

**Independent Auditor's Review Report on quarterly Unaudited Consolidated Financial Results of IndusInd Bank Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

**To The Board of Directors**

**IndusInd Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of IndusInd Bank Limited ("the Parent" or "the Bank") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the net profit after tax of its associate for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.
2. Attention is drawn to the fact that the consolidated figures for the corresponding quarters ended June 30, 2018 and March 31, 2019, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to audit/review.

The comparative financial information of the Bank for year ended March 31, 2019 included in the Statement have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial information for the year ended March 31, 2019 dated May 22, 2019 expressed an unmodified opinion.

3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and relevant directions issued by the Reserve Bank of India (RBI) as applicable from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan



and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. The Statement includes the results of the following entities:

Sr.No.	Name of Company	Relation
1	IndusInd Bank Limited	Holding
2	IndusInd Financial Inclusion Limited	Subsidiary
3	IndusInd Marketing and Financial Services Private Limited	Associate

6. Based on our review conducted and procedures performed as stated in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.
7. We draw attention to Note 8 to the Statement with regard to merger of Bharat Financial Inclusion Limited with the Bank. We did not review the financial results of Bharat Financial Inclusion Limited included in the Statement, whose financial results reflect total income of Rs. 66723.22 lacs and total profit after tax of Rs. 21302.30 lacs, as considered in the Statement. These financial results have been reviewed by the other auditor whose report has been furnished to us by the Bank's Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the Bharat Financial Inclusion Limited, is based solely on the report of the other auditor.

Our report on the Statement is not modified in respect of the above matter.



# HARIBHAKTI & CO. LLP

Chartered Accountants

8. The unaudited consolidated financial results includes the Group's share of net profit after tax of Rs. 4.18 lacs as considered in the unaudited consolidated financial results, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor.

Our report on the Statement is not modified in respect of the above matter.

9. The unaudited consolidated financial results includes the interim financial information of one subsidiary which have not been reviewed by their auditor, whose interim financial information reflect total revenue and total net profit after tax of Rs. Nil for the quarter ended June 30, 2019, as considered in the unaudited consolidated financial results. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group including its associate.

Our report on the Statement is not modified in respect of the above matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Purushottam Nyati

Partner

Membership No.: 118970

UDIN: 19118970AAAACH1667

Place: Mumbai

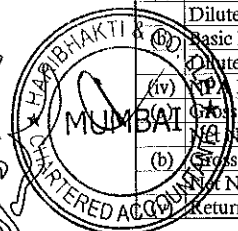
Date: July 12, 2019

Regd. Office : 2401, Gen. Thimmayya Road, Cantonment, Pune 411 001  
CIN : L65191PN1994PLC076333

Unaudited Consolidated Financial Results for the quarter ended June 30, 2019

(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended 30.06.2019 (unaudited)	Quarter ended 31.03.2019 (audited) (Refer Note 12)	Quarter ended 30.06.2018 (unaudited)	Year ended 31.03.2019 (audited)
1.	<b>Interest Earned (a)+(b)+(c)+(d)</b>	696137	599144	506815	2226115
(a)	Interest / Discount on Advances / Bills	575384	489474	414662	1825668
(b)	Income on Investments	106994	97945	86103	367734
(c)	Interest on balances with Reserve Bank of India and other inter bank funds	4878	2798	1868	10203
(d)	Others	8881	8927	4182	22510
2.	Other Income	166325	155899	130160	564672
3.	<b>Total Income (1+2)</b>	<b>862462</b>	<b>755043</b>	<b>636975</b>	<b>2790787</b>
4.	Interest Expended	411738	375906	294572	1341497
5.	Operating Expenses (i)+(ii)	191628	172430	151290	640530
(i)	Employees Cost	64722	48124	46204	185352
(ii)	Other Operating Expenses	126906	124306	105086	455178
6.	<b>Total Expenditure (4+5) Excluding Provisions and Contingencies</b>	<b>603366</b>	<b>548336</b>	<b>445862</b>	<b>1982027</b>
7.	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>259096</b>	<b>206707</b>	<b>191113</b>	<b>808760</b>
8.	Provisions (other than tax) and Contingencies	43062	156069	35001	310765
9.	Exceptional items	-	-	-	-
10.	<b>Profit (+) / Loss (-) from Ordinary Activities before Tax (7-8-9)</b>	<b>216034</b>	<b>50638</b>	<b>156112</b>	<b>497995</b>
11.	Tax Expense	72784	14690	52540	167947
12.	<b>Net Profit (+) / Loss (-) from Ordinary Activities after Tax (10-11)</b>	<b>143250</b>	<b>35948</b>	<b>103572</b>	<b>330048</b>
13.	Extraordinary items (net of tax expense)	-	-	-	-
14.	<b>Net Profit before share of Associate (12-13)</b>	<b>143250</b>	<b>35948</b>	<b>103572</b>	<b>330048</b>
15.	Share in profit/(loss) of Associate	4	5	5	27
16.	<b>Net Profit for the period (14+15)</b>	<b>143254</b>	<b>35953</b>	<b>103577</b>	<b>330075</b>
17.	Paid up Equity Share Capital (Face Value: Rs.10/- each) (Refer Note 9)	60314	60269	60044	60269
18.	Reserves excluding revaluation reserves				<b>2574782</b>
19.	<b>Analytical Ratios</b>				
(i)	Percentage of shares held by Government of India	0.00	0.00	0.00	0.00
(ii)	Capital Adequacy Ratio (%) - Basel III	14.90	14.16	14.70	14.16
(iii)	<b>Earnings per share - (Basic and Diluted) (Rs.)</b>				
(a)	Basic EPS before Extraordinary items (not annualized)	20.68	5.96	17.25	54.89
	Diluted EPS before Extraordinary items (not annualized)	20.58	5.93	17.08	54.45
	Basic EPS after Extraordinary items (not annualized)	20.68	5.96	17.25	54.89
	Diluted EPS after Extraordinary items (not annualized)	20.58	5.93	17.08	54.45
(iv)	<b>NPAs Ratios</b>				
	Gross NPA	419966	394741	174062	394741
	Net NPA	238051	224828	76235	224828
(b)	Gross NPA (%)	2.15	2.10	1.15	2.10
	Net NPA (%)	1.23	1.21	0.51	1.21
	Return on Assets (%) (annualized)	2.05	0.56	1.91	1.39



