

## Placement Memorandum

Placement Memorandum  
October 26, 2021

Private and Confidential – Not for Circulation

### IndusInd Bank

Registered office: 2401, Gen. Thimmayya Road, Cantonment, Pune 411 001, India Telephone No.: +91 20 3046 1600; Facsimile No.: +91 20 2634 3241 Corporate office: 8<sup>th</sup> Floor Tower I, One World Centre, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013; Telephone No.: +91 22 24231999, Website: [www.indusind.com](http://www.indusind.com); Email address: [reachus@indusind.com](mailto:reachus@indusind.com) Company Secretary and Compliance Officer: Mr. Haresh Gajwani; Telephone No.: +91 22-66412485. Facsimile No.: +91 22 66412347; Email: [haresh.gajwani@indusind.com](mailto:haresh.gajwani@indusind.com) Chief Financial Officer: Mr. Gobind Jain; Telephone No.: +91 22 24231914; Email: [gobind.jain@indusind.com](mailto:gobind.jain@indusind.com) Statutory Auditors: M/s. Haribhakti & Co. LLP, Chartered Accountants; Address: 705, Leela Business Park, Andheri Kurla Road, Andheri (E), Mumbai 400 059. Telephone No.: +91 22 6672 9999, Facsimile No. +91 22 6672 9777; Email: [purushottam.nyati@haribhakti.co.in](mailto:purushottam.nyati@haribhakti.co.in); Contact Person: Mr. Purushottam Nyati; Statutory Auditors: M/s. M. P. Chitale & Co Hamam House, 1st Floor, Ambalal Doshi Marg, Fort, Mumbai - 400 001. Office +91 22 2265 1186 / 3023 / 3024, Fax + 91 22 2265 5334. Email: [anagha@mpchitale.com](mailto:anagha@mpchitale.com); Contact Person: Anagha Thatte. IndusInd Bank Limited is a banking company incorporated at [Bombay] on January 31, 1994 under the Companies Act, 1956 and licensed under the Banking Regulation Act, 1949 with Corporate Identification Number L65191PN1994PLC076333) to carry on the business of banking. The PAN of IndusInd Bank Limited is AAAC11314G. Banking License No: BOM.52, SEBI Registration No. INBI00000002.

**PRIVATE PLACEMENT OF UNSECURED, NON CONVERTIBLE FULLY PAID UP TAXABLE REDEEMABLE BASEL III COMPLIANT TIER 2 BONDS FOR INCLUSION IN TIER 2 CAPITAL OF THE BANK, OF FACE VALUE OF Rs. 1,00,00,000 EACH (HEREINAFTER REFERRED TO AS THE "BONDS") AT PAR AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING RS. 2,800 CRORE BY INDUSIND BANK LIMITED (HEREINAFTER REFERRED TO AS THE "ISSUE"). THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED IN CONFORMITY WITH FORM PAS-4 PRESCRIBED UNDER SECTION 42 OF COMPANIES ACT, 2013 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021, THE OPERATIONAL CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER ISSUED VIDE CIRCULAR NO. SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND THE RESERVE BANK OF INDIA'S MASTER CIRCULAR - BASEL III CAPITAL REGULATIONS ISSUE VIDE CIRCULAR NO. RBI/2015-16/58 DBR.NO.BP.BC.1/21.06.201/2015-16 DATED JULY 1, 2015 AND CLARIFICATIONS AND AMENDMENTS THERETO ISSUED FROM TIME TO TIME.**

#### OUR PROMOTER

The promoters of the Bank are IndusInd International Holdings Limited and its subsidiary, IndusInd Limited. Telephone: +230 4655526; Email: [iihl@juristax.com](mailto:iihl@juristax.com). For further details, refer to the section "Details of Promoters" on page 47

#### GENERAL RISKS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section IV of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading. The Issuer has no side letter with any Bondholder except the one(s) disclosed in this Placement Memorandum. Any covenants later added shall be disclosed on the website of the stock exchange where the Bonds are listed.

#### COUPON/DIVIDEND RATE, COUPON/DIVIDEND PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND DETAILS OF DEBENTURE TRUSTEE

For the details relating to coupon/dividend rate, coupon/dividend payment frequency, redemption date and redemption amount see Summary Term sheet at Page No. 81 and 94 of the Placement Memorandum. For details relating to debenture trustee, please see "Issuer Information" on page 34. For details relating to Eligible Investors please see Summary Term sheet at Page No. 81 and 94 of the Placement Memorandum.

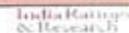
Name of the Debenture Trustee: Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited); Website : [www.catalysttrustee.com](http://www.catalysttrustee.com); Email: [dt@ctrustee.com](mailto:dt@ctrustee.com); Contact person: Pallavi S. Kulkarni, Office :+91 (020)66807200 Extn: 214; Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038; Issuer is complied with the SEBI circular issued vide circular no. SEBI/HO/DDHS/P/Cir/2021/613 dated August 10, 2021 on 'Electronic book mechanism for issuance of securities on private placement basis' (as amended / replaced from time to time).



#### CREDIT RATING AGENCIES



**CRISIL Ratings Limited**  
(A subsidiary of CRISIL LIMITED)  
CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076  
Telephone No: +91 22 33423000, Facsimile No: +91 22 40405800  
Email: [krishna.bhargav@crsil.com](mailto:krishna.bhargav@crsil.com)  
Contact Person: Mr. Krishna Bhargav



**India Ratings & Research Private Limited**  
(A Fitch Group Company)  
Wockhardt Tower, West Wing, 4th Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400051  
Telephone No: +91 22 40001700, Facsimile No: +91 22 40001701  
Email: [jindal.haria@indiaratings.co.in](mailto:jindal.haria@indiaratings.co.in)  
Contact Person: Mr. Jindal Haria

#### CREDIT RATINGS

The proposed Unsecured, Non-Convertible, Fully Paid-up Taxable Redeemable Basel III compliant Tier 2 Bonds to be issued under this issue have been rated "CRISIL AA+" by CRISIL Ratings Limited pronounced as "CRISIL Double A plus rating" vide their letter bearing reference no. RL/INDUSBNK/276671/TIIBU/0821/16003/97193004 dated August 20, 2021 and "IND AA+" by India Ratings & Research Private Limited pronounced as "IND Double A plus rating" vide their letter dated August 23, 2021.

#### LISTING

The proposed Unsecured, Non-Convertible, Fully Paid-up Taxable Redeemable Basel III compliant Tier 2 Bonds is proposed to be listed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange Limited (NSE). Our Bank has received an 'in-principle' approval from NSE vide its letter no. NSE/LIST/4232 dated October 22, 2021.

#### ISSUE PROGRAMME

ISSUE OPENS ON: As specified in the Summary Term sheet of the Placement Memorandum. ISSUE CLOSES ON: As specified in the Summary Term sheet of the Placement Memorandum.

For **INDUSIND BANK LIMITED**

Authorised Signatory

## Placement Memorandum

### PLACEMENT MEMORANDUM

*(This Placement Memorandum is neither a Prospectus nor a Statement in Lieu of Prospectus. This is only an information memorandum intended for private use and should not be construed to be a prospectus and / or invitation to the public for subscription to bonds.)*

PRIVATE PLACEMENT OF UNSECURED, REDEEMABLE SUBORDINATED TIER 2 BASEL III COMPLIANT NON CONVERTIBLE TAXABLE BONDS (SERIES XV – 2021, 10 YEAR WITHOUT ANY CALL OPTION), FOR INCLUSION IN TIER 2 CAPITAL OF THE BANK, OF FACE VALUE OF Rs.1 CRORE EACH (HEREINAFTER REFERRED TO AS THE "BONDS") AT PAR AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING RS. 2,800 CRORE ONLY BY INDUSIND BANK LIMITED (HEREINAFTER REFERRED TO AS THE "ISSUE")

THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED IN CONFORMITY WITH FORM PAS-4 PRESCRIBED UNDER SECTION 42 OF COMPANIES ACT, 2013 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED FROM TIME TO TIME, AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED FROM TIME TO TIME, THE OPERATIONAL CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER ISSUED VIDE CIRCULAR NO. SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME, AND THE RESERVE BANK OF INDIA'S MASTER CIRCULAR - BASEL III CAPITAL REGULATIONS ISSUE VIDE CIRCULAR NO. RBI/2015-16/58 DBR.NO.BP.BC.1/21.06.201/2015-16 DATED JULY 1, 2015 AND CLARIFICATIONS AND AMENDMENTS THERETO ISSUED FROM TIME TO TIME.

## BACKGROUND

This Placement Memorandum dated October 26, 2021 for issue of unsecured, subordinated, non-convertible, redeemable, Basel III compliant Tier 2 Bonds (in the nature of debentures) of ₹1,00,00,000 (Rupees One crore Only) each for cash at par (hereinafter referred to as the "Bonds"), aggregating to total issue size of ₹ 2,800 crore (Rupees two thousand eight hundred crores only) by INDUSIND BANK LIMITED, the "Issuer"/ the "Bank" (hereinafter referred to as the "Issue").

## ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

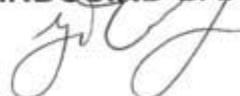
The Issuer has no side letter with any Bondholder except the one(s) disclosed in this Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the Bonds are listed.

## GENERAL RISKS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue and the offer including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section IV of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 16 under the section 'Key Risk Factors'.

**For INDUSIND BANK LIMITED**



**Authorised Signatory**

## Placement Memorandum

### CREDIT RATING

Basel III compliant Tier 2 Bonds: "CRISIL AA+/Stable" by CRISIL and "IND AA+/Stable" by INDIA RATINGS AND RESEARCH

The Rating(s) is not a recommendation to buy, sell or hold securities and Investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Credit Rating Agency on the basis of new information. Each rating should be evaluated independent of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of new information, etc. and therefore, a prospective investor should check the current ratings before purchasing the Bonds.

### ISSUE SCHEDULE

Issue Opening Date	October 28, 2021
Issue Closing Date	October 28, 2021
Pay-In Date	October 29, 2021
Deemed Date of Allotment	October 29, 2021

### LISTING

The Debentures are proposed to be listed on the wholesale debt market segment (WDM) of National Stock Exchange Limited ("NSE"). The Issuer has obtained an "in-principle" approval from NSE dated October 22, 2021. Please refer to page 157 of this Placement Memorandum for a copy of the in-principle approval letter issued by NSE.

### OTHER KEY PARTIES TO THE ISSUE

TRUSTEE FOR THE BOND HOLDERS	REGISTRAR TO THE ISSUE
 <b>CATALYST</b> <i>Believe in yourself. Trust us!</i>  Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited) GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel No: +91 :(020) 66807200 Ext: 214 Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a> E-Mail: <a href="mailto:dt@ctltrustee.com">dt@ctltrustee.com</a> Contact person: Pallavi S. Kulkarni	  Linkintime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai - 400 083. Tel:+91 22 49186000 Fax:+91 22- 49186101 E-Mail: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> / <a href="mailto:bonds.helpdesk@linkintime.co.in">bonds.helpdesk@linkintime.co.in</a> Contact person: Amit Dabhade

For INDUSIND BANK LIMITED

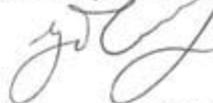


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**For INDUSIND BANK LIMITED**

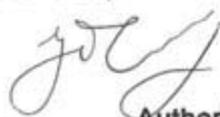


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**For INDUSIND BANK LIMITED**



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## I. NOTICE TO INVESTORS AND DISCLAIMERS

### I. General Disclosure

This Placement Document / Offer Letter / Placement Memorandum / Information Memorandum is **neither a Prospectus nor a Statement in Lieu of Prospectus** and is prepared in accordance with Securities and Exchange Board of India (Issue And Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations"), as amended from time to time, the operational circular for issue and listing of non-convertible securities, securitized debt instruments, security receipts, municipal debt securities and commercial papers issued vide circular no. SEBI/HO/DDHS/P/Cir/2021/613 dated August 10, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 and RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 read with RBI circular DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016 and RBI Circular DBR.BP.BC.NO.50/21.06.201/2016-17 dated February 2, 2017, each as amended from time to time. This Placement Memorandum does not constitute an offer to public in general to subscribe for or otherwise acquire the Bonds to be issued by the Issuer. This Placement Memorandum is for the exclusive use of the addressee and restricted for only the intended recipient and it should not be circulated or distributed to third party (ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This bond issue is made strictly on private placement basis. Apart from this Placement Memorandum, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to the Issuer.

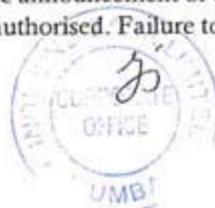
This Placement Memorandum does not constitute an offer or an invitation to public in general to subscribe for or otherwise acquire the Bonds to be issued by IndusInd Bank Limited (the "Issuer"/ the "Bank"). This Placement Memorandum is for the exclusive use of the addressee and it should not be circulated or distributed to third party(ies). This Issue of Bonds, which is to be listed on the WDM segment of the NSE, is being made strictly on a private placement basis.

This Placement Memorandum is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The securities mentioned herein are being issued on private placement Basis and this offer does not constitute a public offer/ invitation.

This Placement Memorandum has not been filed with or approved by the Securities and Exchange Board of India ("SEBI") and has been prepared by the Issuer in conformity with the extant SEBI Regulations and the Companies Act. Neither this Placement Memorandum nor any other information supplied in connection with the Bond/Debenture is intended to provide the basis of any credit or other evaluation and a recipient of this Placement Memorandum should not consider such receipt a recommendation to purchase any Bond/Debenture. Each potential investor contemplating the purchase of any Bond/Debenture should make its own independent investigation of the financial condition and affairs of the Issuer and its own appraisal of the creditworthiness of the Issuer as well as the structure of the Issue. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyze such investment and the suitability of an investment to the investor's particular circumstances. No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Placement Memorandum and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically distributed through a communication by the Issuer. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. No invitation is being made to any person other than the investor to whom this Placement Memorandum has been sent. Any application by a person to whom this Placement Memorandum has not been sent by the Issuer may be rejected without assigning any reason.

You shall not and are not authorised to: (1) deliver this Placement Memorandum to any other person; or (2) reproduce this Placement Memorandum, in any manner whatsoever. Any distribution or reproduction or copying of this Placement Memorandum in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Placement Memorandum is unauthorised. Failure to comply with this instruction may



## Placement Memorandum

result in a violation of applicable laws of India and/or other jurisdictions. This Placement Memorandum has been prepared by the Issuer for providing information in connection with the proposed Issue. The Issuer does not undertake to update this Placement Memorandum to reflect subsequent events after the date of this Placement Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum nor the Issue made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date thereof.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Placement Memorandum in any jurisdiction where such action is required. This Placement Memorandum is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this Placement Memorandum comes are required to inform themselves about and to observe any such restrictions. This Placement Memorandum is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottees of these Bond/Debentures/NCDs to also ensure that they/it will transfer these Debentures in strict accordance with this Placement Memorandum and other applicable laws.

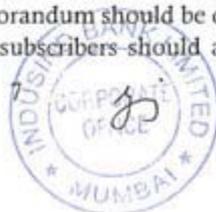
## 2. Disclaimer of the Securities and Exchange Board of India (SEBI)

This Placement Memorandum has not been filed with SEBI. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. It is to be distinctly understood that this Placement Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Placement Memorandum. The Issue of Bonds being made on private placement basis, filing of this Placement Memorandum is not required with SEBI. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Placement Memorandum.

## 3. Disclaimer of the Issuer

This Placement Memorandum is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the bonds issued by the Bank. This Placement Memorandum has been prepared to give general information regarding the Bank to parties proposing to invest in this Issue of Bonds and it does not purport to contain all the information that any such party may require. The Bank believes that the information contained in this Placement Memorandum is true and correct as of the date hereof. The Bank does not undertake to update this Placement Memorandum to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with the Bank. However, the Bank reserves its right for providing the information at its absolute discretion. The Bank accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Placement Memorandum should be construed as advice or recommendation by the Issuer to subscribers to the Bonds. Prospective subscribers should also consult their own advisors on the



## Placement Memorandum

implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

The Issuer reserves the right to withdraw the private placement of the Bond issue prior to the Issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

### 4. Disclaimer of the Stock Exchange

As required, a copy of this Placement Memorandum has been submitted to the National Stock Exchange of India Ltd. (hereinafter referred to as "NSE"/ "Exchange") for hosting the same on its website. It is to be distinctly understood that such submission of the document with NSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Bank. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### 5. Disclaimer of the Reserve Bank of India

The Bonds have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Placement Memorandum. It is to be distinctly understood that this Placement Memorandum should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the RBI. A license authorizing the Issuer to carry on banking business has been obtained by Issuer from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. However, RBI does not take any responsibility either for the financial soundness of the Issuer, or the Bonds being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Placement Memorandum. The potential investors may make investment decision in respect of the Bonds offered in terms of this Placement Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

### 6. Force majeure

The Issuer reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Issuer will refund the application money, if any, collected from the potential investors / applicants in respect of the Issue without assigning any reason.

### 7. Disclaimer in respect of Credit Rating Agencies

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Credit Rating Agencies have based their ratings on information obtained from sources believed by them to be accurate and reliable. The Credit Rating Agencies do not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Credit Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

### 8. Disclaimer of Debenture Trustee

Investors should carefully read and note the contents of the Placement Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in the Bonds and the Issuer. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment



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considerations arising from an investment in the bonds and should possess the appropriate resources to analyse such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk in investing in such instruments.

### 9. Issue of Debentures through electronic book mechanism and in Dematerialised form

The Issue of Bonds will be under the electronic book mechanism as required in terms of the Operational Circular read with "Operating Guidelines for NSE Electronic Bidding Platform" issued by NSE and any amendments thereto (the SEBI circulars read with the NSE operating guidelines shall hereinafter be referred to as the "EBP Guidelines").

The Bonds/Debentures will be issued in dematerialised form. The Issuer has made arrangements with National Securities Depositories Limited and/or Central Depository Services (India) Limited for the issue of the bonds in dematerialised form. The investor will have to hold the Bonds/Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the investor with its depository participant, in accordance with the Operational Circular.

### 10. Disclaimer in respect of Jurisdiction

The private placement of Bonds is made in India to companies, corporate bodies, trusts registered under the Indian Trusts Act, 1882, societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such trust / society is authorised under constitution/ rules/ byelaws to hold bonds in a company, Indian mutual funds registered with SEBI, Indian financial institutions, insurance companies, commercial banks including Regional Rural Banks and Cooperative Banks, provident, pension, gratuity, superannuation funds as defined under Indian laws. The Placement Memorandum does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Placement Document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts at Mumbai. All information considered adequate and relevant about the Issuer has been made available in this Placement Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.



## II. FORWARD LOOKING STATEMENTS

The Bank has included statements in this Placement Memorandum which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", "our judgment" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the Bank's expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, its ability to successfully implement its strategy, including its use of the internet and other technology and its rural expansion, its ability to integrate recent or future mergers or acquisitions into its operations, its ability to manage the increased complexity of the risks the Bank faces following its rapid international growth, future levels of impaired loans, its growth and expansion in domestic and overseas markets, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions the Bank is or will become a party to, the future impact of new accounting standards, its ability to implement its dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on the Bank, its ability to roll over its short-term funding sources and its exposure to credit, market and liquidity risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Placement Memorandum include, but are not limited to, the monetary and interest rate policies of India and the other markets in which the Bank operates, natural calamities, general economic, financial or political conditions, instability or uncertainty in India, southeast Asia, or any other country, caused by any factor including terrorist attacks in India or elsewhere, military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes or volatility in the value of the rupee, instability in the subprime credit market and liquidity levels in the foreign exchange rates, equity prices or other market rates or prices, the performance of the financial markets in general, changes in domestic and foreign laws, regulations and taxes, changes in the competitive and pricing environment in India, and general or regional changes in asset valuations.



### III. DEFINITIONS / ABBREVIATIONS

Unless otherwise defined or the context otherwise indicates or requires, certain capitalized terms used in this Placement Memorandum have the meaning set forth below:

Term	Description
IndusInd Bank Limited, IBL, the Issuer, we, us, our, the Company or the Bank	IndusInd Bank Limited, a banking company incorporated under the laws of India and whose registered office is at 2401, Gen. Thimmayya Road, Cantonment, Pune 411 001, India
Additional Tier 1 Capital / Tier 2 capital / Tier 1 capital	These terms shall have the meaning assigned to the relevant term in the Basel III Guidelines
ALM	Asset Liability Management
ATM	Automated Teller Machine
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the successful Applicants in the Issue
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Placement Memorandum and the Application Form
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Auditor of the Issuer	Haribhakti & Co. LLP and M. P. Chitale & Co.
Basel III Guidelines / RBI Guidelines	Master Circular on Basel III Capital Regulations issued vide circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 issued by the RBI as amended from time to time
Board / Board of Directors	The Board of Directors of IndusInd Bank Limited or any Committee thereof
Bonds / Debentures / NCDs	Unsecured, subordinated, non-convertible, fully paid-up, taxable, redeemable Basel III Compliant Tier 2 Bonds in the nature of debentures, of face value of Rs. 1,00,00,000/- each at par to be issued by the Issuer on a private placement basis under the terms of this Placement Memorandum.
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories.
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (beneficial owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)
Book Closure / Record Date	The date of closure of register of Bonds for payment of interest and repayment of principal.
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Ltd.
CDR	Corporate Debt Restructuring
CRR	Cash Reserve Ratio
CBLO	Collateralized Borrowing and Lending Obligations
Common Equity Tier 1 Capital	As per Clause 4.2.3 of the RBI Circular on Basel III Guidelines, elements of Common Equity component of Tier 1 capital will comprise the following: <ul style="list-style-type: none"> <li>(i) Common shares (paid-up equity capital) issued by the bank which meet the criteria for classification as common shares for regulatory purposes as given in Annex 1 of the Basel III Guidelines;</li> <li>(ii) Stock surplus (share premium) resulting from the issue of common shares;</li> <li>(iii) Statutory reserves;</li> </ul>



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	<p>(iv) Capital reserves representing surplus arising out of sale proceeds of assets;</p> <p>(v) Other disclosed free reserves, if any;</p> <p>(vi) Balance in Profit &amp; Loss Account at the end of the previous financial year;</p> <p>(vii) Banks may reckon the profits in current financial year for CRAR calculation on a quarterly basis provided the incremental provisions made for non-performing assets at the end of any of the four quarters of the previous financial year have not deviated more than 25% from the average of the four quarters. The amount which can be reckoned would be arrived at by using the following formula:</p> $EP_t = \{NP_t - 0.25 * D * t\}$ <p>Where;</p> <p>EP<sub>t</sub> = Eligible profit up to the quarter 't' of the current financial year; t varies from 1 to 4</p> <p>NP<sub>t</sub> = Net profit up to the quarter 't'</p> <p>D= average annual dividend paid during last three years</p> <p>(viii) While calculating capital adequacy at the consolidated level, common shares issued by consolidated subsidiaries of the bank and held by third parties (i.e. minority interest) which meet the criteria for inclusion in Common Equity Tier 1 capital (refer to paragraph 4.3.2 of the Basel III Guidelines); and</p> <p>(ix) Less: Regulatory adjustments / deductions applied in the calculation of Common Equity Tier 1 capital [i.e. to be deducted from the sum of items (i) to (viii)].</p>
Debt Securities	Non-convertible debt securities with a fixed maturity period which create or acknowledge indebtedness and includes debentures, bonds or any other security whether constituting a charge on the assets/ properties or not, but excludes security receipts, securitized debt instruments, money market instruments regulated by the Reserve Bank of India, and bonds issued by the Government or such other bodies as may be specified by SEBI.
Deemed Date of Allotment	The cut-off date declared by the Bank from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Placement Memorandum	Placement Memorandum dated October 26, 2021 for private placement of unsecured, subordinated, non-convertible, fully paid, redeemable Basel III Compliant Tier 2 Bonds having features loss absorbency, in the nature of debentures of Rs.1,00,00,000/- each for cash at par for an aggregate total issue size not exceeding Rs 2,800 crore (Rupees two thousand eight hundred crores only) issued by IndusInd Bank Limited (the "Issuer"/the "Bank")
Director(s)	Director(s) of IndusInd Bank Limited unless otherwise mentioned
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve.
EBP	Electronic Book Provider as defined under Securities and Exchange Board of India (Issue And Listing of Non-Convertible Securities)



