

Notes forming part of Standalone Audited Financial Results for the Quarter/ year ended March 31, 2019

1. The above audited financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on May 14, 2019. The results have been subjected to audit by the Statutory Central Auditors of the Bank and are in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published reviewed figures up to the third quarter of financial year 2018-19.
3. The above financial results 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.
4. The above financial results have been arrived at after considering provisions for Non Performing advances, Non-performing Investments, Standard Advances, Restructured Advances, S4A/Stressed Sector accounts, provision for exposure to entities with Unhedged Foreign Currency Exposure, Depreciation on Investments and on Fixed Assets, Provision for wage revision, Income tax and other usual and necessary provisions. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.
5. 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.83.07 crore as on March 31, 2019.
6. The Bank has opted to spread the provisioning for MTM losses on investments held in AFS and HFT categories for quarters ending December 31, 2017, March 31, 2018 and June 30, 2018. Provisioning has been spread equally over four quarters beginning from the quarter in which the loss was incurred. As on 31.03.2019, there is no unamortized balance in respect of such MTM provisioning.
7. During the year ended, the bank 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 on the appeal filed, the amount recovered was considered as part of NPA recovery.
8. During the year ended, bank 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.
9. 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. 5.95 Crore as on March 31, 2019. During the quarter ended 31st March 2019 there was retrieval of Rs. 3.40 crore .
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 or less from their respective original due dates. Accordingly, the Bank has retained advances of Rs. 38.29 crore as standard asset as on March 31,2019. In accordance with the provisions of the circular, the Bank has not recognized Interest income of Rs. 1.86 crore and is maintaining a standard asset provision of Rs. 1.91 crore @ 5% as on March 31,2019 in respect of such accounts.



11. In addition to the above, based on RBI Circular DBR No: BP.BC 18/21.04.048/2018-19 dated January 1, 2019 the Bank has restructured MSME accounts as detailed below:

No. of accounts	Amount outstanding (Rs in Cr.)
25499	899.03

Bank has treated these accounts as standard assets as on 31.03.2019 and maintained provision on such Standard asset @ 5.25% amounting to Rs.47.20 crore.

12. Non Performing Loan Provision Coverage Ratio is 65.72 % as on March 31,2019.
13. 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 exercised the option and charged unamortized gratuity expense of Rs. 24.33 crore during the year till the quarter ended December 31,2018. There is no unamortized balance in respect of such gratuity provision as on 31.03.2019.
14. 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 fourth quarter of the FY 2018-19 towards wage revision and cumulative provision held as on March 31,2019 for wage revision is Rs. 221 crore.
15. During the Financial year 2018-19, Bank's Board has approved to issue 4 crore equity shares to its employees under Employees Share Purchase Scheme in multiple tranches upto 31.03.2021 with a discount upto a maximum of 25%. Necessary approval from SEBI / Stock exchanges for the issue has been received.
16. Divergence in Asset Classification and Provisioning for NPAs in compliance to Risk Assessment Report (RAR) of RBI for the year 2017-18 are reported as under:

S No	Particulars	Rs. In Crore
1	Gross NPAs as on March 31, 2018 as reported by the Bank	11990.14
2	Gross NPAs as on March 31, 2018 as assessed by RBI	12168.64
3	Divergence in Gross NPAs (2-1)	178.50
4	Net NPAs as on March 31, 2018 as reported by the Bank	5959.56
5	Net NPAs as on March 31, 2018 as assessed by the RBI	6000.96
6	Divergence in Net NPAs (5-4)	41.40
7	Provisions for NPAs as on March 31, 2018 as reported by the Bank	5498.23
8	Provisions for NPAs as on March 31, 2018 as assessed by the RBI	6619.13
9	Divergence in Provisioning (8-7)	1120.90
10	Reported Net Profit after Tax (PAT) for the year ended March 31,2018	^1258.99
11	Adjusted (notional) Net Profit after Tax (PAT) for the year Ended March 31, 2018 after taking into account the divergence provisioning	^529.78

^ After considering impact of DTA.

17. 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 audit by the Statutory Central Auditors of the Bank.



18. Figures for the corresponding previous periods have been regrouped / reclassified, wherever considered necessary.

19. The number of investors' complaints received and disposed off during the period from January 01,2019 to March 31,2019:

Complaints			
Unresolved at the beginning of the quarter	Received	Resolved	Unresolved at the end of the quarter
Nil	10	10	Nil

Shenoy Vishwanath V
Executive Director

M K Bhattacharya
Executive Director

Padmaja Chunduru
Managing Director & CEO

Place: Chennai
Date : May 14, 2019

