IndusInd Bank

UNIVERSAL BANKING
BACKED BY INNOVATION

Annual Report
2012-2013

Board of Directors (as at March 31, 2013)

Mr. R. Seshasayee, Chairman
Dr. T. T. Ram Mohan
Mr. Ajay Hinduja
Mr. S. C. Tripathi
Mr. Ashok Kini
Mrs. Kanchan Chitale
Mr. Vijay Vaid
Mr. R. S. Sharma
Mr. Romesh Sobti, Managing Director & CEO
Mr. Y. M. Kale (Alternate Director to Mr. Ajay Hinduja)

Company Secretary

Mr. Haresh K. Gajwani

Auditors

M/s B S R & Co.
Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi, Mumbai 400 011

Solicitors

M/s Crawford Bayley & Co.
Solicitors & Advocates
State Bank Building
NGN Vaidya Marg
Mumbai – 400 023

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai – 400 078
Tel : 022 25946980 / 25963838
Fax : 022 25946969

Contents **Page No.**

Registered Office

2401, Gen. Thimmayya Road
(Cantonment)
Pune - 411001

Corporate Office

8th Floor, Tower 1, One Indiabulls Centre
841, Senapati Bapat Marg
Elphinstone Road (W)
Mumbai – 400 013

Secretarial & Investor Services

731, Solitaire Corporate Park
167, Guru Hargovindji Marg
Andheri (E), Mumbai 400 093

Message from Managing Director

Dear Shareholders,

The Board of Directors and the Management Team are privileged, once again, to present your Bank's Annual Report for the Financial Year 2012-13. Through a challenging operating environment, the Bank has performed on all key parameters against which we measure our success, i.e. Net Profit, Operating Profit, Net Interest Income, Fee Income, Return on Assets and Return on Equity. The Bank's Loan Book remained healthy with stable Gross and Net Non-Performing Assets. Five years running, thus, IndusInd has delivered consistently robust growth and earnings.

FY 2012-13 was an important year and I would like to bring to your notice two important events - firstly, the successful conclusion of an Equity Issuance, enthusiastically received by the investor community, raising ₹ 2,000 crore in the process. Secondly, the Bank's scrip marking its entry into The National Stock Exchange's benchmark index Nifty from April 1, 2013.

The Bank's expanding network has been one of its major strengths; as on March 31, 2013, IndusInd Bank had 500 branches and 882 ATMs spread across 358 geographical locations of the country, enabling the Bank to cater to the evolving financial requirements of its customers.

Keeping in line with the theme of 'Responsive Innovation' which is deeply ingrained in our business model, the Bank continued to introduce market-first products, the latest being the Super Saver Packs which work on the concept of product bundling, which give customers a pricing advantage and great convenience.

During the FY 2012-13, the Bank also won several awards and accolades; it was awarded 'Bank-Growth Champion' award at the NDTV Profit Business Leadership Awards 2012. IndusInd Bank was the first runners-up in IBA Banking Technology Awards 2012-13 for facilities such as offering the 'Best Risk Management & IT Security' and the 'Best Use of Technology in Training & e-Learning'. IndusInd Bank stood as the second runners-up in the categories of 'Best Online Bank' and 'Best use of Business Intelligence' and 'Best use of Mobility Technology in Banking'. It was conferred with the award of being 'The Best Bank Among Small Banks for IT for Operational Effectiveness' by Institute for Development and Research in Banking Technology (IDRBT). The Bank was also bestowed with 'Banking Frontier - Finnoviti Awards 2012' for 2 innovations - Cash-on-Mobile and Direct Connect Service.

As a committed practioner of Green Banking and Sustainability, IndusInd Bank has completed a network of over 100 solar ATMs across the country. The Bank continues to adopt green banking practices and has been honoured with 'Best Use of CSR Practices in Banking & Finance' and 'Innovation in Corporate Social Responsibility Practices' at Global CSR Excellence & Leadership Award 2013 and 'Best Corporate Social Responsibility Practice 2013' at BSE - 7th Social and Corporate Governance Awards. The Bank has also been awarded with 'Top Green IT Enterprise Award 2012' by CIO Magazine.

I place on record my sincere appreciation of the contribution of all our employees and also thank all stakeholders for supporting us. This has helped your Bank sustain a high level of performance, as reflected in this report.

I look forward to being in touch with you and sharing my perceptions in future also.

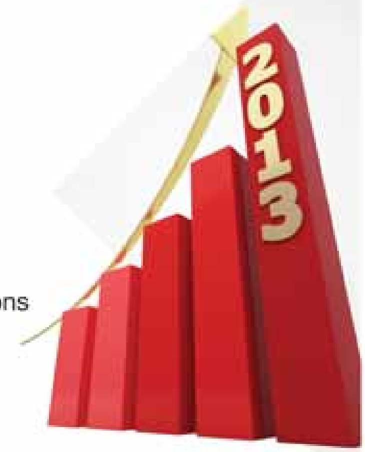
With best wishes to each one of you and your family members.

Yours sincerely,

Romesh Sobti
Managing Director & CEO

Key Business Highlights

- Net worth moved to ₹ 7,418 crores
- Net Profit up by 32% to ₹ 1,061.18 crores
- Net Interest Income up by 31% to ₹ 2,232.86 crores
- Core Fee Income up by 36% to ₹ 1,239.34 crores
- Capital Adequacy Ratio (CAR) at 15.36%; Capital Adequacy Ratio - Tier I at 13.78%
- Return on Assets (RoA) at 1.63% as against 1.57%
- Net NPA at 0.31% as on March 31, 2013 as compared with 0.27% the previous year
- Provisioning Coverage Ratio against NPAs at 70.13% as against 72.72%
- Branch Network increased to 500 and 882 ATMs spread across 358 geographic locations of the country
- Earnings Per Share (Basic) increased to ₹ 21.83 from ₹ 17.20
- Dividend Declared of 30% as against 22% the previous year



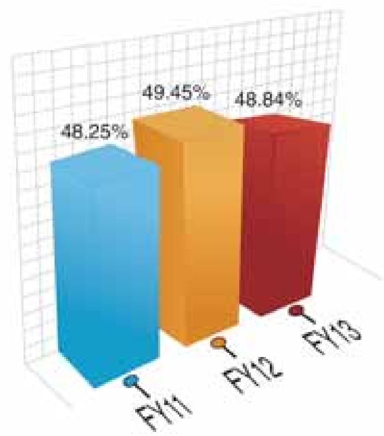
Ratings

- ICRA AA for Lower Tier II subordinate debt program by ICRA
- ICRA AA- for Upper Tier II bond program by ICRA
- CRISIL A1+ for certificate of deposit program by CRISIL
- CARE AA for Lower Tier II subordinate debt program by CARE
- IND A1+ for Short Term Debt Instruments by India Ratings and Research
- IND AA for Lower Tier II subordinate debt program by India Ratings and Research
- IND AA- for Upper Tier II bond program by India Ratings and Research

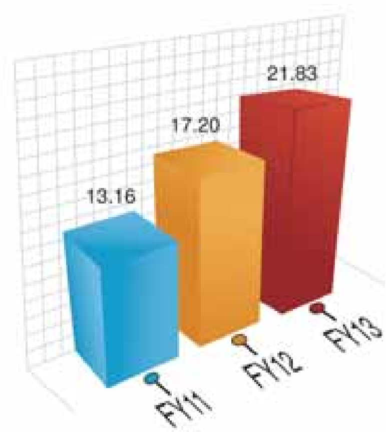
Consistent delivery over the past 3 years...

Return on Asset (RoA)

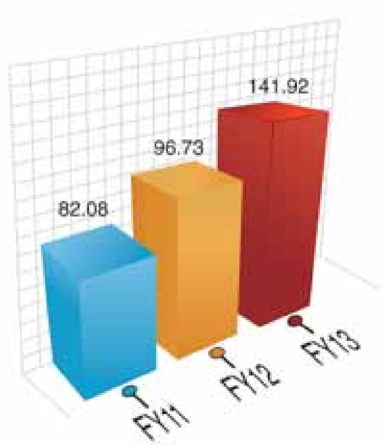
Net Interest Margin (NIM)



Cost/ Income



Earnings Per Share (₹ per share)



Book Value per Share (₹ per share)

Revenue/ Employee (₹ lakh)

Awards & Accolades

The Bank received various awards and accolades during the year:

"Bank Growth Champion Award" at NDTV Profit Business Leadership Awards 2012

"Best Use of CSR Practices in Banking & Finance" and "Innovation in Corporate Social Responsibility Practices" at Global CSR Excellence & Leadership Award 2013

"Best Corporate Social Responsibility Practice 2013" at BSE - 7th Social and Corporate Governance Awards

"The Best Bank Award among Small Banks for IT Operational Effectiveness" by Institute for Development and Research in Banking Technology (IDRBT)

"Best Bankers' Awards" for Best Private Sector Banker and Best Indian Banker (Category- Medium) was awarded to Mr. Romesh Sobti, MD & CEO, IndusInd Bank at Sunday Standard Finwiz 2012

"Top Green IT Enterprise Award 2012" by CIO Magazine

"Best Risk Management & IT Security" and "Best Use of Technology in Training & e-Learning" (1st Runners-Up) at IBA Banking Technology Awards

"Best Online Bank" and "Best use of Business Intelligence and Best use of Mobility Technology in Banking" (2nd Runners-Up) at IBA Banking Technology Awards

"Banking Frontier - Finnoviti Awards 2012" for 2 innovations - Cash-On-Mobile and Direct Connect Service

"50 Most Talented Brand Leaders of India" was awarded to Mr. Mohit Ganju, Head - Marketing & Communication, IndusInd Bank at Brand Leadership Awards

The Core Executive Team

Romesh Sobti
Managing Director & CEO

Paul Abraham
Chief Operating Officer

Suhail Chander
Head - Corporate & Commercial Banking

Sumant Kathpalia
Head - Consumer Banking

K. S. Sridhar
Chief Risk Officer

Arun Khurana
Head - Global Markets Group

S. V. Parthasarathy
Head - Consumer Finance

J. Moses Harding
Head - ALCO and Economic & Market Research

Ramesh Ganesan
Head - Transaction Banking

S. V. Zaregaonkar
Chief Financial Officer

Sanjeev Anand
Deputy Head - Corporate & Commercial Banking

Zubin Mody
Head - Human Resources

Sanjay Mallik
Head - Investor Relations & Strategy

Customer Responsiveness through Innovative Products

In keeping with the well-established theme of **Responsive Innovation**, IndusInd Bank has followed a clear and focused strategy of offering universal solutions through innovative products and services across demographics and geographies. This year too, your Bank launched **Super Saver Packs** based on the concept of product bundling - a first in the banking industry. These product bundles were created as per the customers' specific needs, giving them a choice of financial products that best suit their requirements.

In the initial testing phase 12 bundles were assessed for market acceptance, price sensitivity, and overall revenue impact. With the help of the research findings, your Bank was able to integrate the offerings into **6 Super Saver Packs: Securit, Health Assure, Easy Plus, Little Investor, Elevate, and Home Secure**.

These Packs offer benefits like easy buying, choice, flexibility, transparency, and value. Further, our Pack Renewal Plans will allow customers to enjoy the same product combination every year. To impress on our employees the advantages of the new concept, your Bank released several teasers and informative direct mailers. The Packs, when introduced in the market, generated a very encouraging response.

Indus SUPER SAVER packs

Further emphasising **Customer Responsiveness**, your Bank recently launched its customer service in **5 regional languages:** Kannada, Marathi, Malayalam, Tamil and Telugu. This has helped in promoting your Bank's vision of Universal Banking.

IndusInd Bank is now part of Nifty 50

On 1st April 2013 IndusInd Bank's scrip made its entry into The National Stock Exchange's (NSE) benchmark index **Nifty 50**. Your Bank has always believed in creating value for its stakeholders and the inclusion in **Nifty 50** further avows this belief.

Our presence on Social Media

Staying abreast with technological advancements, your Bank has taken a step towards tapping the potential of the Internet medium. Your Bank has made its presence on specific social networking sites to create a direct connect with the customers through regular posts and engaging content. It has been very encouraging to see the increasing number of supporters online.

Responsive Employee Engagements

Responsive Innovation is a theme which your Bank endorses internally too. The **MyIdea** campaign is one such longest standing initiative that encourages the employees to contribute new ideas. Since 2008, it has been a platform to discover, evaluate, share, and implement employee ideas that improved the way your Bank worked.

Moving on to the next level, an all-new **MyIdea** portal was unveiled this year that enabled real-time tracking of the ideas submitted. An Online Dashboard provided complete transparency allowing employees to know the exact status of an idea at any given time. Special parameters were incorporated to measure the benefits of an idea, with a prompt and thorough evaluation process.

Experts from each department were nominated to track, evaluate, and provide feedback on the ideas submitted. The members of the committee voted online to select the final winners.

PROJECT UDAAN

Building a Stronger Core

In a successful single day cutover, IndusInd Bank transformed its existing Core Banking system with state-of-the-art **Finacle 10.2** in all branches and ATMs.

It was a challenging task to make the transition and 'go-live' within a day across the country, without interrupting business transactions. It can be said with great pride that your Bank stepped up to the test, and fulfilled the job with aplomb.

With practically no downtime during the transition, your bank ATMs continued functioning throughout. All interfaces ran flawlessly, and Day One reported minimal customer issues. The migration was completed ahead of scheduled time in a smooth, seamless manner. The credit goes entirely to the extensive training and simulation sessions that were rolled out bank-wide, before the 'go-live' date.

With new Finacle version, your Bank will be able to personalise offerings, bundle products, and enrich its segment-specific product portfolio; leading to greater customer satisfaction and delight.

Green practices towards sustainability

Corporate Social Responsibility continues to be an integral part of the business objectives of IndusInd Bank. It is the foundation for economic, organisational, social and technological innovations, boosting the overall growth of your Bank. Your Bank is strongly associated with its valuable partner, Centre for Environment and Research Education (CERE) - an NGO promoting green practices and guidance.

Sustainability Driven Growth

During the financial year 2012-13, your Bank witnessed several successes in terms of sustainable development and implementation of several green initiatives. Your Bank's continual commitment to socially conscious and environment-friendly business practices have resulted in reduced costs, generation of additional revenue, creation of business opportunities and improved logistics.

Energy

ATMs with Solar Panels: Successful installation of solar panels on 100 ATMs resulted in generation of energy equaling 94982 kWh with a saving of ₹ 5.86 lakh in commercial electricity and saving of ₹ 11.39 lakh in DG power. Totally 113025 kg carbon was mitigated.

Power Management: Power Management policies were implemented on desktops and laptops across the organisation. The project commenced in the second half of 2012 and till March 2013 the policies were rolled out to 400+ machines as a pilot. The organisation-wide rollout of the power management policy is expected to reduce the power consumption by about 27.87 kWh per machine per annum. This, for about 10,000 machines, translates to savings of approximately ₹ 22.29 lakh per annum and CO_2 emission reduction of approximately 241 tonnes per annum.

Server Virtualisation: 187 servers were virtualised on 13 physical servers resulting in a saving of ₹ 211 lakh in capex cost and electricity savings of ₹ 44.18 lakh per year.

Thin Computing: More than 680 users have been provided with virtual desktops, resulting in power savings of 300 kWh per user per year, while power cost saved per unit per year is ₹ 2,380.

Power Saving in Signage: Electric signs are switched off after 11 pm at branches across India, preventing wastage of electricity. Thus resulting in savings of approximately ₹ 31.22 lakh during 2012-13.

Power Saving Devices: Select branches and offices have been installed with 44 power saving devices resulting in savings of approximately ₹ 42 lakh (on an average) in electricity costs during 2012-13.

100 Solar Powered ATMs generated 94982 kWh of energy and 113025 kg of carbon was mitigated

Power Management policies reduced the power consumption by about 27.87 kWh per machine per annum

Server Virtualisation saved ₹ 211 lakh capex cost and saved electricity cost of ₹ 44.18 lakh

Thin Computing saved 300 kWh power and power cost of ₹ 2,380 per unit per year

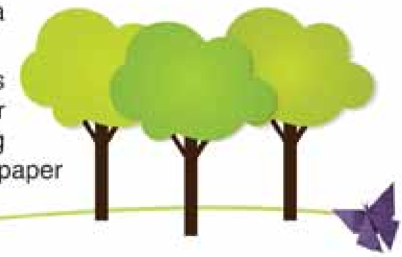
Signage boards switched off after 11 pm at all branches saved approximately ₹ 31.22 lakh

Power Saving Devices saved approximately ₹ 42 lakh

Paper

Eco-friendly A4 paper: Your Bank has started using eco-friendly spectra paper which is made out of wheat straw instead of wood pulp. The supply is centralised, improving the logistics and cost savings by nearly ₹ 9 lakh. Supply of eco-friendly paper translates into saving approximate 4858 trees.

Fax Servers: Introduction of paperless fax in select branches and offices across India has resulted in saving approximately 53,000 pages.



Paper Consumption Monitoring: Your Bank has introduced multi-function devices (MFDs) at various branches/ offices where substantial savings are expected in paper usage. This will be tracked with the help of remote monitoring software. Duplex printing has been enforced to save paper and prevent wastage. Your Bank aims to reduce paper usage by 10% in the ensuing financial year.

Staff Awareness

As part of the ***Hum Aur Hariyali*** campaign, your Bank appointed 24 employees as Green Champions to initiate and implement various green practices and spread awareness in branches and offices across India.

A new course on **Green Banking** was also introduced under the e-learning module to educate the employees about major environmental issues and discuss the green initiatives undertaken.

Events/ Campaigns: A **Diwali Handicraft Exhibition** was organised for the underprivileged children of the NGO SUPPORT. Your Bank helped these children sell handicraft items like artificial jewellery, handbags, key chains, books, etc., and even presented them with Diwali gifts.

Under the **Beti Ghar Ki Roshni** initiative 10 solar lamps sponsored by your Bank were given to school girls from villages without electricity.

Your Bank's environment safety initiatives included:

- A new campaign called **WOW - Waste Paper Collection Drive** initiated in the South Zone, to collect waste paper and recycle it as a small but significant step towards environment protection. Your Bank continues to focus on its 'Adopt-a-Plant' and 'Tree Plantation' campaigns at various branches, which not only generated business but also helped in brand building.
- **Sustainability Celebration Week** was celebrated with the CGMO Dept. across India. Various activities were conducted through the week on different topics that included e-learning, electricity saving measures, saving paper, Adopt-a-Plant, water saving, healthy cooking and diet food, and drawing competition for kids.
- The **'Kill Bill'** campaign at select branches to ensure monthly reduction of electricity consumption.
- **Disposing e-waste** through authorised recycle vendors who follow environment norms laid-down by the government.
- Participation as a signatory from India in the **Carbon Disclosure Project** (CDP) - a global initiative for sustainable development.
- Participation in the **Save the Environment** marathon organised by the Lucknow Bankers Club. Our slogan "When the Earth dies, which side you reside" was much appreciated by all.

Your Bank donated PCs to:

- Asha, a school for handicapped children run by the Army Garrison Engineers Unit.
- Canossa High School in Mumbai, for its Computer Lab Project. This school provides free education to girls and runs a night school for the poor and economically challenged.
- Shaala Vyavasthapan Samiti in Ahmednagar that educates the local tribal children.

A donation of pillows and bed sheets was made by the Credit Administration Dept. of the Bank, to the orphanage **Shishu Bhavan** in Mumbai, which shelters abandoned infants and children aged below 10 years.

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of IndusInd Bank Limited will be held at 2.00 p.m. on Friday, June 28, 2013, at Hotel Le Meridien, Raja Bahadur Mill Road, Pune – 411001, India, to transact the following business:

Ordinary Business

1. To consider and adopt the Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended March 31, 2013 together with the Reports of the Directors and Auditors thereon.

2. To declare Dividend for the year.

3. To appoint a Director in place of Mr. S. C. Tripathi, who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Dr. T. T. Ram Mohan, who retires by rotation and, being eligible, offers himself for re-appointment.

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** subject to approval of Reserve Bank of India ("RBI") and pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956 and any statutory modification or re-enactment thereof for the time being in force ("the Act"), M/s B S R & Co., Chartered Accountants, Mumbai, ICAI Registration No.042554 / Firm's Registration No.101248W, or such other auditor as may be approved by RBI be and are hereby appointed as the Statutory Auditors of the Bank to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Bank, and on such terms and conditions as may be fixed by the Board of Directors based on the recommendations of the Audit Committee."

Special Business

6. Re-appointment of Mr. R. Seshasayee as Part-time Chairman

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"**RESOLVED THAT** subject to the approval of Reserve Bank of India (RBI) under Section 10-B (1-A) the applicable provisions of the Banking Regulation Act, 1949, the applicable provisions of the Companies Act, 1956, and as per the approval of the Board, consent of the members of the Bank be and is hereby accorded for the re-appointment of Mr. R. Seshasayee as Part-time Chairman of the Bank, not subject to retirement by rotation, for a further period of two years, w.e.f. July 24, 2013, on such terms and conditions as may be approved by the Reserve Bank of India.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to file the requisite forms with the Registrar of Companies and to take all necessary steps for giving effect to this resolution."

7. Re-appointment of Mr. Romesh Sobti as Managing Director and CEO

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT subject to the approval of Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949 as amended from time to time and the applicable provisions of the Companies Act, 1956, consent of members of the Bank be and is hereby accorded for the re-appointment of Mr. Romesh Sobti as Managing Director and CEO of the Bank, not subject to retirement by rotation, for a period of three years with effect from February 1, 2014 on such terms and conditions as may be approved by the Board of Directors and by the Reserve Bank of India."

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to file the requisite forms with the Registrar of Companies and to take all necessary steps for giving effect to this resolution."

By Order of the Board

Place : Mumbai
Date : May 8, 2013

Haresh K. Gajwani
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK. The Proxy Form should be lodged with the Bank at its Registered Office at least 48 hours before the time of the meeting.

2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses is annexed hereto.

3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Bank during Office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting (AGM).

4. The Register of Members and Share Transfer Books of the Bank will remain closed from Wednesday, June 19, 2013 to Friday, June 28, 2013 (both days inclusive).

5. The Dividend would be made payable on or after Monday, July 1, 2013 to the shareholders whose names stand in the Register of Members on Tuesday, June 18, 2013.

   In terms of the directives of Securities and Exchange Board of India, shares issued by companies should rank pari passu in all respects, including for dividend entitlement. Accordingly, equity shares allotted under the QIP issuance and the equity shares allotted / to be allotted by the Bank upto June 18, 2013 under the Bank's 'Employee Stock Option Scheme ("ESOS") 2007', will be entitled for full dividend for the financial year ended March 31, 2013, if declared at the Meeting.

6. Shareholders are requested to furnish contact details such as e-mail IDs, cell phone numbers and telephone numbers to the Company Secretary or to the Registrar, to enable the Bank to communicate to shareholders more frequently the information about developments in the Bank.

7. Members / Proxies should bring the Attendance Slip duly filled in for attending the AGM.

8. A brief profile of the Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.

9. SEBI have made it mandatory for every participant in the securities / capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agents of the Bank, viz., Link Intime India Pvt. Ltd.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. R. Seshasayee was re-appointed Part-time Chairman of the Bank on July 24, 2011 for a period of two years. Mr. Seshasayee's tenure accordingly concludes on July 23, 2013. Members are requested to consider Mr. Seshasayee's re-appointment as Part-time Chairman of the Bank, for a further period of two years.

Mr. Seshasayee, a Chartered Accountant, assumed the office of Executive Vice Chairman of Ashok Leyland Ltd., after having been Managing Director for 13 years until 2011. He had held Directorship of ICICI Bank Ltd. from May 6, 1997 to October 31, 2003. During that tenure, he also held the position of Chairman of the Audit Committee of the Board. Mr. Seshasayee has also been President of the Confederation of Indian Industry and a member of various Committees of the Society of Indian Automobile Manufacturers.

Members are requested to pass the resolution under Item No.6 as an Ordinary Resolution.

None of the Directors of the Bank, other than Mr. R. Seshasayee, is in any way concerned or interested in the passing of the Resolution.

Item No. 7

Mr. Romesh Sobti assumed charge as Managing Director & CEO of the Bank w.e.f. February 1, 2008 for a period of three years, and requisite approval as required u/s 35B of the Banking Regulation Act, 1949 was obtained. The said appointment was approved by the shareholders in the General Body meeting held on September 22, 2008. Mr. Sobti was thereafter re-appointed as Managing Director & CEO of the Bank in the Annual General Meeting held on June 28, 2010 for a further period of three years, w.e.f. February 1, 2011.

Since Mr. Sobti's tenure would conclude on January 31, 2014, approval of the Members for his re-appointment as Managing Director & CEO of the Bank for a further period of three years is requested, subject to the approval of the Reserve Bank of India.

Mr. Sobti has 39 years of banking experience. Prior to this assignment, Mr. Sobti was the Executive Vice President – Country Executive, India, and Head – UAE & Subcontinent, at ABN Amro Bank. Mr. Sobti had also been associated with ANZ Grindlays Bank plc (now Standard Chartered Bank) and State Bank of India in the past. He holds a Bachelors Degree (Honours) in Electrical Engineering and has also done his Diploma in Corporate Laws and Practice and Secretarial Practice.

Members are requested to pass the resolution under Item No.7 as an Ordinary Resolution.

None of the Directors of the Bank, other than Mr. Romesh Sobti, is in any way concerned or interested in the passing of the Resolution.

By Order of the Board

Place : Mumbai
Date : May 8, 2013

Haresh K. Gajwani
Company Secretary

DIRECTORS' REPORT : 2012-13

The Bank's Directors have pleasure in presenting the Nineteenth Annual Report covering business and operations of the Bank, together with the audited financial accounts for the year ended March 31, 2013.

The financial performance for the year ended March 31, 2013 is summarized as under:

(₹ in crores)

	March 31, 2013	March 31, 2012
Deposits	54,116.72	42,361.55
Advances	44,320.61	35,063.95
Operating Profit (before Depreciation and Provisions and Contingencies)	1,912.89	1,447.99
Net Profit	1,061.18	802.61

During the year, despite the deceleration in growth rate in the Indian economy and a challenging macroeconomic environment, the Bank's deposits grew by 27.75% and advances increased by 26.40%.

The focus during the year continued to be on increasing the earnings from core banking business and on strengthening the fee income streams.

The Operating Profit (before Depreciation and Provisions and Contingencies) during the year under review rose by 32.11% to ₹ 1,912.89 crores, from the level of ₹ 1,447.99 crores in the previous year.

The Bank's Net Profit, after considering necessary provisions and contingencies and all expenses, was higher by 32.22% at ₹ 1,061.18 crores as against ₹ 802.61 crores in the previous year.

Appropriations

The Directors recommend appropriation of profit as under:

(₹ in crores)

Operating Profit before Depreciation and Provisions & Contingencies	**1,912.89**
Less: Depreciation on Fixed Assets	73.43
Less: Provisions & Contingencies inclusive of Income Tax	778.28
Net Profit	**1,061.18**
Profit Brought forward	**1,187.59**
Amount available for Appropriation	**2,248.77**
Transfer to Statutory Reserve	265.30
Transfer to Capital Reserve	8.36
Transfer to Investment Reserve Account	0.40
Proposed Dividend	157.09
Tax on Dividend	26.69
Balance carried over to Balance Sheet	1,790.93
Total Appropriations	**2,248.77**

Dividend

The Earning per Share (EPS) of the Bank has risen to ₹ 21.83 during the year 2012-13, from ₹ 17.20 in the previous year.

Looking to the overall improvement in performance, the Directors recommend dividend of ₹ 3/- per equity share of ₹ 10/- each for the year ended March 31, 2013. (Dividend for the year 2011-12 was ₹ 2.20 per equity share of ₹ 10/- each).

The Bank shall pay tax on the amount of dividend paid, which will be tax-free in the hands of the shareholders.

Financial Performance

The operating environment in the Indian economy witnessed significant turbulence throughout the year, incorporating worsening liquidity conditions and inflationary pressures coupled with volatility in currency exchange rates. During the year, RBI reduced Repo Rate to 7.50% from 8.50% and CRR rates were reduced to 4.00% from 4.75%.

During the year 2012-13, the Bank continued to leverage its business on the three performance planks of Productivity, Profitability and Efficiency, which helped the Bank to significantly improve its profitability.

The Bank's Total Income grew by 31.00% to ₹ 8,346.19 crores from ₹ 6,370.98 crores, backed by improved business.

The sharp rise in profitability was the result of a healthy increase in core earnings of the Bank through Net Interest Income (NII) and robust growth in Non-Interest Income streams. Net Interest Income improved by 31.02% to ₹ 2,232.87 crores from ₹ 1,704.25 crores while Non-Interest Income rose to ₹ 1,362.96 crores from ₹ 1,011.78 crores, a rise of 34.71%.

The year 2012-13 has been one of sustained hardening of interest rates and shrinking of lending margins. The Yield on Advances remained steady at 13.77% during the year, even as the Cost of Deposits showed an increase to 8.49% as against 8.06% in the previous year (an increase of 43 basis points). However, the Net Interest Margin (NIM) increased to 3.43% during the year, as compared with 3.33% in 2011-12, owing to reduction in the total cost of funds.

Fee and Miscellaneous Income at ₹ 1,362.96 crores as compared to ₹ 1,011.78 crores in the previous year showed strong annual growth of 34.71%. Core Fee Income such as commission, exchange, fees on distribution of third-party products and earnings from foreign exchange business, etc. grew by 36% to ₹ 1,239.34 crores from the level of ₹ 913.24 crores last year.

The Bank expanded its branch network rapidly to reach 500 branches, as against 400 branches at the beginning of the year. Revenue per employee during the year remained steady at ₹ 31.26 lakhs.

Quality of the Bank's assets remained stable, with Net Non-Performing Assets (Net NPAs) at 0.31% as at March 31, 2013 from 0.27% last year. The Provisioning Coverage Ratio (PCR) stood at 70.13% as compared to 72.72% previous year.

On the liabilities side, the emphasis continued to be on broadbasing the deposit franchise. This task was accomplished by leveraging the expanded branch network and the pan-India marketing setup, offering innovative products and service propositions, sustained promotional campaigns, and enabling customers with alternate channels like ATMs, Internet Banking, etc.

The Bank introduced several new products and services for its chosen client segments, through its Transaction Banking Group and Global Markets Group. Deeper understanding of client requirements and the ability to put technology to efficient use formed the bedrock on which new products and service propositions were created.

The Bank kept up its focus on deepening as well as strengthening the fee-based income streams, resulting in a smart growth in non-interest income. Moving forward, the Bank plans to upscale the growth momentum through further enhancements in diverse revenue streams such as foreign exchange business, investment banking, structured trade and treasury products, distribution of third party products like mutual funds and insurance, international remittances, bullion operations and transaction banking activities, including the depository business and the commodity market business.

Share Capital

On December 5, 2012, the Bank issued 5,21,00,000 equity shares of ₹ 10/- each at a price of ₹ 384.00 per share, aggregating to ₹ 2,000.64 crores through a Qualified Institutions Placement (QIP).

During the year under review, the Bank allotted 30,67,705 shares pursuant to the exercise of Options under its Employees Stock Option Scheme, 2007.

Pursuant to the above, the Paid-up Share Capital and Share Premium Account increased by ₹ 55.17 crores and ₹ 1,962.85 (net) crores respectively.

As at March 31, 2013, the Paid-up Equity Capital of the Bank consisted of 52,26,77,706 shares of ₹ 10/- each, excluding forfeited shares.

Tier II Capital

The Bank did not raise any Tier II Capital during the year.

Capital Adequacy

The Bank is adequately capitalized. The Capital Adequacy Ratio of the Bank, calculated as per the New Capital Adequacy Framework (Basel II norms) of RBI, is set out below:

	March 31, 2013	March 31, 2012
i) Capital Adequacy Ratio (CRAR)	15.36%	13.85%
ii) CRAR- Tier I Capital	13.78%	11.37%
iii) CRAR- Tier II Capital	1.58%	2.48%

Ratings

Instruments	Rating	Rating Agency
Lower Tier II Subordinate Debt program	AA	ICRA
Upper Tier II Bonds	AA-	ICRA
Certificates of Deposit	A1+	CRISIL
Lower Tier II Subordinate Debt program	AA	CARE
Long Term Debt Instruments	AA-	India Ratings and Research
Short Term Debt Instruments	AA	India Ratings and Research

Subsidiary Company

ALF Insurance Services Pvt. Ltd., the Bank's subsidiary company which was set up to do the business of Insurance Corporate Broking, is currently under voluntarily winding up, and the process is expected to be completed soon.

Directors

Mr. S. C. Tripathi and **Dr. T. T. Ram Mohan**, Directors, retire by rotation, and being eligible, have offered themselves for re-appointment.

Mr. R. Seshasayee was appointed Part-time Non-executive Chairman of the Bank on July 24, 2007 for a period of two years. The Reserve Bank of India had approved the re-appointment of Mr. R. Seshasayee as Part-time Chairman of the Bank for a further period of two years in July 2009 and July 2011. Re-appointment of Mr. R. Seshasayee as Part-time Chairman of the Bank for a period of two years w.e.f. July 24, 2013 is proposed, subject to approval of the Reserve Bank of India.

Mr. Romesh Sobti was appointed Managing Director & CEO of the Bank for a period of three years with effect from February 1, 2008 and requisite approval as required u/s 35B of the Banking Regulation Act, 1949 was obtained. The said appointment was approved by the shareholders in the General Body meeting held on September 22, 2008. Mr. Sobti was thereafter re-appointed as Managing Director & CEO of the Bank in the Annual General Meeting held on June 28, 2010 for a further period of three years, w.e.f. February 1, 2011. Re-appointment of Mr. Romesh Sobti as Managing Director & CEO of the Bank for a period of three years w.e.f. February 1, 2014 is proposed, subject to approval of the Reserve Bank of India.

Brief résumé of Directors proposed to be re-appointed have been furnished in the section on 'Corporate Governance'.

Auditors

M/s B S R & Co., Chartered Accountants, the Statutory Auditors of the Bank, who have audited the accounts of the Bank for the year 2012-13, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Members are requested to consider their re-appointment and authorise the Board to fix their remuneration. The appointment of the Statutory Auditors will be subject to the approval of Reserve Bank of India.

Auditors' Report

M/s B S R & Co., Chartered Accountants, have audited the accounts of the Bank for the year 2012-13 and their Report is annexed. There are no qualifications in the Auditors' Report.

Statutory Disclosures

Information, wherever required under the Banking Regulation Act, 1949 or the Companies Act, 1956 as applicable to a banking company, has been laid out in the schedules attached and forms part of the Balance Sheet and the Profit and Loss Account.

There are no material changes and commitments affecting the financial position of the Bank, which have occurred between the end of the financial year 2012-13 to which the Balance Sheet relates and the date of this Report.

Considering the nature of activities as an entity in the financial services sector, the provisions of Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption do not apply to the Bank. The Bank has, however, made optimum use of information technology in its operations.

The Bank had 11,502 employees on its rolls as on March 31, 2013. The information required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder is given in the annexure appended hereto and forms part of this Report. In terms of Section 219(1)(b)(iv) of the Companies Act, this Report and the Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Bank.

Employee Stock Option Scheme

The Bank had instituted Employee Stock Option Scheme (ESOS - 2007) to enable its employees, including Whole-time Directors, to participate in the future growth of the Bank. Under the Scheme, Options can be granted, which upon exercise could give rise to the issue of a number of shares upto 7% of the issued equity capital of the Bank from time to time. The Employee Stock Option Scheme is in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The eligibility and number of Options to be granted to an employee is determined on the basis of criteria laid down in the Scheme and is approved by the Compensation Committee of the Board of Directors.

An aggregate of 2,79,55,200 Options, comprising 5.35% of the Bank's equity capital, have been granted under the Scheme. Statutory disclosures as required by the SEBI Guidelines on ESOS are given at Annexure "I" to this Report.

Corporate Governance

The Bank continues its endeavour to adopt the best prevalent Corporate Governance practices.

A separate Report on the status of implementation of Corporate Governance, as required under Clause 49 of the Listing Agreement with the relevant Stock Exchanges, is included in the section on 'Corporate Governance' which forms part of this Report. M/s Bhandari & Associates, Company Secretaries have certified that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges have been complied with by the Bank. A copy of their Certificate is also attached at Annexure 'II' to this Report'.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby certify and confirm that:

(i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at March 31, 2013 and of the profit of the Bank for the year ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and Banking Regulation Act, 1949 for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; and

(iv) the Annual Accounts have been prepared on a 'going concern' basis.

Acknowledgements

The Directors are grateful to the shareholders of the Bank for the trust and confidence reposed by them in the Bank.

The Directors are also grateful to the Reserve Bank of India, the Ministry of Corporate Affairs, Securities and Exchange Board of India, Insurance Regulatory and Development Authority, and the Stock Exchanges for the guidance and support extended by them to the Bank.

The Board expresses its deep sense of appreciation to all employees for their excellent performance, strong work ethic and unswerving commitment, which qualities have contributed to the Bank's continued progress in a challenging environment.

The Board thanks its valued customers for their patronage, and looks forward to the growing of this mutually supportive relationship in future.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 8, 2013

R. Seshasayee
Chairman

ANNEXURE I - DIRECTORS' REPORT

STATUTORY DISCLOSURES REGARDING ESOPs (FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013)

Sr. No.	Particulars	ESOS - 2007 (As at March 31, 2013)	Options granted on April 19, 2012	Options granted on May 25, 2012	Options granted on July 10, 2012	Options granted on August 29, 2012	Options granted on October 10, 2012	Options granted on January 9, 2013
1	No. of Options granted	27,955,200	140,500	134,500	267,000	114,000	23,500	30,000
2	No. of Options surrendered (cancelled)	863,454	0	0	0	0	0	0
3	Pricing Formula	Options granted at market price, except some Options granted on July 18, 2008, January 28, 2010 and February 7, 2011 at discount to market price.						
4	No. of Options Vested	22,344,749	0	0	0	0	0	0
5	No. of Options Exercised	10,680,566	0	0	0	0	0	0
6	No. of shares arising as a result of exercise of Options	10,680,566	0	0	0	0	0	0
7	Options Lapsed	0	0	0	0	0	0	0
8	Variation in terms of ESOP	Options granted on July 18, 2008 were re-priced.						
9	Money realised by exercise of Options (₹ in lakhs)	7,364.47	0	0	0	0	0	0
10	Total No. of Options in force	16,411,180	140,500	134,500	267,000	114,000	23,500	30,000
11	Employee-wise details of Options granted to:							
	(a) Key managerial personnel i.e MD & CEO and SEVPs	13,384,000	0	0	0	0	0	
	(b) Any other employee who receives a grant in any one year of Options amounting to 5% or more of the Options granted during the year (Refer Table A)	1,585,000	75,000	90,000	220,000	50,000	0	0
	(c) Identified employees who were granted Option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	0	0	0	0	0	0	0

Sr. No.	Particulars	ESOS - 2007 (As at March 31, 2013)	Options granted on April 19, 2012	Options granted on May 25, 2012	Options granted on July 10, 2012	Options granted on August 29, 2012	Options granted on October 10, 2012	Options granted on January 9, 2013
12)	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of Options, calculated as per Accounting Standard (AS) 20- "Earning Per Share"	The Diluted EPS of the Bank calculated after considering the effect of potential equity shares arising on account of exercise of Options is ₹ 21.40						
13	Where the company has calculated the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of Options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The Bank has charged Nil amount to the Profit and Loss account, being the intrinsic value of Stock Options granted for the year ended March 31, 2013. Had the Bank adopted the Black - Scholes model based fair valuation, compensation cost for the year ended March 31, 2013 would have increased by ₹ 38.29 crores and the proforma Profit After Tax would have been lower by ₹ 25.86 crores. On a proforma basis, the basic and diluted Earnings Per Share would have been ₹ 21.30 and ₹ 20.88 respectively.						
14	Weighted average exercise prices and weighted average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted average market price of Options exercised during the year is ₹ 349.06. The weighted average fair value of Options granted during the year ended March 31, 2013 is ₹159.69.						
15	A description of the method and significant assumptions used during the year to estimate the fair value of Options, including the following weighted-average information:	The fair value has been calculated using the Black Scholes Option Pricing model.						
	Risk Free Interest Rate		8.30%	8.36%	8.06%	8.20%	8.12%	7.92
	Expected Life		4.51	4.51	4.51	4.51	4.51	4.51
	Expected Volatility		53.93%	52.72%	51.35%	49.65%	48.79%	46.01
	Dividend Yield		1.38%	1.38%	1.28%	1.28%	1.28%	1.28%
	Price of the underlying share in the market at the time of Options grant.		345.30	308.45	343.60	315.00	357.70	434.55

Sr. No.	Particulars	ESOS - 2007 (As at March 31, 2013)	Options granted on April 19, 2012	Options granted on May 25, 2012	Options granted on July 10, 2012	Options granted on August 29, 2012	Options granted on October 10, 2012	Options granted on January 9, 2013
	Assumptions:	**Stock Price:** Closing price on National Stock Exchange one day prior to the date of grant has been considered. **Volatility:** The historical volatility over the expected life has been considered to calculate the fair value. **Risk-free rate of return:** The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options based on the zero-coupon yield curve for Government Securities. **Exercise Price:** Exercise Price of each specific grant has been considered. **Time to Maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. **Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.						
	Table "A" Any other employee who receives a grant in any one year of Options amounting to 5% or more of the Options granted during the year							
	Name	**Number of Options granted:**						
	Sameer Gupta		75,000	Nil	Nil	Nil	Nil	Nil
	Jyothi Shenava		Nil	45,000	Nil	Nil	Nil	Nil
	Prakash Prabhu		Nil	45,000	Nil	Nil	Nil	Nil
	Siddharth Banerjee		Nil	Nil	220,000	Nil	Nil	Nil
	Pradeep Sharma		Nil	Nil	Nil	50,000	Nil	Nil
	Notes to Table A							
	33% of these Options will vest on 33% of these Options will vest on 34% of these Options will vest on	N.A	19-4-2013 19-4-2014 19-4-2015	25-5-2013 25-5-2014 25-5-2015	10-7-2013 10-7-2014 10-7-2015	29-8-2013 29-8-2014 29-8-2015	N.A	N.A

ANNEXURE II - DIRECTORS' REPORT

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To the Members of IndusInd Bank Ltd.:

We have examined the compliance of conditions of Corporate Governance by INDUSIND BANK LTD. ("the Bank") for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Bank with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari
Proprietor
C. P. 366

Mumbai, May 7, 2013

Management Discussion & Analysis

Macro Economic Scenario and Banking Environment

The macro economic environment remained complex and uncertain throughout the year. Developed markets continued to face weakness, thereby sending strong headwinds towards emerging markets. However, a strong combination of political and monetary support prevented further deterioration in the global economic environment. Monetary authorities in developed nations ensured that enough liquidity was made available to financial markets at near-zero interest rates. The impact on domestic market was mixed; while off-shore liquidity flowed into the Indian asset markets, rise in commodity prices brought into play conflicts in growth-inflation dynamics. Monetary policy response towards addressing growth concerns was constrained by the persistence of inflation and the growing Fiscal and Current Account Deficit risks that prevailed for most part of the year.

The economic data trend into FY13 was less than encouraging. GDP growth in Q3 slumped to 4.5% (against the peak of 9.4% in 2011) while Fiscal Deficit shot up to 6%. Headline WPI inflation averaged 7.3% and retail CPI inflation was in double digits.

Authorities reacted to the threat from global rating agencies by focusing on fiscal consolidation and monetary support to growth despite inflationary pressures. RBI infused permanent system liquidity with 0.75% cut in CRR and 1% cut in SLR, and reduced policy rates by 1% to drive the operating policy rate of Repo rate from 8.50% to 7.50%. RBI also conducted Open Market Operations by purchasing sovereign bonds to the tune of over ₹ 1.5 trillion to administer deficit system liquidity at 1% of NDTL.

While the slippage in Fiscal Deficit remained at 5.2%, the Current Account Deficit increased to 6.7% of GDP in Q3 of FY13 widening trade deficit owing to weak exports and higher commodity prices. However, into end of FY13, there has been significant improvement to economic risk perception with headline WPI inflation down at 6% and sharp reversal in commodity prices releasing the pressure on trade deficit.

The Reserve Bank of India, in its FY14 Annual Policy Review, continued to stay cautious on inflation and policy reforms while recognising the down-side risks on growth, although delivering a rate cut.