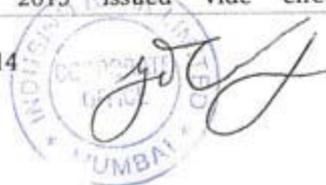
## Placement Memorandum

	Regulations, 2021, read with Operational Circular for Issue And Listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued vide circular no. SEBI/HO/DDHS/P/Cir/2021/613 dated August 10, 2021 on 'Electronic book mechanism for issuance of securities on private placement basis' (as amended / replaced from time to time)
ECGC	Export Credit Guarantee Corporation of India
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEDAI	Foreign Exchange Dealers Association of India
FIs	Financial Institutions
Financial Year/ FY	Period of twelve months period ending March 31, of that particular year.
GoI	Government of India/ Central Government
HUF	Hindu Undivided Family
Trustee	Trustee to the Issue, in this case being Catalyst Trusteeship Limited
Issue	Private placement of the Debentures
Issuer	IndusInd Bank Limited
IT Act	The Income Tax Act, 1961, as amended from time to time
Listing Agreement	Listing Agreement Listing Agreement for Debt Securities issued by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide circular No. SEBI/LADNRO/ GN/2015-16/013 dated 02/09/2015 as amended till date
Loss Absorbency	<p>The Bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide Annex 5 to Basel III Guidelines, covering criteria for inclusion of debt capital instruments as Tier 2 capital and minimum requirements to ensure loss absorbency of Additional Tier 1/ Additional Tier 2 instruments at pre-specified trigger and of all non-equity Regulatory capital instruments at the Point of Non-viability ("PONV") (Annex 16 to Basel III Guidelines).</p> <p>Accordingly, the Bonds may at the option of the RBI either be permanently written off or temporarily written down on the occurrence of the trigger event called the Point of Non-Viability. PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.</p>
MF	Mutual Fund
MoF	Ministry of Finance
NABARD	National Bank for Agriculture and Rural Development
NCS	Non-Convertible Securities as defined in the NCS Regulations
NCS Regulations	Securities and Exchange Board of India (Issue And Listing of Non-Convertible Securities) Regulations, 2021
NHB	National Housing Bank
NPAs	Non-Performing Assets
NRIs	Non Resident Indians
NSE	National Stock Exchange of India Ltd.
NSE-EBP	NSE Electronic Debt Bidding Platform
NSDL	National Securities Depository Limited
Operational Circular	Means the operational circular for issue and listing of non-convertible securities, securitized debt instruments, security receipts, municipal debt securities and commercial paper issued vide circular no. SEBI/HO/DDHS/P/Cir/2021/613 dated August 10, 2021
PAN	Permanent Account Number
PLR/BPLR/MCLR	Prime Lending Rate / Bench Mark Prime Lending Rate / Marginal Cost of funds based Lending Rate



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PONV	The Bonds, at the option of the Reserve Bank of India, can be temporarily written down or permanently written off upon occurrence of the trigger event, called the 'Point of Non-Viability Trigger ("PONV Trigger")
PONV Trigger	<p>The PONV Trigger event is the earlier of:</p> <ol style="list-style-type: none"> <li>a decision that a permanent write-off or any other adjustment as prescribed by RBI, without which the Bank would become non-viable, is necessary, as determined by the RBI; and</li> <li>a decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. The write-off / or any other adjustment as prescribed by RBI, consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</li> </ol> <p>The amount of non-equity capital to be adjusted/ written-off will be determined by RBI.</p> <p>For this purpose, a non-viable bank will be:</p> <ol style="list-style-type: none"> <li>A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank of India unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern.</li> <li>The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include temporary and/or permanent write-off / any other adjustment as prescribed by RBI, in combination with or without other measures as considered appropriate by the RBI.</li> </ol>
Private Placement	Means an offer or invitation to subscribe or issue of securities to a select group of persons by a company (other than by way of public offer) through private placement offer-cum-application, which satisfies the conditions specified in section 42 of the Companies Act, 2013.
Rs.	Indian National Rupee (INR)
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being Link Intime India Pvt Ltd.
Record Date	Reference date for payment of interest/ repayment of principal which shall be the date falling 15 days prior to the relevant interest payment date / Call Date.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue And Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, the Operational Circular and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide circular no. SEBI/LAD-



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	NRO/GN/2015-16/013 dated September 02, 2015, as amended from time to time.
SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquidity Ratio
TDS	Tax Deducted at Source
the Bank	IndusInd Bank Limited, constituted under The Companies Act, 1956 and licensed under the Banking Regulation Act, 1949
The Companies Act	The Companies Act, 2013 and/ or the Companies Act, 1956 to the extent applicable.
Working Day(s) / Business Day	<p>All days on which commercial banks in the city, as specified in the offer document, are open for business;</p> <p><i>Explanation:</i> For the purpose of this definition, in respect of -</p> <p>(i) Announcement of bid /issue period:</p> <p>Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business;</p> <p>(ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges:</p> <p>Working Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board;</p>
Summary Term Sheet	The term sheet relating to the issue and allotment of Bonds/Debentures pursuant to this Placement Memorandum, which shall contain detailed terms and conditions of the issue of such Bonds/Debentures.



## IV. RISK FACTORS

*Each investor should carefully consider the following risk factors as well as the other information contained in this Placement Memorandum prior to making an investment in the Bonds. In making an investment decision, each investor must rely on its own examination of the Issuer and the terms of the offering of the Bonds, including the merits and risks involved. The risks described below are not the only ones that may affect the Bonds. Additional risks not currently known to the Issuer or factors that the Issuer currently deems immaterial may also adversely affect the Issuer's business, financial condition and results of operations. The market price of the Bonds could decline due to any one or more of these risks or such factors.*

### 1. Risk Relating to the Bank

The Bank's business, financial conditions and results of operations could suffer and, therefore, the value of the Bank's Debentures could decline and/or the Bank's ability to meet its obligations in respect of the Debentures could be affected, if any of the risk factors mentioned below materialises. More than one risk factor may have simultaneous effect with regard to the Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Bank's ability to meet its obligations in respect of the Debentures. Potential investors should perform their own independent investigation of the financial condition and affairs of the Bank, and their own appraisal of the creditworthiness of the Bank. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debentures. Potential investors should thereafter reach their own views prior to making any investment decision.

The Bank believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Bank, as the case may be, to pay principal or other amounts on or in connection with any Bonds may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding any Bonds are exhaustive.

Please note that unless specified or quantified in the relevant risk factors, the Bank is not in a position to quantify the financial or other implications of any risk mentioned herein below.

#### **The Bonds may be illiquid in the secondary market.**

The Bank intends to list the Bonds on the WDM segment of NSE. The Bank cannot provide any guarantee that the Bonds will be frequently traded on the Stock Exchange and that there would be any market for the Bonds. It is not possible to predict if and to what extent a secondary market may develop for the Bonds or at what price the Bonds will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Bonds may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

#### **If the Bank is not able to control or reduce the level of NPAs in its portfolio, or if there is any increase in provisioning requirements mandated by the RBI, its business will suffer.**

The Bank's net NPAs as of June 30, 2021, March 31, 2021 and March 31, 2021 stood at Rs, 1,759.59 Crore, Rs. 1,476.57 Crore and Rs. 1,886.58 Crore respectively, which amounted to 0.84 per cent., 0.69 per cent., and 0.91 per cent. respectively of its net advances. A number of factors may affect the Bank's ability to control and reduce non-performing and restructured loans. Some of these factors, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates, are not within the Bank's control.

Although the Bank is increasing its efforts to improve collections and to foreclose on existing nonperforming loans, there is no assurance that it will be successful in its efforts or that the overall quality of its loan portfolio will not deteriorate in the future. If the Bank is not able to control and reduce its nonperforming loans, or if there is a further significant increase in its stressed assets under restructured loans, its business, future financial performance, shareholders' funds and the price of its equity shares could be adversely affected.



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There can be no assurance that there will be no increase in provisions for loan losses as a percentage of NPAs or otherwise, or that the percentage of NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recoveries of NPAs. In the event of any deterioration in the Bank's asset portfolio, there could be an adverse impact on its business, future financial performance, ability to pay interest to the creditors, ability to repay creditors on due dates, shareholders' funds and the price of its equity shares.

### **The Bank is exposed to fluctuation in foreign exchange rates and other risks.**

The Bank undertakes various foreign exchange transactions to hedge its own risk and also for proprietary trading, which are exposed to various kinds of risks including but not limited to settlement and pre-settlement risk, market risk and exchange risk. The risk management policies adopted by the Bank may not be adequate in controlling the risk or minimising the potential loss. The Bank is also exposed to fluctuation in foreign currency rates for its unhedged exposure.

Adverse movements in foreign exchange rates may also impact the Bank's borrowers negatively which may in turn impact the quality of the Bank's exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's future financial performance and the market price of its equity shares.

In addition to foreign exchange risk and interest rate risk as described above, the Bank may also be exposed to other different types of risk during its operation and entering into transactions, including but not limited to credit risk, counterparty risk, market risk, liquidity risk and operational risk.

### **The Bank's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.**

The Bank's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. The Bank has in place a Risk Management Committee at the board level, which reviews and further refines risk management policies and procedures on an ongoing basis. Although the Bank has introduced these policies and procedures, they may not be fully effective which could adversely impact its future performance, ability to pay interest to the creditors, ability to repay creditors on due dates, and the trading price of its equity shares.

### **The Bank may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.**

The Bank is required to comply with applicable anti-money-laundering ("AML") and anti-terrorism laws and other regulations in India and in other jurisdictions where it has operations. These laws and regulations require the Bank, among other things, to adopt and enforce know-your-customer ("KYC") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. While the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking networks for money-laundering activities and by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures.

### **Banking is a heavily regulated industry and material changes in the regulations that govern the Bank could cause its business to suffer.**



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Banks in India are subject to detailed supervision and regulation by the RBI. In addition, banks are subject generally to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. The laws and regulations governing the banking sector could change in the future and any such changes may adversely affect the Bank's business, future financial performance, ability to pay interest to the creditors, ability to repay creditors on due dates, and the price of its equity shares.

**A slowdown in economic growth in the country could cause the Bank's business to suffer.**

The Bank's performance and the growth of its business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the Indian economy could adversely affect the Bank's business. The economic growth of India has deteriorated in the last fiscal year. It is difficult to assess the impact of these fundamental economic changes on the Bank's business. Any further slowdown in the Indian economy could adversely affect the Bank's business, results of operations, financial condition and prospects, ability to pay interest to the creditors, and ability to repay creditors on due dates.

## Rating Downgrade Risk

The current issue has been rated "AA+", Outlook Stable by CRISIL RATINGS LIMITED and "AA+", Outlook Stable by INDIA RATINGS AND RESEARCH PRIVATE LIMITED. Our other debt instruments are rated investment-grade by CRISIL, India Ratings & Research (the Indian subsidiary of Fitch) as follows:

### Domestic Rating:

- CRISIL AA + for Infrastructure Bonds program
- CRISIL AA for Additional Tier I Bonds program
- CRISIL A1+ for certificate of deposit program / short term FD programme
- IND AA+ for Senior bonds program by India Ratings and Research
- IND AA for Additional Tier I Bonds program by India Ratings and Research
- IND A1+ for Short Term Debt Instruments by India Ratings and Research

### International Rating:

- Ba1 for Senior Unsecured MTN programme by Moody's Investors Service

In the event of deterioration in the financial health of the bank, there is possibility that the Credit Rating Agency may downgrade the ratings of the Debentures/Bonds. In such a case, a potential investor may incur losses on revaluation of the investments or may have to make provisions towards sub-standard / non performing investment as per their norms. The rating is not a recommendation to purchase, hold or sell the Debentures in as much as the ratings do not comment on the market price of the Debentures or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the Credit Rating Agency.

Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth.

In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This could have an adverse effect on our business and future financial performance and our ability to fund our growth.

## Tax Considerations and Legal Considerations

Special tax considerations and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.



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### Accounting Considerations

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

### Material changes in regulations to which the Bank are subject could impair the Bank's ability to meet payments or other obligations

The Bank is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Bank or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

The Bank is required to maintain its capital adequacy ratio at the minimum level required by the RBI for domestic banks. There can be no assurance that the Bank will be able to access capital as and when it needs it for growth. The RBI, under the Basel III Capital Regulations, requires Indian banks to maintain a minimum Tier 1 capital adequacy ratio of 7.375% (including CCB of 1.875%) and a minimum risk weighted capital adequacy ratio of 10.875% (including CCB of 1.875%) towards Pillar 1 risks.

As per Basel III Guidelines, the Bank's CET 1 Ratio was 15.59%, 15.55% and 13.22% of the Risk Weighted Assets as of June 30, 2021, March 31, 2021 and March 31, 2020 respectively; the Total Capital Adequacy Ratio was 17.57%, 17.38% and 15.04% as of June 30, 2021, March 31, 2021 and March 31, 2020 respectively.

The Bank is exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time or the Bank being asked by RBI to maintain additional capital towards Pillar 2 or other residuary risks. The Bank's current capitalization levels are in line with the current regulatory requirements. However, unless the Bank is able to access the necessary amount of additional capital, any incremental increase in the capital requirement may adversely impact the Bank's ability to grow its business and may even require the Bank to withdraw from or to curtail some of its current business operations. There can also be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. Moreover, if the Basel Committee on Banking Supervision releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect its business, financial condition, results of operations, ability to pay interest to the creditors, and ability to repay creditors on due dates.

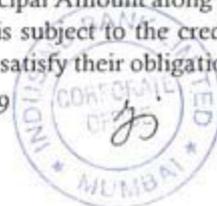
## 2. Risk Relating to the Bonds

### Economic instability and volatility in securities' markets in other countries may also impact the price of the Bonds.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years did affect the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. In the recent past, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Debentures.

### Repayment of principal is subject to the credit risk of the Bank.

Potential investors should be aware that receipt of the Principal Amount along with coupon payable thereon and any other amounts that may be due in respect of the Bonds is subject to the credit risk of the Bank and the potential investors assume the risk that the Bank may not be able to satisfy their obligations under the Bonds. In the event that



## Placement Memorandum

bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Bank, the payment of sums due on the Bonds may be substantially reduced or delayed.

### **Non-Payment due to Bank's weak capital position.**

Potential investors should be aware that in certain circumstances, the RBI shall be entitled to determine write down of the principal value of the Bonds. Such risks may arise due to the Bank's weak capital position or loan delinquencies. (Various criteria for loss absorption through write-down / write-off on breach of pre-specified trigger and at the point of non-viability are elaborated in the Summary Term Sheet).

### **Any deterioration in the general economic conditions in India and globally could adversely affect our business and results of operation.**

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, our financial condition, ability to pay interest to the creditors, and ability to repay creditors on due dates.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations.

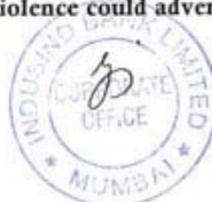
### **A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.**

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our borrowing rates and future financial performance.

### **Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

### **Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**



## Placement Memorandum

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may result in a loss of business confidence, make other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Debentures. In addition, India has witnessed local civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Debentures.

### **Payments under the Bonds may, and in some cases must, be cancelled.**

The Bank may not pay and all or some of the coupon falling due on the Bonds on any coupon payment date depending on the occurrence of a write-down. A write down can have the following effect: (i) reduce the claim of the instrument in liquidation, (ii) reduce the amount re-paid when a call is exercised; and (iii) partially or fully reduce coupon/dividend payments on the instrument.

Any actual or anticipated cancellation of coupon on the Bonds will likely have an adverse effect on the market price of Bonds. In addition, as a result of the coupon cancellation provisions of the Bonds, the market price of the Bonds may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition.

The terms and conditions of the Bonds do not contain any restriction on the Bank's ability to declare and pay dividends, distributions or other payments on its ordinary shares when coupon on the Bonds otherwise scheduled to be paid on a Coupon Payment Date is cancelled.

The Bank may elect not to pay and, in the circumstances described above, shall not pay, all or some of the coupon falling due on the Bonds on any Coupon Payment Date. If coupon on the Bonds is cancelled, the terms and conditions of the Bonds do not contain any restriction on the Bank's ability to declare and pay dividends, distributions or other payments on its ordinary shares or perpetual non-cumulative preference shares.

Potential investors should be aware that in case the Bank's capital falls below the regulatory requirements, it may not make the payment of the coupon due on the Bonds. In case of stress, banks can write down the principal value of the Bonds. Further, in certain circumstances, the RBI shall be entitled to determine write down of the principal value of the Debentures or require the Debentures to be adjusted in accordance with the mechanism stipulated by it. Such risks may arise due to the Bank's weak capital position or loan delinquencies (for more details please refer to "Loss Absorbency" in [Section VII of the Placement Memorandum]).

### **The investors have no right to call for redemption of the Bonds.**

The Bonds shall not be redeemable at the initiative of the holder at any time during the tenure of the Bonds or otherwise. These bonds do not have any special features like a put option. Thus the Bond holder(s) would not be able to withdraw their investments in the bonds by exercise of put option. Although the Bank may redeem the Bonds at its option, there are limitations on redemption of the Bonds, including obtaining the prior written approval of the RBI and satisfaction of any conditions that the RBI and other relevant Indian authorities may impose at the time of such approval.

Potential investors should note that in case the Bank wishes to exercise the call option due to change in the regulatory classification of the Bonds or change in, or amendment to, the laws affecting taxation, both of which occur on or after the issue date of the Bonds, the Bank shall have to take a prior approval of RBI. It is to be noted that such approvals are at the discretion of RBI. Further, RBI shall, before providing, such approvals thoroughly consider the financial and capital position of the Bank or any other criteria it considers or deems fit. For more details on the exercise of these options, please refer to [Section VII of the Placement Memorandum].



## Placement Memorandum

**The Bonds are subordinated to most of the Bank's liabilities and the terms of the Bonds contain no limitation on issuing debt or senior or *pari passu* securities.**

The Bonds will constitute unsecured and subordinated obligations of the Bank which rank *pari passu* with each other and without preference among themselves. The Bonds are not deposits and are not insured by the Bank or guaranteed or insured by any party related to the Bank and the Issuer is prohibited under the Basel III Guidelines to grant advances against the security of the Bonds. In the event of a winding-up of the Bank's operations, the claims of the holders of the Bonds will be subordinated in right of payment to the prior payment in full of all of the Bank's other liabilities (whether actual or contingent, present or future) including all deposit liabilities and other liabilities of the Bank and all of the Bank's offices and branches. However, the claims of the investors in the Bonds shall be senior to the claims of investors in instruments eligible for inclusion in tier I capital, and subordinate to the claims of all depositors and general creditors of the Bank.

We have appointed a Trustee to protect the interest of all the investors. In the event of default/liquidation, the Bondholders may proceed against us in the manner as may be stipulated under the Trustee Agreement to be entered into for the Issue between the Trustee and the Issuer. The Bondholders would be restricted under the Trustee Agreement from initiating proceedings against the Issuer, individually, and would need to act through the Trustee in relation thereto. The Trustee may refuse to take any action upon the instructions of the Bondholders under the Trustee Agreement unless suitably indemnified.

As a consequence of the subordination provision, in the event of a winding-up of the Bank's operations, the holders of the Bonds may recover at a lesser rate than the holders of deposit liabilities or the holders of the Bank's other liabilities that rank senior to the Bonds. The Bonds also do not limit the amount of liabilities ranking senior to the Bonds which may be hereafter incurred or assumed by the Bank. In accordance with the Basel III Guidelines, the Bonds will not contribute to liabilities in any balance sheet test for establishing insolvency under any law or otherwise.

**The Bonds are subject to permanent or temporary write-down/ other adjustments as may be required by RBI on the occurrence of certain trigger events.**

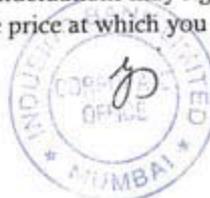
The Bonds, in compliance with the Basel III Guidelines, are required to have principal loss absorption features through temporary write-down/ permanent write-down mechanism; or any other adjustment mechanism stipulated by RBI on pre specified trigger events at a point of non-viability or if the Common Equity Tier I (CET1) ratio (as described in the Basel III Guidelines) falls below a certain level. The write-down will:

- reduce the claim of the Bonds in liquidation;
- reduce the amount re-paid when a call is exercised; and
- partially or fully reduce coupon payments on the Bonds.

Various criteria for loss absorption through write-down / write-off/ other adjustment as stipulated by RBI on breach of pre-specified trigger and at the point of non-viability are elaborated in the Summary Term Sheet and later part of this Placement Memorandum. These Bonds are being issued under various rules, regulations and guidelines issued by the RBI, including the Basel III Guidelines as amended from time to time. The Bank may be forced to write-down the Bonds or to take such other action in relation to these Bonds as may be required pursuant to the law and regulations then in force and as amended from time to time.

**There has been no active secondary market for the Bonds, and limited or sporadic trading of non-convertible securities of the Issuer on the stock exchanges.**

Any issue of Bonds carried out hereunder will be a new issue of bonds and the Bonds have no established trading market. There is no assurance that a trading market for the Bonds will exist and no assurance as to the liquidity of any trading market. Although an application will be made to list the Bonds on the National Stock Exchange, there can be no assurance that an active public market for the Bonds will develop, and if such a market were to develop, there is no obligation on us to maintain such a market. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of such instruments. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which you purchase the Bonds.



## Placement Memorandum

### 3. Risk Relating to Our Business

Our results of operations depend to a significant extent on net interest income, which in turn is sensitive to a number of factors, including changes in interest rates. Any changes in the interest rate environment that may cause the costs from our interest-bearing liabilities to increase disproportionately to the income from our interest-earning assets may adversely impact our business and financial results.

Our results of operations depend to a great extent on our net interest income. Net interest income represents the excess of interest earned from interest-bearing assets (performing loans and investments) over the interest paid on interest bearing liabilities, including customer deposits and borrowings. Interest rates are highly sensitive to many external factors beyond our control, including growth rates in the economy, inflation, money supply, the RBI's monetary policies, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors.

#### **We face maturity and interest rate mismatches between our assets and liabilities.**

We meet our funding requirements through short and long-term deposits from retail and large corporate depositors as well as wholesale interbank deposits. Our depositors may not roll over term deposits on maturity and we may be otherwise unable to increase our term deposits in which case our liquidity position could be adversely affected and we may be required to pay higher interest rates in order to attract and/or retain further deposits, which could have a material adverse effect on our business, financial results and the price of the equity shares.

#### **We face risks associated with our vehicle financing business, which accounts for a substantial portion of our total advances.**

A significant portion of our advances is comprised of loans issued for the purchase of new and used commercial vehicles, construction, earth-moving and material handling equipment, small commercial vehicles, utility vehicles, two-wheelers and cars. As on June 30, 2021, our vehicle financing advances were 26% of our total advances. We could also be adversely affected by a decrease in demand for financing of vehicles arising from increasing consumer affordability for such vehicles or other reasons.

#### **We face risks associated with our micro-finance business, which accounts for a large portion of our total advances.**

A large portion of our advances is comprised of loans given to women borrowers predominantly in the rural areas under the micro-finance programme for various income generation purposes as well as general consumption and these loans are completely unsecured. As on June 30, 2021, our micro finance advances were 12% of our total advances. We could be adversely affected as there is no collateral for these loans, and on account of the small size of these loans, recovery through legal process may not be feasible or may not materialize at all.

#### **We face risks associated with our credit card and other unsecured loans, which accounts for a large portion of our total advances.**

A large portion of our advances is comprised of loans given to individuals, self-employed professionals, small businesses and others in the form of credit cards issued and other unsecured loans. As on June 30, 2021, our credit cards and other unsecured consumer loans were 5% of our total advances. We could be adversely affected as there is no collateral for these loans, and on account of the small size of these loans, recovery through legal process may not be feasible or may not materialize at all.

#### **If we are not able to control the level of non-performing assets in our portfolio, our business will suffer.**

Increases in the level of non-performing loans can affect our business. Various factors, including a rise in unemployment, prolonged recessionary conditions, our regulators' assessment and review of our loan portfolio, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and global competition, could cause an increase in the level of our nonperforming assets and have a material adverse impact on the quality of our loan portfolio.



## Placement Memorandum

**The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could affect our business.**

Our standard assets include restructured standard loans. As a result of a slowdown in economic activity, rising interest rates and the limited ability of corporations to access capital in view of the volatility in global and domestic financial markets, there has been an increase in restructured loans in the banking system as well as in our portfolio.

**The COVID-19 pandemic has materially impacted our business, and the continuance of this pandemic or any future similar outbreak may have a material adverse effect on our business, financial condition and results of operations.**

Public health crises such as the COVID-19 pandemic or similar outbreaks have, and may continue to, adversely impact our business. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the WHO and led to the implementation of various responses, including government-imposed quarantines, travel restrictions, "stay-at-home" orders and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations.

India, our main place of business, is in the group of countries most affected by the COVID-19 pandemic. Since March 2021, India has been experiencing a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of a "double mutant" coronavirus variant in the country. The surge appears to be ascending faster than previous outbreaks in the country, while vaccination rates remain low. The new variant appears to be significantly more virulent than other coronavirus variants, resulting in a significant increase in COVID-19 cases and related deaths. There continues to be significant uncertainty relating to the further progression of the second wave.

