

Notes forming part of Standalone and Consolidated Audited Financial Results for the Quarter / Year ended March 31, 2023

1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on May 08, 2023. The results have been subjected to audit by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
2. The above financial results have been arrived at after considering provision for Non-Performing Assets, Loan losses, Restructured Assets, Standard Assets, Stressed Sector accounts, Income Tax, Deferred Tax, Depreciation on Investments and Fixed Assets, Standard Derivative Exposure, Unhedged Foreign Currency Exposure, Employees' benefits, other necessary provisions on the basis of prudential norms and directions issued by Reserve Bank of India, and in case of the subsidiary Ind Bank Housing Limited, as per the Income Recognition, and Provisions on Loans and Advances norms laid down by National Housing Bank (NHB) and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.
3. The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2022.
4. The consolidated financial results are prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India and guidelines issued by Reserve Bank of India.
5. The details of Subsidiaries, Associates and Joint Ventures of the Bank along with the percentage of shares held are:
  - **Subsidiaries:** Indbank Merchant Banking Services Ltd (64.84%) and Ind Bank Housing Ltd (51%),
  - **Associates:** Tamil Nadu Grama Bank (35%), Saptagiri Grameena Bank (35%), Pudukkottai Bharathiar Grama Bank (35%) and
  - **Joint ventures:** Universal Sampo General Insurance Company Ltd (28.52%) and ASREC (India) Ltd (38.26%).
6. In accordance with SEBI (LODR) Regulations, 2015 (as amended), for the purpose of consolidated financial results of the quarter / year ended March 31, 2023, minimum eighty percent of each of consolidated revenue, assets and profits have been subjected to audit.



7. COVID-19 pandemic has adversely impacted the economic activity across the globe including the Indian economy for more than two years. However, the bank's results, operations and asset quality have not been affected much because of the pandemic. Further bank has made necessary provisions for all COVID related restructured loans. The Bank is however keeping a close watch on developments on an ongoing basis and taking proactive measures continuously to maintain and improve asset quality. The bank, therefore, believes that there may not be any significant impact on Bank's future financial results.
8. Other income includes profit/ loss on sale of assets (net), profit/ loss on sale of investments (net), profit/ loss on revaluation of investments (MTM) (net), earnings from foreign exchange and derivative transactions, income from sale of PSLC certificates, recoveries from accounts previously written off, dividend income etc.
9. In accordance with RBI Master Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022 on 'Basel III Capital Regulations' and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', the banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III capital requirements. The disclosures are available on the Bank's website [www.indianbank.in](http://www.indianbank.in). These disclosures have not been subjected to audit by Statutory Central Auditors of the Bank.
10. Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure of their constituents in terms of RBI circular DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 on 'Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022', and the bank holds a provision of Rs. 15.10 Crores as on March 31, 2023. During the quarter ended March 31, 2023, no incremental provision was required.
11. Pending settlement of the Bipartite agreement on wage revision (due from November 01, 2022), an ad hoc amount of Rs. 251.50 Crores has been provided during the year ended March 31, 2023 towards wage revision.
12. Non-Performing Assets Provision Coverage ratio is 93.82 % as on March 31, 2023. (87.38% as on March 31, 2022).
13. In accordance with the RBI Circulars DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020, DOR.No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the details of MSME restructured accounts under the Scheme are as under:

No. of Accounts Restructured	Outstanding as on 31.03.2023 (Rs. in Crores)
72229	4886.74



14. In accordance with the RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on 'Resolution Framework 2.0: Resolution of COVID – 19 related stress of Individuals and Small Business', the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of Accounts Restructured	Outstanding as on 31.03.2023 (Rs. in Crores)
417	73.31

15. As per RBI Circulars DBR.No. BP.15199/21.04.048/2016-17 dated June 23, 2017 and DBR No BP.1949/21.04.048/2017-18 dated August 28, 2017, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of Rs. 4191.46 Crores (100% of total outstanding amount less contingency fund) as on March 31, 2023.

16. Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circulars dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at March 31, 2023 are as under:

(All amounts in Rs. Crores)

S.No.	Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (September 30, 2022) (A)	Of aggregate debt that slipped into NPA during the half-year (March 31, 2023) (A)	Of amount written off during the half-year (March 31, 2023) (A)	Of amount paid by the borrowers during the half-year (March 31, 2023)** (A)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (March 31, 2023)
1	Personal Loans	7,122	316	0	742	6064
2	Corporate Persons*	4,086	515	0	968	2603
	Of which, MSMEs	3,045	475	0	923	1647
3	Others	4,852	285	0	1957	2610
	<b>Total (1+2+3)</b>	<b>16,060</b>	<b>1116</b>	<b>0</b>	<b>3667</b>	<b>11277</b>

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

\*\* Represents net of additional funding, upgradation of accounts and repayment.

