(Note 9.5)	96.01	62.07
Diluted (₹)	18(Note 9.5)	95.89	61.97
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.

As per our report of even date.

For and on behalf of Board of Directors

**For M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**per Tushar Kurani**

Partner

Membership No: 118580

**Sunil Mehta**

Chairman

DIN: 00065343

**Sumant Kathpalia**

Managing Director & CEO

DIN: 01054434

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

Chartered Accountants

Firm Registration No: 101851W

**Sanjay Asher**

Director

DIN: 00008221

**Bhavna Doshi**

Director

DIN: 00400508

**per Anagha Thatte**

Partner

Membership No: 105525

**Gobind Jain**

Chief Financial Officer

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

₹ in '000s

	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before taxation</b>	<b>9932,19,36</b>	<b>6432,81,97</b>
<b>Adjustments for :</b>		
Depreciation on Fixed assets	407,20,62	352,02,35
Depreciation on Investments	381,99,28	366,40,17
Employees Stock Option expenses	2825,27	1231,45
Loan Loss and Other Provisions	4185,43,49	6298,54,78
Amortization of premium on HTM investments	402,15,11	375,85,43
Dividend from subsidiary	-	-
(Profit)/ Loss on sale of fixed assets	2,77,86	1,13,03
Share in current period profit of Associate	36,36	39,84
<b>Operating Profit before Working Capital changes</b>	<b>15,34,03,735</b>	<b>13839,49,02</b>
<b>Adjustments for :</b>		
(Increase) in Advances	(55,05,75,830)	(32754,67,39)
(Increase) in Investments	(12,92,99,339)	(2018,72,58)
(Increase)/ Decrease in Other Assets	(5,80,24,502)	1255,85,50
Increase in Deposits	42,77,07,218	37479,36,53
Increase in Other Liabilities	4,43,22,953	1058,56,53
<b>Cash generated from Operations</b>	<b>(11,24,65,765)</b>	<b>18859,87,61</b>
Direct Taxes paid (net of refunds)	(1195,69,85)	(2187,68,85)
<b>Net Cash generated from Operating Activities</b>	<b>(12442,27,50)</b>	<b>16672,18,76</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including WIP)	(571,09,45)	(414,29,92)
Proceeds from sale of Fixed Assets	10,93,34	8,13,84
Dividend from subsidiary	-	-
<b>Net Cash used in Investing Activities</b>	<b>(560,16,11)</b>	<b>(406,16,08)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

₹ in '000s

	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares (net of issue expenses)	85,70,80	84,42,85
Redemption of Long Term Infrastructure Bonds	-	(50,00,000.00)
Dividends paid	(658,88,53)	(38,69,945.00)
Redemption of Perpetual Debt instruments	(1000,00,00)	(1,00,00,000.00)
Proceeds from issue of Sub-ordinated Tier II capital	-	2,80,00,000.00
Decrease in Borrowings	2688,01,11	(5299,58,87)
<b>Net Cash used in Financing Activities</b>	<b>1114,83,38</b>	<b>(4302,15,47)</b>
Effect of foreign currency translation reserve	7965,60	10,94,68
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(11,80,79,463)</b>	<b>11974,81,89</b>
Cash and Cash Equivalents at the beginning of the year	68584,70,78	56609,88,89
<b>Cash and Cash Equivalents at the end of the year</b>	<b>56776,76,15</b>	<b>68584,70,78</b>

**Notes:**

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

As per our report of even date.

**For M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**per Tushar Kurani**

Partner

Membership No: 118580

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

**For and on behalf of Board of Directors****Sunil Mehta**

Chairman

DIN: 00065343

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director &amp; CEO

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## Schedule - 1 Capital

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>Authorized Capital</b>		
1,00,00,00,000 (Previous Year 1,00,00,00,000) equity shares of ₹10 each	1000,00,00	1000,00,00
<b>Issued, Subscribed and Called Up Capital</b>		
77,58,95,198 Previous Year (77,46,63,163) equity shares of ₹10 each	775,89,52	774,66,32
<b>Paid up Capital</b>		
77,58,95,198 Previous Year (77,46,63,163) equity shares of ₹10 each [Refer Schedule 18 (Note 1.1)]	775,89,52	774,66,32
<b>Total</b>	<b>775,89,52</b>	<b>774,66,32</b>

## Schedule - 2 Reserves and Surplus

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Statutory Reserve</b>		
Opening balance	8140,10,03	6987,31,95
Additions during the year	1847,42,79	1152,78,08
	<b>9987,52,82</b>	<b>8140,10,03</b>
<b>II Share Premium Account</b>		
Opening balance	18444,02,46	18359,23,70
Additions during the year [Refer Schedule 18(Note 1)]	84,47,60	84,78,76
Less: Share issue expenses	-	-
	<b>18528,50,06</b>	<b>18444,02,46</b>
<b>III Revaluation Reserve</b>		
Opening balance	307,63,35	313,60,62
Addition during the year	-	-
Transfer to General Reserve	(5,97,27)	(5,97,27)
	<b>301,66,08</b>	<b>307,63,35</b>
<b>IV Foreign Currency Translation Reserve</b>		
Opening balance	35,15,19	24,20,51
Additions during the year	79,65,60	10,94,68
	<b>114,80,79</b>	<b>3515,19</b>
<b>V Revenue &amp; Other Reserve</b>		
<b>(a) General Reserve</b>		
Opening balance	20,27,38	14,30,11
Transfer from Revaluation Reserve	5,97,27	5,97,27
	<b>26,24,65</b>	<b>20,27,38</b>
<b>(b) Capital Reserve</b>		
Opening balance	633,84,77	557,04,15
Additions during the year	10,18,89	7,68,062.00
	<b>644,03,66</b>	<b>633,84,77</b>
<b>Capital Reserve on Consolidation</b>		
Opening balance	35	35
Additions during the year	-	-
	<b>35</b>	<b>35</b>
<b>(c) Investment Fluctuation Reserve</b>		
Opening balance	351,68,08	351,68,08
Additions during the year	3,00,00	-
	<b>354,68,08</b>	<b>351,68,08</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>(d) 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>1075,59,65</b>	<b>1056,43,49</b>
<b>VI Balance in the Profit and Loss Account</b>	<b>24176,30,13</b>	<b>19252,30,56</b>
<b>Total</b>	<b>54184,39,53</b>	<b>47235,65,08</b>

## Schedule - 3 Deposits

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>A I Demand Deposits</b>		
i) From banks	1773,95,32	638,76,01
ii) From others	48826,01,62	35868,30,79
<b>II Savings Bank Deposits</b>	84128,39,32	88825,56,41
<b>III Term Deposits</b>		
i) From banks	20586,75,64	9341,01,50
ii) From others	180805,07,23	158675,82,24
<b>Total</b>	<b>336120,19,13</b>	<b>293349,46,95</b>
<b>B Deposits of Branches</b>		
I In India	328583,72,54	291140,52,47
II Outside India	7536,46,59	2208,94,48
<b>Total</b>	<b>336120,19,13</b>	<b>293349,46,95</b>

## Schedule - 4 Borrowings

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other banks	-	-
iii) Other institutions and agencies	27953,09,00	24650,22,00
iv) Borrowing in form of bonds and debentures (excluding subordinated Debt)	1500,00,00	1500,00,00
v) Capital Instruments		
a) Unsecured non-convertible perpetual non-cumulative bonds (Subordinated additional tier 1 capital)	1489,90,00	2489,90,00
b) Unsecured non-convertible redeemable debentures/bonds (Subordinated debt tier 2 bond)"	2800,00,00	2800,00,00
<b>II Borrowings outside India</b>	15268,24,42	15883,10,31
<b>Total</b>	<b>49011,23,42</b>	<b>47323,22,31</b>

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## Schedule - 5 Other Liabilities and Provisions

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
I Bills payable	1144,56,52	844,24,47
II Inter-office adjustments (net)	-	-
III Interest accrued	1830,29,44	1311,01,90
IV Others	14725,73,45	11113,03,51
<b>Total</b>	<b>17700,59,41</b>	<b>13268,29,88</b>

## Schedule - 6 Cash and Balances with Reserve Bank of India

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Cash in hand (including foreign currency notes)</b>	1239,30,33	1326,71,30
<b>II Balances with Reserve Bank of India</b>		
i) In Current Account	15785,52,38	14371,48,03
ii) In Other Accounts	25950,00,00	44500,00,00
<b>Total</b>	<b>42974,82,71</b>	<b>60198,19,33</b>

## Schedule - 7 Balances with Banks and Money at Call and Short Notice

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I In India</b>		
i) Balances with Banks		
a) In Current Accounts	503,97,56	481,00,85
b) In Other Deposit Accounts	-	25,73
ii) Money at Call and Short Notice		
a) with Banks	-	-
b) with other institution	4204,55,70	-
<b>Total</b>	<b>4708,53,26</b>	<b>481,26,58</b>
<b>II Outside India</b>		
i) In Current Accounts	2684,14,18	3736,66,12
ii) In Other Deposit Accounts	3656,56,50	3221,18,12
iii) Money at call and short notice	2752,69,50	947,40,63
<b>Total</b>	<b>9093,40,18</b>	<b>7905,24,87</b>
<b>Grand Total</b>	<b>13801,93,44</b>	<b>8386,51,45</b>

## Schedule - 8 Investments

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I In India</b>		
Gross Value	84140,29,86	71735,46,91
Less : Aggregate of provision/ depreciation	1323,09,97	1070,73,07
<b>Net value of Investments in India</b>	<b>82817,19,89</b>	<b>70664,73,84</b>
Comprising :		
i) Government securities*	76511,68,06	66683,97,74
ii) Other approved securities	-	-
iii) Shares	634,97,02	846,62,78
iv) Debentures and bonds	58,84,37	255,31,52
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	5608,51,73	2875,99,45
vii) Associate <sup>(1)</sup>	3,18,71	2,82,35



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>II Outside India</b>		
Gross Value	258,48,53	265,15,58
Less : Aggregate of provision/ depreciation	-	-
<b>Net value of Investments outside India</b>	<b>258,48,53</b>	<b>265,15,58</b>
Comprising :		
i) Government securities	81,38,14	265,15,58
ii) Debentures and bonds	177,10,38	-
iii) Others	-	-
<b>Total</b>	<b>83075,68,42</b>	<b>70929,89,42</b>
<b>III Investment in India</b>		
i) Gross value of investments	84140,29,86	71735,46,91
ii) Aggregate of provision for depreciation	1323,09,97	1070,73,07
iii) Net investments (i-ii)	82817,19,89	70664,73,84
<b>IV Investment outside India</b>		
i) Gross value of investments	258,48,53	265,15,58
ii) Aggregate of provision for depreciation	-	-
iii) Net investments (i-ii)	258,48,53	265,15,58
<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)	3,18,06	2,81,70
Less : Share of Unrealized Profit in Associate	-	-
<b>Total</b>	<b>3,18,71</b>	<b>2,82,35</b>