Due to the COVID-19 pandemic, all major central banks, including the United States Federal Reserve implemented bond purchase programs and decreased interest rates in 2020. However, as a result of the availability of vaccines in certain countries and an improvement in economic conditions, market participants have begun discussing the possibility of central bank monetary support being reversed. In particular, given the recent sharp increase in inflation in the United States, the United States Federal Reserve's potential shift in monetary policy has been a focus for many investors. As a result of the interconnectedness of global asset markets, any change in the monetary policy stance by the United States Federal Reserve could impact the Indian domestic market over the coming year.

The impact of COVID-19, including changes in customer behavior and pandemic fears and restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity. This may persist even after the restrictions related to the COVID-19 outbreak are lifted. While there has been a gradual pickup in economic activity since the easing of lockdown measures, the continued slowdown in economic activity has led to a decrease in loan originations, sale of third-party products, use of credit and debit cards by customers, and the efficiency of our debt collection efforts and the waiver of certain fees. The slowdown in economic activity has also significantly affected the business of many of our customers and could result in financial distress for our customer base. Moreover, the continued volatility in global and Indian financial and capital markets could adversely affect our corporate customers' ability to access debt markets, their cost of funds and other terms of any new debt, which, alongside the economic slowdown, may lead to a rise in the number of customer defaults and consequently an increase in provisions for credit losses.

Similarly, such market volatility, or a downgrade in our credit rating, may negatively affect our ability to access capital. We have implemented remote working arrangements for the majority of our employees, which may result in decreased employee productivity and efficiency and exacerbate certain IT-related risks, including an increased risk of cybersecurity attacks and the unauthorized dissemination of confidential information about us or our customers. COVID-19 may also lead to significant increases in employee absenteeism, including due to illness, quarantines and other restrictions related to the pandemic. Even where such restrictions are eased, we may still elect to continue our remote working arrangements, for example in the event of an outbreak of COVID-19 among our employees, as a preventive measure to contain the spread of the virus and protect the health of our workforce, or as a strategic measure.

The extent to which the COVID-19 pandemic will continue to impact our business, financial condition and results of operation, as well as our regulatory capital and liquidity ratios, will depend on future developments, including additional mutations of the virus and the availability and roll-out of vaccines in India, which are highly uncertain.



## Placement Memorandum

Subsequent outbreaks that necessitate lockdown measures could prolong the economic impact of the COVID-19 pandemic. Even if the number of new COVID-19 cases were to significantly decrease, the negative effects on Indian and global economic conditions may persist into the future. The level of economic activity may not fully recover in the short term, or at all, due to changes in social norms, changes in customer and corporate client behavior and the macroeconomic business environment. The post-COVID-19 environment may also undergo unexpected developments or experience changes in financial markets and the fiscal, tax and regulatory environments. India, where a substantial portion of our operations are located, continues to be subject to regulatory, social, and political uncertainties in connection with the "second wave" of COVID-19.

Further, our Statutory Auditors have included an "emphasis of matter" in their audit reports on our standalone and consolidated financial statements for the year ended March 31, 2021 as well as in their reports on our interim condensed consolidated and standalone financial statements for the three months ended June 30, 2021, noting our business and financial results will depend on future developments, which are highly uncertain.



## V. OUR BUSINESS

### Overview

The Bank is a private sector bank in India and provides a wide range of banking and financial products and services to individual consumers and corporate and commercial entities ranging from small businesses to large companies and government entities.

The Bank had a customer base of approximately 29 million customers as at June 30, 2021 and had a presence in 760 geographical locations spread across India as at June 30, 2021 with 2,015 branches / banking outlets and 2,870 ATMs.

The Bank's International Financial Services Centre Banking Unit has been operating from Gujarat International Finance Tec-City, Gandhinagar, Gujarat since June 2016. In addition, the Bank has representative offices in Dubai, London and Abu Dhabi.

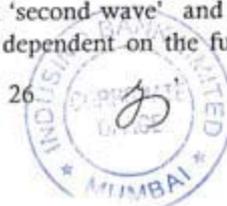
The Registered Office of the Bank is located at 2401 Gen. Thimmayya Road (Cantonment), Pune 411 001, India. The Corporate Office of the Bank is located at One World Center, 8<sup>th</sup> Floor, Tower 1, 841 Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013, India and the Bank's secretarial and investor services office is located at 701 Solitaire Corporate Park, 167 Guru Hargovindji Marg, Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400 093, India.

### Recent Developments

Pursuant to a Composite Scheme of Arrangement with Bharat Financial Inclusion Limited, on July 6, 2019 the Bank had allotted 1,57,70,985 Share Warrants to the Promoters of the Bank, on receipt of the subscription amount at 25% of the price of Rs. 1,709 per Share Warrant. Each Share Warrant was convertible to one equity share of the Bank fully paid, upon exercise of the option by paying the remaining amount. On February 18, 2021, the Promoters paid Rs. 2,021.45 Crore towards the remaining 75% of the price of Share Warrants and exercised the option of conversion and consequently, the Bank allotted 1,57,70,985 equity shares of Rs.10 each fully paid at a price of Rs. 1,709 per equity share. Accordingly, the share capital increased by Rs.15.77 Crore and the share premium by Rs. 2,679.49 Crore.

Under a Preferential Issue completed in two stages, on September 2, 2020, the Bank allotted 4,76,29,768 equity shares of Rs. 10 each to five Qualified Institutional Buyers and on September 4, 2020, allotted 1,51,17,477 equity shares of Rs. 10 each to two corporates including one of the promoter entities, at a price of Rs. 524 per equity share, in compliance with the applicable laws and regulations. Consequently, the equity share capital of the Bank increased by Rs. 62.75 Crore and Share Premium Account by Rs. 3,196.39 Crore, net of share issue expenses.

The "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)", generally known as COVID-19 was declared a pandemic by the World Health Organization on 11 March 2020, which has led to an unprecedented level of disruption on socio-economic front across the world including India. In order to control the spread of virus, the Govt. of India declared a stringent country-wide lockdown for 68 days from March 24, 2020 till May 31, 2020. The unlocking happened phases. While the country was moving towards normalization, a more virulent second wave of the virus engulfed large parts of the country during the months between March 2021 and June 2021, with a faster spread and larger toll on human lives. The Govt. of India has launched a massive inoculation drive in January 2021 and as of now three vaccines have been granted Emergency Use Approval. The unprecedented, once in a century pandemic caused the contraction of the Indian economy with the GDP for FY 2020-21 declining by 7.3%. In order to mitigate the stress, the Govt. of India and the Reserve Bank of India have taken a large number of fiscal, monetary and liquidity measures which are still continuing. The Reserve Bank of India mandated a moratorium on payment of interest and loan installments that have fallen due between March 1, 2020 and August 31, 2020, to be given to eligible borrowers, with a standstill in the day-past-due status. In August 2020, the RBI relaxed the regulations pertaining to restructuring of loans such that a restructuring upto two years, of eligible loan accounts, to be continued with a "standard" classification, and there have been further relaxation of the prudential guidelines. The extent to which the COVID-19 pandemic, including the current 'second wave' and the widely expected 'third wave' will impact the Bank's operations and financial results is dependent on the future developments, which are highly



## Placement Memorandum

uncertain. In view of the same, the Bank has made regulatory, floating, counter cyclical and/or contingent provisions, taking the total amount of such provisions to Rs. 2,303 crores as of June 30,2021, including an amount of Rs. 1,220 crore in respect of borrower accounts restructured in accordance with Resolution Framework for Covid-19 related stress. The provisions held by the Bank are higher than the provision required under the RBI Master Circular on Income Recognition and Asset Classification and the RBI Circulars on COVID-19 Regulatory Package on Asset Classification and Provisioning and Resolution framework.

## History

The Bank was established in 1994 as part of the group of "New Private Sector Banks" licensed by the Government under its economic liberalisation programme is one of the "New Private Sector Banks" operating in India.

The promoters of the Bank are IndusInd International Holdings Limited and its subsidiary, IndusInd Limited. Both the promoters of the Bank are organised in Mauritius. The promoters held 117,516,010 shares representing 15.19% of the Issued Share Capital of the Bank as at June 30, 2021.

In 2003, IndusInd Enterprises & Finance Limited, an NBFC and one of the promoters of the Bank at the time, merged with the Bank. In 2004, Ashok Leyland Finance Limited, an NBFC controlled by the Hinduja Group, merged with the Bank. As a result of the merger with ALFL, the Bank has established a leading position in consumer finance. In 2019, Bharat Financial Inclusion Limited, the largest NBFC-MFI operating at the time, merged with the Bank in a Composite Scheme of Arrangement, and the Business Correspondent undertaking, post-merger, has been transferred and housed in a wholly owned subsidiary of the Bank under the same name of Bharat Financial Inclusion Limited. As a result of the merger of BFIL, the Bank has established a leading position in micro-finance with a very wide rural presence. Such mergers have expanded the capital base of the Bank.

The equity shares of the Bank are listed on the Bombay Stock Exchange Ltd. (the "BSE") and the National Stock Exchange of India Ltd. (the "NSE"). The global depository receipts, each representing one Equity Share, are listed on the Luxembourg Stock Exchange.

In July 2015, the Bank issued 51,218,640 Equity Shares at an offer price of Rs. 845.00 per Equity Share to certain qualified institutional investors in a qualified institutions placement in reliance on Chapter VIII of the ICDR Regulations as amended, aggregating approximately Rs. 4,327.98 Crore. In August 2015, the Bank issued 8,781,360 Equity Shares at an offer price of Rs. 857.20 per Equity Share to the promoters on a preferential allotment basis in reliance on Chapter VII of the ICDR Regulations as amended, aggregating approximately Rs. 752.74 Crore.

Pursuant to a Composite Scheme of Arrangement with the erstwhile Bharat Financial Inclusion Limited, on July 6, 2019 the Bank had allotted 1,57,70,985 Share Warrants to the Promoters of the Bank, on receipt of the subscription amount at 25% of the price of Rs. 1,709 per Share Warrant. Each Share Warrant was convertible to one equity share of the Bank fully paid, upon exercise of the option by paying the remaining amount. On February 18, 2021, the Promoters paid Rs. 2,021.45 Crore towards the remaining 75% of the price of Share Warrants and exercised the option of conversion and consequently, the Bank allotted 1,57,70,985 equity shares of Rs.10 each fully paid at a price of Rs. 1,709 per equity share. Accordingly, the share capital increased by Rs.15.77 Crore and the share premium by Rs. 2,679.49 Crore.

Under a Preferential Issue completed in two stages, on September 2, 2020, the Bank allotted 4,76,29,768 equity shares of Rs. 10 each to five Qualified Institutional Buyers and on September 4, 2020, allotted 1,51,17,477 equity shares of Rs. 10 each to two corporates including one of the promoter entities, at a price of Rs. 524 per equity share, in compliance with the applicable laws and regulations. Consequently, the equity share capital of the Bank increased by Rs. 62.75 Crore and Share Premium Account by Rs. 3,196.39 Crore, net of share issue expenses.

The Bank has undertaken acquisitions as part of its growth strategy. For example, in 2011, the Bank acquired the Indian operations of the credit cards business of Deutsche Bank AG. In July 2015, the Bank acquired the diamond and jewellery financing business (comprising a loan portfolio and a related deposit portfolio) from The Royal Bank of Scotland N.V. in India.



## Placement Memorandum

### Business Units

The activities of the Bank are organised into the following business units:

- Corporate and Institutional Banking
- Commercial Banking
- Financial Institutions Group
- Global Diamond and Jewellery Group
- Consumer Banking
- Consumer Finance Division
- Global Markets Group and
- Transaction Banking

Of the above, the Corporate and Institutional Banking, Commercial Banking, Financial Institutions Group and Global Diamond and Jewellery Group caters, predominantly, to Corporate clients and the Consumer Banking and Consumer Finance Division serve largely Retail clients. The Global Markets Group and Transaction Banking originates specialized products that are served to both Corporate and Retail clients depending on their need.

#### Corporate and Institutional Banking

Corporate, Institutional and Investment (CII) Banking unit caters to large Indian corporates generally having an annual turnover in excess of ₹1,000 Crore, Indian arms of multi-national corporations, and financial sector intermediaries like capital and commodity market players including the Exchanges. CII has specialized verticals on Project Finance and Real Estate and the Investment Banking team is a leading player in the Debt Syndication space in the country. The CII offers various products which include Fund Based products such as Working Capital Finance, Short Term Finance, Bill Discounting, Export Credit, Term Lending, Buyer's Credit / Supplier's Credit, Asset based financing, Non-Fund Based products such as Letter of Credit, Bank Guarantees, Collection of Documents, Forex solutions including derivatives, and Value-added Services such as Investment Banking, Real Estate Developer Finance, Project Finance, Cash Management Services, Corporate Salary Accounts, Channel and Vendor Finance Liability / Investment Products.

#### Commercial Banking Group

Commercial Banking Group (CBG) caters to mid-sized corporates generally having an annual turnover between ₹100 Crore and ₹1,000 Crore, and has specialized verticals to corporates in the Education and Logistics sector, Supply Chain Financing, Agriculture sector, Rural Banking, Commodity Financing and Warehouse Receipt Financing, and Micro-Finance. CBG serves customers with various products including Fund Based Services such as Working Capital Finance, Short Term Finance, Bill Discounting, Export Credit, Term Lending, Buyer's Credit / Supplier's Credit, Asset based financing, Agri Finance and direct lending to Micro Finance NBFCs, Non Fund Based Services such as Letter of Credit, Bank Guarantees, Collection of Documents, Forex solutions including derivatives, and Value-added Services including Channel Financing, Cash Management Services, Corporate Salary Accounts, Liability / Investment Products, and Investment Banking Services. CBG manages the Inclusive Banking Group of the Bank which manages the micro-finance product programme through the wholly owned subsidiary, Bharat Financial Inclusion Limited, as well as under a partnership programme with other leading micro-financing entities.

Business Banking Group (BBG), which is a part of the CBG, caters to small corporates generally having an annual turnover between ₹2 crore and ₹100 crore. Besides offering well defined products under Product Programmes, BBG offers Fund Based Services such as Working Capital Finance, Short Term Finance, Bill Discounting, Export Credit, Term Lending, Buyer's Credit / Supplier's Credit, and Asset based financing, Non Fund Based Services such as Letter of Credit, Bank Guarantees, Collection of Documents, and Forex solutions including derivatives, and Value-added Services such as Channel Financing, Cash Management Services, Corporate Salary Accounts, Liability / Investment Products, and Investment Banking Services.

#### Financial Institutions Group (FIG)

Financial Institutions Group (FIG) caters largely to government-owned and government controlled Indian companies. FIG also manages the correspondent bank relationships with banks and financial institutions across the world. Various products offered by the Bank to FIG clients include Fund Based Services viz., Working Capital



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Finance, Short Term Finance, Export Credit, Term Lending, and Buyer's Credit/ Supplier's Credit, Non Fund Based Services viz., Letter of Credit, Bank Guarantees, Collection of Documents, and Forex solutions including derivatives., and Value-added Services viz., Cash Management Services, E-tendering, bond collections and payment.

### Global Diamond and Jewellery Group (GDJG)

Global Diamond and Jewellery Group (GDJG) is a specialized vertical catering to the entities in the Diamond Jewellery manufacturing sector. India is the largest global hub for manufacturing Diamond Jewellery with more than 90% of the diamond stones cut and polished in India getting exported. IndusInd Bank is the largest player in India and a worldwide leader in this segment with almost 20% share in finance globally. Rough diamonds are imported into the country, cut and polished and finished into diamond stones as well as set in jewellery by specialty manufacturing entities renowned for skill and dexterity, and largely exported to meet the global demand. GDJG offers a variety of trade financing solutions through the entire value chain – import and production financing as well as post production export financing.

### Consumer Banking

The Consumer Banking business unit provides a range of services to retail customers, including a host of deposit products, loan products such as loan against property, personal loans, business loans, gold loan, credit cards, Kisan Credit Card, loan against securities, loan against credit card receivables, etc., services such as demat accounts and locker facilities, distribution of various third party products such as life, general and health insurance policies, mutual funds, mortgages under a white-label arrangement and online securities trading.

The Consumer Banking business unit manages the the Bank's distribution network, including its branches, banking outlets and non-branch delivery channels. The Bank provides comprehensive banking services through its branches and ATMs, as well as other delivery channels. The Bank's deposit products include the following:

- Savings accounts, which are on-demand deposit and cheque accounts designed primarily for individuals.
- Current accounts, which are non-interest-bearing cheque accounts designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.
- Fixed or term deposits, which pay a fixed return over a pre-determined time period ranging from seven days to ten years. The Bank also offers specialised products such as recurring deposits, where the customer deposits a pre-determined amount periodically, and liquid deposits that allow for automatic transfers from the customer's savings account to one or more fixed deposits.

The Bank offers a range of asset and deposit retail banking products targeting specific customer segments, including high net-worth individuals ("HNI"), sub-high net-worth individuals ("sub-HNI" or "Affluent") households, business owners, non-resident Indians ("NRIs"), salaried corporate professionals and trusts, associations, societies and corporations.

In June 2011, the Bank acquired the Indian operations of the credit cards business of Deutsche Bank AG. The Bank currently offers various credit cards catering to the different needs of its customers. Most of the Bank's credit cards offer their holder, the ability to earn and redeem reward points for transactions undertaken using their credit cards.

### Consumer Finance Division

The Bank's Consumer Finance Division (CFD) is a legacy business from erstwhile ALFL, an NBFC that merged with the Bank in 2004. The Bank offers a wide range of loans for the purchase of medium and heavy commercial vehicles, light commercial vehicles, small commercial vehicles, construction, earth-moving and material-handling equipment, tractors and other farm equipment, cars, utility vehicles and two-wheelers. CFD also manages the affordable housing loan product programme. All the loan products of CFD are typically secured by hypothecation of or a charge over, the vehicles or equipment or homes purchased. The Bank sources its business through long-standing and preferred, non-exclusive vendor relationships with various vehicle manufacturers and dealers and through its distribution network that includes the marketing outlets operated by its associate, IndusInd Marketing and Financial Services Private Limited. Through the Bank's preferred, non-exclusive relationships with certain vehicle manufacturers, the Bank is recommended to their customers to finance loans for the products purchased, and



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the Bank collaborates with these manufacturers in promoting sales of their products in its key role as financial services provider.

## Global Markets Group

The Bank's Global Markets Group (GMG) is responsible for all international products offered to customers (including structured products, foreign exchange trading and hedging, fixed income trading and hedging and bullion import), proprietary trading and market making activities in fixed income, currencies, equities and interest rate swaps and management of its balance sheet and asset-liability management, including maintenance of the required cash reserve and liquidity ratios.

The Global Markets Group (GMG) comprises three main functions:

- The Asset Liability Management Unit manages various regulatory requirements including Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR), Intra-day Liquidity (IDL), as prescribed by the Reserve Bank of India and other regulating bodies. In addition, the Desk manages the day-to-day liquidity requirements of the Bank through appropriate funding avenues involving both, INR and Foreign Currency.
- The Trading Desk trades in Rates, Equities, Foreign Exchange and Derivatives. It strategises and takes proprietary positions in Government Bonds, Corporate Debt, Equities, Interest Rates (INR and Foreign Currency), Interest Rate Futures and Currencies. The FX & Derivatives Trading Desk focuses on Currency and Interest Rate Derivative products for proprietary positions and also acts as a liquidity provider cum market access in respect of client business. The desk has executed Long-Term Currency and Interest Rate Swaps with established market counterparties. The Equity desk takes proprietary positions in both primary offerings as well as trades in listed securities.
- The Financial Markets Sales and Solutions team provide hedging solutions to clients across Large Corporates, Financial Institutions and Mid-market corporates and Consumer clients on their foreign exchange and interest rate exposures. The Bank enters into these transactions based on strict suitability, appropriateness and credit criteria. Besides the above OTC products, the Bank is also a Trading-cum-Clearing Member of NSE and BSE, which enables the Bank to offer a web-based platform across client segments for hedging their currency exposures in the exchange-traded currency derivatives market.

## Transaction Banking Group

The Transaction Banking Group (TBG) offers products and services to customers across all Business Units in the areas of Cash Management, Trade Services & Finance, Factoring & Global Remittances and it continues to build world-class products by leveraging the strengths of its Digital Banking platform.

The Bank is one of the leading players facilitating India linked Cross Border Remittances. The Bank enjoys a significant market share in Liberalised Remittance Scheme Outward Remittances from India, originating transactions from its network of branches as well facilitating flows for other licensed partners. It also continues to be a preferred India Correspondent for Overseas Banks, Exchange Houses as well as Money Service Business / Money Transfer Operators.

Under the umbrella of Cash Management Services (CMS), the Bank offers customised and differentiated products to its Corporate and Consumer Banking customers, to enhance efficiencies in their Payables and Receivables Management. The Bank offers both Synchronous and Asynchronous Application Programming Interfaces to clients, ensuring instantaneous transaction processing, coupled with transparency in payment status. The Digital product offerings include API NACH, UPI, BBPS, Link Based Payments, Open Banking, E-Payments & Escrow solutions. The Bank provides Digital solutions to Government Departments across e-Tendering, e-Procurement, GeM, PFMS and Subsidy management services.

The Bank operates five Currency Chests based on the approval granted by RBI, at Mumbai, New Delhi, Chennai, Kolkata and Bengaluru.



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### Distribution Network

The Bank has a distribution network comprising branches and non-branch delivery channels, including off-site ATMs, Internet and mobile phone banking channels, its "video branch", representatives at its marketing outlets and vehicle dealerships and contact centres, which provide access to, and market, the Bank's retail banking products and services.

The Bank's branch network is fundamental to how it engages and interacts with its customers. The Bank's branches are fully connected to a central database in Mumbai on a real-time basis with an off-site back-up facility in Chennai. All branches are licensed by the RBI to lend and to accept deposits, with the exception of specialised consumer finance lending branches where the Bank does not accept deposits. Any demand for loan products arising at the new branches will be addressed through the bank's existing processes, including centralised credit sanctions and credit administration for corporate loans. The Bank's International Financial Services Centre Banking Unit has been operating from Gujarat International Finance Tec-City, Gandhinagar, Gujarat since June 2016.

The Bank's ATMs are part of the VISA, MasterCard and National Finance Switch shared payment networks. In addition, RuPay, VISA, and MasterCard cardholders who have accounts with other banks can access their accounts using the ATM network of the Bank. The Bank offers most retail banking services via internet access to its consumer banking and corporate customers. The Bank's contact centres operate out of Mumbai, Chennai and Hyderabad, and attend to customer requests and queries on the phone and by video call and e-mail. The centres have multiple language capabilities. The Bank's premium customers can use its Direct Connect service to access assigned contact centre executives without waiting for interactive-voice-response system prompts.

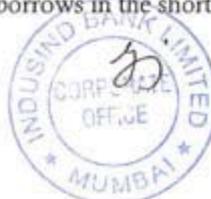
Besides the Branch and ATM Network, the branches of Bharat Financial Inclusion Limited, a wholly owned subsidiary of the Bank, and the marketing outlets of IndusInd Marketing and Financial Services Private Limited, an associate entity of the Bank, act as a significant customer touch points especially in the domains of micro finance and vehicle finance respectively.

### Risk Management

The Bank's risk management department is responsible for identifying, measuring, monitoring and controlling risks across its business units, encompassing credit risk, market risk (including asset-liability management) and operational risk, and ensuring the functional independence of its business units. The head of the department reports to the Chief Risk Officer ("CRO"), who in turn reports to the MD and Chief Executive Officer. There are separate committees for asset-liability management, credit risk management, market risk management and operational risk management which review the Bank's risk management policies, risk appetite, exposure limits and risk values and which make recommendations. Further, the Risk Management Committee, which is a committee of the Bank's Board of Directors, oversees the risk management framework. The department is responsible for determining the amount of capital to hold against each class of the Bank's assets, for undertaking stress tests to evaluate the strength of its portfolio and for ensuring compliance with applicable regulations. Policies are periodically reviewed and revised to address changes in the economy and the banking sector and the Bank's risk profile. The Bank has policies on credit risk, bank risk, country risk, market risk, asset-liability management, operational risk, business continuity planning and on other aspects of risk management. The Bank's internal capital adequacy assessment policy addresses material risks faced, the control environment, risk management processes, risk measurement techniques, capital adequacy and capital planning.

### Asset-Liability Management

The Bank's asset-liability management committee is responsible for liquidity risk and interest rate risk management. The committee monitors liquidity risk through structural liquidity gaps, dynamic liquidity position, LCR, analysis of other liquidity ratios, under stock approach and behavioural analysis, with limits for negative gaps in various time buckets. The committee monitors interest rate sensitivity through limits for rate-sensitive gaps and other risk parameters. Interest rate risk is constantly reassessed in line with market movements and expectations. The Bank generally funds its customer assets with customer deposits. Most of the Bank's liabilities and assets are short to medium-term. To manage its funding mismatches, the Bank borrows in the short-term money market.



