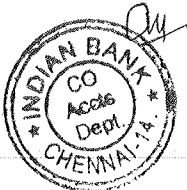


Notes forming part of the Standalone Unaudited Financial Results (Reviewed) of the Bank for the Quarter ended June 2018

1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on August 08, 2018. The results have been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The above financial results for the quarter ended 30th June 2018 have been prepared following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended 31st March 2018.
3. The financial results for the quarter ended 30th June 2018 have been arrived at after considering provision for Loan Losses in accordance with the extant guidelines and directions of RBI on Prudential Norms for 'Income Recognition, Asset Classification and Provisioning', Provision for Standard assets, Stressed sector accounts, Employees' wage revision, income tax, Depreciation on Investments and Fixed Assets, provision for Employees' benefits and other necessary provisions. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.
4. As per RBI directions issued during the financial year ended 31st March, 2018 in respect of select borrowal accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank was required to make additional provision over and above IRAC norms. As per RBI communication DBR.BP.8756/21.04.048/2017-18 dated April 2, 2018, Bank has made a provision of Rs. 186.00 crore for the quarter ended 30th June 2018.
5. During the quarter, the bank has appropriated the recovery of Rs. 94.61 crore in a fully provided NPA account in accordance with the resolution plan approved vide order of the National Company Law Tribunal (NCLT). Based on a legal opinion obtained and pending issuance of final order from National Company Law Appellate Tribunal (NCALT) on the appeal filed, the amount recovered has been considered as part of NPA recovery.
6. Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DBOD.NO.BP.BC.85/21.06.200/13-14 dated January 15, 2014 and holds a provision of ₹ 10.24 Crores as on 30.06.2018.
7. RBI vide its circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 and DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 has permitted banks to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarters ended 31st December, 2017, 31st March, 2018 and 30th June, 2018. The losses can be spread over four quarters, commencing from the quarter in which the loss has been incurred. Accordingly bank has charged depreciation on investments and provided ₹ 362.75 Crores as on 30.06.2018 and balance MTM loss of ₹ 636.10 Crores has been carried forward to subsequent quarters.
8. In accordance with RBI guidelines, the Bank has shifted the securities from HTM to AFS category amounting to ₹ 2436.71 Crores and from AFS to HTM category amounting to ₹ 7262.27 Crores during the quarter ended June 30, 2018 and the resultant depreciation of ₹ 535.73 Crores on shifting from AFS to HTM category has been accounted in the books.



9. RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates. Accordingly, the Bank has retained advances of ₹ 248.06 Crores as standard asset as on June 30, 2018. In accordance with the provisions of the circular, the Bank has not recognized interest income of ₹ 8.03 Crores for the quarter and is maintaining a standard asset provision of ₹ 12.40 Crores as on June 30, 2018 in respect of such borrowers.
10. RBI vide its communication DBR. No.BP.BC.9730/21.04.018/2017-18 dated April 27,2018 has given the option to Banks to spread additional liability on account of enhancement in gratuity limits from ₹ 10 lakhs to ₹ 20 lakhs from March 29, 2018 under the Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended March 31,2018. The Bank has exercised the option and charged ₹ 8.11 Crores for the quarter out of an unamortized portion of ₹ 24.33 Crores as on March 31,2018.
11. In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 banks are required to make Pillar 3 disclosures under Basel III capital requirements. The disclosures are available on the Bank's website www.indianbank.in. These Pillar 3 disclosures have not been subjected to limited review by the Statutory Central Auditors of the Bank.
12. Non Performing Loan Provision Coverage Ratio is 64.38% as on 30.06.2018.
13. Figures for the corresponding previous periods have been regrouped / reclassified, wherever considered necessary.
14. The number of investors' complaints received and disposed off during the period April 01, 2018 to June 30, 2018:

Beginning : Nil	Received : 7	Resolved : 7	Closing : Nil
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M K Bhattacharya
Executive Director

A S Rajeev
Executive Director

Kishor Kharat
Managing Director & CEO

Place: Chennai

Date : August 08, 2018