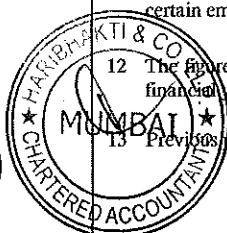
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## Notes:

- 1 The consolidated financial statements of the Group comprise the financial statements of IndusInd Bank Limited (the Bank), IndusInd Financial Inclusion Limited (IFIL), a wholly owned subsidiary, and IndusInd Marketing and Financial Services Private Limited (IMFS), an Associate of the Bank.
- 2 The above results are prepared in accordance with Section 133 of Companies Act and Regulation 33 of SEBI (Listing Obligation and Disclosure requirement) 2015
- 3 There has been no material change in the accounting policies adopted during the quarter ended June 30, 2019 as compared to those followed for the year ended March 31, 2019.
- 4 The working results for the quarter ended June 30, 2019 have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposure, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 5 The above financial results for the quarter ended June 30, 2019 were subjected to a Limited Review by the Statutory Auditors of the Bank. An unqualified / unmodified report has been issued by them thereon. These financial results were reviewed by the Audit Committee and subsequently have been taken on record and approved by the Board of Directors at its meeting held on July 12, 2019.
- 6 RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015, as amended, on Basel III Capital Regulations contain guidelines on certain Pillar 3 and leverage ratio disclosure requirements that are to be made along with the publication of financial results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link:  
<http://www.indusind.com/content/home/important-links/regulatory-disclosures-section.html>  
These disclosures have not been subjected to Limited Review.
- 7 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 8 On October 14, 2017, the Board of Directors of the Bank and Bharat Financial Inclusion Limited (BFIL), at their respective meetings, approved a Composite Scheme of Arrangement (Scheme). The Scheme contemplates the merger of BFIL with the Bank, a preferential allotment of 1,57,70,985 Share Warrants at a price of Rs. 1,709 per warrant to the Promoters, issue of 57,50,000 Employee Stock Options and a simultaneous transfer of the Business Correspondent Undertaking (BC Undertaking) contained in BFIL to a wholly owned subsidiary of the Bank. For the purposes of the Scheme, IndusInd Financial Inclusion Limited (IFIL), a wholly owned subsidiary of the Bank, was incorporated on August 8, 2018 after obtaining requisite RBI approval.  
Pursuant to receipt of all necessary approvals, the National Company Law Tribunal Mumbai sanctioned the Scheme on June 10, 2019 with the Appointed Date set at January 1, 2018. The Scheme became effective on July 4, 2019 and accounting effects for the Scheme in so far as it relates to merger of BFIL with the Bank have been given in the financial statements for the period ended June 30, 2019 under Accounting Standard 14 – Accounting for Amalgamation, and hence the financial results for the period ended June 30, 2019 are not comparable with the previous periods. Consequently Net Profit for the period of the Bank is higher by Rs. 213.02 crores.
- 9 Pursuant to the Composite Scheme of Arrangement as stated in para 8 above the Bank has allotted 8,96,17,781 equity shares of Rs. 10 each fully paid-up, to the eligible equity shareholders of erstwhile Bharat Financial Inclusion Limited in the ratio of 639 shares of the Bank for every 1000 shares of Bharat Financial Inclusion Limited. For quarter ended June 30, 2019 the same is shown under Share Suspense and does not form part of Paid up Equity Share Capital Sr. No. 17 above.  
Further on the same date, 1,57,70,985 Share Warrants were allotted to the promoters of the Bank, in accordance with the Scheme at Rs.1,709 per warrant, convertible into 1 (one) equity share each, which price has been determined in accordance with the applicable SEBI regulations. In accordance with the Scheme, the promoters have paid an amount equivalent to 25% of the aggregate warrant consideration for subscription to the share warrants
- 10 In accordance with a clarification issued by RBI on May 8, 2019 regarding Debt Asset Swap Transactions, a provision of Rs.54.30 crores was made during the quarter ended March 31, 2019, by debiting Reserves and Surplus - Balance in Profit and Loss Account which was to be reversed by debiting Profit and Loss Account over the next three quarters. Accordingly Rs.18.10 crores has been debited during the quarter ended June 30, 2019.
- 11 During the quarter ended June 30, 2019, the Bank allotted 452074 shares pursuant to the exercise of stock options by certain employees.
- 12 The figures of last quarter for the previous year are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the previous year.
- 13 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period / year