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### Internal Audit

The Bank's internal audit department is an independent body and the head of its audit department functionally reports to the audit committee of its board of directors and administratively to the MD and Chief Executive Officer. The department conducts an internal audit of all the Bank's consumer banking branches as well as various other corporate office functions and centralised units such as the consumer finance division, information security system, integrated treasury operations, the centralised processing unit for assets and liability operation, zonal credit administration at the North, West, South and East zones, trade finance operations, and management audit of corporate functions and other support functions. Each of these branches/ units are given a risk rating based on the audit findings, which complies with RBI requirements on risk-based supervision, and the frequency of audit is linked to the risk rating so assigned to each branch or unit.

The internal audit department also monitors the concurrent audits assigned by the internal audit department to external chartered accountant firms. In accordance with RBI guidelines, the scope of concurrent audit covers depository operations, treasury operations, zonal credit administration units, centralised processing units like loan processing units, centralised account opening unit, global remittance unit, trade finance activities, credit card operations, microfinance centralised processing unit activities, consumer finance division, data centre operations, selected centralised clearing cells and the GIFT City branch. The scope of coverage of various audits is reviewed from time to time and the quality of the coverage is monitored.

### Compliance

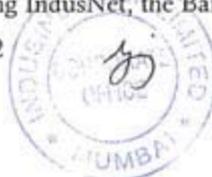
The Bank's compliance department is independent and centralised. It is headed by the Chief Compliance Officer who reports to the Chief Executive Officer. The Chief Compliance Officer has the right to report serious compliance matters directly to the Bank's board of directors. The department monitors compliance with various laws, regulations and guidelines, rules of self-regulatory bodies and industry associations and the Bank's internal policies. The Bank aims to embrace best practice and follow a higher standard of compliance than that required by law.

### Information Technology

Information Technology (IT) in IndusInd Bank is the backbone supporting the business growth ambitions. The IT strategy of the Bank is to (1) deliver superior client experience; (2) deliver efficiency; and (3) manage risk. The Bank has taken several steps in improving client experience, with the all-in-one store (aggregator being GoNuclei) which enables clients to use services such as, DTH recharges, place orders for cab services, etc., while in app-delivered through a single sign-on. The Bank is one of the pioneers to launch the innovative Video Branch, which enables clients to engage services of dedicated agents over a video call and this was extended through the launch of on-boarding of new-to-Bank accounts. The Bank engages its clients digitally through the means of channels like WhatsApp and Alexa to offer a range of services that are supported by Natural Language Processing.

The Bank has modernised its data centre and progressively moved some of its digital applications like Website, CRM onto the Cloud in India, with a view to achieving high resiliency and throughput. The Bank has smoothly transitioned to RTGS and NEFT 24X7 supporting the RBI drive for 24X7 Banking.

The Bank uses advanced information technology in its operations. The Bank's current core banking software solution is the Finacle core banking software solution from Infosys, and the Bank's trade operations are enabled by the TI Plus system of Misys. The Bank has implemented an integrated treasury risk capturing application of Calypso Technology. The Bank also uses risk management for banking software and analytical tools from SAS. The Bank has implemented fraud monitoring and anti-money laundering software to address operational risk. The Bank also uses Newgen's iWorks BPM, a business process management system, to provide various services to its customers, including account opening, insurance purchases, mutual funds purchases, accounts payable processing, trade finance, kisan loans, gold loan processing and cheque referral processes. The Bank has an Enterprise Data Warehouse from which various dashboards and reports are generated to measure and track business performance and operational efficiency; this platform is also used for regulatory reporting. The Bank's corporate customers are able to use Indus Direct, an internet-based corporate payment channel to securely initiate instructions for internal, NEFT, RTGS and IMPS funds transfers and to print customised current account cheques and demand drafts. The Bank's retail banking customers are able to securely initiate internal and NEFT funds transfers, review balances and mutual fund portfolios, pay utility and other bills and insurance premiums by using IndusNet, the Bank's electronic retail banking system.



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The Bank upgrades its software and hardware periodically to leverage advances in technology in its businesses. The Bank's critical systems are hosted at a production data centre at Mumbai and its disaster recovery programme is at a third-party location in Chennai. The Bank's branches have back-up links to ensure connectivity in the event of interruption.

### **Bharat Financial Inclusion Limited, a wholly-owned subsidiary of the Bank**

Bharat Financial Inclusion Limited (BFIL) has a deep reach in the rural geographies in 437 districts in 23 states. Besides financial inclusion, which remains the cornerstone of the operating model, BFIL is expanding into other product lines to fulfil the needs of customer segments across income brackets. BFIL is currently scaling up two new business lines, viz., Bharat Super Shop (Loans to Merchants) and Bharat Money Stores (Kirana stores) to meet credit demand. BFIL offers products of the Bank including Loans, Savings Bank accounts, Recurring / Term Deposits and Remittances, to a wider customer base thus ensuring that it integrates them fully into the formal financial system. BFIL's focus on providing last-mile delivery is the core of its existence. MFI Portfolio generated through BFIL at Rs. 24,829 crores as of June 30, 2021, which accounts for more than 12% market share in sustainable livelihood financing. IndusInd Bank is the second largest Bank operating in the micro finance industry.

### **Corporate Social Responsibility (CSR)**

The CSR programmes of the Bank are guided by the CSR policy. During the year ended March 31, 2021, IndusInd Sattvam was launched as the umbrella brand for all social responsibility initiatives undertaken by the Bank. Aligning with the CSR mission of designing sustainable CSR programmes that primarily empower and benefit marginalised and weaker sections of society, high risk and high-stressed communities, the initiatives are focussed on five major themes viz., (a) Environment where the focus is on water stewardship, afforestation, renewable energy and waste management, (b) Education, (c) Healthcare; (d) Sports and (e) Skills and Livelihood.

### **Sustainability**

The Bank has adopted a comprehensive approach to improve its triple bottom line (i.e., People, Planet and Profit) performance by integrating sustainability considerations in its business practices, decision-making, operations and products. The Bank has voluntarily committed targets on Environmental, Social and Governance (ESG) aspects. The Bank is included in the S&P Dow Jones Sustainability Yearbook 2021. The Bank has also been recognised for leadership in Carbon Disclosure Project (CDP), securing a place on its prestigious 'A List' for tackling climate change. The Bank has been publishing the Integrated Report for four years, which aims to communicate how the Bank's Strategy, Governance, Performance and Prospects create value over time. The value creation story of the Bank articulated in the Integrated Report has been prepared on voluntary basis in adherence to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 6, 2017. The latest Integrated Report is available on the website of the Bank at <https://www.indusind.com/jn/en/sustainability.html>



## VI. ISSUER INFORMATION

## 1. Name and address of the Issuer

(i)	Name of the Issuer	INDUSIND BANK LIMITED
(ii)	Registered Office of the Issuer	2401 Gen. Thimmayya Road,(Cantonment), Pune- 411 001, Maharashtra, India.
(iii)	Corporate Office of the Issuer	One World Center, 8th Floor, 841 Senapati Bapat Marg, Elphinstone Road (W), Mumbai, - 400013, Maharashtra, India.
(iv)	Compliance Officer	Mr. Haresh Gajwani 731, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E), Mumbai - 400093. Email: <a href="mailto:haresh.gajwani@indusind.com">haresh.gajwani@indusind.com</a> Tel No.022-66412485. Fax: 022-66412347
(v)	Chief Financial Officer	Mr. Gobind Jain One World Center, 8th Floor, 841, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400013. Email: <a href="mailto:gobind.jain@indusind.com">gobind.jain@indusind.com</a>
(vi)	Website of the Issuer	<a href="http://www.indusind.com">www.indusind.com</a>
(vii)	Arrangers, if any, to the issue	As per NSE-EBP
(viii)	Trustee to the Bondholders	<b>Catalyst Trusteeship Limited</b> (Erstwhile GDA Trusteeship Limited) GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel No.+91 (020) 6680 7200 Ext. 214 E-mail : <a href="mailto:dt@ctltrustee.com">dt@ctltrustee.com</a> Website : <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a> Contact person: Pallavi S. Kulkarni   <b>CATALYST</b> <i>Believe in yourself... Trust us!</i>
(ix)	Registrar to the Issuance	<b>Link intime India Pvt Ltd.</b> C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083. Tel No. +91 22 49186000 Fax : +91 22 49186060 E-Mail: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> / <a href="mailto:bonds.helpdesk@linkintime.co.in">bonds.helpdesk@linkintime.co.in</a> Website: <a href="http://linkintime.co.in">linkintime.co.in</a> Contact Person: Amit Dabhade  



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(x)	Credit Rating Agencies	<p>a. CRISIL RATINGS LIMITED  CRISIL House,  Central Avenue, Hiranandani Business Park,  Powai, Mumbai 400076  Tel No: (022)33423000, Fax No: (022) 40405800  Website: <a href="http://crisilratings.com">crisilratings.com</a>  Contact Person: Krishna Bhargav  E-mail: <a href="mailto:krishna.bhargav@crisil.com">krishna.bhargav@crisil.com</a></p> <p><b>CRISIL</b>  <small>CRISIL Credit Ratings</small></p> <p>b. India Ratings &amp; Research Private Limited  Wockhardt Tower, West Wing, 4th Floor  Bandra Kurla Complex, Bandra (E)  Mumbai 400051  Tel No: (022) 40001700, Fax No: 91-22- 40001701  Website: <a href="http://indiaratings.co.in">indiaratings.co.in</a>  Contact Person: Jindal Haria  E-mail: <a href="mailto:jindal.haria@indiaratings.co.in">jindal.haria@indiaratings.co.in</a></p> <p><small>India Ratings &amp; Research</small></p>
(xi)	Legal Counsel	<p>Trilegal  Peninsula Business Park  16th Floor, Tower B  Ganpat Rao Kadam Marg  Lower Parel (West)  Mumbai 400 013  Board Line: +91 22 40791000 / +91 22 49108033  Website: <a href="http://www.trilegal.com">www.trilegal.com</a>;  Contact Person: Joseph Jimmy  E-mail: <a href="mailto:Joseph.Jimmy@trilegal.com">Joseph.Jimmy@trilegal.com</a></p> <p><small>TRILEGAL</small></p>
(xii)	Statutory Auditors	<p>a. M/s. Haribhakti &amp; Co. LLP  Chartered Accountants  705, Leela Business Park,  Andheri Kurla Road,  Andheri (E), Mumbai – 400 059  Office +91 22 6672 9999  Fax +91 22 6672 9777  Contact Person: Mr. Purushottam Nyati  Email: <a href="mailto:purushottam.nyati@haribhakti.co.in">purushottam.nyati@haribhakti.co.in</a></p> <p>b.M/s. M. P. Chitale &amp; Co  Hamam House, 1<sup>st</sup> Floor  Ambalal Doshi Marg  Fort, Mumbai - 400 001  Office +91 22 2265 1186 / 3023 / 3024  Fax + 91 22 2265 5334  Contact Person: Anagha Thatte  Email: <a href="mailto:anagha@mpchitale.com">anagha@mpchitale.com</a></p>
(xiii)	Guarantor, if applicable	Not Applicable
(xiv)	Arrangers, if any	As per NSE-EBP



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### 2. Brief summary of business activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business

#### Overview of the business of the Issuer

The Bank is a private sector bank in India and provides a wide range of banking and financial products and services to individual consumers and corporate and commercial entities ranging from small businesses to large companies and government entities.

The Bank had a customer base of approximately 29 million customers as at June 30, 2021 and had a presence in 760 geographical locations spread across India as at June 30, 2021 with 2,015 branches / banking outlets and 2,870 ATMs.

Bank's International Financial Services Centre Banking Unit has been operating from Gujarat International Finance Tec-City, Gandhinagar, Gujarat since June 2016. In addition, the Bank has representative offices in Dubai, London and Abu Dhabi.

The Registered Office of the Bank is located at 2401 Gen. Thimmayya Road (Cantonment), Pune 411 001, India. The Corporate Office of the Bank is located at One World Center, 8<sup>th</sup> Floor, Tower 1, 841 Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013, India and the Bank's secretarial and investor services office is located at 701 Solitaire Corporate Park, 167 Guru Hargovindji Marg, Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400 093, India.

#### Project Cost and meaning of financing, in case of funding of new projects

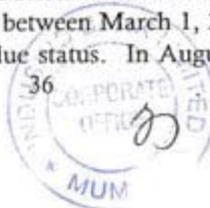
Not applicable.

#### Recent Developments

Pursuant to a Composite Scheme of Arrangement with Bharat Financial Inclusion Limited, on July 6, 2019 the Bank had allotted 1,57,70,985 Share Warrants to the Promoters of the Bank, on receipt of the subscription amount at 25% of the price of Rs. 1,709 per Share Warrant. Each Share Warrant was convertible to one equity share of the Bank fully paid, upon exercise of the option by paying the remaining amount. On February 18, 2021, the Promoters paid Rs. 2,021.45 Crore towards the remaining 75% of the price of Share Warrants and exercised the option of conversion and consequently, the Bank allotted 1,57,70,985 equity shares of Rs.10 each fully paid at a price of Rs. 1,709 per equity share. Accordingly, the share capital increased by Rs.15.77 Crore and the share premium by Rs. 2,679.49 Crore.

Under a Preferential Issue completed in two stages, on September 2, 2020, the Bank allotted 4,76,29,768 equity shares of Rs. 10 each to five Qualified Institutional Buyers and on September 4, 2020, allotted 1,51,17,477 equity shares of Rs. 10 each to two corporates including one of the promoter entities, at a price of Rs. 524 per equity share, in compliance with the applicable laws and regulations. Consequently, the equity share capital of the Bank increased by Rs. 62.75 Crore and Share Premium Account by Rs. 3,196.39 Crore, net of share issue expenses.

The "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)", generally known as COVID-19 was declared a pandemic by the World Health Organization on 11 March 2020, which has led to an unprecedented level of disruption on socio-economic front across the world including India. In order to control the spread of virus, the Govt. of India declared a stringent country-wide lockdown for 68 days from March 24, 2020 till May 31, 2020. The unlocking happened in phases. While the country was moving towards normalization, a more virulent second wave of the virus engulfed large parts of the country during the months between March 2021 and June 2021, with a faster spread and larger toll on human lives. The Govt. of India has launched a massive inoculation drive in January 2021 and as of now three vaccines have been granted Emergency Use Approval. The unprecedented, once in a century pandemic caused the contraction of the Indian economy with the GDP for FY 2020-21 declining by 7.3%. In order to mitigate the stress, the Govt. of India and the Reserve Bank of India have taken a large number of fiscal, monetary and liquidity measures which are still continuing. The Reserve Bank of India mandated a moratorium on payment of interest and loan installments that have fallen due between March 1, 2020 and August 31, 2020, to be given to eligible borrowers, with a standstill in the day-past-due status. In August 2020, the RBI relaxed the regulations



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pertaining to restructuring of loans such that a restructuring upto two years, of eligible loan accounts, to be continued with a "standard" classification, and there have been further relaxation of the prudential guidelines. The extent to which the COVID-19 pandemic, including the current 'second wave' and the widely expected 'third wave' will impact the Bank's operations and financial results is dependent on the future developments, which are highly uncertain. In view of the same, the Bank has made regulatory, floating, counter cyclical and/or contingent provisions, taking the total amount of such provisions to Rs. 2,303 crores as of June 30,2021, including an amount of Rs. 1,220 crore in respect of borrower accounts restructured in accordance with Resolution Framework for Covid-19 related stress. The provisions held by the Bank are higher than the provision required under the RBI Master Circular on Income Recognition and Asset Classification and the RBI Circulars on COVID-19 Regulatory Package on Asset Classification and Provisioning and Resolution framework.

## History

The Bank was established in 1994 as part of the group of "New Private Sector Banks" licensed by the Government under its economic liberalisation programme is one of the "New Private Sector Banks" operating in India.

The promoters of the Bank are IndusInd International Holdings Limited and its subsidiary, IndusInd Limited. Both the promoters of the Bank are organised in Mauritius. As at June 30, 2021 the promoters held 117,516,010 shares representing 15.19% of the Issued Share Capital of the Bank.

In 2003, IndusInd Enterprises & Finance Limited, an NBFC and one of the promoters of the Bank at the time, merged with the Bank. In 2004, Ashok Leyland Finance Limited, an NBFC controlled by the Hinduja Group, merged with the Bank. As a result of the merger with ALFL, the Bank has established a leading position in consumer finance. In 2019, Bharat Financial Inclusion Limited, the largest NBFC-MFI operating at the time, merged with the Bank in a Composite Scheme of Arrangement, and the Business Correspondent undertaking, post-merger, has been transferred and housed in a wholly owned subsidiary of the Bank under the same name of Bharat Financial Inclusion Limited. As a result of the merger of BFIL, the Bank has established a leading position in micro-finance with a very wide rural presence. Such mergers have expanded the capital base of the Bank.

The equity shares of the Bank are listed on the Bombay Stock Exchange Ltd. (the "BSE") and the National Stock Exchange of India Ltd. (the "NSE"). The global depository receipts, each representing one Equity Share, are listed on the Luxembourg Stock Exchange.

In July 2015, the Bank issued 51,218,640 Equity Shares at an offer price of Rs. 845.00 per Equity Share to certain qualified institutional investors in a qualified institutions placement in reliance on Chapter VIII of the ICDR Regulations as amended, aggregating approximately Rs. 4,327.98 Crore. In August 2015, the Bank issued 8,781,360 Equity Shares at an offer price of Rs. 857.20 per Equity Share to the promoters on a preferential allotment basis in reliance on Chapter VII of the ICDR Regulations as amended, aggregating approximately Rs. 752.74 Crore.

Pursuant to a Composite Scheme of Arrangement with the erstwhile Bharat Financial Inclusion Limited, on July 6, 2019 the Bank had allotted 1,57,70,985 Share Warrants to the Promoters of the Bank, on receipt of the subscription amount at 25% of the price of Rs. 1,709 per Share Warrant. Each Share Warrant was convertible to one equity share of the Bank fully paid, upon exercise of the option by paying the remaining amount. On February 18, 2021, the Promoters paid Rs. 2,021.45 Crore towards the remaining 75% of the price of Share Warrants and exercised the option of conversion and consequently, the Bank allotted 1,57,70,985 equity shares of Rs.10 each fully paid at a price of Rs. 1,709 per equity share. Accordingly, the share capital increased by Rs.15.77 Crore and the share premium by Rs. 2,679.49 Crore.

Under a Preferential Issue completed in two stages, on September 2, 2020, the Bank allotted 4,76,29,768 equity shares of Rs. 10 each to five Qualified Institutional Buyers and on September 4, 2020, allotted 1,51,17,477 equity shares of Rs. 10 each to two corporates including one of the promoter entities, at a price of Rs. 524 per equity share, in compliance with the applicable laws and regulations. Consequently, the equity share capital of the Bank increased by Rs. 62.75 Crore and Share Premium Account by Rs. 3,196.39 Crore, net of share issue expenses.

The Bank has undertaken acquisitions as part of its growth strategy. For example, in 2011, the Bank acquired the Indian operations of the credit cards business of Deutsche Bank AG. In July 2015, the Bank acquired the diamond



## Placement Memorandum

and jewellery financing business (comprising a loan portfolio and a related deposit portfolio) from The Royal Bank of Scotland N.V. in India.

### Highlights of the Bank

The Bank is a new private sector bank with strong fundamentals in business and has a history of over 25 years. It is a professionally managed Bank with a track record of profitability. Its technology platform supports multi-channel delivery capabilities.

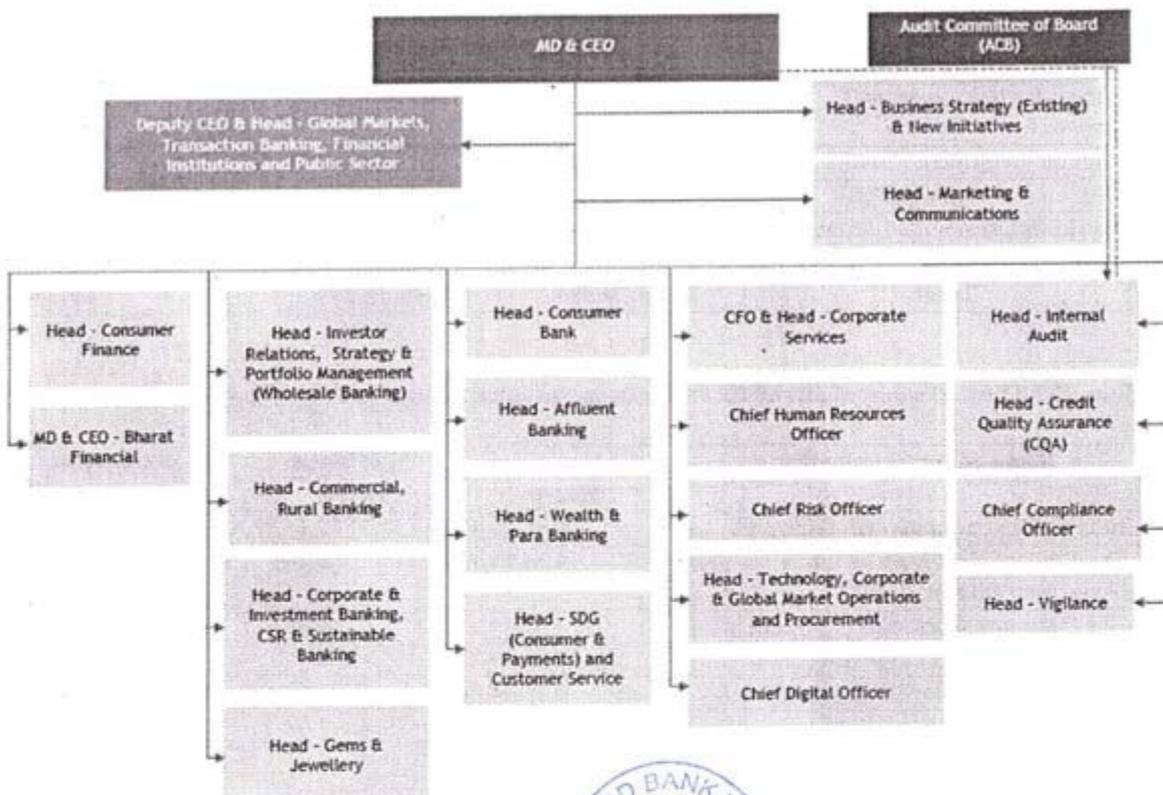
As on June 30, 2021, the Bank had a network of 2,015 banking outlets (1,860 branches and 155 banking outlets), 2,870 ATMs, 2,385 BFIL branches, 75,000 active Retail Distribution Service Points (RDSPs) managed by BFIL, and 821 marketing outlets of IMFS, spread across 760 geographical locations of the country. The Bank also has representative offices in London, Dubai and Abu Dhabi.

As on June 30, 2021, total assets of the bank on a consolidated basis was Rs. 372,996 Crores as compared to Rs. 362,903 Crores as at March 31, 2021. The consolidated Net Profit of the Bank for the 3 months ended June 30, 2021 amounted to Rs. 1,016 Crore while the Net Profit for the year ended March 31, 2021 amounted to Rs. 2,930 Crore.

As at June 30, 2021 the Capital Adequacy Ratio of the Bank was 17.57%, the Gross Non-Performing Assets as a proportion of Gross Advances was 2.88% and the Net Non-Performing Assets as a proportion of Net Advances was 0.84%.