## Schedule - 9 Advances

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>A</b>		
i) Bills purchased and discounted	11210,95,47	10127,87,39
ii) Cash credits, overdrafts and loans repayable on demand	74732,64,96	62999,84,76
iii) Term loans	203980,07,84	165923,81,31
<b>Total</b>	<b>289923,68,27</b>	<b>239051,53,46</b>
<b>B</b>		
i) Secured by tangible assets	191609,59,60	156340,14,47
ii) Covered by Bank/ Government Guarantees (including advances against L/Cs issued by Banks)	3594,83,81	6374,78,35
iii) Unsecured	94719,24,86	76336,60,64
<b>Total</b>	<b>289923,68,27</b>	<b>239051,53,46</b>
<b>C</b>		
<b>I Advances in India</b>		
i) Priority Sector	94,39,82,855	90375,92,97
ii) Public Sector	10,13,44,031	8946,12,63
iii) Banks	1,27,90,819	251,92,45
iv) Others	1,77,04,93,016	132238,55,00
<b>Total Advances in India</b>	<b>282861,07,21</b>	<b>231812,53,05</b>
<b>II Advances outside India</b>		
i) Due from banks	-	265,16,84
ii) Due from others	7062,61,06	6973,83,57
(a) Bills purchased and discounted	1778,25,62	1408,44,37
(b) Syndicated loans	1758,26,88	-
(c) Others	3526,08,56	5565,39,20
<b>Total Advances outside India</b>	<b>7062,61,06</b>	<b>7239,00,41</b>
<b>Total</b>	<b>289923,68,27</b>	<b>239051,53,46</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## Schedule - 10 Fixed Assets

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
<b>I Premises</b>		
i) At cost as on 31st March of the preceding year	869,98,25	869,98,25
ii) Additions during the year	-	-
	<b>869,98,25</b>	<b>869,98,25</b>
iii) Less : Deductions during the year	-	-
iv) Less : Depreciation to date [Refer Schedule 18(Note 2.3)]	144,72,05	131,27,51
<b>Total</b>	<b>725,26,20</b>	<b>738,70,74</b>
<b>II Other Fixed Assets (including furniture and fixtures)</b>		
i) At cost as on 31st March of the preceding year	3242,44,52	2908,47,13
ii) Additions during the year	529,68,40	395,00,36
	<b>3772,12,92</b>	<b>3303,47,49</b>
iii) Less : Deductions during the year	119,38,30	61,02,08
iv) Less : Depreciation to date [Refer Schedule 18(Note 2.3)]	2434,50,56	2146,93,54
<b>Total</b>	<b>1218,24,06</b>	<b>1095,51,87</b>
<b>III Capital Work in Progress (net of provision)</b>	135,42,53	94,52,55
<b>Grand Total</b>	<b>2078,92,79</b>	<b>1928,75,16</b>

## Schedule - 11 Other Assets

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
I Interest accrued	2394,99,41	2016,58,78
II Tax paid in advance/ tax deducted at source	239,54,96	1264,29,26
III Stationery and stamps	71,58	49,26
IV Non-banking assets acquired in satisfaction of claims	63,96,57	63,96,57
V Others [Refer Schedule 18(Note 9.6)]	23282,35,15	18127,14,87
<b>Total</b>	<b>25981,57,67</b>	<b>21472,48,74</b>

## Schedule - 12 Contingent Liabilities

₹ in '000s

	As at 31.03.2023	As at 31.03.2022
I Claims against the bank not acknowledged as debts	638,24,48	733,37,97
II Liability for partly paid investments	-	-
III Liability on account of outstanding forward exchange contracts	536483,05,13	411634,15,77
IV Liability on account of outstanding Derivative Contracts	649147,93,12	427189,17,47
V Guarantees given on behalf of constituents		
- In India	60939,83,57	61109,94,48
- Outside India	-	308,09,65
VI Acceptances, Endorsements and Other Obligations	16471,09,96	22714,03,91
VII Other Items for which the bank is contingently liable	582,41,90	97,20,78
<b>Total</b>	<b>1264262,58,16</b>	<b>923786,00,03</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## Schedule - 13 Interest Earned

₹ in '000s

	Year ended 31.03.2023	Year ended 31.03.2022
I Interest/ discount on advances/ bills	29944,51,82	25143,43,83
II Income on investments	4691,63,08	4052,87,81
III Interest on balances with Reserve Bank of India and other inter-bank funds	1442,29,29	1288,36,19
IV Others	289,47,86	337,76,40
<b>Total</b>	<b>36367,92,05</b>	<b>30822,44,23</b>

## Schedule - 14 Other Income

₹ in '000s

	Year ended 31.03.2023	Year ended 31.03.2022
I Commission, exchange and brokerage	5646,14,65	4509,28,60
II Profit on sale of investments (net)	65,37,87	593,15,87
III Loss on revaluation of investments	(82,00,59)	(62,84,66)
IV Profit/ (Loss) on sale of land, buildings and Other assets (net)	(2,77,86)	(1,13,03)
V Profit on exchange transactions/ derivatives (net)	1793,44,53	1730,84,39
VII Miscellaneous income	752,58,45	575,47,20
<b>Total</b>	<b>8172,77,05</b>	<b>7344,78,37</b>

## Schedule - 15 Interest Expended

₹ in '000s

	Year ended 31.03.2023	Year ended 31.03.2022
I Interest on deposits	15679,17,80	12430,28,58
II Interest on Reserve Bank of India/ inter-bank borrowings	611,59,36	243,24,40
III Others	2485,02,51	3148,06,80
<b>Total</b>	<b>18775,79,67</b>	<b>15821,59,78</b>

## Schedule - 16 Operating Expenses

₹ in '000s

	Year ended 31.03.2023	Year ended 31.03.2022
I Payments to and provisions for employees	4178,65,67	3473,54,14
II Rent, taxes and lighting	634,58,02	566,41,48
III Printing and stationery	104,94,94	90,56,05
IV Advertisement and publicity	95,11,69	67,01,48
V Depreciation on bank's property	407,20,62	352,02,35
VI Director's fees, allowances and expenses	6,47,13	4,45,92
VII Auditor's fees and expenses	3,53,36	3,26,98
VIII Law charges	62,40,66	49,04,65
IX Postage, Telegrams, Telephones, etc.	172,69,24	162,98,37
X Repairs and maintenance	401,01,09	371,21,77
XI Insurance	496,42,59	428,79,41
XII Other expenditure	4782,81,69	3741,37,97
<b>Total</b>	<b>11345,86,70</b>	<b>9310,70,57</b>



# CONSOLIDATED 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, 2023	% Shareholding of Group as at March 31, 2022
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, 2023	% Shareholding of Group as at March 31, 2022
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 (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 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. Actual results could differ from these estimates. Any revision to accounting estimates is recognized 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 (representative offices) 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 recognized in the Profit and Loss account.
- 4.3 Non-monetary items which are carried in terms of historical cost denominated in a foreign currency



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

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 '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 recognized in Profit and Loss Account as gains or losses.
- 4.5** All foreign exchange forward and other derivative contracts outstanding at the Balance Sheet date are re-valued based on the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities and the resulting gains or losses are recognized on present value basis in the Profit and Loss account. The contracts of longer tenor maturities/ or currencies where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates quoted in the market or implied by the swap curves in respective currencies and the resulting gains or losses are recognized on present value basis 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 amortized to the Profit and Loss account under the head 'Interest Expended – 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 daily 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 recognized as income or as expenses in the year in which they arise.

## **5. Investments**

### **IndusInd Bank Limited:**

Significant accounting policies in accordance with relevant 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)** – In accordance with relevant RBI guidelines, securities acquired with the intention to trade, 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 relevant 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 amortized cost. Any premium on acquisition of the security is amortized 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.



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

- (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 including SDLs (excluding treasury bills) is determined on the basis of the prices/ YTM published by Financial Benchmark India Private Limited (FBIL).
- (v) Treasury bills including US treasury bills, commercial papers and certificate of deposits are valued at carrying cost. Carrying cost is defined as acquisition cost adjusted for the discount accreted at the rate prevailing at the time of acquisition..
- (vi) Pass Through Certificates (PTC) are valued by using FIMMDA credit spread as applicable for the NBFC category, based on the credit rating of the respective PTC over the Government of India curve published by FBIL.
- (vii) Fair value of other debt securities is determined basis trade price or based on the yield curve published by FBIL and relevant credit spreads corresponding to rating and residual maturity published by Fixed Income Money Market and Derivatives Association (FIMMDA). Foreign Currency (FCY) bonds are valued basis the prices sourced from Reuters.
- (viii) Quoted equity shares held under AFS and HFT categories are valued at the closing price on a recognized stock exchange, in accordance with the relevant RBI guidelines. Unquoted equity shares are valued at their break-up value or at Re. 1 per company where the latest Balance Sheet is not available continuously for more than 18 months as on the date of valuation.
- (ix) Units of the schemes of mutual funds are valued at latest Net Asset Value (NAV) provided by the respective schemes of mutual funds.
- (x) Investments in equity shares held as long-term investments and classified under HTM category are valued at cost. Provision for other than temporary diminution in the value of such long-term investments is made.
- (xi) The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with RBI guidelines.
- (xii) Investment in subsidiaries and associate companies are classified under HTM category and valued at cost. Such investments are assessed for impairment and other than temporary diminution in value is provided for.
- (xiii) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitization Company (SC)/ Reconstruction Company (RC). As per RBI guideline, in respect of investments in SRs which are more than 10% of 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.
- (xiv) 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.
- (xv) Provision for non-performing investments is made in conformity with relevant RBI guidelines. Interest on non-performing investments is not recognized in the profit and loss account unless received.
- (xvi) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions with Banks or other institutions are accounted for as collateralized borrowing and lending (lending above 14 days tenor classified under schedule of advances) respectively. Repurchase (Repo) and Reverse Repurchase (Reverse Repo) with RBI are accounted for as collateralized borrowing or Balance with RBI respectively. Balances held under Standing Deposit Facility (SDF) has been reported under Cash and Balances with RBI. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.
- (xvii) 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.
- (xviii) 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 Appropriations account to Capital Reserve account.





## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

(xix) 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.

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

**5.6** Infrastructure Investment Trusts (InvITs) are valued at book value till it is listed. Post listing and till receipt of Quarterly NAV report, if InvIT is traded on exchange, quoted price is considered for valuation. If not traded, then the Book Value is considered for valuation. Post receipt of quarterly NAV report, if InvIT is traded on exchange, then quoted price is considered for valuation. If not traded, then the NAV based on the registered valuer's quarterly statement is considered for valuation.

### 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 relevant RBI guidelines.

**6.2** The trading contracts comprise of trading in Forward Contracts, Interest Rate Swaps, Cross Currency Interest Rate Swaps, Forward Rate Agreements, Interest Rate Futures, Currency Futures, Currency options, Swaption 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 recognized 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** Pursuant to RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on all derivative contracts with the same counter-parties are reversed through the profit and loss account.