Mumbai  
July 12, 2019

Romesh Sobti  
Managing Director

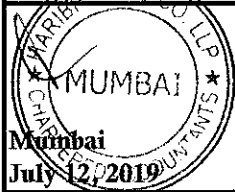


## Consolidated Segment Reporting for the quarter ended June 30, 2019

### Business Segments:

(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended 30.06.2019 (unaudited)	Quarter ended 31.03.2019 (audited)	Quarter ended 30.06.2018 (unaudited)	Year ended 31.03.2019 (audited)
<b>(a)</b>	<b>Segment Revenue :</b>				
(i)	Treasury Operations	140661	119999	100029	441755
(ii)	Corporate / Wholesale Banking	252122	239904	207150	904490
(iii)	Retail Banking	475662	415550	346480	1505234
(iv)	Other Banking Business	1295	2006	1791	6969
	<b>Total [ Items (i) to (iv) ]</b>	<b>869740</b>	<b>777459</b>	<b>655450</b>	<b>2858448</b>
	Less : Inter-segment Revenue	7278	22416	18475	67661
	<b>Total Income</b>	<b>862462</b>	<b>755043</b>	<b>636975</b>	<b>2790787</b>
<b>(b)</b>	<b>Segment Results :</b>				
(i)	Treasury Operations	23515	13148	11397	48357
(ii)	Corporate / Wholesale Banking	82163	68234	64996	279064
(iii)	Retail Banking	159619	131021	119358	501961
(iv)	Other Banking Business	435	574	617	2263
	<b>Total [ Items (i) to (iv) ]</b>	<b>265732</b>	<b>212977</b>	<b>196368</b>	<b>831645</b>
	Add: Unallocated Revenue	-	-	-	-
	Less: Unallocated Expenses	6636	6269	5255	22885
	<b>Operating Profit</b>	<b>259096</b>	<b>206708</b>	<b>191113</b>	<b>808760</b>
	Less: Provisions & Contingencies	43062	156069	35001	310765
	<b>Net Profit before tax</b>	<b>216035</b>	<b>50638</b>	<b>156112</b>	<b>497995</b>
	Less: Taxes including Deferred Taxes	72784	14690	52540	167947
	Extraordinary Profit / Loss	-	-	-	-
	<b>Net Profit before share of Associate</b>	<b>143250</b>	<b>35948</b>	<b>103572</b>	<b>330048</b>
	Add: Share in profit/loss of Associate	4	5	5	27
	<b>Net Profit for the period</b>	<b>143254</b>	<b>35953</b>	<b>103577</b>	<b>330075</b>
<b>(c)</b>	<b>Other Information :</b>				
	<b>Segment Assets</b>				
(i)	Treasury Operations	7339372	6988449	6039614	6988449
(ii)	Corporate / Wholesale Banking	8757247	8300771	7069379	8300771
(iii)	Retail Banking	12148686	11413074	8870993	11413074
(iv)	Other Banking Business	-	-	-	-
	Unallocated Assets	1059404	1079588	908096	1079588
	<b>Total Assets</b>	<b>29304709</b>	<b>27781882</b>	<b>22888082</b>	<b>27781882</b>
	<b>Segment Liabilities</b>				
(i)	Treasury Operations	5053380	4795599	3767156	4795599
(ii)	Corporate / Wholesale Banking	8238423	8797608	7144058	8797608
(iii)	Retail Banking	11988974	10828981	8909370	10828981
(iv)	Other Banking Business	-	-	-	-
	Unallocated Liabilities	818024	691158	575205	691158
	<b>Capital &amp; Other Reserves</b>	<b>3205908</b>	<b>2668536</b>	<b>2492294</b>	<b>2668536</b>
	<b>Total Liabilities</b>	<b>29304709</b>	<b>27781882</b>	<b>22888082</b>	<b>27781882</b>



*[Signature]*

Romesh Sobti  
Managing Director