Despite contraction in the economy, most banks maintained productivity and efficiency levels through judicious management of ALM to protect NIM. While large banks with exposure to projects in core and sensitive sectors had credit-risk and provision-related risks, banks with working capital related assets managed to contain NPAs and provisions.

The road into FY14 is not clear despite dilution in headwinds from the external sector. QE support in the US and in the Euro zone is likely to continue until the end of 2014. The risk of sovereign rating downgrade is also diluted, in the wake of a strong commitment to restrict Fiscal Deficit below 5% and to step up GDP growth momentum. The recent developments in financial markets have diluted risks to inflation from fiscal consolidation, with the need to prevent growth emerging as a risk to fiscal consolidation.

This shift in dynamics may influence monetary policy action to shift its focus from inflation control to spurring growth momentum. There is a general expectation therefore for a move into further moderation in interest rates and a shift of system liquidity from deficit to surplus mode to revive investments and consumption. The lead and lag impact on the ALM is expected to enable banks to improve the financial intermediation margin for better profitability.

Bank's Performance during 2012-2013

Business Performance

The salient features of the Bank's operating performance during the year 2012-13 are summarized in the table below:

(₹ in crores)

	2012-13	2011-12	Y-o-Y Growth
Interest Earned	6,983.23	5,359.20	30.30%
Interest Expended	4,750.37	3,654.95	29.97%
Net Interest Income	2,232.86	1,704.25	31.02%
Other Income	1,362.96	1,011.78	34.71%
Total Operating Income	3,595.82	2,716.03	32.39%
Operating Expenses excluding Depreciation	1,682.93	1,268.04	32.72%
Operating Profit before Depreciation and Provisions	1,912.89	1,447.99	32.11%
Less: Depreciation	73.43	74.96	(2.04%)
Less: Provision & Contingencies	778.28	570.42	36.44%
Net Profit	1,061.18	802.61	32.22%

Despite the tough operating environment that prevailed through most part of the financial year, the Bank's Net Profit, after considering all expenses and necessary Provisions and Contingencies, rose by 32.22% to ₹ 1,061.18 crores, as against ₹ 802.61 crores in the previous year. The Operating Profit (before Depreciation and Provisions and Contingencies) was higher at ₹ 1,912.89 crores as against ₹ 1,447.99 crores in the previous year, a rise of 32.11%.

The core earnings of the Bank through Net Interest Income improved by 31.02% to ₹ 2,232.86 crores from ₹ 1,704.25 crores. Yield on advances remained steady at 13.77%. The cost of deposits showed a sharper increase at 8.49% as against 8.06% in the previous year, an increase of 43 basis points. With the capital infusion of about ₹ 2,000 crores in December 2012, the Net Interest Margin (NIM) improved to 3.43% during the year, as compared with 3.33% in 2011-12.

Fee and Miscellaneous Income during the year was ₹ 1,362.96 crores, as compared to ₹ 1,011.78 crores previous year, showed a strong growth of 34.71% on a y-o-y basis. Increase in Core Fee Income such as commission, exchange, fees on distribution of third party products and earnings from foreign exchange business, etc. was equally spectacular at ₹ 1,239.34 crores as against ₹ 913.24 crores, registering 36% growth.

The Bank expanded its branch network rapidly to reach 500 branches, as against 400 at the beginning of the year. Revenue per employee during the year remained steady at ₹ 31 lakhs.

Quality of the Bank's assets was stable, with Net Non-Performing Assets (Net NPAs) at 0.31% at March 31, 2013 as against 0.27% the previous year. Provisioning Coverage Ratio (PCR) was adequately maintained at 70.13%, compared with 72.72% previous year.

During the year under review, the Bank allotted 30,67,705 shares, pursuant to the exercise of Options under its Employees Stock Option Scheme, 2007.

The Bank issued 5,21,00,000 equity shares of ₹ 10/- each at a price of ₹ 384.00 per share, aggregating to ₹ 2,000.64 crores on December 5, 2012 through a Qualified Institutions Placement (QIP).

Pursuant to the above, the Paid-up Share Capital and Share Premium Account increased by ₹ 55.17 crores and ₹ 1,962.86 (Net) crores respectively.

As at March 31, 2013, the Paid-up Equity Capital of the Bank consisted of 52,26,77,706 shares of ₹ 10/- each, excluding forfeited shares.

Consumer Banking

During 2012-13, the Bank's Consumer Banking business showed healthy growth in revenue, a y-o-y rise of 47%. The Consumer CASA book grew by 27% and Fee Income grew by 44%, backed by aggressive growth in assets businesses.

The Bank's strategy on driving Savings book growth, continued to show results, with a 50% y-o-y growth driven by the segmented client approach and a growing distribution network.

The Home Loan distribution tie-up with HDFC Limited has been well established now with the product being offered across all branches in the country. Housing Loan disbursals have grown by 130% during the financial year. The Loans Against Property (LAP) book grew by 250% during the year.

The Business Banking Group achieved growth of 67% in overall assets with substantial growth of 76% in Working Capital and 82% in Term Loan book.

The Bank continued to grow and scale-up the Credit Card business during this period by increasing distribution in new cities and introducing new product variants.

The Bank has introduced Pre-Paid Forex Cards to offer a full suite of banking and payment services to its growing affluent Retail client base. Forex cards are offered in 6 currencies, viz., US Dollar, Euro, Sterling Pound, Singapore Dollar, Australian Dollar and Saudi Riyal.

In line with the theme of "Responsive Innovation", the Bank launched **SuperSaver packs,** a first of its kind in the Indian banking industry. The packs are "need-based" solutions wherein multiple financial products / services are packaged in a box and offer the client flexibility to choose across multiple options in a transparent and hassle-free manner, thereby saving cost and time.

The Bank successfully opened 100 new branches as part of the strategy of expanding banking network to different locations in the country. 125 new branches are planned to be opened during the current year in select geographies and 250 ATMs to be set up across key markets.

The Bank embarked upon a unique initiative to certify its frontline staff through the IndusPro Certification Program, a 5-day intensive experiential program being conducted in collaboration with an international training organization.

The Bank focused on key service propositions such as client engagement and operating process management to enhance the quality of delivery of banking products and services. The Bank also enhanced the Contact Centre support through IVR and agents across four languages, including Hindi and English.

Credit Cards

The Credit Cards business acquired by the Bank from Deutsche Bank on June 1, 2011 was seamlessly transitioned to the Bank. The business achieved profitability in the first year itself, and the focus of the business in 2012-13 was to take measured steps towards scaling it up.

The business made significant progress during the year through distribution leverage in new centres where the Bank had branches but where the cards business was previously not present. The new cities wherein Credit Cards distribution was implemented during the year included Coimbatore, Lucknow, Indore, Ahmedabad, Jaipur, Hyderabad, Kochi and Chandigarh. The business further deepened its distribution capabilities in the existing metropolitan cities, to leverage the opportunities of cross-sell to customers in these centres. The Bank also introduced new product variants during the year, which helped scale up bookings.

The business has added significantly differentiated value propositions during the year to continue to provide value to a discerning client profile in a competitive market, and has successfully managed to grow customer outstandings and spends while controlling risk.

The Bank today has a vibrant portfolio of cards from both Visa and MasterCard. The business has added strong Point-of-Sale EMI programs during the period and has followed the EMV Chip-based issuance strategy to provide enhanced transaction safety. The success of the portfolio transition effort from Deutsche Bank to the Bank can be exemplified from the fact that despite the change in brand, customer receivables from the acquired portfolio have grown during the period.

The business has focused on enhanced service delivery and strong client engagement tools to ensure that service forms the key differentiator in the marketplace. With sophisticated products, catering to affluent segments and a strong delivery platform in place, the business is well placed to further leverage the strong branch network and seizing of the strong cross-sell distribution opportunities.

Consumer Finance

The Consumer Finance Division (CFD) extends funding for a wide range of vehicles / equipment which includes Commercial Vehicles, viz., Heavy, Light and Small Vehicles used both for goods and passenger applications, Passenger cars, Utility vehicles, two-wheelers and construction equipment such as Excavators, Loaders, Tippers, Cranes, etc. Finance is extended for both new and used categories in all the above segments.

The thrust product during the year was used vehicles as this product line yields high returns. During the year, used vehicle loans disbursed was ₹ 2,426 crore as against ₹ 1,762 crore, a growth of 38%. The focus during the year was on optimizing the product mix to maximize yields, while maintaining portfolio quality despite the industry slowdown.

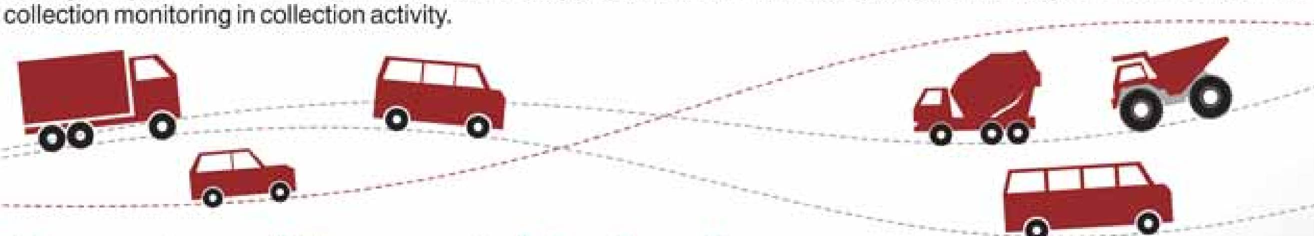
Aggregate disbursements made during the year rose by 18% to ₹ 14,808 crores as against ₹ 12,599 crores in the year 2011-12. New loan accounts added during the year numbered 8.40 lakhs, as against 7.10 lakh loans added in 2011-12. The growth in fresh loans disbursed was healthy particularly in the background of slowdown in the vehicle segment. Total Industry volume growth (all categories) was a mere 2.6%* and a negative growth of 2%* in the commercial vehicles segment. (*Source: SIAM data).

This Division also earned commission income of ₹ 23.31 crores, primarily through distribution of insurance products of Cholamandalam MS General Insurance, strategic partner of the Bank for bancassurance under the General Insurance segment.

The operations of this Division are efficiently supported by document storage and retrieval facility at the Bank's Karapakkam Unit (near Chennai), which handles loan document processing and record maintenance. This centre handled 1.3 million customer loan booking and closure transactions and 18 million customer service / accounting transactions during the year 2012-13.

The Data Centre, also located at Karapakkam, has state-of-the-art facilities in terms of data / equipment protection mechanisms and is equipped with access rights with sensors to monitor movement within the Centre.

During the year, Hand Held Terminals were deployed pan-India, to enhance process efficiency and facilitate real-time collection monitoring in collection activity.



Corporate and Commercial Banking Group

- **Corporate and Investment Banking Group**

  The Corporate and Investment Banking group (C&I) covers large corporate clients and also houses the Investment Banking Team of the Bank. The Bank is a Category I Merchant Banker.

  ### Corporate Banking

  Corporate & Investment Banking (C&I) provides Universal Banking Solutions to large Indian and multinational corporates. Over the last 4 years, this unit has become a banker to almost all the well-known industrial houses of the country, and actively participates in their short term and longer term financing requirements.

  - The Group specializes in executing structured solutions especially in Trade Finance and Foreign Exchange hedging for its clients. This involves drawing upon the knowledge of a team of specialists and delivering solutions to the client, tailor-made to their needs.
  - The Group increased penetration in the top corporate groups through a variety of funded and non-funded transactions including trade products, foreign exchange products and Investment Banking activities.
  - The Group consolidated on its strong reputation as a provider of innovative solutions to complex funding requirements, with quick turnaround times.

- Investment Banking (IB)
  - IB Fee grew by over 80% as a result of the Group's strong origination skills and disciplined execution.
  - Investment Banking at the Bank has 3 main businesses: Debt Capital Markets (DCM), Advisory (M&A and Private Equity) and Structured & Project Finance. This positions the Bank as a partner through the entire life-cycle of growth-oriented corporates, providing both debt and equity solutions.
  - The DCM Desk syndicates Project and Capital Expenditure loans for corporates across banks and financial institutions. This business grew well as the Bank was successfully able to leverage relationships and get several prestigious loan syndication mandates.
  - Structured / Project Finance deals were successfully executed in sectors like Healthcare, Infrastructure and Renewable Energy.
  - The Advisory Team was set up during the year and is aimed at providing M&A and Private Equity advisory services. Due to strong relationships, the Bank has already been able to secure profitable mandates in this space.
  - The year also saw the Bank invest in issues of Commercial Paper and Bonds, which were sold down to capitalize on the opportunity of making capital gains.

Commercial Banking Group

Set up with a view to target the 'sweet spot' of the Indian corporate space, the Commercial Banking Group focuses on companies in the fast growing Mid-Market segments. The Bank's initiatives in Supply Chain Finance and Agri Business Finance are also housed within this business unit.

The broad business theme of the Group is centered on the following:

- Offering a full bouquet of customized products to clients, for their working capital requirements.
- Increasing the client-base to create a sustainable earnings stream for the Bank.
- Increased cross-sell through alignment of Relationship Managers and the Product Groups, i.e., Transaction Banking, Global Markets and Investment Banking.
- Offering structured solutions through Transactional and Investment Banking products to clients for specific needs.
- Meeting the stipulated PSL requirements through its Inclusive Business Group and Agri Business Group initiatives.

The highlights of the year are:

Focus had been laid on building a sustainable working capital client portfolio, and the year saw further strengthening of this position. The Group's Loan Book crossed ₹ 7,000 crores.

Special emphasis was laid on concluding structured Foreign Exchange (FX) as well as Trade Finance deals, thus showcasing the Bank's capability to offer innovative customized solutions.

The Inclusive Banking arm of the Group launched the "Partnership Model" with Microfinance Institutions providing micro loans to weaker sections of society. This Group actively works with more than 6,00,000 clients, all of which are women, providing them with micro loans for productive purposes.

For providing specialized services to clients in the agriculture segment, an integrated Agri Business Group was initiated comprising specialized professionals to cover all segments of the agriculture finance spectrum. This Division is scaling up innovative and compliant products such as Farmer / JLG commodity finance, Agri Projects finance and Agri Infrastructure finance.

This Group also houses the Commodity Finance Team, which is focused on specific banking requirements of producers and traders of agricultural products and works on a fully collateralized basis, managing financing against more than 35 commodities through a network of collateral managers in the key agricultural belts of the country.

Supply Channel Finance division of the Group works with over 550 dealers of automobiles and other products and provides short term inventory finance specially designed for certain industries.

Financial Institutions and Public Sector Unit (FIPS)

The Financial Institutions & Public Sector Group, provides banking services to Public Sector Undertakings (PSUs), both Central and State, Government Bodies and financial institutions like Banks, Insurance Companies and Mutual Funds. The Group manages business from these client segments through a team of focused Relationship Mangers located across the country. The broad focus area of the group, during the year, was to develop holistic relationships with its clients, and increasing product penetration. FIPS revenue showed a healthy growth, a y-o-y rise of 56%.

A large part of the Bank's wholesale deposit base is managed by this Group. The deposit portfolio managed by this Group grew by 38% during the year. The FIPS Group has played a key role in de-risking the Bank's liquidity profile and ensured uninterrupted liquidity at all times.

Public Sector business of the Group showed healthy growth. The Public Sector unit of the Group now has relationships with more than 130 PSU clients including Maharatna and Navratna PSUs. The Group successfully executed several collection mandates for Bonds and Dividend payments from key PSU relationships, and has been appointed as the leading cash management banker for several of its clients.

The Correspondent Banking business which is also housed in this Group successfully managed relationships with over 350 correspondent banks across the globe. These relationships in different geographies support the scaling up of the Trade and Treasury business of the Bank, and ensure seamless execution of cross-border deals. The Group also successfully raised foreign currency resources from key correspondents which helped support the lending book in Foreign Currency, thus assisting in Bank's liquidity needs and facilitating reduction in costs.

Capital & Commodities Markets Division

The Capital and Commodity Market Division focuses on serving Capital, Commodity and other Exchanges, besides associates of Exchanges and Members. The Bank has the distinction of being a Clearing-cum-Settlement Banker to NSE and BSE for the Capital and Futures Market segments and for all the Commodity and Currency Futures Exchanges. The Bank is also Clearing Bank to Commodity Spot Exchanges like National Spot Exchange and the NCDEX Spot Exchange. The Bank has been a Depository Participant for NSDL and CDSL and is an empanelled DP, offering services to both the securities and the commodities segments. The Bank is currently a settlement banker to 14 Exchanges in both the capital and commodities space. The Bank is also active in servicing the participants of these Exchanges.

Global Markets Group

The Global Markets Group (GMG) has three broad functional units, viz., Money Markets and Balance Sheet Management; Trading in Rates and Foreign Exchange; and Corporate Risk Solutions. The Group achieved overall revenue growth of 33% during the year.

The Money Markets and Balance Sheet Management Unit manages the regulatory requirements relating to Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR), resource mobilisation and liquidity management, Asset-Liability Management (ALM) and Funds Transfer Pricing (FTP) in order to manage and mitigate market and liquidity risks in the Balance Sheet.

The year started in the backdrop of tight liquidity with elevated interest rates across all tenor segments, with Certificate of Deposit issuance at rates higher than 10%, and the 10-year benchmark Government Securities yield a tad higher than 8.75%. RBI eased the cycle from mid-April with a 50 bps cut in Policy Rate and an assurance to keep adequate liquidity in the system, which resulted in steady and gradual reduction in term structure of interest rates across all segments with the short term liability curve coming off by 200 bps in first half of the fiscal.

The slump in Deposit growth rate coupled with demand supply mismatches drove the short liability curve by 100 to 150 bps during mid-March 2013. The liquidity and resource mobilisation strategy proactively addressed the changing domestic conditions to have a significant cost reduction in Bank's sources of funds with a good mix of term deposits, market borrowings and refinance. In spite of the slow movement in interest rate cycle witnessed during the year, the Trading Desk managed to generate trading profits by dynamic entry / exit strategies backed by smart short-term interest rate views and brought in improvement in the yield of core SLR portfolio.

The Trading Desk in Rates and Foreign Exchange aims to maximise the Bank's revenue by taking proprietary positions in the Rupee market as well as in G-7 currencies, juxtaposed to its timely entry / exit into the currency and interest rate

markets. The Trading Desk has curtailed its back-to-back covering of risk on swaps during the year and commenced housing the IRS and MIFOR risks. This Desk also provides competitive rates to the client-facing team in order to enhance client value, besides using trading techniques in increasing the revenues in the inter-bank market.

The client-facing part of markets is broadly segmented into three parts - the CRS Team (Client Risk Solutions), the SRS Team (Structured Risk Solutions) and the Bullion Team.

The Client Risk Solutions (CRS) Desk advises institutional and corporate clients on their FX- and Interest Rate-related exposures, and provides tailor-made solutions to hedge such exposures. The spectrum of advisory services includes domestic as well as cross-border transaction flows and related risk management of the exposures on clients' Balance Sheet.

CRS covers the India geography through Dealers / Dealing Centres at Ahmedabad, Bangalore, Coimbatore, Chennai, Gurgaon, Hyderabad, Jaipur, Kolkata, Lucknow, Ludhiana and Mumbai. It has extended its geographic reach via FastForex, the internet platform, to a wider client-base and branch network, thereby ensuring faster delivery and access to real-time market prices.

The Structured Solutions Team provides structured risk management solutions and advisory to Bank's corporate clients using various derivatives products.

The Bullion Team helps clients of that segment with all hedging requirements for the metal.

During the year, the CRS Group successfully handled various large onshore FX flow transactions of corporates and Financial Institutions clients as well as a few large cross-border trades related to capital market flows, with smooth execution having minimal impact to the FX market. SRS Desk's timely advisory on structured derivatives solutions helped increase mindshare amongst large and medium corporate and institutional clients and this Group saw a healthy uptick in client volumes. Overall the client group saw a 46% growth in revenues y-o-y along with addition of large and medium blue chip clients.

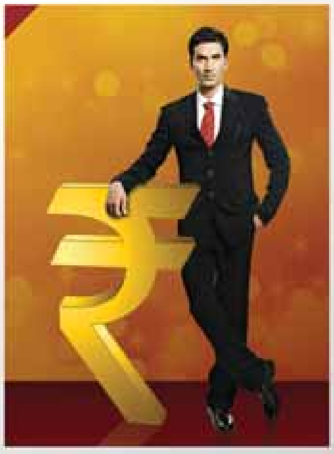
The Bank has well laid-out operational policy guidelines, risk management policies (including Client Suitability Policy) and appropriate systems support to monitor transactions and risk on real-time basis.

The sustained growth of the Global Markets Group and its forays into new products created increasing need for automation and necessitated upgradation of the current technological environment. The Bank placed an order to acquire an integrated Treasury application, interfaced with the Risk Monitoring System. This Treasury solution will be implemented, after stringent testing, in phases, in the course of the current financial year.

Transaction Banking Group

The Transaction Banking Group provides solutions under Cash Management, Trade Services, Supply Chain Financing, Commodity Financing, Global Remittances, Electronic Banking and to the Gems & Jewellery sector.

The Bank's Global Remittances business witnessed consolidation in transaction flows. This year saw good growth in Indus Fast Remit, the Bank's online remittance service for remittances from US and UK. The Bank continues to hold a position of dominance with GCC-based Exchange Houses, acting as the India correspondent for over 50 relationships. Strong growth was also achieved during the year in outward remittances from India. The Bank also launched an integrated secured data exchange model to enable inward remittances from overseas partners.



The Bank opened two Currency Chests during the year, the first one in Thane (near Mumbai) and the second in New Delhi. This facility enables the Bank to manage cash holdings at its branches in a more efficient manner and increases the capacity to accept cash deposits from its clients.

Under the Cash Management Services (CMS), the Bank offers products to its corporate customers facilitating their collections and payments, thus helping grow its Current Account base. CMS throughput witnessed a 70% increase in transactions and 100 new clients were added during the year. The Bank was ranked as the #1 Collecting Bank across all public issues that hit the market in the FY under 'Debt' category.

The Bank launched an integrated host-to-host corporate connectivity service to seamlessly integrate various corporate ERP platforms (SAP, Oracle Financials, etc.) with the transaction processing systems. The volume of electronic transactions processed by the Bank's corporate electronic channels grew by over 300% to 2.5 million per annum.

Under Trade Services, in addition to usual trade facilities such as Letters of Credit and

Guarantees, the Bank offers customized working capital management solutions to clients as per their business requirements. The Bank's ability to provide end-to-end Trade solutions has enabled clients to unlock their capital funds leading to reduction in interest cost and better profitability.

With a constant endeavour to assist its customers for their various trade finance requirements, the Bank has successfully built a diversified client-base ranging from large corporate groups, SMEs, Business Banking and PSU / Government entities, resulting in a rise in Trade business. During the year, Trade fees grew by over 40% and the non-fund based Trade book more than doubled.

Supply Chain Finance solutions are a highly effective tool for manufacturing sector clients in negotiating preferential purchase terms and strengthening channel relationships. For suppliers, the Bank's solutions provide assured and cost-effective financing of trade receivables, help improve Days' Sales Outstanding and provide Balance Sheet advantages by conversion of accounts receivable to cash. The Supply Chain Finance book has grown by over 40% during the year. Under Channel Finance, the Bank presently provides Short Term Finance to over 550 dealers of large manufacturing companies.

Priority Sector Lending

The Bank has attained the distinction of achieving the RBI-prescribed target for Priority Sector Advances. Priority Sector Advances aggregated ₹ 14,323.55 crores at the end of March 2013 representing 40.56 % of the Adjusted Net Bank Credit (ANBC) of the previous year, as compared to 48.11% at the end of March 2012.

During the year, the Bank financed over 3,76,047 agriculturists, and its Aggregate Direct Agricultural Advances stood at ₹ 4,058.57 crores, representing 11.49% of ANBC at the end of March 2013, compared with 12.69% at the end of March 2012. However, the overall Agricultural Advances (i.e., Direct Agriculture and Indirect Agriculture) stood at ₹ 4,347.50 crores, representing 12.31 % of the ANBC at the end of March 2013 compared to 15.88% at the end of March 2012, owing to a drop in indirect agricultural advances.

During the year, Bank's finance to 'Weaker Sections' stood at ₹ 2,989.07 crores, representing 8.46% of ANBC as at the end of March 2013. Other Priority Sector Advances such as finance to small enterprises represented 28.25% of the ANBC at the end of March 2013.

Risk Management

Banking business is exposed to a wide spectrum of risks, and it is imperative that the various risks faced by the Bank are effectively measured, monitored and managed. A robust Enterprise-wide Risk Management (ERM) framework enables effective and proactive management of various risks while supporting business growth, helps reduce volatility in earnings and enhances shareholder value.

The ERM framework provides single-window view of the risks faced, and facilitates effective management of associated risks in an integrated manner. The Bank has an integrated Risk Management Department, independent of business functions, covering Credit Risk, Market Risk, Assets-Liabilities Management (ALM) and Operations Risk, including the Information Security risk functions. Risk management practices adopted by the Bank are aligned with the best industry practices, and are adaptable to a dynamic operating environment.

Reinforcement of Risk Management Practices - Basel II

The Bank has implemented New Capital Adequacy framework under Basel II w.e.f. March 31, 2009, which enables allocation of capital based on risk sensitivity of respective assets. As a prudent measure, the Bank has been undertaking computation of capital requirement under Basel II since June 2006, under a parallel run.

The Bank has implemented a highly sophisticated system which enables automated computation of capital requirements under Basel II. The system also supports adoption of advanced approaches under New Capital Adequacy framework for computation of capital charge.

As part of Capital Adequacy framework, the Bank has also implemented the 'Policy on Internal Capital Adequacy Assessment Process' (ICAAP), which facilitates identification and measurement of material risks other than the risks covered under Pillar I of Basel II guidelines. During the year, the Bank further strengthened quantification and management of the material risks under Pillar II of Basel II. The Bank has undertaken substantive initiatives to equip itself for migration to more advanced approaches of risk assessment under Basel II.

The Bank has acquired state-of-the-art Market Risk Management System for adoption of Internal Model Approach for computation of Capital Charge towards market risk.

Credit Risk Management

Credit Risk is managed both at transactions level as well as at portfolio level. The key objective of Credit Risk Management is to achieve appropriate return in relation to risks assumed, while maintaining credit quality within the defined risk appetite.

Various measures adopted by the Bank for management of Credit Risk are mentioned hereunder:

- Gauging Credit Risk at the time of credit approval by means of risk rating models implemented for different segments of obligors;
- Credit Portfolio Management analysis to monitor credit quality, composition of portfolios, concentration risk, yield monitoring and business growth;
- Measurement and monitoring of credit quality regularly by means of Weighted Average Credit Rating (WACR) of the credit portfolio;
- Prudential internal limits have been prescribed for assuming exposures on counterparties, industries, sectors, etc.;
- Measurement of credit quality of Consumer Finance portfolios by means of behaviour modeling;
- Management of exposures to counterparty banks and countries by setting exposure limits on the basis of risk profiles and monitoring the exposures regularly;
- Stress Testing of credit portfolios to measure shock absorbing capacity under multiple stressed scenarios and assessment of impact of potential credit losses on profitability and capital adequacy, thus enabling initiation of appropriate risk mitigation measures.

Market Risk Management

Market Risk arises from changes in interest rates, exchange rates, equity prices and risk-related factors, such as market volatilities.

The Bank manages Market Risk in trading portfolios through a robust market risk management framework prescribed in its Market Risk Management Policy. The framework includes monitoring of PV01 limits, Value-at-Risk (VaR) limits for Forex, Investments, Equity and Derivatives Portfolios, besides Stop-Loss limits, Exposure limits, Deal-size limits and various operational limits.

The Market Risk Management Group functions independent of Treasury business, and is responsible for:

- Designing and updating comprehensive policies, framework for Funds and Investments, Foreign Exchange Dealing, Derivatives and Equities;
- Implementation of methodologies for measurement and monitoring the market risks associated with respective portfolios;
- Monitoring market risk exposures in line with risk limits prescribed in the policies.

Asset-Liability Management

The Bank's Asset-Liability Management system supports effective management of liquidity risk and interest rate risk, covering all of its assets and liabilities.

- **Liquidity Risk** is managed through Structural Liquidity Gaps, Dynamic Liquidity position monitoring, Liquidity Ratios analysis, Behavioral analysis of liabilities and assets and prudential limits for negative gaps in various time buckets.
- **Interest Rate Sensitivity** is monitored through prudential limits for Rate Sensitive Gaps, Modified Duration of Equity and other risk parameters.
- **Interest Rate Risk** on the Investment portfolios is monitored through Modified Duration, PV01 and VaR on a daily basis. Optimum risk is assumed through duration, to balance between risk containment and profit generation from market movements.

Detailed analysis of liquidity position, interest rate risks, product mix, business growth versus budgets, interest rate outlook, etc. is presented to the Asset-Liability Management Committee (ALCO) which meets frequently and deliberates on liquidity position and interest rate risk and reviews business strategies.

The ALCO provides directional guidance to Business Units towards effective management of liquidity position, while achieving the business targets. The Bank evaluates its structural liquidity position on a daily basis for managing liquidity in a cost-effective manner.

Stress Testing - Liquidity Risk

The Bank carries out stress tests on liquidity position regularly to simulate the impact of stressed liquidity scenarios on funding and liquidity position. Stress tests help the Bank to be better equipped to meet stressed situations and have contingency plans in place.

Contingency Planning

Contingency funding plans have been developed to respond swiftly to any anticipated or actual stressed market conditions. The Bank reviews its contingency plans considering the evolving market conditions. Contingency funding plan covers available sources to supplement cash flow gaps in the event of stressed scenarios, roles and responsibilities of those involved in execution of contingency plans and the contingency triggers.

Interest Rate Risk on Banking Book (IRRBB)

Interest Rate Risk on Banking Book largely arises on account of (i) Repricing Risk; (ii) Optionality; (iii) Basis Risk; and (iv) Yield Curve Risk.

From an economic value perspective, it is the Bank's policy to minimise sensitivity to changes in interest rates on assets and liabilities. Interest Rate risk is measured basis the re-pricing behaviour of each of the items under asset, liability and off-Balance Sheet products. The Bank's Assets and Liabilities Management Policy has laid down limits, basis its risk appetite, on the impact on NII and Economic Value of Equity (EVE) for a given change in interest rate.

The Bank has put in place the necessary framework to measure and monitor Interest Rate Risk on Banking Book using the Duration Gap Approach, besides Traditional Gap Approach.

Operational Risk Management

Operational Risk is the risk of incurring loss due to failure of systems, technology, processes, employees, projects, disasters, external factors, frauds, etc., including legal and regulatory risk. Operational Risk occurs on account of human error, failed processes, inadequate systems, fraud, damage to physical assets, improper behaviour or external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, standard operating processes and procedures and tools to identify, assess, monitor and control such inherent risks in its businesses.

The Bank's Risk Management Department provides necessary direction and undertakes various initiatives under its Operational Risk Management (ORM) Framework for mitigation of risks. The ORM Framework comprises Policy guidelines, Risk and Control Self-Assessment (RCSA), Loss Data Analysis, Key Risk Indicators (KRIs), Risk Profiling of branches, implementation of Basel II Guidelines, etc.

The RCSA of all major Operations functions have been carried out and necessary risk mitigation plans have been designed and implemented. Loss Data Analysis, basis internal as well as external loss data, is carried out periodically to identify trends and reinforce operational controls.

New products / processes are assessed for associated risks before their launch. All new products / processes are approved by the Operational Risk Management Committee (ORMC), which identifies the risks inherent in the products and prescribes necessary controls to mitigate such risks.

The Bank's Audit mechanism covers periodical on-site audit, concurrent audits, on the spot and off-site surveillance enabled by the Bank's advanced technology driven processes and the Core Banking System.

The Bank has implemented a comprehensive Bank-wide Business Continuity Plan to ensure continuity of its critical functions during disruption / disaster situations.

Systems Risk

As part of Systems-related Operational Risk Management initiatives, the Bank has implemented the following:

- Formulated and implemented a comprehensive Business Continuity Plan (BCP) to ensure continuity of its critical business functions and extension of banking services to its customers;
- Established an effective Disaster Recovery site at a distant location, with on-line real-time replication of data, both in Mumbai and Chennai;
- A comprehensive Information Security Policy and the necessary framework have been put in place to ensure complete data security, confidentiality and integrity; and
- The Bank has housed its Data Centre in a professionally managed environment with sophisticated and fool-proof security features and assured supply of utilities.

Financial Restructuring and Reconstruction Group

All activities relating to recovery of non-performing loans and restructuring of stressed assets are handled by the Financial Restructuring and Reconstruction Group (FRRG). The role of FRRG has assumed importance, given the challenging credit environment faced by banks in India during the past few years.

The Bank has actively utilized the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovering its dues, wherever considered appropriate. The Bank is now a permanent member of the Corporate Debt Restructuring Forum, so as to efficiently handle restructuring of viable businesses in coordination with other lenders.

During the year, the Bank recovered an amount of ₹ 14.80 crores in written-off accounts (Previous Year: ₹ 9.45 crores). The Bank's Provision Coverage Ratio is now at 70.13% (Previous Year: 72.72%). The Net NPAs of the Bank stand at 0.31% of the Total Advances (Previous Year: 0.27%), while the ratio of Gross NPAs as percentage of Total Advances amount is 1.03% (Previous Year: 0.98%).

Banking Operations

The Bank has strengthened the policy framework on "Know Your Customer" (KYC) norms and "Anti Money Laundering" (AML) measures from time to time, in line with the policies of Reserve Bank of India. The Bank has implemented a simplified procedure of "Know Your Customer" which will benefit lower income group persons to open accounts with minimal documentation.

The Bank had implemented a state-of-the-art Workflow and Imaging System during the year 2009-10. The System has been implemented in the Account Opening process, automated the Fixed Deposits opening and renewals, Trade Finance-related processing, Third Party products sales operations and centralisation of Branch Expenses processing. The plan is to migrate further processes on to the platform as per the operational needs.

The System enables faster turnaround times, movement of work from branch locations across the country to the Central Operations Unit in real time, thus reducing the time it took for physical forms to arrive through courier. This has helped in freeing up manpower at the branches to tend to customer service as well as help provide online status of processing of customer requests / new applications.

As mandated in RBI directives, the Bank has undertaken review of risk categorisation of all customers' accounts.

The Bank is a member of Banking Codes and Standards Board of India (BCSBI), which was set up to ensure that banks in India adhere to a voluntary Code, which sets minimum standards for fair treatment to customers availing of banking services. The Bank has made a commitment to adhere to all the provisions of the Code prescribed by BCSBI. The Bank has implemented almost all provisions of the Code. The Code is displayed at all the branches and the same is also hosted on our website in thirteen languages.

In June 2008, the Hon'ble Finance Minister had released the "Code of Commitment to Micro and Small Enterprises" (MSE Code). MSE Code is also a voluntary Code, which sets minimum standards of banking practices for banks to follow when they are dealing with Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. It provides protection to MSE customers and explains how banks are expected to deal with customers in day-to-day operations and in times of financial difficulty. BCSBI has revised the MSE Code on August 09, 2012. The revised MSE Code was duly approved in Board of Directors' meeting in October 2012 and disseminated to branches.

The Bank has also formulated the Policy on 'Financing to Micro, Small and Medium Enterprises', and the same is made available on the Bank's website.

Centralized clearing has been implemented in Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Delhi, Hyderabad, Jaipur, Kochi, Kolkata, Ludhiana, Mumbai, Pune, Salem, Surat, Thiruvananthapuram and Vadodara for quicker and efficient processing. It will be the Bank's endeavour to bring more centres under Centralised Clearing in the near future. Automated ECS has been implemented at major centres.

Cheque Truncation System (CTS), which was implemented in New Delhi by RBI, was operationalised in March 2008 and has been fully stabilised and the Bank is participating in clearing through CTS. Last year, the Bank had stabilised CTS operations in Chennai, Bangalore and Coimbatore through National Payment Corporation of India (NPCI). During the year 2012-13, the Bank successfully implemented CTS operations in Chandigarh, Kolkata and Ludhiana. Some branches in the States of Andhra Pradesh, Kerala and Tamil Nadu are individually participating through National Payment Corporation of India.

The Bank has improved internal controls and compliance through the following:

- Separate and independent Compliance function has been set up for Bank-wide compliance;
- Vigilance function has been operational;
- Expenses management software has been deployed at all branches for facilitating cost control;
- Standard Operating Procedures have been defined for processes at branches to ensure consistency of delivery, with expanding branch network;
- Branch Monitoring Unit is operative for regular monitoring of branch operations;
- Voucher verification process has been operationalised for checking all the entries posted by the branches; and
- The Process Adherence and Quality function has been operationalised for attaining uniformity in processes followed by branches, to minimise operational risk.

The Bank has revised and adopted a "Comprehensive Policy", in pursuance of RBI advices, on settlement of claims in respect of deceased depositors. The policy covers all types of deposits, and has simplified the procedure for settlement.

The Bank has adopted the "Best Practice Code", relating to transaction processing, with the objective of documenting the procedures in line with national and international best practices.

The Bank has put in place a "Deposit Policy" and a "Fair Practice Code". While the former outlines the guiding principles in respect of various products of the Bank, the terms and conditions governing the operations of the accounts and the rights of depositors, the Fair Practice Code is a voluntary code establishing standards to be followed by all our branches in their dealings with the customers.

The Bank has framed the "Citizen's Charter" to promote fair banking practices and to give information in respect of various activities relating to customer service.

The Bank has put in place "Compensation Policy" as part of the commitment to customers to compensate them in case of the Bank being unable to meet the service levels committed to the customers. The main objective of the policy is to establish a system whereby the Bank shall compensate the customer for any direct and actual loss by way of internal loss / payment of charges by customer due to deficiency in service, to the extent mentioned in the policy. The policy is based on principle of transparency and fairness in dealings with customers.

The Bank has framed the "Unclaimed Deposit Policy" based on RBI guidelines with objective of classification of unclaimed deposits and setting up the grievance redressal mechanism for quick resolution of complaints and record-keeping.

Corporate and Global Markets Operations

CGMO
CORPORATE & GLOBAL MARKET OPERATIONS

Corporate & Global Market Operations (CGMO), which manages the operations related to Trade Services, Remittances, Supply Chain Finance, Global Markets, Cash Management Services, Payments, Depository and Capital Markets and servicing of all clients across both the Corporate and Retail segments, continued to increase its focus on quality delivery, better risk management and increased efficiency.

Transition to the 'Finacle' environment was executed seamlessly for all host systems supporting the above products, and there was no adverse business impact. Consolidation and centralization of complex functions like Forward Contract Processing, Trade Document Checking and Bank Guarantees was carried out, resulting in increased efficiency, controlled risk and quality delivery. Implementation of the Reuters Electronic Trading (RET) platform for Branch / CPC initiated transactions, SFMS platform for secure transmission and receipt of Letters of Credit were some key projects. In all, over 75 change projects were successfully implemented to support business initiatives and increase operational efficiency.

CGMO also embarked on a major 'Continuous Improvement' program with the objective of building a mindset of continuous improvement, and to deliver year on year efficiency benefits. This program will also focus on increasing 'Engagement', 'Empowerment' and 'Rewards & Recognition'. Under the 'Continuous Improvement' initiative, all staff have undergone a half-day training session on the related tools and techniques. The team is conducting process reviews and implementing 5S across its processing centers. A 'Just Do It' improvement program has been launched, empowering the staff to identify and implement improvement opportunities. Focus is also being laid on structured training programs across all domains. A program for assessing training needs was completed for all staff and several in-house technical training programs were developed.

CGMO is currently leading a project for a complete revamp of the Treasury and Market Risk Management System for the Global Markets Group. State-of-the-art systems have been identified after a detailed evaluation process. The Treasury system which will be capable of handling high volumes of complex Global Market products is under implementation. Further, commensurate with the Bank's plans to grow its Treasury and Derivatives products, and with a view to control and manage related risks effectively, a suitable Market Risk Management system has also been finalized for implementation. Both these systems will go live in a phased manner over the next 12-15 months and will significantly boost capabilities in these product segments.

Internal Control Systems and their adequacy

Operational Controls

The Bank has laid down the policy framework related to "Know Your Customer" (KYC) norms, "Anti Money Laundering Measures" (AML) and Combating of Financing Terrorism (CFT). The policy has been framed on the basis of recommendations of the Financial Action Task Force and the Paper issued on 'Customer Due Diligence for Banks' by the Basel Committee on Banking Supervision. The AML software that has been implemented effectively has brought the operations risk under control. A systems solution has been implemented to operationalise Re-KYC guidelines and follow up on outstanding discrepancies.

In accordance with RBI's recommendations, a Committee on Procedures and Performance Audit on Public Service in Banks (CPPAPS), comprising senior functional heads of the Bank and a few customers, has been established. The Bank has also constituted a Customer Service Committee of the Board of Directors (CSCB) to review the performance of the CPPAPS.

Customer Service

The Bank has constituted Branch Level Customer Service Committees (CSC) at all branches, comprising employees and customers. CSC meetings are convened every month to examine complaints / suggestions, cases of delay, difficulties faced / reported by customers / members of the Committee. Feedback and suggestions are submitted to CPPAPS.

CPPAPS examines and provides relevant feedback to the Customer Service Committee of the Board for necessary policy / procedural action.

In May 2009, the Bank implemented "Talisma", a 'Customer Requests, Complaints and Requests Management System'. The key objective of this solution is to have a single system to track requests, complaints and queries at customer level so that the service standards as set out by the Bank are managed and enhanced. The System has been implemented across all branches and the Bank's Contact Centres in Mumbai and Chennai.

Grievance Redressal Mechanism

The Bank has designed an escalation process for all customer complaints received at branches and at Corporate Office.

A quarterly report related to complaints received and redressed is placed before the Board of Directors. Based on the recurrence of complaints in specific areas, causative factors are identified and necessary remedial measures are initiated.

The Bank maintains a dedicated page for lodging of complaints and complaint redressal mechanism on its website www.indusind.com where information on the escalation process and the details of the Nodal Officer / Regional Managers to receive complaints has been furnished.

These details are also displayed at the Bank's branches. Details of the Banking Ombudsman Scheme, 2006 are also displayed at Branches and provided on the website.

The Bank has also created a link on its website for a "Complaint Form", which gives opportunity to all the Bank's customers to air their grievances in a simplified way and get their complaints redressed without delay. Further, customers can contact the respective Branch Manager or call the Bank's Contact Center on toll free number or send an email to customercare@indusind.com to lodge their grievances.

Audit

The Bank's Internal Audit function is adequately equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to compliance requirements and internal guidelines. To achieve this, comprehensive processes have been established for the Internal Auditors to ensure that all facets of the Bank's operations are subjected to scrutiny.

The Internal Audit function undertakes a comprehensive risk-based audit of all its business units. An audit plan is drawn up on the basis of risk-profiling of auditee units. Accordingly, the Bank undertakes internal audit of its business units at a frequency synchronized to the risk profile of each unit in line with the spirit of guidelines relating to Risk-Based Internal Audit. The scope of risk-based internal audit, besides examining the adequacy and effectiveness of internal control systems and external compliance, also evaluates the risk residing at the auditee units.

In order to effectively address business concerns and to react with speed, the Bank's Internal Audit function is operating as an integrated unit based out of different locations within the country, to cover all its operational activities. The Bank has developed an effective online surveillance system by using its fully networked Core Banking Software, well-defined and strong internal controls, need-based access to computer systems and clear audit trails which have helped to mitigate operational risks. To facilitate ownership of the Quality Control mindset, all exception reports are available on the system, for viewing and use by Business Units. There is a constant push to automate audit activities in order to enhance transparency and standardization, as well as to speed up the availability of MIS to Top Management. Further, to complement the Internal Audit Function and have real time supervision and control, critical units of the Bank are covered under concurrent audits.

To ensure independence of the Audit function and in line with the best corporate governance practices, the function has a reporting to the Audit Committee of the Board, which oversees the performance and reviews the effectiveness of controls laid down by the Bank and compliance with regulatory guidelines, besides rendering effective guidance to ensure conformity with best practices in the area of Internal Audit.

Compliance Function

The Board and Management of the Bank are continually committed to high standards in maintaining a corporate culture of observing what is legally binding, and of embracing broader standards of integrity and ethical conduct.

The Bank has a distinct Compliance Function that facilitates management of Compliance Risk. The function independently monitors compliance aspects at various stages. Besides the system of Monthly Compliance Certificates from branches and various Corporate Office functions, Compliance Test Studies are carried out to assess the level of compliance covering the branches, the Corporate Office functions, and also various associate agencies. Compliance Department vets the Bank's policies, new products and processes or any modifications in these, and also provides inputs on compliance aspects to various business / functional units.