### 7. Advances

#### IndusInd Bank Limited:

**7.1** Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with RBI guidelines.

**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 as non-performing, contingent provisions are made prudentially. Provision made against standard assets is included in 'Other Liabilities and Provisions - Others'. The general provision also includes provision for stressed sector exposures and provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. Provision made on positive mark to market of derivative contracts also forms part of general provision. Further, provision requirement under various Restructure scheme of RBI along with provision for the cases where viable resolution plan has not been implemented within timeline prescribed by RBI, from the date of default, also forms part of general provision. Such, General provisions are included in Schedule 5 – 'Other liabilities & provisions - Others'.

- 7.3** Unhedged Foreign Currency Exposures (UFCE) of Clients are subject to incremental provisions basis assessment of estimated risk in line with relevant 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 relevant 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 relevant 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 derecognized 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 recognized 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 earlier.
- 7.9** Further to the provisions held according to the asset classification status, provision is held in accordance with relevant 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 utilized, with the approval of Board and RBI, if required. The floating provision is netted-off from advances.

### 8. Securitization 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 accordance with RBI guidelines on Securitization of Standard Assets, any loss, profit or premium realized at the time of the sale is accounted in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealized gains arising out of sale of underlying assets to the SPV, the profit is recognized in Profit and Loss Account only when such unrealized gains associated with such income is redeemed in cash.
- 8.4** In case of sale of non-performing assets through securitization route to Securitization 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 realization; 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.



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

### 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. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit/ functioning capability from/ of such assets.

**9.2** During the year, the Bank has changed its accounting policy for revaluation of own properties. Till March 2022, the appreciation on account of revaluation of premises is credited to Revaluation Reserve. 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. In accordance with amended policy, the gross carrying value of such properties will become cost and existing revaluation reserve will be carried on reducing balance basis till the related properties are depreciated over their remaining useful lives. In case of revalued assets, depreciation is provided over the remaining useful life of the assets with reference to the gross carrying value.

Depreciation, including amortization 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 licenses 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 unamortized 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.

#### **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 realizable 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 recognized on accrual basis. Interest and discount income on non-performing assets is recognized on realization.

**10.2** Interest on Government securities, debentures and other fixed income securities is recognized on a period proportion basis. Income on discounted instruments is recognized 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, Exchange and Brokerage are recognized on a transaction date and net of directly attributable expenses.

**10.5** Fees are recognized 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 realization.

**10.6** Income from distribution of third party products is recognized 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 'Other Expenditure' and the fee received from the sale of PSLCs is treated as 'Other Income'.

**10.8** Gain/ loss on sell down of loans is recognized 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 recognized on accrual basis by BFIL. All Other Income is recognized on an accrual basis.



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

### 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 on a straight-line basis over the lease term.

### 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 Employee Stock Option Scheme (ESOS) of the Bank is in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Bank has followed intrinsic value method for share-linked instruments granted under ESOS till March 31, 2021. 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 relevant RBI guidelines. Under Intrinsic value method, options cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the closing price on the stock exchange with highest trading volume of the underlying shares, immediately prior to the grant date. Under revised accounting policy, fair value of share-linked instruments on the date of grant are recognized as an expense for all instruments granted after the accounting period ending March 31, 2021. The fair value of the stock-based compensation is measured on the date of grant using Black-Scholes option pricing model and is recognized 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 recognized 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 utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

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 relevant 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/ amortization 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. Actuarial valuation is determined based on certain assumptions regarding mortality rate, discount rate, cancellation rate and redemption rate.

### 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 recognized 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 unrecognized deferred tax assets, if any.

### 17. Earnings per share

The Bank reports Basic and Diluted earnings per share in accordance with AS 20 – 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 share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted 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.



## CONSOLIDATED SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES

**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. Accounting of Dividend

In accordance with AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, the Bank does not account for proposed dividend as a liability through appropriation from the profit and loss account. The same is recognized in the year of actual payout post approval of shareholders.

### 20. Share Issue Expenses

Share issue expenses are deducted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

### 21. Impairment of Assets

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their estimated recoverable amount.

### 22. 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.

### 23. Corporate Social Responsibility

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

### 24. Grants

#### Bharat Financial Inclusion Ltd:

**24.1** 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

### 1. Capital

#### Capital Issue

During the year, 12,32,035 equity shares of ₹10 each fully paid (Previous Year 12,90,864 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 ₹1.23 crore (Previous Year ₹1.29 crore) and share premium by ₹84.48 crore (Previous Year ₹84.79 crore).

### 2. Fixed Assets

**2.1** Cost of premises includes ₹4.09 crore (Previous Year ₹4.09 crore) 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 ₹1.33 crore (Previous Year ₹1.37 crore) and has filed a suit for the same.

#### 2.2 Intangible Assets

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

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
At cost at the beginning of the year	775.87	687.69
Addition during the year	158.96	91.04
Deduction during the year	2.80	2.86
Accumulated depreciation as at the end of the year	660.46	569.33
Closing balance as at the end of the year	271.57	206.54
Depreciation charge for the year	91.71	81.83

#### 2.3 Movement in depreciation of Fixed Assets

(₹ in crores)

Depreciation	March 31, 2023	March 31, 2022
<b>Premises</b>		
At the beginning of the year	131.28	117.93
Charge for the year	13.44	13.35
Deduction during the year	-	-
Depreciation to date	144.72	131.28
<b>Other Fixed Assets</b>		
At the beginning of the year	2,146.94	1860.01
Charge for the year	393.76	338.67
Deduction during the year	106.18	51.75
Depreciation to date	2,434.52	2146.94

### 3. Contingent Liabilities

The Group's pending litigations include claims against the Group by clients and counterparties and proceedings pending with tax authorities. The Group has reviewed its pending litigations and proceedings and has adequately made, provisions wherever required and disclosed as contingent liabilities wherever applicable. Claims against the Group not acknowledged as debts comprise of tax demands of ₹199.05 crore (Previous Year ₹334.05 crore) in respect of which the Bank is in appeal, and legal cases sub judice of ₹439.19 crore (Previous Year ₹399.34 crore). The Bank carries a provision of ₹11.92 crore (Previous Year ₹7.41 crore) 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 crore 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 crore. 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 crore (Net of provision of ₹3.12 crore) (Previous Year – ₹6.25 crore, net of provision of ₹3.12 crore).

Further, The Supreme Court of India in its judgment in the case of THE REGIONAL PROVIDENT FUND COMMISSIONER (II) WEST BENGAL v/s VIVEKANANDA VIDYAMANDIR AND OTHERS on February 28, 2019 has clarified that any emolument paid universally, necessarily and



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

ordinarily to all employees across the board is to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Company has been legally advised that there are interpretative challenges on the application of the judgment retrospectively. The Company would record any further effect in its financial statements, in the period in which it receives additional clarity on the said subject, if necessary. The Company has revised the salary structure since April-19 in line with the requirement of Supreme court judgment and accordingly considered the same for calculation of provident fund contribution.

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 ₹110.96 crore (Previous Year ₹109.10 crore).

The amount incurred towards CSR activities during the year and recognized in the statement of profit and loss amounted to ₹109.98 crore (Previous Year ₹110.38 crore), comprising the following:

(₹ in crores)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	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	108.51	1.47	109.98	108.69	1.69	110.38
<b>Total</b>	<b>108.51</b>	<b>1.47</b>	<b>109.98</b>	<b>108.69</b>	<b>1.69</b>	<b>110.38</b>

Details of Unspent amount pertaining to FY 2020-2021 and FY 2021-22 has been provided below

Spent during	Opening Balance	In case of S. 135(5) unspent amount			
		Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2021-22	₹26.51 crore	₹26.51 crore	₹26.51 crore	₹23.12 crore	₹3.39 crore
FY 2022-23	₹3.39 crore	₹1.69 crore	₹5.08 crore	₹3.99 crore	₹1.09 crore

## 6. Drawdown from Reserves

During the year ended March 31, 2023 and year ended March 31, 2022, 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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

As at March 31, 2023, the Compensation Committee of the Bank has granted a total of 5,33,77,879 options that includes 48,090,073 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	2022-2023		2021-2022	
		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	196.5	13,57,450	196.50
7	14-Sep-10	73,500	236.2	73,500	236.20
8	26-Oct-10	1,43,500	274.8	1,43,500	274.80
9	17-Jan-11	25,00,000	228.7	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	253.6	21,54,750	253.60
12	16-Aug-11	89,500	254.9	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	345.6	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	419.6	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	453.9	18,35,000	453.90
25	23-Sep-13	75,000	411.5	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	490.3	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	551.1	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	876.8	48,000	876.80
35	30-Mar-15	11,000	880.75	11,000	880.75
36	22-May-15	52,600	848.2	52,600	848.20
37	24-Jul-15	16,30,000	949.8	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	1053.75	13,500	1,053.75
42	11-Jul-16	25,000	1126.7	25,000	1,126.70
43	23-Aug-16	2,76,000	1186.75	2,76,000	1,186.75
44	10-Oct-16	18,51,000	1220.85	18,51,000	1,220.85
45	16-Nov-16	33,500	1093.1	33,500	1,093.10
46	27-Jan-17	21,500	1265.4	21,500	1,265.40



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Sr. No	Date of grant	2022-2023		2021-2022	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
47	24-Mar-17	49,000	1383.9	49,000	1,383.90
48	19-Apr-17	16,000	1431.75	16,000	1,431.75
49	09-May-17	69,000	1424.85	69,000	1,424.85
50	19-Jun-17	38,500	1498.9	38,500	1,498.90
51	11-Jul-17	35,000	1560.35	35,000	1,560.35
52	12-Oct-17	69,000	1717.25	69,000	1,717.25
53	11-Jan-18	43,000	1734.1	43,000	1,734.10
54	27-Mar-18	15,23,000	1759.75	15,23,000	1,759.75
55	08-May-18	64,000	1889.8	64,000	1,889.80
56	28-Sep-18	1,09,000	1682	1,09,000	1,682.00
57	20-Mar-19	85,000	1725.2	85,000	1,725.20
58	22-May-19	10,44,500	1447.75	10,44,500	1,447.75
59	10-Oct-19	1,00,536	1308.65	1,00,536	1,308.65
60	14-Jan-20	3,40,000	1539.65	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	494.9	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	912.9	1,02,500	912.90
66	12-May-21	90,000	948.85	90,000	948.85
67	15-Sep-21	5,14,291	1036.6	5,14,291	1,036.60
68	18-Oct-21	1,76,500	1210	1,76,500	1,210.00
69	07-Jan-22	70,000	921.7	70,000	921.70
70	21-Feb-22	35,500	955.35	35,500	955.35
71	24-Mar-22	23,500	931.35	23,500	931.35
72	06-May-22	10,000	936.8	-	-
73	21-Jun-22	1,20,500	784.05	-	-
74	09-Jul-22	48,720	784.05	-	-
75	09-Sep-22	24,500	1108.3	-	-
76	23-Sep-22	1,50,000	1216.55	-	-
77	28-Oct-22	3,25,726	1142.5	-	-
78	14-Dec-22	34,000	1234.95	-	-
79	17-Jan-23	7,39,000	1239.25	-	-

## ESOS 2018:

Sr. No	Date of grant	2022-23		2021-22	
		No of options	Range of exercise price (₹)	No of options	Range of exercise price (₹)
1.	04-Jul-19	30,01,266.00	688.00 – 1,864.00	30,01,266.00	688.00 – 1,864.00
2.	12-Jul-19	22,86,540.00	1,541.25	22,86,540.00	1,541.25



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## 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 recognized 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 recognized 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.

