

**Notes forming part of the Standalone Unaudited Financial Results (Reviewed) of the Bank for the Quarter/ Nine months ended December 31, 2018**

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 January 25, 2019. 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 / Nine months ended December 31, 2018 have been prepared following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended March 31, 2018.
3. The financial results for the quarter / Nine months ended December 31, 2018 have been arrived at after considering provision for Loan Losses, restructured assets, Standard Assets, Stressed sector accounts, Employees' wage revision, income tax, Depreciation on Investments and Fixed Assets, provision for Employees' benefits and other necessary provisions on the basis of prudential norms and directions & approval issued by RBI. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.
4. 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](http://www.indianbank.in). These Pillar 3 disclosures have not been subjected to limited review by the Statutory Central Auditors of the Bank.
5. During the nine months ended, the bank has appropriated the recovery of ₹ 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 on the appeal filed, the amount recovered has been considered as part of NPA recovery.
6. During the nine months ended, bank has recovered Rs.585.84 crore in one of the accounts by way of NCLT settlement. Bank has appropriated Rs.145.88 crore towards interest as per Approved resolution Plan under NCLT as against the accounting policy of the bank of appropriating towards principal dues.
7. As per RBI letter No DBR No.BP.15199/21.04.048/2016-17 dated June 23, 2017 and letter No DBR No.BP.BC.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.1841.01 crore (80.11% of balance outstanding) as on December 31, 2018.
8. Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and holds a provision of Rs. 9.34 Crore as on December 31, 2018



9. 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 permitted banks to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT category for the quarters ended December 31, 2017, March 31, 2018 and June 30, 2018. The losses can be spread over four quarters, commencing from the quarter in which the loss has been incurred. The bank had availed the relaxation permitted for staggering of provision and a total of Rs. 356.34 crore was staggered to be provided for during quarter ending 31.12.2018 and 31.03.2019. Since the Bond rate has eased as on 31.12.2018, deferred provision was not required to be made and it resulted in retrieval of provision of Rs. 55.26 crore for the quarter ended 31.12.2018.
10. 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 Rs. 407.92 crores as standard asset as on December 31,2018. In accordance with the provisions of the circular, the Bank has not recognized Interest income of Rs. 15.44 crore and is maintaining a standard asset provision of Rs. 19.62 crore as on December 31,2018 in respect of such accounts.
11. 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 Rs. 10 lakhs to Rs 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 unamortized gratuity expense of Rs. 8.11 crore for the quarter ended December 31,2018, and there is no further unamortized portion.
12. Pending settlement of the Bipartite agreement on wage revision (due from November, 2017), an adhoc amount of Rs. 39 crore has been provided during the current quarter towards wage revision and cumulative provision held as on December 31,2018 for wage revision is Rs. 182 crore.
13. Non Performing Loan Provision Coverage Ratio is 60.91 % as on December 31,2018.
14. Figures for the corresponding previous periods have been regrouped / reclassified, wherever considered necessary.
15. The number of investors' complaints received and disposed off during the period from October 01,2018 to December 31,2018:

Beginning : Nil	Received : 14	Resolved : 14	Closing : Nil
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**Shenoy Vishwanath V**  
Executive Director

**M K Bhattacharya**  
Executive Director

**Padmaja Chundururu**  
Managing Director & CEO

Place: Chennai

Date : January 25, 2019