The Bank has been continually strengthening its processes and controls to ensure better compliance at the execution stage and for early detection of any deviations.

To promote and strengthen compliance-culture among the workforce, the Compliance Function regularly conducts seminars for branch staff at all levels, viz., from the frontline marketing / operations executives to the Branch Managers; circulates short notes on important topics and analysis of cases including the learnings; and also publishes monthly newsletter containing inter alia regulatory highlights and a quarterly bulletin containing compliance related matters and conducts Compliance Contests.

Human Resources

The Bank is on a high growth path and has exceeded business performance expectations. Human Resources continues to be a business enabler by partnering the Business Units in talent acquisition, development and retention.

The Bank's business performance has evoked enthusiasm amongst job-seekers, who want to take up employment to be a part of the growth story. Values such as entrepreneurship and result-orientation draw people to the Bank.

The Bank draws upon the best talent in the industry and is already seen as a "preferred employer", which is exhibited by:

- High pedigree professionals from reputed peer banks (domestic as well as foreign) willing to make a long-term career.
- High 'offer acceptance' ratio, increased hires through employee referrals, higher employee life span within the Bank.
- Minimal attrition at leadership and strategic managerial layers, which reinforces the belief that employees perceive the Bank favourably.

Key highlights:

- Hiring quality manpower, viz., high performers with right skills pan-India in a cost effective and timely manner to create employee ownership and promote innovation and responsiveness. In line with business objectives, the manpower strength increased to 11,502 employees from 9,370 employees a year ago.
- Equipped employees with desired functional / behavioural competencies to enhance productivity through quality learning interventions. During FY13, the Bank conducted 2,89,000 learning man-hours for over 34,000 participants through well designed classroom and e-learning initiatives. Several learning programs in areas of 'Leadership Development', 'Art of Collaboration & Team Building', 'Sales Processes', 'Business Effectiveness', 'Banking Products and Operational Processes' were conducted during the year. E-learning initiatives (on-line course modules and assessment tests) were used extensively to offer standardized and cost-effective learning solutions to employees.
- A robust and transparent Online Performance Management System based on "SMART Goal setting" is running successfully across the organisation. The intent of the Bank's Performance Management processes (Goal setting, Mid-year Review, Annual Performance Review) is to engage with employees, mentor, counsel and link rewards to performance, identify and nurture leaders to spearhead business growth. The annual performance appraisal for FY12 was executed seamlessly in alignment with the Bank's objective of rewarding performance against tangible goal achievements. Mid-year Performance Review for FY13 was used as a platform by the Line managers and HR to provide developmental feedback and performance counselling to employees for achievement of their annual "SMARTs".
- The Bank's compensation policy is driven by a 'Pay-for-Performance' philosophy. Compensation policies of the Bank are completely aligned to the regulatory compensation guidelines. They are market-driven and structured to facilitate, attract and retain critical resources. As an approach towards building long-term employee ownership and association, the Bank continues to use Stock Options as a tool to attract, reward and retain critical employees.

- "Employee engagement initiatives" were pursued to channel employee creativity towards innovation at work. Quarterly webcasts, Branch visits by HR and Line Managers, business off-sites, sports, festivals, quizzes, employee reward and recognition programs were conducted to create employee bonding and connect. The "I Solve" campaign continues to foster a culture of internal responsiveness. "My idea", an ideation platform, is generating innovative ideas for business process improvement and enhancing customer delight.
- Technological interventions are driving the efficiency of HR operational processes, which has resulted in scalability, better TATs, cost efficiency and higher responsiveness towards the end-user needs. There was efficient management of all HR processes relating to Onboarding, Attendance, Payroll, Confirmations, Loans, Mediclaim, Gratuity, Exits, etc.
- The Bank espouses adherence to the Code of Conduct, which clearly outlines the "desired" employee professional and personal conduct. Any deviation from the acceptable norms such as to breach of employee integrity and non-conformance to the Bank's Code of Conduct is treated as a deviation and results in action against the erring employee.

  The Bank realizes the importance of human capital and is conscious about creating a congenial workplace driven by values of compliance and discipline, where employees can actualize their potential.

  HR's strategic agenda remains to delight employees by continuing to offer a fulfilling career, work-life balance, market-linked compensation and enhancing employee equity through several benchmark HR practices.

Employee Stock Option Scheme

The Bank had instituted an Employee Stock Option Scheme to enable its employees, including Whole-time Directors, to participate in its future growth.

The Scheme functions in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The eligibility of an employee and number of Options to be granted are approved by the Compensation Committee of the Board of Directors.

An aggregate of 2,79,55,200 Options, comprising 5.35% of the Bank's equity capital, have been granted. Statutory disclosures as required by the SEBI Guidelines on ESOS are given in the Annexure to the Directors' Report.

Other Initiatives underway

Quality

Quality is a prime differentiator in a service industry, and the Bank has had the distinction of having had its entire Branch network certified as compliant with ISO 9001:2000. However, with the passage of time, it was necessary to move beyond this, and to embed quality in every aspect of the activities.

The Bank's corporate ambition for the triennial 2008-11 had been to emerge as a Top Performer among new generation private sector banks in 3 years, measured by Profitability, Productivity and Efficiency. This was to be achieved by doubling the branch network, client base and Balance Sheet size.

The catch slogan for the triennial 2011-14 had been changed to 3-2-1, i.e., to be number 1 in RoA, RoE and NIM; raise 2-fold the Profits, Clients and Branches; the period taken to achieve the same being 3 years. The main target of the Bank is to grow faster than the market, with the underlying target of raising market share across all business segments.

The Bank had tied up with the Confederation of Indian Industry's (CII) Institute of Quality, Bangalore to kick off the Quality Initiative with a series of workshops facilitated by CII-IQ faculty across the country, where Managers were sensitised to the need for quality, and practiced converting quality concepts into definite action steps for regular implementation.

Thereafter, teams with relevant skills worked on specific projects under the leadership of a Top Executive, and over time, this movement has continued to cover other aspects of the Bank's operations, products, people, the way employees relate with clients and colleagues, communication with the external environment, etc.

Shareholder Satisfaction

With a view to promoting transparency and enhancing shareholder satisfaction, apart from frequent interaction with the Registrar & Transfer Agent, steps have been taken to obtain contact details such as e-mail IDs, cell phone numbers and telephone numbers of all shareholders so as to communicate to shareholders information about developments in the Bank. This direct communication is in addition to the regular dissemination of information through usual channels such as the Stock Exchanges, Press, Bank's website, etc.

Going forward, the Bank's shareholders shall continue to receive best-of-class shareholder services and be promptly informed of the developments in the institution.

As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, had allowed companies to send official documents to their shareholders electronically.

The Bank has been at the forefront in "Green Initiatives", and through this process aspires to graduate to paperless compliances.

Shareholders are requested to furnish their e-mail IDs at investor@indusind.com or inform telephonically on 022 - 6641 2487 to help accelerate the Bank's migration to paperless compliances.

In line with Circular issued by MCA, the Bank seeks the consent of shareholders to send the Annual Report i.e., Notice convening the Meeting, Financial Statements, Directors' Report, Auditors' Report, etc. in electronic form, to the e-mail address provided by you / made available to us by the Depositories.

The full text of these reports shall also be made available in an easily navigable format on the Bank's website www.indusind.com under the link Investor Relations /Annual Reports.

Shareholders have been intimated from time to time to claim the dividend amounts lying unclaimed with the Bank.

Information Technology

Information Technology (IT) has provided a sustained thrust in operational efficiencies. The Bank regularly invests in IT infrastructure and new technology, so that business innovations help stay ahead of competitors. This year, the focus was on Core Banking migration and enhancing different applications to further the theme of customer delight.

IT highlights of the year:
Finacle - New Core Banking System

IndusInd Bank

The Bank had initiated the Core Banking Project two years ago, with the objective of building a stronger core so as to enhance the Bank's ability to perform, deliver and expand delivery of quality services across branches and online interfaces. Finacle, a system built on new generation technology, was selected to enable the Bank to accelerate innovation and effectively meet emerging customer demands. By leveraging Finacle, the Bank intends to personalize offerings, bundle products and enrich its segment-specific product portfolio.

The key highlights of the Core Banking System (CBS) transformation project were:

- ATM services were available during the entire period of transition;
- Branches had a smooth transition from earlier CBS to Finacle with no major issues;
- All interface came up seamlessly with Finacle with no customer issues;
- Cut-over was completed ahead of the scheduled time in a seamless manner;
- All branches have been upgraded to a minimum of 512 KBPS bandwidth to facilitate maximum utilization of Finacle's capabilities;
- Key online interfaces have been moved to ESB to smoothen and streamline future enhancements.

Customer Delight:

- Multilingual support at Contact Centre: As part of constant endeavour to improve customer experience and services, the Bank rolled out IVR support in Marathi and Tamil, thus increasing number of languages being supported to four.
- Retail e-Banking: Additional features for Exclusive customers which enable them to easily contact the Relationship Manager and Service specialist and also be able to upgrade to Premium Banking program.
- Direct Connect for select customers on IVR: Select customers can dial the General Banking IVR from their registered mobile number to avail the Direct Connect facility and get personalized attention without the need to navigate through menu options.
- FastForex: It has been extended to branches along with the Treasury system, so that branches can quote exchange rates to the customers without having to depend on Corporate Office resulting in faster turnaround time for the customer.

Other initiatives:

- Micro Finance System: The Bank implemented the Micro Finance System, which works on a workflow-based system with options to create various loan products. Interface with the Core Banking system has been developed for uploading daily GL transactions.
- Credit Proposals Tracking and Monitoring System: It is a workflow system to enable quicker sanction of credit proposals. The queries and information required by the Credit Analyst are captured in the system for centralized control and analysis for efficiency.
- Biometric Attendance System: For employee convenience and better control, the Bank instituted the 'Finger-print Biometric Attendance System', which searches through employee records instantaneously and completes a host of checks to deliver accurate and error-free results in recording employee attendance.
- FRR (Financial Restructuring & Reconstruction) Tracker: To improve follow-up and early closure of pending suit files, Decreed / DRT / BIFR accounts, the FRR Tracker was developed using SharePoint technology with single sign-on and e-mail escalation mechanism entries. This has helped in documents attachment facility at each stage, event-based e-mail escalation and issuance of reminders, and generation of Dashboard for the management.
- Implementation of iCreate, Smart MIS system: The Bank replaced the earlier MIS application with state-of-the-art MIS system to cater to customized requirements, and rolled it out across all branches and Corporate Office locations. RBI reports are also being developed on this platform.

The Bank conducts comprehensive Disaster recovery drills for critical applications like Core Banking, ATM Switch, payment systems, etc. at regular intervals to maintain continuity of services to its customers.

Awards

During the year the Bank received the following technology-related awards.

- Five awards from Indian Banks' Association in the following categories:
  - » Best Online Bank
  - » Best use of Business Intelligence
  - » Best Risk Management & IT Security
  - » Best use of technology in Training and E-learning
  - » Best use of Mobility Technology in banking
- Best Bank Award under Small Banks Category for "IT for Operational Effectiveness".
- Implementing Green IT Architecture initiatives by iCMG, a leading Global Enterprise Architecture firm.
- Innovation Award by 'Talisma' for various innovative uses of Talisma such as two-way SMS Integration, Client Engagement Module and e-Banking Integration.
- The Top 100 CISO Award from InfoSecurity Magazine and iViz Security for IT security initiatives in the Bank, for the second year in a row.

Information Security Review

The Bank has made steady progress in implementation of RBI Guidelines on Information Security, Technology Risk Management, Cyber Fraud and Electronic Banking.

Due care is taken to protect the complex technology environments from sophisticated attacks and new approaches have been applied right from inception to implementation and operations of systems. As part of IT Security governance, the Bank has enhanced security framework and implemented mobile and grid-based One Time Password (OTP) for transaction authorization. Various security controls have been implemented like real-time virus / malware protection, real-time website security checks, securing our systems and networks through various measures and controls.

Additionally customers and community are being made aware of information security through various ways. The Bank has undertaken several initiatives to educate employees, customers and non-customers through variety of mediums like e-mails, SMSs, websites, online trainings and workshop.

No incident of Information Security breach occurred during the year.

Legal

The important legislative / regulatory changes during the year affecting the banking industry were the enactment of The Enforcement of The Security Interest and Recovery of Debt Laws (Amendment) Act, 2012 thereby amended The Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 and Recovery of Debts Due to Banks and Financial Institution Act, 1993.

The important amendments are as under:

- Provision has been made for filing Substitution Application by an Asset Reconstruction Company before the Debts Recovery Tribunal or the Appellate Tribunal or any Court in place of the Originator after acquisition of financial assets from the banking company / financial institution.
- The secured creditor (Bank) is now permitted to send communication to the borrower within a period of 15 days (earlier, one week) in response to the representation made by the borrower in reply to the Notice issued by the Bank for enforcement of the security interest under section 13 (3A) of the Securitisation Act, 2002.
- Banks have been allowed to participate in the second bid for purchase of immovable property of the defaulted borrower put under auction for recovery of the banks' dues. On purchase of such property, the same shall be treated as non-banking asset and will have to be dealt with according to the provisions of the Banking Regulation Act, 1949.
- In case of consortium / joint finance, banks can exercise the rights under the Securitisation Act, 2002 after obtaining consent of the secured creditors representing 60% in value of the amount outstanding. Earlier, consent of secured creditors representing three-fourth in value was required.

- Banks are permitted to file caveat before the Debt Recovery Tribunal or the Appellate Tribunal if the borrower is likely to file any application or appeal against the action initiated by the bank under the Securitisation Act, 2002.
- Multi State Co-operative Banks have been included in the definition of bank.

Certain amendments have been carried out to the Banking Regulation Act, 1949, the important amendments are as under:

- Banks can now issue preference shares in accordance with the guidelines framed by the Reserve Bank of India (RBI).
- Any person who wants to acquire directly or indirectly 5% or more of the paid-up share capital of a banking company has to obtain previous approval of the RBI.
- Provision has been made whereby RBI shall establish a fund to be called as "Depositor Education and Awareness Fund" by utilizing the amounts lying in inoperative deposit accounts with banks.
- RBI has been empowered to direct at any time a banking company to annex its financial statements or furnish to it separately such statements and information relating to the business or affairs of any associate enterprise of the banking company. RBI has further been authorized to cause an inspection of any such associate enterprise and its books of accounts.
- RBI has been empowered to supersede the Board of Directors of a banking company if it is satisfied that the same is required in the public interest or for preventing the affairs of any banking company being conducted in a manner detrimental to the interest of the depositors or for securing the proper management of any banking company.

The Bank is not involved in any legal proceedings, and is not aware of any threatened legal proceedings, which if determined adversely, could result in a material adverse effect on business. Further, there are certain legal proceedings in the context of banking activity which are not unusual for a bank of comparable size.

Corporate Communications

During the year 2012-13, the Bank took a number of initiatives to increase its visibility by ensuring clutter free communication in an interesting and innovative marketing approach.

In an attempt to differentiate itself as a leading banking institution, the Bank laid focus on below-the-line activities at branch levels which have not only enhanced its visibility quotient, image, and recall value, but have also established it as a young, progressive and agile brand. Simultaneously, looking to the need of the hour and to tap the vast potential of online space, the Bank made a foray into digital space and created its profiles on specific social networking sites, thereby creating a direct connect with customers. The Bank developed regular posts with interesting content to engage with customers. The Bank's fan base in these social networking sites has been steadily growing.

Another significant achievement during the year has been the opening of new branches at semi-urban and urban locations. The Bank developed specific marketing plan for each such location which entailed initiating communication with the local population in regional languages. In pursuance of the theme on 'Responsive Innovation', the Bank widened its retail liabilities.This process was supported by aggressive advertising and a clear communication strategy, backed by interesting and power-packed client engagement and activation programs to bring about a consistent approach in driving saliency to the Brand and building affinity.

The Bank acknowledges that no communication is complete without the wholehearted support of its internal stakeholders. In this regard, the Bank developed interesting and engaging series of awareness-building e-direct mailers for specific campaigns, which received overwhelming response from the employees.

On the external communication front, following initiatives were taken up:

- Sponsorships / events with reputed Associations / Trusts which in turn have given higher visibility and reinforced the brand image. Your Bank participated in activities having multi-purpose objectives such as sports, philanthropy, music, etc. along with service organisations / NGOs and corporate Bodies to make the Bank's presence felt in the community. Some of the major events were Pandit Chaturlal Memorial Music Concert, Kala Virassat, Design One by Sahachari Foundation, Annual Polo Event organised by Rajmata Vijaya Raje Scindia Centre for Development (RVRSCD) and many other events at various branch locations.
- Regular client engagement activities, debit and credit card promotions, regional level promotions, branch launches, an extensive round of development of various collaterals for new products / services, and tactical promotions during festive / seasonal offers.

- The Bank's activities have received extensive coverage both in the print and electronic channels, which have enhanced the Bank's image amongst its stakeholders and creating a strong perception of the Bank in industry circles.
- Periodic concalls, one-on-one investor meetings, roadshows and annual analysts' meets have all created a positive impact on the Bank's image. The Bank's scrip was inducted in the National Stock Exchange's benchmark index 'Nifty' from April 1, 2013. This has reflected Bank's growing stature in the equity market.
- Increase in the number of ATMs at strategic / high traffic zones has given the Bank the desired visibility.
- The Bank had a series of TV commercials in the US and UK markets for its 'Indus Fast Remit' product, targeting the NRI community. The Bank also continued to emphasise the product in the digital arena.

Branch Network

During the year 2012-13, your Bank opened 100 new branches and 190 ATMs. As on March 31, 2013, the Bank had 500 branches spread across 358 geographical locations and 882 ATMs inclusive of 440 off-site ATMs.

The Bank has presence in 30 States and Union Territories, and has Representative Offices in London and Dubai.

Infrastructure

During the year 2012-13, apart from expanding its Branch network to reach a pan-India network of 500 branches, the Bank also refurbished / remodelled seven branches, set up six new administrative offices and relocated seven branches towards better business prospects. The two Currency Chests set up during the year are expected to significantly enhance in-house capabilities and provide support for increased business profitability.

CORPORATE GOVERNANCE

Bank's Philosophy on the Code of Corporate Governance

- The Bank believes that consistent implementation of good Corporate Governance practices contributes towards developing and sustaining the best operating systems and procedures.
- The systems which have evolved allow sufficient freedom to the Board and the Management to make decisions and take actions towards the growth of the Bank, and simultaneously remain within the framework of effective accountability. To maintain high standards of good Corporate Governance, the Directors have formed various Committees of the Board. The Committees meet regularly to achieve their specific objectives.
- The Bank is committed to operate on commercial principles ensuring, at the same time, the need to remain accountable, transparent and responsive to its stakeholders.
- The Bank acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. In this context, the Directors have adopted a 'Code of Conduct for Directors and Senior Management'. This Code attempts to set forth the guiding principles on which the Bank shall operate and conduct its daily business with its multitudinous stakeholders, Government and regulatory agencies, media, and anyone else with whom it is connected.

Certification by the Chief Financial Officer and the Managing Director

In terms of the revised Clause 49 of the Listing Agreement, the Certification by the Managing Director & CEO and the Chief Financial Officer of the Bank, on the financial statements and the internal controls relating to financial reporting has been obtained and submitted to the Board.

Code of Conduct for Directors and Senior Management

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management* of the Bank. The said Code has been uploaded on the Bank's website (www.indusind.com) under the head 'Investor Relations' – 'Code of Conduct'.

Declaration by the Managing Director: All members of the Board and Senior Management have affirmed to the Board, of having complied with the 'Code of Conduct' during the year ended March 31, 2013 and no violation of the 'Code of Conduct' has been reported during the year.

---

* For this purpose, the term 'Senior Management' means personnel of the Bank who are members of its Core Management Team, excluding Board of Directors. This comprises members of management who are of the level of functional heads.

MISSION

"We will consistently add value to all our stakeholders and emerge as the Best-in-Class in the chosen parameters amongst the comity of banks, by doubling our profits, clients and branches within the next three years."

VISION

"IndusInd Bank will be:
- A relevant business and banking partner to its clients.
- Customer Responsive, striving at all times to collaborate with clients in providing solutions for their banking needs.
- A forerunner in the market place in terms of profitability, productivity and efficiency.
- Engaged with all our stakeholders and will deliver sustainable and compliant returns."

QUALITY POLICY

"IndusInd Bank is committed to meet and strive to exceed customer requirements through timely, error-free and courteous service. We shall continually improve the effectiveness of our work process through training, customer feedback and review of systems."

Board of Directors

i. Composition

The Board comprises Directors who have specialised knowledge and professional experience in diverse fields. Information in respect of each of the Directors is given below:

Name of Director	Nature of Directorship	Special Knowledge / Practical Experience	Occupation
Mr. R. Seshasayee	Part-time Chairman	Finance and General Management	Executive Vice Chairman, Ashok Leyland Ltd.
Dr. T.T. Ram Mohan	Independent Non-executive	Banking & Finance	Professor - Finance & Accounting, IIM Ahmedabad
Mr. Ajay Hinduja	Non-executive	Banking & Finance	Industrialist. Director, IndusInd International Holdings Ltd., Mauritius, a promoter company.
Mr. S. C. Tripathi	Independent Non-executive	Rural Economy & Co-operation	I.A.S. (Retd.), Advocate
Mr. Ashok Kini	Independent Non-executive	Banking	Managing Director (Retd.), State Bank of India
Mrs. Kanchan Chitale	Independent Non-executive	Accountancy	Practising Chartered Accountant
Mr. Vijay Vaid	Independent Non-executive	SSI	Industrialist
Mr. R. S. Sharma	Independent Non-executive	Economics & Finance	Management Consultant
Mr. Romesh Sobti	Whole-time Director	Banking	Managing Director & CEO
Mr. Y. M. Kale	Alternate Director to Mr. Ajay Hinduja	Corporate Governance, Accounting & Taxation	Service

ii. Meetings

During the year ended March 31, 2013, 7 meetings of the Board were held, on April 19, 2012, May 25, 2012, July 10, 2012, July 17, 2012, October 10, 2012, January 9, 2013 and March 18, 2013. Details of attendance at the Board Meetings and the previous Annual General Meeting, other Directorships, Membership and Chairmanship of Committees pertaining to each Director are as follows:

Name of the Director	No. of Board Meetings attended #	Attended last AGM (held on July 17, 2012)	Number of other Directorships		No. of Committees of other companies in which member[3]	No. of Committees of other companies in which Chairman[3]
			Indian Public Limited Companies[1]	Other Companies[2]		
Mr. R. Seshasayee	7/7	Yes	9	0	4	2
Dr. T. T. Ram Mohan	6/7	Yes	2	2	3	0
Mr. Ajay Hinduja*	1/7	No	1	0	0	0
Mr. S. C. Tripathi	7/7	Yes	7	1	5	0
Mr. Ashok Kini	6/7	Yes	7	1	5	2
Mrs. Kanchan Chitale	7/7	Yes	1	1	1	1
Mr. Vijay Vaid	7/7	Yes	0	4	0	0
Mr. R. S. Sharma	6/7	Yes	3	3	2	0
Mr. Y. M. Kale*	5/7	Yes	4	1	2	1
Mr. Romesh Sobti	6/7	Yes	0	0	0	0

* Out of 7 meetings, 5 meetings were attended by Mr. Y. M. Kale, Alternate Director and 1 meeting held on March 18, 2013 was attended by Mr. Ajay Hinduja.

\# Includes attendance through videoconference.

1 Comprises Public Limited Companies incorporated in India.

2 Comprises Private Limited Companies incorporated in India and Foreign Companies but excludes Section 25 Companies and Foreign Companies not for profit.

3 Comprises only Audit Committee and Shareholders' / Investors' Grievance Committee of Public Limited Companies.

iii. Remuneration:

All the Non-executive Directors receive remuneration only by way of Sitting Fees for each meeting of the Board and its various Committees. No Stock Options are granted to any of the Non-executive Directors.

The criteria for making payment of remuneration to the Non-executive Directors are as follows:

a. An amount of ₹ 20,000/- per meeting is being paid to the Non-executive Directors towards Sitting Fee for attending meetings of the Board of Directors, Committee of Directors and the Audit Committee, in accordance with Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956.

b. With effect from May 2, 2006, the Board has decided that an amount of ₹ 10,000/- per meeting be paid as Sitting Fee to the Non-executive Directors for attending meetings of Committees other than those mentioned in (a) above.

The details of Sitting Fees paid to the Non-executive Directors for attending the Board and Committee meetings held during the year 2012-2013 are as under:

Name of Director	Salary (including perquisites & allowances)	Sitting Fees (₹)	Total (₹)
Mr. R. Seshasayee	-	4,40,000	4,40,000
Dr. T. T. Ram Mohan	-	5,10,000	5,10,000
Mr. Ajay P. Hinduja *	-	30,000	30,000
Mr. S. C. Tripathi	-	3,00,000	3,00,000
Mr. Ashok Kini	-	2,80,000	2,80,000
Mrs. Kanchan Chitale	-	3,70,000	3,70,000
Mr. Vijay Vaid	-	1,90,000	1,90,000
Mr. R. S. Sharma	-	4,20,000	4,20,000
Mr. Y. M. Kale	-	1,60,000	1,60,000

* Except, for Human Resource Committee meeting held on January 30, 2013 and Board Meeting on March 18, 2013, all other meetings were attended by Mr. Y. M. Kale, Alternate Director.

Whole-time Directors' compensation: The appointment of Whole-time Directors is made with the approval of the Reserve Bank of India.

Mr. Romesh Sobti, Managing Director & CEO:

Mr. Romesh Sobti was appointed as 'Managing Director & CEO' of the Bank w.e.f February 1, 2008. He was re-appointed as 'Managing Director & CEO' w.e.f February 1, 2011 for a further period of 3 years. Mr. Sobti's tenure as Managing Director and CEO of the Bank would conclude on January 31, 2014.

During the financial year 2012 - 13, the details of remuneration paid to Mr. Romesh Sobti are: Salary ₹ 132.12 lakh, Other Allowances ₹ 159.85 lakh, facility of Company-leased and furnished accommodation, Provident Fund at 12% of Salary, Gratuity at one month's Salary, Pension at two months' Salary, Medical Expenses reimbursement upto ₹ 1.31 lakh, Leave Fare Concession of ₹ 1.31 lakh, Mediclaim for self and family members, Personal Accident Insurance, Performance-based Bonus, Membership of two clubs and two official cars with drivers.

iv. Shareholding

Equity shares held by the Directors as on March 31, 2013 are: (i) Romesh Sobti: 1,50,000 (0.0287%) and (ii) Dr. T.T. Ram Mohan: 3,300 (0.0006%).

No Director of the Bank holds shares in the Bank for other person(s) on a beneficial basis. No Director holds any other security issued by the Bank.

Details of Directors to be re-appointed at the AGM

Mr. S. C. Tripathi and Dr. T. T. Ram Mohan, Directors, retire by rotation at the forthcoming Annual General Meeting, in accordance with Article 112 of the Articles of Association of the Bank and the applicable provisions of the Companies Act, 1956.

Mr. S. C. Tripathi and Dr. T. T. Ram Mohan, being eligible, have offered themselves for re-appointment as Directors of the Bank.

The tenures of Mr. R. Seshasayee, Part-time Chairman and Mr. Romesh Sobti, Managing Director & CEO would conclude on July 23, 2013 and January 31, 2014, respectively.

A brief profile of the Directors seeking re-appointment is given below:

Director	Qualifications	Expertise in specific functional area	Date of Appointment	Name of companies in which Director	Committees of other companies in which Member	Shareholding in Bank (No. of shares)
Mr. S. C. Tripathi	M. Sc., LLB. P.G. Diploma in Development (Cantab), AIMA Diploma in Management	Rural Economy & Cooperation	14.02.2007	• IL&FS Infrastructure Development Corporation • Reliance Capital Asset Management Co. Ltd. • Shipping Corporation of India Ltd. • Gammon Infrastructure Projects Ltd. • ILFS Energy Development Corporation Ltd. • Motherson Sumi Systems Ltd. • State Trading Corporation Ltd. • Kailash Healthcare Pvt. Ltd. (Deemed Public Limited Company)	• **IL&FS Infrastructure Development Corporation** Audit Committee • **Reliance Capital Asset Management Co. Ltd.** Audit Committee • **Shipping Corporation of India Ltd.** Audit Committee • **Gammon Infrastructure Projects Ltd.** Audit Committee • **ILFS Energy Development Corporation Ltd.** Audit Committee • **State Trading Corporation Ltd.** Audit Committee • **Kailash Healthcare Pvt. Ltd.** Audit Committee	**Nil**
Dr. T. T. Ram Mohan	B-Tech (IIT, Mumbai) PGDM (IIM, Calcutta) Ph. D. (Stern School, NY)	Banking & Finance	16/01/2006	• Brics Securities Ltd. • Gujarat Narmada Valley Fertilizers Company Ltd. • SBI Pension Funds Pvt. Ltd. • Paterson Securities Pvt. Ltd.	• **Brics Securities Ltd.** Remuneration Committee and Audit Committee • **Gujarat Narmada Valley Fertilizers Co. Ltd.** Project Committee and Audit Committee • **SBI Pensions Funds Pvt. Ltd.** Audit Committee and Investment Committee	**3,300**
Mr. R. Seshasayee	B.Com, A.C.A	Finance and General Management	24.07.2007	• Ashok Leyland Ltd. • Hinduja Foundries Ltd. • Ashley Airways Ltd. • Hinduja Leyland Finance Ltd. • Hinduja Group India Ltd. • Hinduja National Power Corporation Ltd. • Infosys Ltd. • Ashley Alteams India Ltd. • Hinduja Energy (India) Ltd.	• **Ashok Leyland Ltd.** Shareholders / Investor Grievance Committee Investment Committee Technology Committee. • **Hinduja Foundries Ltd.** Investment Committee Remuneration Committee Capital Securities Committee • **Hinduja Leyland Finance Ltd.** Credit Committee Nomination Committee Fund Raising Committee	**Nil**

Director	Qualifications	Expertise in specific functional area	Date of Appointment	Name of companies in which Director	Committees of other companies in which Member	Shareholding in Bank (No. of shares)
					• **Hinduja National Power Corporation Ltd.** Audit Committee • **Infosys Ltd.** Risk Management Committee Audit Committee • **Hinduja Energy (India) Ltd.** Audit Committee	
Mr. Romesh Sobti	B.E. (Hons.) - Electrical & Diploma in Corporate Laws & Secretarial Practice	Banking	30.01.2008	Nil	Nil	1,50,000

Committees of the Board

The Board has constituted several Committees of Directors to take decisions and monitor the activities falling within their terms of reference. The Board's Committees are as follows:

Audit Committee of the Board

Terms of reference

The role of the Audit Committee includes, inter alia: (1) Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; (2) Recommending to the Board, the appointment / re-appointment of Auditors and fixation of audit fees; (3) Reviewing with the Management, the quarterly and annual financial statements before submission to the Board for approval, with particular reference to: (i) Changes, if any, in accounting policies and practices and reasons for the same; (ii) Major accounting entries involving estimates based on the exercise of judgment by the Management; (iii) Significant adjustments made in the financial statements arising out of audit findings; (iv) Disclosure of related party transactions, if any; (v) Qualifications in the draft Audit Report; and (vi) Review of Management Discussion and Analysis of Bank's financial condition and results of operations.

The specialised functions of the Audit Committee include: (1) Reviewing with the Management, the performance of Statutory and Internal Auditors and the adequacy of the internal control systems; and (2) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.

Composition

The Committee comprised four members, viz., Mrs. Kanchan Chitale, Mr. S. C. Tripathi, Mr. Ashok Kini, and Mr. R. S. Sharma.

Meetings

The Committee met 6 times during the financial year 2012-13, viz., on April 18, 2012, May 25, 2012, July 9, 2012, September 13, 2012, October 9, 2012 and January 8, 2013.

The attendance details of the members are as under:

Name of Member	Number of Meetings attended
Mrs. Kanchan Chitale	6
Mr. S. C. Tripathi	6
Mr. Ashok Kini	5
Mr. R. S. Sharma *	4

* Mr. R.S. Sharma was appointed in the Board on April 19, 2012.

Committee of Directors

Terms of Reference The Committee of Directors exercises powers delegated to it by the Board, for managing the affairs of the Bank; for efficient control over operational areas; and for ensuring speedy disposal of matters requiring immediate approval.

Composition The Committee comprised four members, viz., Mr. R. Seshasayee, Dr. T. T. Ram Mohan, Mr. R. S. Sharma and Mr. Romesh Sobti.

Meetings The Committee met 15 times during the financial year 2012-13, viz., on April 25, 2012, May 11, 2012, May 25, 2012, May 31, 2012, June 22, 2012, August 6, 2012, August 22, 2012, September 17, 2012, November 7, 2012, November 19, 2012, December 18, 2012, January 18, 2013, February 18, 2013, March 19, 2013, and March 26, 2013.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
Mr. R. Seshasayee	9
Dr. T. T. Ram Mohan	15
Mr. R. S. Sharma	11
Mr. Romesh Sobti	8

Includes attendance through videoconference.

Nomination Committee

Terms of reference The Committee conducts due diligence as to the credentials of any Director before his / her appointment, and makes appropriate recommendations to the Board, in consonance with the Dr. Ganguly Committee recommendations and the requirements of RBI.

Composition The Committee comprised four members, viz., Mr. R. Seshasayee, Mr. Ajay Hinduja, Mrs. Kanchan Chitale and Mr. Romesh Sobti.

Meetings The Committee met thrice during the financial year 2012-13, viz., on April 19, 2012, December 18, 2012 and March 18, 2013.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
Mr. R. Seshasayee *	2
Mr. Ajay Hinduja**	1
Mrs. Kanchan Chitale	3
Mr. Romesh Sobti ***	2

* Mr. Seshasayee, being interested, abstained from attending the meeting held on March 18, 2013.

** Mr. Y.M. Kale, Alternate Director to Mr. Ajay Hinduja attended the meeting.

*** Mr. Sobti, being interested, abstained from attending the meeting held on December 18, 2012.

Includes attendance through videoconference.

Stakeholders Relations Committee

Terms of Reference The objective of the Stakeholders Relations Committee is the redressal of stakeholders' complaints. The Company Secretary discharges the responsibilities of a Compliance Officer.

Composition The Committee comprised two members, viz., Mr. Vijay Vaid and Mr. Romesh Sobti.

Meetings The Committee met twice during the financial year 2012-13, viz., on September 17, 2012 and February 12, 2013.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
Mr. Vijay Vaid	2
Mr. Romesh Sobti	2

Special Committee of the Board (for monitoring large value frauds)

Terms of Reference In accordance with the directives of Reserve Bank of India, a Special Committee has been set up for monitoring and follow-up of cases of frauds involving amounts of ₹ 1 crore and above.

Composition The Committee comprised four members, viz., Dr. T. T. Ram Mohan, Mrs. Kanchan Chitale, Mr. Ashok Kini and Mr. Romesh Sobti.

Meetings The Committee met twice during the financial year 2012-13, viz., on September 13, 2012 and February 12, 2013.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
Dr. T. T. Ram Mohan	1
Mrs. Kanchan Chitale	2
Mr. Ashok Kini	2
Mr. Romesh Sobti	1

Includes attendance through videoconference.

Customer Service Committee

Terms of reference The Committee's function is to monitor the quality of customer service extended by the Bank, and to attend to the needs of customers.

Composition The Committee comprised four members, viz., Dr. T. T. Ram Mohan, Mr. Ashok Kini, Mr. Vijay Vaid and Mr. Romesh Sobti.

Meetings The Committee met twice during the financial year 2012-13, viz., on September 13, 2012 and February 12, 2013.

The attendance details of the members are as under:

Name of Member	Number of Meetings attended
Dr. T. T. Ram Mohan	1
Mr. Ashok Kini	2
Mr. Vijay Vaid	2
Mr. Romesh Sobti	1

Risk Management Committee

Terms of reference The Committee's role is to examine risk policies and procedures developed by the Bank and to monitor adherence to various risk parameters and prudential limits by the various operating departments.

Composition The Committee comprised three members, viz., Dr. T. T. Ram Mohan, Mr. Ajay Hinduja and Mr. Romesh Sobti.

Meetings The Committee met 5 times during the financial year 2012-13, viz., on May 18, 2012, July 16, 2012, October 8, 2012, January 8, 2013 and March 26, 2013.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
Dr. T. T. Ram Mohan	5
Mr. Ajay Hinduja*	4
Mr. Romesh Sobti	5

* All meetings were attended by Mr. Y M Kale, Alternate Director to Mr. Ajay Hinduja.

\# Includes attendance through videoconference.

Finance Committee

Terms of reference The Committee's role is to decide on the appropriate mode of issue of capital; to finalise, settle, approve or agree to terms and conditions including the pricing for the said capital-raising programme; finalise, settle, approve, and authorise the executing of any document, deed, writing, undertaking, guarantee or other papers (including any modification thereof) in connection with the capital-raising programme and authorise the affixing of the Common Seal of the Company, if necessary thereto in accordance with the provisions of Articles of Association of the Company; to appoint and to fix terms and conditions of merchant bankers, investment bankers, lead or other managers, advisors, solicitors, agents or such other persons or intermediaries as may be deemed necessary for the capital-raising programme; to do all such things and deal with all such matters and take all such steps as may be necessary to give effect to the resolution for raising of capital and to settle / resolve any question or difficulties that may arise with regard to the said programme.

Composition The Committee comprised four members, viz., Mr. R. Seshasayee, Mr. S. C. Tripathi, Mr. Ajay Hinduja and Mr. Romesh Sobti.

Meetings The Committee met thrice during the financial year 2012-13, viz., on November 26, 2012, November 30, 2012 and December 5, 2012.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
Mr. R. Seshasayee	3
Mr. S. C. Tripathi	2
Mr. Ajay Hinduja*	1
Mr. Romesh Sobti	3

* Meetings were attended by Mr. Y M Kale, Alternate Director to Mr. Ajay Hinduja.

\# Includes attendance through videoconference.

Compensation Committee

Terms of reference The Committee's role is to make recommendations on the issuance of the Bank's shares to its employees under the Employees Stock Option Scheme.

Composition The Committee comprised two members, viz., Mr. R. Seshasayee and Mrs. Kanchan Chitale.

Meetings The Committee met 5 times during the financial year 2012-13, viz., on April 19, 2012, May 25, 2012, July 10, 2012, October 10, 2012, and January 9, 2013.

The attendance details of the members are as under:

Name of Member	Number of Meetings attended
Mr. R. Seshasayee	5
Mrs. Kanchan Chitale	5

Vigilance Committee

Terms of reference The Committee conducts overview of cases of lapses of vigilance nature on the part of employees of the Bank.

Composition The Committee comprised three members, viz., Dr. T. T. Ram Mohan, Mr. S. C. Tripathi and Mr. Romesh Sobti.

Meetings The Committee met twice during the financial year 2012-13, viz., on January 8, 2013 and March 18, 2013.

The attendance details of the members are as under :

Name of Member	Number of Meetings attended
Dr. T. T. Ram Mohan	2
Mr. S. C. Tripathi	2
Mr. Romesh Sobti	2

Information Technology Committee

Terms of reference The Committee conducts Board-level overview of aligning Information Technology with the business strategy of the Bank aimed at offering better service to customers, improved risk management and superior performance.

Composition The Committee comprised two members, viz., Mr. Ashok Kini and Mr. Romesh Sobti.

Meetings The Committee met twice during the financial year 2012-13, viz., on October 9, 2012 and February 12, 2013.

The attendance details of the members are as under:

Name of Member	Number of Meetings attended
Mr. Ashok Kini	2
Mr. Romesh Sobti	2

Human Resources Committee

Terms of reference The Committee reviews the Bank's HR function.

Composition The Committee comprised two members, viz., Mr. R. Seshasayee and Mr. Ajay Hinduja.

Meetings The Committee met once during the financial year 2012-13, viz., on January 30, 2013.

The attendance details of the members are as under (#):

Name of Member	Number of Meetings attended
R. Seshasayee	1
Mr. Ajay Hinduja	1

Includes attendance through videoconference.

Remuneration Committee

Terms of reference The Committee oversees the framing, review and implementation of the Bank's Compensation Policy for Whole Time Directors / Chief Executive Officers/ Risk Takers and Control function staff towards ensuring effective alignment between remuneration and risks.

Composition The Committee comprised four members, viz., Mr. R. Seshasayee, Mrs. Kanchan Chitale, Mr. Vijay Vaid and Mr. Romesh Sobti

Meetings The Committee met once during the financial year 2012-13, viz., on March 18, 2013.

The attendance details of the members are as under:

Name of Member	Number of Meetings attended
R. Seshasayee	1
Mrs. Kanchan Chitale	1
Mr. Vijay Vaid	1
Mr. Romesh Sobti	1

Details of the three previous Annual General Meetings:

AGM	Day and Date	Time	Venue	Whether Special Resolution Passed
18th	Tuesday, July 17, 2012	2.00 p.m.	Hotel Le Meridien, Raja Bahadur Mill Road, Pune – 411001.	Yes
17th	Friday, July 15, 2011	2.00 p.m.	Hotel Sun-n-Sand, 262, Bund Garden Road, Pune – 411001.	Yes
16th	Monday, June 28, 2010	2.00 p.m.	Hotel Sun-n-Sand, 262, Bund Garden Road, Pune – 411001.	Yes

Special Resolutions:

The details of Special Resolutions passed at the Annual General Meetings of shareholders in the last three years are given below:

Annual General Meeting	Date	Resolution
18th Annual General Meeting	July 17, 2012	• Resolution No. 9 Authority for augmentation of capital through further issue / placement of securities including American Depository Receipts / Global Depository Receipts / Qualified Institutional Placement, etc.
17th Annual General Meeting	July 15, 2011	• Resolution No. 7 Authority for augmentation of capital through further issue / placement of securities including American Depository Receipts / Global Depository Receipts / Qualified Institutional Placement, etc. • Resolution No. 8 Increase in Authorised Capital from the existing ₹ 500 crores to ₹ 550 crores.
16th Annual General Meeting	June 28, 2010	• Resolution No. 9 Authority for augmentation of capital through further issue / placement of securities including American Depository Receipts / Global Depository Receipts / Qualified Institutional Placement, etc.

During the year, no resolutions were passed through Postal Ballot.

Material Disclosures:

Related Party Transactions: During the year, there were no materially significant related party transactions that could have had any potential for conflict with the interests of the Bank at large. Details are available in Schedule 18 (Notes on Accounts) forming part of the Audited Financial Statements for the year.

Disqualification of Directors: As on March 31, 2013, none of the Directors of the Bank were disqualified under Section 274(1) (g) of the Companies Act, 1956.

Mandatory requirements of Clause 49: The Bank has complied with all the mandatory requirements of Corporate Governance stipulated under Clause 49 of the Listing Agreement. A certificate to this effect has been issued by M/s Bhandari & Associates, Company Secretaries, and the same has been incorporated elsewhere in this document.

Accounting Standards: In the preparation of financial statements for the year 2012-2013, the treatment prescribed in the Accounting Standards issued by the Institute of Chartered Accountants of India from time to time, has been followed by the Bank.

Non-Mandatory requirements of Clause 49 of the Listing Agreement:

The status of compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement is given below.

Chairman's Office: The Chairman has been provided with an office at the Corporate Office of the Bank.

Tenure of Independent Directors: While Clause 49 puts forth a non-mandatory requirement that the tenure of a Director may be restricted to nine years, according to Section 10A (2A) of the Banking Regulation Act 1949, "No director of a banking company, other than its Chairman or Whole-time Director, by whatever name called, shall hold office continuously for a period exceeding eight years."

Remuneration Committee: The Board of Directors has constituted the Remuneration Committee, in terms of guidelines issued by Reserve Bank of India (RBI) for Compensation for Whole Time Directors / Chief Executive Officers/ Risk Takers and Control function staff. The Committee's role is to oversee framing, implementation and review of the Bank's Compensation Policy.

Shareholders' Rights: The Bank publishes its results on its website (www.indusind.com) which is accessible to the public at large. Besides this, the quarterly financial results are published in newspapers, apart from being reported on the websites of the Stock Exchanges. Therefore, the Bank does not find it expedient to send individual communications to the shareholders regarding significant events and financial performance every half-year.

All information pertaining to business and developmental activities are intimated to the Stock Exchanges on a continuous basis. The Stock Exchanges in turn announce the corporate information on their respective websites.

