

# Price Waterhouse Chartered Accountants LLP

The Board of Directors,  
IndusInd Bank Limited,  
2401, Gen Thimmayya Road,  
(Cantonment), Pune 411 001.

1. We have reviewed the accompanying statement of Unaudited Financial Results of IndusInd Bank Limited (the Bank) for the quarter ended December 31, 2015 (the "Statement") except for the disclosures regarding 'percentage of shares held by Government of India', which have been traced from disclosures made by the Bank's Management and the "Pillar 3 under Basel III Capital Regulations" as have been disclosed on the Bank's website and in respect of which a link has been provided in note 4, both of which have neither been reviewed nor been audited by us. The Statement has been prepared by the Bank pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations), which has been initiated by us for identification purposes. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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 financial information is free of material misstatement.
3. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding percentage of shares held by the Government of India, in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon. Further, we have also neither audited nor reviewed the disclosures relating to "Pillar 3 under Basel III Capital Regulations" as have been disclosed on the Bank's website and in respect of which a link has been provided in note 4 in the aforesaid Statement.
5. The Unaudited Financial Results of the Bank for the quarter/ nine months ended December 31, 2014 were reviewed by another firm of chartered accountants who vide their report dated January 13, 2015 issued unmodified review report on those financial information. The financial statements of the Bank as at March 31, 2015 and for the year then ended were also audited by another firm of chartered accountants who, vide their report dated April 16, 2015 expressed an unmodified opinion on those financial statements
6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



Place: Mumbai  
Date: January 12, 2016

For Price Waterhouse Chartered Accountants LLP  
Chartered Accountants  
Firm Registration Number: 012754N / N500016

Russell I Parera  
Partner  
Membership Number: 42190

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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

Unaudited Financial Results for the quarter / nine months ended December 31, 2015

(Rs. in lacs)

Sr. No.		Quarter ended 31.12.2015 (unaudited)	Quarter ended 30.09.2015 (unaudited)	Quarter ended 31.12.2014 (unaudited)	Nine months ended 31.12.2015 (unaudited)	Nine months ended 31.12.2014 (unaudited)	Year ended 31.03.2015 (audited)
1.	Interest Earned (a)+(b)+(c)+(d)	292770	279777	243695	844897	711302	969197
(a)	Interest / Discount on Advances / Bills	236777	221255	195385	668675	570015	771691
(b)	Income on Investments	43181	45001	38742	129573	116901	158769
(c)	Interest on balances with Reserve Bank of India and other inter bank funds	9609	9795	7091	35124	17774	27730
(d)	Others	3203	3726	2477	11525	6612	11007
2.	Other Income	83900	78354	64900	238415	184889	254800
3.	<b>Total Income (1+2)</b>	<b>376670</b>	<b>358131</b>	<b>308595</b>	<b>1083312</b>	<b>896191</b>	<b>1223997</b>
4.	Interest Expended	175428	170349	157558	520061	461788	627169
5.	Operating Expenses (i)+(ii)	95144	87129	73653	264228	209632	287006
(i)	Employees Cost	32670	30073	25554	89968	71510	98048
(ii)	Other Operating Expenses	62474	57056	48099	174260	138122	188958
6.	<b>Total Expenditure (4+5) Excluding Provisions and Contingencies</b>	<b>270572</b>	<b>257478</b>	<b>231211</b>	<b>784289</b>	<b>671420</b>	<b>914175</b>
7.	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>106098</b>	<b>100653</b>	<b>77384</b>	<b>299023</b>	<b>224771</b>	<b>309822</b>
8.	Provisions (other than tax) and Contingencies	17708	15809	9801	45850	28161	38905
9.	Exceptional items	-	-	-	-	-	-
10.	<b>Profit (+) / Loss (-) from Ordinary Activities before Tax (7-8-9)</b>	<b>88390</b>	<b>84844</b>	<b>67583</b>	<b>253173</b>	<b>196610</b>	<b>270917</b>
11.	Tax Expense	30288	28840	22864	86563	66765	91545
12.	<b>Net Profit (+) / Loss (-) from Ordinary Activities after Tax (10-11)</b>	<b>58102</b>	<b>56004</b>	<b>44719</b>	<b>166610</b>	<b>129845</b>	<b>179372</b>
13.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14.	<b>Net Profit for the period (12-13)</b>	<b>58102</b>	<b>56004</b>	<b>44719</b>	<b>166610</b>	<b>129845</b>	<b>179372</b>
15.	Paid up Equity Share Capital (Face Value: Rs.10/- each)	59364	59217	52851	59364	52851	52945
16.	Reserves excluding revaluation reserves						972408
17.	<b>Analytical Ratios</b>						
(i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	Capital Adequacy Ratio (%) - Basel III	16.43	16.52	12.39	16.43	12.39	12.09
(iii)	<b>Earnings per share - (Basic and Diluted) (Rs.)</b>						
(a)	Basic EPS before Extraordinary items (not annualized)	9.80	9.54	8.46	29.22	24.63	33.99*
	Diluted EPS before Extraordinary items (not annualized)	9.68	9.40	8.30	28.85	24.15	33.41*
(b)	Basic EPS after Extraordinary items (not annualized)	9.80	9.54	8.46	29.22	24.63	33.99*
	Diluted EPS after Extraordinary items (not annualized)	9.68	9.40	8.30	28.85	24.15	33.41*
(iv)	<b>NPA Ratios</b>						
(a)	Gross NPA	68113	60210	67266	68113	67266	56292
	Net NPA	27334	24075	20151	27334	20151	21048
(b)	Gross NPA (%)	0.82	0.77	1.05	0.82	1.05	0.81
	Net NPA (%)	0.33	0.31	0.32	0.33	0.32	0.31
(v)	Return on Assets (%) (annualized)	1.92	1.93	1.90	1.91	1.90	1.90

