



इलाहाबाद

ALLAHABAD

Corporate Office, Chennai

Notes forming part of Standalone and Consolidated Reviewed Financial Results for the Quarter / Half year ended September 30, 2022

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 03.11.2022. 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, standard derivative exposure, unhedged foreign currency exposure, employees' benefits, other necessary provisions on the basis of prudential norms and directions issued by RBI and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. Provision for employee benefits pertaining to Pension, Gratuity and Leave Encashment has been made on the basis of actuarial valuation.
3. 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, 2022. The above financial results have been drawn in accordance with Accounting Standard 25 - 'Interim Financial Reporting'.
4. The consolidated financial results are prepared in accordance with Accounting Standard 21 - 'Consolidated Financial Statements', Accounting Standard 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 - 'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India and guidelines issued by RBI.
5. The details of Subsidiaries, Associates and Joint Ventures of the Bank along with the percentage of shares held are:
 - **Subsidiaries:** Indbank Merchant Banking Services Ltd (64.84%) and Ind Bank Housing Ltd (51%),
 - **Associates:** Tamil Nadu Grama Bank (35%), Saptagiri Grameena Bank (35%), Pudukkottai Bharathiar Grama Bank (35%) and
 - **Joint ventures:** Universal Sampo General Insurance Company Ltd (28.52%) and ASREC (India) Ltd (38.26%).
6. In accordance with provision under SEBI (LODR) Regulations, 2015 (as amended), for the purpose of consolidated financial results of the quarter / half year ended September 30, 2022, minimum eighty percent of each of consolidated revenue, assets and profits have been subjected to review.



7. COVID-19 pandemic has adversely impacted the economic activity across the globe including the Indian economy for more than two years. However, the bank's results, operations and asset quality have not been affected much because of the pandemic. Further bank has made necessary provisions for all COVID related restructuring of loans. The Bank is however keeping a close watch on developments on an ongoing basis and taking proactive measures continuously to maintain and improve asset quality. The bank, therefore, believes that there may not be any significant impact on Bank's future financial results.
8. Other income includes profit/ loss on sale of assets (net), profit/ loss on sale of investments (net), profit/ loss on revaluation of investments (MTM) (net), earnings from foreign exchange and derivative transactions, income from sale of PSLC certificates, recoveries from accounts previously written off, dividend income etc.
9. In accordance with RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015 on 'Basel III Capital Regulations' and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', the banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III capital requirements. The disclosures are available on the Bank's website www.indianbank.in. These disclosures have not been subjected to Limited Review by Statutory Central Auditors.
10. 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 15.01.2014 on 'Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure', and the bank holds a provision of Rs. 15.10 Crores as on 30.09.2022.
During the quarter ended September 30, 2022, incremental provision is not required. (During the quarter ended June 30, 2022, a provision of Rs. 11.22 Crores was made.)
11. Non-Performing Assets Provision Coverage ratio is 91.08 % as on 30.09.2022. (88.08% as on 30.06.2022).
12. In accordance with the RBI Letters 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 DOR.No. BP.BC/4/21.04.048/2020-21 dated 06.08.2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the details of MSME restructured accounts under the Scheme are as under:

No. of Accounts Restructured	Outstanding as on 30.09.2022 (Rs. in Crores)
40,309	2,175.76



13. In accordance with the RBI Circular 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 modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of Accounts Restructured	Aggregate exposure as on 30.09.2022 (Rs. in Crores)
602	95.68

14. As per RBI Circulars 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. 5,638.19 Crores (100% of total outstanding amount less contingency fund) as on 30.09.2022.

15. Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circulars dated 06.08.2020 (Resolution Framework 1.0) and 05.05.2021 (Resolution Framework 2.0) as at 30.09.2022 are as under:

(All amounts in Rs. Crores)

S.No.	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 (March 31, 2022) (A)	Of (A), aggregate debt that slipped into NPA during the half-year (September 30, 2022)	Of (A) amount written off during the half-year (September 30, 2022)	Of (A) amount paid by the borrowers during the half-year (September 30, 2022)**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (September 30, 2022)
1	Personal Loans	7,831	347	0.00	362	7,122
2	Corporate Persons*	4,680	371	0.00	223	4,086
	Of which, MSMEs	3,068	141	0.00	-118	3,045
3	Others	5911	481	0.00	578	4,852
	Total (1+2+3)	18,422	1,199	0.00	1,163	16,060