E-mail messages and SMS messages were sent during the year to shareholders whose e-mail IDs and cell phone numbers were available with the Bank, informing them about declaration of the Bank's Quarterly and Annual Financial Results.

The Bank has continued the exercise of collecting the e-mail IDs of shareholders, so as to communicate more regularly via e-mail.

Audit qualifications: The Bank endeavours to remain in a regime of unqualified financial statements.

Training of Board Members: The Directors are provided with opportunities to attend seminars and workshops in order to equip them with relevant inputs for effective discharge of their responsibilities as Directors.

Mechanism for evaluating Non-executive Board Members: The Bank does not have a mechanism for evaluating the performance of Non-executive Directors.

Whistleblower Policy: In line with RBI regulations towards strengthening financial stability and enhancing public confidence in the robustness of the financial sector, the Bank has instituted the 'Protected Disclosures Scheme'. The Bank has also instituted a 'Whistleblower Policy'.

None of the Bank's personnel have been denied access to the Audit Committee.

IndusInd Bank Ltd. – Code of Conduct for prevention of Insider Trading

In accordance with the requirements of the Securities and Exchange Board of India ([Prohibition of] Insider Trading) Regulations, 1992, the Bank has instituted a comprehensive 'Code of Conduct for prevention of Insider Trading'.

Means of Communication

Besides communicating to the Stock Exchanges where the Bank's shares are listed, the financial results of the Bank are also published on a quarterly basis in leading financial publications and regional newspaper in the Bank's registered office location, viz., Economic Times, Financial Express, Maharashtra Times, Business Standard and Mint.

Quarterly compliance reports on Corporate Governance as prescribed under Clause 49 of the Listing Agreement and the Shareholding Pattern of the Bank as prescribed under Clause 35 of the Listing Agreement with the Stock Exchanges are also filed through NSE Electronic Application Processing System (NEAPS).

Information relating to the financial results is also hosted under the icons “Media Room” and “Investor Relations” on Bank’s website (www.indusind.com). The said sections are updated regularly.

Quarterly Press meets are organized during which the results are formally announced to the media and press releases are issued for publication. Regular interviews with the electronic channels on the awareness of results and other available opportunities are arranged for the Managing Director and the Chief Operating Officer.

Analyst Meets and Conference Calls with the Analyst fraternity are also held periodically. A transcript of the calls is hosted in the Bank’s website.

The Management’s Discussion and Analysis report for 2012-13 forms part of this Annual Report.

Subsidiary Company – ALF Insurance Services Private Ltd.

The Bank does not have a “material non-listed Indian subsidiary” as defined in Clause 49 of the Listing Agreement. However, ALF Insurance Services Private Ltd. is a wholly-owned subsidiary of the Bank. The Company was set up to do the business of Insurance Corporate Broking, but had not commenced operations. The Bank has since decided against entering into Insurance Broking business and voluntary winding up proceedings have been initiated.

Business Responsibility Report:

The Securities & Exchange Board of India, vide their Circular of August 13, 2012 have mandated that top 100 entities listed in BSE and NSE, based on market capitalisation as on March 31, 2012, should incorporate the, ‘Business Responsibility Report’ as part of their Annual Reports. The said disclosure has been incorporated elsewhere in this Report.

Corporate Social Responsibility

Corporate Social Responsibility has been and continues to be an integral part of the business objectives of the Bank. It is the foundation for economic, organisational, social and technological innovations and helps boosts the bottomline / topline growth of the Bank. During the year, the Bank saw many achievements in the “Green Banking” project under the “Hum Aur Hariyali” campaign.

The Bank is closely associated with Centre for Environment and Research Education (CERE), an NGO, for guidance on green practices.

Sustainability-driven Growth

During the financial year 2012-13, the Bank witnessed several successes in terms of sustainable development and continued to be committed to socially consciousness and environment-friendly business practices. As a result, the Bank was able to reduce costs, generate additional revenue, and create new business opportunities.

Reporting:

In terms of SEBI guidelines, Business Responsibility Report (BR report) is to be included in the Annual Reports of listed entities. The BR report is governed by certain key principles adopted from the National Voluntary Guidelines (NVG) and the description of the core elements under these principles are as under:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

In line with Circular issued by the Ministry of Corporate Affairs, the Bank sought the consent of the shareholders to send the Annual Report, i.e., Notice convening the Meeting, Financial Statements, Directors’ Report, Auditors’ Report, etc. for the year ended March 31, 2013, in electronic form, to the e-mail addresses provided by shareholders / made available by the Depositories.

The full text of these reports shall also be made available in an easily navigable format on the Bank's website, www.indusind.com.

General Information for Shareholders

Registration No.	:	11-76333
Financial Year	:	2012-2013
Board meeting for adoption of Audited Financial Accounts	:	April 18, 2013
Posting of Annual Report 2012-13	:	June 5, 2013
Day, Date and Time of 19th Annual General Meeting	:	Friday, June 28, 2013 at 2.00 p.m.
Venue	:	Hotel Le Meridien, Pune
Financial Calendar	:	April 1 to March 31
Book Closure	:	Wednesday, June 19, 2013 to Friday, June 28, 2013
Date of Dividend Payment	:	July 1, 2013
Bank's Website	:	www.indusind.com

Distribution of shareholding - March 31, 2013

Range – Shares	No. of Folios	Percentage of Folios	No. of shares	Percentage of Shares
Upto 1,000	93,954	93.33	1,84,73,919	3.53
1,001 - 5,000	5,354	5.32	1,10,05,584	2.11
5,001 - 10,000	536	0.53	40,59,029	0.78
10,001 – 50,000	455	0.45	1,01,08,210	1.93
50,001 & above	369	0.37	47,90,30,964	91.65
TOTAL	**1,00,668**	**100.00**	**52,26,77,706**	**100.00**

Outstanding GDRs / ADRs / Warrants or any Convertible Debentures, conversion date and likely impact on equity

The Bank has 6,46,82,364 GDRs (equivalent to 6,46,82,364 equity shares) outstanding, which constituted 12.38% of the Bank's total equity capital as at March 31, 2013.

Shareholding as on March 31, 2013

i. Distribution

		Category	No. of shares held	% of shareholding
A.	**Promoters' holding**		**7,98,99,984**	**15.29**
B.	**Non-Promoters' holding**		**44,27,77,722**	**84.71**
	(i)	**Institutional Investors**		
	a.	Mutual Funds and UTI	3,17,94,759	6.08
	b.	Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	1,26,92,393	2.43
	c.	FIIs	21,16,56,396	40.49
		Sub Total	**25,61,43,548**	**49.00**
	(ii)	**Global Depository Receipts**	6,46,82,364	12.38
	(iii)	**Others**		
	a.	Private Corporate Bodies	7,45,34,448	14.26
	b.	Indian Public*	4,08,36,664	7.81
	c.	NRIs/OCBs	54,17,747	1.04

Category	No. of shares held	% of shareholding
d. Clearing Members	9,74,342	0.18
e. Trusts	1,88,609	0.04
Sub Total	**12,19,51,810**	**23.33**
GRAND TOTAL	**52,26,77,706**	**100.00**

* 'Indian Public' includes 1,53,300 shares held by Resident Directors

ii. Major Shareholders (with more than 1 percent shareholding)

Sr. No.	Name of Shareholder	No. of shares held	% of shareholding
1	The Bank Of New York (GDR-Depository)	6,46,82,364	12.3752
2	IndusInd International Holdings Ltd.	6,03,99,984	11.5559
3	GA Global Investments Limited	2,30,94,839	4.4186
4	Credo India Thematic Fund Limited	2,10,13,458	4.0203
5	IndusInd Limited	1,95,00,000	3.7308
6	Ashok Leyland Limited	1,30,13,923	2.4899
7	Afrin Dia	1,29,00,000	2.4681
8	LIC of India Health Protection Plus Fund	1,18,62,080	2.2695
9	IDL Speciality Chemicals Limited	1,13,55,000	2.1725
10	ICICI Prudential Life Insurance Company Ltd.	92,08,491	1.7618
11	CLSA (Mauritius) Limited (FTFTF)	85,06,526	1.6275
12	Franklin Templeton Fixed Tenure Fund – Series XIV – Plan A	77,55,548	1.4838
13	DSP Blackrock Dual Advantage Fund Series 3-36M	76,76,600	1.4687
14	Goldman Sachs Investments (Mauritius) I Ltd	74,34,879	1.4225
15	Hinduja Ventures Limited	68,82,383	1.3168
16	Norwest Venture Partners X FII – Mauritius	67,18,087	1.2853
17	DB International (Asia) Ltd	66,18,726	1.2663
18	Flagship Indian Investment Company (Mauritius) Ltd.	58,16,076	1.1127
19	Government of Singapore	54,35,129	1.0399
20	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Capital Protection Oriented Fund Series 2	54,29,836	1.0388
21	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	52,36,329	1.0018

iii. Total Foreign Shareholding

	No. of shares held	% of shareholding
Total foreign shareholding	36,16,56,758	69.19
Of which GDRs	6,46,82,364	12.38

Details of complaints received and resolved from April 1, 2012 to March 31, 2013

Complaints	Received	Attended to	Pending
Non-Receipt of Share Certificate	30	30	0
Non-Receipt of Dividend Warrants	68	68	0
Non-Receipt of Endorsement Stickers	0	0	0
Non-Receipt of Annual Report	4	4	0
Non-Receipt of Demat Credit / Remat Certificate	1	1	0
Non-Receipt of Rejected DRF	3	3	0
Non-Receipt of Exchanged Certificate	1	1	0
Non-Receipt of Split / Duplicate / Replacement Certificate	4	4	0
Others	14	12	2
Total	**125**	**123**	**2**

Listing details of the Bank's Equity Shares / GDRs on Stock Exchanges

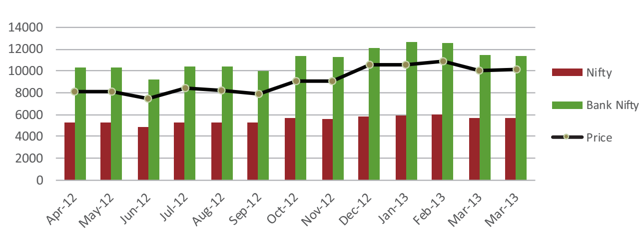
Name of the Stock Exchange	Address of the Stock Exchange	Stock Code No.
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001.	532187
National Stock Exchange of India Ltd.	Exchange Plaza, 5th Floor Bandra-Kurla Complex, Plot No. C/1, G Block, Bandra (E), Mumbai - 400 051.	INDUSINDBK Normal – EQ (physical) Depository – AE (manual lots) Depository – BE (odd lots)
Luxembourg Stock Exchange (Global Depository Receipts)	Société de la Bourse de Luxembourg Societe Anonyme RC Luxembourg B 6222	111202

The Bank has paid annual listing fees on its capital for the relevant period to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where its shares are listed and to Luxembourg Stock Exchange where its Global Depository Receipts are listed.

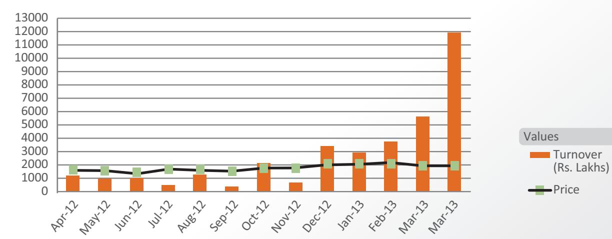
Market Price Data of the Bank's shares

i. National Stock Exchange of India Ltd.

Date	Price of Shares				Turnover in ₹ Lakhs	Nifty	Bank Nifty
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
2-Apr-12	322.20	327.75	317.55	326.20	1221.12	5317.90	10305.35
2-May-12	332.90	333.75	322.85	324.55	992.05	5239.15	10306.60
1-Jun-12	299.85	303.65	295.50	298.10	1016.91	4841.60	9267.60
2-Jul-12	342.15	342.15	336.10	338.50	507.81	5278.60	10412.20
1-Aug-12	334.95	335.40	329.00	329.95	1239.70	5240.50	10419.90
3-Sep-12	317.45	321.00	313.55	314.95	401.46	5253.75	9963.00
1-Oct-12	358.85	365.00	355.00	363.00	2135.70	5718.80	11420.45
1-Nov-12	363.80	368.00	362.05	363.90	684.83	5645.05	11315.05
3-Dec-12	406.10	423.95	406.10	422.10	3403.67	5870.95	12103.90
1-Jan-13	419.95	425.85	419.20	423.25	2934.04	5950.85	12654.15
1-Feb-13	434.80	443.00	431.70	438.30	3757.21	5998.90	12606.25
1-Mar-13	412.10	413.95	397.60	400.95	5607.24	5719.70	11540.05
28-Mar-13	397.85	409.50	395.25	404.70	11856.09	5682.55	11361.85



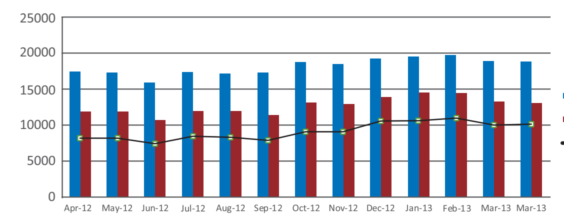
(Actual values of indices have been retained in the graph whereas the price has been factored for the purpose of comparison. The prices have been multiplied by 25).



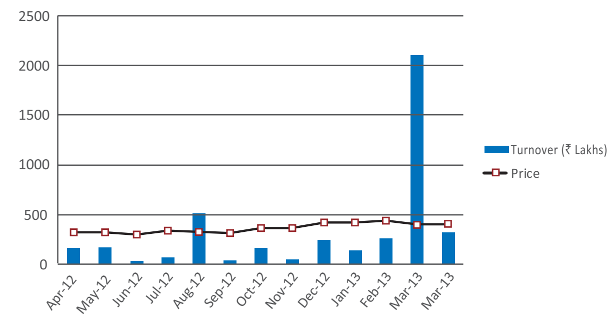
(Actual values of trade has been retained in the graph while the price has been factored for the purpose of comparision. The prices have multilplied by 5)

ii. Bombay Stock Exchange Ltd.

Date	Price of Shares				Turnover in ₹ Lakhs	SENSEX	BANKEX
	Open (₹)	High (₹)	Low (₹)	Close (₹)			
2-Apr-12	320.60	327.50	317.05	325.30	166.05	17478.15	11870.61
2-May-12	335.00	335.00	321.10	324.10	170.79	17301.91	11860.29
1-Jun-12	300.00	303.30	295.10	297.25	38.39	15965.16	10684.62
2-Jul-12	339.85	341.40	336.50	338.50	70.99	17398.98	11987.67
1-Aug-12	334.70	335.40	329.55	330.50	513.75	17257.38	11951.52
3-Sep-12	316.00	321.00	311.00	314.70	40.92	17384.40	11441.51
1-Oct-12	356.00	364.90	354.85	362.80	164.76	18823.91	13117.29
1-Nov-12	361.75	367.95	361.00	363.55	52.01	18561.70	12994.34
3-Dec-12	418.90	423.00	409.65	421.00	246.16	19305.32	13895.42
1-Jan-13	419.20	426.00	418.85	424.15	140.55	19580.81	14555.18
1-Feb-13	439.00	442.40	431.80	438.15	267.84	19781.19	14465.16
1-Mar-13	411.00	416.00	397.65	401.00	2107.06	18918.52	13241.87
28-Mar-13	397.75	410.00	397.00	404.95	320.90	18835.77	13033.35



(Actual values of indices have been retained in the graph whereas the price has been factored for the purpose of comparison. The prices have been multiplied by 25).



Dematerialisation of shares and liquidity

The Bank's shares are tradable (in electronic form only) at the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. 97.74% of the Bank's shares are dematerialised and the rest remain in physical form. The volume of trades and share price information is provided in the tables above.

In view of the numerous advantages off ered by the depository system, members holding the shares of the Bank in physical form are requested to get the same dematerialised and converted to the electronic form.

Share Transfer System

A Share Transfer Committee comprising the Bank's executives has been formed to deal with matters relating to transfer of shares, issue of duplicate share certificates in lieu of mutilated share certificates or those which are misplaced / lost, and other related matters. The approvals granted by the Share Transfer Committee are confirmed at subsequent Board meetings. With a view to expediting the process of physical share transfers, the Share Transfer Committee meets every Friday.

Trading in the Bank's shares now takes place compulsorily in dematerialised form. However, members holding share certificates in physical form are entitled to transfer their shareholding by forwarding the share certificates along with valid, duly executed and stamped transfer deed signed by the member (or on his / her behalf) and the transferee to the Bank or to the Bank's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd.

As required under Clause 47(c) of the Listing Agreement, a Practising Company Secretary has examined the records relating to Share Transfer Deeds, Registers and other related documents on a half-yearly basis and has certified compliance with the provisions of the above Clause. The Certificates are forwarded to BSE and NSE where the Bank's equity shares are listed.

As required by SEBI, Share Capital Audit is conducted by a Practising Company Secretary on a quarterly basis, for the purpose, inter alia, of reconciliation of the total admitted equity Share Capital with the depositories and in the physical form with the total issued / paid-up equity capital of the Bank. Certificates issued in this regard are forwarded to BSE and NSE.

Shareholders holding shares in different folios but in identical name(s) are requested to get their shareholdings consolidated into one folio by requesting the Bank / Registrar for the same. The request may please be accompanied with proof of identification and the share certificates.

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai – 400078

Contact Person: Ms. Chaitali Jadhav
Tel. : 022 25963838 / 022 25946980 Fax: 022 25946969
Email: rnt.helpdesk@linkintime.co.in

Redressal of Investors' Grievances

In order to service the investors in an efficient manner and to attend to their grievances, the Bank has constituted an 'Investor Services Cell' at its undermentioned Office at Mumbai. Members are requested to contact:

Mr. Raghunath Poojary
Investor Services Cell
IndusInd Bank Ltd.
Solitaire Corporate Park
167, Guru Hargovindji Marg
Andheri (East), Mumbai - 400093
Tel: 022 66412487 Fax: 022 66412347
Email: investor@indusind.com

Dividends

Receipt of dividend through Electronic mode

Shareholders can opt for receiving dividend credit directly into their bank accounts by registration of their Bank Account details with their Depository Participant (DP) in case of shareholding in demat mode or with the Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. in case of shareholding in physical mode.

To avail of this facility, shareholders can approach their respective DPs or can request the Registrar & Share Transfer Agent by a letter signed by all the shareholders, quoting Folio No. and attaching a copy of cancelled cheque leaf where their Bank Account is maintained.

Unclaimed Dividends

In accordance with the provisions of Section 205A of the Companies Act, 1956, read with Investor Education and Protection Fund (Awareness and Protection of Investors), Rules 2001, the dividends that remain unclaimed for a period of seven years from the date of transfer of the dividend to 'Unpaid Dividend Account', shall be transferred to the 'Investor Education and Protection Fund' (IEPF). Dividends for and upto the financial year ended March 31, 2005 have already been transferred to the 'IEPF'.

Details of unclaimed dividends for financial year 2006-07 onwards, and the last date for claiming such dividend, are given in the table below. Members are requested to take note of the due dates for such transfers and claim unpaid dividends well before the due date (expiry of the seven-year period). Bank had not declared dividend in the financial year 2005-06.

Year	Type of dividend	Date of Declaration	Date of expiry of seven-year period
2006-07	Final	18 September 2007	23 October 2014
2007-08	Final	22 September 2008	27 October 2015
2008-09	Final	3 July 2009	8 August 2016
2009-10	Final	28 June 2010	2 August 2017
2010-11	Final	15 July 2011	19 August 2018
2011-12	Final	17 July 2012	21 August 2019

Pursuant to Section 205C of the Companies Act, 1956, it is clarified that no claims shall lie against IEPF or the Bank in respect of individual amounts which have remained unclaimed or unpaid for a period of seven years from the dates that they first became due for payment, and no payment can be made in respect of any such amounts.

Unclaimed Shares

Pursuant to Clause 5A of the Listing Agreement entered into with the Stock Exchanges, the Bank had sent three reminder letters in respect of unclaimed shares to shareholders at the addresses available in the Bank's record, in co-ordination with Link Intime India Pvt. Ltd., the Bank's Registrar & Share Transfer Agents.

The Bank is currently in the process of transferring the unclaimed shares to a 'Suspense Account' with a Depository Participant for this purpose. As on March 31, 2013 there were 5,494 folios consisting of 20,91,512 equity shares which were lying unclaimed as per details below:

Particulars	Folios	Shares
Reminder Letters sent	7,222	28,69,929
Responses received upto March 31, 2013	1,728	7,78,417
Unclaimed as on March 31, 2013	5,494	20,91,512

Independent Auditor's Report

To the Members of IndusInd Bank Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of IndusInd Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2013, the Profit and Loss Account and the Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956 and circulars and guidelines issued by Reserve Bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Bank including its branches in accordance with Standards on Auditing ('the Standards') issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

4. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31 March 2013;

   (b) in the case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956.

8. We report that:

   (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   (c) during the course of our audit we have visited 14 branches. Since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

9. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India.

10. We further report that:

   (i) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;

   (ii) the financial accounting system of the Bank are centralised and, therefore, returns are not necessary to be submitted by the branches;

   (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books; and

   (iv) on the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Director is disqualified as on 31 March 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

N Sampath Ganesh
Partner
Membership No: 042554

Place : Mumbai
Date : 18 April, 2013

BALANCE SHEET AS AT MARCH 31, 2013

₹ in '000s

	SCHEDULE	As at 31.03.2013	As at 31.03.2012
CAPITAL AND LIABILITIES			
Capital	1	522,86,98	467,70,21
Employee Stock Options Outstanding	18(10)	10,71,19	10,94,59
Reserves and Surplus	2	7096,67,19	4263,06,00
Deposits	3	54116,71,50	42361,54,96
Borrowings	4	9459,55,61	8682,01,36
Other Liabilities and Provisions	5	2099,99,07	1810,79,85
TOTAL		**73306,51,54**	**57596,06,97**
ASSETS			
Cash and Balances with Reserve Bank of India	6	3249,84,45	2903,57,62
Balances with Banks and Money at Call and Short Notice	7	3598,88,79	2636,04,56
Investments	8	19654,16,57	14571,94,61
Advances	9	44320,61,00	35063,95,14
Fixed Assets	10	756,14,18	656,79,85
Other Assets	11	1726,86,55	1763,75,19
TOTAL		**73306,51,54**	**57596,06,97**
Contingent Liabilities	12	134902,88,80	103190,28,85
Bills for Collection		6337,50,73	6150,99,64
Significant Accounting Policies	17		
Notes to the financial statements	18		

The schedules referred to above form an integral part of Balance Sheet.

The Balance Sheet has been prepared in conformity with Form A of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date.

For INDUSIND BANK LTD.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

R. Seshasayee
Chairman

Kanchan Chitale
Director

N Sampath Ganesh
Partner
Membership No : 042554

Romesh Sobti
Managing Director

Place : Mumbai
Date : April 18, 2013

S. V. Zaregaonkar
Chief Financial Officer

Haresh Gajwani
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

₹ in '000s

			SCHEDULE	Year ended 31.03.2013	Year ended 31.03.2012
I.	**INCOME**				
	Interest Earned		13	6983,23,23	5359,19,26
	Other Income		14	1362,96,08	1011,78,27
		TOTAL		**8346,19,31**	**6370,97,53**
II.	**EXPENDITURE**				
	Interest Expended		15	4750,36,62	3654,94,84
	Operating Expenses		16	1756,36,27	1342,99,56
	Provisions and Contingencies			778,28,14	570,41,94
		TOTAL		**7285,01,03**	**5568,36,34**
III.	**PROFIT**				
	Net Profit for the year			1061,18,28	802,61,19
	Profit brought forward			1187,59,01	714,36,22
		TOTAL		**2248,77,29**	**1516,97,41**
IV.	**APPROPRIATIONS**				
	Transfer to				
	a) Statutory Reserve			265,29,57	200,65,30
	b) Capital Reserve			8,36,41	8,63,19
	c) Investment Reserve Account			40,31	51,63
	d) Proposed final dividend			157,08,60	102,89,13
	e) Corporate Dividend Tax			26,69,45	16,69,15
				457,84,34	329,38,40
	Balance carried over to the Balance Sheet			1790,92,95	1187,59,01
		TOTAL		**2248,77,29**	**1516,97,41**
V.	**EARNING PER EQUITY SHARE**				
	(Face value of ₹ 10/- per share) (₹)				
	Basic		18(11.6)	21.83	17.20
	Diluted		18(11.6)	21.40	16.86
	Significant Accounting Policies		17		
	Notes to the financial statements		18		

The schedules referred to above form an integral part of Profit and Loss Account.
The Profit and Loss Account has been prepared in conformity with Form B of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date.

For INDUSIND BANK LTD.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

R. Seshasayee
Chairman

Kanchan Chitale
Director

N Sampath Ganesh
Partner
Membership No : 042554

Romesh Sobti
Managing Director

Place : Mumbai
Date : April 18, 2013

S. V. Zaregaonkar
Chief Financial Officer

Haresh Gajwani
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

₹ in '000s

	Year ended 31.03.2013	Year ended 31.03.2012
A. Cash Flow from Operating Activities		
Net Profit before taxation	**1576,35,93**	**1192,65,39**
Adjustments for :		
Depreciation on Fixed Assets	73,43,39	74,95,86
Depreciation on Investments	1,30,35	(1,01,61)
Employees Stock Option expenses	(23,40)	2,96,64
Loan Loss and Other Provisions	261,80,13	181,39,35
Amortisation on HTM investments	14,46,90	7,80,52
Interest paid on Borrowings	616,83,27	467,85,16
Interest paid on Tier II / Upper Tier II bonds	106,75,04	110,79,00
Profit on sale of Fixed Assets	(5,44,95)	(59,21)
Operating Profit before Working Capital changes	**2645,26,66**	**2036,81,10**
Adjustments for :		
Increase in Advances	(9518,46,00)	(9079,69,78)
Increase in Investments	(5097,99,21)	(1027,92,11)
Increase in Other Assets	84,79,27	(539,49,71)
Increase in Deposits	11755,16,54	7996,17,84
Increase in Other Liabilities	208,54,67	89,71,89
Cash generated from Operations	**77,31,93**	**(524,40,77)**
Direct Taxes paid (net of refunds)	(563,08,28)	(315,97,46)
Net Cash used in Operating Activities	**(485,76,35)**	**(840,38,23)**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (including WIP)	(184,38,70)	(150,30,68)
Proceeds from sale of Fixed Assets	10,41,22	9,58,86
Net Cash used in Investing Activities	**(173,97,48)**	**(140,71,82)**
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares (net of issue expenses)	2018,02,45	11,51,30
Dividends paid	(103,13,50)	(93,33,77)
Payment towards redemption of Sub-ordinated Tier II capital	(50,00,00)	-
Increase in Borrowings	827,54,25	3156,58,97
Interest paid on Borrowings	(616,83,27)	(467,85,16)
Interest paid on Tier II / Upper Tier II Bonds	(106,75,04)	(110,79,00)
Net Cash generated from Financing Activities	**1968,84,89**	**2496,12,34**
Net Increase in Cash and Cash Equivalents	**1309,11,06**	**1515,02,29**
Cash and Cash Equivalents at the beginning of the year	**5539,62,18**	**4024,59,89**
Cash and Cash Equivalents at the end of the year	**6848,73,24**	**5539,62,18**

Notes:

1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

2 Figures in bracket indicate cash outflow.

As per our report of even date.

For INDUSIND BANK LTD.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

R. Seshasayee
Chairman

Kanchan Chitale
Director

N Sampath Ganesh
Partner
Membership No : 042554

Romesh Sobti
Managing Director

Place : Mumbai
Date : April 18, 2013

S. V. Zaregaonkar
Chief Financial Officer

Haresh Gajwani
Company Secretary

SCHEDULES

	As at 31.03.2013	As at 31.03.2012
		₹ in '000s
SCHEDULE - 1 CAPITAL		
Authorised Capital		
55,00,00,000 (Previous year 55,00,00,000) equity shares of ₹ 10/- each	550,00,00	550,00,00
Issued, Subscribed and Called Up Capital		
52,26,77,706 (Previous year 46,75,10,001) equity shares of ₹ 10/- each	522,67,77	467,51,00
Paid up Capital		
52,26,77,706 (Previous year 46,75,10,001) equity shares of ₹ 10/- each	522,67,77	467,51,00
Add : 3,84,200 (Previous year 3,84,200) Forfeited equity shares of ₹ 10/- each	19,21	19,21
Note :		
On December 5, 2012, the Bank had issued 5,21,00,000 equity shares of ₹ 10/- each through a Qualified Institutions Placement (QIP). Accordingly as at March 31, 2013, the paid-up share capital and share premium account under reserves of the Bank stand increased by ₹ 52.10 crores and ₹ 1,948.54 crores respectively		
TOTAL	**522,86,98**	**467,70,21**
SCHEDULE - 2 RESERVES AND SURPLUS		
I **Statutory Reserve**		
Opening balance	568,45,43	367,80,13
Additions during the year	265,29,57	200,65,30
	833,75,00	**568,45,43**
II **Share Premium Account**		
Opening balance	2155,11,20	2145,33,51
Additions during the year	1980,42,54	9,77,69
Less: Share issue expenses (Refer Schedule 18 (12.6))	17,56,86	-
	4117,96,88	**2155,11,20**
III **General Reserve**		
Balance as at the end of the year	1,35,57	1,35,57
	1,35,57	**1,35,57**
IV **Capital Reserve**		
Opening balance	127,32,32	118,69,13
Additions during the year	8,36,41	8,63,19
	135,68,73	**127,32,32**
V **Investment Allowance Reserve**		
Balance as at the end of the year	1,00,00	1,00,00
	1,00,00	**1,00,00**
VI **Investment Reserve Account**		
Opening Balance	2,88,89	2,37,26
Additions during the year	40,31	51,63
	3,29,20	**2,88,89**
VII **Revaluation Reserve**		
Opening balance	219,33,58	225,34,81
Deduction during the year	6,64,72	6,01,23
	212,68,86	**219,33,58**
VIII **Balance in the Profit and Loss Account**	**1790,92,95**	**1187,59,01**
TOTAL	**7096,67,19**	**4263,06,00**

SCHEDULES (Contd.)

				₹ in '000s
			As at 31.03.2013	**As at 31.03.2012**
SCHEDULE - 3 DEPOSITS				
A	**I**	**Demand Deposits**		
		i) From Banks	882,17,19	128,65,99
		ii) From Others	7952,38,45	6740,28,71
	II	**Savings Bank Deposits**	7032,80,17	4694,11,06
	III	**Term Deposits**		
		i) From Banks	1199,01,04	3739,10,39
		ii) From Others	37050,34,65	27059,38,81
		TOTAL	**54116,71,50**	**42361,54,96**
B	**Deposits of Branches**			
	I	In India	54116,71,50	42361,54,96
	II	Outside India	-	-
		TOTAL	**54116,71,50**	**42361,54,96**
SCHEDULE - 4 BORROWINGS				
	I	**Borrowings in India**		
		i) Reserve Bank of India	-	-
		ii) Other Banks	3035,93,80	2257,07,39
		iii) Other Institutions and Agencies	3191,84,59	3145,74,60
		iv) Unsecured Non-Convertible Redeemable Debentures / Bonds (Subordinated Tier-II Bonds)	810,10,00	860,10,00
		v) Unsecured Non-Convertible Redeemable Non-Cumulative Subordinated Upper Tier II Bonds	308,90,00	308,90,00
	II	**Borrowings outside India**	2112,77,22	2110,19,37
		TOTAL	**9459,55,61**	**8682,01,36**
Secured borrowings included in I and II above			-	-
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS				
	I	Inter-office Adjustments (Net)	23,14,89	17,80,04
	II	Bills Payable	351,27,10	372,18,56
	III	Interest Accrued	399,99,85	317,96,66
	IV	Others [(including Standard Asset Provisions of ₹ 174.26 crores) (Previous Year ₹ 138.77 crores)]	1325,57,23	1102,84,59
		TOTAL	**2099,99,07**	**1810,79,85**
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA				
	I	Cash in hand (including foreign currency notes)	396,84,05	320,37,65
	II	Balances with Reserve Bank of India		
		i) In Current Accounts	2853,00,40	2583,19,97
		ii) In Other Accounts	-	-
		TOTAL	**3249,84,45**	**2903,57,62**

SCHEDULES (Contd.)

₹ in '000s

				As at 31.03.2013	As at 31.03.2012
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE					
I	**In India**				
	i)	Balances with Banks			
		a)	In Current Accounts	406,78,40	252,48,70
		b)	In Other Deposit Accounts	1516,83,05	848,08,00
	ii)	Money at Call and Short Notice - With Others Institutions		851,22,26	1099,25,28
			TOTAL	**2774,83,71**	**2199,81,98**
II	**Outside India**				
	i)	In Current Accounts		174,53,08	189,73,65
	ii)	In Other Deposit Accounts		-	-
	iii)	Money at Call and Short Notice		649,52,00	246,48,93
			TOTAL	**824,05,08**	**436,22,58**
			GRAND TOTAL	**3598,88,79**	**2636,04,56**
SCHEDULE - 8 INVESTMENTS					
I	**Investments in India**				
	Gross Value			19665,90,69	14582,38,38
	Less : Aggregate of provision / depreciation			11,74,12	10,43,77
	Net value of Investments in India			**19654,16,57**	**14571,94,61**
	Comprising :				
	i)	Government securities*		14108,26,31	11901,90,86
	ii)	Other approved securities		-	-
	iii)	Shares		58,03,28	53,65,81
	iv)	Debentures and bonds		753,84,95	238,55,61
	v)	Subsidiaries and / or Joint Ventures		50,00	50,00
	vi)	Others - Deposits under RIDF scheme with NABARD		1382,94,50	1429,35,33
		- Security Receipt, Units of schemes of Mutual Funds and Others		3350,57,53	947,97,00
II	**Outside India**			-	-
			TOTAL	**19654,16,57**	**14571,94,61**

*Includes securities costing ₹ 373.84 crores (previous year ₹ 273.84 crores) pledged for clearing facility and margin requirements.

				As at 31.03.2013	As at 31.03.2012
SCHEDULE - 9 ADVANCES					
A	i)	Bills Purchased and Discounted		1152,87,02	819,65,38
	ii)	Cash Credits, Overdrafts and Loans Repayable on Demand		10775,22,29	8516,64,04
	iii)	Term Loans		32392,51,69	25727,65,72
			TOTAL	**44320,61,00**	**35063,95,14**
B	i)	Secured by Tangible Assets (includes advances against book debts)		39334,25,37	29930,20,24
	ii)	Covered by Bank / Government Guarantees (includes advances against L/Cs issued by Banks)		775,30,41	2279,93,11
	iii)	Unsecured		4211,05,22	2853,81,79
			TOTAL	**44320,61,00**	**35063,95,14**

SCHEDULES (Contd.)

₹ in '000s

			As at 31.03.2013	As at 31.03.2012
C	I)	Advances in India		
		i) Priority Sector	14323,55,11	12506,50,66
		ii) Public Sector	633,97,11	449,44,07
		iii) Banks	24,87,90	60,29,20
		iv) Others	29338,20,88	22047,71,21
		TOTAL	**44320,61,00**	**35063,95,14**
	II)	Advances Outside India	-	-
		TOTAL	**44320,61,00**	**35063,95,14**

SCHEDULE - 10 FIXED ASSETS

			31.03.2013	31.03.2012
I	**PREMISES**			
	i)	At cost as at the beginning of the year	397,60,57	398,94,05
	ii)	Additions during the year	13,23,52	6,60,40
			410,84,09	405,54,45
	iii)	Less : Deductions during the year	4,84,37	7,93,88
	iv)	Less : Depreciation to date	44,45,72	39,73,77
		TOTAL	**361,54,00**	**357,86,80**
II	**Other Fixed Assets (including furniture & fixtures)**			
	i)	At cost as at the beginning of the year	685,18,49	572,31,47
	ii)	Additions during the year	197,10,91	125,40,95
			882,29,40	697,72,42
	iii)	Less : Deductions during the year	13,28,67	12,53,93
	iv)	Less : Depreciation to date	489,93,80	428,95,76
		TOTAL	**379,06,93**	**256,22,73**
III	**Capital Work in Progress**		15,53,25	42,70,32
		GRAND TOTAL	**756,14,18**	**656,79,85**

SCHEDULE - 11 OTHER ASSETS

		31.03.2013	31.03.2012
I	Interest Accrued	461,05,51	355,78,55
II	Tax Paid in Advance / tax deducted at source (net of provision)	193,60,31	149,92,48
III	Stationery and Stamps	2,60,20	2,00,96
IV	Others [including deferred tax assets of ₹ 68.48 crores (Previous Year ₹ 61.57 crores)]	1069,60,53	1256,03,20
	TOTAL	**1726,86,55**	**1763,75,19**

SCHEDULE - 12 CONTINGENT LIABILITIES

		31.03.2013	31.03.2012
I	Claims against the Bank not acknowledged as debts	430,89,11	414,90,29
II	Liability on account of outstanding Forward Exchange Contracts	79438,65,51	59556,35,91
III	Liability on account of outstanding Derivative Contracts	29540,14,71	29654,56,71
IV	Guarantees given on behalf of constituents		
	- In India	19381,00,90	7292,44,83
	- Outside India	-	-
V	Acceptances, Endorsements and Other Obligations	4362,18,57	3666,74,69
VI	Other Items for which the Bank is contingently liable	1750,00,00	2605,26,42
	TOTAL	**134902,88,80**	**103190,28,85**

SCHEDULES (Contd.)

			₹ in '000s
		Year ended 31.03.2013	**Year ended 31.03.2012**
SCHEDULE - 13 INTEREST EARNED			
I	Interest / Discount on Advances / Bills	5610,30,02	4216,61,60
II	Income on Investments	1282,49,78	1078,19,51
III	Interest on Balances with RBI and Other Inter-Bank Funds	85,49,94	23,86,42
IV	Others	4,93,49	40,51,73
	TOTAL	**6983,23,23**	**5359,19,26**
SCHEDULE - 14 OTHER INCOME			
I	Commission, Exchange and Brokerage (Refer Note no. 9.5.2)	947,04,58	702,90,57
II	Profit on Sale of Investments / Derivatives (Net)	64,41,76	57,70,34
III	Profit / (Loss) on Sale of Land, Buildings and Other Assets (Net)	5,44,95	59,21
IV	Profit on exchange transactions (Net)	328,03,46	237,76,68
V	Income earned by way of dividend from companies in India	2,95,51	2,97,82
VI	Miscellaneous Income (Refer Note no. 9.5.2)	15,05,82	9,83,65
	TOTAL	**1362,96,08**	**1011,78,27**
SCHEDULE - 15 INTEREST EXPENDED			
I	Interest on Deposits	4026,78,31	3076,30,68
II	Interest on Reserve Bank of India / Inter-Bank Borrowings	257,37,02	194,86,67
III	Others (including interest on Subordinate Debts and Upper Tier II bonds)	466,21,29	383,77,49
	TOTAL	**4750,36,62**	**3654,94,84**
SCHEDULE - 16 OPERATING EXPENSES			
I	Payments to and Provisions for Employees	661,46,23	485,46,97
II	Rent,Taxes and Lighting (includes operating lease rentals)	166,37,18	109,61,22
III	Printing and Stationery	25,79,88	24,46,40
IV	Advertisement and Publicity	13,28,48	16,15,10
V	Depreciation on Bank's Property	73,43,39	74,95,86
VI	Directors' Fees, Allowances and Expenses	72,62	70,35
VII	Auditors' Fees and Expenses	1,20,78	88,56
VIII	Law Charges	27,59,72	27,10,14
IX	Postage, Telegrams, Telephones, etc.	69,22,08	45,71,37
X	Repairs and Maintenance	96,45,46	74,83,47
XI	Insurance	57,54,36	38,98,93
XII	Service Provider Fees	158,85,76	114,64,83
XIII	Other Expenditure	404,40,33	329,46,36
	TOTAL	**1756,36,27**	**1342,99,56**

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

1. *General*

1.1 The accompanying financial statements have been prepared under the historical cost convention except where otherwise stated, and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time, accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and notified by the Companies (Accounting Standards) Rules, 2006 and practices prevailing within the banking industry in India.

1.2 The preparation of the financial statements, in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. *Transactions involving Foreign Exchange*

2.1 Monetary assets and liabilities denominated in foreign currency are translated at the Balance Sheet date at the exchange rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI') for tenors up to one year and rates published by Reuters for tenor above one year and the resulting gains or losses are recognised in the Profit and Loss account.

2.2 Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

2.3 All foreign exchange contracts outstanding at the Balance Sheet date are re-valued at the rates of exchange notified by the FEDAI and the resulting gains or losses are recognised in the Profit and Loss account.

2.4 Swap Cost arising on account of foreign currency swap contracts to convert foreign currency funded liabilities into rupee liabilities is charged to the Profit and Loss account as 'Interest – Others' by amortizing over the underlying swap period.

2.5 Income and expenditure items are translated at the rates of exchange prevailing on the date of the transaction.

2.6 Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currency are stated at the closing rates of exchange notified by FEDAI for tenors up to one year and rates published by Reuters for tenor above one year.

3. *Investments*

Significant accounting policies in accordance with RBI guidelines are as follows:

3.1 Categorisation of Investments :

In accordance with the guidelines issued by RBI, the Bank classifies its investment portfolio on the date of purchase into the following three categories:

(i) Held to Maturity (HTM) – Securities acquired with the intention to hold till maturity.

(ii) Held for Trading (HFT) – Securities acquired with the intention to trade.

(iii) Available for Sale (AFS) – Securities which do not fall within the above two categories.

Subsequent shifting amongst the categories is done in accordance with RBI guidelines.

3.2 Classification of Investments:

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups as required by RBI guidelines viz., Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries and Joint Ventures, and Other Investments.

3.3 Valuation of Investments:

(i) **Held to Maturity** – Each security in this category is carried at its acquisition cost. Any premium paid on acquisition of each security is amortised over the balance period to maturity. The amortised amount is deducted from Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of amount amortised during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually.

(ii) **Held for Trading** – Each security in this category is re-valued at the market price or fair value and the resultant depreciation of each security is charged to the Profit and Loss account and appreciation, if any, is ignored.

(iii) **Available for Sale** – Each security in this category is re-valued at the market price or fair value and the resultant depreciation on each security in this category is charged to the Profit and Loss account and appreciation, if any, is ignored.

(iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / Yield to Maturity (YTM) published by RBI or the prices / YTM periodically declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association (FIMMDA).

Fair value of other debt securities is determined based on the yield curve and spreads provided by FIMMDA.

Quoted equity shares are valued at lower of cost or the closing price on a recognised stock exchange. Unquoted equity shares are valued at their break-up value or at ₹ 1 per company where the latest Balance Sheet is not available.

Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.

Units of the schemes of mutual funds are valued at the lower of cost and Net Asset Value (NAV) provided by the respective schemes of mutual funds.

(v) Investments in equity shares held as long-term investments by erstwhile IndusInd Enterprises & Finance Limited and Ashok Leyland Finance Limited (since merged with the Bank) are valued at cost and classified as part of HTM category. Provision towards diminution in the value of such long-term investments is made only if the diminution in value is not temporary in the opinion of management.

(vi) Security Receipts (SR) are valued at the lower of redemption value or NAV obtained from the Securitisation Company (SC) / Reconstruction Company (RC).

(vii) The Bank follows trade date method of accounting for purchase and sale of investments, except for Government of India and State Government securities where settlement date method of accounting is followed in accordance with RBI guidelines.

(viii) Broken period interest on debt instruments is treated as a revenue item. Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.

(ix) Provision for non-performing investments is made in conformity with RBI guidelines.

(x) Repurchase (Repo) / Reverse Repurchase (Reverse Repo) transactions (except transactions under Liquidity Adjustment Facility (LAF) with RBI) are accounted for as Borrowing / Lending respectively. On completion of the second leg of the Repo / Reverse Repo transaction, the difference between the consideration amounts is reckoned as Interest Expenditure / Income. Amounts outstanding in Repo / Reverse Repo account as at the Balance Sheet date is shown as part of Borrowings / Money at Call and at Short Notice respectively, and the accrued expenditure / income till the Balance Sheet date is taken to the Profit and Loss account. Outstanding Repo transactions are marked to market as per the investment classification of the security.