### 3. Corporate Structure of the Issuer

The organization chart of the Bank is presented below:



## 4. Details of shareholding

## (a) Details of the shareholding of the Issuer as on the latest quarter end, i.e., June 30, 2021

Sr No	Name of the Shareholder	Total No. of Equity Shares	No. of shares held in dematerialised form	Total shareholding as % of total number of equity shares
1	Central Government	273	273	-
2	Clearing Members	9,01,966	9,01,966	0.12
3	Other Bodies Corporate	1,96,39,416	1,95,32,597	2.54
4	Directors	5,64,218	5,64,218	0.07
5	Foreign Banks	42	42	-
6	Foreign Company	63,45,876	63,45,876	0.82
7	Financial Institutions	2,98,575	2,98,575	0.04
8	Foreign Inst. Investor	1,53,031	1,53,031	0.02
9	Foreign Promoter Company	11,75,16,010	11,75,16,010	15.19
10	Global Depository Receipts	6,34,81,464	6,34,81,464	8.20
11	Hindu Undivided Family	10,00,865	9,98,042	0.13
12	Mutual Funds	6,96,86,097	6,96,86,097	9.00
13	Nationalised Banks	1,56,230	1,55,893	0.02
14	Non Nationalised Banks	5,475	5,475	0.00
15	Foreign Nationals	4,950	4,950	0.00
16	Non Resident Indians	24,52,160	18,19,460	0.32
17	Non Resident (Non Repatriable)	15,00,486	14,88,286	0.19
18	Overseas Corporate Bodies	7,78,400	2,69,400	0.10
19	Public	5,57,96,245	5,28,82,019	7.21
20	Trusts	4,58,588	4,58,588	0.06
21	Insurance Companies and others	5,55,81,193	5,55,81,193	7.18
22	Foreign Portfolio Investors (Corporate)	36,95,85,932	36,95,85,932	47.76
23	Alternate Investment Funds	3,44,347	3,44,347	0.04
24	NBFCs registered with RBI	62,00,630	62,00,630	0.80
25	Investor Education And Protection Fund	14,24,315	14,24,315	0.18
	<b>Total</b>	<b>77,38,76,784</b>	<b>76,96,98,679</b>	<b>100.00</b>

## (b) List of top 10 holders of equity shares of the Issuer as on the latest quarter end, i.e. June 30, 2021

Sr No	Name of the Shareholder	Total No. of Equity Shares	% of Total Equity	No. of shares in demat form
1	IndusInd International Holdings Ltd	8,95,37,464	11.57	8,95,37,464
2	The Bank of New York - Global Depository Receipt (GDR)	6,34,81,464	8.20	6,34,81,464
3	Life Insurance Corporation of India	3,41,48,153	4.41	3,41,48,153
4	BOFA Securities Europe SA - ODI	3,33,24,220	4.31	3,33,24,220
5	Route One Offshore Master Fund, L.P.	3,11,14,303	4.02	3,11,14,303
6	IndusInd Limited	2,79,78,546	3.62	2,79,78,546
7	SFSPVI Ltd.	2,59,54,027	3.35	2,59,54,027
8	Dragsa India Equities III LP	2,38,42,875	3.08	2,38,42,875
9	Route One Fund I, L.P.	2,08,44,081	2.69	2,08,44,081
10	Morgan Stanley Investment Funds Asia Opportunity Fund	1,93,38,250	2.50	1,93,38,250
	<b>TOTAL</b>	<b>36,95,63,383</b>	<b>47.75</b>	<b>36,95,63,383</b>



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5. Details regarding the Directors of the Bank

(a) Name and Addresses of the Directors of the Issuer

Sr No	Name	Designation	Address	DIN	Age	Directorships	Director of the Issuer Since	Whether willful Director (Y/N)
1	Mr. Arun Tiwari	Chairman	B-14, Ahuja Towers, Rajabhau Anant Desai Marg, Century Bazar, Prabhadevi, Mumbai- 400 025	05345547	64 yrs	<ul style="list-style-type: none"> <li>• India Infradebt Ltd.</li> <li>• Acuite Ratings &amp; Research Limited</li> <li>• Hinduja Enrcgy (India) Limited</li> <li>• Hinduja National Power Corporation Ltd.</li> <li>• Afrinex Ltd</li> </ul>	Appointed Director on 10 August 2018 and subsequently appointed Chairman on 31 January 2020	N
2	Mr. Shanker Annaswamy	Director	Villa No A265, East Drive Prestige Ozone, Whitefield Main Road, Whitefield, Bangalore 560066	00449634	66 yrs	<ul style="list-style-type: none"> <li>• Healthcare Global Enterprises Ltd.</li> <li>• TransUnion CIBIL Limited (Formerly 'Credit Information Bureau (India) Limited (CIBIL)')</li> </ul>	January 12, 2016	N
3	Dr. T. T. Ram Mohan	Director	12 / 135 Prabhu Niwas, Next to Kannada High School, Wadala, Mumbai - 400031.	00008651	65 yrs.	Nil	12 May 2016	N
4	Mrs. Akila Krishnakumar	Director	S-67 Golden Enclave, HAL Airport Road, Bangalore - 560017	06629992	59 yrs.	<ul style="list-style-type: none"> <li>• Heidelberg Cement Ltd.</li> <li>• Matrimony.com Ltd.</li> <li>• Mindtree Ltd. (Promoter)</li> <li>• ABB Power Products and Systems (I) Ltd.</li> <li>• Medwell Ventures Pvt. Ltd.</li> <li>• Brookprop Management Services Pvt. Ltd.</li> <li>• Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited)</li> </ul>	10 August 2018	N



Placement Memorandum

Sr No	Name	Designation	Address	DIN	Age	Directorships	Director of the Issuer Since	Whether willful Director (Y/N)
5	Mr. Rajiv Agarwal	Director	6 Yashwant Nagar, Ganeshkhind Road, Shivajinagar, Pune - 411007.	00336487	64 yrs.	<ul style="list-style-type: none"> <li>• Rightsource Technologies Pvt. Ltd.</li> <li>• Sensory Solutions (Partner)</li> <li>• Autosource India Pvt. Ltd. (formerly, Berghoff India Pvt. Ltd.)</li> </ul>	15 March 2019	N
6	Mr. Sanjay Asher	Director	32 Modi Street, 3rd Floor, Fort, Mumbai 400001	00008221	57 yrs.	<ul style="list-style-type: none"> <li>• Sonata Software Ltd.</li> <li>• Deepak Nitrite Ltd.</li> <li>• Ashok Leyland Ltd.</li> <li>• Tribhovandas Bhimji Zaveri Ltd.</li> <li>• Sudarshan Chemical Industries Ltd.</li> <li>• Repro India Ltd.</li> <li>• Lonza India Pvt. Ltd.</li> <li>• Kincco Kaman Composites - India Pvt. Ltd.</li> <li>• Arch Protection Chemicals Pvt. Ltd.</li> <li>• Organogami Consultants Pvt. Ltd. (formerly, N V Advisory Services Pvt. Ltd.)</li> <li>• Siporex India Pvt. Ltd.</li> <li>• Orbit Electricals Pvt. Ltd.</li> <li>• Deepak Phenolics Ltd.</li> <li>• Meghmani Finechem Ltd</li> </ul>	10 October 2019	N



## Placement Memorandum

Sr No	Name	Designation	Address	DIN	Age	Directorships	Director of the Issuer Since	Whether willful Director (Y/N)
7	Mrs. Bhavna Doshi	Director	C-191, Grand Paradi, August Kranti Marg, Mumbai - 400036.	00400508	68 yrs	<ul style="list-style-type: none"> <li>• Everest Industries Ltd.</li> <li>• Sun Pharma Advanced Research Company Ltd.</li> <li>• Future Generali India Life Insurance Company Ltd.</li> <li>• Future Generali India Insurance Company Ltd.</li> <li>• Nuvoco Vistas Corporation Ltd.</li> <li>• LIC Pension Fund Limited</li> <li>• Torrent Power Ltd.</li> <li>• Greatship (India) Ltd.</li> <li>• Connect Capital Pvt. Ltd.</li> <li>• ICAI Accounting Research Foundation</li> <li>• AIC-NMIMS Incubation Centre (Section 8 Company)</li> </ul>	14 January 2020	N
8	Mr. Jayant Deshmukh	Director	A 1003, 9 Green Park, Sahakar Nagar No.2, Pune - 411009	08697679	63 yrs	<ul style="list-style-type: none"> <li>• Paranda Bhoom Agro Producer Co. Ltd.</li> <li>• Haldharhitech Agro Farmer Producer Co. Ltd.</li> </ul>	24 July 2021	N
9	Mr. Sumant Kathpalia	Managing Director & CEO	B 9B, Ansal Villa Farm, Satbari, Delhi 110074.	01054434	59 yrs	<ul style="list-style-type: none"> <li>• Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited)</li> </ul>	24 March 2020	N

Note: None of the above Directors of the Bank appears in the RBI's Defaulters' List or ECGC's Default List.

### (b) Details of change in Directors since last three years: (April 2018 to March 2021)

Sr No	Name, Designation, DIN	Date of Appointment / Resignation (if applicable)	Director of the Issuer since (in case of resignation)	Date of Cession (if applicable)	Remarks
1	Mr. T. Anantha Narayanan, Director DIN 00007227	23 June 2018	-		Completed his tenure
2	Mrs. Akila Krishnakumar, Director DIN 06629992	10 August 2018	-		Appointed as Additional Director
3	Mr. Arun Tiwari, Director DIN 05345547	10 August 2018	-		Appointed as Additional Director



## Placement Memorandum

Sr No	Name, Designation, DIN	Date of Appointment / Resignation (if applicable)	Director of the Issuer since (in case of resignation)	Date of Cession (if applicable)	Remarks
4	Mr. Ranbir Singh Butola, Director DIN 00145895	17 December 2018	-		Ceased to be Director, upon his demise.
5	Mr. Siraj A. Chaudhry, Director DIN 00161853	3 January 2019	-		Appointed as Additional Director
6	Mr. Rajiv Agarwal, Director DIN 00336487	15 March 2019	-		Appointed as Additional Director
7	Mr. Yashodhan M. Kale, Director DIN 00013782	16 April 2019	-		Completed his tenure
8	Mr. R. Seshasayee, Chairman DIN 00047985	24 July 2019	-		Completed his tenure
9	Mr. Siraj A. Chaudhry, Director DIN 00161853	23 September 2019	3 January 2019		Resigned from the Board owing to acceptance of a new role as the Managing Director & CEO of a constituent having a banking relationship with IndusInd Bank Ltd., impacting his professional commitment vis-a-vis applicable statutory provisions to his being a Director in the Bank's Board.
10	Mr. Sanjay Asher, Director DIN 00008221	10 October 2019	-		Appointed as Additional Director
11	Mrs. Kanchan Chitale, Director DIN 00007267	17 October 2019	-		Completed her tenure
12	Mr. Sanjeev Asthana, Director DIN 00048958	4 December 2019	-		Appointed as Additional Director
13	Mrs. Bhavna Doshi, Director DIN 00400508	14 January 2020	-		Appointed as Additional Director
14	Mr. Arun Tiwari, Chairman DIN 05345547	31 January 2020	-		Assumed charge as Part-time, Non-executive Chairman (Additional Director)
15	Mr. Sumant Kathpalia, Managing Director & CEO DIN 01054434	24 March 2020	-		Assumed charge as Managing Director & CEO (Additional Director)
16	Mr. Sanjeev Asthana DIN 00048958	27 July 2020	4 December 2019		Resigned from the Bank's Board with effect from the close of business hours on July 27, 2020, owing to acceptance of a new role as the CEO of a corporate, impacting his being a Director in the Bank's Board with specialised knowledge / practical experience in Agriculture & Rural Economy, as laid down in the Banking Regulation Act, 1949.



## Placement Memorandum

Sr No	Name, Designation, DIN	Date of Appointment / Resignation (if applicable)	Director of the Issuer since (in case of resignation)	Date of Cession (if applicable)	Remarks
17	Mr. Jayant Deshmukh DIN: 08697679	24 July 2021	-	-	Appointed Additional Director on 24 July 2021. Regularized by the Shareholders in the 27 <sup>th</sup> AGM of the Bank held on 26 <sup>th</sup> August 2021.

## 6. Details regarding the Auditors of the Bank

### (a) Details of the current Auditors

Name	Address	Auditor Since
M/s. Haribhakti & Co. LLP	Chartered Accountants 705, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai – 400 059	July 8, 2019
M/s. M. P. Chitale & Co.	Chartered Accountants Hamam House, 1 <sup>st</sup> Floor Ambalal Doshi Marg Fort, Mumbai 400 001	August 26, 2021

### (b) Details of change in auditors since last 3 years

Name	Address	Auditor Since	Date of cessation, if applicable	Date of Resignation, if applicable
M/s. Price Waterhouse Chartered Accountants LLP	252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai-400028	Financial Years 2015-16 to 2017-18 (From August 17, 2015 to July 26, 2018)	July 26, 2018	-
M/s. S.R. Batliboi & Co. LLP	12 <sup>th</sup> Floor, The Ruby, 29, Senapati Bapat Marg, Dadar(West), Mumbai -400028	July 27, 2018 to July 7, 2019	July 07, 2019	-

## 7. Details of the following liabilities of the Issuer including its borrowings as on June 30, 2021

### (i) Details of Outstanding Secured Loan Facilities

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date/Schedule	Security
NIL	NIL	NIL	NIL	NIL	NIL

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## Placement Memorandum

### (ii) Details of Outstanding Unsecured Loan Facilities

Sl. No	Name of Lender	Type of Facility	Amount Sanctioned (Rs. Crore)	Principal Amount Outstanding (Rs. Crore)	Repayment Date/Schedule
1	From Banks	Demand Deposits	NA	299.65	On Demand
		Term Deposits	NA	18,941.14	
2	Other Depositors	Demand Deposits		32,518.99	On Demand
		Term Deposits	NA	1,35,942.59	
		Savings Deposits	NA	79,927.51	
3	Various Bondholders	Additional Tier I Bonds	NA	3,489.90	
	Various Bondholders	Infrastructure Bonds	NA	2,000.00	
4	Reserve Bank of India	Borrowings	NA	-	
5	Other Institution and Agencies	Borrowings	NA	31,470.07	
6	Outside India	Borrowings	NA	12,265.73	
7	Banks/institutions	Borrowings	NA	68.35	
		<b>Total</b>		<b>3,16,923.93</b>	

### Details of Outstanding Non-Convertible Securities:

#### (iii) Private placement of Bonds

There are no Tier 2 Bonds outstanding as on date. In the past, the Bank had raised Tier 2 Bonds that have been fully redeemed on due dates.

Sr No	Date of Placement/ Allotment	Amount (Rs. Crores)	Tenor (in months)	Credit Rating	Coupon (%)	Redemption Date
1	30.12.2005	115.00	113	ICRA AA+ by ICRA and CARE AA+by CARE	8.40% pa, payable annually	30.05.2015
2	31.03.2010	420.00	63	ICRA AA+ by ICRA and CARE AA+by CARE	9.50% pa payable annually	30.06.2015
	<b>Total</b>	<b>535.00</b>				

#### (iv) Upper Tier II Bonds raised by the Bank

The Bank does not have any Upper Tier II Bonds as on date, and had redeemed the past issuances by exercising the call option during the period November 2016 – January 2017.

Sr. No.	Date of Placement/ Allotment	Amount (Rs. crores)	Tenor (Months)	Call Option	Credit Ratings	Coupon (%)	Redemption Date
1.	31.03.2006	100.00	180	After 10 Years	ICRA AA by ICRA and IND AA- by India Ratings and Research	9.60% Semi-annual	Due date : 30.03.2021 Redeemed on 01.11.2016



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Sr. No.	Date of Placement/ Allotment	Amount (Rs. crores)	Tenor (Months)	Call Option	Credit Ratings	Coupon (%)	Redemption Date
2.	30.09.2006	80.20	180	After 10 Years	ICRA AA by ICRA and IND AA- by India Ratings and Research	Semi-annual 10.25% p.a. for first 10 years and 10.75% p. a. from 11th year	Due date: 30.09.2021 Redeemed on 18.11.2016
3	23.12.2006	128.70	180	After 10 years	ICRA AA by ICRA and IND AA- by India Ratings and Research	Semi-annual 9.75% p.a. for first 10 years and 10.25% p. a. from 11 <sup>th</sup> year	Due date: 22.12.2021 Redeemed on 30.01.2017
<b>Total</b>		<b>308.90</b>					

(v) Long Term Senior Infrastructure Bonds issued by the Bank

Sr. No.	Date of Placement / Allotment	Amount (Rs. Crores)	Tenor	Credit Ratings	Coupon (%)	Redemption Date
1.	31.03.2015	500.00	7	IND AA+ by India Ratings	8.80	31.03.2022
2.	09.12.2016	1,500.00	10	AA+ by CRISIL IND AA+ by India Ratings	7.60	09.12.2026
<b>Total</b>		<b>2,000.00</b>				

(vi) Perpetual Additional Tier I Bonds issued by the Bank

Sr. No.	Date of Placement / Allotment	Amount (Rs. Crores)	Tenor	Credit Ratings	Coupon (%)	Redemption Date
1.	22.03.2017	1,000.00	Perpetual	AA/STABLE by CRISIL and IND AA by India Ratings	9.50	N.A (Perpetual bonds)
2.	18.04.2017	1,000.00	Perpetual	AA/STABLE by CRISIL and IND AA by India Ratings	9.50	N.A (Perpetual bonds)
3	28.03.2019	1,489.90	Perpetual	AA/Stable" by CRISIL and "IND AA/Stable by India Ratings	10.50	N.A. (Perpetual Bonds)
<b>Total</b>		<b>3,489.90</b>				

(vii) List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) (as on June 30, 2021)

Sr No	List of holders of non-convertible securities	Amount (Rs. Crore)	% of total NCS outstanding
1	CBT EPF	1,500.00	27.32
2	LIC-I - Varishtha Pension Bima Yojana	380.00	6.92
3	ICICI Prudential Equity & Debt Fund	305.00	5.56
4	Aditya Birla Finance Limited	300.00	5.46



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5	ICICI Prudential Balanced Advantage Fund	260.00	4.74
6	ICICI Prudential Credit Risk Fund	235.00	4.28
7	HDFC Life Insurance Company Limited	200.00	3.64
8	Bharti Axa Life Insurance Company Ltd	130.00	2.37
9	The Life Insurance Corporation of India Provident Fund No 1	120.00	2.19
10	Sporta Technologies Private Limited	100.00	1.82

The above details include the Bonds issued which are outstanding as on June 30, 2021:

- (a) Infrastructure Bonds of Rs. 500 Crore issued on 31.03.2015 and Rs. 1,500 Crore issued on 09.12.2016,
- (b) Additional Tier 1 Bonds of Rs. 1,000 Crore issued on 22.03.2017, Rs. 1,000 Crore issued on 18.04.2017 and Rs. 1,489.90 Crore on 28.03.2019.

- (viii) **Corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued:**

NIL. As a banking company, the Bank issues Bank Guarantees on behalf of its various clients in the ordinary course of banking business and as such they are not considered here.

- (ix) **Details of Outstanding Commercial Paper as on June 30, 2021:**

Not Applicable.

- (x) **Details of Certificate of Deposits as on June 30, 2021**

Maturity Date	Amount Outstanding (Rs. Crores)
1-14 days	0.00
15-28 days	0.00
29-90 days	0.00
3-6 months	1,725.00
6months – 1 year	6,060.00
Total	7,785.00

- (xi) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2021:**

Nil

- (xii) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the company, in the past 3years, including the current financial year:**

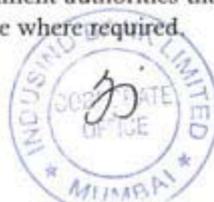
Nil

- (xiii) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not**

Nil

- (xiv) **Details of default and non-payment of statutory dues**

Nil. There are no material statutory dues that are admitted and not paid; in the normal course of business, there are tax disputes between the Bank and diverse Government authorities that are genuinely contested, based on the Bank's understanding of the law and external advice where required.



## 8. Details of promoters of the Bank

The promoters of the Bank are IndusInd International Holdings Limited and its subsidiary, IndusInd Limited. Both the promoters of the Bank are organised in Mauritius. As on 30 June 2021, the promoters held 117,516,010 shares representing 15.19 per cent of the Equity Shares of the Bank. The principal activity of the Promoters is that of investment holding. IndusInd International Holdings Limited, as of March 31, 2021 holds a Category 1 Global Business License under the Companies Act and the Financial Services Act, 2007 of Mauritius. Both the promoter entities have been allotted Permanent Account Number (PAN) under the Income Tax Act, 1961 of India. The PAN of IndusInd International Holding Limited is AABC15624C and that of IndusInd Limited is AABC15688N.

### Details of Promoter and Promoter Group's Holding in the Issuer as on latest quarter end, i.e. June 30, 2021

Sr No	Name of the Shareholder	Total No. of equity Shares	No. of Shares held in demat form	Total Shareholding as % of total no equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1	IndusInd International Holdings Limited	8,95,37,464	8,95,37,464	11.57	2,96,41,870	33.11
2	IndusInd Limited	2,79,78,546	2,79,78,546	3.62	2,38,00,000	85.07
	<b>Total</b>	<b>11,75,16,010</b>	<b>11,75,16,010</b>	<b>15.19</b>	<b>5,34,41,870</b>	<b>45.48</b>

Note: The % of Shareholding is the Number of Shares held by the Promoters as a share of the Total Number of Equity Shares issued and outstanding. For regulatory purposes, the Promoter shareholding is computed on a fully diluted basis, where both the numerator and denominator are on a fully diluted basis.

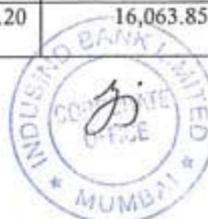
## 9. Columnar representation of the audited Financial statements (i.e. Profit and Loss statement, Balance Sheet and Cash Flow statement) both on standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the placement memorandum or issue opening date, as applicable

### (i) Profit and Loss Statement

#### Consolidated

(Amount in Rs. Crore)

	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	June 30, 2021 (Unaudited)
Interest Earned	22,261.15	28,782.83	28,999.80	7,574.70
Other Income	5,646.72	6,952.67	6,500.88	1,788.06
<b>Total Income</b>	<b>27,907.87</b>	<b>35,735.50</b>	<b>35,500.68</b>	<b>9,362.76</b>
Interest Expended	13,414.97	16,724.09	15,471.91	4,010.99
Operating Expenses	6,405.30	8,182.59	8,156.82	2,166.28
<b>Total Expenditure</b>	<b>19,820.27</b>	<b>24,906.68</b>	<b>23,628.73</b>	<b>6,177.27</b>
Provisions and Contingencies	3,107.65	4,652.10	7,942.53	1,844.02
Taxes	1,679.47	1,718.86	999.55	325.42
<b>Profit After Tax (PAT)</b>	<b>3,300.48</b>	<b>4,457.86</b>	<b>2,929.87</b>	<b>1,016.05</b>
Extra ordinary items	-	-	-	-
Share in profit (loss) of Associate	0.27	0.32	0.22	0.06
Profit brought forward	9,313.11	11,108.21	13,525.20	16,063.85
Appropriation to PAT	1,505.65	2,484.52	391.45	-
Additions on Amalgamation	0.00	443.33	0.00	-
Balance Carried over to the Balance Sheet	11,108.21	13,525.20	16,063.85	17,079.90



## Placement Memorandum

Equity Dividend %	75	-	50	-
Basic Earnings Per Share (Not Annualized) - Basic	54.89	64.33	40.03	13.14

### Standalone

(Amount in Rs. Crore)

	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2021 (Audited)	June 30, 2021 (Unaudited)
Interest Earned	22,261.15	28,782.83	28,999.80	7,574.70
Other Income	5,646.72	6,951.31	6,558.61	1,781.07
<b>Total Income</b>	<b>27,907.87</b>	<b>35,734.14</b>	<b>35,558.41</b>	<b>9,355.77</b>
Interest Expended	13,414.97	16,724.09	15,471.91	4,010.99
Operating Expenses	6,404.68	8,237.34	8,359.83	2,214.22
<b>Total Expenditure</b>	<b>19,819.65</b>	<b>24,961.43</b>	<b>23,831.74</b>	<b>6,225.21</b>
Provisions and Contingencies	3,107.65	4,652.10	7,942.53	1,844.02
Taxes	1,679.47	1,702.70	947.75	311.59
<b>Profit After Tax</b>	<b>3,301.10</b>	<b>4,417.91</b>	<b>2,836.39</b>	<b>974.95</b>
Extra ordinary items	-	-	-	-
Profit brought forward	9,311.49	11,106.94	13,483.66	15,928.61
Adjustments to PAT	1,505.65	2,484.52	391.45	-
Additions on Amalgamation	-	443.32	-	-
<b>Total Profit &amp; Loss</b>	<b>11,106.94</b>	<b>13,483.66</b>	<b>15,928.61</b>	<b>16,903.56</b>
Equity Dividend %	75.00	-	50.00	-
Basic Earnings Per Share (Not Annualized) - Basic	54.90	63.75	38.75	12.60

### (ii) Balance Sheet

#### Consolidated

(Amount in Rs. Crore)

Description	March 31, 2019 Audited	March 31, 2020 Audited	March 31, 2021 Audited	June 30, 2021 Unaudited
<b>SOURCES OF FUNDS:</b>				
Share Capital	602.69	693.54	773.37	773.88
Reserves & Surplus	26,083.29	34,054.50	42,727.28	43,774.03
Deposits	1,94,867.91	2,02,026.99	2,55,870.10	2,67,233.07
Borrowings	47,321.12	60,753.55	51,322.81	49,294.05
Other Liabilities & Provisions	8,944.41	9,700.03	12,209.74	11,920.53
<b>Total Liabilities</b>	<b>2,77,819.42</b>	<b>3,07,228.61</b>	<b>3,62,903.30</b>	<b>3,72,995.56</b>
<b>APPLICATION OF FUNDS:</b>				
Cash and balance with Reserve Bank of India	9,961.17	13,682.58	17,957.39	11,876.00
Balances with banks and money at call	4,822.23	2,371.52	38,652.50	58,884.35
Net Investments	59,266.16	59,938.44	69,653.42	68,699.47
Net Advances	1,86,393.50	2,06,783.17	2,12,595.41	2,10,727.42
Net Fixed Assets	1,710.01	1,870.88	1,875.75	1,876.31
Other Assets	15,666.35	22,582.02	22,168.83	20,932.01
<b>Total Assets</b>	<b>2,77,819.42</b>	<b>3,07,228.61</b>	<b>3,62,903.30</b>	<b>3,72,995.56</b>
Contingent Liabilities	9,52,668.45	9,67,601.83	8,50,074.66	8,85,372.08
Bills for collection	32,971.51	22,573.29	23,601.73	26,610.16
Book Value	437.38	496.17	548.13	575.26