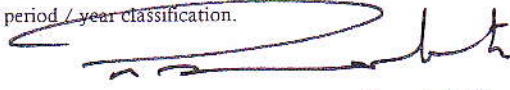
\* Annualized



## Notes:

- 1 There has been no material change in the accounting policies adopted during the quarter and nine months ended December 31, 2015 as compared to those followed for the year ended March 31, 2015.
- 2 The working results for the quarter and nine months ended December 31, 2015 have been arrived at after considering provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 3 The above financial results for the quarter and nine months ended December 31, 2015 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 January 12, 2016. These financial results were subjected to a Limited Review by the Statutory Auditors of the Bank. A clean report has been issued by them thereon.
- 4 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 the Limited Review.
- 5 Pursuant to RBI circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank has, with effect from September 30, 2015, included its deposits placed with NABARD, SIDBI and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Hitherto these were included under 'Investments' and interest income thereon was included under 'Interest Earned - Income on Investments'. On account of this regrouping, interest income on deposits placed with NABARD, SIDBI and NHB is included under 'Interest Earned - Others'. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above change in classification has no impact on the profit of the Bank for the quarter or the nine month period ended December 31, 2015 or the previous periods.
- 6 In terms of RBI circular DBOD.BP.BC.No.98/21.04.132/2013-14 dated February 26, 2014, in respect of assets sold to SC/RCS during the quarter ended March 31, 2015, the shortfall arrived at by deducting sale consideration and provisions held as on the date of sale from the outstanding amount, is being amortized over two years. Accordingly, the Bank has charged to the Profit and Loss account an amount of Rs. 32.09 crores during the current quarter.
- 7 On July 24, 2015, the Bank completed the acquisition of Diamond and Jewellery financing business from Royal Bank of Scotland N.V. on a slump sales basis. The consideration for the transaction has been duly settled during the quarter and the amount paid towards the acquisition has been allocated to various assets and liabilities including an advance portfolio of Rs. 4,130.40 crores. The income generated by the business from that date has been included in the financial results.
- 8 Effective July 01, 2015, the Bank has regrouped sourcing costs relating to small ticket retail loan origination and bank charges incurred by the Consumer Finance Division under "Operating Expenses" which were hitherto netted off from "Other income" in order to be aligned with practice followed by the industry. Figures for the previous periods have been regrouped / reclassified accordingly. This change in classification has no impact on the profit of the Bank for the quarter or the nine month period ended December 31, 2015 or the previous periods.
- 9 On July 03, 2015, the Bank allotted 5,12,18,640 equity shares of Rs. 10/- each at a price of Rs. 845.00 per share, aggregating to Rs. 4,327.98 crores through a Qualified Institutions Placement (QIP). On August 06, 2015, the Bank also allotted to the promoters 87,81,360 equity shares of Rs. 10/- each at a price of Rs. 857.20 per share, aggregating to Rs. 752.74 crores through a Preferential Allotment. Pursuant to these allotments, the share premium account stands increased by Rs. 4,970.04 crores net of share issue expenses of Rs. 50.67 crores.
- 10 During the quarter and nine months ended December 31, 2015, the Bank allotted 14,75,642 shares and 41,91,841 shares respectively, pursuant to the exercise of stock options by certain employees.
- 11 The position of investor complaints is as under:  
No. of complaints pending resolution at the beginning of the quarter Nil ; received during the quarter 27; resolved during the quarter 26; closing position 1.
- 12 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period / year classification.