In respect of repo transactions under LAF with RBI, monies borrowed from RBI are credited to investment account and reversed on maturity of the transaction. Costs thereon are accounted for as interest expense. In respect of reverse repo transactions under LAF, monies lent to RBI are debited to investment account and reversed on maturity of the transaction. Revenues thereon are accounted as interest income.

(xi) The Bank undertakes short sale transactions in Central Government dated securities. The short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Other Liabilities'. The short position is marked to market and loss, if any, is charged to the Profit and Loss account, while gain, if any, is not recognized. Profit / loss on settlement of the short position is taken to Profit and Loss account.

(xii) Profit in respect of investments sold from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account.

(xiii) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve account (IRA). The balance in IRA account is considered as Tier II Capital within the overall ceiling of 1.25% of total Risk Weighted Assets prescribed for General Provisions / Loss reserves.

The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.

4. *Derivatives*

Derivative contracts are designated as hedging or trading and accounted for as follows:

4.1 The hedging contracts comprise of Forward Rate Agreements, Interest Rate Swaps and Currency Swaps undertaken to hedge interest rate risk on certain assets and liabilities. The net interest receivable / payable is accounted on an accrual basis over the life of the swaps. However, where the hedge is designated with an asset or liability that is carried at market value or lower of cost and market value, then the hedging instruments is also marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated assets or liabilities.

4.2 The trading contracts comprise of proprietary trading in Interest Rate Swaps and Currency Futures. The gain / loss arising on unwinding or termination of the contracts, is accounted for in the Profit and Loss account. Trading contracts outstanding as at the Balance Sheet date are re-valued at their fair value and resulting gains / losses are recognised in the Profit and Loss account.

4.3 Gains or losses on the termination of hedge swaps is deferred and recognised over the shorter of the remaining contractual life of the hedge swap or the remaining life of the underlying asset / liability.

4.4 Premium paid and received on currency options is accounted up-front in the Profit and Loss account as all options are undertaken on a back-to-back basis.

4.5 Provisioning of overdue customer receivable on derivative contracts, if any, is made as per RBI guidelines.

4.6 In accordance with the Prudential Norms for Off-Balance Sheet Exposures issued by RBI, provisioning against outstanding credit exposure as at the Balance Sheet date is made, as is applicable to the assets of the concerned counterparties under 'standard' category. Credit exposures are computed as per the current marked to market value of the contract arising on account of interest rate and foreign exchange derivative transactions.

5. *Advances*

5.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.

5.2 Provision for non-performing assets is made in conformity with RBI guidelines.

5.3 In accordance with RBI guidelines, general provision on standard assets is made as under:

(a) At 1% of standard advances to Commercial Real Estate Sector;

(b) At 0.25% of standard direct advances to SME and Agriculture; and

(c) At 0.40% of the balance outstanding standard advance.

5.4 Advances are disclosed in the Balance Sheet, net of provisions and interest suspended for non-performing advances. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

5.5 Advances exclude derecognised securitised advances, inter-bank participation and bills rediscounted.

5.6 Amounts recovered against bad debts written off in earlier years are recognised in the Profit and Loss account.

5.7 Provision no longer considered necessary in context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.

5.8 Restructured / rescheduled accounts:

In case of restructured standard advances, provision is made as per RBI guidelines.

Further in case of restructured / rescheduled accounts provision is made for the sacrifice against erosion / diminution in fair value of restructured loans, in accordance with RBI guidelines. The erosion in fair value of the advances is computed as the difference between fair value of the loan before and after restructuring.

Fair value of the loan before restructuring is computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at a rate equal to the Bank's Benchmark Prime Lending Rate (BPLR) / Base Rate as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring.

Fair value of the loan after restructuring is computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at a rate equal to Bank's BPLR / Base Rate as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring.

The diminution in the fair value is re-computed on each Balance Sheet date till satisfactory completion of all repayment obligations and full repayment of the outstanding in the account, so as to capture the changes in the fair value on account of changes in BPLR / Base Rate, term premium and the credit category of the borrower. The shortfall / excess provision held is either charged / credited to the Profit and Loss account respectively.

The restructured accounts have been classified in accordance with RBI guidelines, including special dispensation wherever allowed.

6. Securitisation Transactions and bilateral assignments

6.1 The Bank transfers loans through securitisation transactions. The Bank transfers its loan receivables both through Bilateral Direct Assignment route as well as transfer to Special Purpose Vehicles ('SPV') in securitisation transactions.

6.2 The securitization transactions are without recourse to the Bank. The transferred loans and such securitised-out receivables are de-recognized in the Balance Sheet as and when these are sold (true sale criteria being fully met) and the consideration has been received by the Bank. Gains / losses are recognised only if the Bank surrenders the rights to the benefits specified in the loan contracts.

6.3 In respect of certain transactions, the Bank provides credit enhancements in the form of cash collaterals / guarantee and / or by subordination of cash flows to Senior Pass Through Certificate (PTC) holders. Retained interest and subordinated PTCs are disclosed under "Advances" in the Balance Sheet.

6.4 **Recognition of gain or loss arising out of Securitisation of Standard Assets :**

In terms of RBI guidelines, profit / premium arising on account of sale of standard assets, being the difference between the sale consideration and book value, is amortised over the life of the securities issued by the Special Purpose Vehicles (SPV).

Any loss arising on account of the sale is recognized in the Profit and Loss account in the period in which the sale occurs.

6.5 In case of sale of non-performing assets through securitization route to Asset Reconstruction Companies (ARC) by way of assignment of debt against issuance of SRs, the sale is recognized at the lower of redemption value of SR or PTC, and the Net Book Value (NBV) of the financial asset sold. Any shortfall in the sale is recognized in the Profit and Loss account in the period in which the sale transaction occurs; surplus if any is kept in a separate account to be utilized to meet the shortfall or loss on sale of other financial assets to SC / RC.

7. Fixed Assets and depreciation

7.1 Fixed assets are stated at cost (except in the case of premises which were re-valued based on values determined by approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use.

7.2 The appreciation on revaluation is credited to Revaluation Reserve. Depreciation relating to revaluation is adjusted against the Revaluation Reserve.

7.3 Depreciation is provided, *pro rata* for the period of use, on a straight-line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If management's estimate of the useful life of a fixed asset is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of the useful life. Pursuant to this policy, depreciation on the fixed assets is provided at the following rates, which are higher than the corresponding rates prescribed in Schedule XIV to the Act:

(a) Computers at 33.33% p.a.

(b) Application software and perpetual software licences at 20% p.a.

(c) Printers, Scanners, Routers, Switch at 20% p.a.

(d) ATMs at 14.29% p.a.

(e) Network cabling, Electrical Installations, Furniture and Fixtures, Other Office Equipment at 10% p.a.

(f) Vehicles at 20% p.a.

The useful life of an asset class is periodically assessed taking into account various criteria such as changes in technology, changes in business environment, utility and efficacy of an asset class to meet with intended user needs, etc. Whenever there is a revision in the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

7.4 The carrying amount of fixed assets is reviewed at each Balance Sheet date to determine if there are any indications of impairment based on internal / external factors. In case of impaired assets, the impairment loss i.e. the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

8. Revenue Recognition

8.1 Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.

8.2 Interest on Government securities, debentures and other fixed income securities is recognised on accrual basis. Income on discounted instruments is recognised over the tenor of the instrument on a straight-line basis.

8.3 Dividend income is accounted on accrual basis when the right to receive dividend is established.

8.4 Commission (except for commission on Deferred Payment Guarantees which is recognised on accrual basis), Exchange and Brokerage are recognised on a transaction date and net off directly attributable expenses.

8.5 Fees are recognised when due, except in cases where the Bank is uncertain of realisation.

8.6 Income from distribution of third party products is recognised on the basis of business booked.

9. Operating Leases

9.1 Lease rental obligations in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term. Initial direct costs are charged to the Profit and Loss account.

9.2 Assets given under leases in respect of which all the risks and benefits of ownership are effectively retained by the Bank are classified as operating leases. Lease rentals received under operating leases are recognized in the Profit and Loss account on accrual basis as per contracts.

10. Employee Benefits

10.1 The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the year is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate insurance policies.

10.2 Provident Fund contributions are made under trusts separately established for the purpose and the scheme administered by Regional Provident Fund Commissioner (RPFC), as applicable. The rate at which the annual interest is payable to the beneficiaries by the trusts is being administered by the government. The Bank has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the notified interest rates. Actuarial valuation of this Provident Fund Interest shortfall has been done as per the guidance note issued during the year in this respect by the Actuary Society of India and the provision towards this liability has been made.

10.3 Provision for compensated absences has been made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out as per the projected unit credit method.

10.4 The Bank has applied the intrinsic value method to account for the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying shares on the grant date exceeds the exercise price of the Options. Accordingly, the compensation cost is amortized over the vesting period.

11. *Segment Reporting*

In accordance with the guidelines issued by RBI, the Bank has adopted Segment Reporting as under:

(a) **Treasury** includes all investment portfolio, Profit / Loss on Sale of Investments, Profit / Loss on foreign exchange transactions, equities, income from derivatives and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortisation of premium on Held to Maturity category investments.

(b) **Corporate / Wholesale Banking** includes lending to and deposits from corporate customers and identified earnings and expenses of the segment.

(c) **Retail Banking** includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

(d) **Other Banking Operations** includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Unallocated includes Capital and Reserves, Employee Stock Options (Grants) Outstanding and other unallocable assets and liabilities.

12. *Debit and Credit Card reward points liability*

12.1 The liability towards Credit Card reward points is based on an actuarial valuation and liability towards Debit Card reward points is computed on the basis of management estimates considering past trends.

13. *Bullion*

13.1 The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are on a back-to-back basis and are priced to the customer based on the prevailing price quoted by the supplier and the local levies related to the consignment like customs duty etc. The income earned is included in commission income.

13.2 The Bank sells gold coins to its customers. The difference between the sale price to customers and purchase price quoted is reflected under commission income.

14. *Income-tax*

14.1 Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

15. *Earnings per Share*

15.1 Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the year.

16. Provisions, contingent liabilities and contingent assets

16.1 A provision is recognised when there is an obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

16.2 A disclosure of contingent liability is made when there is:

(a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non occurrence of one or more uncertain future events not within the control of the bank; or

(b) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

16.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

16.4 Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

17. Cash and Cash equivalents

17.1 Cash and cash equivalents in the cash flow statement comprise Cash in Hand and Balances with RBI and Balances with Banks and Money at Call and Short Notice.

SCHEDULE 18

NOTES ON ACCOUNTS

1. Capital Adequacy Ratio

The Bank computes Capital Adequacy Ratio as per RBI guidelines. The Bank has migrated to the New Capital Adequacy Framework (Basel II) with effect from March 31, 2009. Under the Basel II guidelines, the Bank is required to maintain Capital to Risk weighted Assets Ratio, at a minimum of 9% on an on-going basis, covering credit risk, market risk and operational risk. Further, the minimum capital to be maintained by the Bank is subjected to a prudential floor which is the higher of:

(i) Minimum capital to be maintained under the New Capital Adequacy Framework (Basel II); and

(ii) 80% of the minimum capital to be maintained under Basel I guidelines

The capital adequacy ratio of the Bank, calculated as per RBI guidelines (Basel II requirement being higher) is set out below:

(₹ in crores)

Items	As per Basel II Framework	
	March 31, 2013	March 31, 2012
Tier I Capital	7,344.54	4,457.66
Tier II Capital	840.93	970.05
Total Capital	8,185.47	5,427.71
Total risk weighted assets	53,283.40	39,203.31
Capital to Risk-weighted Assets Ratio (%)	15.36%	13.85%
CRAR - Tier I Capital (%)	13.78%	11.37%
CRAR - Tier II Capital (%)	1.58%	2.48%
Sub-ordinated debt raised as Tier II Capital	Nil	Nil
Amount raised by issue of IPDI	Nil	Nil
Amount raised by issue of Upper Tier II instruments	Nil	Nil

The Bank's capital funds are higher than the minimum requirements prescribed under the Basel I and Basel II framework.

2. Investments

2.1 Details of Investments:

(₹ in crores)

	March 31, 2013	March 31, 2012
(1) Value of Investments		
(i) Gross value of Investments	19,665.91	14,582.38
(a) In India	19,665.91	14,582.38
(b) Outside India	-	-
(ii) Provisions for Depreciation	11.74	10.44
(a) In India	11.74	10.44
(b) Outside India	-	-
(iii) Net value of Investments	19,654.17	14,571.94
(a) In India	19,654.17	14,571.94
(b) Outside India	-	-
(2) Movement in provisions held towards depreciation on Investments		
(i) Opening balance	10.44	11.46
(ii) Add: Provision made during the year	2.10	-
(iii) Less: Write-off / (write-back) of excess provision during the year	(0.80)	(1.02)
(iv) Closing balance	11.74	10.44

2.2 Category wise details of Investments (Net):

(₹ in crores)

		As at March 31, 2013			As at March 31, 2012		
		HTM	AFS	HFT	HTM	AFS	HFT
i)	Government securities	12,060.91	2,047.35		9,934.38	1,967.53	-
ii)	Other approved securities	-	-	-	-	-	-
iii)	Shares	4.75	53.28		4.75	48.91	-
iv)	Debentures and bonds		753.85		-	238.55	-
v)	Subsidiaries and / or Joint Ventures	0.50	-	-	0.50	-	-
vi)	Others - Deposits under RIDF scheme with NABARD, Security Receipts / Pass Through Certificates, investment in units of Mutual Funds, Commercial Paper, etc.	1,382.95	3,350.58	-	1,429.35	947.97	-
	Total	**13,449.11**	**6,205.06**	**-**	**11,368.98**	**3,202.96**	**-**

2.3 Details of Repo / Reverse Repo including under Liquidity Adjustment Facility (LAF) deals:

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Balance as at year end
Year ended March 31, 2013				
Securities sold under repos				
i) Government Securities	46.75	2,300.00	310.86	1,800.00
ii) Corporate Debt Securities	-	-	-	-

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Balance as at year end
Securities purchased under reverse repos				
i) Government Securities	10.11	221.56	22.95	51.71
ii) Corporate Debt Securities	-	-	-	-
Year ended March 31, 2012				
Securities sold under repos				
i) Government Securities	46.75	1,900.00	222.51	1,846.75
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repos				
i) Government Securities	9.85	2,118.92	24.35	-
ii) Corporate Debt Securities	-	-	-	-

2.4 a) *Issuer composition of Non-SLR investments as at March 31, 2013:*

(₹ in crores)

No.	Issuer	Amount[(1)]	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities[(2)]	Extent of 'unlisted' securities[(3)]
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
1	Public Sector Undertakings	-	-	-	-	-
2	Financial Institutions[(4)]	1,382.95	-	-	-	-
3	Banks	2,584.26	5.00	-	-	-
4	Private corporate	834.64	703.09	-	-	6.51
5	Subsidiaries / Joint Ventures	0.50	-	-	-	0.50
6	Others	754.20	324.20	-	-	-
7	Provision held towards depreciation	(10.64)	(8.42)	-	-	(1.75)
	Total	**5,545.91**	**1,023.87**	**-**	**-**	**5.26**

Notes:

(1) Does not include amount of securities pledged with Central Counter Parties such as Clearing Corporation of India Ltd., National Securities Clearing Corporation of India Ltd. and Multi Commodity Exchange of India Ltd.

(2) Excludes investment in RIDF scheme of NABARD and equity shares.

(3) Excludes investment in RIDF scheme of NABARD, commercial papers, CD's and preference shares acquired by way of conversion of debts.

(4) Includes investment in RIDF scheme of NABARD.

(5) Amounts reported under 4, 5, 6 and 7 are not mutually exclusive.

b) Issuer composition of Non-SLR investments as at March 31, 2012:

(₹ in crores)

No.	Issuer	Amount(1)	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities(2)	Extent of 'unlisted' securities(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Public Sector Undertakings	-	-	-	-	-
2	Financial Institutions(4)	1,429.35	-	-	-	-
3	Banks	560.06	5.00	-	-	-
4	Private corporate	329.27	157.86	-	-	6.51
5	Subsidiaries / Joint Ventures	0.50	-	-	-	0.50
6	Others	361.29	61.29	-	-	-
7	Provision held towards depreciation	(10.44)	(8.45)	-	-	(1.75)
	Total	**2,670.03**	**215.70**	**-**	**-**	**5.26**

Notes:

(1) Does not include amount of securities pledged with Central Counter Parties such as Clearing Corporation of India Ltd., National Securities Clearing Corporation of India Ltd. and Multi Commodity Exchange of India Ltd.

(2) Excludes investment in RIDF scheme of NABARD and equity shares

(3) Excludes investment in RIDF scheme of NABARD

(4) Includes investment in RIDF scheme of NABARD

(5) Amounts reported under 4, 5, 6 and 7 are not mutually exclusive.

c) Non-performing Non-SLR investments:

(₹ in crores)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Opening balance	1.76	1.78
Additions during the year	5.38	-
Reductions during the year	-	0.02
Closing balance	7.14	1.76
Total provisions held	**2.56**	**1.76**

Note: In addition to the above provision for Non Performing Non SLR Investments, an amount of ₹ 1.80 crores (Previous Year Nil) is held towards diminution in fair value of restructured accounts in respect of parties having exposure reported under Schedule 8 Investments as well as Schedule 9 Advances.

2.5 During the year, the value of sales and transfer of securities to / from HTM category, excluding one-time transfer of securities from HTM and sale on account of Open Market Operation (OMO), has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year. As such, in line with RBI guidelines, specific disclosures on book value, market value, and provisions if any, relating to such sale and transfers are not required to be made.

3. Derivatives

3.1 Interest Rate Swaps, Forward Rate Agreements, Options and Cross Currency Swaps:

(₹ in crores)

	Particulars	As at March 31, 2013	As at March 31, 2012
(i)	Notional principal of swap agreements	28,568.87	27,913.71
(ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	497.26	365.53
(iii)	Collateral required by the Bank upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps – With banks	47.41%	57.01%
(v)	Net Fair value of the swap book	32.11	34.61

The nature and terms of Interest Rate Swaps (IRS) including IRS denominated in foreign currency and done on back-to-back basis, as on March 31, 2013 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Merchant and Cover	1	100.00	MIBOR	Fixed Payable V/s Floating Receivable
Merchant and Cover	1	100.00	MIBOR	Fixed Receivable V/s Floating Payable
Trading	125	5,789.15	MIBOR	Fixed Payable V/s Floating Receivable
Trading	131	7,162.29	MIBOR	Fixed Receivable V/s Floating Payable
Trading	11	875.00	MIFOR	Fixed Payable V/s Floating Receivable
Trading	19	1,275.00	MIFOR	Fixed Receivable V/s Floating Payable
Merchant and Cover	1	27.07	EURIBOR	Fixed Payable V/s Floating Receivable
Merchant and Cover	1	27.07	EURIBOR	Fixed Receivable V/s Floating Payable
Merchant and Cover	34	336.11	LIBOR	Fixed Payable V/s Floating Receivable
Merchant and Cover	34	336.11	LIBOR	Fixed Receivable V/s Floating Payable
Trading	10	413.57	LIBOR	Fixed Payable V/s Floating Receivable
Trading	24	414.32	LIBOR	Fixed Receivable V/s Floating Payable

The nature and terms of IRSs (including IRSs denominated in foreign currency and done on back-to-back basis) as on March 31, 2012 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Merchant and Cover	1	100.00	MIBOR	Fixed Payable V/s Floating Receivable
Merchant and Cover	1	100.00	MIBOR	Fixed Receivable V/s Floating Payable
Merchant and Cover	34	638.65	LIBOR	Fixed Payable V/s Floating Receivable
Merchant and Cover	34	638.65	LIBOR	Fixed Receivable V/s Floating Payable
Merchant and Cover	1	33.97	EURIBOR	Fixed Payable V/s Floating Receivable
Merchant and Cover	1	33.97	EURIBOR	Fixed Receivable V/s Floating Payable
Trading	257	10,425.00	MIBOR	Fixed Payable V/s Floating Receivable
Trading	244	10,325.00	MIBOR	Fixed Receivable V/s Floating Payable

The nature and terms of Options as on March 31, 2013 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Terms
Merchant and Cover	246	971.28	Options

The nature and terms of Options as on March 31, 2012 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Terms
Merchant and Cover	496	1,740.86	Options

The nature and terms of Cross Currency Swaps (CCS) (including CCS denominated in foreign currency and done on back-to-back basis) as on March 31, 2013 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Merchant and Cover	1	5.54	EURIBOR	Fixed Receivable V/s Floating Payable (Cross Currency Swap)
Merchant and Cover	1	6.48	EURIBOR	Fixed Payable V/s Floating Receivable (Cross Currency Swap)
Merchant and Cover	41	1,092.37	LIBOR	Fixed Receivable V/s Floating Payable (Cross Currency Swap)
Merchant and Cover	41	1,211.42	LIBOR	Fixed Payable V/s Floating Receivable (Cross Currency Swap)
Merchant and Cover	29	1,060.65	NA	Fixed Payable (Principal Only Swap)
Merchant and Cover	29	1,023.14	NA	Fixed Receivable (Principal Only Swap)
Merchant and Cover	21	3,269.59	NA	Fixed V/s Fixed (Cross Currency Swap)
Merchant and Cover	2	104.08	NA	Fixed V/s Fixed (Principal Only Swap)
Merchant and Cover	2	420.04	NA	Fixed V/s Fixed (Coupon Only Swap)
Trading	37	1,749.22	LIBOR	Fixed Receivable V/s Floating Payable (Cross Currency Swap)
Trading	13	848.64	LIBOR	Fixed Payable V/s Floating Receivable (Cross Currency Swap)
Trading	1	24.97	LIBOR	Float V/s Float (Cross Currency Swap)
Trading	1	10.86	NA	Fixed Payable (Principal Only Swap)
Trading	3	501.08	NA	Fixed Receivable (Principal Only Swap)
Trading	1	25.16	NA	Fixed V/s Fixed (Cross Currency Swap)
Trading	1	74.95	NA	Fixed V/s Fixed (Coupon Only Swap)
Trading	2	285.00	LIBOR / MIFOR	Float V/s Float (Cross Currency Swap)

The nature and terms of CCSs (including CCSs denominated in foreign currency and done on back-to-back basis) as on March 31, 2012 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Merchant and Cover	2	24.52	LIBOR	Fixed Payable V/s Floating Receivable (Coupon Only Swap)
Merchant and Cover	2	22.01	LIBOR	Fixed Receivable V/s Floating Payable (Coupon Only Swap)
Merchant and Cover	2	406.22	-	Fixed V/s Fixed (Coupon Only Swap)
Merchant and Cover	36	1,151.80	LIBOR	Fixed Payable V/s Floating Receivable (Cross Currency Swap)
Merchant and Cover	36	1,074.92	LIBOR	Fixed Receivable V/s Floating Payable (Cross Currency Swap)
Merchant and Cover	1	6.88	EURIBOR	Fixed Payable V/s Floating Receivable (Cross Currency Swap)
Merchant and Cover	1	6.02	EURIBOR	Fixed Receivable V/s Floating Payable (Cross Currency Swap)
Merchant and Cover	9	1,526.59	-	Fixed V/s Fixed (Cross Currency Swap)
Merchant and Cover	19	659.62	LIBOR	Fixed Payable V/s Floating Receivable (Principal Only Swap)
Merchant and Cover	19	639.19	LIBOR	Fixed Receivable V/s Floating Payable (Principal Only Swap)
Merchant and Cover	2	100.68	-	Fixed V/s Fixed (Principal Only Swap)

3.2 *Exchange Traded Interest Rate Derivatives*

The Bank has not undertaken any exchange traded interest rate derivative transactions during the year (Previous Year Nil).

3.3 *Disclosures on Risk Exposure in Derivatives*

The Risk Management Department of the Bank is responsible for measuring, reporting and monitoring risk arising from derivatives transactions. It functions independent of Treasury business and undertakes the following activities:

- Monitors daily derivatives operations against prescribed policies and limits;
- Reviews daily product-wise profitability and activity reports for derivatives operations;
- Submits MIS and details of exceptions to the Top Management on a daily basis; and
- Ensures monitoring effectiveness of derivative deals identified as hedges against the terms of the hedging instruments and underlying hedged risk.

The Risk Management function applies a host of quantitative tools and methods such as Value at Risk, PV01, stop-loss limits, counterparty limits, deal size limits and overnight position limits.

The Bank undertakes derivative transactions for hedging customers' exposure, hedging the Bank's own exposure, as well as for trading purposes, wherever permitted by RBI. The customers use these derivative products to hedge their forex and interest rate exposures; all trades with customers are covered back-to-back with other market makers.

The Derivatives Policy approved by Board of Directors defines the framework for carrying out derivatives business and lays down policies and processes to measure, monitor and report risk arising from derivative transactions. The policy provides for (a) appropriate risk limits for different derivative products and (b) authority levels for review of limit breaches and to take appropriate actions in such events. As part of the Derivatives Policy, the Bank has a Product Suitability and Customer Appropriateness Policy, which is used to classify its customers on the basis of their need for various derivative products as well as their competence in understanding such products and the attendant risks involved.

The following table presents summarized data relating to Derivatives:

(₹ in crores)

Sr. No.	Particulars	March 31, 2013		March 31, 2012	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount)	92,123.12	16,855.69	66,915.68	22,295.24
	a) For hedging	-	-	-	-
	b) For trading	92,123.12	16,855.69	66,915.68	22,295.24
2	Marked to Market Positions				
	a) Asset (+)	1,742.55	67.76	481.45	163.47
	b) Liability (-)	(1,666.72)	(68.69)	(307.22)	(147.96)
3	Credit Exposure (note 5)	2,053.33	234.72	1,326.85	353.65
4	Likely impact of one percentage change in interest rate (100*PV01) (Note 1)				
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	23.64	20.68	-	0.329
5	Maximum and Minimum of 100*PV01 observed during the year (Note 2)				
	a) on hedging	Nil	Nil	-	Max: 42.12 Min: 0.00
	b) on trading	Max : 23.64 Min : 0.00	Max : 30.50 Min : 0.06	-	Max: 40.71 Min: 0.09

Note 1: Based on the PV01 of the outstanding derivatives as at March 31, 2013.

Note 2: Based on the absolute value of PV01 of the derivatives outstanding during the year. Derivative contracts that are "back-to-back" have not been included herein.

Note 3: Mark to Market positions above includes interest accrued on the swaps.

Note 4: There were no outstanding currency futures as on March 31, 2013.

Note 5: Credit exposure is computed based on the current exposure method.

4. Asset Quality

4.1 Non-Performing Assets:

(₹ in crores)

Items	March 31, 2013	March 31, 2012
(i) Net NPAs to Net Advances (%)	0.31%	0.27%
(ii) Movement in Gross NPAs		
a) Opening balance	347.08	265.86
b) Additions during the year	446.62	286.45
c) Reductions during the year		
(i) Upgradations	42.37	35.57
(ii) Recoveries* (excluding recoveries made from upgraded accounts)	149.54	98.66
(iii) Write-offs	144.01	71.00
d) Closing balance	457.78	347.08
(iii) Movement in Net NPAs		
a) Opening balance	94.67	72.82
b) Additions during the year	218.57	126.26
c) Reductions during the year	176.48	104.41
d) Closing balance	136.76	94.67
(iv) Movement in provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	252.41	193.04
b) Provisions made during the year (segregated counter cyclical provision buffer in FY 2011-12)	228.05	160.19
c) Write-off / write-back of excess provisions	159.44	100.82
d) Closing balance	321.02	252.41

* Recoveries include sale to ARC

4.2 Sector-wise NPAs:

Sl. No.	Sector	% of NPAs to Advances in that sector as on	
		March 31, 2013	March 31, 2012
1	Agriculture & allied activities	1.11%	0.93%
2	Industry (Micro & Small, Medium and Large)	1.11%	0.45%
3	Services	0.96%	0.48%
4	Personal Loans*	45.35%	75.95%

* The amount of Personal Loans outstanding is very insignificant at ₹ 9.82 crores (Previous Year ₹ 11.02 crores) and no new loans have been disbursed during the year.

4.3 Details of Loan Assets subjected to Restructuring as on March 31, 2013:

Sr. No.	Type of Restructuring →		Under CDR Mechanism $					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification → / Details ↓		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01/04/2012	No. of borrowers	8	-	1	-	**9**	2	1	-	-	**3**	15	-	-	-	**15**	25	1	1	-	**27**
		Amount outstanding	84.89	-	10.00	-	**94.89**	20.12	5.74	-	-	**25.86**	0.21	-	-	-	**0.21**	105.22	5.74	10.00	-	**120.96**
		Provision thereon	12.69	-	10.00	-	**22.69**	3.28	4.65	-	-	**7.93**	0.21	-	-	-	**0.21**	16.18	4.65	10.00	-	**30.83**
2	Fresh restructuring during the year	No. of borrowers	3	1	-	-	**4**	-	-	1	-	**1**	-	-	-	-	**-**	3	1	1	-	**5**
		Amount outstanding	78.43	1.28	-	-	**79.71**	-	-	4.92	-	**4.92**	-	-	-	-	**-**	78.43	1.28	4.92	-	**84.63**
		Provision thereon	5.44	1.28	-	-	**6.72**	-	-	4.92	-	**4.92**	-	-	-	-	**-**	5.44	1.28	4.92	-	**11.64**
3	Upgradation to re-structured standard category during the FY	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Provision thereon	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	(1)				**(1)**	-				**-**	-				**-**	(1)				**(1)**
		Amount outstanding	(2.31)				**(2.31)**	-				**-**	-				**-**	(2.31)				**(2.31)**
		Provision thereon	-				**-**	-				**-**	-				**-**	-				**-**
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	1	-	**1**	(1)	-	-	-	**(1)**	(2)	-	2	-	**-**	(3)	-	3	-	**-**
		Amount outstanding	-	-	13.24	-	**13.24**	(13.33)	-	-	-	**(13.33)**	(0.04)	-	0.04	-	**-**	(13.37)	-	13.28	-	**(0.09)**
		Provision thereon	-	-	10.94	-	**10.94**	(3.11)	-	-	-	**(3.11)**	(0.04)	-	0.04	-	**-**	(3.15)	-	10.98	-	**7.83**
6	Write-offs of re-structured accounts during the FY 2012-13	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Provision thereon	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
7	Restructured Accounts as on 31/03/2013 (closing figure)*	No. of borrowers	**9**	**1**	**1**	**-**	**11**	**1**	**-**	**1**	**-**	**2**	**-**	**-**	**2**	**-**	**2**	**10**	**1**	**4**	**-**	**15**
		Amount outstanding	**136.04**	**1.28**	**13.24**	**-**	**150.56**	**4.25**	**-**	**4.92**	**-**	**9.17**	**-**	**-**	**0.04**	**-**	**0.04**	**140.29**	**1.28**	**18.20**	**-**	**159.77**
		Provision thereon	**15.48**	**1.28**	**10.94**	**-**	**27.70**	**-**	**-**	**4.92**	**-**	**4.92**	**-**	**-**	**0.04**	**-**	**0.04**	**15.48**	**1.28**	**15.90**	**-**	**32.66**

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

The closing position as on 31 March 2013 does not include accounts / amounts where restructuring has failed, closed accounts and recoveries

Provision thereon includes Sacrifices (diminution in the fair value) and NPA provision

$ Excluding Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹ 16.90 crores and Convertible Cumulative Preference Shares (CCPS) of ₹ 5.38 crores.

Details of Loan Assets subjected to Restructuring as on March 31, 2012

(₹ in crores)

		CDR Mechanism	SME Debt Restructuring	Others incl. Consumer / Vehicle loans
Standard Advances Restructured	No. of Borrowers	8	2	15
	Amount Outstanding[1]	84.89	20.12	0.21
	Sacrifice (diminution in the fair value)	12.69	3.28	0.21
Substandard Advances Restructured	No. of Borrowers	-	1	-
	Amount Outstanding	-	5.74	-
	Sacrifice (diminution in the fair value) / NPA provision held	-	4.65	-
Doubtful Advances Restructured	No. of Borrowers	1	-	-
	Amount Outstanding	10.00	-	-
	Sacrifice (diminution in the fair value) / NPA provision held	10.00	-	-
TOTAL	No. of Borrowers	**9**	**3**	**15**
	Amount Outstanding	**94.89**	**25.86**	**0.21**
	Sacrifice (diminution in the fair value) / NPA provision held	**22.69**	**7.93**	**0.21**

(1) Excluding Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹ 16.90 crores and Redeemable Preference Shares (RPS) of ₹ 1.31 crores

4.4 Details of financial assets sold to Securitisation / Reconstruction Company for asset reconstruction:

(₹ in crores)

	Items	2012-2013	2011-2012
1)	No. of accounts	1636	3
2)	Aggregate value (net of provisions) of accounts sold to SC / RC	126.29	44.75
3)	Aggregate consideration	111.50	46.00
4)	Additional consideration realized in respect of accounts transferred in earlier years	1.38	2.35
5)	Aggregate gain / (loss) over net book value	(13.41)	3.60

4.5 During the year, there has been no purchase / sale of non-performing financial assets from / to other banks (Previous Year Nil).

4.6 During the year, there was no sale of assets through securitization in respect of Standard Advances (Previous Year Nil).

4.7 Provision on Standard Assets:

(₹ in crores)

Items	March 31, 2013	March 31, 2012
Cumulative Provision held for Standard Assets	174.26	138.77

Provision towards Standard Assets is included in 'Other Liabilities and Provisions – Others' in Schedule 5, and is not netted off from Advances. In line with RBI guidelines, Standard Assets provision as at March 31, 2013, includes additional provision at the rate of 2.75% on all amounts outstanding on Standard Assets restructured during the last two years.

4.8. *Floating provision:*

The Bank does not carry any floating provision in the books.

5. Business ratios

	Ratio	March 31, 2013	March 31, 2012
i)	Interest income as a percentage to working funds	10.72%	10.49%
ii)	Non-interest income as a percentage to working funds	2.09%	1.98%
iii)	Operating profit as a percentage to working funds	2.82%	2.69%
iv)	Return on assets	1.63%	1.57%
v)	Business (deposits plus gross advances) per employee including trainees (₹ in lakhs)	840.52	788.42
vi)	Profit per employee including trainees (₹ in lakhs)	9.22	8.57
vii)	Provision coverage ratio	70.13%	72.72%

Notes:

(1) Working funds are reckoned as the average of total assets as per the monthly returns in Form X filed with RBI during the year.

(2) Business per employee (deposits plus gross advances) is computed after excluding Inter-bank deposits.

(3) Return on Assets are computed with reference to average working funds.

6. Asset Liability Management

Maturity Pattern of Assets and Liabilities as required by RBI guidelines:

(a) As at March 31, 2013:

(₹ in crores)

	Day 1	2 to 7 Days	8 to 14 Days	15 to 28 Days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	275.05	3,301.15	1,675.22	3,307.79	14,505.64	5,878.20	6,252.30	16,913.22	1,045.47	962.68	**54,116.72**
Loans & Advances	3,548.77	963.50	890.80	605.22	3,028.86	3,037.74	15,175.64	13,421.43	2,521.23	2,877.42	**46,070.61**
BRDS*	-	500.00	1,000.00	250.00	-	-	-	-	-	-	**1,750.00**
Investment Securities $	-	430.00	-	-	2,531.47	615.03	471.61	2,041.54	1,757.79	13,606.73	**21,454.17**
Borrowings	-	1,520.16	217.14	486.39	796.54	1,819.22	1,195.91	3,115.29	-	308.91	**9,459.56**
Foreign currency assets	243.29	88.45	103.58	41.43	308.35	236.14	860.70	726.35	538.67	51.59	**3,198.55**
Foreign currency liabilities	161.77	419.83	233.13	528.97	790.21	1,829.73	496.53	240.55	36.32	6.40	**4,743.44**

* Bill Re-discounting Scheme

$ Investment is inclusive of Repo under LAF of ₹ 1800 crores.

(b) As at March 31, 2012:

(₹ in crores)

	Day 1	2 to 7 Days	8 to 14 Days	15 to 28 Days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	160.85	1,329.22	1,447.67	731.90	12,196.88	3,386.82	9,172.73	12,885.35	532.38	517.74	**42,361.54**
Loans & Advances	2,074.69	1,039.81	445.26	1,038.74	4,588.98	3,078.37	5,688.66	13,941.14	1,826.66	1,341.64	**35,063.95**
Investment Securities	-	300.00	-	39.65	257.64	852.25	1,518.28	987.45	1,397.91	9,218.77	**1,4571.95**
Borrowings	6.31	1,686.79	48.55	127.19	383.24	1,553.90	2,768.38	1,199.42	599.34	308.89	**8,682.01**
Foreign currency assets	836.85	23.22	40.46	56.96	659.55	61.39	30.69	949.55	4.64	62.10	**2,725.41**
Foreign currency liabilities	50.28	140.07	28.73	146.40	289.85	1,041.69	806.64	171.85	54.02	-	**2,729.53**

7. Exposures

7.1 Exposure to Real Estate Sector:

(₹ in crores)

	Particulars	March 31, 2013	March 31, 2012
(a)	**Direct exposure**		
	(i) Residential Mortgages [of which individual housing loans upto ₹ 25 lakhs is ₹ 107.69 crores (previous year ₹ 79.80 crores)][1]	1,469.04	115.78
	(ii) Commercial Real Estate [2]	2,183.81	1,377.48
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures:		
	Residential	-	-
	Commercial Real Estate	-	-
(b)	**Indirect exposure**	503.66	243.65
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		
	Total Real Estate Exposure	**4,156.51**	**1,736.91**

(1) As per RBI circular RPCD.CO.Plan.BC.69/04.09.01/2010-11 dated 09/05/2011, limit for housing loan under priority sector has been changed from ₹ 20 lakhs to ₹ 25 lakhs

(2) Does not include corporate lending backed by mortgage of land and building.

7.2 Exposure to Capital Market:

(₹ in crores)

	Particulars	March 31, 2013	March 31, 2012
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	6.55	6.55
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	7.38	23.04
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil

(₹ in crores)

	Particulars	March 31, 2013	March 31, 2012
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	286.00	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,497.71	1,158.10
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows/issues	Nil	Nil
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
(ix)	Financing to stockbrokers for margin trading	Nil	Nil
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	**1,797.64**	**1,187.69**

7.3 Risk Category-wise exposure to country risk:

(₹ in crores)

Risk category	Exposure (net) as at March 31, 2013	Provision held as at March 31, 2013	Exposure (net) as at March 31, 2012	Provision held as at March 31, 2012
Insignificant	250.09	-	218.92	-
Low	724.25	-	556.11	-
Moderate	31.66	-	78.39	-
High	23.58	-	7.58	-
Very High	13.40	-	6.08	-
Restricted	2.06	-	14.77	-
Off Credit	-	-	-	-
Total	**1,045.04**	-	**881.85**	**-**

7.4 Single borrower limit and Group Borrower Limit:

During the year, the Bank has not exceeded the prudential credit exposure limit in respect of Single Borrower and Group Borrowers (Previous Year Nil).

7.5 Unsecured advances:

The Bank has not extended any project advances where the collateral is an intangible asset such as a charge over rights, licences, authorizations etc. (Previous Year Nil). The Unsecured Advances of ₹ 4,211.05 crores (Previous Year ₹ 2,853.82 crores) as disclosed in Schedule 9B (iii) are without any collateral or security.

8. Concentration of Deposits, Advances, Exposures and NPAs

8.1 Concentration of Deposits:

(₹ in crores)

	As on March 31, 2013	As on March 31, 2012
Total Deposits of twenty largest depositors	14,742.02	10,717.05
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	27.24%	25.30%

8.2 *Concentration of Advances:*

(₹ in crores)

	As on March 31, 2013	As on March 31, 2012
Total Advances to twenty largest borrowers	16,288.94	10,950.38
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	22.59%	22.59%

Advances are computed as per the definition of Credit Exposure including derivatives as prescribed in Master Circular on Exposure Norms DBOD.No.Dir.BC.3/13.03.00/2012-13 dated July 2, 2012.

8.3 *Concentration of Exposures:*

(₹ in crores)

	As on March 31, 2013	As on March 31, 2012
Total Exposure to twenty largest borrowers / customers	16,288.94	10,975.38
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	21.35%	22.23%

Exposures are computed as per the definition in Master Circular on Exposure Norms DBOD.No.Dir.BC.3/13.03.00/2012-13 dated July 2, 2012 and includes credit and investment exposure.

8.4 *Concentration of NPAs:*

(₹ in crores)

	As on March 31, 2013	As on March 31, 2012
Total Exposure to top four NPA accounts	96.78	45.37

9. Miscellaneous

9.1 *Amount of Provisions for taxation during the year:*

(₹ in crores)

Particulars	**2012-13**	**2011-12**
Provision for Income Tax	522.59	403.38
Deferred tax credit	(7.91)	(13.69)
Provision for Wealth tax	0.50	0.35
Total	**515.18**	**390.04**

9.2 *Disclosure of penalties imposed by RBI:*

RBI has not imposed any penalty on the Bank u/s 46(4) of the Banking Regulation Act, 1949 (Previous Year Nil).

9.3 *Fixed Assets:*

Cost of premises includes ₹ 4.09 crores (Previous Year ₹ 4.09 crores) in respect of properties for which execution of documents and registration formalities are in progress. Of these properties, the Bank has not obtained full possession of one property having WDV of ₹ 1.70 crores (Previous Year ₹ 1.74 crores) and has filed a suit for the same.

9.4 *Contingent Liabilities:*

Claims against the Bank not acknowledged as debts comprise of tax demands in respect of which the Bank is in appeal of ₹ 111.40 crores (Previous Year ₹ 108.84 crores) and the cases *sub judice* ₹ 319.49 crores (Previous Year ₹ 306.06 crores). The above are based on management's estimate, and no significant liability is expected to arise out of the same.

9.5 Other Income:

9.5.1 Fees received in Bancassurance business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business**:**

(₹ in crores)

Nature of Income	March 2013	March 2012
For selling life insurance policies	43.24	28.36
For selling non-life insurance policies	27.26	25.00
For selling mutual fund products	36.83	26.52
Others	-	-
Total	**107.33**	**79.88**

9.5.2 During the current year, fee income from investment banking, account processing, card operations, and client account maintenance related activities aggregating to ₹ 589.68 crores which in earlier years was classified under the head Miscellaneous Income in Schedule 14 has been classified under "Commission, Exchange and Brokerage" in Schedule 14. Corresponding previous year figures aggregating to ₹ 419.18 crores have also been reclassified to conform to the current year presentation.

9.5.3 The Bank does not have any Overseas branches and hence the disclosure regarding total assets, NPAs and revenue is not applicable.

9.5.4 The Bank does not have any Off-Balance Sheet SPVs (which are required to be consolidated as per accounting standards).

10. Employee Stock Option Scheme ("ESOS")

The shareholders of the Bank had approved Employee Stock Option Scheme (ESOS) on September 18, 2007, enabling the Board and / or the Compensation Committee to grant such number of Options of the Bank not exceeding 7% of the aggregate number of issued and paid up equity shares of the Bank, in line with the guidelines of the Securities & Exchange Board of India (SEBI). The Options vest within a maximum period of five years from the date of grant of Option. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price. Upon vesting, the Options have to be exercised within a maximum period of five years. The ESOS is equity settled where the employees will receive one equity share per Option.

Pursuant to the ESOS 2007 scheme, the Compensation Committee of the Bank has granted 2,79,55,200 Options as set out below:

Sr. No.	Date of grant	No of Options	Range of exercise price (₹)
1.	18/07/2008	1,21,65,000	48.00 - 50.60
2.	17/12/2008	34,56,000	38.95
3.	05/05/2009	8,15,500	44.00
4.	31/08/2009	3,18,500	100.05
5.	28/01/2010	7,47,000	48.00 - 140.15
6.	28/06/2010	13,57,450	196.50
7.	14/09/2010	73,500	236.20
8.	26/10/2010	1,43,500	274.80
9.	17/01/2011	25,00,000	228.70
10.	07/02/2011	20,49,000	95.45 - 220.45
11.	24/06/2011	21,54,750	253.60
12.	16/08/2011	89,500	254.90
13.	30/09/2011	2,61,000	262.25

Sr. No.	Date of grant	No of Options	Range of exercise price (₹)
14.	21/12/2011	9,20,000	231.95
15.	29/02/2012	1,95,000	304.05
16.	19/04/2012	1,40,500	345.60
17.	25/05/2012	1,34,500	304.55
18.	10/07/2012	2,67,000	343.25
19.	29/08/2012	1,14,000	319.05
20.	10/10/2012	23,500	365.75
21.	09/01/2013	30,000	433.75

Recognition of expense

Excess of fair market price over the exercise price of an Option as at the grant date, is recognized as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such Options. The fair market price is the latest available closing price prior to the date of the meeting of the Board of Directors, in which Options are granted, on the stock exchange on which the shares of the Bank are listed. Since shares are listed in more than one stock exchange, the stock exchange where the Bank's shares have been traded highest on the said date is considered.