	2022-23		2021-22	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	86,01,033	1,102.76	94,22,112	1,049.33
Granted during the year	14,52,446	1,157.78	9,09,791	1,046.83
Forfeited/ surrendered during the year	7,70,196	1,125.60	3,95,815	1,191.90
Exercised during the year	12,28,902	682.22	12,89,905	654.04
Expired during the year	2,07,835	1,065.71	45,150	864.77
Outstanding at the end of the year	78,46,546	1,177.55	86,01,033	1,101.09
Options exercisable at the end of the year	<b>54,41,194</b>	<b>1,264.43</b>	<b>60,68,109</b>	<b>1,228.69</b>

The weighted average market price of options exercised during the year is ₹1075.74 (Previous Year ₹971.07).

Stock option activity under ESOS 2018 is set out below.

	2022-23		2021-22	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	39,34,331	1,517.36	46,62,023	1,519.63
Granted during the year	-	-	-	-
Forfeited/ surrendered during the year	7,66,236	1,518.77	7,24,736	1,534.97
Exercised during the year	3,133	703.55	959	668.00
Expired during the year	5,512	982.53	1,997	828.48
Outstanding at the end of the year	31,59,450	1,518.76	39,34,331	1,517.36
Options exercisable at the end of the year	<b>29,07,950</b>	<b>1,517.02</b>	<b>30,36,930</b>	<b>1,510.43</b>

The weighted average market price of options exercised during the year is ₹1,131.32 (Previous Year ₹ 1020.13).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Following table summarizes the information about stock options outstanding as at March 31, 2023:

## ESOS 2020:

Date of grant	2022-23			2021-22		
	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	-	-	453.90	-	-
29-Oct-13	-	-	-	-	-	-
29-Jan-14	389.85	-	-	389.85	-	-
29-Jan-14	-	-	-	-	-	-
25-Mar-14	490.30	-	-	490.30	17,000	-
15-May-14	537.05	-	-	537.05	1,360	0.12
02-Jun-14	533.95	-	-	533.95	3,19,980	0.17
09-Jul-14	-	-	-	-	-	-
13-Oct-14	623.25	-	-	623.25	5,905	0.54
17-Jan-15	831.85	-	-	831.85	12,580	0.80
30-Mar-15	880.75	-	-	880.75	2,680	0.01
22-May-15	848.20	1,700	0.14	848.20	3,350	0.65
24-Jul-15	949.80	1,57,280	0.31	949.80	3,98,760	0.86
21-Sep-15	918.65	0	0	918.65	5,360	0.98
04-Nov-15	911.85	5,380	0.60	911.85	7,690	1.30
12-Jan-16	886.75	3,40,000	0.79	886.75	6,70,000	1.29
12-May-16	1,053.75	2,720	1.12	1,053.75	2,720	2.12
11-Jul-16	1,126.70	3,015	0.79	1,126.70	11,500	0.92
23-Aug-16	1,186.75	1,62,500	0.92	1,186.75	1,89,500	1.73
10-Oct-16	1,220.85	14,76,248	0.92	1,220.85	17,33,000	1.61
16-Nov-16	1,093.10	4,440	1.28	1,093.10	4,440	2.12
27-Jan-17	1,265.40	12,550	1.3	1,265.40	12,550	2.04
24-Mar-17	1,383.90	44,330	1.34	1,383.90	44,330	2.04
19-Apr-17	1,431.75	12,010	1.42	1,431.75	12,010	2.15
09-May-17	1,424.85	53,000	1.45	1,424.85	69,000	2.12
19-Jun-17	1,498.90	32,750	1.58	1,498.90	32,750	2.38
11-Jul-17	1,560.35	15,000	1.62	1,560.35	15,000	2.29
12-Oct-17	1,717.25	45,000	1.55	1,717.25	65,000	2.55
11-Jan-18	1,734.10	35,000	1.80	1,734.10	35,000	2.80
27-Mar-18	1,759.75	10,45,070	1.90	1,759.75	11,33,070	2.91
08-May-18	1,889.80	40,500	2.12	1,889.80	42,500	3.12
28-Sep-18	1,682.00	66,000	2.51	1,682.00	66,000	3.51
20-Mar-19	1,725.20	40,000	2.983	1,725.20	55,000	3.98
22-May-19	1,447.75	8,06,900	2.92	1,447.75	8,70,120	4.06
10-Oct-19	1,308.65	84,202	3.54	1,308.65	86,702	4.54
14-Jan-20	1,539.65	20,000	3.80	1,539.65	20,000	4.80
24-Apr-20	409.95	8,350	2.95	409.95	11,910	5.17
19-May-20	376.75	83,300	5.14	376.75	2,66,660	5.54
07-Aug-20	494.90	3,79,525	4.65	494.90	4,97,765	5.52
14-Aug-20	518.75	7,22,750	4.56	518.75	9,33,050	5.45
30-Dec-20	912.90	36,850	4.84	912.90	82,500	5.76
12-May-21	948.85	43,000	5.13	948.85	72,000	6.12
15-Sep-21	1,036.60	4,34,871	5.46	1,036.60	4,86,791	6.47



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Date of grant	2022-23			2021-22		
	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)
18-Oct-21	1210.00	1,22,500	5.6	1210.00	1,76,500	6.57
07-Jan-22	921.70	52,360	5.84	921.70	70,000	6.79
21-Feb-22	955.35	35,500	5.91	955.35	35,500	6.91
24-Mar-22	931.35	23,500	5.99	931.35	23,500	7.00
06-May-22	936.8	10,000	6.11	-	-	-
21-Jun-22	784.05	1,20,500	6.24	-	-	-
09-Jul-22	784.05	48,720	6.29	-	-	-
09-Sep-22	1108.3	21,000	6.46	-	-	-
23-Sep-22	1216.55	1,50,000	6.48	-	-	-
28-Oct-22	1142.5	3,17,725	6.59	-	-	-
14-Dec-22	1234.95	34,000	6.72	-	-	-
17-Jan-23	1239.25	6,96,500	6.81	-	-	-

## ESOS 2018:

Date of grant	2022-23			2021-22		
	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	16,97,464	2.21	668.00	21,66,367	2.21
	-1,864.00			-1,864		
12-Jul-19	1,541.25	14,61,986	4.71	1,541.25	17,67,964	4.71

## 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:

	2022-23	2021-22
Average dividend yield	0.69-1.00%	0.41%-0.54%
Expected volatility	52.52-53.30%	46.53-55.65%
Risk free interest rates	6.94-7.24%	5.09-6.14%
Expected life of options (in years)	4.52	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. ESOPs granted from April 1, 2021 are valued at 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. ESOPs 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, 2023 would have been increased by ₹8.97 crore 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, 2023	March 31, 2022
<b>Pro forma basis</b>		
Basic earnings per share ₹	95.93	61.62
Diluted earnings per share ₹	95.80	61.52

The weighted average fair value of options granted during the year 2022-23 is ₹570.80 (Previous Year ₹493.80).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## 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)

Particulars	March 31, 2023	March 31, 2022
<b>Changes in the present value of the obligation</b>		
1. Opening balance of Present Value of Obligation	255.10	231.11
2. Interest Cost	16.32	14.43
3. Current Service Cost	33.41	30.38
4. Benefits Paid	(50.49)	(29.99)
5. Actuarial loss/ (gain) on Obligation	30.56	9.17
6. Acquisition/Business Combination/Divestiture	3.98	-
7. Closing balance of Present Value of Obligation	288.87	255.10
<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	236.90	219.96
2. Adjustment to Opening Balance	0.51	(1.89)
3. Expected Return on Plan assets	16.49	15.38
4. Expenses	-	(0.52)
5. Contributions	54.71	36.92
6. Benefits Paid	(50.49)	(29.99)
7. Actuarial gain/ (loss) on Plan Assets	(5.78)	(2.96)
8. Closing balance of Fair Value of Plan Assets	252.34	236.90
<b>Profit and Loss – Expenses</b>		
1. Current Service Cost	33.41	30.38
2. Interest Cost	16.32	14.43
3. Expected Return on Plan assets	(16.49)	(15.38)
4. Expenses	-	0.52
5. Net Actuarial loss recognized in the year	36.34	12.14
6. Expenses recognized in the Profit and Loss account	69.59	42.07
<b>Funded status</b>	<b>100% insurance managed funds</b>	<b>100% insurance managed funds</b>
<b>Actuarial Assumptions</b>		
<b>Indusind Bank Ltd:</b>		
1. Discount Rate	7.39 – 7.44%	6.90 – 7.30%
2. Expected Rate of Return on Plan Assets	6.69 – 8.00%	6.77 – 8.00%
3. Expected Rate of Salary Increase	5.00%	5.00%
4. Employee Attrition Rate		
- Past Service 0 to 5 years	35.00%	30.00%
- Past Service above 5 years	0.50%	0.50%
<b>Bharat Financial Inclusion Ltd:</b>		
1. Discount Rate	7.35%	6.70%
2. Expected Rate of Return on Plan Assets	7.35%	6.70%
3. Expected Rate of Salary Increase	12.5% for the first two years and 7.5% thereafter	12.50% for the first two years and 7.50% thereafter
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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## Experience Adjustment

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligations	288.87	255.09	231.11	195.04	110.52
Plan Assets	252.34	236.91	219.96	184.88	116.97
Surplus/ (Deficit)	(36.55)	(18.18)	(11.15)	(10.16)	6.45
Experience Adjustments on Plan Liabilities	(30.65)	(9.17)	(12.95)	(9.24)	(8.22)
Experience Adjustments on Plan Assets	(5.78)	(2.96)	1.02	(2.69)	(1.85)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹63.08 crore (Previous Year ₹45 crore).