Mumbai  
January 12, 2016

  
Romesh Sobti  
Managing Director



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Segment Reporting for the quarter/ nine months ended December 31, 2015

Business Segments:

(Rs. in lacs)

Sr. No.	Particulars	Quarter ended 31.12.2015 (unaudited)	Quarter ended 30.09.2015 (unaudited)	Quarter ended 31.12.2014 (unaudited)	Nine months ended 31.12.2015 (unaudited)	Nine months ended 31.12.2014 (unaudited)	Year ended 31.03.2015 (audited)
<b>(a)</b>	<b>Segment Revenue :</b>						
(i)	Treasury Operations	68853	73525	72733	221206	200347	275304
(ii)	Corporate / Wholesale Banking	119248	111618	98145	345943	296944	402550
(iii)	Retail Banking	204535	189994	165255	579485	486018	659244
(iv)	Other Banking Business	4127	8341	660	13153	1982	2533
	<b>Total [ Items (i) to (iv) ]</b>	<b>396763</b>	<b>383478</b>	<b>336793</b>	<b>1159787</b>	<b>985291</b>	<b>1339631</b>
	Less: Inter-segment Revenue	(20093)	(25347)	(28198)	(76475)	(89100)	(115634)
	<b>Total Income</b>	<b>376670</b>	<b>358131</b>	<b>308595</b>	<b>1083312</b>	<b>896191</b>	<b>1223997</b>
<b>(b)</b>	<b>Segment Results :</b>						
(i)	Treasury Operations	11255	9681	9667	36072	23817	36659
(ii)	Corporate / Wholesale Banking	29592	30635	21410	85716	63705	87784
(iii)	Retail Banking	67995	61368	49414	184329	145794	197289
(iv)	Other Banking Business	1210	2766	203	4184	608	775
	<b>Total [ Items (i) to (iv) ]</b>	<b>110052</b>	<b>104450</b>	<b>80694</b>	<b>310301</b>	<b>233924</b>	<b>322507</b>
	Add: Unallocated Revenue	-	-	-	-	-	-
	Less: Unallocated Expenses	(3954)	(3797)	(3310)	(11278)	(9153)	(12685)
	<b>Operating Profit</b>	<b>106098</b>	<b>100653</b>	<b>77384</b>	<b>299023</b>	<b>224771</b>	<b>309822</b>
	Less: Provisions & Contingencies	(17708)	(15809)	(9801)	(45850)	(28161)	(38905)
	<b>Net Profit before tax</b>	<b>88390</b>	<b>84844</b>	<b>67583</b>	<b>253173</b>	<b>196610</b>	<b>270917</b>
	Less: Taxes including Deferred Taxes	(30288)	(28840)	(22864)	(86563)	(66765)	(91545)
	Extraordinary Profit / Loss	-	-	-	-	-	-
	<b>Net Profit</b>	<b>58102</b>	<b>56004</b>	<b>44719</b>	<b>166610</b>	<b>129845</b>	<b>179372</b>
<b>(c)</b>	<b>Other Information :</b>						
	<b>Segment Assets</b>						
(i)	Treasury Operations	3396264	3270968	2601485	3396264	2601485	2850305
(ii)	Corporate / Wholesale Banking	3017974	3181633	2596470	3017974	2596470	2773693
(iii)	Retail Banking	5853770	5367732	4453182	5853770	4453182	4893425
(iv)	Other Banking Business	-	-	-	-	-	-
	Unallocated Assets	550575	510355	349589	550575	349589	394169
	<b>Total Assets</b>	<b>12818583</b>	<b>12330688</b>	<b>10000726</b>	<b>12818583</b>	<b>10000726</b>	<b>10911592</b>
	<b>Segment Liabilities</b>						
(i)	Treasury Operations	2063150	2157814	1704929	2063150	1704929	2079714
(ii)	Corporate / Wholesale Banking	4211193	4050520	3716448	4211193	3716448	3914435
(iii)	Retail Banking	4566066	4132634	3288919	4566066	3288919	3561894
(iv)	Other Banking Business	-	-	-	-	-	-
	Unallocated Liabilities	241121	312740	251416	241121	251416	291095
	<b>Capital &amp; Other Reserves</b>	<b>1737053</b>	<b>1676980</b>	<b>1039014</b>	<b>1737053</b>	<b>1039014</b>	<b>1064454</b>
	<b>Total Liabilities</b>	<b>12818583</b>	<b>12330688</b>	<b>10000726</b>	<b>12818583</b>	<b>10000726</b>	<b>10911592</b>

Mumbai  
January 12, 2016



Romesh Sobti  
Managing Director