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

** Represents net of additional funding, upgradation of accounts and repayment.



16. In accordance with RBI Circular DOR.STR.REC.51/21.04.048/2021-22 dated 24.09.2021 on 'Master Direction – Reserve Bank of India (Transfer of loan exposures) Directions, 2021', the details of loans transferred/ acquired during half year ended September 30, 2022 are given below:

(a) Details of Loans not in default:

(i) Acquired through assignment/pool buy-out are given below:

Particulars	Rs in Crores		
	RBD	RETAIL	MSME
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment
Aggregate Principal outstanding of loans acquired (Rs. in Crores)	855.91	1546.57	743.43
Weighted Average Residual Maturity (in years)	1.75	3.67	3.58
Weighted Average Holding Period by originator (in years)	0.25	0.28	0.33
Retention of beneficial economic interest by the originator (%)	5.00%- 10.00%	10.00%	10.00%
Tangible Security Coverage (%)	Not Applicable	132.67%	68.00%
Rating Wise Distribution of loans acquired by value (Rs. In Crores)	A Rated Accounts: 855.91	AA : 1489.01 A : 57.56	AA (+/-) : 336.58 A (+/-) : 406.85

(ii) Loans not in default transferred: NIL

(b) Details of stressed loan transferred or acquired:

(i) Transferred (NPA) during the period of 01.04.2022 to 30.09.2022:

(Rs. in Crore except number of accounts)

Particulars	To ARCs	To permitted transferees	To other transferees
No. of Accounts	3	NIL	
Aggregate principal outstanding loans transferred (Rs in Crores)	85.89		
Weighted average residual tenor of the loans transferred	0.00		
Net book value of loans transferred (at the time of transfer)	0.00		
Aggregate Consideration (Rs in Crores)	46.93		
Additional consideration realized in respect of accounts transferred in earlier years	0.00		

The Bank has reversed the amount of Rs. 44.28 Crores of excess provision to the profit and loss account on account of sale of stressed loans.



- (ii) The bank has not transferred any Stressed loans (SMA) during the half year ended 30.09.2022
- (iii) The bank has not acquired any Stressed loans (NPA & SMA) during the half year ended 30.09.2022
- (iv) The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on 30.09.2022 is given as under:

(Rs. in Crores)

Recovery Rating	Book Value
RR 1+ (Above 150%)	0.78
RR 1 (Above 100% up to 150%)	86.48
RR 2 (Above 75% up to 100%)	176.61
RR 3 (Above 50% up to 75%)	14.92
RR 4 (Above 25% up to 50%)	128.67
RR 5 (Up to 25%)	46.34
SRs with unrated (0%)	580.62
TOTAL	1,034.42*

* The bank is holding 100 % provision

17. Impact of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on 'Prudential Framework for resolution of stressed assets' 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 30.09.2022, out of (b) classified as NPA (c)	Addl. provision required for loans covered under RBI circular (d)	Provision out of (d) already made by 30.09.2022 (e)
16,017.86	15,935.25	15,935.25	1,665.10	1,665.10 *

* including provision of Rs. 780.80 Crores on Non Fund outstanding of the NPA account as on 30.09.2022.

18. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated 07.04.2022 on 'Establishment of Digital Banking Units (DBUs)', for the purpose of disclosure under Accounting Standard 17 – 'Segment reporting', 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, Digital Banking Unit (DBU) has not commenced operations as on September 30, 2022.

19. 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' and Accounting Standard 25 – 'Interim Financial Reporting'.



20. Figures for the corresponding previous periods have been regrouped/ reclassified wherever considered necessary. The figures for the quarter ended September 30, 2022 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and the published year to date figures up to June 30, 2022.

21. The number of investors' complaints received and disposed off during the period 01.07.2022 to 30.09.2022:

Beginning : 02	Received : 59	Resolved : 61	Closing : NIL
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Ashwani Kumar
Executive Director


Imran Amin Siddiqui
Executive Director


S L Jain
Managing Director & CEO

Place: Chennai
Date: 03.11.2022