Placement Memorandum

Standalone

(Amount in Rs. Crore)

Description	March 31, 2019 Audited	March 31, 2020 Audited	March 31, 2021 Audited	June 30, 2021 Unaudited
<b>Sources of Funds</b>				
Share Capital	602.69	693.54	773.37	773.88
Reserves & Surplus	26,083.29	34,012.96	42,592.03	43,597.62
Deposits	1,94,867.91	2,02,039.81	2,56,204.96	2,67,629.88
Borrowings	47,321.12	60,753.55	51,322.81	49,294.05
Other Liabilities & Provisions	8,944.41	9,557.70	12,079.58	11,889.05
<b>Total Liabilities</b>	<b>2,77,819.42</b>	<b>3,07,057.55</b>	<b>3,62,972.75</b>	<b>3,73,184.48</b>
<b>Application of Funds</b>				
Cash and balance with Reserve Bank of India	9,961.17	13,675.25	17,870.68	11,758.17
Balances with banks and money at call	4,822.23	2,328.40	38,456.51	58,630.19
Net Investments	59,266.16	59,979.94	69,694.71	68,740.69
Net Advances	1,86,393.50	2,06,783.17	2,12,595.41	2,10,727.42
Net Fixed Assets	1,710.01	1,820.11	1,809.37	1,809.24
Other Assets	15,666.35	22,470.68	22,546.07	21,518.77
<b>Total Assets</b>	<b>2,77,819.42</b>	<b>3,07,057.55</b>	<b>3,62,972.75</b>	<b>3,73,184.48</b>
Contingent Liabilities	9,52,668.45	9,67,595.58	8,50,068.41	8,85,365.82
Bills for collection	32,971.51	22,573.29	23,601.73	26,610.16
Book Value	437.38	496.57	546.41	568.99

(iii) Cash Flow Statement

Consolidated

(Amount in Rs. Crore)

	FY 2018-19	FY 2019-20	FY 2020-21
Cash flow from operating activities	-6,388.95	-12,907.35	44,975.72
Cash flow used in investing activities	-637.94	-416.16	-331.14
Cash flow from financing activities	8,589.65	12,732.70	-4,095.79
Effect of foreign currency translation reserve	4.76	20.98	6.99
Net (decrease) /increase in cash and cash equivalent	1,567.52	-569.83	40,555.78
Cash and cash equivalents at the beginning of the period	13,215.88	14,783.40	16,054.11
Cash and Cash Equivalents acquired on Merger (Net of transfer to wholly owned subsidiary)	-	1840.54	-
Cash and cash equivalents at the end of the period	14,783.40	16,054.11	56,609.89

Standalone

(Amount in Rs. Crore)

	FY 2018-19	FY 2019-20	FY 2020-21
Cash flow from operating activities	-6,388.95	-12,038.66	44,645.59
Cash flow used in investing activities	-637.94	-399.50	-233.25
Cash flow from financing activities	8,589.65	12,732.70	-4,095.79
Effect of foreign currency translation reserve	4.76	20.98	6.99
Net (decrease) /increase in cash and cash equivalent	1,567.52	315.42	40,323.54
Cash and cash equivalents at the beginning of the period	13,215.88	14,783.40	16,003.65
Cash and Cash Equivalents acquired on Merger (Net of transfer to wholly owned subsidiary)	-	904.83	-
Cash and cash equivalents at the end of the period	14,783.40	16,003.65	56,327.19



## Placement Memorandum

### (iv) Auditor's qualifications if any:

There has been no auditor qualification set out in the said audited information. (Auditor's report is disclosed as Annexure IV)

### (iv) For Financial Sector Entities

#### Consolidated

(Amount in Rs. Crore)

Particulars	2018-19	2019-20	2020-21	Jun 30, 2021	Remarks
<b>Balance Sheet</b>					
Net Fixed assets	1,710.01	1,870.88	1,875.74	1,876.31	
Current assets	49,177.49	53,220.10	95,594.57	1,05,580.03	Note No. 2
Non-current assets	2,26,931.92	2,52,137.62	2,65,432.99	2,65,539.22	Note No. 3
<b>Total assets</b>	<b>2,77,819.42</b>	<b>3,07,228.60</b>	<b>3,62,903.30</b>	<b>3,72,995.56</b>	
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	1,56,403.34	1,74,568.16	2,00,378.05	2,04,109.43	
Financial (borrowings, trade payables, and other financial liabilities)	1,56,403.34	1,74,568.16	2,00,378.05	2,04,109.43	Note No. 4
Provisions	0.00	0.00	0.00	0.00	
Deferred tax liabilities (net)	0.00	0.00	0.00	0.00	
Other non-current liabilities	0.00	0.00	0.00	0.00	
Current Liabilities (including maturities of long-term borrowings)	94,730.11	97,912.41	1,19,024.60	1,24,338.23	
Financial (borrowings, trade payables, and other financial liabilities)	85,785.69	88,212.38	1,06,814.87	1,12,417.70	Note No. 5
Provisions	0.00	0.00	0.00	0.00	
Current tax liabilities (net)	0.00	0.00	0.00	0.00	
Other current liabilities	8,944.42	9,700.03	12,209.73	11,920.53	Note No. 6
Equity (equity and other equity)	26,685.97	34,748.03	43,500.65	44,547.90	
<b>Total equity and liabilities</b>	<b>2,77,819.42</b>	<b>3,07,228.60</b>	<b>3,62,903.30</b>	<b>3,72,995.56</b>	
<b>Profit and Loss</b>					
Total revenue	14,492.90	19,011.42	20,028.77	5,351.76	
From operations	8,846.18	12,058.74	13,527.89	3,563.70	
Other income	5,646.72	6,952.67	6,500.88	1,788.06	
Total Expenses	11,191.80	14,553.55	17,098.89	4,335.71	
Total comprehensive income	NA	NA	NA	NA	Note No. 7
Profit / loss	3,301.10	4,457.86	2,929.87	1,016.05	
Other comprehensive income	0.00	0.00	0.00	0.00	Note No. 7
Profit / loss after tax	3,301.10	4,457.86	2,929.87	1,016.05	
Earnings per equity share: (a) basic; and (b) diluted					
Continuing operations					
Basic	54.90	64.33	40.03	13.14	
Diluted	54.46	64.10	39.99	13.11	
Discontinued operations	0.00	0.00	0.00	0.00	
Basic	0.00	0.00	0.00	0.00	
Diluted	0.00	0.00	0.00	0.00	
Total Continuing and discontinued operations	0.00	0.00	0.00	0.00	
Basic	54.90	64.33	40.03	13.14	
Diluted	54.46	64.10	39.99	13.11	



## Placement Memorandum

<b>Cash Flow</b>					
Net cash generated from operating activities	-6,388.95	-12,907.35	44,975.72	16,231.42	
Net cash used in / generated from investing activities	-637.94	-416.16	-331.13	-83.33	
Net cash used in financing activities	8,589.65	12,732.70	-4,095.79	-2,000.36	
Effect of foreign currency translation reserve	4.76	20.98	6.99	2.73	
Cash and cash equivalents	13,215.88	14,783.40	16,054.11	56,609.89	
Cash and Cash Equivalents acquired on Merger (Net of transfer to wholly owned subsidiary)		1,840.54	0.00	0.00	
Balance as per statement of cash flows	14,783.40	16,054.11	56,609.89	70,760.35	
<b>Additional information</b>					
Net worth (Capital + Reserves and Surplus)	26,685.97	34,748.03	43,500.65	44,547.90	
Cash and Cash Equivalents	14,783.40	16,054.11	56,609.89	70,760.35	
Current Investments	18,727.74	14,583.98	16,815.84	13,823.26	Note No. 8
Assets Under Management	2,77,819.42	3,07,228.60	3,62,903.30	3,72,995.56	Note No. 9
Off Balance Sheet Assets	9,52,668.45	9,67,601.83	8,50,074.66	8,85,372.08	
Total Debts to Total assets	0.17	0.20	0.14	0.13	Note No. 10
Debt Service Coverage Ratios	5.27	1.13	2.79	4.42	Note No. 11
Interest Income	22,261.15	28,782.83	28,999.80	7,574.70	
Interest Expense	13,414.97	16,724.09	15,471.91	4,010.99	
Interest service coverage ratio	1.37	1.37	1.24	1.32	
Provisioning & Write-offs (including tax)	4,787.12	6,370.96	8,942.07	2,169.44	
Bad debts to Account receivable ratio	0.01	0.02	0.02	0.02	Note No. 12
Gross NPA (%)	2.10	2.45	2.67	2.88	
Net NPA (%)	1.21	0.91	0.69	0.84	
Tier I Capital Adequacy Ratio (%)	13.70	14.57	16.83	16.87	
Tier II Capital Adequacy Ratio (%)	0.46	0.47	0.55	0.70	

## Standalone

(Amount in Rs. Crore)

Particulars	2018-19	2019-20	2020-21	Jun 30, 2021	Remarks
<b>Balance Sheet</b>					
Net Fixed assets	1,710.01	1,820.11	1,809.37	1,809.24	
Current assets	49,177.49	53,058.31	95,689.10	1,05,794.80	Note No. 2
Non-current assets	2,26,931.92	2,52,179.13	2,65,474.27	2,65,580.44	Note No. 3
Total assets	2,77,819.42	3,07,057.55	3,62,972.75	3,73,184.48	
<b>Non-Current Liabilities</b>					
(including maturities of long-term borrowings and short-term borrowings)					
Financial (borrowings, trade payables, and other financial liabilities)	1,56,403.34	1,74,568.16	2,00,378.05	2,04,109.43	Note No. 4
Provisions	0.00	0.00	0.00	0.00	
Deferred tax liabilities (net)	0.00	0.00	0.00	0.00	
Other non-current liabilities	0.00	0.00	0.00	0.00	
<b>Current Liabilities</b>					
(including maturities of long-term borrowings)					
Financial (borrowings, trade payables, and other financial liabilities)	85,785.69	88,225.20	1,07,149.72	1,12,814.51	Note No. 5
Provisions	0.00	0.00	0.00	0.00	
Current tax liabilities (net)	0.00	0.00	0.00	0.00	
Other current liabilities	8,944.42	9,557.70	12,079.57	11,889.05	Note No. 6
Equity (equity and other equity)	26,686.00	34,706.49	43,365.41	44,371.50	
Total equity and liabilities	2,77,819.42	3,07,057.55	3,62,972.75	3,73,184.48	
<b>Profit and Loss</b>					
Total revenue	14,492.90	19,010.05	-20,086.50	5,344.77	



## Placement Memorandum

Particulars	2018-19	2019-20	2020-21	Jun 30, 2021	Remarks
From operations	8,846.18	12,058.74	13,527.89	3,563.70	
Other income	5,646.72	6,951.31	6,558.61	1,781.07	
Total Expenses	11,191.80	14,592.14	17,250.11	4,369.83	
Total comprehensive income	NA	NA	NA	NA	Note No. 7
Profit / loss	3,301.10	4,417.92	2,836.39	974.95	
Other comprehensive income	0.00	0.00	0.00	0.00	Note No. 7
Profit / loss after tax	3,301.10	4,417.92	2,836.39	974.95	
Earnings per equity share: (a) basic; and (b) diluted					
Continuing operations					
Basic	54.90	63.75	38.75	12.60	
Diluted	54.46	63.52	38.68	12.58	
Discontinued operations	0.00	0.00	0.00	0.00	
Basic	0.00	0.00	0.00	0.00	
Diluted	0.00	0.00	0.00	0.00	
Total Continuing and discontinued operations	0.00	0.00	0.00	0.00	
Basic	54.90	63.75	38.75	12.60	
Diluted	54.46	63.52	38.68	12.58	
<b>Cash Flow</b>					
Net cash generated from operating activities	-6,388.95	-12,038.66	44,645.59	16,134.93	
Net cash used in / generated from investing activities	-637.94	-399.50	-233.25	-76.14	
Net cash used in financing activities	8,589.65	12,732.70	-4,095.79	-2,000.36	
Effect of foreign currency translation reserve	4.76	20.98	6.99	2.73	
Cash and cash equivalents	13,215.88	14,783.40	16,003.65	56,327.19	
Cash and Cash Equivalents acquired on Merger (Net of transfer to wholly owned subsidiary)		904.83		0.00	
Balance as per statement of cash flows	14,783.40	16,003.65	56,327.19	70,388.36	
<b>Additional information</b>					
Net worth (Capital + Reserves and Surplus)	26,686.00	34,706.49	43,365.41	44,371.50	
Cash and Cash Equivalents	14,783.40	16,003.65	56,327.19	70,388.36	
Current Investments	18,727.74	14,583.98	16,815.84	13,823.26	Note No. 8
Assets Under Management	2,77,819.42	3,07,057.55	3,62,972.75	3,73,184.48	Note No. 9
Off Balance Sheet Assets	9,52,668.45	9,67,595.58	8,50,068.41	8,85,365.82	
Total Debts to Total assets	0.17	0.20	0.14	0.01	Note No. 10
Debt Service Coverage Ratios	5.34	1.15	2.82	4.43	Note No. 11
Interest Income	22,261.15	28,782.83	28,999.80	7,574.70	
Interest Expense	13,414.97	16,724.09	15,471.91	4,010.99	
Interest service coverage ratio	1.37	1.37	1.24	1.32	
Provisioning & Write-offs (including tax)	4,787.12	6,354.80	8,890.28	2,155.61	
Bad debts to Account receivable ratio	0.01	0.02	0.02	0.02	Note No. 12
Gross NPA (%)	2.10	2.45	2.67	2.88	
Net NPA (%)	1.21	0.91	0.69	0.84	
Tier I Capital Adequacy Ratio (%)	13.70	14.57	16.83	16.87	
Tier II Capital Adequacy Ratio (%)	0.46	0.47	0.55	0.70	

### Notes:

- The financial statements of the Bank are prepared in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) and the relevant provisions of the Act read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and Companies (Accounting Standard) Amendment Rules 2016 in so far as they apply to the Bank and practices prevailing within the banking industry in India. Classifying assets and liabilities as current and non-current is not defined in the applicable regulations for the Bank, and accordingly the same has been computed as per Notes described below.
- Current assets comprise of Cash and Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice, Investments classified as Available for Sale (AFS) and Held for Trading (HFT) and Other Assets.
- Non-current assets comprise of Advances and Investments other than AFS and HFT securities.



## Placement Memorandum

4. Financial non-current liabilities comprise of Term Deposits and Borrowings from Other Institution and Agencies, Long Term Infrastructure Bonds, Unsecured Non-Convertible Perpetual Non-Cumulative Bonds and Borrowings outside India.
5. Financial current liabilities comprise of Current Accounts and Savings Accounts under Deposits, and Borrowings from RBI and Other Banks.
6. Other current liabilities comprise of Other Liabilities and Provisions.
7. Information relating to Total Comprehensive Income and Other Comprehensive Income are not furnished as Ind AS is not yet made applicable to banks.
8. Current investment comprises of Investments classified as AFS and HFT securities.
9. Assets under management represents total assets of the Issuer.
10. Total debt comprises borrowings of the Issuer.
11. Debt Service Coverage Ratios is computed as percentage of earnings before interest, tax and depreciation to Total Borrowing of the Issuer up to 1 year.
12. Bad debts to Account receivable ratio is computed as percentage of sum of amount charged to the Profit and Loss account towards provision for non-performing assets and bad debts written off, to Net Advances of the Issuer.

### **10. Any material event/ development or change having implications on the financials/ credit quality (e.g., any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities.**

In the normal course of business, the Bank is exposed to multiple risks including credit risk and counterparty risk. Please refer Section IV of this Placement Memorandum for details.

COVID-19 pandemic is one of the material events to which the entire banking industry is exposed to and the business performance and financial results will depend on future developments, which are highly uncertain. Following is an extract from the said Section IV.

*[The COVID-19 pandemic has materially impacted our business, and the continuance of this pandemic or any future similar outbreak may have a material adverse effect on our business, financial condition and results of operations.*

*Public health crises such as the COVID-19 pandemic or similar outbreaks have, and may continue to, adversely impact our business. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the WHO and led to the implementation of various responses, including government-imposed quarantines, travel restrictions, "stay-at-home" orders and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations.*

*India, our main place of business, is in the group of countries most affected by the COVID-19 pandemic. Since March 2021, India has been experiencing a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of a "double mutant" coronavirus variant in the country. The surge appears to be ascending faster than previous outbreaks in the country, while vaccination rates remain low. The new variant appears to be significantly more virulent than other coronavirus variants, resulting in a significant increase in COVID-19 cases and related deaths. There continues to be significant uncertainty relating to the further progression of the second wave.*

*Due to the COVID-19 pandemic, all major central banks, including the United States Federal Reserve implemented bond purchase programs and decreased interest rates in 2020. However, as a result of the availability of vaccines in certain countries and an improvement in economic conditions, market participants have begun discussing the possibility of central bank monetary support being reversed. In particular, given the recent sharp increase in inflation in the United States, the United States Federal Reserve's potential shift in monetary policy has been a focus for many investors. As a result of the interconnectedness of global asset markets, any change in the monetary policy stance by the United States Federal Reserve could impact the Indian domestic market over the coming year.*

*The impact of COVID-19, including changes in customer behavior and pandemic fears and restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity. This may persist even after the restrictions related to the COVID-19 outbreak are lifted. While there has been a*



## Placement Memorandum

*gradual pickup in economic activity since the easing of lockdown measures, the continued slowdown in economic activity has led to a decrease in loan originations, sale of third-party products, use of credit and debit cards by customers, and the efficiency of our debt collection efforts and the waiver of certain fees. The slowdown in economic activity has also significantly affected the business of many of our customers and could result in financial distress for our customer base. Moreover, the continued volatility in global and Indian financial and capital markets could adversely affect our corporate customers' ability to access debt markets, their cost of funds and other terms of any new debt, which, alongside the economic slowdown, may lead to a rise in the number of customer defaults and consequently an increase in provisions for credit losses.*

*Similarly, such market volatility, or a downgrade in our credit rating, may negatively affect our ability to access capital. We have implemented remote working arrangements for the majority of our employees, which may result in decreased employee productivity and efficiency and exacerbate certain IT-related risks, including an increased risk of cybersecurity attacks and the unauthorized dissemination of confidential information about us or our customers. COVID-19 may also lead to significant increases in employee absenteeism, including due to illness, quarantines and other restrictions related to the pandemic. Even where such restrictions are eased, we may still elect to continue our remote working arrangements, for example in the event of an outbreak of COVID-19 among our employees, as a preventive measure to contain the spread of the virus and protect the health of our workforce, or as a strategic measure.*

*The extent to which the COVID-19 pandemic will continue to impact our business, financial condition and results of operation, as well as our regulatory capital and liquidity ratios, will depend on future developments, including additional mutations of the virus and the availability and roll-out of vaccines in India, which are highly uncertain. Subsequent outbreaks that necessitate lockdown measures could prolong the economic impact of the COVID-19 pandemic. Even if the number of new COVID-19 cases were to significantly decrease, the negative effects on Indian and global economic conditions may persist into the future. The level of economic activity may not fully recover in the short term, or at all, due to changes in social norms, changes in customer and corporate client behavior and the macroeconomic business environment. The post-COVID-19 environment may also undergo unexpected developments or experience changes in financial markets and the fiscal, tax and regulatory environments. India, where a substantial portion of our operations are located, continues to be subject to regulatory, social, and political uncertainties in connection with the "second wave" of COVID-19.*

*Further, our Statutory Auditors have included an "emphasis of matter" in their audit reports on our standalone and consolidated financial statements for the year ended March 31, 2021 as well as in their reports on our interim condensed consolidated and standalone financial statements for the three months ended June 30, 2021, noting our business and financial results will depend on future developments, which are highly uncertain.]*

## 11. Names of the Debentures Trustees and Consents thereof

The debenture trustee of the proposed Debentures i.e. Catalyst Trusteeship Limited has consented to act as the Debenture Trustee. (For consent letter, please refer Annexure I.)

## 12. Rating Rationale

Please refer to Annexure III where Rating Rationale issued by the Credit Rating Agencies are attached.

## 13. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the Placement Memorandum.

The Bonds are unsecured.



## Placement Memorandum

### 14. Names of all the recognized stock exchanges where the debt securities are proposed to be listed and the details of their in-principal approval for listing obtained from these stock exchanges.

The Bonds are proposed to be listed NSE Limited and the in-principle approval granted is attached in Annexure IX.

### 15. Details of any Acquisition or Amalgamation in the last 1 year

The Bank has not undertaken any inorganic acquisition or amalgamation in the Financial Year 2020-21 as well as during the current Financial Year i.e., 2021-22. The merger of erstwhile Bharat Financial Inclusion Limited with the Bank under a Composite Scheme of Arrangement was completed in July 2019, i.e. in Financial Year 2019-20.

### 16. Details of any Reorganization or Reconstruction in the last 1 year

None.

### 17. Other Information and Application process

The Bonds being offered as part of the Issue are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

#### Undertaking by the Issuer

The Issuer undertakes that:

- The complaints received in respect of the Issue shall be attended to by the Bank expeditiously and satisfactorily;
- The Bank shall take all steps for completion of formalities for listing and commencement of trading at the National Stock Exchange within the specified time.
- The funds required for dispatch of refund orders shall be made available to the Registrar to the Issue by the Issuer;
- No further issue of securities shall be made till the securities offered through this Placement Memorandum are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc;
- Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

#### Mode of Transfer/Transmission of Bonds

The Bonds shall be transferable freely. The Bond (s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act and other applicable laws. The Bonds held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

## Placement Memorandum

### Market Lot

The market lot will be one Bond ("Market Lot"). Since the bonds are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of bonds.

### Bonds held in Dematerialised Form

The Bonds shall be held in dematerialised form and no action is required on the part of the Bond Holder(s) for redemption purposes and the redemption proceeds will be paid by cheques, demand drafts, interest/ redemption warrants, pay order, direct credit, ECS, NEFT, RTGS, other online payment mechanism as are permitted by the Reserve Bank of India to those Bond Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such bonds will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by cheques, demand drafts, interest/ redemption warrants, pay order, direct credit, ECS, NEFT, RTGS, other online payment mechanism as are permitted by the Reserve Bank of India.

### Trustees for the Bondholders

The Bank has appointed Catalyst Trusteeship Limited to act as Trustees for the Bond Holders. The Bank and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Trustees and the Bank. The Bond Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bond as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Bond Holder(s). Any payment made by the Bank to the Trustees on behalf of the Bond Holder(s) shall discharge the Bank pro tan to the Bond Holder(s).

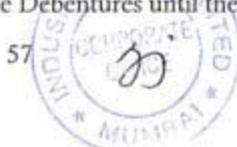
The Trustees will protect the interest of the Bond Holder(s) with regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Bank.

## DISCLOSURES IN ACCORDANCE WITH THE DEBENTURE TRUSTEE CIRCULAR

### I. Debenture Trustee Agreement

The Issuer has entered into a Debenture Trustee Agreement (DTA) with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

1. The Bank has appointed Catalyst Trusteeship Limited (Catalyst) as the Debenture Trustee (DT) for the Debenture holders (DHs) of all the debentures to be issued by the Company in pursuance of this Placement Memorandum and Catalyst agrees to act as DT for the DHs.
2. The Bank shall execute the Debenture Trust Deed (DTD) which shall consist of two parts: Part A containing statutory / standard information and Part B containing details specific to the particular debt issue and other necessary security documents as approved by the DT, within the timeline as per SEBI circular dated 03.11.2020, prior to filing of the application for listing of the Debentures, in accordance with the extant Debt Listing Regulations. If applicable the securities so created shall be registered with Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest ("CERSAI"), depository or any other institution, as applicable, within 30 days of creation of charge.
3. The Bank shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation 2008 (as amended from time to time) debt listing agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time), the Companies Act and other applicable provisions under applicable laws, regulations and guidelines ("Relevant Laws") in connection with the issuance, allotment, listing and ensuring continued compliance of the Debentures until the redemption in full of the Debentures.



## Placement Memorandum

Further the Company undertakes to comply with all regulations/provisions of Companies Act, 2013 and guidelines of other regulatory authorities in respect of allotment of debentures till redemption of such Debentures.