Stock Option activity under the scheme during the year:

	No. of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,90,70,301	136.10
Granted during the year	7,09,500	337.06
Forfeited / surrendered during the year	3,00,916	238.82
Exercised during the year	30,67,705	113.18
Expired during the year	-	-
Outstanding at the end of the year	1,64,11,180	147.18
Options exercisable at the end of the year	1,16,64,183	104.43

The weighted average price of Options exercised during the year is ₹ 349.06.

Following table summarizes the information about stock Options outstanding as at March 31, 2013:

Date of grant	Exercise Price	Number of shares arising out of Options	Weighted average life of Options (in years)
18 July 2008	48.00	61,25,000	2.57
18 July 2008A	50.60	5,53,000	2.98
17 Dec 2008	38.95	3,99,415	3.39
5 May 2009	44.00	76,850	3.52
31 August 2009	100.05	78,840	4.00
28 Jan 2010	140.15	18,950	4.24
28 Jan 2010A	48.00	6,00,000	2.83
28 Jun 2010	196.50	7,43,690	4.53
14 Sep 2010	236.20	39,890	4.78
26 Oct 2010	274.80	70,900	5.11
17 Jan 2011	228.70	25,00,000	4.81
7 Feb 2011	95.45	2,84,000	3.86
7 Feb 2011A	220.45	11,50,300	5.11
24 Jun 2011	253.60	16,55,434	5.37

Date of grant	Exercise Price	Number of shares arising out of Options	Weighted average life of Options (in years)
16 Aug 2011	254.90	81,400	5.49
30 Sep 2011	262.25	2,50,861	5.51
21 Dec 2011	231.95	9,11,150	5.75
29 Feb 2012	304.05	1,70,000	5.93
19 April 2012	345.60	1,40,500	6.07
25 May 2012	304.55	1,34,500	6.16
10 July 2012	343.25	2,67,000	6.29
29 Aug 2012	319.05	1,14,000	6.43
10 Oct 2012	365.75	23,500	6.54
9 Jan 2013	433.75	30,000	6.79

Fair value methodology:

The fair value of Options granted during the year has been estimated on the date of grant using the Black-Scholes Option pricing model with the following assumptions:

	2012-13
Average dividend yield	1.32%
Expected volatility	36.97% - 56.74%
Risk free interest rates	7.90% - 8.40%
Expected life of Options (in years)	3.50 - 5.50

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes Options pricing model is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on NSE, over a prior period equivalent to the expected life of the Options, till the date of the grant.

Had the Bank adopted the Black - Scholes model based fair valuation, compensation cost for the year ended March 31, 2013, would have increased by ₹ 38.29 crores and the proforma profit after tax would have been lower by ₹ 25.86 crores correspondingly. On a proforma basis, the basic and diluted earnings per share would have been ₹ 21.30 and ₹ 20.88 respectively.

The weighted average fair value of Options granted during the year ended March 31, 2013 is ₹ 159.69.

11. Disclosures – Accounting Standards

11.1 Net Profit or Loss for the period, prior period items and changes in accounting policies (AS-5):

There has been no material change in Accounting Policies adopted during the year ended March 31, 2013, from those followed for the year ended March 31, 2012.

11.2 Depreciation Accounting (AS-6):

During the year, the Bank has revised estimated useful life of automated teller machines (ATMs), software and certain other items of fixed assets. Whenever there is a revision in the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset. The revision in the estimated useful life has resulted in the profit after tax for year ended March 31, 2013 being higher by ₹ 12.82 crores.

11.3 Employee Benefits (AS-15):

Gratuity:

The benefit of Gratuity is a funded defined benefit plan. For this purpose the Bank has obtained qualifying insurance policies from two insurance companies. The following table summarises the components of net expenses recognized in the Profit and Loss account and funded status and amounts recognized in the Balance Sheet, on the basis of actuarial valuation.

(₹ in crores)

		March 31, 2013	March 31, 2012
Changes in the present value of the obligation			
1	Opening balance of Present Value of Obligation	22.63	19.67
2	Interest Cost	1.75	1.49
3	Current Service Cost	6.49	4.98
4	Past Service Cost	-	-
5	Benefits Paid	(1.92)	(2.27)
6	Actuarial (gain) / loss on Obligation	(0.97)	(1.24)
7	Closing balance of Present Value of Obligation	27.98	22.63
Reconciliation of opening and closing balance of the fair value of the Plan Assets			
1	Opening balance of Fair value of Plan Assets	23.94	19.89
2	Adjustment to Opening Balance	-	0.94
3	Expected Return on Plan assets	2.11	1.86
4	Contributions	4.35	4.65
5	Benefits Paid	(1.92)	(2.27)
6	Actuarial gain / (loss) Return on Plan Assets	0.19	(1.13)
7	Closing balance of Fair Value of Plan Assets	28.67	23.94
Profit and Loss – Expenses			
1	Current Service Cost	6.49	4.98
2	Interest Cost	1.75	1.49
3	Expected Return on Plan assets	(2.11)	(1.86)
4	Net Actuarial gain / (loss) recognised in the year	(1.16)	(0.11)
5	Expenses recognised in the Profit and Loss account	4.97	4.50
Actuarial Assumptions			
1	Discount Rate	8.00%-8.15%	8.00%
2	Expected Rate of Return on Plan Assets	8.00%	8.00%
3	Expected Rate of Salary Increase	4.00%-5.00%	4.50% -5.00%
4	Employee Attrition Rate		
	Past Service 0 to 5 years	30%	25%
	Past Service above 5 years	0%	0%

Experience Adjustment

Particulars	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined Benefit Obligations	27.98	22.63	19.67	14.59	10.24
Plan Assets	28.67	23.94	19.89	14.67	10.97
Surplus / (Deficit)	0.69	1.31	0.22	0.08	0.73
Experience Adjustments on Plan Liabilities	1.23	1.24	(1.03)	(3.11)	(0.46)
Experience Adjustments on Plan Assets	0.19	(1.13)	0.56	(0.45)	(0.03)

Provident Fund:

The guidance on implementing AS 15, Employee Benefits (revised 2005) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans.

The details of the fund and plan asset position as at March 31, 2013, are as follows:

(₹ in crores)

Assets / Liabilities	March 31, 2013	March 31, 2012
Present value of Interest Rate guarantee on Provident Fund	0.76	0.51
Present value of Total Obligation	79.40	63.66
Fair value of Plan Assets	78.68	63.06
Net Asset / (liability) recognized in the Balance Sheet	(0.72)	(0.51)
Assumptions		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.50%	8.25%
Discount rate	8.30%	8.50%
Expected average remaining working lives of employees (years)	21.38	21.37
Benefit on normal retirement	Accumulated account balance	Accumulated account balance
Benefit on early retirement / withdrawal / resignation	Same as normal retirement benefit	Same as normal retirement benefit
Benefit on death in service	Same as normal retirement benefit	Same as normal retirement benefit

The Guidance note on valuation of interest rate guarantee embedded in Provident fund issued by ASI is effective from April 01, 2011. In absence of any valuation guidance for the earlier periods, the obligation has not been valued for the last five years

11.4 *Segment Reporting (AS 17):*

The Bank operates in four business segments, viz. Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations. There are no significant residual operations carried by the Bank.

Business Segments

(₹ in crores)

Business Segment	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Operation		Total	
Particulars	**31/03/13**	**31/03/12**	**31/03/13**	**31/03/12**	**31/03/13**	**31/03/12**	**31/03/13**	**31/03/12**	**31/03/13**	**31/03/12**
Result	136.94	94.30	575.32	438.26	1,194.47	915.49	6.16	(0.06)	1,912.89	1,447.99
Unallocated Expenses									73.43	74.96
Operating Profit									1,839.46	1,373.03
Income Taxes and Other Provisions									778.28	570.42
Extraordinary profit / loss									0.00	0.00
Net Profit									1,061.18	802.61
Other Information:										
Segment Assets	21,566.54	19,307.19	14,909.98	12,127.37	34,808.05	24,753.55	0.00	0.00	71,284.57	56,188.11
Unallocated Assets									2,021.95	1,407.96
Total Assets									73,306.52	57,596.07
Segment Liabilities	9,584.08	8,708.99	34,837.58	26,822.41	19,929.03	16,220.12	0.00	0.00	64,350.69	51,751.52
Unallocated Liabilities									8,955.83	5,844.55
Total Liabilities									73,306.52	57,596.07

Geographic Segments:

The business operations of the Bank are largely concentrated in India. Activities outside India are restricted to resource mobilization in the international markets. Since the Bank does not have material earnings emanating from foreign operations, the Bank is considered to operate only in domestic segment.

11.5 Related party transactions (AS-18):

The following is the information on transactions with related parties:

Key Management Personnel:

Mr. Romesh Sobti, Managing Director

Associates:

IndusInd Marketing and Financial Services Private Limited

IndusInd Information Technology Limited (fully divested on September 13, 2011)

Subsidiaries:

ALF Insurance Services Private Limited (under liquidation)

As on March 31, 2013, there was only one related party in the all above category; hence, in accordance with RBI guidelines, no disclosure relating to the transactions with these related parties.

Summarized transactions with related parties for the year ended March 31, 2012:

(₹ in crores)

Items / Related Party	Subsidiaries*	Associates / Joint ventures	Key Management personnel*	Relatives of key Management Personnel	Total
Deposits	-	1.19 (28.59)	-	-	1.19 (28.59)
Advances	-	3.90 (9.00)	-	-	3.90 (9.00)
Investments	-	-	-	-	-
Interest Paid	-	-	-	-	-
Receiving of services	-	87.67	-	-	87.67
Other Liabilities (creditors for expenses, security deposits etc.)	-	3.45 (4.45)	-	-	3.45 (4.45)

* As on March 31, 2012, there was only one related party in the said category; hence, in accordance with RBI guidelines, no disclosure relating to the transactions with these related parties.

Note: Figures in bracket represent maximum outstanding during the year.

11.6 Earnings per share (AS 20):

The numerators and denominators used to calculate the earnings per share as per AS-20 are as under:

	Year ended March 31, 2013	Year ended March 31, 2012
Net Profit as Reported (₹ in crores)	1,061.18	802.61
Basic weighted average number of equity shares	48,60,03,221	46,65,06,257
Diluted weighted average number of equity shares	49,58,08,290	47,59,83,073
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	21.83	17.20
Diluted Earnings per Share (₹) (Reported)	21.40	16.86

11.7 Operating Leases (AS 19):

The Bank has not given any assets on operating lease. The Bank has taken number of premises on operating lease consisting of branch premises, office premises, ATMs and residential premises for staff. The details of maturity profile of future operating lease payments are given below:

(₹ in crores)

	March 31, 2013	March 31, 2012
Future lease rentals payable as at the end of the year:		
- Not later than one year	111.08	104.70
- Later than one year but not later than five years	354.34	314.63
- Later than five years	165.09	134.15
Total of minimum lease payments recognised in the Profit and Loss Account for the year	109.32	91.55
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognised in the Profit and Loss Account for the year	-	-

The Bank has not sub-leased any of the properties taken on lease. There are no provisions relating to contingent rent.

The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

11.8 Consolidated Financial Statements – Subsidiary (AS 21):

ALF Insurance Services Pvt. Ltd., subsidiary of the Bank, could not commence operations. Consequent to the resolution of Board of Directors, the process of winding up of the said company is under progress. Since the control is regarded as temporary, no consolidated financial statements have been drawn up as per AS-21 "Consolidated Financial Statements".

11.9 Deferred Tax (AS 22):

The major components of deferred tax assets / liabilities are as under:

(₹ in crores)

	March 31, 2013 Deferred Tax		March 31, 2012 Deferred Tax	
Timing difference on account of	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Difference between book depreciation and depreciation under the Income Tax Act, 1961		14.60		5.69
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viia) of the Income Tax Act, 1961	174.62		130.19	
Interest on securities		103.39		70.72
Others	12.85		7.79	
Sub-total	187.47	117.99	137.98	76.41
Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)	**69.48**		**61.57**	

12. Additional Disclosures

12.1 Provisions and Contingencies charged to the Profit and Loss account for the year consist of:

(₹ in crores)

Particulars	Year ending March 31, 2013	Year ending March 31, 2012
Depreciation on Investments	1.30	(1.02)
Provision for non-performing assets including bad debts written off net of write backs	219.61	142.58
Provision towards Standard Assets	35.49	35.75
Income Tax / Wealth Tax / Deferred Tax	515.18	390.04
Others	6.70	3.07
Total	**778.28**	**570.42**

12.2 Movement in provision for credit card and debit card reward points:

(₹ in crores)

Particulars	2012-13	2011-12
Opening provision	9.03	-
Provision for Reward Points on acquisition	-	8.48
Provision for Reward Points made during the year	6.80	6.79
Utilisation / Write back of provision for Reward Points	6.57	5.28
Effect of change in rate for accrual of Reward Points	-	0.96
Closing provision for Reward Points	**9.26**	**9.03**

12.3 Disclosure of Complaints:

A Customer Complaints

No.	Particulars	2012-13	2011-12
(a)	No. of complaints pending at the beginning of the year	325	307
(b)	No. of complaints received during the year	17093	18772
(c)	No. of complaints redressed during the year	17041	18754
(d)	No. of complaints pending at the end of the year	377	325

B. Awards passed by the Banking Ombudsman

No.	Particulars	2012-13	2011-12
(a)	No. of unimplemented Awards at the beginning of the year	Nil	Nil
(b)	No. of Awards passed by the Banking Ombudsmen during the year	1	2
(c)	No. of Awards implemented during the year	1	2
(d)	No. of unimplemented Awards at the end of the year	Nil	Nil

(Compiled by management and relied by auditors)

12.4 Letters of Comfort:

The Bank has not issued any letter of comfort.

12.5 Disclosure on Remuneration:

Remuneration Committee (RC)

The RC of the Bank comprises of four members of the Board of Directors of the Bank including one member from Risk Management Committee of the Board. The mandate of the RC is to establish, implement and maintain remuneration policies, procedures and practices that are consistent with, and promote, sound and effective risk management to achieve effective alignment between remuneration and risks. The Committee is also mandated to oversee framing, implementation and review of the Bank's Compensation policy as per RBI guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk Takers and Control function staff whose professional activities have a material impact on the Bank's risk profile. The RC is also required to ensure that the cost / income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio. The RC reviews compensation structure and the policies of the Bank with a view to attract, retain and motivate employees.

Remuneration Policy

The Remuneration Policy is formulated by the Board in alignment with RBI guidelines, and is structured to cover all components of remuneration including fixed pay, variable pay, perquisites, retirement benefits such as Provident Fund and Gratuity, long term incentive plans, and Employee Stock Options.

The key objectives of the policy are:

(i) Benchmark employee compensation with market salaries for various job positions and skills and pay for 'Position, Performance & Person'

(ii) Maintain an optimal balance between fixed and variable pay

(iii) Pay for Performance

(iv) Build employee ownership and long term association through long term incentive plans (ESOPs and Deferred Bonus)

Some of the important features of the Compensation Policy are as below:

(i) The RC will oversee the framing, implementation and review of the Compensation Policy.

(ii) Remuneration will be market linked for critical job roles so as to attract and retain talent.

(iii) In respect of WTDs / CEO / Risk Takers, the compensation structure provides for a reasonable increase in fixed pay in line with market benchmarks. Their individual increments are linked to annual performance rating and increment percentages at various performance rating levels will be decided, on the basis of the financial performance of the Bank. Exceptions will be restricted to a select few high performers to reward performance, motivate and retain critical staff.

(iv) The quantum of overall variable pay to be disbursed in a year would vary on the basis of the financial performance of the Bank measured through various parameters such as NIM, NII, ROA, PAT and ROE.

(v) Remuneration is linked to performance. Increments and variable pay are linked to the annual performance rating. Annual Performance Rating for an employee is arrived on the basis of tangible performance against pre–set KRAs / Goals set at the beginning of the Financial Year. The individual variable pay would be linked to annual performance rating, and would be based on variable pay grids outlining variable pay as a percentage of Annual Guaranteed cash at various rating bands for a grade level. Exceptional increments and variable pay may be paid to high performers, but in no case they would violate the stipulated RBI guidelines.

(vi) The individual variable pay would not exceed 70% of the fixed pay. Wherever variable pay exceeds 50% of the fixed pay, 50% of the variable pay will be deferred over a period of 3 years in a ratio to be decided by management, which at present is set at 33% : 33% : 34%.

(vii) Post disbursement of variable pay from Financial Year 2013-14, the Bank will enter into a *Malus* / Claw-back arrangement with the concerned employees. Malus arrangement would lay down policies to adjust deferred remuneration before vesting and Claw-back arrangement would lay down policies to adjust deferred remuneration after vesting. The criteria would be negative contribution by relevant business lines through supervisory oversight, excessive risk taking, integrity / staff accountability issues.

(viii) The Compensation Policy does not provide for guaranteed bonus or sign on bonus in cash. Sign on bonus to be paid in form of pre-hiring ESOPs will be very selective for critical hires.

(ix) The Compensation Policy does not provide for severance pay for any employee.

(x) Retirement benefits in the form of Provident Fund and Gratuity are as per the Bank's HR policies which are broadly in line with the statutory norms.

(xi) Perquisites are laid down in HR Policies of the Bank.

(xii) At present, the Bank uses cash based form of variable remuneration. The rationale is that cash based form of variable remuneration leads to an instant reward to the concerned employees and is also easy to administer.

(xiii) ESOPs do not form a part of the variable pay and are very selectively granted to attract and retain employees. ESOPs are not granted with a defined periodicity. The ESOP grant criteria include grade of the employee, criticality of the position in terms of business contribution and market value of the position, and performance and behavioural track of the employee.

Other Disclosures

Number of meetings held by RC during the financial year and remuneration paid to its members	During the year, one meeting of the RC was held. The members were paid a sitting fee of ₹ 30,000.
Number of employees having received a variable remuneration award during the financial year	39 employees defined by the Bank as WTD / CEO / Risk Takers have received a variable remuneration award during the financial year.
Number and total amount of 'sign on' awards made during the financial year	Nil
Details of guaranteed bonus if any paid as sign on bonus	Nil
Details of severance pay in addition to the accrued benefits	Nil
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms	Deferred compensation is being introduced from Financial Year 2013-14 onwards.
Total amount of deferred remuneration paid out in the financial year	Nil
Breakdown of amount of remuneration awards for the Financial Year 2012-13	Breakup of remuneration awards for the 39 employees defined as WTD / CEO / Risk Takers: (a) Fixed pay – ₹ 48.54 crores (b) Variable pay – ₹ 17.50 crores (c) Deferred remuneration – NIL (d) Non-deferred remuneration – ₹ 17.50 crores
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and implicit adjustments.	Nil
Total amount of reductions during the FY due to ex – post explicit adjustments	Nil
Total amount of reductions during the FY due to ex – post implicit adjustments	Nil

12.6 On December 5, 2012, the Bank had issued 5,21,00,000 equity shares of ₹ 10/- each at a premium of ₹ 374 per share through a Qualified Institution Placement(QIP) and mobilised ₹ 2,000.64 crores. Bank incurred issue expenses of ₹ 17.57 crores which has been adjusted against the Share premium account.

13. The Micro, Small and Medium Enterprises Development Act, 2006 that came into force from October 2, 2006, provides for certain disclosures in respect of Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or interest payments due to delays in such payments.

14. Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

For INDUSIND BANK LTD.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

R. Seshasayee
Chairman

Kanchan Chitale
Director

N Sampath Ganesh
Partner
Membership No : 042554

Romesh Sobti
Managing Director

Place : Mumbai
Date : April 18, 2013

S. V. Zaregaonkar
Chief Financial Officer

Haresh Gajwani
Company Secretary

DISCLOSURES UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (BASEL II GUIDELINES)

I. Scope of Application

IndusInd Bank Limited ('the Bank') is a commercial bank, which was incorporated on 31st January 1994. The Bank has only one subsidiary - ALF Insurance Services Pvt Ltd. The financials of the subsidiary are not consolidated with the Bank's financials as the said company could not commence business and CRAR is computed on the financial position of the Bank alone.

The Bank has since decided against entering into Insurance Corporate Broking business and proceedings for voluntary winding up of the subsidiary have been initiated.

The CRAR is accordingly computed on the financial position of the Bank alone.

The amount of capital held in this subsidiary is deducted from Capital funds, i.e. 50% Tier I and 50% Tier II.

II. Capital Structure

Equity Capital:

The Bank has authorised share capital of ₹ 550.00 crores comprising 55 crs equity share of ₹ 10/- each. As on March 31, 2013, the Bank has issued, subscribed and paid-up capital of ₹ 522.87 crores, (including forfeited equity shares of ₹ 0.19 crore), constituting 52,26,77,706 shares of ₹ 10/- each. The Bank's shares are listed on the National Stock Exchange and the Bombay Stock Exchange. The GDRs issued by the Bank are listed on the Luxembourg Stock Exchange.

On December 5, 2012, the Bank had issued 5,21,00,000 equity shares of face value of ₹ 10/- each through a Qualified Institutional Placement(QIP).

The provisions of the Companies Act, 1956, and other applicable laws and regulations govern the rights and obligations of the equity share capital of the Bank.

Debt Capital Instruments:

The Bank has been raising capital funds by means of issuance of Upper Tier II and Subordinated bonds.

The details of Upper Tier II and Subordinated debt (Unsecured Redeemable Non-convertible Bonds), which are eligible as Tier II capital, are given below.

Upper Tier II Capital:

The aggregate value of Upper Tier II capital as on March 31, 2013 was ₹ 308.90 crores as per the table below:

Sr. No.	Date of Allotment	Amount (₹ in crores)	Coupon (%)	Redemption Date
1.	31.03.2006	100.00	Payable semi-annually @ 9.60% p.a. for first 10 years and @ 10% p.a. from 11th year till redemption	30.03.2021
2.	30.09.2006	80.20	Payable semi-annually @ 10.25% p.a. for first 10 years and @ 10.75% p.a. from 11th year till redemption	30.09.2021
3.	23.12.2006	128.70	Payable semi-annually @ 9.75% p.a. for first 10 years and @ 10.25% p.a. from 11th year till redemption	23.12.2021
	Total	**308.90**		

The entire amount of ₹ 308.90 crores is eligible as Tier II capital.

Subordinated Debt

As on March 31, 2013, the Bank had an outstanding subordinated debt (Unsecured Redeemable Non-convertible Bonds) aggregating ₹ 810.10 crores. The details are stated below:

Sr. No.	Date of Placement	Amount (₹ in crores)	Coupon (%)	Redemption Date
1.	30.06.2004	50.00	@7.00% p.a. payable annually	30.04.2014
2.	31.03.2005	75.10	@8.50% p.a. payable annually	30.06.2014
3.	30.12.2005	115.00	@8.40% p.a. payable annually	30.05.2015
4.	29.09.2007	50.00	@10.35% p.a. payable semi-annually	29.04.2013
5.	31.03.2009	100.00	@10.50% p.a. payable annually	30.06.2014
6.	31.03.2010	420.00	@ 9.50% p. a payable annually	30.06.2015
	Total	**810.10**		

Of this, ₹ 259.02 crores qualified as Tier II capital.

Composition of the Capital – Tier I and Tier II as on March 31, 2013

(₹ in crores)

Tier I Capital	
Paid up Share Capital	522.87
Reserves & Surplus	6,891.40
Innovative Instruments	-
Other Capital Instrument	-
Gross Tier I Capital	**7,414.27**
Deductions	**69.73**
Investments in Subsidiaries and Associates	0.25
Credit enhancements under Securitisation	-
Deferred Tax Assets	69.48
Net Tier I Capital	**7,344.54**
Tier II Capital	
Upper Tier II Bonds	308.90
Sub-ordinated debts (eligible)	259.02
General Provisions / IRA and Revaluation Reserves	273.26
Gross Tier II Capital	**841.18**
Deductions	**0.25**
Investments in Subsidiaries and Associates	*0.25*
Credit enhancements under Securitisation	-
Net Tier II Capital	**840.93**
Total eligible capital	**8,185.47**
Debt Capital instruments eligible for inclusion in Upper Tier II Capital	
Total amount outstanding	308.90
Of which amount raised during the current year	-
Amount eligible to be reckoned as Capital funds	308.90
Subordinated debt eligible for inclusion in Lower Tier 2 Capital	
Total amount outstanding	810.10
Of which amount raised during the current year	-
Amount eligible to be reckoned as Capital funds	259.02
Tier I Capital Funds	**7,344.54**
Tier II Capital Funds	**840.93**
Total Eligible Capital Funds	**8,185.47**

III. Capital Adequacy

The capital adequacy of the Bank is computed and monitored as per the norms stipulated by Reserve Bank of India (RBI) vide its circular no, DBOD.No.BP.BC.15 / 21.06.001 / 2012-13 dated July 02, 2012. This circular prescribes the risk weights for the balance sheet assets, non-funded items and other off-balance sheet exposures and the minimum capital funds to be maintained as ratio to the aggregate of the risk weighted assets and other exposures, as also, capital requirements in the trading book, on an ongoing basis and operational risk. The Basel II approach is risk sensitive wherein the capital is required to be maintained in relation to risk assumed. The Basel II norms requires holding of capital for Credit, Market and Operational risk.

These guidelines also covers instructions regarding the components of capital and capital charge required to be provided for by the banks for credit, market and operational risks. It deals with providing explicit capital charge for credit and market risk and addresses the issues involved in computing capital charges for interest rate related instruments in the trading book, equities in the trading book and foreign exchange risk (including gold and other precious metals) in both trading and banking books. Trading book for the purpose of these guidelines includes securities under the Held for Trading category, Available For Sale category, open gold position limits, open foreign exchange position limits, trading positions in derivatives, and derivatives entered into for hedging trading book exposures.

As per the said guidelines, the Bank is required to maintain CRAR at a minimum level of 9%, of which Tier I CRAR should be atleast 6%. The minimum capital under Basel II is required to be higher than the prudential floor of 80% of the minimum capital requirement computed as per Basel I framework for credit and market risks.

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, interest rate, derivatives and forex on its profitability and capital adequacy.

The assessment of future capital needs is effectively done based on the business projections, asset mix, operating environment, growth outlook, new business avenues, regulatory changes and risk and return profile of the business segments. The future capital requirement is assessed by taking cognizance of all the risk elements viz. Credit, Market and Operational risk and mapping these to the respective business segments.

The Summary of Capital requirements for Credit Risk, Market Risk and Operational Risk as on March 31, 2013, is mentioned below:

Risk Type	**(₹ in crores)**
Capital requirements for Credit Risk	
Portfolio Subject to Standardised approach	4,164.34
Securitisation exposures	-
Capital requirements for Market Risk	**211.09**
Standardised Duration Approach	
Interest Rate Risk	192.68
Foreign Exchange Risk (including gold)	13.50
Equity Risk	4.91
Capital requirements for Operational Risk	
Basic Indicator Approach	420.29
Total Capital requirements at 9%	**4,795.72**
Total Capital Funds	**8,185.47**
CRAR	15.36%

Under Basel II, Bank's CRAR works out to be 15.36 % as on March 31, 2013, which is higher by 2.36% as compared to 13.00% under Basel I.

Organisation Structure:

Integrated Risk Management: Objectives and Organisation Structure

The Bank has established an Enterprise-wide Risk Management Department responsible for Bank-wide risk management covering Credit risk, Market risk (including ALM) and Operational risk, independent of the Business segments. The Risk Management Department focuses on identification, measurement, monitoring and controlling of risks across various segments. The Bank has been progressively adopting the best International practices so as to continually reinforce its Risk Management functions.

Organisation Structure:

The set up of Risk Management Department is hereunder:

Separate Committees, as specified below, are set up to manage and control various risks:

- Risk Management Committee (RMC)
- Credit Risk Management Committee (CRMC)
- Market Risk Management Committee (MRMC)
- Asset Liability Management Committee (ALCO)
- Operational Risk Management Committee (ORMC)

Bank has articulated various risk policies which specify the risks, controls and measurement techniques. The policies are framed keeping risk appetite as the central objective. Against this background, the Bank identifies a number of key risk components. For each of these components, the Bank determines a target that represents the Bank's perception of the component in question.

The risk policies are vetted by the sub-committees, viz. CRMC, MRMC, etc. and are put forth to RMC, which is a sub-committee of the Board. Upon vetting of the policies by RMC, the same is placed for the approval of the Board and implemented.

Bank has put in place a comprehensive policy on ICAAP, which presents a holistic view of the material risks faced, control environment, risk management processes, risk measurement techniques, capital adequacy and capital planning.

Policies are periodically reviewed and revised to address the changes in the economy / banking sector and Bank's risk profile. Monitoring of various risks is undertaken at periodic intervals and a report is submitted to Top Management / Board.

Credit Risk

The Bank manages credit risk comprehensively; both at Transaction level and at Portfolio level. Some of the major initiatives taken are listed below :

- Bank uses a robust Risk rating framework for evaluating credit risk of the borrowers. The Bank uses segment-specific rating models which are equipped with transition matrix capabilities.
- Risks on various counter-parties such as corporates, banks, are monitored through counter-party exposure limits, also governed by country risk exposure limits in case of international trades.
- The Bank manages risk at the portfolio level too, with portfolio level prudential exposure limits to mitigate concentration risk.
- The Bank has a well-diversified portfolio across various industries and segments, as illustrated by the following data.
  - ❒ Retail and schematic exposures (which provide wider diversification benefits) account for as much as 56 % of the total fund-based advances.
  - ❒ The Bank's corporate exposure is fully diversified over 85 industries, thus insulated/minimised from individual industry cycles.

The above initiatives support qualitative business growth while managing inherent risks within the risk appetite.

Market Risk

Key sources of Market risk are Liquidity Risk, Interest Rate Risk, Price Risk and Foreign Exchange Risk. The Bank has implemented a state-of-the-art Treasury system which supports robust risk management capabilities and facilitates Straight-through Processing.

Market Risk is effectively managed through comprehensive policy framework which provides various tools such as Mark-to-Market, Duration analysis, Value-at-Risk, besides through operational limits such as stop-loss limits, exposure limits, deal-size limits, maturity ladder, etc.

Asset Liability Management (ALM)

The Bank's ALM system supports effective management of liquidity risk and interest rate risk, covering 100% of its assets and liabilities.

- Liquidity Risk is monitored through Structural Liquidity Gaps, Dynamic Liquidity position, Liquidity Ratios analysis and Behavioral analysis, with prudential limits for negative gaps in various time buckets.
- Interest Rate Sensitivity is monitored through prudential limits for Rate Sensitive Gaps and other risk parameters.
- Interest Rate Risk on the Investment portfolio is monitored through Modified Duration on a daily basis. Optimum risk is assumed through duration, to balance between risk containment and profit generation from market movements.

ALCO meetings were convened frequently during the financial year, wherein analytical presentations were made providing detailed analysis of liquidity position, interest rate risks, product mix, business growth v/s budgets, interest rate outlook, which helped to review the business strategies regularly and undertake new initiatives.

Operational Risk

Operational risk is managed by addressing People risk, Process risk, Systems risk as well as risks arising out of external environment.

The Bank has efficient audit mechanism, involving periodical on-site audit, concurrent audits, on the spot and off-site surveillance enabled by the Bank's advanced technology and Core Banking System.

The Bank has implemented various Operational Risk management tools such as Risk Events reporting framework, Risk and Control Self Assessment (RCSA) and Loss Data (Basel 8 * 7 matrix) collection including Near Miss Events. The Bank weighs each new Product and Process enhancements under Operational Risk Assessment Process (ORAP) framework.

The Bank has initiated the process of putting in place Operational Risk Management Framework, using sophisticated tools, such as:

- Key Risks Indicators
- Score Cards (Branch and Corporate Functions)

The framework would help in mitigation of operational risks and optimization of capital requirement towards operational risks under Basel II norms.

Systems Risk

As part of Systems-related Operational Risk Management initiatives, the Bank has achieved the following :

- The Bank has formulated and implemented a comprehensive Business Continuity Plan (BCP) to ensure continuity of its critical business functions and extension of banking services to its customers.
- The Bank has established an effective Disaster Recovery site at a distant location, with on-line, real-time replication of data, both in Mumbai and Chennai.
- Comprehensive IT security framework has been put in place to ensure complete data security and integrity.
- The Bank has housed its data center in a professionally managed environment, with sophisticated and fool-proof security features and assured supply of utilities.

The robust Risk Management framework created in the Bank supports rapid and qualitative growth with optimization of risks and maximization of shareholder value.

IV. Credit Risk Exposures

"Credit Risk" is defined as the probability / potential that the borrower or counter-party may fail to meet its obligations in accordance with agreed terms. It involves inability or unwillingness of a borrower or counter-party to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions.

Credit Risk is made up of two components:

1. **Transaction Risk (or Default Risk),** which represents the risk arising from individual credit exposures and
2. **Portfolio Risk,** which represents the risk inherent in the portfolio of credit assets (concentration of assets, correlation among portfolios, etc.).

Credit risk is found in a variety of transactions across the Bank's portfolio including not only loans, off balance sheet exposures, investments and financial guarantees, but also the risk of a counterparty in a derivative transaction becoming unable to meet its obligations. Credit risk constitutes the largest risk to which the Bank is exposed. The Bank has adequate system support which facilitates credit risk management and measurement across its portfolio. The system support is strengthened and expanded as and when new exposures are added to the Bank's portfolio.

The Bank has articulated comprehensive guidelines for managing credit risk as outlined in Credit Policy, Credit Risk Policy and related Policies framework, Bank Risk Policy, Country Risk Policy, Loan Review Policy and Recovery Policy. The credit risk management systems used at the Bank have been implemented in accordance with these guidelines and best market practices. The credit risk management process focuses on both specific transactions and on groups of specific exposures as portfolios.

The Bank's credit risk policy and related policies and systems focus are framed to achieve the following key objectives:

- Monitoring concentration risk in particular products, segments, geographies etc thereby avoiding concentration risk from excessive exposures to any particular products, segments, geographies etc.
- Assisting in building quality credit portfolio and balancing risks and returns in line with Bank's risk appetite
- Tracking Credit quality migration
- Determining how much capital to hold against each class of the assets
- Undertaking Stress testing to evaluate the credit portfolio strength
- To develop a greater ability to recognize and avoid potential problems
- Alignment of Risk Strategy with Business Strategy
- Adherence to regulatory guidelines

Credit Risk Management at specific transaction level

The central objective for managing credit risk at each transaction level is development of evaluation and monitoring system that covers the entire life cycle of the exposure, i.e. opportunity for transaction, assessing the credit risk, granting of credit, disbursement and subsequent monitoring, identifying the obligors with emerging credit problems, remedial action in event of credit quality deterioration and repayment or termination of the obligation.

The Credit Policy of the Bank stipulates for applicability of various norms for managing credit risk at a specific transaction level and more relevant to the target segment of the obligors. The Credit Policy covers all the types of obligors, viz. Corporate, SME, Trader and Schematic Loans such as Home Loan, Personal Loan, etc.

The major components of Credit Policy are mentioned below:

- The transaction with the customer/ prospective customer is undertaken with an aim to build long term relationship.
- All the related internal and regulatory guidelines such as KYC norms, RBI prudential norms, etc. are adhered to while assessing the credit request of the borrower.
- The credit is granted with due diligence and detailed insight into the customer's circumstances and of specific assessments that provide a context for such credits.
- The facility is granted based on the customer's creditworthiness, capital base or assets to assure that the customer is able to substantiate the repayment. Due regard is also placed to the industry in which the customer is operating, the business specific risks and management capability and their risk appetite.
- Regular follow-up in the overall health of the borrower is undertaken to assess whether the basis of granting credit has changed.
- When loans and credits are granted to borrowers falling outside preferred credit rating, the Bank normally obtains sufficient collateral. However, collaterals are not the sole criterion for lending, which is generally done based on assessing the business viability of the borrower and the adequacy of the expected cash flows.
- The Bank has defined exposures limit on the basis of internal risk rating of the borrower.
- The Bank is particularly cautious when granting credits to businesses in affected or seasonal industries.
- In terms of Bank's country risk management, due caution is exercised when assuming risk in countries with an unstable economic or political scenario.

Beside the acceptability norms defined in the Credit Policy for an individual transaction, Bank has also implemented various credit related product programmes enables efficient appraisal, assessment, delivery, supervision and control of tailor made loan products targeted at specific customer segments. The customers covered under the Business Banking product programme are evaluated using a scoring/rating model developed based on the segment specific risk profile.

Consumer Finance Division apprises the loan application based on robust set criteria defined in the respective product programmes. Further as a mechanism to assess the credit quality, customers are also evaluated through application scoring models which are segment specific.

The customers under Credit Cards segment are evaluated by means of robust customer selection criteria that include variety of factors.

Bank has also put in place a detailed policy for portfolio acquisition which stipulates various criteria for asset selection including due diligence, transfer of risks and rewards of the underlying portfolio, credit enhancements, portfolio risk management and monitoring in accordance with RBI guidelines.

Credit Approval Committee

The Bank has put in place the principle of 'Committee' or 'Approval Grids' approach while according sanctions to the credit proposals. This provides for an unbiased, objective assessment/evaluation of credit proposals. Such Committees include atleast one official from an independent department, which has no volume or profits targets to achieve. The official of the independent department is a compulsory member of the Credit Committee and a dissent by such member cannot be overridden by others. The spirit of the credit approving system is that no credit proposals are approved or recommended to higher authorities unless all the members of the 'Committee' or 'Approval Grids' agree on the acceptability of the proposal in all respects. In case of disagreement the proposal is referred to next higher Committee whose decision to approve or decline with conditions is then final.

The following 'Approval Grids' are constituted:

- **Corporate & Commercial Banking Segment**
  - Zonal Credit Committee (ZCC)
  - Corporate Office Credit Committee (COCC) – I
  - Corporate Office Credit Committee (COCC) – II
  - Executive Credit Committee (ECC)
- **Consumer Banking (CB) Segment :**

  The scheme of delegation under Consumer Banking Segment includes Vehicle financing, personal loans, housing loans and other schematic loans under multi-tier Committee based approach as under:
  - Branch Credit Committee – Consumer Banking (BCC – CB)
  - Regional Credit Committee – Consumer Banking (RCC-CB)
  - Corporate Office Credit Committee – Consumer Banking (COCC- CB I & II)
  - Executive Credit Committee

The credit proposals which are beyond the delegated powers of ECC are placed to Committee of Directors (COD) or Board of Directors (BOD) for approval.

Risk Classification

The Bank monitors the overall health of its customers on an on-going basis to ensure that any weakening of a customer's earnings or liquidity is detected as early as possible. As part of the credit process, customers are classified according to the credit quality in terms of internal rating, and the classification is regularly updated on receipt of new information/ changes in the factors affecting the position of the customer.

The Bank has operationalised the following risk rating/ scoring models depending on the target segment of the borrower:

- Large Corporate, Small & Medium Enterprises, NBFC
- Trading entities, Capital Market Broker and Commodity Exchange Broker
- Financial Institutions/Primary Dealers and Banks
- Retail customers (Schematic Loans) – who are assigned credit scoring

The customers under Business Banking segment are assessed for credit quality using a scoring/rating model. The score serves a measure to categorise the customers into various risk classes which are further calibrated to different risk grade.

Rating grades in each rating model, other than the segments driven by product programmes, is on a scale of 1 to 8, which are further categorised by assigning +/- modifiers to reflect the relative standing of the borrower within the specific risk grade. The model-specific rating grades are named distinctly. Each model-specific rating grade reflects the relative ratings of the borrowers under that particular segment. For instance, L4 indicates a superior risk profile of a Large Corporate, when compared to another Large Corporate rated L5.

In order to have a common risk yardstick across the Bank, these model specific ratings are mapped to common scale ratings which facilitate measurement of risk profile of different segments of borrower by means of common risk ladder.

The various purposes for which the rating/scoring models are used are mentioned hereunder:

- Portfolio Management
- Efficiency in lending decision
- To assess the quality of the borrower – single point reference of credit risk of the borrower
- Preferred rating norms for assuming exposures
- Prudential ceiling for single borrower exposures – linked to rating
- Frequency of review of exposures.
- Frequency of internal auditing of exposures
- To measure the portfolio quality
- Target for quality of advances portfolio is monitored by way of Weighted Average Credit Rating (WACR).
- Pricing credit
- Capital allocation (under Basel II – IRB approaches)

Credit Quality Assurance:

Bank has also adopted Loan Review Mechanism (LRM), which involves independent assessment of the quality of an advance, effectiveness of loan administration, compliance with internal policies of bank and regulatory framework and portfolio quality. It also helps in tracking weaknesses developing in the account for initiating corrective measures in time. LRM is carried out by Credit Quality Assurance team, which is independent of Credit and Business functions.

Credit Risk Management at Portfolio level:

The accumulation of individual exposures leads to portfolio, which creates the possibility of concentration risk. The concentration risk, ideally on account of borrowers/ products with similar risk profile, may arise in various forms such as Single Borrower, Group of Borrowers, Sensitive Sector, Industry–wise Exposure, Unsecured Exposure, Rating wise Exposure, Off Balance sheet Exposure, Product wise Exposure, etc. The credit risk concentration is addressed by means of structural and prudential limits stipulated in the Credit Risk Policy and other related policies.

Concentration risk on account of exposures to counter-parties (both single borrower and group of borrowers), Industry-wise, Rating-wise, Product-wise, etc., is being monitored by Risk Management Dept (RMD). For this purpose, exposures in all business units, viz. branches, treasury, investment banking, etc., by way of all instruments (loans, equity/debt investments, derivative exposures, etc.) are being considered. Such monitoring is carried out at monthly intervals. Besides, respective business units are monitoring the exposure on continuous real-time basis.

The concentration risk is further evaluated in terms of statistical measures and benchmarks. Detail analysis of portfolio risk and control measures in place is carried out on a monthly basis on various parameters. Direction of risks and controls (decreasing, stable, and increasing) and resultant net risk is also done. Further, a comprehensive Stress Testing framework based on several factors and risk drivers assessing the impact of stressed scenario on Credit quality, its impact on Bank's profitability and capital adequacy is placed to Top Management /Board every quarter. The framework highlights the Bank's credit portfolio under 3 different levels of intensity across default, i.e. mild, medium and severe and analyses its impact on the portfolio quality and solvency level.

Impaired credit - Non Performing Assets (NPAs):

The Bank has an independent Credit Administration Department that constantly monitors accounts for irregularities, identifies accounts for early warning signals for potential problems and identifies individual NPA accounts systematically.

Bank has also set up Financial Restructuring and Reconstruction (FRR) Dept for managing and monitoring defaulted accounts, carrying out restructuring, wherever feasible and following up for recoveries of dues.

The guidelines as laid down by RBI Master Circular No. DBOD.No.BP.BC.21/21.04.048/2012-13 dated July 2, 2012, on Asset classification, Income Recognition and Provisioning to Advances portfolio are followed while classifying Non-performing Assets (NPAs). The guidelines are as under:

a) An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank ases to generate income

b) A non performing asset (NPA) is a loan or an advance where;

  i. interest and / or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,

  ii. the account remains 'out of order', in respect of an Overdraft / Cash Credit (OD/ CC),

  iii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,

  iv. the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,

  v. the installment of principal or interest thereon remains overdue for one crop season for long duration crops,

  vi. the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of RBI guidelines on Securitisation dated February 1, 2006.

  vii. in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

Out of Order status: An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit / drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'.

Overdue: Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

Credit Risk Exposures

(a) Total Gross Credit Risk Exposures as on March 31, 2013

(₹ in crores)

Fund Based*	67,031
Non Fund Based**	29,959
Total Exposures	**96,990**

* Includes all exposures such as Cash Credit, Overdrafts, Term Loan, Cash, SLR securities etc., which are held in banking book.

** Off-Balance items such as Letter of Credit, Bank Guarantee and credit exposure equivalent of Inter-bank forwards, merchant forward contracts and derivatives, etc.