## 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, 2023	March 31, 2022
Total actuarial liability	116.46	119.29
Total expense included in Schedule 16(l)	17.96	36.86
<b>Assumptions:</b>		
<b>IndusInd Bank Ltd:</b>		
Discount Rate	7.39% - 7.44%	7.30%
Salary escalation rate	5.00%	5.00%
<b>Bharat Financial Inclusion Ltd:</b>		
Discount Rate	7.35	6.70%
Salary escalation rate	12.50% for the first two years and 7.50% there after	12.50% 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 (RPF), as applicable. In accordance with the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, interest shortfall is provided for based on actuarial valuation. The details of the fund and plan assets position are as follows:

(₹ in crores)

Assets/ Liabilities	March 31, 2023	March 31, 2022
Present value of Interest Rate guarantee on Provident Fund	9.79	0.22
Present value of Total Obligation	334.38	287.10
Fair value of Plan Assets	339.03	298.32
Net asset/ (liability) recognized in the Balance Sheet	4.65	11.22
<b>Assumptions</b>		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.15%	8.10%
Discount rate	7.41 - 7.44%	7.45% - 8.48%
Expected average remaining working lives of employees (years)	7.98 - 8.60	6.75 - 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 ₹4.37 crore (Previous Year ₹3.34 crore) to the NPS for employees who have opted for the scheme.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## 9.2 Segment Reporting (AS 17)

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

(₹ in crores)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue	6,179.01	6,930.65	12,379.44	8,737.08	28,228.70	24,312.44	74.00	115.46	46,861.15	40,095.63
Inter Segment Revenue									(2,320.46)	(1,928.41)
Total Income									44,540.69	38,167.22
Result	766.88	1,328.41	4,554.16	3,259.56	9,444.44	8,724.63	26.98	43.52	14,792.46	13,356.12
Unallocated Expenses									(373.44)	(321.21)
Operating Profit									14,419.02	13,034.91
Provisions and Contingencies (Other than tax)									(4,486.83)	(6,602.10)
Tax Expenses									(2,489.06)	(1,628.18)
Extraordinary profit/loss									-	-
Net Profit before share of profit in Associate									7,443.13	4,804.63
Add: Share of Profit in Associate									0.36	0.40
Net Profit									7,443.49	4,805.03
Other Information:										
Segment Assets	96,615.87	87,191.94	1,27,529.55	1,13,879.70	2,14,890.52	1,87,686.12	-	-	4,39,035.94	3,88,757.76
Digital Banking*					6,336.48					
Other Retail Banking*					2,08,554.03					
Unallocated Assets									18,800.69	13,209.62
Total Assets									4,57,836.63	4,01,967.38
Segment Liabilities	49,491.30	48,053.93	1,15,167.14	99,645.75	2,23,415.42	1,95,123.80	-	-	3,88,073.86	3,42,823.48
Digital Banking*					24,946.69					
Other Retail Banking*					1,98,468.72					
Unallocated Liabilities									69,762.77	59,143.90
Total Liabilities									4,57,836.63	4,01,967.38





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

\*RBI's Master Direction on Financial Statements – Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking and (b) Other Retail Banking segment. Accordingly, Retail banking Revenue and Results includes income from digital banking amounting to ₹511.84 crore and ₹176.53 crore respectively for the quarter ended March 2023.

**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.

## 9.3 Related party transactions (AS-18)

The following is the information on transactions with related parties during the year ended March 31, 2023:

### 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

### 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	-	-	-	-	10.37	10.37
					(13.21)	(13.21)
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	-	-	-	-	1.33	1.33
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, 2022:



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## 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

## 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	<b>11.46</b>
					(14.33)	<b>(14.33)</b>
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	<b>0.60</b>
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.

## 9.4 Operating Leases (AS 19)

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

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Future lease rentals payable as at the end of the year:		
- Not later than one year	421.32	390.33
- Later than one year but not later than five years	1,229.57	1,048.31
- Later than five years	417.18	379.26
Total of minimum lease payments recognized in the Profit and Loss Account for the year	519.34	426.92
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	-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

## 9.5 Earnings per share (AS 20)

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

	For the Year ended	
	March 31, 2023	March 31, 2022
Net Profit after tax (₹ in crores)	7,443.49	4,805.03
Basic weighted average number of equity shares	77,52,48,354	77,40,94,014
Diluted weighted average number of equity shares	77,62,55,183	77,53,72,364
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	96.01	62.07
Diluted Earnings per Share (₹)	95.89	61.97

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.

## 9.6 Deferred Tax (AS 22)

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

	(₹ in crores)			
	March 31, 2023		March 31, 2022	
	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	11.24	0.85	2.33	0.35
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1) (vii) of the Income Tax Act, 1961	1,318.16	-	1,390.89	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	398.53	-	364.80
Others	810.03	-	839.03	-
<b>Sub-total</b>	<b>2,139.43</b>	<b>399.38</b>	<b>2,232.25</b>	<b>365.15</b>
<b>Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)</b>	<b>1,740.05</b>		<b>1,867.10</b>	

### Provision for taxation during the year

Particulars	(₹ in crores)	
	For the Year ended	
	March 31, 2023	March 31, 2022
Current tax	2,362.00	1,840.25
Incremental deferred tax asset net of deferred tax liability	127.06	(212.07)
<b>Total</b>	<b>2,489.06</b>	<b>1,628.18</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

## 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, 2023	March 31, 2022
i) Provisions for depreciation (including NPI and write off)	299.99	303.55
ii) Provision towards NPA (including bad debts write off)	3,885.56	4146.61
iii) Provision made towards Income tax	2,489.06	1,628.18
iv) Other Provisions and Contingencies	301.29	2,151.94
<b>Total</b>	<b>6,975.90</b>	<b>8,230.28</b>

### 10.2 Proposed Dividend:

The Board of Directors, in their meeting held on April 24, 2023, have proposed a final dividend of ₹ 14 per equity share amounting to ₹1,086.25 crore. The proposal is subject to the approval of shareholders at the ensuing 29th Annual General Meeting and accordingly, this proposed dividend amounting to ₹1,086.25 crore are not recognized as a liability on March 31, 2023 and the same has not been considered as an appropriation from the Profit and Loss Account for the year ended March 31, 2023.

Dividend for the year ended March 31, 2022, paid during the year pursuant to the approval of the shareholders at the 28th Annual General Meeting, at the rate of ₹8.50 per equity share amounting to ₹658.88 crore including corporate dividend tax, has been considered as an appropriation from the Profit and Loss Account during the year.

### 10.3 Disclosure of Material Items

Details of expenditure in excess of 1% of total income and classified under "Other Expenditure" has been provided below. Further, details of Other assets and other liabilities in excess of 1% of total assets classified under "Other Assets- Others" or "Other Liabilities- Others" have been provided below.

(₹ in crores)

Particulars	March 31, 2023
<b>Other Expenditure in excess of 1% of total income.</b>	
Service Provider Fees*	686.36
Business Origination Cost	463.02
<b>"Other Assets – Others" in excess of 1% of total Asset.</b>	
RIDF Deposit	7,057.34
MTM Receivable on Derivative Contracts	7,271.00
<b>"Other Liabilities – Others" in excess of 1% of total Asset.</b>	
MTM Payable on Derivatives Contracts	5,532.44

\*Service provider fees mentioned in the above table pertain to Fees paid by Consumer Finance Division.

### 10.4 During the financial year ended March 31, 2023, 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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

Additional information to consolidated accounts at March 31, 2023 (Pursuant to Schedule III of the Companies Act, 2013)

(₹ in crores)

Name of the Entity	Net Assets*				Share in Profit or Loss			
	2022-23		2021-22		2022-23		2021-22	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount
<b>Parent:</b>								
IndusInd Bank Limited	99.30%	54,621.67	99.31%	47,697.23	99.28%	7,389.71	95.96%	4,611.12
<b>Subsidiary:</b>								
Bharat Financial Inclusion Limited	0.77%	423.47	0.77%	370.04	0.71%	53.43	4.03%	193.52
<b>Associate:</b>								
IndusInd Marketing and Financial Services Pvt Ltd			-	-	0.01%	0.36	0.01%	0.4
Inter-company and Other adjustments	(0.07%)	(40.53)	(0.08%)	(40.88)	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>55,004.61</b>	<b>100.00%</b>	<b>48,026.39</b>	<b>100.00%</b>	<b>7,443.50</b>	<b>100.00%</b>	<b>4,805.04</b>

\* Net assets are total assets minus total liabilities (excluding share capital and reserves)

12. 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 March 31, 2023	As at March 31, 2022
a)	Principal amount due to suppliers under MSMED Act, 2006	1.32	0.41
b)	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

The above disclosure is made where Group has received the invoices and is pending for payment as on March 31, 2023. Above disclosure are related to other payable which are in nature of service related to vendors and suppliers.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

- 13.** Additional statutory information disclosed in the separate financial statements of the Bank and Subsidiary having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.

As per our report of even date.

**For M S K A & Associates**

Chartered Accountants

Firm Registration No: 105047W

**per Tushar Kurani**

Partner

Membership No: 118580

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

Chartered Accountants

Firm Registration No: 101851W

**per Anagha Thatte**

Partner

Membership No: 105525

**For and on behlf of Board of Directors**

**Sunil Mehta**

Chairman

DIN: 00065343

**Sanjay Asher**

Director

DIN: 00008221

**Gobind Jain**

Chief Financial Officer

**Sumant Kathpalia**

Managing Director & CEO

DIN: 01054434

**Bhavna Doshi**

Director

DIN: 00400508

**Anand Kumar Das**

Company Secretary

Place : Mumbai

Date : April 24, 2023

**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, 2022 to March 31, 2023	
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		379.76
6	Total Assets		1191.81
7	Total Liabilities		1191.81
8	Investments		Nil
9	Turnover (Total Income)		1,735.53
10	Profit before taxation		72.55
11	Provision for taxation		19.13
12	Profit after taxation		53.42
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, 2023
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)	3.18
7	Profit/ (Loss) for the year:	
	i. Considered in Consolidated Financial Statement ( ₹ in crores)	0.36
	ii. Not considered in Consolidated Financial Statement	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

**Sunil Mehta**  
Chairman  
DIN: 00065343

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

**Sanjay Asher**  
Director  
DIN: 00008221

**Bhavna Doshi**  
Director  
DIN: 00400508

Place: Mumbai  
Date: April 24, 2023

**Gobind Jain**  
Chief Financial Officer

**Anand Kumar Das**  
Company Secretary



**Disclosures Under Basel III Capital Regulations – March 31, 2023**

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 (iii) 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**” by clicking the link:

<https://www.indusind.com/content/dam/regulatoryDisclosure/regulatoryDisclosure/FY-2022-2023/Basel-III-Disclosure-March-2023.pdf>

## US DOLLAR DENOMINATED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Millions of US\$)

1 USD = 82.17	As at 31.03.2023	As at 31.03.2022
<b>CAPITAL AND LIABILITIES</b>		
Capital	94.43	94.28
Employee Stock Options Outstanding	5.39	1.96
Reserves and Surplus	6,547.58	5,708.47
Deposits	40,944.16	35,740.70
Borrowings	5,964.61	5,759.18
Other Liabilities and Provisions	2,158.09	1,615.28
<b>TOTAL</b>	<b>55,714.26</b>	<b>48,919.87</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	5,228.34	7,319.11
Balances with Banks and Money at Call and Short Notice	1,649.01	989.82
Investments	10,115.15	8,637.07
Advances	35,283.40	29,092.31
Fixed Assets	242.50	224.98
Other Assets	3,195.86	2,656.58
<b>TOTAL</b>	<b>55,714.26</b>	<b>48,919.87</b>
Contingent Liabilities	153,858.63	112,423.00
Bills for Collection	4,107.56	3,608.89

## STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(Millions of US\$)

1 USD = 82.17	Year ended 31.03.2023	Year ended 31.03.2022
<b>I. INCOME</b>		
Interest earned	4,425.94	3,751.06
Other income	993.83	892.56
<b>TOTAL</b>	<b>5,419.77</b>	<b>4,643.62</b>
<b>II. EXPENDITURE</b>		
Interest expended	2,284.99	1,925.47
Operating expenses	1,388.83	1,163.36
Provisions and contingencies	846.63	993.62
<b>TOTAL</b>	<b>4,520.45</b>	<b>4,082.45</b>
<b>III. PROFIT</b>		
Profit brought forward	2,302.93	1,938.49
<b>MOUNT AVAILABLE FOR APPROPRIATION</b>	<b>3,202.25</b>	<b>2,499.66</b>
<b>IV. APPROPRIATIONS</b>		
a) Transfer to statutory reserve	224.82	140.28
b) Transfer to capital reserve	1.24	9.35
c) Transfer to investment fluctuation reserve account	0.37	-
d) Dividend paid	80.19	47.10
	<b>306.62</b>	<b>196.73</b>
Balance carried over to the Balance Sheet	2,895.63	2,302.93
<b>TOTAL</b>	<b>3,202.25</b>	<b>2,499.66</b>

**Bank's Branches**

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

<https://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) 69019000

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

Email: [investor@indusind.com](mailto:investor@indusind.com), Website: [www.indusind.com](http://www.indusind.com)

**NOTICE is hereby given that the 29<sup>th</sup> (Twenty-Ninth) 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') on Thursday, August 24, 2023 at 11:00 a.m., to transact the following business:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Bank for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend at the rate of ₹14 per Equity Share of ₹10 each of the Bank, fully paid, for the Financial Year ended March 31, 2023.
3. To re-appoint Mr. Sumant Kathpalia (DIN: 01054434) as a Director liable to retire by rotation.

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

**"RESOLVED THAT** pursuant to provisions of Section 152 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the approval of the members of the Bank be and is hereby accorded to the re-appointment of Mr. Sumant Kathpalia (DIN: 01054434) as Director, to the extent that he is required to retire by rotation and continuation as Managing Director & CEO of the Bank as per the approval accorded by the members vide postal ballot on June 6, 2023 and as may be revised/amended from time to time."

4. To approve remuneration of the Joint Statutory Auditors for the financial year 2023-24.

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

**RESOLVED THAT** pursuant to the relevant provisions of Section 142 and other applicable 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), approval of the Members of the Bank be and is hereby accorded for payment of remuneration to M/s. M S K A & Associates (Firm Registration Number 105047W) and M/s. M.P. Chitale & Co. (Firm Registration Number 101851W), joint Statutory Auditors of the Bank for financial year 2023-24 of ₹2,70,00,000 per annum (Rupees Two crores Seventy lakhs only) to be allocated by the Bank and 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** in addition to the agreed fees if the scope of audit work is increased, the remuneration will be increased as per the complexity and audit hours involved and such additional remuneration will be subject to the limit of ₹50,00,000 (Rupees Fifty lakhs only) and taxes as may be applicable and reimbursement of out-of-pocket expenses in connection with the audit of the Bank which will be subject to the approval of the Audit Committee;

**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) authorized by the Board or the Audit Committee in this regard, be and is hereby authorized 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, finalizing, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard."

**SPECIAL BUSINESS:****5. Payment of Remuneration to Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & Chief Executive Officer (MD & CEO) of the Bank**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 35B and other relevant provisions, if any, of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (the “RBI”), from time to time, the applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the relevant rules notified thereunder, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of the Bank, pursuant to the recommendation made by the Compensation and Nomination & Remuneration Committee of Directors of the Bank (the “Committee”) and approval of the Board of Directors of the Bank (the “Board”) and subject to approval of the RBI as may be required, approval of the members of the Bank be and is hereby accorded for payment of remuneration to Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & Chief Executive Officer (MD & CEO) of the Bank, as detailed herein under:

Particulars	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023	April 1, 2023 – March 31, 2024
<b>PART - A: Fixed Pay (including perquisites)</b>			
1. Salary (per annum)	1,66,71,636	1,66,71,636	1,66,71,636
2. Dearness allowance	NA	NA	NA
3. Retiral/Superannuation benefits:			
(a) Provident Fund	20,00,596 (12% of basic salary)	20,00,596 (12% of basic salary)	20,00,596 (12% of basic salary)
(b) Gratuity	8,01,906 (15 days of basic salary)	8,01,906 (15 days of basic salary)	8,01,906 (15 days of basic salary)
(c) Pension	Nil	Nil	Nil
4. Leave Fare Concession/ Allowance	1,00,000	1,00,000	1,00,000
5. Other Fixed Allowances:			
(a) Executive Allowance	4,83,41,388	4,83,41,388	4,89,49,330
6. Statutory Bonus	28,800	28,800	28,800
7. Perquisites:			
(i) Free Furnished House and its maintenance/House Rent Allowance	60,00,000	60,00,000	60,00,000
(ii) Conveyance Allowance/Free use of bank's car for			
a) Official purposes	No	No	No
b) Private purposes	Bank will recover suitable amount	Bank will recover suitable amount	Bank will recover suitable amount
(iii) Driver(s)' salary	NA	NA	NA
(iv) Club Membership(s)	65,637	65,637	32,160
(v) Reimbursement of medical expenses	Reimbursement of medical expenses of INR 15,000 per annum + Medclaim insurance for self and family members valued at INR 10,700	Reimbursement of medical expenses of INR 15,000 per annum + Medclaim insurance for self and family members valued at INR 10,700	Reimbursement of medical expenses of INR 15,000 per annum + Medclaim insurance for self and family members valued at INR 10,700
(vi) Traveling and Halting Allowances	Reimbursement of traveling and hotel expenses on actual basis for official visits.	Reimbursement of traveling and hotel expenses on actual basis for official visits.	Reimbursement of traveling and hotel expenses on actual basis for official visits.
(vii) Insurance cover, at Bank's cost, for inability to continue in employment on account of physical incapacitation.	9,64,337	9,64,337	3,89,872
<b>Total Fixed pay (including perquisites)</b>	<b>7,50,00,000</b>	<b>7,50,00,000</b>	<b>7,50,00,000</b>



Particulars	April 1, 2021 – March 31, 2022	April 1, 2022 – March 31, 2023	April 1, 2023 – March 31, 2024
<b>PART - B: Actual Variable Pay For FY/Performance Period</b>	4,87,50,000	6,00,00,000	<b>To be recommended by Board post completion of performance period FY 2023 – 2024, subject to approval of the RBI and the Shareholders.</b>
<b>1. Cash component</b>	1,95,00,000	1,80,00,000	
Upfront payment (with %)	97,50,000 (50%)	90,00,000 (50%)	
Deferred payment (with %)	97,50,000 (50%)	90,00,000 (50%)	
Total cash component	1,95,00,000	1,80,00,000	
Vesting period (in years)	3 Years	3 Years	
Deferral arrangement			
(i) First Year (Upfront payment)	97,50,000	90,00,000	
(ii) Second Year	32,17,500 (33%)	29,70,000 (33%)	
(iii) Third Year	32,17,500 (33%)	29,70,000 (33%)	
(iv) Fourth Year	33,15,000 (34%)	30,60,000 (34%)	
<b>2. Non-cash Components (Share-linked instruments):</b>	2,92,50,000	4,20,00,000	
<b>(i) ESOP/ESOS</b>			
(a) Number of share/ share-linked instruments	50,661	65,311*	
(b) Monetary value	2,92,50,000	4,20,00,000	
(c) Deferral (with %)	33%:33%:34% across 3 years	33%:33%:34% across 3 years	
(d) Vesting schedule details *- (The fair market value of the Bank's shares using Black Scholes method is taken at INR 643.08 as on June 28, 2023 i.e., the date of approval of variable pay by Board and is considered for arriving at the number of indicative ESOPs). Post RBI approval on Variable Pay for FY 23, The FMV would be taken as on the actual grant date of Options by the C & NRC. The grant price would be as per the Bank's ESOS policy.	<ul style="list-style-type: none"> <li>• May 12, 2024 – 33%</li> <li>• May 12, 2025 – 33%</li> <li>• May 12, 2026 – 34%</li> </ul>	<ul style="list-style-type: none"> <li>• First year from date of grant – 33%</li> <li>• Second year from date of grant -33%</li> <li>• Third year from date of grant – 34%</li> </ul>	
<b>(ii) Any other share-linked instruments</b>			
(a) Number of share/ share-linked instruments	NA	NA	
(b) Monetary value			
(c) Deferral (with %)			
(d) Vesting schedule details			
<b>(iii) Any other non-cash component and mention its monetary value, deferral, vesting schedule, etc.</b>	NA	NA	
<b>Total monetary value of non-cash component(s)</b>	2,92,50,000	4,20,00,000	
<b>Total monetary value of Variable Pay (Cash and non-cash components)</b>	4,87,50,000	6,00,00,000	
<b>% of Cash Component in Total Variable Pay</b>	40%	30%	
<b>% of Non-cash Component in Total Variable Pay</b>	60%	70%	
<b>% of Variable Pay to Fixed Pay and</b>	65%	80%	
<b>% of Variable Pay in Total Compensation (for the same FY/Performance Period)</b>	39.4%	44.4%	
<b>Total Compensation (Fixed Pay + Variable Pay)</b>	<b>12,37,50,000</b>	<b>13,50,00,000</b>	

**RESOLVED FURTHER THAT**, the Committee and /or the Board be and are hereby authorized to revise the remuneration payable to Mr. Sumant Kathpalia, for his remaining tenure, subject to the approval of the RBI and Members, as may be applicable.

**RESOLVED FURTHER THAT**, in case of absence or inadequacy of profits in any financial year, remuneration as approved by the Committee, the Board and by the RBI, shall be the minimum remuneration payable to Mr. Sumant Kathpalia.

**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 Financial Officer, Chief Human Resources Officer or the Company Secretary of the Bank to execute all such agreements, documents, instruments and writings as deemed necessary, to file requisite forms or applications with statutory/regulatory authorities, with power to alter and vary the terms and conditions of the remuneration and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate to give effect to the said resolution."



## 6. 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’), SEBI (Issue and Listing of Non-Convertible Securities) Regulation 2021 and other rules, regulations, notifications, clarifications, guidelines and circulars issued by the Securities and Exchange Board of India (‘SEBI’) in this regard, 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/ Placement Memorandum 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 / Placement Memorandum;
- 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 Financial Officer or the 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.”

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

Sd/-

**Anand Kumar Das**  
Company Secretary  
Membership No. F6950

Place: Mumbai  
Date: July 20, 2023

**Registered Office:** 2401 Gen. Thimmayya Road (Cantonment), Pune - 411 001  
**CIN:** L65191PN1994PLC076333  
**Tel:** (020) 69019000  
**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 accordance with the Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 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 Circular No. 10/2022 dated December 28, 2022 and Securities and Exchange Board of India vide its Circular dated May 13, 2022. Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, has permitted companies to hold annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without the physical presence of the members at a common venue, till September 30, 2023 (collectively referred to as the "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. The registered office of the Bank shall be deemed to be the venue for the AGM.
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 Authorized 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 authorized 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 Authorized 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 authorized signatory(ies) who are authorized 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 6 are annexed hereto.
9. In accordance with the Circulars issued by the MCA and SEBI regarding dispatching copies of Annual Report in physical mode, the Annual Report including the Notice of the 29<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 21, 2023.  
  
