

Corporate Office, Chennai

Notes forming part of Standalone and Consolidated Reviewed Financial Results for the Quarter/half year ended September 30, 2021

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 28.10.2021. 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 (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, 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. 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, 2021.
3. In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 and DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', the banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under Basel III capital requirements. The disclosures are available on the Bank's website www.indianbank.in.
4. In accordance with provision under SEBI (LODR) Regulations, 2015 for the purpose of consolidated financial results of the quarter/half year ended September 30, 2021, minimum eighty percent of each of consolidated revenue, assets and profits have been subjected to review.
5. 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 7.64 Crores as on 30.09.2021. During the quarter ended 30th September 2021 there was retrieval of provision amounting to Rs 1.57 Crore.
6. The Bank has estimated the additional liability on account of revision in family pension for employees covered under XI Bi-partite settlement and Joint note dated November 11th 2020, at Rs 464.59 Crores. RBI circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, has permitted all member banks of Indian Banks Association to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being charged every year. The Bank has opted to amortize the said liability over a period, not exceeding 5 years, beginning with the financial year ending 31st March 2022.



Accordingly, the Bank has charged an amount of Rs 31 Crores to the profit and loss account for the quarter/ half year ended 30th September 2021 and the balance unamortized expense of Rs 433.59 Crores has been carried forward. If the unamortized expenditure had been fully recognized in the Profit and Loss account, the net profit would be Rs 1837.24 Crores for half year ended 30.09.2021.

7. Non-Performing Loan Provision Coverage ratio is 83.32% as on September 30th, 2021. (Previous Quarter 82.00% as on June 30th, 2021).

8. The outbreak of COVID-19 pandemic continues to spread across the globe and India resulting in significant volatility in the global and Indian economy. The extent to which the COVID-19 pandemic will impact the Bank's result will depend on future developments which are highly uncertain including among other things any new information concerning the severity of the new strains of the COVID -19 pandemic and action to contain its spread or mitigate impact including further stimulus and regulatory packages, if any. While there has been an improvement in the economic activity since the easing of lockdown measures, the slowdown may lead to a rise in the number of customer defaults and resultant increase in the provisions there against. Considering the regulatory actions, Government intervention to support the economic recovery, the Bank expects realisable value of the assets not to be significantly impacted. Further with vaccination level reaching 100 Crores, double dose vaccination levels at 32% and COVID daily cases continuously declining, there may not be severe impact and it will be better for the economy to open up and positive for Banks.

9. In accordance with the instructions of RBI Circular dated 07.04.2021 on "Asset Classification and Income Recognition following the expiry of COVID 19 regulatory package", the Bank shall refund / adjust 'interest on interest' charged to all borrowers including those who had availed of working capital facilities during moratorium period i.e. 01.03.2020 to 31.08.2020, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount to be refunded / adjusted for different facilities has been circulated by the Indian Banks' Association (IBA) as required by RBI notification. Accordingly, in the earlier periods the bank created an estimated liability of Rs. 230 crores towards interest relief, out of which actual liability of Rs 38.02 crore has been refunded and balance of Rs 191.98 crore has been adjusted in the profit and loss account during quarter ended 30.09.2021.

10. During the quarter ended September 30, 2021, the Bank has reported that fraud was committed in 15 borrower accounts. The Total amount involved in these accounts was Rs. 1199.94 Crores. In respect of loans and advances classified as fraud, Bank holds 100% provision.

11. Other income includes profit/loss on sale of assets, profit/loss on revaluation of investments (net), provision for depreciation on investment (other provision for non performing investments), earning from foreign exchange and derivative transactions, income from sale of PSLC certificates, recoveries from accounts previously written off, dividend income etc.

12. In accordance with the RBI Cir. No. DBR.No.BP. BC. 18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP. BC 34/21.04.048/2019-20 dated 11.02.2020 and RBI/2020-21/17 DOR.No. BP.BC/4/21.04.048/2020-21 dated 06.08.2020 on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)", the details of MSME restructured accounts under the scheme are as under;

No. of Accounts Restructured having outstanding	Outstanding as on 30.09.2021 (Rs in Crores)
75404	4456



13. 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 quarter ended Sep 30, 2021:

No. of Accounts in which Resolution Period extended	NIL
Amount involved (Rs in Crores)	NIL

14. Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated August 6, 2020 are given below:

(Rs in Crores except number of accounts)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan (Rs in Crores)	(C) Of (B), aggregate amount of debt that was converted in to other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provision on account of the implementation of the resolution (Rs in Crores)
Personal Loans	3506	374.01	-	-	-
Corporate Persons*	2464	4119.89	-	-	-
Of which MSME	2447	1020.94	-	-	-
Others	12679	765.84	-	-	-
Total	18649	5259.74	-	-	-

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

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 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	374.01	30.36	-	104.38	239.27
Corporate Persons*	4119.89	31.48	-	151.25	3937.16
Of which MSME	1020.94	31.48	-	130.29	859.17
Others	765.84	200.26	-	105.74	459.84
Total	5259.74	262.10	-	361.37	4636.27

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



15. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Business":-

The number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under :-

No. of Accounts	Aggregate exposure as on 30.09.2021 (Rs in Crores)
640	96.09

The details on resolution plan implemented are as under:-

(Rs in Crores except number of accounts)

SI. No.	Description	Individual Borrower		Small Business
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	96038	-	30840
(B)	Number of accounts where resolution plan has been implemented under this window	91820	-	29515
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	7759.99	-	1027.61
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	558.63	-	85.33

16. 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 6505.02 Crores (100% of total outstanding amount) as on 30.09.2021.



17. 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” respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

18. Consequent to the amalgamation with erstwhile Allahabad Bank, losses are available for set-off against future income of the bank under Income Tax laws. Therefore, no provision for income tax is considered necessary except for the foreign branches. From the quarter ended June 2021 the bank has been recognizing deferred tax provisions on quarterly basis which hitherto was annual. During the quarter, the bank has created net DTA of Rs. 363 Crores.

19. 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 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 30.09.2021, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 30.09.2021 (e)
14760.07	14718.08	14718.08	1287.97	1287.97*

*including provision of Rs 673.38 Crore on Non Fund outstanding of the NPA accounts as on 30.09.2021.

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

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

Position as on 30th September 2021:-

(Rs in Crores)

Particulars	Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provisions actually held
Principal	117.23	46.89	117.23
Interest	43.25	43.25	43.25
Total	160.48	90.14	160.48

*Out of the total provision of Rs 160.48 Crores, the Bank has already made the provision of Rs 155.33 Crores upto June 2021.

21. During half year ended Sep 30, 2021, the Bank has raised equity capital of Rs 1650 Crores through Qualified Institutions Placement at an issue price of Rs 142.15 per equity share including a premium of Rs 132.15 per equity share.

22. Post allotment of 11,60,74,569 new equity shares of face value of Rs 10 each under QIP as mentioned in Para 7 above, the total paid up shares of the Bank increased from 112,93,66,570 to 124,54,41,139. Accordingly the dividend amount of the Bank for FY 2020-21 increased from Rs 225.87 Crores to Rs 249.09 Crores. The additional amount of Rs 23.22 Crores will be transferred from balance in Profit & Loss Account for FY 2020-21. The Record Date fixed by the Bank for payment of dividend was 09.07.2021.

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



24. The details of Subsidiaries, associates and Joint Ventures of the Bank along with the percentage of share held are:-

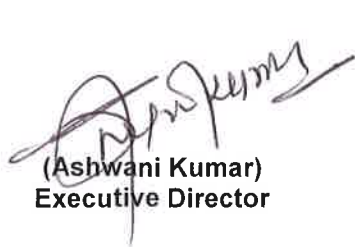
- Subsidiaries : Indbank Merchant Banking Services Ltd (64.84%) and Ind Bank Housing Ltd. (51%)
- Associates : Tamilnadu Grama Bank (35%), Saptagiri Grameena Bank (35%), Pudukkottai Bharathiar Grama Bank (35%) and
- Joint ventures : Universal Sompoo General Insurance Company Ltd (28.52%) and Asrec (India) 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.

25. Figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary. The figures for the quarter ended September 30, 2021 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and the published year to date figures upto June 30, 2021.

26. The number of investors' complaints received and disposed off during the period from July 01, 2021 to September 30, 2021:

Beginning : NIL	Received : 25	Resolved : 25	Closing : NIL
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(Ashwani Kumar)
Executive Director


(Imran Amin Siddiqui)
Executive Director


(Shendoy Vishwanath V)
Executive Director


(Shanti Lal Jain)
Managing Director & CEO

Place: Chennai
Date: 28.10.2021