(b) Geographical Distribution of Exposures as on March 31, 2013

(₹ in crores)

	Domestic	Overseas
Fund Based	67,031	-
Non Fund Based	29,959	-
Total Exposures	**96,990**	**-**

(c) Industry-Wise Distribution of Exposures as on March 31, 2013

(₹ in crores)

Industry Name	FB	NFB
NBFC (other than HFCs and MFIs)		
NBFCs (AFCs)	1468	241
NBFCs (LOAN COMPANY)	12	0
NBFC IFC	0	61

Industry Name	FB	NFB
Construction		
Construction related to infra.- EPC	840	995
Roads/other infra project	179	79
Contract Construction - Civil	279	787
Real Estate		
Real Estate Developers	516	53
Lease Rental Discounting	1,340	0
Housing Finance Companies	121	81
Power		
Power Generation	889	1,204
Power Transmission	150	15
Power Trading	-	102
Cables		
Telecom Cables	0	0
Power Cables	33	23
Steel		
Steel-Long Products	61	566
Steel Flats-CR,GP/GC	177	73
Steel Flats- HR	57	263
Steel - Alloy	199	31
Steel Pipes	0	0
Sponge Iron	0	122
Casting & Forgings	58	0
Stainless Steel	50	1
Iron and Steel Rolling Mills	9	71
Pig Iron	9	1
Textiles		
Textiles - Readymade Garments	167	4
Textiles - Cotton fabrics	67	8
Textiles -Cotton fibre / yarn	22	1
Textiles - Manmade fibres / yarn	48	28
Textiles-Texturising	29	7
Textile-Blended Yarn	2	0
Textile - Jute	0	0
Textiles - Synthetic Fabrics	15	9
Textile - Silk	1	5
Textile Machinery	2	0
Cotton ginning,Cleaning,Baling	1	0
Telecom		
Telecom - Cellular/Tower	1	1
Telecom Equipments	0	200

Industry Name	FB	NFB
Pharmaceuticals		
Pharmaceuticals - Bulk Drugs	97	140
Pharmaceuticals - Formulations	739	124
Chemicals		
Chemicals - Organic	78	16
Chemicals - Inorganic	353	126
Fertilisers		
Fertilisers - Phosphatic	0	0
Fertilizers - Nitrogenous	210	774
Paper		
Paper - Writing and Printing	79	542
Paper - Industrial	317	1
Paper Newsprint	10	0
Petroleum & Products	482	1,991
Engineering & Machinery	316	1,092
Gems and Jewellery	861	118
Edible Oils	7	8
Auto Ancillaries	404	130
Diversified	275	161
Hospital & Medical Services	321	22
Food Credit	633	4
Aluminium	311	17
Capital Market Brokers	155	432
Microfinance Institution	126	0
NBFCs(Micro Finance Institution)	16	0
Rubber & Rubber Products	214	5
Investment & Securities	575	131
Lease Rental Discounting - Others	715	0
Plastic & Plastic Products	426	182
Other Food processing	247	8
Sugar	101	0
SME - Miscellaneous-Mfng	175	84
Electronic components	144	51
Commodity Market Brokers	41	140
Beverage,Breweries,Distileries	75	7
Hotels & Tourism	303	77
Glass & Glass Products	85	13
Shipping	74	10
Educational Institutions	100	0
Computers - Hardware	24	69
Coal	86	46
IT Enabled Services	181	75

Industry Name	FB	NFB
Electrical fittings	79	90
Petrochemicals	48	159
Banks	0	1,143
Animal Husbandry	11	0
Construction Equipments	142	89
Airlines	45	55
Automobiles-2/3 wheelers	47	3
Wood and Wood Product	34	6
Leather & leather Products	41	6
Tiles/Sanitaryware	46	1
Transport Services	49	21
Oil and Gas Exploration	0	520
Electric Equipment	27	147
Media,Entertainment & Advt	255	120
Trading - Wholesale	1,614	1,084
Trading - Retail	1,965	139
Services	579	833
Credit Cards	342	0
Consumer Finance Division	22,059	0
Other Industries	779	10,014
Residual Assets	22,711	3,901
Total Exposure	**67,031**	**29,959**

(d) Residual Contractual Maturity break down of assets

(₹ in crores)

	Next Day	2 days to 7 days	8 Days to 14 Days	15 to 28 Days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Cash	396.84	-	-	-	-	-	-	-	-	-	**396.84**
Balances with RBI	-	-	-	244.50	815.10	-	489.00	326.38	489.00	489.00	**2,853.00**
Balances with other Banks	1,763.82	813.90	30.34	46.26	45.97	-	-	7.99	-	-	**2,708.28**
Investments	-	430.00	-	-	2,531.47	615.03	471.61	2,041.54	1,757.79	13,606.73	**21,454.17**
Advances (Excl NPAs)	3,548.77	963.50	890.80	605.22	3,028.86	3,037.74	15,175.64	13,421.43	2,521.23	2,877.42	**46,070.61**
Fixed Assets	-	-	-	-	-	-	-	-	-	756.07	**756.07**
Other Assets	344.85	32.03	351.52	35.55	162.65	232.61	137.76	50.19	104.20	684.87	**2,136.24**

(e) Movement of NPAs and Provision for NPAs as on March 31, 2013

(₹ in crores)

A	**Amount of NPAs (Gross)**	**457.78**
	Sub-standard	240.89
	Doubtful 1	91.22
	Doubtful 2	80.16
	Doubtful 3	41.33
	Loss	4.17

B	**Net NPAs**	**136.76**
C	**NPA ratios**	
	Gross NPA to Gross advances (%)	1.03%
	Net NPA to Net advances (%)	0.31%
D	**Movement of NPAs (Gross)**	
	Opening Balance as on 01.04.12	347.08
	Additions during the year	446.62
	Reductions during the year	335.92
	Closing Balance as on 31.03.13	457.78
E	**Movement of provision for NPAs**	
	Opening as on 01.04.12	252.41
	Provision made in 2012-13	228.05
	Write off / Write back of excess provisions	159.44
	Closing as on 31.03.13	321.02

(f) Non Performing Investments and Movement of provision for depreciation on Non Performing Investments

(₹ in crores)

A	Amount of Non-Performing Investments	7.14
B	Amount of provision held for non-performing investments	2.56
C	Movement of provision for depreciation on investments	
	Opening as on 01.04.12	10.44
	Add: Provision made in 2012-13	2.10
	Less: Write-off/ write-back of excess provision	(0.80)
	Closing Balance as on 31.03.13	11.74

V. Credit risk: Disclosures for portfolios under the standardised approach

As per the Basel II guidelines on Standardised approach, the risk weight on certain categories of domestic counter parties is determined based on the external rating assigned by any one of the accredited rating agencies, i.e. CRISIL, ICRA, CARE India Rating Pvt Ltd., Brickworks Ratings India Pvt Ltd. and SMERA. For Foreign counterparties and banks, rating assigned by S&P, Moody's and Fitch are used.

The Bank computes risk weight on the basis of external rating assigned, both Long Term and Short Term, for the facilities availed by the borrower. The external ratings assigned are generally facility specific. The Bank follow below mentioned procedures as laid down in the Basel II guidelines for usage of external ratings:

- Ratings assigned by one rating agency are used for all the types of claims on the borrowing entity.
- Long term ratings are used for facilities with contractual maturity of one year & above. Short term ratings are generally applied for facilities with contractual maturity of less than one year.
- If either the short term or long term ratings attracts 150% risk weight on any of the claims on the borrower, the Bank assigns uniform risk weight of 150% on all the unrated claims, both short term and long term unless the exposure is subjected to credit risk mitigation.
- In case of multiple ratings, if there are two ratings assigned to the facility that maps to different risk weights, the rating that maps to higher risk weight is used. In case of three or more ratings, the ratings corresponding to the two lowest risk weights is referred to and the higher of those two risk weights is be applied. i.e., the second lowest risk weight.
- For securitized and guaranteed transactions, SO ratings assigned by the rating agency are applied for arriving at the risk weights.

Risk Weight-wise distribution of Gross Credit Exposures

(₹ in crores)

Category	
Below 100% Risk Weights	66,152
100% Risk Weights	25,880
More than 100% Risk Weights	4,958
Deducted	
- Investments in subsidiaries	*50.30*

VI. Credit Risk Mitigation: Disclosures for standardised approach

The Bank mitigates credit exposure with eligible collaterals and guarantees to reduce the credit risk of obligors as stipulated under Basel II. In principle with mitigating credit risk, Bank has put in place a comprehensive policy on Credit Risk Mitigants and Collaterals for recognizing the eligible collaterals and guarantors for netting the exposures and reducing the credit risk of obligors. Basic procedures and descriptions of controls as well as types of standard/ acceptable collaterals, guarantees necessary in granting credit, evaluation methods for different types of credit and collateral, applicable "haircuts" to collateral, frequency of revaluation and release of collateral are stipulated in the Bank's credit policy, policy on collateral management and credit risk mitigant policy. The Bank uses net exposure for capital calculations after taking cognizance of eligible financial collaterals. On Balance sheet netting is applied for facilities covered by deposits and after meeting the criteria as laid down under Basel II norms. All collaterals and guarantees are recorded and the details are linked to individual accounts. Perfection of security interest, date, currency and correlation between collateral and counterparty are also considered.

As lending is subject to default risk, Bank accepts collateral securities to minimize the impact of loss and consequently reducing the credit risk. The type of collaterals is determined based on the nature of facility, product type, counter party risk and its credit quality. However, as explained earlier, collateral is not the sole criteria for granting credit. For Corporate and SME clients, working capital facility is generally secured by charge on current assets and Term loan is secured by charge on fixed assets. In case of project financing, Bank generally stipulates escrow of receivables/project cash flows along with the charge on underlying project assets. The credit risk policy clearly defines the type of secondary securities and minimum percentage in relation to the total exposures that is required to be obtained in case of credit granted to obligors falling outside the preferred rating grade. Credit facilities are also granted against the security of assets such as cash deposits, NSC, guarantee, mortgages, pledge of shares and commodities, bank guarantees, accepted bills of exchange, assignment of receivables etc. The credit facilities, in terms of risk policies, are secured by secondary collaterals such as cash deposits, NSC, guarantee, mortgages, fixed assets etc. Bank also grants unsecured credit to the borrowers with high standing and low credit risk profile. Customers under Credit card programme are assessed by means of comprehensive customer selection parameters.

For Business Banking clients, who are driven by product programmes and templated scoring models, the facilities are ordinarily secured by adequate collaterals. The programmes have a robust mechanism for collateral acceptance, valuation and monitoring.

In case of schematic products such as Home Loan, LAP, Auto Loan, etc., Loan to value ratio, margin and valuation/ revaluation of collaterals is defined in the respective product programme. The valuation is generally carried out by the empanelled valuer of the Bank. Bank has also put in place approved product paper on loan against warehouse receipts, shares and other securities. The margin, valuation and revaluation of the assets are specified in the product note.

The credit approving authorities also decides on the type and amount of collaterals for each type of facility on a case-to-case basis. For schematic loans and facilities offered under product programme, securities are obtained as defined in the product notes.

Eligible Financial Asset Collateral and Guarantor

For the purpose of credit risk mitigation, i.e. offsetting the amount of collateral/ basket of collaterals against the individual/ pool of exposures to which the collaterals are assigned, financial asset collateral types are defined by the Bank as per the New Capital Adequacy Framework to include Fixed deposits, KVP, IVP, NSC, Life Insurance Policies, Gold, Securities issued by Central and State Governments and units of Mutual Fund. On a similar note, the eligible guarantors are classified into the following categories:

- Sovereigns, Sovereign entities, Banks and Primary Dealers with lower risk weights than the counterparty
- Other entities rated AA(-) or better including guarantee cover provided by parent, subsidiary and affiliate companies when they have lower risk weight than the obligor.

(₹ in crores)

Particulars	On/off balance sheet netting	Supported by guarantee
Exposure before applying eligible mitigants	11,371	633
Exposure after applying eligible mitigants	2,012	0

VII. Securitisation: Disclosure for standardised approach

"Securitisation" means a process by which a single performing asset or a pool of performing assets are sold to a bankruptcy remote Special Purpose Vehicle (SPV) and transferred from the balance sheet of the originator to the SPV in return for an immediate cash payment.

"SPV" means any company, trust, or other entity constituted or established for a specific purpose - (a) activities of which are limited to those for accomplishing the purpose of the company, trust or other entity as the case may be; and (b) which is structured in a manner intended to isolate the corporation, trust or entity as the case may be, from the credit risk of an originator to make it bankruptcy remote.

Bank had neither originated any securitization transactions by way of sale of securitised assets, nor retained any exposure on such assets, actual conditional, or contingent, during the financial year ended March 2013.

The Bank had earlier carried out securitization transaction in past and such deals were done on the basis of 'True Sale', which provides 100% protection to the Bank from the default in case of assets originated by it. All risks in the securitised portfolio were transferred to the Special Purpose Vehicle (SPV). Post-securitisation, Bank continued to service the loans transferred under securitization. Bank had also provided for credit enhancements in the form of cash collaterals to a minimum extent.

The Bank, in the past, had securitized its assets with the objectives of managing its funding requirements, improving liquidity, reducing credit risk and diversifying the portfolio risk, managing interest rate risk, and capital adequacy. The Bank has not securitised any of its portfolios for the past 7 years.

Apart from managing credit risk, Bank also considers different types of risks viz. interest rate risk and liquidity risk for the retained assets or acquired portfolio and ensure its adequate assessment and mechanism for mitigating the same. The securitized portfolio, both the retained part and acquired assets are monitored regularly in terms of various risk parameters such as repayment, cash flows to service the interest, principal and other charges, counterparty risk, servicer's capability, underlying asset risk profile and interest rate risk.

Exposure details on account of securitization transactions

(a) Securitisation exposures in Banking Book:

There are no outstanding under the securitization exposures as on March 31, 2013. No securitization activities were undertaken by the Bank during financial year ended on March 31, 2013.

(b) Amount of Assets intended to be securitized within a year:

For the time being Bank does not have any plans to undertake securitization of its assets. However, for the purpose of balance sheet management and if the opportunities arises, securitization of exposure may be explored.

(c) Securitisation exposure in Trading Book:

Aggregate amount of on-balance and off-balance sheet securitisation exposures purchased

(₹ in crores)

Exposure Type	On-balance sheet
Micro Finance Loans	187.80

Aggregate amount of securitisation exposures purchased subject to Comprehensive Risk Measure for specific risk

(₹ in crores)

Exposure Type	On-balance sheet
Micro Finance Loans	187.80

Risk weight bands break-up of securitisation exposures purchased

(₹ in crores)

Exposure Type	Amount
<100% risk weight	187.80
100% risk weight	-
>100% risk weight	-
Total	**187.80**

Securitisation exposures deducted from capital

(₹ in crores)

Exposure Type	Exposures deducted entirely from **Tier-1 capital**	Credit enhancing interest-only strips deducted from total capital	Credit enhancing interest-only strips deducted from total capital
NA			

VIII. Market Risk in Trading book

Market Risk may be defined as the possibility of loss to a bank caused by changes in the market variables. The market risk for the Bank is governed by the Market Risk Policy and Funds and Investment policy which are approved by the Board. These policies serve to outline the Bank's risk appetite and risk philosophy in respect of Treasury / Forex / Equity / Derivatives / Bullion operations, and the controls that are considered essential for the management of market risks. The policies are reviewed periodically to update it with changed business requirements, economic environment and revised regulatory guidelines.

Sources of Market Risk:

Market risks arise from the following risk factors:

- Price risk for bonds, forex, equities and bullion
- Interest rate risk for investments, derivatives, etc
- Exchange rate risk for currencies; and
- Trading / liquidity risk.

Objectives of Market Risk Management:

The broad objectives of Market Risk management are:

- Management of interest rate risk and currency risk of the trading portfolio.
- Adequate control and suitable reporting of investments, Forex, Equity and Derivative portfolios
- Compliance with regulatory and internal guidelines.
- Monitoring and Control of transactions of market related instruments.

Scope and nature of risk reporting and measurement systems:

Reporting

The Bank reports on the various investments, Foreign exchange positions and derivatives position with their related risk measures to the top management and the committees of the Board on a periodic basis. The Bank periodically reports the related positions to the regulators in compliance with regulatory requirements.

Measurement

The Bank monitoring its risks through risk management tools and techniques such as are Value-at-Risk, Modified Duration, PV01, Stop Loss, amongst others. Based on the risk appetite of the Bank, various risk limits are placed which is monitored on a daily basis.

Capital requirements for Market Risks @ 9%

(₹ in crores)

Market Risk elements	**Amount of capital required**
Interest Rate Risk	192.68
Foreign Exchange Risk (including gold)	13.50
Equity Risk	4.91

Operational Risk

The Bank has framed Operational Risk Management Policy duly approved by the board. Other policies adopted by the Board that deals with management of operational risk are (a) Information System Security Policy; (b) Policy on 'Know Your Customer' (KYC) and Anti-Money Laundering Policy (AML) process; (c) IT business continuity and Disaster Recovery Plan; and (d) Business Continuity Plan (BCP); (e) New Product Programme Policy; (f) A framework for Risk and Control Self Assessment (RCSA); and (g) Risk Event Reporting Framework.

The Operational Risk Management Policy adopted by the bank outlines organization structure and detail process for management of Operational Risk. The basic objective of the policy is to closely integrate operational Management system to risk management processes of the Bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks. The Bank has completed the process of capturing, reporting and assessing risk events at the process level using RCSA framework.

IX. Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk is the risk of loss in the Bank's net income and net equity value arising out of a change in level of interest rates and / or their implied volatility. Interest rate risk arises from holding assets and liabilities with different principal amounts, maturity dates and re-pricing dates. The Bank holds assets, liabilities and off balance sheet items across various markets with different maturity or re-pricing dates and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets. Interest rate risk in the banking book refers to the risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank.

Risk Management Framework

The Board of the Bank has overall responsibility for management of risks and it decides the risk management policy of the Bank and set limits for liquidity, interest rate, foreign exchange and equity price risks. The Asset Liability Management Committee (ALCO) consisting of Bank's senior management including Managing Director is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Bank (for the assets and liabilities) in line with the Bank's budget and decided risk management objectives. ALCO decides strategies and specifies prudential limits for management of interest rate risk in the banking book within the broad parameters laid down by Board of Directors. These limits are monitored periodically and the breaches, if any, are reported to ALCO.

Monitoring and Control

The Board of Directors has approved the Asset-Liability Management policy. The policy is intended to be flexible to deal with rapidly changing conditions; any variations from policy should be reported to the Board of Directors with recommendations and approval from the ALCO.

The Bank has put in place a mechanism for regular computation and monitoring of prudential limits and ratios for liquidity and interest rate risk management. The Bank uses its system capability for limits and ratio monitoring. The ALCO support group generates periodic reports for reporting these to ALCO and senior management of the Bank. The ALM support group carries out various analyses related to assets and liabilities, forecast financial market outlook, compute liquidity ratios and interest rate risk values based on the earnings and economic value perspective.

Risk Measurement and Reporting Framework:

The estimation of interest rate risk involves interest Rate Sensitive Assets (RSAs) and interest Rate Sensitive Liabilities (RSLs).

The techniques for managing interest rate risk include:

- Interest Rate Sensitivity Gap Analysis
- Earning at Risk Analysis
- Stress Testing

Interest Rate Sensitivity Gap: The gap or mismatch risk as at a given date, is measured by calculating gaps over different time intervals. Gap analysis measures mismatches between Rate Sensitive Liabilities (RSL) and Rate Sensitive Assets (RSA) (including off-balance sheet positions). The report is prepared by grouping liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The gap report provides a good framework for determining the earnings impact.

Earning at Risk: Any change in interest rate would impact Bank's Net Interest Income (NII) and the value of its fixed income portfolio (price risk). The interest rate risk is measured by EaR that is the sensitivity of the NII to a 100 basis points adverse change in the level of interest rates.

Stress Testing: The Bank measures the impact on Net Interest Margin (NIM) / EAR after taking into account various possible movement in interest rates across tenor and their impact on the earnings and economic value of the Bank is calculated for each of these scenarios. These reports are prepared on a monthly basis for measurement of interest rate risk

With an upward rate shock of 1% across the curve, as per Rate Sensitive Gaps in INR as on March 31, 2013, the earning shows a decline of ₹ 2.97 crore.

The impact of change in interest rate by 100 bps and 50 bps has been computed on open positions (as on March 31, 2013) and shown hereunder against the respective currencies.

Change in interest rates (in bps)				
Impact on NII (₹ in crores)				
Currency	**-100**	**-50**	**50**	**100**
INR	2.97	1.49	(1.49)	(2.97)
USD	(0.00)	(0.00)	0.00	0.00
JPY	(0.00)	(0.00)	0.00	0.00
GBP	0.00	0.00	(0.00)	(0.00)
EUR	0.00	0.00	(0.00)	(0.00)
Others	(0.00)	(0.00)	0.00	0.00
Total	**2.97**	**1.49**	**-1.49**	**-2.97**

US DOLLAR DENOMINATED BALANCE SHEET AS AT MARCH 31, 2013

1 USD = ₹ 54.28		As at 31.03.2013	(Millions of US$) As at 31.03.2012
CAPITAL AND LIABILITIES			
Capital		96.33	86.16
Employee Stock Option Outstanding		1.97	2.02
Reserves and Surplus		1,307.42	785.38
Deposits		9,969.92	7,804.26
Borrowings		1,742.73	1,599.49
Other Liabilities & Provisions		386.88	333.61
	TOTAL	**13,505.25**	**10,610.92**
ASSETS			
Cash and Balances with Reserve Bank of India		598.72	534.93
Balances with Banks & Money at Call and Short Notice		663.02	485.64
Investments		3,620.89	2,684.59
Advances		8,165.18	6,459.83
Fixed Assets		139.30	121.00
Other Assets		318.14	324.93
	TOTAL	**13,505.25**	**10,610.92**
Contingent Liabilities		24,853.15	19,010.74
Bills for Collection		1,167.56	1,133.20

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

1 USD = ₹ 54.28			Year Ended 31.03.2013	(Millions of US$) Year Ended 31.03.2012
I	**INCOME**			
	Interest earned		1,286.52	987.33
	Other Income		251.10	186.40
		TOTAL	**1,537.62**	**1,173.73**
II	**EXPENDITURE**			
	Interest expended		875.16	673.35
	Operating expenses		323.57	247.42
	Provisions & contingencies		143.39	105.09
		TOTAL	**1,342.12**	**1,025.86**
III	**PROFIT**		195.50	147.87
	Profit brought forward		218.79	131.61
	AMOUNT AVAILABLE FOR APPROPRIATION		**414.29**	**279.48**
IV	**APPROPRIATIONS**			
	Transfer to			
	a) Statutory Reserves		48.88	36.97
	b) Capital Reserves		1.54	1.59
	c) Investment Reserve Account		0.07	0.09
	d) Dividend on equity		28.94	18.96
	e) Corporate Dividend Tax		4.92	3.08
			84.35	60.69
Balance carried over to Balance Sheet			329.94	218.79
		TOTAL	**414.29**	**279.48**

SUBSIDIARY COMPANY

ALF Insurance Services Private Ltd.

The Bank does not have a "material non-listed Indian subsidiary" as defined in Clause 49 of the Listing Agreement. However, ALF Insurance Services Private Ltd. is a wholly-owned subsidiary of the Bank. The Company was set up to do the business of Insurance Corporate Broking, but had not commenced operations. The Bank has since decided against entering into Insurance Broking business and proceedings for voluntary winding up of the company have been initiated.

A copy of all related regulatory documents have been made available at the Bank's Registered Office in Pune. Shareholders who wish to peruse a copy of the same can visit the Registered Office of the Bank during office hours on all working days, except public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

Business Responsibility Report

(As per SEBI Circular CIR/CFD/DIL/8/2012 of August 13, 2012)

Section A: General Information about the Company	
1. Corporate Identity Number (CIN) of the Company	L65191PN1994PLC076333
2. Name of the Company	IndusInd Bank Limited
3. Registered address	2404, Gen. Thimmayya Road, (Cantonment), Pune – 411001.
4. Website	www.indusind.com
5. E-mail id	csrsupport@indusind.com
6. Financial Year reported	April 01, 2012 – March 31, 2013
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Banking
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	All banking and para banking services including accepting of deposits such as Savings Accounts, Current Accounts, Fixed Deposits, and granting of loans to various segments including industries / business and retail Loans to individuals etc.
9. Total number of locations where business activity is undertaken by the Company	500 branches across India, Corporate Office, Back Offices and Representative Offices.
i. Number of International Locations (Provide details of major 5)	Representative Offices at Dubai and London.
ii. Number of National Locations	500 branches across India, Corporate Office and Back Offices.
10. Markets served by the Company – Local / State / National / International	All
Section B: Financial Details of the Company	
1. Paid up Capital (INR)	522.87 crores
2. Total Turnover (INR)	98,438 crores
3. Total profit after taxes (INR)	1,061.18 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Under the Inclusive Banking agenda, the Bank adopted multiple channels to reach out to the disadvantaged, vulnerable and marginalized segments of the Society in a cost effective and sustainable manner. During the FY 2012-13, we have reached out to 515,620 clients from the Base of the Pyramid (BoP) Segment. 28% of these clients were SCs, 4% were STs, 38% were from Backward Communities, Minority Segment accounted for 15% and majority of them were women. The Bank has overall disbursed ₹ 464.92 crores to this segment. Average ticket size was working out to around ₹ 8,500/-. The Bank through the Consumer Finance Division (CFD) carries out operations in about 187 locations primarily in the underbanked areas - 174 locations. Through this channel, the Bank caters to the transport requirements of these areas (we virtually finance everything that moves) and the target segment is Self Employed and mostly come from the Excluded section. During the year, the Bank also spent approx. ₹ 81 lacs on branches opened in unbanked centres (where there are no scheduled commercial banks present in brick and mortar structure). The Bank has an outstanding amount of ₹ 14,323 crores under the priority sector which constitutes 40.56% of the Adjusted Net Bank Credit. The Bank has spent ₹ 9.13 crores on various social and environmental activities during the year 2012-13 which is 0.86% of the net profit.
List of activities in which expenditure in 4 above has been incurred:- a. b. c.	Activities include: a. Energy conservation b. Renewable Energy c. Environment d. Social Spends e. Arts & Culture

Section C: Other Details	
1. Does the Company have any Subsidiary Company/ Companies?	Yes. Currently under liquidation.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not applicable
Section D: BR Information	
1. Details of Director/Directors responsible for BR	
a) Details of the Director/Director responsible for implementation of the BR policy/policies	
DIN Number	00031034
Name	Romesh Sobti
Designation	Managing Director &CEO
b) Details of the BR head:	
DIN Number (if applicable)	----
Name	Adwait Hebbar
Designation	Head Corporate Services
Telephone number	91.22.42217280
e-mail id	adwait.hebbar@indusind.com

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

S. No.	Questions	Business Ethics	Product Respon-sibility	Wellbeing of employees	Stakeholder engage-ment	Human Rights	Environ-ment	Public Policy	Inclusive Growth and Equitable Development	Customer Relations
		P 1	P2	P 3	P4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		The Policies are in line with Reserve Bank of India guidelines and other regulations / guidelines as applicable.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies are on the intranet of the Bank. P9 related policy available on website.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	Y	-	-	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	-	Y	Y

S. No.	Questions	Business Ethics	Product Respon-sibility	Wellbeing of employees	Stakeholder engage-ment	Human Rights	Environ-ment	Public Policy	Inclusive Growth and Equitable Development	Customer Relations
		P 1	P2	P 3	P4	P 5	P 6	P 7	P 8	P 9
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	-	Y	-	Y	-	-	-	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	-	-	N	Y

2a. **If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick upto 2 options)**

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles							-		
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							-		
3	The company does not have financial or manpower resources available for the task							-		
4	It is planned to be done within next 6 months							-		
5	It is planned to be done within the next 1 year							Yes		
6	Any other reason (please specify)							-		

3. **Governance related to BR**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Yes. Annually.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The company publishes Sustainability Report in two year cycle. The first report was published in 2010-11.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.**

   Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   Policy related to Business Ethics is embedded in the HR Policy of the Bank. It is applicable to the Bank only.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.***

   No complaints have been received with respect to ethics, bribery and corruption.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Bank endeavors to use technology and innovation to offer best-of-class products and services to customers. The Bank has focused on products leveraging the capabilities of Internet Banking and Mobile Banking.

   While procuring hardware, due diligence is exercised with vendors on compliance with labour laws of the country, ensuring health, safety and welfare of employees and adopting of safe environmental practices.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

i. **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

Not Applicable

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not Applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

Bank endeavors to buy environment-friendly products even if these are slightly expensive.

i. **If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.***

Bank sources ecofriendly A4 paper which is made out of wheat straw (agro residue) instead of wood pulp, thus saving trees. Visiting Cards are printed on recycled paper. Bank endeavors that all vendors abide by and comply with labour laws of the country, non-employment of child labour, equal employment, health, safety & welfare of employees and adopting safe environmental practices. Bank has also invested significantly in Green IT.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not Applicable.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Bank is committed to dispose electronic and toxic waste through authorized e-waste vendors. In 2012-13, Bank has disposed approx. 16,800 kgs of e-waste. Bank has also tied up with ITC Ltd. at a few centres through their Wealth Out of Waste (WOW) waste paper collection arrangement.

Principle 3

1. **Please indicate the Total number of employees.**

Total number of employees is 11,502.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total number of employees hired on temporary/contractual/casual basis is 3,284.

3. **Please indicate the Number of permanent women employees.**

Number of permanent women employees is 1,737.

4. **Please indicate the Number of permanent employees with disabilities**

Number of permanent employees with disabilities is 7.

5. **Do you have an employee association that is recognized by management?**

There is no employee association.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	7	0
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

 - **Permanent Employees**
 - **Permanent Women Employees**
 - **Casual/Temporary/Contractual Employees**
 - **Employees with Disabilities**

Total Empl. Strength	No. of programs	Total no. of empl. covered	Total Man hrs achieved	Average Man hrs	Average Man days achieved
11,502	641	34,736	2,88,569	25	3

Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Besides the traditional channels of reaching out to this segment, the Bank has conceived a collaborative approach wherein a suitable intermediary is appointed after thorough due diligence in order to extend financial services to the segment as part of a Board approved "Partnership Program" of the Bank. Given that the characteristics of business with the segment at the bottom of the pyramid are unique viz., low ticket sizes leading to high transaction costs, high geographical dispersion especially in remote locations leading to access issues, low financial literacy, unpredictable cash flows, high perceived risks, no tangible collateral, defunct local economic system and gaps in business value chain, it was realized that the conventional banking approach would not be helpful, thus calling for newer business models. A "Partnership Program" was created to partner with such institutions and reach out to the customer in a cost-effective manner. The model basically attempts to derive synergies by leveraging their strong distribution channel, understanding of the market segment and the Bank's risk management and expertise in using technology and designing products.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   It covers the Bank only.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Bank has not received any complaints pertaining to human rights.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   While the policy related to Principle 6 is applied across the Bank, efforts are being made to embrace the vendors actively engaged in following environment practices.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Bank has taken multiple initiatives to address environmental issues viz:

   ATMs with Solar panels: The Bank has successfully completed installation of solar panels on 100 ATMs resulting into generation of energy with savings in commercial electricity and DG power. Huge amount of carbon is also mitigated.

   Power Management: The Bank decided to implement power management policies on desktops and laptops across the organisation. The project commenced in the second half of 2012 and till March 2013 we have rolled out policies to 400+

machines as a pilot. The organisation-wide rollout of the power management policy is expected to reduce the power consumption and CO2 reduction.

Server virtualisation: Servers were virtualized on few physical servers thus resulting into electricity savings.

Thin computing: Many users have been provided with virtual desktops resulting into power savings.

Signages: Signages are switched off after 11 p.m. at branches across India thus avoiding wastage of electricity.

Power Saving Devices: Few select branches and offices have been installed with power saving devices resulting in savings of in electricity costs during 2012-13.

Eco-friendly A4 paper: The Bank has started using eco-friendly spectra paper which is made out of wheat straw instead of the wood pulp. The supply is centralised thus improving the logistics. Supply of Eco-friendly has resulted into savings of approx. 4858 trees.

Fax servers: Introduction of paperless fax across selected branch and offices across India has resulted into savings of approx. 53,000 pages.

Multi-Function Devices (MFDs): the Bank has introduced multi-function devices at various branches / offices wherein substantial savings is expected in paper usage and the same shall be tracked through remote monitoring software. The concept of duplex printing is enforced for saving in papers and avoiding wastage.

Waste paper drive: A new campaign called “WOW-waste paper collection drive” was initiated in the Bank with the aim of protecting the environment and reducing global warming by recycling them.

E-waste: The Bank disposes all e-waste through authorised recycle vendors who follow environment norms laid down by the government.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Bank is not engaged in any manufacturing activity. However, incidental environmental risks, viz., air pollution, etc. are suitably addressed.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Not Applicable

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. The details are available in the Annual Report under the caption ‘Green Practices towards Sustainability’ as well as on the Bank’s intranet.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Not Applicable

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year**

   Not Applicable.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. Few major ones are as under:

   a. Confederation of Indian Industry (CII)

   b. Federation of Indian Chamber of Commerce & Industry (FICCI)

   c. Bombay Chamber of Commerce & Industry (BCCI)

   d. Indian Banks Association (IBA)

e. Indian Institute of Banking and Finance (IIBF)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   No.

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Bank has engaged 'Centre for Environmental Research and Education' (CERE), a Mumbai-based not-for-profit organization that works to promote environmental sustainability through action-oriented education, awareness and advocacy as the environmental advisors who assist in pursuing the clean environment agenda. Bank has taken several initiatives, primary among them are 100 ATMs being operated from solar energy, use of environment-friendly A4 paper instead of normal paper, investments in Green IT and practices such as switching off signage lights after 11.00 pm. The impact has been significant in terms of savings in energy consumption and reduction in carbon emission.

   Bank also engages employees to support an NGO called 'SUPPORT', which is primarily engaged in rehabilitation of drug addicts. Bank has funded hybrid (solar / wind) power generating unit to NCSA to supplement the power requirement for this centre.

   Bank has followed the CSR agenda in the following manner:

   a. Continued to focus on Financial Inclusion, opening of branches in rural and unbanked centres and increased priority sector lending.

   b. Focus on environment as a major focus of sustainable growth. Bank has spent on Green IT, Renewable Energy, environment-friendly paper and equipments and practices that will reduce consumption of energy and thereby contributing to a better environment.

      Financial inclusion is not a goal but a journey towards creating a strong and healthy ecosystem of financial services for the poor. As a first step, Bank has tied up with select Micro Finance Institutions (MFIs) as reliable intermediaries for extending our products and services.

      Bank has extensively engaged in spreading environment awareness among our employees by celebrating environment linked important days such as Earth Hour, Water Day etc., Sustainability week and E-learning module on environment.

      The IndusInd 'Green Champion' (GC) programme has been running actively since 2009 onwards with meaningful initiatives taken at various branches / offices of the Bank. The GC programme is driven by group of 24 employee volunteers working hand-in-hand with CSR Dept and CERE. A Green Champion must execute 2 activities in a year which will include but not limited to:

      a. Adopt a plant campaign

      b. E-waste collection drive

      c. Energy conservation drive

      d. WOW recycling initiative

      e. E-learning module

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The programmes / projects / initiatives are undertaken through in-house team, business correspondent, NGO and environment advisors.

3. **Have you done any impact assessment of your initiative?**

   Yes, Bank has undertaken impact assessment for a few of its initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   a. During the FY 2012 -13, Bank has reached out to 515,620 clients from the 'Base of the Pyramid' (BoP) segment 28% of these clients were SCs, 4% were STs, 38% were from Backward Communities, Minority Segment accounted for 15% and majority of them were women. The Bank has overall disbursed Rs 464.92 crores to this segment.

   b. Currently it covers more than 4,400 villages across 20 districts in India.

   c. The Bank has an outstanding amount of ₹ 14,323 crores under the priority sector (lending to agriculture sector viz., farmers, self-help groups etc., micro and small enterprises, micro credit, weaker sections, micro-finance institutions etc.) which constitutes 40.56% of the Adjusted Net Bank Credit.

   d. The Bank's Consumer Finance Division carries out operations in about 187 locations, primarily in underbanked areas (174 locations). Through this channel, the Bank caters to the transport requirements of these areas and the target segment is self-employed persons, mostly from excluded sections.

   e. During the year, the Bank also spent about ₹ 81 lakhs on branches opened in unbanked centres (where there are no scheduled commercial banks present in brick and mortar structure).

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Following are the various steps taken by the Bank to ensure that community development initiatives are successfully adopted by the community:

   - Based on comprehensive customer targeting policies of the existing partners, Bank has been able to reach out to a segment which was left unattended from the traditional banking approaches. The outreach under the program has been to the most poor and vulnerable sections of society.
   - Early morning group meetings are organized for collection of daily repayments. The venues for such group meetings are kept within a radius of around 500 meters to 1 km of the households. The timings are in the early mornings so that customers can immediately move for her daily livelihood activities after making repayments.
   - The services under this partnership program are essentially provided at the doorstep of the customer with very easy documentation in vernacular.
   - Customer Service Agents visit the villages on a daily basis for rendering the services. The underlying and guiding principle behind the entire servicing approach is not simply to have affordable and timely financial intervention but also as per the convenience of the villager. In a normal scenario, this segment would have been deprived of availing banking services which is precisely getting addressed by IndusInd under the Program by extending services to the remotest and most inaccessible areas of the country.
   - The deliquency under our Financial Inclusion programme has been negligible indicating successful adoption and capital being put to good use.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   2.16% customer complaints are pending at the end of financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, the Bank regularly conducts consumer survey / consumer satisfaction trends for its retail products.

Branch Network

Andhra Pradesh

Ananthapur
Email ID:anap@indusind.com
Tel no. 08554-244955, 249373, 651286, 244955

Banjara Hills
Email ID: hyme@indusind.com
Tel no. 040-23553085, 2355 3086, 2354 5247, 2354 5274

Chittoor
Email ID: chap@indusind.com
Tel no. 08572-221166, 230044, 222220

Gaddiannaram
Email ID: gaap@indusind.com
Tel no. 040-24064411/12, 24064413

Gajuwaka
Email ID: gaju@indusind.com
Tel no.0891-2514125 / 33, 2758223, 2512720, 2512724, 2514124

Gudivada
Email ID: gdap@indusind.com
Tel no. 0867-249033, 249044, 249055

Guntur
Email ID: guap@indusind.com
Tel no. 0863-2331001 / 2, 2330960

Hyderabad
Email ID: hybe@indusind.com
Tel no. 040-67284500/2790 7660 / 64 / 65 / 4663, 27907673

Kadapa
Email ID: kaap@indusind.com
Tel no. 08562-221915/221916, 274552

Karkhaana
Email ID: kkap@indusind.com
Tel no. 040-27742025 / 26

Kodad
Email ID: koap@indusind.com
Tel no. 08683-256044, 256043

Kompally
Email ID: kmap@indusind.com
Tel no.08418-233312 / 14, 233313

Kothagudem

Kothavalasa
Email ID: ktap@indusind.com
Tel no. 08966-273153 / 157, 273158

Kurnool
Email ID: kuap@indusind.com
Tel no. 08518-223425, 325420, 248327

Madhapur
Email ID: maap@indusind.com
Tel no. 040-23116781, 23116782/3, 23116784

Medak
Email ID: meap@indusind.com
Tel no. 0845-2220035, 2220033

Miryalaguda
Email ID: miap@indusind.com
Tel no. 08689-243050, 243150

Miyapur
Email ID: mpap@indusind.com
Tel no.040-23041632, 23041691, 23041634, 23141693

Nakkapalli
Email ID:naap@indusind.com
Tel no.08931-227856, 227845, 227860

Nellore
Email ID:neap@indusind.com
Tel no.0861-652 2208

Nizamabad

Nizampet
Email ID:niap@indusind.com
Tel no.040-30479447/08/09, 30479446

Ongole

Rajamundry
Email ID:raap@indusind.com
Tel no.0883-2420501, 2420431

Ramachandrapuram
Email ID:rcap@indusind.com
Tel no.088-244402/03, 244404

Sadashivpet
Email ID:saap@indusind.com
Tel no.08455-251663 /252663

Sarpavaram
Email ID:srap@indusind.com
Tel no.0884-2347033 / 44, 2347055

Seethummadhara
Email ID:vjfs@indusind.com
Tel no.0891-2707326 / 29, 2707349

Somajiguda
Email ID:sgap@indusind.com
Tel no.040-23312980 / 82, 23312981

Towlichowki
Email ID:toap@indusind.com
Tel no.040-23566700 / 23561700, 23567900

Vicarabad
Email ID: vcap@indusind.com
Tel no. 084165-252541 /61, 252581

Vijayawada
Email ID: viap@indusind.com
Tel no.0866-2492633/44, 2492626

Visakhapatnam
Email ID: cdwa@indusind.com
Tel no. 0891-2702202 / 198, 2512721

Warangal
Email ID: waan@indusind.com
Tel no. 0870-2433555, 2428999

Assam

Barpeta Road
Email ID: baas@indusind.com
Tel no.03666-261009

Dibrugarh
Email ID: dias@indusind.com
Tel no.0373-2323756, 2323759, 2323757

Guwahati
Email ID:gugs@indusind.com
Tel no.0361-2452864 / 65, 2463503, 2452867

Jogighopa
Email ID: jgas@indusind.com
Tel no.03664-210021

Jorhat
Email ID: joas@indusind.com
Tel no.0376-2301408, 2301424

Silchar
Email ID:sias@indusind.com
Tel no.03842 -226466, 226477, 226759, 225328

Tezpur
Email ID: teas@indusind.com
Tel no. 03712-230922 / 924 / 926, 223417

Tinsukia
Email ID: tias@indusind.com
Tel no. 0374-2340122, 2340121

Bihar

Andar
Email ID:anbi@indusind.com
Tel no.06154-284059

Bhagwanpur
Email ID:bhjh@indusind.com
Tel no.06224-245398, 245399, 245400

Kaemnagar
Email ID:knjh@indusind.com
Tel no.06182-277001/277002

Patna
Email ID: parp@indusind.com
Tel no.0612-2500938, 2500583

Rukanpara
Email ID: rujh@indusind.com
Tel no. 0612-2593338 / 39 / 40

Chattisgarh

Ambikapur
Email ID: amch@indusind.com
Tel no. 07774-231802 / 3, 231803

Bansankara
Email ID: bach@indusind.com
Tel no.0851-8883216

Bhatgaon
Email ID: bhch@indusind.com
Tel no.0771-2274835

Biladi
Email ID: bich@indusind.com
Tel no. 0851-8883215

Bilaspur
Email ID: blch@indusind.com
Tel no. 0775-2429591

Dhanora
Email ID: dhch@indusind.com
Tel no. 8518883218

Jagdalpur
Email ID: jgch@indusind.com
Tel no. 07782-22 2039 / 6091 / 3540, 22 3520

Kanker
Email ID: kach@indusind.com
Tel no. 07868 -222155

Kendri
Email ID: kech@indusind.com
Tel no. 8518883217

Raipur
Email ID: raja@indusind.com
Tel no. 0771-403 3401 / 02 / 03, 403 3404

Tilda Newra
Email ID: tnch@indusind.com
Tel no. 07721-234391

Raigarh

Goa

Madgaon
Email ID: goma@indusind.com
Tel no.0832-2712238 - 42, 2712295

Panjim
Email ID: gopa@indusind.com
Tel no. 0832-242 9044 / 46 / 47, 242 7799

Porvorim
Email ID: pomh@indusind.com
Tel no.0832-2410030 /071 /216 /263, 2410133

Sanvordem
Email ID:gosa@indusind.com
Tel no.0832-2654351 / 52 / 53 / 54, 265455

Gujarat

Ahmedabad
Email ID:ahar@indusind.com
Tel no.079-26426105 to 08, 26564292 / 0401

Amalsad
Email ID:amgu@indusind.com
Tel no.02634-273006 /07 / 11, 273012

Anand
Email ID:angu@indusind.com
Tel no.02692-267351/ 52/ 53/54, 266630, 266631

Ankleshwar
Email ID:akgu@indusind.com
Tel no.02646-226405-08, 226409

Bardoli
Email ID:bard@indusind.com
Tel no.02622-22 9375 / 329, 22 9311

Baroda
Email ID:baap@indusind.com
Tel no.0265-2332409 / 16 / 18 / 232 6113, 2332413

