

Corporate Office, Chennai

Notes forming part of Standalone & Consolidated Reviewed Financial Results for the Quarter / Half year ended Sep 30, 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 22.10.2020. 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. 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 has been made on the basis of actuarial valuation.
3. 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.
4. 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. 10.96 Crores as on 30.09.2020. During the quarter ended 30th Sep 2020 there was fresh provision of Rs. 1.85 crores
5. 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 30.09.2020 (Amt in crores)
83905	3693

6. Pending settlement of the Bipartite Agreement on wage revision (due from November, 2017), an adhoc amount of Rs.353 crores has been provided during the current quarter towards wage revision and cumulative provision held as on Sep 30, 2020 for wage revision is Rs.1598.97crores.

7. Non-Performing Loan Provision Coverage ratio is 84.39% as on Sep30, 2020.



8. 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.

9. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020, 17th April, 2020 and 23rd May 2020, and clarification issued by RBI through Indian Bankers Association, dated 6th May 2020 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 on 30th Sep 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 crores)	
Particulars	As on 30 th Sep, 2020
Advances outstanding in SMA/overdue categories, where the moratorium/ deferment was extended as per COVID-19 Regulatory Package (total outstanding)	2169.22
Advances outstanding where asset classification benefits is extended (total outstanding)	2169.22
Provisions made during Q2 of FY 2020-21	NIL
Total provisions held as on 30.09.2020	632.27 [^]
Provisions adjusted during Q2 of FY 2020-21	-

[^] Provision aggregating to Rs 436.98 Crores against the accounts with outstanding of Rs. 2016.31 Crores (Principal amount) which were standard as on 29.02.2020 but would have slipped to NPA/Sub-standard category as on 30.09.2020 had the RBI debt servicing relief as above not been reckoned.

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

10. The disclosures as required under RBI circular DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 with respect to the number of accounts and the amount involved in those accounts where the Resolution period was extended is given below for the half year ended as on September 30, 2020:

No. of Accounts in which Resolution Plan extended	81
Amount involved (Rs in Lakhs)	2684

↖



11. 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. 8228.91 crores (99.65% of total outstanding) as on 30.09.2020. 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.

12. Considering the accumulated losses of e-Allahabad bank, the Bank has not made provision for income tax during the current quarter and has reversed DTA of Rs 306.09 Crores.

13. The Honourable Supreme Court in its interim order dated September 3, 2020 in the Public Interest Litigation case of Gajendra Sharma vs Union of India & Anr has directed Banks that the accounts which were not classified as NPA till August 31, 2020 shall not be so classified till further orders of Supreme Court. Pursuant to the order, the Bank has not classified any domestic borrowal account which has not been classified as NPA as at August 31, 2020 as per RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and other related matters, as NPA after August 31, 2020.

14. In the absence of any direction from Reserve Bank of India or any other authority, interest on interest during moratorium period is now being recognised as income on the basis of Income Recognition norms of RBI. However the same is pending before the honourable Supreme Court.

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 30.09.2020, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 30.09.2020 (e)
10605.11	8132.29	8132.29	575.38	575.38



16. Disclosure in respect of Delhi Airport Express Pvt. Ltd. (DAMEPL)

As per the directions of RBI vide letter 10655/21.04.048/2018-19 dated 21.06.2019 disclosure is being made as below:-

Position as on 30th Sep 2020

(Rs in Crores)

Particulars	Amount not treated as NPA as per IRAC norms (1)	Provisions required to be made as per IRAC norms (2)	Provisions actually held (3)
Principal	117.23	29.31	117.23
Interest	23.92	23.92	23.92
Total	141.15	53.23	141.15

17. The consolidated financial results are prepared in accordance with Accounting Standard 21 on "Accounting for consolidated Financial Statement", Accounting Standard 23 on "Investment in Associates" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" issued by Institute of Chartered Accountant of India.

18. 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 Universal Sompo General Insurance Company Ltd (28.52%) and ASREC (India) Ltd (38.26%). The consolidated financial results are prepared in accordance with section 133 of the Companies Act, 2013 and Regulation 33 of Securities the SEBI (Listing Obligations and Disclosure Requirements, 2015) Regulations, 2015.

19. The figures for quarter ended September 30, 2020 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2020 and the published year to date figures up June 30, 2020.

20. The above financial results have been prepared following the same accounting policies and practices as those followed in the Annual Financial Statements of Indian Bank for the year ended March 31, 2020.


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

22. The number of investors' complaints received and disposed off during the period from July 01, 2020 to Sep 30, 2020:

Beginning : Nil	Received : 7	Resolved : 7	Closing : Nil
-----------------	--------------	--------------	---------------


(K. Ramachandran)
Executive Director


(Shenoy Vishwanath V)
Executive Director


(M K Bhattacharya)
Executive Director


(Padmaja Chunduru)
Managing Director & CEO

Place: Chennai
Date: 22.10.2020



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of Indian Bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**Review Report
to the Board of Directors
Indian Bank
Chennai**

1. We have reviewed the accompanying statement of unaudited standalone financial results and Notes to the statement of unaudited standalone financial results of Indian Bank for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our Review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. The financial results incorporate the relevant returns of 20 branches and treasury branch reviewed by us, 757 branches reviewed by Inspection & Bank Management team of the Bank and 5442 Branches which have not been reviewed. In conduct of our Review, we have relied on the Review Reports in respect of non-performing assets submitted by the concurrent auditors of 348 branches and inspection team of the Bank for 406 branches (including Gift City branch) to the Bank Management. This Review Report covers 82.24 percent of the advances portfolio of the Bank (excluding food credit of the Bank). Apart from these Review Reports, in the conduct of our Review, we have also relied upon various Returns received from the branches of the Bank.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For M THOMAS & CO
Chartered Accountants
FR No. 004408S



Partner A ROZARIO
(M. No: 021230)
(UDIN: 20021230AAAAHY3416)

For P S SUBRAMANAIYER & CO
Chartered Accountants
FR No. 004104S

Handwritten signature in blue ink.

Partner T S CHANDRASEKARAN
(M. No : 019479)
(UDIN: 20019479AAAAAI4636)

For K C MEHTA AND CO
Chartered Accountants
FR No. 106237W



Partner CHIRAG BAKSHI
(M. No. 047164)
(UDIN: 20047164AAAAHO4060)

For SRIRAMAMURTHY & CO
Chartered Accountants
FR No: 003032S



Partner M POORNA CHANDER
RAO
(M No. 027113)
(UDIN: 20027113AAAAMV2912)

For RAVI RAJAN & CO LLP
Chartered Accountants
FR No. 009073N / N500320



Partner JAYANTH A
(M No. 231549)
(UDIN: 20231549AAAADQ9514)

Place: Chennai
Date: 22.10.2020