A person who is not a Member as on the Friday, July 21, 2023 should treat this Notice as for information purpose only.
10. All documents referred to in the accompanying Notice and Explanatory Statement shall be provided to Members on requests sent through email 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., Thursday, August 24, 2023.
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, Email Id, Mobile Number to [investor@indusind.com](mailto:investor@indusind.com) **on or before Monday, August 14, 2023** 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., Thursday, August 24, 2023.

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., Thursday, August 24, 2023.

Members seeking to inspect such documents can send an email to investor@indusind.com.

14. Dividend Related Information:
- Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or before Friday, September 22, 2023 to the eligible Members.
  - The Members may kindly note that the Bank has fixed Record Date (cut-off date) of Friday, June 2, 2023 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 2022-23, if approved at the 29<sup>th</sup> AGM.
  - Members holding shares in dematerialized form are requested to intimate 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.
  - 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 Canceled 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

- In case the Bank is unable to make payment of dividend to any member by 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.
- 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 will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed/paid to them by the Company during a financial year does not exceed ₹5,000/-.

NIL/ lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration (as per format attached) as listed below:

- Insurance companies:** Declaration that the provisions of Section 194 of the Act are not applicable to them along with self attested copy of registration certificate and PAN card;
- Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption under section 10(23D) of the Act along with self attested copy of registration documents and PAN card;
- Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations, along with copy of self attested registration documents and PAN card;
- New Pension System Trust:** Declaration along with self attested copy of documentary evidence supporting the exemption and self attested copy of PAN card;
- Other Members** (including those mentioned in Circular No. 18/2017 issued by CBDT)– Declaration along with self attested copy of documentary evidence supporting the exemption and self attested copy of PAN card;
- Members who have provided a valid certificate issued under section 197 of the Act for lower/ nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

**II. For Resident Members –**

Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e., to avail the Double Tax Avoidance Agreement (DTAA) benefits, the non-resident shareholder will have to provide the following:

- i. Self attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;
- ii. Self attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the financial year 2023 and financial year 2024 (covering the period from April 1, 2023 to March 31, 2024);
- iii. Electronically generated Form 10F (for non-resident possessing PAN) and in case of non-resident not possessing PAN, a hard copy of duly executed Form 10F along with a declaration (refer format attached) that the shareholder is not required to have a PAN as per the provisions of the Act read along with Rules;
- iv. Self- declaration (refer format attached) by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the Act);
- v. In case of Foreign Portfolio Investors, self attested copy of SEBI registration certificate;
- vi. In case of shareholder being tax resident of Singapore, along with the above (as may be applicable), 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.
- vii. In case of shareholder being Alternative Investment Fund - Category III located in International Financial Services Centre, along with the above (as may be applicable), please furnish Self-declaration

(refer format attached) along with adequate documentary evidence substantiating the nature of the entity

- viii. In case of shareholder being Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act, along with the above (as may be applicable), please furnish:
  - a. Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India.
  - b. Self-Declaration (refer format attached) that the conditions specified in section 10(23FE) have been complied with along with necessary documents.
- ix. In case of shareholder being Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under section 10(23FE) of the Act, along with the above (as may be applicable), please furnish Self-Declaration (refer format attached) substantiating the conditions specified in section 10(23FE) have been complied with along with necessary documents.
- x. In case of shareholders who have obtained a valid certificate issued under section 197 of the Act for lower/ nil rate of deduction, a copy of the said certificate issued by the income tax authorities.
- xi. In case of shareholder who is Sikkimese in terms of section 10(26AA) of the Act, please furnish Self Declaration (refer format attached) along with necessary proof.

The self-declarations referred to above points can be downloaded from the link given at the end of this communication.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Bank, of the documents submitted by non-resident shareholders and meeting requirement of the Act read with applicable DTAA. It must be ensured that self-declaration should be addressed to IndusInd Bank and should be in the same format as attached. In the absence of the same, the Bank will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividends. Form 10F in digital format is mandatory for non-resident shareholders having PAN in India or who are required to obtain PAN in India. Form 10F in any other format will not be considered for treaty benefit.



- **Section 206AB of the Act**

Rate of TDS @10% under section 194 of the Act is subject to provisions of section 206AB of Act which provides for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at the highest of the following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

Note: In case you are a non-resident shareholder (even if individual, company, firm, trust or any other type of entity), request you to provide a NO PE declaration which allows the Company to take a well-evaluated position on non-applicability of the said section 206AB of the Act.

To summarize, dividend will be paid after deducting the tax at source as under:

- NIL for resident shareholders receiving dividend up to ₹5,000/- or in case Form 15G/ Form 15H (as applicable) along with self attested copy of the PAN card is submitted.
- 10% for other resident shareholders in case copy of PAN card is provided/ available.
- 20% for resident shareholders if copy of PAN card is not provided/ not available.
- Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- Lower/ NIL TDS on submission of self attested copy of the valid certificate issued under section 197 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

Further, where the shareholder being resident individual eligible for obtaining Aadhaar Number have not intimated/

linked the Aadhar Number allotted with its PAN by June 30, 2023. In such a case, the allotted PAN would be treated as inoperative for the provisions of deduction of TDS on the dividend declared by the Company, as may applicable under the Act or relevant law/rules in force and taxes will be withheld accordingly.

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 such deductee should file declaration with Bank in the manner prescribed by the Rules.

After receipt of any of the above declarations, if the Company basis its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the Act.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details/ documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Bank for such taxes deducted.

Shareholders holding shares under multiple accounts under different residential status/ category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any tax proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

- **Updation of PAN, email address and other details:**

Shareholders holding shares in



dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Bank's registrar and share transfer agent Link Intime India Pvt. Ltd. The Bank is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

• **Update of Bank account details:**

While on the subject, we request you to submit/ update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a Canceled cheque leaf with your name and bank account details and a copy of your PAN card duly self attested. This will facilitate receipt of dividend directly into your bank account. In case the Canceled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self attested.

15. In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send copy of notice through electronic mode including email to those members who have registered their email address either with their depository participants (DP) or with the company.

Further, as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

In case of members whose email address has changed and they have not updated the new email address, the Bank would send the said documents to their existing email address and the said documents shall be deemed to have been delivered in compliance with the provisions of the Act and the SEBI Listing Regulations. Therefore, members are requested to register their email address or any change thereof with their DP (shares held in electronic form) or with Link Intime India Pvt. Ltd. (shares held in physical form) at the earliest.

Further, in terms of SEBI circular dated January 5, 2023, annual report for the fiscal 2023 and the notice convening the 29<sup>th</sup> AGM, are being sent only through electronic mode to those members, who have registered their email addresses with the Bank/ their respective DP or with Link Intime India Pvt. Ltd. Accordingly, no physical copy of the said documents is being sent to members who have not registered their email

addresses with the Bank/ DP or Link Intime India Pvt. Ltd.

However, in case any member wishes to receive a physical copy of the annual report are requested to write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [investor@indusind.com](mailto:investor@indusind.com) quoting DP ID and client ID or Folio number, as the case may be, to enable the Bank to provide physical copy of the said documents. Please note that the said documents are also being uploaded on the Bank's website viz. [www.indusind.com](http://www.indusind.com).

16. 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.
17. Pursuant to Section 124 of the Companies Act, 2013, dividend for the Financial Year ended March 31, 2016 which remains unpaid or unclaimed for a period of seven years, shall become due for transfer on the due date, to the Investor Education and Protection Fund of the Central Government.
18. Intimation Letters were sent on April 28, 2023 to Members who have not claimed their dividends for FY 2015-16 for seven consecutive years. An Advertisement was also published in Financial Express (all editions) and Loksatta (Pune region) on April 29, 2023 requesting the Members to claim the dividends from the Bank on or before July 31, 2023, failing which, their shares would be transferred to the IEPF Authority within 30 days from the due date.
19. 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, 2015 and earlier periods to the Investor Education and Protection Fund. Members who have so far not claimed their dividends for the FY 2014-2015 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>
20. 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).
21. 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.

Further, SEBI vide its circular dated March 16, 2023, has made it mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding Folio numbers. Folios wherein any one



of the cited document/ details are not available on or after October 1, 2023, shall be frozen by the RTA. Accordingly, members holding shares in physical form are required to update the same by submitting a duly filled and signed Form ISR – 1, SH –13, SH –14, ISR –3 and ISR –2 available on the website of the Bank at [www.indusind.com](http://www.indusind.com), on or before October 1, 2023.

22. Procedure for registering the email 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 email 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 Email ID is not registered with the Depositories for procuring User Id and Password and registration of Email 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 email 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.
23. 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.
24. 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.

25. 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.
26. 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.

27. 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.
28. Members who have registered their email IDs with the Bank/ their respective Depository Participants, are being forwarded Login ID and Password for Remote e-voting via email along with the Notice of this AGM.
29. 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.
30. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow conducting of voting using electronic system for all those members who are participating in the AGM and who have not cast their votes by availing the remote e-voting facility.
31. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, 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 two working days 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.



32. Members who have cast their votes by Remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their votes again.
33. The results shall be declared on the above resolutions within two working days 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.
34. Webcast facility: The Bank is pleased to provide the facility of live webcast of proceedings of Annual General Meeting for its Members.
35. Instructions for Remote e-voting and Electronic Voting at the AGM are as under:
35. 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".
35. 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, Email Id and Mobile Number to [investor@indusind.com](mailto:investor@indusind.com) from Monday, August 14, 2023 to Monday, August 21, 2023 with email subject as 'Speaker Registration for AGM – August 24, 2023'. 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.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-voting AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Monday, August 21, 2023 at 9:00 a.m. and ends on Wednesday, August 23, 2023 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., Thursday, August 17, 2023, 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 Thursday, August 17, 2023.**

**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 Email 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>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.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 or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.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 "Login" 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 or joining virtual meeting &amp; voting during the meeting.</li> <li>Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>





Type of members	Login Method
Individual Members holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi/ Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <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 able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
Individual Members (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. 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 company name or e-voting service provider i.e., 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 & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 Shareholders 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 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders 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 toll free no. 1800 22 55 33

**B) Login Method for e-voting and joining virtual meeting 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?**

- 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.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- 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 For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in PhysicalForm.	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** of company for which you wish 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 email 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 5 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: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mrs. Pallavi Mhatre, Senior Manager, 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), AADHAR (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 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 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.
4. 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.
5. 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:

##### **Re-appointment of Mr. Sumant Kathpalia (DIN: 01054434) as a Director liable to retire by rotation:**

Although not strictly necessary, the Explanatory Statement is being given in respect of Item No.3 of the Notice.