Bhavnagar
Email ID:bhgu@indusind.com
Tel no.0278-2512055 / 2011, 2512088

Bhuj
Email ID:bugu@indusind.com
Tel no.02832-230127, 230128

Bodakdev
Email ID:bdgu@indusind.com
Tel no.079-26857435/ 36/ 37

Changodar
Email ID:chgu@indusind.com
Tel no.02717-294892

Dharmaj
Email ID:dhar@indusind.com
Tel no.02697-245096 / 97, 245102, 245098

Gandhidham
Email ID:gagu@indusind.com
Tel no.02836-233541 / 324789, 233517

Gandhinagar
Email ID:gngu@indusind.com
Tel no.079-23240597 / 84 / 85 / 86, 23240596

Hazira
Email ID:hzgu@indusind.com
Tel no.0261-2861223, 2861224, 2861222

Jamnagar
Email ID:jagu@indusind.com
Tel no.0288-2664322 / 5760, 2664321

Kamrej
Email ID:kagu@indusind.com
Tel no.02621-250031 / 32 / 33

Mani Nagar, Ahmedabad
Email ID:mngu@indusind.com
Tel no.079-25440183-85, 25440182

Manjalpur
Email ID:mpgu@indusind.com
Tel no.0265-3074979, 3075929

Mehsana
Email ID:magu@indusind.com
Tel no.02762-241492 / 93, 242090

Morbi
Email ID:morb@indusind.com
Tel no.02822-251 760 / 251 808, 231461

Nadiad
Email ID:nagu@indusind.com
Tel no.0268-2520081/82, 2520146/47

Naranpar Pasayali
Email ID:npgu@indusind.com

Navsari
Email ID:nvgu@indusind.com
Tel no.02637-322628, 322629, 322630

Prahladnagar, Ahmedabad
Email ID:pngu@indusind.com
Tel no.079-2693 7872 / 93

Rajkot
Email ID:rara@indusind.com
Tel no.0281-2461893 / 94, 2461892

Rajpipla
Email ID:ragu@indusind.com
Tel no.02640-223 077 / 277, 220 377

Ring Road, Rajkot
Email ID:rrgu@indusind.com
Tel no.0281- 2571850 / 60 /70

Samroli
Email ID:sagu@indusind.com
Tel no.02634-234070/233138/232111, 235060

Surat
Email ID:surr@indusind.com
Tel no.0261-2366823 / 24 / 27 / 30 , 2346469

Udwada
Email ID:udgu@indusind.com
Tel no.0260-2342061/71/81

Valsad
Email ID:vamr@indusind.com
Tel no.02632-254665, 254666, 254972

Vapi
Email ID: vach@indusind.com
Tel no.0260-2425175 / 2428129 / 2428624, 2428621

Warasia
Email ID: baph@indusind.com
Tel no.0265-2512595, 2512597, 2512596

Haryana

Assandh
Email ID:asha@indusind.com
Tel no.01749-277222 /23/24

Barwala
Email ID:baha@indusind.com
Tel no.01733-256391

Chhachhrauli
Email ID:chha@indusind.com
Tel no.01735-276101, 276102

Dhakola
Email ID:dhha@indusind.com
Tel no. 0171-2822177 / 277/ 377

Faridabad
Email ID: hafa@indusind.com
Tel no. 0129-222 0442 / 0842

Golf Course - Gurgaon
Email ID: gcha@indusind.com
Tel no.0124-2572567

Gurgaon
Email ID: guud@indusind.com
Tel no.0124-2388883 - 5, 2389128

Gurgaon Sector 14
Email ID: guha@indusind.com
Tel no.0124-4947600

Hissar
Email ID: hiha@indusind.com
Tel no.01662 -226340 / 2, 226341

Israna
Email ID:isha@indusind.com
Tel no.0180-2579102/ 103/ 104

Jhajjar
Email ID: jhha@indusind.com
Tel no. 01251-253391, 253392

Kalarheri
Email ID: klha@indusind.com
Tel no.0171-2671190

Karnal
Email ID: kaha@indusind.com
Tel no.0184-226 8955 /56 /57 /58, 2268956

Kundli
Email ID: kuha@indusind.com
Tel no. 0130-2370050

Manesar
Email ID: maha@indusind.com
Tel no. 0124 -3269956

Mohali- Phase 11
Email ID: mopu@indusind.com
Tel no.0172-5058208, 5058208

Nighdu
Email ID: niha@indusind.com
Tel no.01745-267003 / 267004 / 267005

Panchgaon
Email ID: pcha@indusind.com
Tel no.0124-2164157

Panchkula
Email ID: panc@indusind.com
Tel no.0172-5024380 / 4389,502 4386

Panchkula Sec. 9
Email ID: paha@indusind.com
Tel no. 0172-5033751-60

Pehowa
Email ID: peha@indusind.com
Tel no. 01741-320 801-02

Pipli Majra
Email ID: pmha@indusind.com
Tel no.01744-230212

Rewari
Email ID: reha@indusind.com
Tel no. 01274-221115

Rohtak
Email ID: roha@indusind.com
Tel no.01262-645715 / 645669 / 327890, 255944

Sadar Bazar
Email ID: sbha@indusind.com
Tel no. 0124-2300057

Sirsa
Sohna Road, Gurgaon
Email ID: srha@indusind.com
Tel no.0124-4948100

Sonipat
Sushant Lok
Email ID: slha@indusind.com
Tel no. 0124-2578477

Himachal Pradesh

Baddi
Email ID: bahp@indusind.com
Tel no. 01795-244813

Shimla
Email ID: shhp@indusind.com
Tel no. 0177-2654187, 2652217, 2651251

Jammu & Kashmir

Jammu
Email ID: jajk@indusind.com
Tel no.0191-2470040

Srinagar
Email ID: srjk@indusind.com
Tel no.0194-2480755, 2480772, 2459490

Jharkhand

Barhi
Email ID: bajh@indusind.com
Tel no. 06543-267352

Bokaro
Email ID: bojh@indusind.com
Tel no. 06542-233418 / 20, 231383 / 233419

Boring Road
Email ID: brbi@indusind.com
Tel no. 0612-2570236/40/41, 2570235

Chaibasa
Email ID: chjh@indusind.com
Tel no. 06582-255352/255353

Dhanbad
Email ID: dhbm@indusind.com
Tel no. 0326-2305700, 2309888, 2309801, 2309802

Hazaribagh
Email ID: hajh@indusind.com
Tel no.06546-224920/922/923, 224921

Jamshedpur
Email ID: jajh@indusind.com
Tel no. 0657-3294929, 2756115/116, 2425761

Kharsawan
Email ID: khjh@indusind.com
Tel no. 06583-254803/ 804, 254805

Koderma
Email ID: kojh@indusind.com
Tel no. 06534-252915/16/17

Lalpur Chowk, Ranchi
Email ID: lcjh@indusind.com
Tel no. 0651-2560861, 2560892, 2560864, 2560810

Pakur
Email ID: pajh@indusind.com
Tel no. 06435-221293

Ranchi
Email ID: ramr@indusind.com
Tel no.0651-2330137, 2330147, 2330134, 2331377

Karnataka

Bangalore
Email ID: bgmg@indusind.com
Tel no. 080-30287000 – 7014, 2559 2309

Basavanagudi
Email ID: bgjn@indusind.com
Tel no. 080-30082620/21/22/24/25/15/17/19, 26610258

Bidadi
Email ID: bika@indusind.com
Tel no. 080-27282369

Bijapur

Bommassandra
Email ID: bmka@indusind.com
Tel no. 080-27836556, 27836557

Chikmagalur
Email ID: chka@indusind.com
Tel no. 08262-229140/41/42/43

Davangere

Devanahalli
Email ID: deka@indusind.com
Tel no. 080-30275386/89/90/91/92/93

Gulbarga
HBR Lay Out, Bangalore
Email ID: hbka@indusind.com
Tel no. 080-30251900-908, 30251909

Hubli
Email ID: huka@indusind.com
Tel no. 0836-2358263/64/65, 4254660

Jakkasandra
Email ID: jaka@indusind.com
Tel no. 080-25539970-75

Jayanagar 5th Block
Email ID: jyka@indusind.com
Tel no.080-30254492

JP Nagar, Bangalore
Email ID: jpka@indusind.com
Tel no.080-26653440/41, 26653443

Malleshwaram
Email ID: mlka@indusind.com
Tel no. 080-30080051-56, 30080060

Mangalore
Email ID: maka@indusind.com
Tel no. 0824-2425101-104, 2448708

Marathalli
Email ID: mrka@indusind.com
Tel no. 080-25400190/191, 65358822, 2540192

Mysore
Email ID: myka@indusind.com
Tel no.0821-4252061/62/4262899, 4252063

Neelamangala
Email ID: neka@indusind.com
Tel no. 080-27722006, 27722018

Sadashivnagar
Email ID: saka@indusind.com
Tel no. 080-23567400, 23466557,23567675

Shimoga
Email ID: shka@indusind.com
Tel no. 08182-227722, 220944

Thippasandra
Email ID: thka@indusind.com
Tel no.080 -32022266 / 32022233 / 32022223, 25207084

Kerala

Adoor
Email ID: adke@indusind.com
Tel no. 0474-323650/51/52/53/54/56/57

Alappuzha
Email ID: alke@indusind.com
Tel no. 0477-2230888 / 0997 / 8442, 2230998

Aluva
Email ID: auke@indusind.com
Tel no.0484-6065200-206

Kakkanad
Email ID:koka@indusind.com
Tel no. 0484-2413252 / 3211 / 3266, 2413251

Kanhangad

Kannur
Email ID: kake@indusind.com
Tel no.0497-2705944 / 45, 3259660, 2705525

Kattappana
Email ID: ktke@indusind.com
Tel no. 04868-252470/71/72/73

Kazhakuttom
Email ID: katc@indusind.com
Tel no. 0471-2527 550/1/2, 2527553

Kesavadasapuram
Email ID: keke@indusind.com
Tel no. 0471-2446099/ 7099 / 8099

Kochi
Email ID: koch1@indusind.com
Tel no. 0484-2360888 (4 lines), 442 2288, 236 0720 / 0775,2382222

Kodungallur
Email ID: kdke@indusind.com
Tel no.0480-2809210/20/40

Kollam
Email ID: klke@indusind.com
Tel no.0474-2766985 / 86 / 87, 2763339

Kottayam
Email ID:koke@indusind.com
Tel no.0481-2303615, 2560728, 2351737, 2303614

Kozhikode
Email ID:kzke@indusind.com
Tel no.0495-4023000

Malappuram
Email ID:make@indusind.com
Tel no.0483-2735810, 3298200, 3256575, 2735810 / 2735811

Palakkad
Email ID:pala@indusind.com
Tel no.0491-2573900 / 01/02 BM's Direct no. 2571900, 2573902

Perinthalmanna
Email ID:peke@indusind.com
Tel no.04933-224600 / 1 / 2
Tellicherry (Thalassery)

Thiruvalla
Email ID: tike@indusind.com
Tel no.0469-3203 744 – 49, 2600 225

Thiruvananthapuram
Email ID: trmg@indusind.com
Tel no.0471-4100800 / 4100888, 4100839

Thrissur
Email ID: tris@indusind.com
Tel no.0487-2323178/378, 2322762, 2320210

Tripunithara
Email ID:thke@indusind.com
Tel no.0484-2780824/25

Madhya Pradesh

Ashta
Email ID: asmp@indusind.com
Tel no.07560-246924 /25 /26

Badjhiri
Email ID: bdmp@indusind.com

Barwani
Email ID: bamp@indusind.com
Tel no.07290-222 499, 222 599

Bhopal
Email ID: bhnm@indusind.com
Tel no.0755-4228090 /91/ 92, 4228093

Bina
Email ID: bimp@indusind.com
Tel no.07580-224016/17/18

Chhindwara
Email ID:chmp@indusind.com
Tel no.07162-245204, 247917, 247871

Diwanganj
Email ID: dimp@indusind.com

Gohad
Email ID: gomp@indusind.com
Tel no.07539-230001

Gwalior
Email ID: gwmp@indusind.com
Tel no.0751-2235564 / 65, 2235567

Hoshangabad
Email ID:homp@indusind.com
Tel no.07574-250308

Indore
Email ID: inab@indusind.com
Tel no.0731-2542696 / 7 / 8, 2539092

Jabalpur
Email ID:jamp@indusind.com
Tel no.0761-4006180, 4010100, 2450003

Khureri
Email ID:khmp@indusind.com

Kolu khedi
Email ID:komp@indusind.com

Kurana
Email ID:kump@indusind.com

Maihar
Email ID:mimp@indusind.com
Tel no.07674-233100

Mandla
Email ID: mamp@indusind.com
Tel no.07642-252 496 /97

Orchha
Email ID: ormp@indusind.com
Tel no.07680-252032/33/34

Pandhurna
Email ID:pamp@indusind.com
Tel no. 07164-220070

Pipariya
Email ID: prmp@indusind.com
Tel no.0756-222335 / 222337

Rairu
Email ID: ramp@indusind.com
Tel no.7509333362

Ratlam
Sapna Sangeeta Road, Indore
Email ID: inmp@indusind.com
Tel no.0731-2760419 -23, 2760424

Shujalpur
Email ID:shmp@indusind.com
Tel no.07360 -242031-32

Sirol
Email ID: simp@indusind.com
Tel no.8518883217

Sukha
Email ID:sump@indusind.com

Umariya
Email ID:ummp@indusind.com

Maharashtra

Andheri
Email ID: boan@indusind.com
Tel no.022-30468400 - 09, 28237574

Arwade
Email ID: armh@indusind.com

Aundh, Pune
Email ID: anmh@indusind.com
Tel no.020-25897770/25893614/25893664

Aurangabad
Email ID: aumh@indusind.com
Tel no.0240-2353760 / 56 / 58 / 59, 2353757

Bandra
Email ID:basv@indusind.com
Tel no.022-26457800 / 8320, 26458323

Bandra Kurla Complex
Email ID: bobk@indusind.com
Tel no.022-26754142 / 43, 26754144

Bandra Mehboob Studio
Email ID:bobm@indusind.com
Tel no.022-26405463, 26405684, 26405691, 26405475

Borivali
Email ID:bobo@indusind.com
Tel no.022-30008266, 30008274

C A Road, Nagpur
Email ID:ncmh@indusind.com
Tel no.0712-2762305 - 8

Chandrapur
Email ID:chmh@indusind.com
Tel no.07172-272321-25

Chembur
Email ID:boch@indusind.com
Tel no.022-25260881/82/85, 25260883

Crawford Market
Email ID:bocm@indusind.com
Tel no.022-22632125/6/7/8/9

Dadar
Email ID:boda@indusind.com
Tel no.022-24099160

Daroda
Email ID: damh@indusind.com
Dombivali (East)
Email ID:bodo@indusind.com
Tel no.0251-2860512/13

Fort
Email ID:boms@indusind.com
Tel no.022-66366580 – 83, 66366590 / 87

Ghatkopar
Email ID:bogh@indusind.com
Tel no.022-21020284/88, 21020286

Ghodbunder Road, Thane
Email ID:bogt@indusind.com
Tel no.022-25977173; 25977102

Gijavane
Email ID:gimh@indusind.com

Hinjewadi
Email ID:himh@indusind.com
Tel no.020-22933788-93

Juhu
Email ID:boju@indusind.com
Tel no.022 -26125172

Kalbadevi
Email ID:bokl@indusind.com
Tel no.022 -22417532, 22417536

Kalyan
Email ID:kamh@indusind.com
Tel no.0251-2027434

Kalyani Nagar, Pune
Email ID:knmh@indusind.com
Tel no.020-26650200

Kandivali
Email ID: boka@indusind.com
Tel no.022-28022079 / 80, 28022083

Kanjurmarg
Email ID:bokn@indusind.com
Tel no.022-67584150

Karmoli
Email ID:krmh@indusind.com

Khar (W), Mumbai
Email ID:bokh@indusind.com
Tel no.022-61271975 / 77 / 79, 6127 1985

Kharghar (Navi Mumbai)
Email ID:bokg@indusind.com
Tel no.022-66739933

Kolhapur
Email ID:komh@indusind.com
Tel no.0231-6512007/8/9, 2530707

Kondhwa Khurd
Email ID:puko@indusind.com
Tel no.020-64012724

Kothrud
Email ID:ktmh@indusind.com
Tel no.022-41494602

Lokhandwala
Email ID:bolo@indusind.com
Tel no.022-2673 1571 – 74, 2673 1575

Lower Parel
Email ID:bolp@indusind.com
Tel no.022-24950353

Mahim
Email ID:bavs@indusind.com
Tel no.022-24455301 / 24455563, 24455091

Malad
Email ID:boma@indusind.com
Tel no.022-28880408, 28880409

Mulund
Email ID:bomu@indusind.com
Tel no.022-2592 7080 / 6808 / 6833, 2592 6837

Nagpur
Email ID:nass@indusind.com
Tel no.0712-6641800-18, 2547457

Nariman Point
Email ID:bonp1@indusind.com
Tel no.022-22022404 / 407 / 415 / 419, 22022387

Nashik
Email ID:namh@indusind.com
Tel no.0253-6695401/02/03

Nerul
Email ID:bone@indusind.com
Tel no.022-22217081 / 091; 27707031 / 041

Opera House
Email ID:booh@indusind.com
Tel no.022-43457500, 28237574

Panvel
Email ID:pamr@indusind.com
Tel no. 022-2748 3252, 27483026

Pedder Road, Mumbai
Email ID:bope@indusind.com
Tel no.022-23542072 / 73, 23542076

Pimpri Chinchwad, Pune
Email ID:pcmh@indusind.com
Tel no.020-274 40622 / 23/24/25/26, 27440627

Prabhadevi
Email ID:bopr@indusind.com
Tel no.022-24315857, 24304498

Pune
Email ID:pugt@indusind.com
Tel no.020-30461600, 26343201, 26343241

Sangli
Email ID:samh@indusind.com
Tel no.0233-2327622

Shikrapur
Email ID:shmh@indusind.com
Tel no.02137-286136

Thakur Complex - Kandivali-E
Email ID:botc@indusind.com
Tel no.022-28705526 / 1139 / 4993

Thane
Email ID:both@indusind.com
Tel no.022-25306851/52, 25390376

Vasai
Email ID:bovs@indusind.com
Tel no.0250-2330009/5/21/123/124, 2330100

Vashi
Email ID:bova@indusind.com
Tel no.022-27830026 / 27 / 1028, 27830034

Vashi Sector 17
Email ID:bovh@indusind.com
Tel no.022-27668458/62/63/64

Vile Parle (East)
Email ID:bovp@indusind.com
Tel no.022-26126177

Viman Nagar
Email ID:vnmh@indusind.com
Tel no.020-41494545

Yerla
Email ID:yemh@indusind.com
Tel no.0712-2053039

Meghalaya

Shillong
Email ID:shme@indusind.com
Tel no.0364-2501479/2501405

Mizoram

Aizawl
Email ID:aimi@indusind.com
Tel no.0389-230 5515 / 18, 230 5355

Nagaland

Dimapur
Email ID:dina@indusind.com
Tel no.03862-234021

New Delhi

Ashok Vihar
Email ID:deav@indusind.com
Tel no.011-27231115 - 7, 27231113 (Telefax)

Barakhamba
Email ID:debk@indusind.com
Tel no.011-23738040 / 8408 / 8407, 23738041

Chandani Chowk
Email ID:dech@indusind.com
Tel no.011-23255006

Defence Colony
Email ID:dedc@indusind.com
Tel no.011-24337704

Greater Kailash II
Email ID:denp@indusind.com
Tel no.011-47168700, 47168713

Gujranwala Town, New Delhi
Email ID:degt@indusind.com
Tel no.011-47542999

Gulmohar House
Email ID:degh@indusind.com
Tel no.011-43394800

Janakpuri
Email ID:dejp@indusind.com
Tel no.011-41000141 - 43, 41000145

Jasola
Email ID:deja@indusind.com
Tel no.011-29949860

Kailash Colony
Email ID:dekc@indusind.com
Tel no.011-43394500 / 501 / 510 / 511

Karol Bagh
Email ID:dekb@indusind.com
Tel no.011-43394600

Lajpat Nagar
Email ID:dela@indusind.com
Tel no.011-2645 1678

Naraina Vihar
Email ID:dena@indusind.com

Naya Bazar
Email ID:denb@indusind.com
Tel no.011-23987633/44/11, 23987622

Nehru Place
Email ID:denh@indusind.com
Tel no.011-26280041

Okhla
Email ID:deok@indusind.com
Tel no.011-26385031, 26385032

Pashchim Vihar
Email ID:depa@indusind.com
Tel no.011-25269035

Pitampura
Email ID:depi@indusind.com
Tel no.011-27356705

Preet Vihar
Email ID:depv@indusind.com
Tel no.011-22051623 /32/64 / 28, 22051644

Punjabi Bagh
Email ID:depb@indusind.com
Tel no.011-25220037/38, 25220046

Rajori Garden
Email ID:derg@indusind.com
Tel no.011-43882200

Rohini
Email ID:derh@indusind.com
Tel no.011-27047095

Vasant Kunj
Email ID:devk@indusind.com
Tel no.011-43884400

West Patel Nagar
Email ID:dewp@indusind.com
Tel no.011-2588 3221

Odisha

Angul
Email ID:anor@indusind.com
Tel no.06764-230084/85, 230074

Balasore
Email ID:baor@indusind.com
Tel no.06782-240274 / 6, 268293, 240265

Barbil
Email ID:bror@indusind.com
Tel no. 06767-276821, 277473

Bhubaneswar
Email ID:bhkn@indusind.com
Tel no.0674-2536124/ 6125, 2535191

Chandikhole
Email ID:caor@indusind.com
Tel no.06725-226291/226293, 226292

Chandrashekharpur
Email ID:bhor@indusind.com
Tel no.0674-2743962/2743963

Cuttack
Email ID:cuor@indusind.com
Tel no.0671-232 1341 / 42 / 43, 2321344

Dhamra
Email ID:dhor@indusind.com
Tel no.06786-212094/95/96

Guali
Email ID:guor@indusind.com
Tel no.06767-244190 / 244191

Jajpur
Email ID:jaor@indusind.com
Tel no.06726-223056/57/58

Jharsuguda
Email ID:jhor@indusind.com
Tel no.06645-273415 / 25 / 35

Joda
Email ID:joor@indusind.com
Tel no.06767-272816 / 272841 / 273780, 272558

Keonjhar
Email ID:keor@indusind.com
Tel no.06766-255832 / 858

Nimapada
Email ID:nior@indusind.com
Tel no.06758-252851/3, 252852

Panposh
Email ID:paor@indusind.com
Tel no.0661-2401583/84/85, 2401590

Patrapara
Email ID:ppor@indusind.com
Tel no.0674-2384913, 2384914, 2384915

Sonapur
Email ID:soor@indusind.com
Tel no.06654-220134 / 35

Sundergarh
Email ID:suor@indusind.com
Tel no.0662-2273434, 2273430

Talcher
Email ID:taor@indusind.com
Tel no.06760-240098

Pipili
Email ID:pior@indusind.com
Tel no.06758-240095/75, 240055

Sambalpur
Email ID:saor@indusind.com
Tel no.0663-2541366

Rourkela

Punjab

Amloh
Email ID:alpu@indusind.com
Tel no.017655-20288/ 89 /90

Amritsar
Email ID:ampu@indusind.com
Tel no.0183-5066708 / 808, 2221055

Apra
Email ID:arpu@indusind.com
Tel no.01826-250533/251533, 252533

Bakarpur
Email ID:bkpu@indusind.com
Tel no.0160-2251773, 2251774

Banga
Email ID:phjs@indusind.com
Tel no.01823-263739 / 264513 / 501011 / 501012, 263739

Bhatinda
Email ID:bapu@indusind.com
Tel no.0164-2213466- 68 / 222 4284, 5004187

Daon
Email ID:dapu@indusind.com
Tel no.0160-5000183 / 84 / 85 / 86/ 87

G. T. Road, Amritsar
Email ID: agpu@indusind.com
Tel no. 0183-5020220

Gobindgarh
Email ID:gopu@indusind.com
Tel no.01765-256400, 507062 – 66

Hoshiarpur
Email ID:hopu@indusind.com
Tel no.01882-502700

Jallandhar
Email ID:jall@indusind.com
Tel no.0181-5003480 / 580, 5010345

Khamanon
Email ID:khpu@indusind.com
Tel no.01628-503440 /42/43/44, 503441

Khanna
Email ID:khgt@indusind.com
Tel no.01628-503638, 503537

Lajpat Nagar, Jalandhar
Email ID:jlpu@indusind.com
Tel no.0181-2244364-365

Landran
Email ID: lapu@indusind.com
Tel no. 0160-2250100

Ludhiana
Email ID: lufe@indusind.com
Tel no. 0161-504 3800 – 11, 2771810

Manauli
Email ID: mnpu@indusind.com
Tel no. 0160-2251355 / 56

Mansa
Email ID: mapu@indusind.com
Tel no.01652 -500026 - 28, 500029

Miller Ganj, Ludhiana
Email ID:mgpu@indusind.com
Tel no.0161-4150000 / 4150002 / 4150001

Mohali
Email ID: moha@indusind.com
Tel no.0172-502 0821 / 832, 505 3651

Mullanpur
Email ID: mupu@indusind.com
Tel no. 0160-5090569/70/71/72/73.

Patiala
Email ID: ptpu@indusind.com
Tel no. 0175-5009600

Phagwara
Email ID: phgt@indusind.com
Tel no. 01824-503060 to 503068/223421

Rahon
Email ID: rapu@indusind.com
Tel no. 01823-240275/ 501799

Sangrur
Email ID: sapu@indusind.com
Tel no. 01672-500201

Shahkot
Email ID: shpu@indusind.com
Tel no. 01821-509 300 / 02 / 03, 509 301

Sunder Nagar, Ludhiana
Email ID: lusn@indusind.com
Tel no. 0161-3028653, 3028654

Threekay
Email ID: thpu@indusind.com
Tel no. 0161-5001590 /93, 5001595-99, 5021313

Urban Estate Focal Point
Email ID: lujs@indusind.com
Tel no. 0161-4612373/3373/4373, 2678500

Rajasthan

Ajmer
Email ID: ajra@indusind.com
Tel no. 0145-2631999, 2428239, 2428240, 2428251

Alwar City
Email ID: alra@indusind.com
Tel no. 0144-2701368

Banswara
Email ID: bsra@indusind.com
Tel no. 02962-241166, 240767

Barmer
Email ID: bara@indusind.com
Tel no. 02982-221005, 221006

Bhadohi
Email ID: bhup@indusind.com
Tel no. 05414-224301-224302, 224301

Bhilwara
Email ID: bhra@indusind.com
Tel no. 01482-233200 - 201, 233 202

Bhiwadi
Email ID: bwra@indusind.com
Tel no. 01493-204087, 230083

Bijoliya
Email ID: bjra@indusind.com
Tel no. 01489-236236 / 236400 / 236240, 236237

Bikaner
Email ID: bira@indusind.com
Tel no. 0151-2201790 / 2201793, 2201792

Boranada
Email ID: bora@indusind.com
Tel no. 02931-281373, 281310

Chittaurgarh
Email ID: chra@indusind.com
Tel no. 01472- 243335-36, 243330

Deoli
Email ID: dera@indusind.com
Tel no. 01434-232433 / 35, 232434

Deoli
Email ID: dera@indusind.com

Gordhanvilas
Email ID: gvra@indusind.com
Tel no. 02942-641802-03, 641804

Gotan
Email ID: gora@indusind.com
Tel no. 01591-230059/ 60/ 61, 230055

Gowari
Email ID: gwra@indusind.com
Tel no. 02966-255332-33, 255334

Jaipur
Email ID: jach@indusind.com
Tel no. 0141-2387301-05, 2387084

Jhunjhunu
Email ID: jhra@indusind.com
Tel no. 01592-236319, 236728, 235018

Jodhpur
Email ID: josr@indusind.com
Tel no. 0291-264 7739, 262 2765

Johri Bazar
Email ID: jajb@indusind.com
Tel no. 0141-2560074, 2560076, 2564075, 2560075

Kota
Email ID:kora@indusind.com
Tel no.0744-2366677 – 80, 2366681

Laxmangarh (Lachhmangarh)
Email ID:lara@indusind.com
Tel no.01573-222 061, 222 062

Mahapura
Email ID: mara@indusind.com
Tel no. 0141-2259090/84, 2259086

Nagaur
Email ID: nara@indusind.com
Tel no. 01582-247184, 247185, 247168

Nasirabad
Email ID: nsra@indusind.com
Tel no. 01491 -220452, 220456, 220454

Neemrana
Email ID: jane@indusind.com
Tel no.01494-246037 / 8

Paota- Jodhpur
Email ID: para@indusind.com
Tel no.0291-2545601-2

Raja Park, Jaipur
Email ID:jarp@indusind.com
Tel no.0141-2600300, 2600477, 2600713

Rajasmand
Email ID:rjra@indusind.com
Tel no.02952-224003/4, 224005

Raniwara
Email ID: rnra@indusind.com
Tel no.02990-232001 /011 /012

Shahpura
Email ID: shra@indusind.com
Tel no.01422-225388/89, 517231, 225390

Sikar

Sumerpur
Email ID: sura@indusind.com
Tel no.02933-258127 / 128 / 327 / 328/ 744, 258743

Sursagar
Email ID: sora@indusind.com
Tel no.0291-2780784,02781785, 2780785

Udaipur
Email ID:udra@indusind.com
Tel no.0294-2417294/295, 2427997/2427998, 2415240

Vallabh Nagar
Email ID:vnra@indusind.com
Tel no.02957-240007, 240017

Sikkim

Gangtok
Email ID:gasi@indusind.com
Tel no.03592-271157 / 232571, 231585

Jorethang
Email ID:josi@indusind.com
Tel no.03595-257701, 257702, 257710

Tamil Nadu

Adyar
Email ID:maad@indusind.com
Tel no.044-42607575 - 79, 42607577

Aminjikarai, Chennai
Email ID:amtn@indusind.com
Tel no.044-23630166/092/0068, 23630089

Annanagar
Email ID:maan@indusind.com
Tel no.044-4218 0927 / 28, 42693926

Aranthangi
Email ID:artn@indusind.com
Tel no.04371-271 555 / 271 302

Ashok Nagar
Email ID:astn@indusind.com
Tel no.04424851067/68/69/ 71/72, 24851070

Avinashi
Email ID:avin@indusind.com
Tel no.04296-273701 - 04, 273705

Chennai
Email ID:manb@indusind.com
Tel no.044-044 4596 2500 / 01 / 02 / 03, 4596 2510, 4596 2520

Coimbatore
Email ID:coav@indusind.com
Tel no. 0422-6602000, 6602003, 6602004, 6002007, 6602008,2221770

Coonoor
Email ID: cotn@indusind.com
Tel no.0423-2232010, 2232020, 2232120

Dharmapuri
Email ID: dhtn@indusind.com
Tel no.04342-269709, 269611, 267809

Dindigul
Email ID: ditn@indusind.com
Tel no.0451-2432120/130/140

Erode
Email ID:ermr@indusind.com
Tel no. 0424-2259073 / 75 / 76, 2257061

Hosur
Email ID:hotn@indusind.com
Tel no.04344-240301 / 240401 / 649599, 240101

Karur
Email ID: katn@indusind.com
Tel no.04324-231402 / 3, 231404

Kilpauk
Email ID:kitn@indusind.com
Tel no.044-26420409/0423/0436/0468

Madipakkam
Email ID:mdtn@indusind.com
Tel no.044-22472363

Madurai
Email ID:matn@indusind.com
Tel no.0452-2520421 / 2522850 / 6540209, 2520393

Medavakkam
Email ID:metn@indusind.com
Tel no.044-22770972

Mowlivakkam
Email ID:mana@indusind.com
Tel no. 044-2382 1535 / 2382 1657 / 2382 1656 / 23821658, 23821536

Namakkal
Email ID:natn@indusind.com
Tel no. 04286-231722 / 0064 / 0086, 225906

Omalur
Email ID: omtn@indusind.com
Tel no. 04290-222581/582/583, 222584

R. S. Puram
Email ID:cokm@indusind.com
Tel no.0422-2541409 / 29, 2545564

Rajaji Salai
Email ID:rstn@indusind.com
Tel no.044-30063030

Ramnagar
Email ID:ratn@indusind.com
Tel no.0422-2233015, 2233035, 2233045, 2233075, 2233025

Salem
Email ID:satn@indusind.com
Tel no.0427-2446096, 2330505

Sankari
Email ID: sntn@indusind.com
Tel no.04283 -241600, 241001

Sirkali
Email ID: sktn@indusind.com
Tel no.04364-270866, 271866, 272866, 273866, 274866

Sivakasi
Email ID:sitn@indusind.com
Tel no.04562-276736, 276734

Sripermbadur
Email ID:srtn@indusind.com
Tel no.044-27163880, 27163882, 27163877, 27163887, 27163889

T Nagar, Chennai
Email ID: tntn@indusind.com
Tel no. 044-28156937/36

Teynampet
Email ID: tetn@indusind.com
Tel no. 044-24315632 - 35

Thiruvallur
Email ID: thtn@indusind.com
Tel no. 044-2766 4381 / 82 / 83 / 84

Tiruchirapalli
Email ID: titn@indusind.com
Tel no. 0431-2412237, 2412217

Tirupur
Email ID: tico@indusind.com
Tel no. 0421-2423875/885, 2422471

Tuticorin
Email ID: tutn@indusind.com
Tel no.0461-2300702/3/4/6, 2300702

Valasaravakkam
Email ID: vatn@indusind.com
Tel no.044-24869171 – 75

Vellore
Email ID: veta@indusind.com
Tel no.0416-222 2263 / 43, 2222243

Tripura

Agartala
Email ID:agtr@indusind.com
Tel no. 0381-2320040 / 2320061, 2327997

Tripura

Dharmanagar
Email ID:dhtr@indusind.com
Tel no.03822-235181 / 235189, 234479

Union Territory

Chandigarh
Email ID: chss1@indusind.com
Tel no. 0172-500 1872 / 3 / 4, 2541657

Chandigarh Sector 35
Email ID: chse@indusind.com
Tel no.0172-5002359 / 60

Pondicherry
Email ID: potn@indusind.com
Tel no.0413-4210600, 4210601, 4210602

Silvassa
Email ID: sidn@indusind.com
Tel no. 0260-2641712, 2993712, 2993713, 2641713

Dadra & Nagar Haveli

Dadra
Email ID: dadn@indusind.com
Tel no. 0260-2667041 / 42 / 43 / 44, 2667041

Uttar Pradesh

Agra
Email ID: agup@indusind.com
Tel no.0562-3018380 / 3018390 / 3018420, 3018420

Ahimanpur
Email ID:ahup@indusind.com

Aligarh

Allahabad
Email ID: alup@indusind.com
Tel no. 0532-2260354, 2260353, 2260355

Aminabad
Email ID: lumv@indusind.com
Tel no. 0522-2638989, 2625994

Anpara
Email ID: anup@indusind.com
Tel no. 05446-272 747 / 74, 272 448

Bareilly
Email ID: baup@indusind.com
Tel no. 0581-2572112 / 2113, 2471912

Chhapraula
Email ID: chup@indusind.com
Tel no. 0120-2673036

Chitaura
Email ID: ctup@indusind.com

Fatehpur

Ghaziabad
Email ID: ghup@indusind.com
Tel no. 0120-4041560

Gopiganj
Email ID: ggup@indusind.com
Tel no. 05414-232056

Gorakhpur
Email ID: goup@indusind.com
Tel no. 0551-6457144

Hapur
Email ID: harr@indusind.com
Tel no. 0122-2306085/86, 2306087

Indirapuram
Email ID: inup@indusind.com
Tel no. 0120-4299450

Jagdishpur
Email ID: jaup@indusind.com
Tel no. 05361-265221, 265222, 265219

Jamalpur
Email ID: jpup@indusind.com
Tel no. 8795839003

Kakarmatta
Email ID: kaup@indusind.com
Tel no.0542-2270041/2

Kanpur
Email ID: kasn@indusind.com
Tel no.0512-2554057-60, 2554056

Kharamau
Email ID: khup@indusind.com

Kundol
Email ID: kuup@indusind.com

Lucknow
Email ID: lula@indusind.com
Tel no.0522-220 4681 / 82 / 83, 220 4680

Meerut
Email ID: meup@indusind.com
Tel no.0121-2604771

Moradabad
Email ID: moup@indusind.com
Tel no. 0591-2410823 /24/25/27, 2410827

Narepar Uparwar
Email ID: nuup@indusind.com

Noida Sector 18
Email ID: nogb@indusind.com
Tel no. 0120-418 7450, 418 7451

Noida Sector 51
Email ID: noup@indusind.com
Tel no. 0120-2485566, 2480099

Noida Sector 63
Email ID: nozs@indusind.com
Tel no. 0120-4782101-122

Obaree
Email ID: obup@indusind.com
Tel no. 05248-225822 / 226822

Paikaramau
Email ID: paup@indusind.com

Palia Khalan
Email ID: pkup@indusind.com
Tel no. 05871-233021

Saharanpur

Saifai
Email ID: saup@indusind.com
Tel no. 05688-276115 / 276114

Sikri Hissa
Email ID: shup@indusind.com
Tel no.8795839004

Sirsa Etawah
Email ID: seup@indusind.com

Tanda Sadat
Email ID: tsup@indusind.com
Tel no. 8795839010

Varanasi
Email ID: vams@indusind.com
Tel no. 0542-2222 147/148/149, 2222 153

Uttaranchal

Dehradun
Email ID: derr@indusind.com
Tel no. 0135-2740411/ 2740522, 2740433

West Bengal

Alamganj-Burdwan
Email ID: alwb@indusind.com

Amtala
Email ID: amwb@indusind.com
Tel no. 033-24809834, 24809836

Asansol
Email ID: aswb@indusind.com
Tel no. 0341-2315665-8, 2315669

Bagnan
Email ID: bawb@indusind.com
Tel no.03214-266333/34/35

Barasat

Baruipur
Email ID: brwb@indusind.com
Tel no.033-24337022

Bhowanipore
Email ID: bhwb@indusind.com
Tel no. 033-22870278

Burdwan

Burra Bazar
Email ID: cakk@indusind.com
Tel no. 033-22594856/57, 22594819/20, 22594855

Dhupguri
Email ID: dhwb@indusind.com
Tel no. 03563-250086, 250032

Diamond Harbour
Email ID: diwb@indusind.com
Tel no. 03174-258584/85, 258583

Domjur
Email ID: doko@indusind.com
Tel no. 033-26705908/09/10

Dunlop
Email ID: dnwb@indusind.com
Tel no.033-25313372-77

Durgapur
Email ID: duwb@indusind.com
Tel no. 0343-2543520/21/22/ 23, 2543522

Gariahat
Email ID: caga@indusind.com
Tel no. 033-2460 9100/9101, 2460 9102, 24609103

Ghatal
Email ID: ghwb@indusind.com
Tel no.03225-257007/8, 257009

Howrah
Email ID: howb@indusind.com
Tel no.0332-26660028/47/65/88, 26660016

Jaigaon
Email ID: jawb@indusind.com
Tel no.03566-265705/ 265706/265704

Kankurgachi
Email ID: kawb@indusind.com
Tel no.033-23203665-70, 23203666

Kharagpur
Email ID: khwb@indusind.com
Tel no.03222-228328/30/31, 228329

Kolkatta
Email ID: caps@indusind.com
Tel no.033-30212400 / 01 (30 lines) 22896204, 22896205, 22896206

Madhyamgram
Email ID: mdwb@indusind.com
Tel no. 033-25267854

Malda
Email ID: mawb@indusind.com
Tel no. 03512-265762 / 5769 / 5887, 265648

Patuli
Email ID: ptwb@indusind.com
Tel no.033-24620132/ 36, 24620042

Prince Anwar Shah
Email ID: pawb@indusind.com
Tel no.033-24174796

R N Mukherjee Road, Kolkata
Email ID: rnwb@indusind.com
Tel no. 033-2624731/33/34/ 35/36, 22624738

Raghunathpur
Email ID: rawb@indusind.com
Tel no. 033-26630313/ 14, 26630311

Siliguri
Email ID: siwb@indusind.com
Tel no. 0353-2777940/ 41/ 42/43, 2534474

Stock Exchange
Email ID: csex@indusind.com
Tel no. 033-22312723 / 24, 2231 2725 / 2950

Tamluk
Email ID: tawb@indusind.com
Tel no. 03228-263028

Tarakeshwar
Email ID: tkwb@indusind.com
Tel no. 03212-278220/ 21, 278219

Offices Abroad:

Dubai
Email: ibldubai@indusind.ae
Tel : 00971501566814 / 00971 4 3978803/04

London
Email: sharukh.wadia@indusind.com
Tel. :00 44 20 74845585 / 0044 20 74845586 (D)

NOTES

NOTES

NOTES

FORM OF PROXY

For Office use only	
Proxy No.	

IndusInd Bank

Registered Office:- 2401,General Thimmaya Road (Cantonment), Pune 411 001

DP ID		Folio No.	
Client ID		No. of Shares held	

I/We____________________________of___________________________in the district of__________________being a member / members of the above named Bank, hereby appoint the following as my / our Proxy to attend and vote for me / us and on my / our behalf at the Nineteenth Annual General Meeting of the Bank, to be held at 2.00 p.m. on Friday, June 28, 2013 at Hotel Le Meridien, Raja Bahadur Mill Road, Pune - 411001, India, and at any adjournment there of.

1. Mr. / Ms ____________________________, or failing him

2. Mr. / Ms ____________________________.

AFFIX REVENUE STAMP

Signed this_______________day of _______________2013

NOTE: The Proxy need not not be a member
This proxy form, in order to be effective and valid, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Bank not less than 48 hours before the time of the Meeting.

ATTENDANCE SLIP

IndusInd Bank

Registered Office:- 2401,General Thimmaya Road (Cantonment), Pune 411 001

DP ID		Folio No.	
Client ID		No. of Shares held	

I/We hereby record my/our presence at the Nineteenth Annual General Meeting of the Bank, to be held at 2.00 p.m. on Friday, June 28, 2013 at Hotel Le Meridien, Raja Bahadur Mill Road, Pune - 411001, India,

Name of the shareholder / proxy / Representative: ____

Signature of the Member/s / proxy / Representative: ____

NOTE : Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over to the bank officials at the meeting hall.

BANK ACCOUNT PARTICULARS / NECS MANDATE FORM

IndusInd Bank

Registered Office:- 2401,General Thimmaya Road (Cantonment), Pune 411 001

Folio No. ____________________ No. of Shares held ______________________

I / We ____do hereby authorise IndusInd Bank Limited to:

*Print the following details on my/our Dividend Warrant

*Credit my dividend directly to my bank account by National Electronic Clearing Service (NECS)

(*strike out whichever is not applicable)

Particulars of Bank Account :

A. Bank Name : ____

B. Branch Name : ____

Address with PIN Code
(for NECS Mandate only)

C. 9 Digit Code Number of the Bank and
Branch (as appearing on the MICR Cheque) : ____

D. Account Type (Savings / Current / NRE / NRO) : ____

E. Account No. (as appearing on the Cheque Book) : ____

I / We shall not hold the Bank responsible if the NECS could not be implemented or the Bank discontinues the NECS, for any reason.

MAIL TO ☞

Link Intime India Pvt. Ltd.
Unit : IndusInd Bank Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.

____
Signature of the Shareholder

NOTE : Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank Account particulars / NECS mandate.

IndusInd Bank

Registered Office: 2401 General Thimmayya Road, Cantonment, Pune - 411 001.
Tel.: +91 20 2634 3227/ 28 • Fax: +91 20 2634 3241

Corporate Office: 8th Floor, Tower 1, One Indiabulls Centre,
841, S. B. Marg, Elphinstone Road, Mumbai - 400 013.
Tel.: +91 22 2423 1999/ 3049 3999 • Fax: +91 22 2423 1998/ 3049 3998
Visit us at www.indusind.com or email us at investor@indusind.com

To view this Report online, please scan this QR Code
with your camera-enabled smartphone.
If you do not have a QR Code scanner, you may
download the same from your app store.
www.indusind.com/indusind/wcms/en/home/top-links/investors-relation/annual-reports/index.html

www.sapprints.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges
(In pursuance of Clause 31 of Listing agreement)

1	Name of the Company	IndusInd Bank Limited ('the Bank')
2.	Annual Financial statements for the year ended	31 March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable

S.V. Zaregaonkar
CFO

Romesh Sobti
Managing Director and CEO

Kanchan Chitale
Chairman of the Audit and Compliance Committee

N Sampath Ganesh
B S R & Co., Chartered Accountants
Statutory Auditors of the Bank