4. The Bank shall pay to the DT so long as they hold the office of the DT the remuneration for its services as DT in addition to all legal, traveling and other costs, charges and expenses which the DT may incur in relation to execution of the DTD and all other documents executed/to be executed and such any other expenses like advertisement, notices, letters to debenture holders, and additional professional fees / expenses that would be incurred in case of default. The remuneration of the DT shall be as per the mail dated September 02, 2021, as may be amended / modified, if required.
5. The Bank shall promptly furnish all and any information as may be required by the DT, including such information as required to be furnished in terms of the Relevant Laws and the DTD on a regular basis, including without limitation the following documents, as may be applicable:
  - a. The Placement Memorandums in relation to the issue of Debentures;
  - b. The necessary corporate authorizations by way of board resolution and / or shareholders' resolution necessary for the issue, allotment and the creation of security thereunder;
  - c. Letters from credit rating agencies about ratings;
  - d. Proof of credit of the Debentures in favour of the Debenture holders within the stipulated time.;
  - e. Depository details;
  - f. Latest annual report;
  - g. Debenture Trust Deed in relation to the Debentures;
  - h. Certified true copy of the resolution(s) for allotment of Debentures;
  - i. Approval for listing of the Debentures from the stock exchange;
  - j. Listing application alongwith the required details / annexures submitted to the stock exchange ;
  - k. Acknowledgement of filing Placement Memorandum with the Stock Exchange/ Registrar of Companies;
  - l. Listing & trading permission from the Stock Exchange;
  - m. Bank account details of the Company alongwith copy of pre-authorisation letter issued by Company to it's banker in relation to the payment of redemption amount;
  - n. Such other documents as may be reasonably required by the DT in accordance with the Relevant Laws.
6. **Information Accuracy and Storage**
  - a. Declaration of the Bank declares that the information and data furnished by it to DT is true and correct;
  - b. Confirmation by the Bank confirms that the requisite disclosures made in the Placement Memorandums are true and correct;
  - c. The Bank to authorize DT and its authorized agency to use, process the information in the manner as deemed fit, for the purpose of the due diligence;
  - d. The DT to have an unqualified right to disclose to the DHs the information including the credit history and the conduct of the account(s) of the Bank as well as all details in relation to the assets of the Bank and all third party security providers, guarantors and other undertaking providers, in such manner and through such medium as the DT in its absolute discretion may think fit, in accordance with and subject to the Relevant Laws.
7. **Other Terms and Conditions**
  - a) The Debenture Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures.



## Placement Memorandum

- b) Confirmation by the Bank having made all necessary disclosures in the Placement Memorandum including but not limited to statutory and other regulatory disclosures.
- c) The Bank shall on or prior to the date of execution of DTD, provide to the DT, the bank account details from which the Company proposes to make the payment of redemption amount due to the DHs and to preauthorize the DT to seek the redemption amount payment related information from such bank.
- d) The Bank shall bear all stamp duty and other expenses pertaining to the issue of the Debentures and execution of the transaction documents including the instrument of Debentures.
- e) The Bank shall, pay on demand, all actual costs and expenses (including legal fees) incurred by the DT in connection DTA, all expenses incurred in connection with due diligence, fees and expenses of counsel appointed by the DT incurred in connection with the preparation and execution of the transaction documents / DTD.

## II. Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, NCS Regulations and circulars issued by SEBI from time to time.

## III. Other confirmations

The Debenture Trustee undertakes that the Bonds are unsecured in nature, therefore the charging of assets with Sub-Registrar of Companies or CERSAI or depository etc., are not applicable being unsecured issue.

### A. Events of Default and Remedies

If one or more of the events specified herein happen(s), the Trustees may, in their discretion, and shall, upon request in writing of the holders of the Bonds of an amount representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at the meeting of the Bondholders held in accordance with the provisions set out in Schedule III hereto by a notice in writing to the Bank initiate the following course of action:

1. Take up the matter regarding default with the Bank.
2. Initiate necessary steps towards recovery of dues in terms of SEBI / Statutory/ Regulatory guidelines.

### Events of Default

#### a) **Default in Payment of Principal Sums of the Bonds**

Default has occurred in the payment of principal sums of the Bonds on the due dates.

#### b) **Default in Payment of Interest**

Default has been committed by the Bank in payment of any installment of interest on the Bonds

#### c) **Default in Payment**

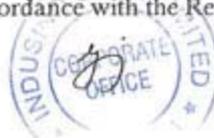
In case of Default in payment of Interest and/ or principal redemption on the due dates, additional interest of at least 2 % p.a. over the coupon rate will be payable by the Bank for the defaulting period.

#### d) **Default in Performance of Covenants and Conditions**

Default has occurred in the performance of any other covenants, conditions of offer document or information memorandum and under this agreement or any other agreement on the part of the Bank and such default has continued for a period of thirty days after notice in writing thereof has been given to the Bank by Bondholder.

#### e) **Supply of Misleading Information**

Any information given by the Bank in its Information Memorandum / Disclosure document, in the reports and other information furnished by the Bank in accordance with the Reporting System and the warranties



## Placement Memorandum

given/deemed to have been given by the Bank to the Bondholders / Trustees is misleading or incorrect in any material respect.

**f) Cessation of Business**

The Bank without the consent of Bond holders ceases to Carry on Its business or give notice of its intention.

**g) Proceedings against Bank**

The Bank has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or Bank is voluntarily or involuntarily dissolved.

**h) Winding up of Bank**

When an order has been made by the Tribunal or a special resolution has been passed by the members of the company for winding up of the company

**i) Inability to Pay Debts on Maturity**

The Bank is unable or has admitted in writing its inability to pay its debts as they mature.

**j) Extra-Ordinary Circumstances**

If extraordinary circumstances have occurred which make it improbable for the Bank to fulfill its obligations under this agreement.

**k) Appointment of Receiver or Liquidator**

A Receiver or Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Bank and such appointment is not dismissed within 60 days of appointment.

## B. Notices on the Happening of an Event of Default

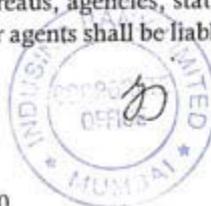
If any event of default or any event which, after the notice, or lapse of time, or both, would constitute an event of default has happened, the Bank shall, forthwith give notice thereof to the Bondholders / Trustees in writing specifying the nature of such event of default, or of such event.

Upon the happening of any such event, and only if Event of Default shall be subsisting as on the date of such actions, the Trustee (subject to the provisions herein contained as to notice where such provision is applicable) shall, send a notice to the Debenture Holders upon a request in writing from the beneficial owner(s) / the Debenture Holders of an amount representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at a meeting of beneficial owner(s) / the Debenture Holders convened in accordance with the provisions set out in Schedule-I OF Debenture Trust Deed, and subject to the provisions Deed and other Transaction Documents the Trustee shall give prior written notice of 7 working days its intention to the Bank, but the Trustee shall not be bound to give any such notice in any case where an order or resolution for the winding up of the Bank as mentioned herein shall have been made or passed.

Provided further that the Trustee shall act in accordance with the SEBI Circular Standardization of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Banks of listed debt securities (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) issued on 13 October 2020 with respect to the enforcement of security upon the occurrence of an Event of Default.

## Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Bond Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.



## Placement Memorandum

### Bond Holder not a Shareholder

The Bond Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debentures shall not confer upon the Bond Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

### Rights of Bond Holders

The Bonds shall not, except as provided in the Companies Act confer upon the holders thereof any rights or privileges available to the members of the Bank including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Bank. However, if any resolution affecting the rights attached to the Bonds is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Bond Holders for their consideration.

The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Bond Holders, provided that nothing in such consent or resolution shall be operative against the Bank, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Bank.

The registered Bond holder or in case of joint-holders, the one whose name stands first in the Register of Bond Holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Bond Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her/it's voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her/it on every resolution placed before such meeting of the Bond Holders.

The quorum for such meetings shall be at least five Bond Holder present in person or as may be prescribed by law from time to time or all the members if the total number of members is less than 5.

The Debentures are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Placement Memorandum and Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures. In case of delay in listing of Bonds beyond the timelines specified above, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the coupon/dividend rate for the period of delay to the investor (i.e., from the date of allotment to the date of listing).

Save as otherwise provided in this Placement Memorandum, the provisions contained in the Companies Act and the rules there under as prevailing and to the extent applicable, will apply to any meeting of the Bond Holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.

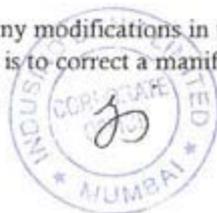
A register of Bond Holders will be maintained in accordance with provisions of the Companies Act and all interest and principal sums in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Bond Holders. The Bond Holders will be entitled to their Debentures free from equities and/or cross claims by the Bank against the original or any intermediate holders thereof.

### Joint Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

### Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which in their opinion is of a formal, minor or technical nature or is to correct a manifest error.



## Placement Memorandum

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

### Right to accept or reject Applications

The Bank reserves the right at its sole and absolute discretion to accept subscription amount(s). The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Number of Debentures applied for is less than the minimum application size;
- Applications exceeding the issue size;
- Bank account details not given;
- Details for issue of Debentures in electronic/ dematerialised form not given;
- PAN/GIR and IT Circle/Ward/District not given;
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event if any Debenture(s) applied for is / are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### Issue Procedure

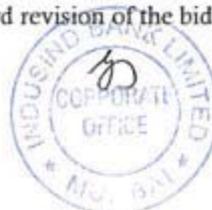
Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be as set out herein. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants. The applicant should transfer payments required to be made in relation to subscription for the Debentures by electronic transfer of funds through RTGS/electronic fund mechanism for credit to the Designated Bank Accounts as mentioned under 'Payment Instructions' below.

### Application Procedure

All Eligible Investors will have to register themselves as a one-time exercise (if not already registered) with NSE-EBP for participating in electronic book building mechanism. Eligible Investors should refer to the EBP Guidelines. Eligible Investors will also have to complete the mandatory KYC verification process. The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice.

Some of the key guidelines in terms of the current EBP Guidelines on issuance of securities on private placement basis through an electronic book mechanism are as follows:

- The Issue details shall be entered on the NSE-EBP by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the EBP Guidelines;
- The Issue will be open for bidding for the duration of the bidding window communicated through the Issuer's bidding announcement on NSE-EBP, at least 1 (one) business day prior to the Issue Opening Date;
- Modification of bid: Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for improvement of coupon / yield and upward revision of the bid amount placed by the Investor;



## Placement Memorandum

- Cancellation of bid: Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, no cancellation of bids is permitted.
- Multiple bids: Investors are permitted to place multiple bids on the EBP Platform in line with EBP Guidelines.

However, Investors should refer to the EBP Guidelines prevailing as on the date of the bid.

## Fictitious Application

All fictitious applications will be rejected.

## Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, bids (for the green shoe amount) will be accepted in accordance with the EBP Guidelines. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Issue Closing Date.

## Payment Instructions

The Application Form should be submitted directly to the Issuer. The entire amount of Rs. 1,00,00,000 (Rupees One Crore only) per Debenture is payable along with the application. Applicants can remit the application amount by electronic transfer of funds through RTGS/electronic fund mechanism for credit by pay-in time on Pay-in Date to the bank accounts of the NSE Clearing Limited (NCL) ("Designated Bank Account") appearing on the NSE-EBP.

Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Partial fund receipt from bidders in the EBP system against any given obligation will be treated as a default and debarment penalties will be applicable as specified under the relevant circulars and directions issued by SEBI.

## Process flow of settlement

Successful bidders shall make pay-in of funds towards the allocation made to them, in the Designated Bank Account, on or before 10.30 AM on the Pay-in Date. The funds pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated in the electronic book mechanism system. Upon the transfer of funds into the aforesaid account and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Bond Holder(s) to NCL, the R&T Agent shall provide the corporate action file along with all requisite documents to the Depositories by 12:00 PM on the Pay-in Date and subsequently, the pay-in funds shall be released to the Issuer's bank account.

## Eligible Investors

All Eligible Investors (as specified under Summary Term Sheet) are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Pursuant to this Issue being conducted on the NSE-EBP, only those Persons:

- who are registered on the EBP Platform and eligible to make bids for the Debentures of the Issuer (considered as 'deemed identified');
- to whom allocation is to be made by the Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the relevant circulars and directions issued by the Securities and Exchange Board of India and the relevant EBP; and
- who have been approved by the Board.

Shall be considered as "identified persons" to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the



## Placement Memorandum

Debentures and only such "identified persons" shall be Eligible Investors entitled to subscribe to the Debentures through the NSE-EBP.

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

### Procedure for Applying for Dematerialised Facility

- The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- Non-transferable allotment advice/refund orders will be directly sent to the applicant by the R&T Agent to the Issue.
- If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- The redemption amount or other benefits would be paid to those Bond Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

### Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture(s) in dematerialised form.

### List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

### Application under Power Of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.



## Placement Memorandum

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

### Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen signature of authorized signatories

### Applications by Provident Funds, Superannuation Funds and Gratuity Funds

The Government of India has permitted Provident, Pension, Superannuation and Gratuity Funds, subject to their assessment of the risk-return prospects, to invest in the Debentures and securities issued by private sector organization as per their respective investment guidelines.

### Future Borrowings

The Bank shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds / debentures / notes other securities in any manner with ranking as *pari passu* basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the debenture holder(s) or the Trustees in this connection

### Prohibition on Purchase / Funding of Instruments

Neither the Bank nor a related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the instrument, nor can the Bank directly or indirectly fund the purchase of the instrument. Banks shall also not grant advances against the security of the debt instruments issued by them.

### Documents to be provided by Successful bidders

Successful bidders need to submit the following documents, as applicable:

- Memorandum and Articles of Association or other constitutional documents
- Resolution authorising investment
- Power of Attorney to custodian
- Specimen signatures of the authorised signatories
- SEBI registration certificate (for Mutual Funds)
- Copy of PAN card
- Application Form (including RTGS/ NEFT details)
- Tax exemption certificate for those desiring tax need not be deducted at source

### Applications to be accompanied with Bank Account Details



## Placement Memorandum

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Bond Holder(s) through NEFT/RTGS.

### Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Bond Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Bond Holder on production of sufficient documentary proof and/or an indemnity.

### Mode of Payment

All payments must be made by electronic transfer of funds through RTGS/electronic fund mechanism for credit to the Designated Bank Accounts as mentioned under 'Payment Instructions' above.

### Interest on Application Money

Interest on applicable money will be the Coupon Rate (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) from the date of realization of the funds in the Designated Bank Account up to (but excluding) the Deemed Date of Allotment. Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant and the cheque towards interest on the refunded money will be dispatched by registered post along with the letter of allotment. In all cases, the interest instruments will be sent, at the sole risk of the applicant. All the payments shall be made by electronic mode only; however, in case the same is not possible, in that event only bank shall issue a cheque/DD/Interest warrant.

### Working Day / Business Day Convention, Effect of Holidays

'Working Day' / 'Business Day' all days on which commercial banks in Mumbai, as specified in the offer document, are open for business.

Explanation: For the purpose of this definition, in respect of -

- (i) Announcement of bid / issue period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business;
- (ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, Working Day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI;

Subject to the applicable regulatory guidelines or instructions and the SEBI Regulations, if the date of payment of interest does not fall on a Business Day, then the succeeding Business Day will be considered for such payment of interest, however the amount of interest to be paid would be computed as per the schedule originally stipulated at the time of issuing the security; in case the Call Date/ redemption date (if exercised) does not fall on a Business Day, the payment will be made on the preceding Business Day, along with coupon/interest accrued on the Bonds until but excluding the date of such payment.



## Placement Memorandum

### Tax Deduction at Source

In Terms of Section 193 of Income Tax Act, 1961, tax has to be deducted at source from the interest on securities at the rates prescribed. However, in terms of the proviso to the said Section 193, where the securities are listed on a recognized stock exchange and are held in dematerialized form, tax need not be deducted at source in the case of a resident bondholders.

However, in future, if there is any change in Income Tax Act, 1961, or any other statutory modification or re-enactment thereof which requires deducting tax at source (TDS) then the Bank will deduct TDS at source. For seeking TDS exemption/lower rate of TDS, relevant certificate(s)/document(s) must be lodged 30 days before the Coupon Date or 31<sup>st</sup> March whichever is earlier. Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate, if any issued by the Income Tax Officer or a declaration/other document conforming tax exemption along with the Application Form. Where any deduction of Income Tax is made at source, the Bank shall provide the Bond holder(s) with a Certificate of Tax Deduction at Source under applicable law.

### Letters of Allotment

If the Issuer is unable for any reason to ensure initial credit in the beneficiary accounts of the Investors on the Deemed Date of Allotment, each of the Bond Holders shall be issued proof of allotment of Debentures by way of a physical letter of allotment which shall be issued by the Issuer to the said Bond Holders on the Deemed Date of Allotment. The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be, on completion of all statutory formalities, and in no event later than 2 (Two) Business Days from the Deemed Date of Allotment, credited with the actual number of Debentures issued to them.

### Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment.

### Record Date

The 'Record Date' will be 15 (Fifteen) Days prior to date of any payment in relation to the Debentures, as the case may be.

### Refunds

In case an applicant is allotted lesser number of Debentures than applied for, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess amount paid on application, if any.

### PAN Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

### Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities

As on date of this Placement Memorandum, no payment of principal has fallen due that has not been paid, on any debt securities issued by the Bank in the past. The Bank has a consistent record of paying interest on its existing debt securities on respective due dates and no default has been committed by the Bank in servicing its debt liabilities.



## Placement Memorandum

### Alterations to the Issue

The Issuer reserves its sole and absolute right to modify the Issue Opening Date, Issue Closing Date, Pay-In Date and Deemed Date of Allotment without giving any reason or prior notice. In such a case, recipients of this Placement Memorandum shall be intimated the revised time schedule by the Company. In case the Issue Closing Date/ Pay-In Date is/ are changed, the Deemed Date of Allotment and the dates on which the coupon payments are to be made on the Debentures etc. may also be changed by the Issuer in accordance with the tenure of the Debentures at its sole and absolute discretion.

**Disclaimer:** Please note that only those "identified persons" mentioned under the 'Eligible Investors' clause above are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. Governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

### Debenture Redemption Reserve (DRR)

In accordance with Rule 18(7)(b)(i) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, debenture redemption reserve is not required for debentures issued by banking companies, for both public as well as privately placed debentures. Therefore, the Bank will not be maintaining debenture redemption reserve in respect of the Debentures issued herein.

### Recovery Expense Fund

SEBI vide its circular dated October 22, 2020 bearing reference number SEBI/HO/MIRSD/CRADT /CIR/P/2020/207 has directed for the creation of "Recovery Expenses Fund" by issuers of listed or proposed to be listed debt securities and to maintain the same with the Designated Stock Exchange in Cash or Cash Equivalent including a Bank Guarantee. Accordingly, a bank guarantee dated March 17, 2021, bearing a No. 572GT01210810002, issued by HDFC Bank at the request of the Issuer, for an amount of Rs. 25,00,000 (Rupees Twenty Five Lakh only) in favour of **National Stock Exchange of India Limited** has been submitted to NSE.

### Issue/instrument specific regulation

The Issue is made in accordance with:

- (a) Form PAS-4 prescribed under Section 42 of Companies Act and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time;
- (b) Securities and Exchange Board of India (Issue And Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, Operational Circular for Issue And Listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued vide circular no. SEBI/HO/DDHS/P/Cir/2021/613 dated August 10, 2021, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 as amended from time to time;
- (c) the Master Circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations and clarifications and amendments thereto issued from time to time.



## 18. DISCLOSURE AS PER COMPANIES ACT

## Paragraph 5(a) of the Form PAS 4

## PART - A

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

A	The capital structure of the company in the following manner in a tabular form:																	
	(A) the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	Please refer Section VI.22 of this Placement Memorandum																
	(B) size of the present offer	Please refer summary of term sheet (Section VII of this Placement Memorandum)																
	(C) paid up capital after the offer;	Please refer Section VI.22 of this Placement Memorandum																
	(D) paid up capital after conversion of convertible instruments (if applicable)	NA																
	(E) share premium account (before and after the offer)	Please refer Section VI.22 of this Placement Memorandum																
B	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Profit before tax</th> <th>Amount in Rs. Crore Profit after tax</th> </tr> </thead> <tbody> <tr> <td>2018-19</td> <td>4,980.57</td> <td>3,301.10</td> </tr> <tr> <td>2019-20</td> <td>6,120.61</td> <td>4,417.91</td> </tr> <tr> <td>2020-21</td> <td>3,784.14</td> <td>2,836.39</td> </tr> </tbody> </table>	Financial Year	Profit before tax	Amount in Rs. Crore Profit after tax	2018-19	4,980.57	3,301.10	2019-20	6,120.61	4,417.91	2020-21	3,784.14	2,836.39				
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C	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Particulars</th> <th>Amount Paid Rs. Crore</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>Final dividend pertaining to FY 2018-19 at the rate of Rs.7.50 per equity share (face value Rs.10)</td> <td>626.51 (including dividend distribution tax)</td> <td>Approved in the 25<sup>th</sup> AGM held on 16 August 2019</td> </tr> <tr> <td>2020-21</td> <td>No dividend declared out of the Net Profit earned during FY 2019-20</td> <td>NIL</td> <td>On account of COVID, RBI did not permit banks to declare dividends out of the profit earned during FY 2019-20.</td> </tr> <tr> <td>2021-22</td> <td>Final dividend pertaining to FY 2019-20 has been recommended by the Board at the rate of Rs.5.00 per equity share (face value Rs.10)</td> <td>386.69</td> <td>Approved by the shareholders in the 27<sup>th</sup> AGM held on 26 August 2021</td> </tr> </tbody> </table> <p>For interest coverage ratio please refer Section V 9 of this Placement Memorandum.</p>	Financial Year	Particulars	Amount Paid Rs. Crore	Remarks	2019-20	Final dividend pertaining to FY 2018-19 at the rate of Rs.7.50 per equity share (face value Rs.10)	626.51 (including dividend distribution tax)	Approved in the 25 <sup>th</sup> AGM held on 16 August 2019	2020-21	No dividend declared out of the Net Profit earned during FY 2019-20	NIL	On account of COVID, RBI did not permit banks to declare dividends out of the profit earned during FY 2019-20.	2021-22	Final dividend pertaining to FY 2019-20 has been recommended by the Board at the rate of Rs.5.00 per equity share (face value Rs.10)	386.69	Approved by the shareholders in the 27 <sup>th</sup> AGM held on 26 August 2021
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D	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter	Please refer Section V.9 of this Placement Memorandum																



## Placement Memorandum

E	Audited Cash Flow statement for the three years immediately preceding the date of issue of private placement offer cum application letter	Please refer Section V.9 of this Placement Memorandum
F	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	There has been no material change in the accounting policies adopted during the current financial year 2021-22 as well as the years ended on March 31, 2021, March 31, 2020 and March 31, 2019.
G	Details of default if any, including therein the amount involved, duration of default, and present status in repayment of (a) statutory dues, (b) debenture and interest thereon, (c) deposits and interests thereon, and (d) loan from any bank or financial institution and interest thereon.	Please refer to Section VI.7- Details of borrowings of this Placement Memorandum
H	Details of default in any annual filing of the Company under the Companies Act, 2013 or the rules made thereunder	No defaults

## 19. General Information

Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:

<b>Name of the Company</b>	<b>IndusInd Bank Limited</b>
<b>Registered Office of Issuer</b>	<b>2401, Gen.Thimmayya Road, Pune -411001</b>
<b>Corporate Office of Issuer</b>	<b>IndusInd Bank Limited, 8th Floor, One World Center, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra.</b>
<b>Phone No.</b>	<b>(022) 24231999</b>
<b>Fax No.</b>	<b>(022) 24231998</b>
<b>Website of Issuer</b>	<b><a href="http://www.indusind.com">www.indusind.com</a></b>
<b>Compliance Officer of Issuer</b>	<b>Mr. Haresh Gajwani, Company Secretary</b>
<b>E-Mail</b>	<b><a href="mailto:haresh.gajwani@indusind.com">haresh.gajwani@indusind.com</a></b>

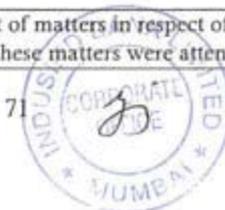
## 20. Disclosures with regard to Interest of Directors, Litigation etc.