Reserve Bank of India had, vide their letter dated March 10, 2023, conveyed their approval for re-appointment of Mr. Sumant Kathpalia as 'Managing Director & Chief Executive Officer' (MD & CEO) of IndusInd Bank Limited for a further period of two years with effect from March 24, 2023. Vide Postal Ballot on June 6, 2023, the Members have also approved the re-appointment of Mr. Sumant Kathpalia as the Managing Director & Chief Executive Officer (CEO) of the Bank with effect from March 24, 2023 up to March 23, 2025.

In terms of Section 152(6)(a) of the Companies Act, not less than two-thirds of the 'total number of directors' of a public company are liable to retire by rotation, unless the articles of association of such company provide for retirement of all directors at every annual general meeting. The explanation to Section 152(6)(a) states that the term 'total number of directors' shall not include independent directors of a company. Further, Section 149(13) of the Companies Act provides that, Sections 152(6) and 152(7) dealing with retirement of directors by rotation shall not be applicable to independent directors.

The Board of the Bank comprises of 10 directors of which 9 are independent directors and one Managing Director & Chief Executive Officer.

In accordance with Section 152(6)(c) of the Companies Act, one-third of the total number of directors are liable to retire by rotation, or if their number is neither three nor a multiple of three, then the number nearest to one-third, shall retire at the AGM of a company every year.

In order to ensure compliance of Section 152 of the Companies Act, 2013, Mr. Kathpalia agreed to retire at this annual general meeting and, being eligible, is seeking re-appointment. This retirement and re-appointment is only to comply with the provisions of the Companies Act, 2013 and as such shall not be treated as break in the employment of Mr. Kathpalia as Managing Director & CEO if he is re-appointed at the AGM.

In view of the above, the Board recommend the re-appointment of Mr. Kathpalia as Director and his continuation as the Managing Director & CEO of the Bank on the terms and conditions approved by the members vide postal ballot on June 6, 2023.

A brief profile of Mr. Kathpalia is given in the Annexure to this Notice, as required under SEBI LODR Regulations.

Mr. Kathpalia is not related to any other Director and Key Managerial Personnel of the Bank.

Except for Mr. Kathpalia and his relatives, no Director and/or key managerial personnel of the Bank or their relatives is in any way concerned or interested in the Resolution at Item No.3 of the Notice.

#### ITEM NO. 4:

##### **To approve remuneration of the Joint Statutory Auditors for the financial year 2023-24:**

At the 28<sup>th</sup> Annual General Meeting of the Bank held on August 19, 2022, the Members of the Bank had approved remuneration of ₹2,70,00,000 (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) and M/s. M S K A & Associates (Firm Registration Number 105047W).

It is now proposed to approve remuneration of ₹2,70,00,000 per annum (Rupees Two crores Seventy lakhs only) payable to M/s. M.P. Chitale & Co. and M/s. M S K A & Associates, for FY 2023-24. The aforesaid proposed remuneration shall be allocated by the Bank between M/s. M.P. Chitale & Co. and M/s. M S K A & Associates, as may be mutually agreed between the Bank and the said respective auditors, depending upon their respective scope of work, in addition to out of pocket expenses, outlays and taxes as applicable.

In addition to the agreed fees if the scope of audit work is increased, the remuneration will be increased as per the complexity and audit hours involved and such additional remuneration will be subject to the limit of ₹50,00,000 (Rupees Fifty lakhs only) and taxes as may be applicable and reimbursement of out-of-pocket expenses in connection with audit of the Bank which will be subject to approval of Audit Committee.

The Board of Directors of the Bank at its meeting held on July 20, 2023, have recommended payment of remuneration, subject to the approval of the Members of the Bank.

The Board recommends the passing of the Ordinary Resolution relating to the remuneration of the Joint Statutory Auditors for the FY 2023-24 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 Resolution at Item No. 4 of the Notice.

### SPECIAL BUSINESS

#### ITEM NO. 5:

##### **Payment of Remuneration to Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & CEO of the Bank:**

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 & Chief Executive Officer' (MD & 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 & Chief Executive Officer' (MD & CEO) for three years with effect from March 24, 2020 and for the terms of remuneration from March 24, 2020 until March 31, 2021.

Further, Reserve Bank of India had, vide their letter dated March 10, 2023, conveyed their approval for re-appointment of Mr. Sumant Kathpalia as 'Managing Director & Chief Executive Officer' (MD & CEO) of IndusInd Bank Limited for a further period of two years with effect from March 24, 2023. The Members of the Bank had, on June 6, 2023, approved the re-appointment of Mr. Sumant Kathpalia as Managing Director & Chief Executive Officer (MD & CEO) of the Bank by passing of an Ordinary Resolution through Postal Ballot.

Basis the outcome of the performance evaluation conducted by the Compensation and Nomination & Remuneration Committee (the Committee) and the Board of Directors of the Bank, it is recommended to revise the remuneration of Mr. Sumant Kathpalia as the Managing Director & Chief Executive Officer (MD & CEO) of the Bank as set out at item no. 5 of the notice.

The Bank has received approval of the RBI on May 8, 2023 for variable pay of ₹4,87,50,000 to Mr. Sumant Kathpalia for FY 2021-22. The Variable pay comprised of 40% of Cash component and 60% of Non-Cash component (share-linked instruments). 50% of the Cash component has been paid upfront and another 50% of cash component has deferred payment portion with vesting period of three years. The entire non-cash component (share-linked instruments) has a vesting period of 3 years. The Bank has submitted its proposal to the RBI, for approval of the Variable Pay for FY 2022-23 and the Fixed remuneration to be paid to Mr. Kathpalia for FY 2023-24. Approval of Reserve Bank of India is awaited. The Bank is seeking approval of members for payment of remuneration to Mr. Sumant Kathpalia vide resolution number 5 of this Notice.

The 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 Payment of Remuneration to Mr. Sumant Kathpalia (DIN: 01054434), Managing Director & CEO of the Bank as set out at Item No. 5 of the Notice, for approval of the Members.

Mr. Sumant Kathpalia is not related to any other Director or Key Managerial Personnel of the Bank.

Except for Mr. Sumant Kathpalia and his relatives, none of the other directors and the key managerial personnel of the Bank and their relatives, are in any way, financially or otherwise, concerned or interested in the Resolution at item no. 5 of the Notice.

#### ITEM NO. 6:

##### **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 1/Tier 2 debt instruments or any other instruments of a similar nature.

In the last AGM of the Bank held on August 19, 2022, 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 1 and Tier 2 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 19, 2022 or the date of this Annual General Meeting i.e., Thursday, August 24, 2023 whichever is earlier.

Considering the guidelines issued by Reserve Bank of India on issue of Long-Term Bonds/ Basel III - compliant Additional Tier 1 and Tier 2 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 20, 2023 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 1 and Tier 2 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 authorized 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 1 and Tier 2 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 /Placement Memorandum 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. 6 of the Notice for approval of the Members.

None of the directors and the key managerial personnel of the Bank and their relatives, are in any way financially or otherwise concerned or interested in the Resolution at item no. 6 of the Notice.

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

Sd/-

**Anand Kumar Das**  
Company Secretary  
Membership No. F6950

**Place:** Mumbai  
**Date:** July 20, 2023

**Registered Office:** 2401 Gen. Thimmayya Road (Cantonment), Pune - 411 001  
**CIN:** L65191PN1994PLC076333  
**Tel:** (020) 6901 9000  
**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)

**Annexure to the Item Number 3 and 5 of the Notice:****DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE TWENTY-NINTH 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	61 years
Date of first appointment on the Board of the Bank	March 24, 2020
Qualifications	Chartered Accountancy passed and Graduate in B. Com, (Hons.) from Hindu College, Delhi University.
Brief Resume including experience functional areas	<p>Accountancy, Banking, Risk Management and Business Management</p> <p>Mr. Sumant Kathpalia is a career banker with years of rich experience in large multinational banks such as Citibank, Bank of America and ABN AMRO, prior to joining IndusInd Bank.</p> <p>Mr. Kathpalia has successfully led several leadership roles in his career spanning over 30 years with focus on driving business growth and innovation. At IndusInd Bank, he has been part of the management team that joined the Bank 15 years ago and has been pivotal in turning the Bank around. He has been a key member of the top-level executive committee looking at Bank-wide financial management, managing investor relations and evaluating inorganic growth opportunities.</p> <p>In his prior role as Head – Consumer Bank at IndusInd Bank, Mr. Kathpalia has been instrumental in setting up several new businesses from scratch to cater to the needs of Individual and SME segments while successfully balancing growth with quality and compliance to regulatory and internal guidelines. He has also led the expansion of the Consumer Distribution franchise and has been instrumental in positioning IndusInd Bank as a customer responsive Bank with a slew of industry first Innovations for clients. Mr. Kathpalia has also been keenly focused on revitalising and reenergizing the business models leveraging decision, sciences and digitization to redefine client experience and to scale with efficiency. Prior to taking over position of Managing Director, Mr. Sumant Kathpalia joined the Bank in 2008 as Head – Consumer Banking. As a core member of the Bank's Top Management Team, Mr. Kathpalia has built the Consumer franchise from ₹7,500 crores to ₹1,60,000 crores over the 12 years before taking over the charge of Managing Director &amp; CEO of IndusInd Bank Limited with effect from March 24, 2020.</p> <p>Prior to joining IndusInd Bank, he worked with ABN AMRO where he held several critical leadership positions including Head - Consumer Bank for ABN AMRO, India. Prior to ABN AMRO, Mr. Kathpalia spent a decade at Bank of America and before that, he was at Citibank, where he started his career and held various positions across functions including Business Growth &amp; Strategy, Sales &amp; Distribution, Operations, Systems, Risk Management and Financial Management.</p> <p>Mr. Kathpalia has passed Chartered Accountancy exam and is a Graduate in B. Com, (Hons.) from Hindu College, Delhi University.</p>
<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
Resignation from the Listed Entities from the past three years.	Not Applicable
No. of Equity Shares held in the Bank as on July 20, 2023.	2,51,991 shares of ₹10 each
No. of Board Meetings attended during April 01, 2022 to March 31, 2023	20/23
Relationship between Directors inter-se, Managers and Other Key Managerial Personnel of the Bank	None
Terms and conditions of appointment/ re-appointment	The terms and conditions of his re-appointment are as approved by the Members of the Bank by passing of an Ordinary Resolution through Postal Ballot on June 6, 2023.
Remuneration paid per annum	As approved by Reserve Bank of India and the Members, and as detailed under Resolution no. 5 of the Notice.
Remuneration last drawn for FY 2022-23	₹7,50,00,000 per annum, as detailed under Resolution no. 5 of the Notice.

# ***IndusInd Bank***

**Registered Office:**

2401 General Thimmayya Road  
Cantonment, Pune - 411 001  
**Tel.:** +91 20 6901 9000

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**Corporate Office:**

8<sup>th</sup> Floor, Tower 1, One World Centre,  
841, S. B. Marg, Prabhadevi (W)  
Mumbai - 400 013.

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**Tel.:** +91 22 2423 1999 / 3049 3999

**Fax:** +91 22 2423 1998 / 3049 3998

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**CIN:** L65191PN1994PLC076333