

Corporate Office, Chennai

Notes forming part of Standalone Reviewed Financial Results for the Quarter ended June30, 2020

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 14.08.2020. 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. As per Govt. of India Gazette notification dated 04.03.2020 Allahabad Bank has been amalgamated into Indian Bank wef 01.04.2020. The amalgamation has been accounted on 'Pooling of interest' method as prescribed in AS 14 of ICAI on Accounting for Amalgamation. Accordingly, the difference of Rs.4006.91 crore between the net assets of erstwhile Allahabad Bank and the amount of shares issued to the shareholders of erstwhile Allahabad Bank has been recognized as Amalgamation Reserve. The Bank has considered this amount under CRT 1 for the purpose of calculation of CRAR as per extant guidelines.
3. The opening Balance sheet of the combined entity audited by Statutory Central Auditors of the Bank was approved by the Board of the Bank on 17.07.2020. The results for the quarter ended June 30, 2020 include the operations of erstwhile Allahabad Bank. Hence, the results for quarter ended June 30, 2020 are not comparable with the immediately preceding quarter and corresponding quarter of previous year.
4. The above financial results have been arrived at after considering provision for loan losses, restructured assets, standard assets, stressed sector accounts, employees' estimated 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 issued by RBI. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment and other benefits has been made on the basis of actuarial valuation.
5. 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.
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.85/21.06.200/2013-14 dated January 15, 2014 and holds a provision of Rs.9.11Crores as on 30.06.2020. During the quarter ended 30th June 2020 there was retrieval of Rs. 1.60 crore



7. In accordance with the RBI Cir. No. DBR.No.BP. BC. 18/21.04.048/2018-19 dated 01.01.2019 and BP. BC 34/21.04.048/2019-20 dated 11.02.2020 on "Relief for MSME borrowers registered under GST", the details of MSME restructured accounts under the scheme are as under;

No. of Accounts Restructured	Outstanding on 30.06.2020 (Amt in crore)
79218	3839

8. Pending settlement of the Bipartite Agreement on wage revision (due from November, 2017), an adhoc amount of Rs.340 crores has been provided during the current quarter towards wage revision and cumulative provision held as on June 30,2020for wage revision is Rs.1245.97crores.

9. Considering the accumulated losses of eAllahabad Bank, the Bank has not made provision for income tax during the current quarter but has reversed DTA of Rs.239.57 Crores.

10. The Bank had provided Rs.307.98crores (25%) as on 31.03.2020 and the remaining unprovided amount of Rs.923.94croreswas debited to Revenue reserves and credited to provisions in line with RBI circular No BP.BC.92/21.04.048/2015-16 dated 18.04.2016 in respect of one advance account declared as fraud. In the current quarter, Bank has provided the remaining amount of Rs.923.94 crores and credited to Revenue reserves. In respect of another Red flagged account wherein the outstanding as on 30.06.2020 was Rs.120 crores Bank has made full provision to the extent of Rs. 120 crores.

11. Non-Performing Loan Provision Coverage ratio is 80.52% as on June 30, 2020.

12. The spread of COVID-19 across the globe has resulted in declined economic activity and increased volatility in financial markets. In this situation, though the challenges continue to unfold, the Bank is gearing itself on all fronts to meet the same. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

13. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27thMarch, 2020, 17th April, 2020 and 23rd May 2020, and clarification issued by RBI through Indian Bankers Association, dated 6th May2020 the Bank has granted moratorium on the payment of installments and / or interest, as applicable, falling due between 1st March, 2020 and 31st August, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020 without considering the same as restructuring. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as at 30thJune 2020 against the potential impact of COVID-19 based on the information available up to a point in time. Following are the details of such accounts and provisions made by the Bank:



(₹ in crore)	
Particulars	As at 30th June , 2020
Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended as per COVID-19 Regulatory Package	3108.47
Advances outstanding where asset classification benefits is extended	3108.47
Provisions made during Q1 of FY 2020-21	112.44
Total provisions held as on 30.06.2020	632.27 ^
Provisions adjusted during Q1 of FY 2020-21	Nil

^ Provision @15% aggregating to Rs.436.98 Crore against the accounts without outstanding of Rs.2913.17 Crores (Principal amount) which were standard as on 29.02.2020 but would have slipped to NPA/Sub-standard category as on 30.06.2020 had the RBI debt servicing relief as above not been reckoned.

^ In respect of above accounts, interest income aggregating Rs.195.29 Crore has been reckoned in operating profit and as prudent measure an equal amount has been made as additional provision against those Assets.

14. As per RBI Circular No DBR.No. BP.15199/21.04.048/2016-17 dated 23.06.2017 and DBR No BP.1949/21.04.048/2017-18 dated 28.08.2017, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is holding total provision of Rs.8243.83 crore (99.65% of total outstanding) as on 30.06.2020. Central Government, in exercise of its Powers conferred by the proviso to Section 4 of IBC, 2016 vide Notification No.1076 dated 24/03/2020 has specified Rs.1.00 crore as the minimum amount of default for referring the cases under IBC. Further due to COVID 19, the Insolvency & Bankruptcy Code 2016 was amended by an Ordinance Promulgated on 05/06/2020 and accordingly for any default arising on or after 25th March 2020, no application for initiating Corporate Insolvency Resolution Process (CIRP) of a Corporate Debtor shall be filed for period of six months or such period, not exceeding one year as may be notified. Though there is restriction on Bank to initiate action under IBC for defaults above Rs.1.00 crore from 25/03/2020, Bank will continue to initiate recovery measures under SARFAESI Act, as well as by filing suit against the borrower and invocation of personal guarantee of the Guarantors / Corporate Guarantors under DRT.

15. Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework:

(Amt in crores)				
Amount of loans impacted by RBI circular (a)	Amount of loans to be classified as NPA (b)	Amount of loans as on 30.06.2020, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 30.06.2020 (e)
13591.35	8537.67	8537.67	295.50	295.50



16. The Bank has subsidiaries namely: Ind Bank Merchant Banking Services Ltd (64.84%) and Ind Bank Housing Ltd. (51%), Associates namely Tamilnadu Grama Bank (35%), Saptagiri Grameena Bank (35%), Pudukkottai Bharathiar Grama Bank (35%) and joint ventures namely M/s Universal Sompo General Insurance Company Ltd (28.52%) and M/s ASREC (India) Ltd (38.26%). In view of the challenges in preparing consolidated financials due to different accounting standards being followed by entities belonging to the Group and difficulties in restating those financials due to the prevailing circumstances of Covid-19 pandemic and relaxation permitted by SEBI vide its circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020, Bank has opted to publish standalone financial results only for the quarter ended 30.06.2020.

17. 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, 2020.

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 April 01, 2020 to June 30, 2020:

Beginning : Nil	Received :9	Resolved :9	Closing : Nil
-----------------	-------------	-------------	---------------

(K. Ramachandran)
Executive Director

(Shenoy Vishwanath V)
Executive Director

(M K Bhattacharya)
Executive Director



(Padmaja Chunduru)
Managing Director & CEO

Place: Chennai
Date:14.08.2020