17. In accordance with RBI Circular DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 on 'Master Direction – Reserve Bank of India (Transfer of loan exposures)



Directions, 2021', the details of loans transferred/ acquired during the year ended March 31, 2023 are given below:

(a) Details of Loans not in default acquired:

Particulars	AGRICULTURE	RETAIL	MSME
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment
Aggregate Principal outstanding of loans acquired (Rs. in Crores)	1322.84	3826.71	2900.86
Weighted Average Residual Maturity (in years)	1.75	4.75	3.47
Weighted Average Holding Period by originator (in years)	0.25	0.32	0.36
Retention of beneficial economic interest by the originator (%)	5% - 10%	10%	10%
Tangible Security Coverage (%)	NIL	150.80%	61%
Rating Wise Distribution of loans acquired by value (Rs. in Crores)	AAA : 0.00 AA : 38.02 A : 1284.82	AAA : 466.78 AA : 3142.94 A : 216.99	AAA (+/-) : 60.35 AA(+/-) : 2073.31 A(+/-) : 767.20

(b) Details of Loans not in default transferred: NIL

(c) Details of stressed loan transferred or acquired:

(i) Transferred (NPA) during the year ended March 31, 2023:

Particulars	To ARCs	To permitted transferees	To other transferees
No. of Accounts	10	3	NIL
Aggregate principal outstanding loans transferred (Rs. in Crores)	837.48	11.68	
Weighted average residual tenor of the loans transferred	0.00	0.00	
Net book value of loans transferred (at the time of transfer) (Rs. in Crores)	38.13	0.00	
Aggregate Consideration (Rs. in Crores)	439.42	5.70	
Additional consideration realized in respect of accounts transferred in earlier years (Rs. in Crores)	---	---	

The Bank has reversed the amount of Rs. 391.95 Crores of excess provision to the profit and loss account on account of sale of stressed loans.

(ii) Transferred (SMA) during the year ended March 31, 2023 - NIL

(iii) Details of loans acquired during the year ended March 31, 2023 - NIL



- (d) The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on March 31, 2023 is given as under:

(Rs. in Crores)

Recovery Rating	Book Value
RR 1+ (Above 150%)	0.00
RR 1 (Above 100% up to 150%)	49.90
RR 2 (Above 75% up to 100%)	137.40
RR 3 (Above 50% up to 75%)	42.20
RR 4 (Above 25% up to 50%)	66.49
RR 5 (Up to 25%)	112.79
SRs with unrated (0%)	562.92
<b>TOTAL</b>	<b>971.70*</b>

\* The bank is holding 100% provision

18. Impact of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 on 'Prudential Framework for resolution of stressed assets' is as follows: -

(Rs. in Crores)

Amount of loans impacted by RBI circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 31.03.2023, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 31.03.2023 (e)
15003.10	13625.38	13625.38	1095.29	1095.29 *

\*including provision of Rs. 590.02 Crores on Non-Fund outstanding of the NPA account as on March 31, 2023.

During the quarter and year ended March 31, 2023, the Bank has made additional provision of Rs. 116.26 crores and Rs. 363.61 Crores respectively in certain stressed standard accounts in terms of RBI guidelines on 'Prudential Framework for resolution of stressed assets'.

19. Provisions and Contingencies for the quarter and year ended March 31, 2023 includes an amount of Rs. 1071.16 Crores and Rs. 1556.02 Crores respectively which is the additional provision during the year on standard restructured accounts under RP 1.0, RP 2.0 and other Restructuring Schemes at a higher rate of 20% as against the prescribed rate of 5% / 10% based on the evaluation of risk and stress in these sectors, in terms of RBI Circular DOR.STR.REC.4/21.04.048/2022-23 dated April 01, 2022.

20. During the quarter ended March 31, 2023, the Bank has made additional provision of Rs. 520.37 crores on standard assets over and above minimum IRAC requirement on prudent basis.



21. The Board of the bank has recommended dividend for the financial year 2022-23 at 86% of the paid up capital of the bank i.e. Rs. 8.60 per equity share.

22. The current tax expenses and deferred tax expenses are determined in accordance with the provisions of the Income Tax Act, 1961 and as per the Accounting Standard 22 – 'Accounting for Taxes on Income'.

23. The number of investors' complaints received and disposed off during the quarter ended March 31, 2023 are:

Beginning : NIL	Received : 21	Resolved : 21	Closing : NIL
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24. Figures for the corresponding previous periods have been regrouped/ reclassified/ rearranged wherever considered necessary. The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the year ended March 31, 2023 and the published year to date figures up to December 31, 2022.

**Paramita Basu**  
Assistant General Manager

**Neelmani Bhardwaj**  
Deputy General Manager

**Sunil Jain**  
General Manager - CFO

**Ashutosh Choudhury**  
Executive Director

**Mahesh Kumar Bajaj**  
Executive Director

**Ashwani Kumar**  
Executive Director

**Imran Amin Siddiqui**  
Executive Director

**S L Jain**  
Managing Director & CEO

Place: Chennai  
Date: May 08, 2023