Any financial or other material interest of the directors, promoter or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	No contribution is made by any Director as part of the Offer or separately in furtherance of the Objects of Issue
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	None
Any litigation or legal action pending or taken by a Government Department	No litigation or legal action pending against the Promoters of the bank



## Placement Memorandum

or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company.																																																																												
Remuneration and Sitting Fees of directors (during the current year and last 3 (three) financial years)	Amount Rs. Crore																																																																											
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Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Placement Memorandum including with regard to loans made or, guarantees given or securities provided	Refer Annexure X																																																																											
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Placement Memorandum and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	NIL																																																																											
Details of any inquiry, inspections or investigations initiated or conducted	Following is the list of matters in respect of which Company Law authorities sought details and these matters were attended to / being attended to promptly.																																																																											



## Placement Memorandum

<p>under the Companies Act, 2013 or any previous company law in the last 3 (three) years immediately preceding the year of issue of this Placement Document in the case of the Company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Placement Document and if so, section-wise details thereof for the Company and all of its subsidiaries</p>	<ol style="list-style-type: none"> <li>1. Letter received from Investor Education Protection Fund calling for information or explanation on Compliance of provision of section 205A/205C/124/125 of Companies Act, 1956/2013 and on connected matters (dated August 27, 2018).</li> <li>2. Letter received from Registrar of Companies, Pune, dated November 13, 2018: Order under section 206(1) of the Companies Act, 2013 of IndusInd Bank Limited – regarding filing of PAS-3 Forms in MCA portal during period from 2008 to 2018.</li> <li>3. Letter received from Registrar of Companies, Pune, dated January 28, 2019: Order under section 206(3) of the Companies Act, 2013 of IndusInd Bank Limited – regarding filing of PAS-3 Forms in MCA portal during period from 2008 to 2018.</li> </ol>															
<p>Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company</p>	<p>In the course of the banking business, the Bank is exposed to losses arising from frauds perpetrated by the customers of the Bank and the Bank has an established process to take recovery action in respect of each such case of fraud detected. Following is a summary of such frauds identified and reported to the regulator, involving INR 100 crore or above in each case:</p> <table border="1" data-bbox="576 837 1350 976"> <thead> <tr> <th>Particulars</th> <th>FY 2018-19</th> <th>FY 2019-20</th> <th>FY 2020-21</th> <th>Q1 FY 2021-22</th> </tr> </thead> <tbody> <tr> <td>No. of Customers</td> <td>NIL</td> <td>3</td> <td>5</td> <td>1</td> </tr> <tr> <td>Amount involved (Rs. Cr)</td> <td>NIL</td> <td>1,127.02</td> <td>2,862.00</td> <td>104.34</td> </tr> </tbody> </table>	Particulars	FY 2018-19	FY 2019-20	FY 2020-21	Q1 FY 2021-22	No. of Customers	NIL	3	5	1	Amount involved (Rs. Cr)	NIL	1,127.02	2,862.00	104.34
Particulars	FY 2018-19	FY 2019-20	FY 2020-21	Q1 FY 2021-22												
No. of Customers	NIL	3	5	1												
Amount involved (Rs. Cr)	NIL	1,127.02	2,862.00	104.34												
<p>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</p>	<p>NIL</p>															

## 21. Particulars of offer

1	Financial position of the Company for the last 3 financial years	Please refer [Section VI.9] of this Placement Memorandum
2	Date of passing of Board Resolution	October 21, 2021 and October 27, 2021. The Board Resolutions are attached as Annexure VII.
3	Date of passing of resolution in general meeting, authorizing the offer of securities	Shareholders Resolution dated August 26, 2021 passed under Section 42 of the Companies Act. The said shareholders Resolution is attached as Annexure VII
4	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Unsecured, subordinated, non-convertible, fully paid-up, taxable, redeemable Basel III compliant Tier 2 Bonds in the nature of debentures of Rs. 1,00,00,000 each (each a "Bond" or "Debenture" or "NCD") with an issue size of Rs. 2,800 Crore issued by IndusInd Bank Limited (the "Issuer"/the "Bank"), as (Series XV – 2021).
5	Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at par with a face value of Rs.1,00,00,000/- (Rupees one crore only) per Debenture
6	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not applicable as the Bonds are being offered at par
7	Relevant date with reference to which the price has been arrived at. [Relevant date means a date at least 30 days prior to the date on which the	Not applicable as the Bonds are being offered at par



*[Handwritten signature]*

## Placement Memorandum

	general meeting of the Company is scheduled to be held]	
8	The class or classes of persons to whom the allotment is proposed to be made	Please refer the 'Eligible Investors' clause in Summary Term Sheet of this Placement Memorandum
9	The proposed time within which the allotment shall be completed	Please refer Section VII of this Placement Memorandum
10	The change in control, if any, in the company that would occur consequent to the private placement	There will be no change in control in the company consequent to the private placement of Bonds.
11	The number of persons to whom allotment on preferential basis/ private placement / rights issue has already been made during the year, in terms of number of securities as well as price	Nil
12	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable as the Bonds are being offered at par for a consideration to be paid in cash.
13	Amount, which the Company intends to raise by way of securities.  Green shoe option, if any, and a range within which green shoe may be retained (if applicable)	Issue size: Rs. 2,800 Crore
14	Terms of raising of securities:  Duration, if applicable:  Rate of dividend or rate of interest:  Mode of payment and repayment:	The Bonds are redeemable at the end of 10 years from the Deemed Date of Allotment. In case of exercise of tax call or regulatory call option, redemption shall be made on relevant call option date.  8.11 % payable annually, fixed.  All payments to the Issuer must be made by electronic transfer of funds through RTGS/electronic fund mechanism for credit to the Designated Bank Accounts as mentioned under 'Payment Instructions' in Section VII of this Placement Memorandum. Payment of interest and repayment of principal shall be made through direct credit / NECS / RTGS / NEFT mechanism or by way of cheque (s)/interest/redemption warrant(s)/demand draft(s) at the discretion of the Issuer.
15	Proposed time schedule for which the private placement offer cum application letter is valid	The Issue will open on October 28, 2021 and close on the October 28, 2021.
16	Purpose and objects of the offer	Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy in accordance with RBI Guidelines and for enhancing its long-term resources of the Bank.
17	Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
18	Principal terms of assets charged as security, if applicable	Not applicable as the bonds being offered are unsecured



*[Handwritten Signature]*

## Placement Memorandum

19	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	Nil
20	The pre-issue and post-issue shareholding pattern of the Company	The shareholding pattern of the Company will not be altered as a result of the issue of the Bonds.
21	Mode of Payment for Subscription and Settlement (Cheque, Demand Draft and other Banking Channels)	All Payments to the Issuer towards Subscription shall be made by electronic transfer of funds through RTGS/electronic fund mechanism for credit to the Designated Bank Accounts as mentioned under 'Payment Instructions' in Section VII of this Placement Memorandum.  Settlement of Principal as well as payment of interest shall be made through direct credit / NECS / RTGS / NEFT mechanism or by way of cheque (s)/interest/redemption warrant(s)/demand draft(s) at the discretion of the Issuer.

## 22. Key Operational and Financial Parameters for the last three years (Audited) and other key information

Please refer Section VI.9 of this Section.

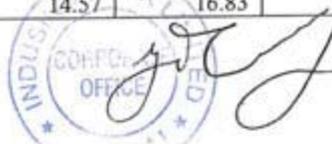
The financial statements of the Bank have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. Accordingly, the information in the below table has been provided in line with the financial statements of the Bank.

### Summarised Financial Statements:

#### Consolidated

(Amount Rs. Crore)

Sr No	Particulars	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	Quarter ended June 30 2021 Unaudited
1	Share Capital	602.69	693.54	773.37	773.88
2	Reserves and Surplus (including employees' stock options outstanding, Share Warrant sub. Money)	26,084.56	34,054.50	42,727.28	43,774.02
3	Deposits	1,94,867.91	2,02,026.99	2,55,870.10	2,67,233.07
4	Borrowings	47,321.12	60,753.55	51,322.81	49,294.05
5	Total Debt (3+4)	2,42,189.03	2,62,780.54	3,07,192.91	3,16,527.12
6	Advances	1,86,393.50	2,06,783.17	2,12,595.41	2,10,727.42
7	Investments	59,268.04	59,938.44	69,653.42	68,699.47
8	Net Fixed Assets	1,710.01	1,870.88	1,875.74	1,876.31
9	Total Income	27,907.87	35,735.50	35,500.68	9,362.76
10	Total Expenditure (Interest expended + Operating Expenses)	19,820.26	24,906.68	23,628.73	6,177.27
11	Operating Profit	8,087.61	10,828.82	11,871.95	3,185.49
12	Provisions and Contingencies (incl. tax)	4,787.12	6,370.96	8,942.07	2,169.44
13	Profit after taxation (PAT)	3,300.48	4,457.87	2,929.87	1,016.05
14	Less: Minority Interest	-	-	-	-
15	Net Profit/loss after Minority Interest (considering share in profit of Associate)	3,300.75	4,458.18	2,930.10	1,016.11
16	Gross NPA %	2.10	2.45	2.67	2.88
17	Net NPA %	1.21	0.91	0.69	0.84
18	Capital Adequacy Ratio (Basel III) %	14.16	15.04	17.38	17.57
19	Tier I Capital Adequacy Ratio %	13.70	14.57	16.83	16.87



## Placement Memorandum

20	Tier 2 Capital Adequacy Ratio %	0.46	0.47	0.55	0.70
21	Return on Assets (%)	1.39	1.56	0.93	1.17
22	Earnings per share (in Rs.)				
	Basic (Rs)	54.89	64.33	40.03	13.14
	Diluted (Rs)	54.45	64.10	39.96	13.11

## Standalone

(Amount Rs. Crore)

Sr No	Particulars	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	Quarter ended June 30 2021 Unaudited
1	Share Capital	602.69	693.54	773.37	773.88
2	Reserves and Surplus (including employees' stock options outstanding, Share Warrant sub. Money)	26,083.29	34,012.96	42,592.04	43,597.62
3	Deposits	1,94,867.91	2,02,039.81	2,56,204.96	2,67,629.88
4	Borrowings	47,321.12	60,753.55	51,322.81	49,294.05
5	Total Debt (3+4)	2,42,189.03	2,62,793.36	3,07,527.77	3,16,923.93
6	Advances	1,86,393.50	2,06,783.17	2,12,595.41	2,10,727.42
7	Investments	59,266.16	59,979.94	69,694.71	68,740.69
8	Net Fixed Assets	1,710.01	1,820.11	1,809.37	1,809.24
9	Total Income	27,907.87	35,734.14	35,558.41	9,355.77
10	Total Expenditure (Interest expended + Operating Expenses)	19,819.65	24,961.43	23,831.74	6,225.21
11	Operating Profit	8,088.22	10,772.71	11,726.67	3,130.56
12	Provisions and Contingencies (incl. tax)	4,787.12	6,354.80	8,890.28	2,155.61
13	Profit after taxation (PAT)	3,301.10	4,417.91	2,836.39	974.95
14	Less: Minority Interest	-	-	-	-
15	Net Profit/loss after Minority Interest	3,301.10	4,417.91	2,836.39	974.95
16	Gross NPA %	2.10	2.45	2.67	2.88
17	Net NPA %	1.21	0.91	0.69	0.84
18	Capital Adequacy Ratio (Basel III) %	14.16	15.04	17.38	17.57
19	Tier I Capital Adequacy Ratio %	13.70	14.57	16.83	16.87
20	Tier 2 Capital Adequacy Ratio %	0.46	0.47	0.55	0.70
21	Return on Assets (%)	1.39	1.54	0.90	1.12
22	Earnings per share (in Rs.)				
	Basic (Rs)	54.90	63.75	38.75	12.60
	Diluted (Rs)	54.46	63.52	38.68	12.58

## Maturity Profile of Borrowing:

(Amount Rs. Crore)

Sr No	Particulars	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	Quarter ended June 30 2021 Unaudited
	Up to 1 year	3,490.08	20,181.91	6,946.91	4,848.73
	1 - 3 years	6,461.16	21,466.97	24,948.16	24,613.19
	3 - 5 years	4,000.00	8,489.90	9,500.00	9,500.00
	More than 5 years	33,369.88	10,614.77	9,927.22	10,332.13
	<b>Total</b>	<b>47,321.12</b>	<b>60,753.55</b>	<b>51,322.81</b>	<b>49,294.05</b>

## Details of top 3 category-wise borrowings of the Bank as on June 30, 2021:

Sl No	Particulars	Outstanding Rs. Crore	Rate of Interest % p.a.
1	Refinance from NABARD / SIDBI / NHB/MUDRA	31,470.07	2.94% - 9.40%
2	Borrowings outside India	12,265.73	0.10% - 2.26%
3	Borrowings from Banks in India	68.35	2.75% - 3.03%



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### Debt – Equity Ratio Pre and Post Issue:

(Amount Rs. Crore)

S No	Particulars	Pre-issue	Post issue
	<b>Borrowings</b>		
1	Short Term Borrowings	4,848.73	4,848.73
2	Long Term Borrowings	44,445.32	47,245.32
3	<b>Total Borrowings</b>	<b>49,294.05</b>	<b>52,094.05</b>
	<b>Shareholders' funds</b>		
4	Share Capital	773.88	773.38
5	Employee Stock Options Outstanding	5.42	5.42
6	Share Warrants Subscription Money	-	-
7	Reserves & Surplus (excluding revaluation reserve)	43,280.09	43,280.09
8	<b>Total Shareholders' Funds</b>	<b>44,059.39</b>	<b>44,059.39</b>
9	Short Term Debt/ Equity Ratio (1/8)	0.11	0.11
10	Total Debt / Equity Capital Ratio (3/8)	1.12	1.18

#### Notes:

- Pre-Issue and Post-Issue is based on the Borrowings and Shareholders' Funds profile as of June 30, 2021.
- Post-Issue computation is based on a subscription of Rs.2,800 Crore, which is the Total Issue size. The computation will vary depending on the actual subscription of the Bonds.

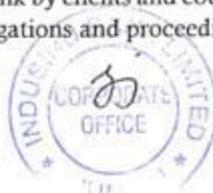
### Details of any other contingent liabilities of the Issuer on the last audited financial statement including amount and nature of liability:

(Amount Rs. Crore)

Sr No	Particulars	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)
1	Claims against the Bank not acknowledged as debts – Tax matters	89	122	107
2	Claims against the Bank not acknowledged as debts – Other Legal matters that are <i>sub judice</i>	306	364	375
3	Liability on account of outstanding Forward Exchange Contracts	473,431	423,527	381,550
4	Liability on account of outstanding Derivative Contracts	402,255	457,581	382,279
5	Guarantees given on behalf of constituents			
	- In India	49,677	58,065	60,034
	- Outside India	783	611	844
6	Acceptances, Endorsements and Other Obligations	23,398	26,029	24,813
7	Other Items for which the Bank is contingently liable	2,729	1,297	66
	<b>Total</b>	<b>952,668</b>	<b>967,596</b>	<b>850,068</b>

As a Scheduled Commercial Bank, the Issuer is exposed to a large amount of Contingent Liabilities with reference to Forward Exchange Contracts and Derivative Contracts with clients and counter-party banks, and Letters of Credit, Co-Acceptances, Bank Guarantees, etc. issued at the request of clients. Necessary provisions are made in the financial statements in accordance with RBI guidelines.

The Bank's pending litigations include claims against the Bank by clients and counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately provided for



## Placement Memorandum

where provisions are required, and disclosed as contingent liabilities where applicable. The amount of contingent liabilities is based on management's estimate, and it is not probable that any liability is expected to arise out of the same.

### Brief history of the Issuer since its incorporation giving details of its following activities:

#### Details of Share Capital as of June 30, 2021

The Bank has only one class of shares viz., Equity Shares of the Face Value of Rs. 10 each. The following table presents the position of Share Capital as at June 30, 2021.

Particulars	No. of Shares	Amount Rs. Crore
Authorised Capital	85,70,00,000	857.00
Issued, Subscribed and Fully Paid Up	77,38,76,784	773.88

The Shareholders of the Bank, in the 27<sup>th</sup> AGM held on August 26, 2021 have approved an amendment to the Memorandum and Articles of Association such that the Authorised Share Capital shall be increased to consist of 100 crore equity shares of the face value of Rs. 10 each totalling to Rs. 1,000 crores. This amendment shall require the approval of the RBI, after the approval of Shareholders. The Bank is taking necessary steps to complete the process of other approvals and payment of necessary duties and other levies.

#### Changes in the Capital Structure as on June 30, 2021, for the last 3 years

Date of change / allotment	Particulars	No. of Issued, Subscribed and fully Paid up Equity Shares
10-10-2018 to 24-12-2018	Opening Balance	60,20,82,563
07-01-2019 to 25-03-2019	Increase in capital due to allotment of 6,04,305 equity shares on account of conversion of ESOPs	60,26,86,868
05-04-2019 to 21-06-2019	Increase in capital due to allotment of 4,52,074 equity shares on account of conversion of ESOPs	60,31,38,942
06-07-2019 to 26-09-2019	Increase in capital due to allotment of 8,98,43,815 equity shares on account of conversion of ESOPs	69,29,82,757
18-10-2019 to 20-12-2019	Increase in capital due to allotment of 87,467 equity shares on account of conversion of ESOPs	69,30,70,224
21-01-2020 to 17-03-2020	Increase in capital due to allotment of 4,65,514 equity shares on account of conversion of ESOPs	69,35,35,738
16-04-2020 to 24-06-2020	Increase in capital due to allotment of 30,300 equity shares on account of conversion of ESOPs	69,35,66,038
02-09-2020 to 23-09-2020	Increase in capital due to due to allotment of 6,28,85,785 equity shares on account of preferential allotment on QIP & Non-QIP and conversion of ESOPs	75,64,51,823
16-10-2020 to 18-12-2020	Increase in capital due to allotment of 6,53,175 equity shares on account of conversion of ESOPs	75,71,04,998
15-01-2021 to 15-03-2021	Increase in capital due to allotment of 1,62,67,301 equity shares on account of conversion of warrants Promoters and conversion of ESOPs	77,33,72,299
03-05-2021 to 24-06-2021	Increase in capital due to allotment of 50,44,85 equity shares on account of conversion of ESOPs	77,38,76,784



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Equity Share capital history of the Issuer as on June 30, 2021 for the last 3 years (April 1, 2018 till June 30, 2021)

Date of allotment	No. of Equity shares	Face Value (Rs.)	Issue Price	Consideration /Cash or Other than cash	Nature of allotment	Cumulative			Remarks
						No. of Equity shares Pre allotment	No. of Equity shares Post allotment	Equity Share Premium	
07-Jan-2019	3,04,290	10	220.45 228.70 231.95 453.90 533.95 623.25 949.80	7,35,65,634	ESOP allotment	60,20,82,563	60,23,86,853	210.45 218.70 221.95 443.90 523.95 613.25 939.80	
15-Jan-2019	1,800	10	220.45 453.90	4,08,483	ESOP allotment	60,23,86,853	60,23,88,653	210.45 443.90	
22-Jan-2019	88,570	10	220.45 228.70 453.90 949.80	2,24,30,898	ESOP allotment	60,23,88,653	60,24,77,223	210.45 218.70 443.90 939.80	
04-Feb-2019	33,930	10	220.45 231.95 253.60 453.90 533.95 537.05 936.75 949.80	1,66,53,994	ESOP allotment	60,24,77,223	60,25,11,153	210.45 221.95 243.60 443.90 523.95 527.95 926.75 939.80	
07-Feb-2019	1,07,330	10	220.45 228.70 231.95 453.90 623.25 949.80 1126.70	2,77,08,460	ESOP allotment	60,25,11,153	60,26,18,483	210.45 218.70 221.95 443.90 613.25 939.80 1116.70	
15-Feb-2019	21,005	10	220.45 253.60 453.90 1265.40	74,37,778	ESOP allotment	60,26,18,483	60,26,39,488	210.45 243.60 443.90 1255.40	
28-Feb-2019	3,465	10	453.90 949.80	28,00,116	ESOP allotment	60,26,39,488	60,26,42,953	443.90 939.80	
21-Feb-2019	3,525	10	345.60 453.90 623.25	12,96,266	ESOP allotment	60,26,42,953	60,26,46,478	335.60 443.90 613.25	
14-Mar-2019	39,080	10	304.05 453.90 623.25 949.80 1126.70	1,50,89,813	ESOP allotment	60,26,46,478	60,26,85,558	294.05 443.90 61325.00 939.80 1116.70	
25-Mar-2019	1,310	10	253.60 453.90 623.25 949.80 1126.70	5,32,929	ESOP allotment	60,26,85,558	60,26,86,868	243.60 443.90 613.25 939.80 1116.70	
05-Apr-2019	1,78,925	10	228.70 253.60 345.60 453.90 623.25 949.80 1265.40 1759.75	4,86,22,166	ESOP allotment	60,26,86,868	60,28,65,793	218.70 243.60 335.60 443.90 613.25 939.80 1255.40 1749.75	
22-Apr-2019	50,245	10	253.60 345.60 453.90 623.25 911.85 949.80 1759.75	4,21,56,367	ESOP allotment	60,28,65,793	60,29,16,038	243.60 335.60 443.90 613.25 901.85 939.80 1749.75	
10-May-2019	28,070	10	253.60 453.60 533.95 623.25 911.85 949.80 1383.90 1431.75	2,24,35,144	ESOP allotment	60,29,16,038	60,29,44,108	243.60 443.60 523.95 613.25 901.85 939.80 1373.90 1421.75	
16-May-2019	11,675	10	453.90 533.95 936.75 949.80	99,42,069	ESOP allotment	60,29,44,108	60,29,55,783	443.90 523.95 926.75 939.80	
24-May-2019	12,559	10	304.55 453.90 949.80 1186.75	1,02,25,609	ESOP allotment	60,29,55,783	60,29,68,342	294.55 443.90 939.80 1176.75	



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Date of allotment	No. of Equity shares	Face Value (Rs.)	Issue Price	Consideration /Cash or Other than cash	Nature of allotment	Cumulative			Remarks
						No. of Equity shares Pre allotment	No. of Equity shares Post allotment	Equity Share Premium	
03-Jun-2019	70,815	10	231.95 253.60 453.90 533.95 880.75	3,34,96,398	ESOP allotment	60,29,68,342	60,30,39,157	221.95 243.60 443.90 523.95 870.75	
06-Jun-2019	84,400	10	231.95 253.60 453.90 478.45 533.95 911.85 1383.90	4,70,31,219	ESOP allotment	60,30,39,157	60,31,23,557	221.95 243.60 443.90 468.45 523.95 901.85 1373.90	
14-Jun-2019	11,355	10	253.60 453.90 623.25 949.80	45,16,343	ESOP allotment	60,31,23,557	60,31,34,912	243.60 443.90 613.25 939.80	
21-Jun-2019	4,030	10	253.60 453.90 623.25 949.80	22,74,141	ESOP allotment	60,31,34,912	60,31,38,942	243.60 443.90 613.25 939.80	
09-Jul-2019	8,96,17,781	10		Merger	ESOP allotment	60,31,38,942	69,27,56,723		
18-Jul-2019	1,45,909	10	231.95 343.25 345.60 411.50 412.25 453.90 478.45 533.95 623.25 911.85 949.80	6,24,23,944	ESOP allotment	69,27,56,723	69,29,02,632	221.95 333.25 335.60 401.50 402.25 443.90 468.45 523.95 613.25 901.85 939.80	
26-Jul-2019	7,750	10	365.75 453.90 623.25	35,81,295	ESOP allotment	69,29,02,632	69,29,10,382	355.75 443.90 613.25	
02-Aug-2019	9,460	10	231.95 453.90 533.95 623.25 949.80	30,62,340	ESOP allotment	69,29,10,382	69,29,19,842	221.95 443.90 523.95 613.25 939.80	
07-Aug-2019	5,065	10	345.60 623.25 936.75 949.80	40,03,099	ESOP allotment	69,29,19,842	69,29,24,907	335.60 613.25 926.75 939.80	
11-Sep-2019	7,080	10	453.90 533.95 623.25 876.80 949.80 1126.70	44,90,460	ESOP allotment	69,29,24,907	69,29,31,987	443.90 523.95 613.25 866.80 939.80 1116.70	
16-Sep-2019	34,270	10	453.90 533.95 623.25 876.80 949.80 1126.70	1,81,76,096	ESOP allotment	69,29,31,987	69,29,66,257	443.90 523.95 613.25 866.80 939.80 1116.70	
26-Sep-2019	16,500	10	231.95 453.90 478.45 533.95 876.80 1126.70	51,09,605	ESOP allotment	69,29,66,257	69,29,82,757	221.95 443.90 468.45 523.95 866.80 1116.70	
18-Oct-2019	30,060	10	345.60 453.90 478.45 533.95 623.25 936.75 949.80 962.00 1126.70 1186.75	2,66,04,066	ESOP allotment	69,29,82,757	69,30,12,817	335.60 443.90 468.45 523.95 613.25 926.75 939.80 952.00 1116.70 1176.75	
01-Nov-2019	3,819	10	533.95 623.25 678.00 828.00 1126.70	26,32,942	ESOP allotment	69,30,12,817	69,30,16,636	523.95 613.25 668.00 818.00 1116.70	
15-Nov-2019	1,060	10	533.95 623.25 678.00 828.00 1126.70	26,32,942	ESOP allotment	69,30,16,636	69,30,17,696	523.95 613.25 668.00 818.00 1116.70	



Placement Memorandum

Date of allotment	No. of Equity shares	Face Value (Rs.)	Issue Price	Consideration /Cash or Other than cash	Nature of allotment	Cumulative			Remarks
						No. of Equity shares Pre allotment	No. of Equity shares Post allotment	Equity Share Premium	
21-Nov-2019	28,850	10	231.95 949.80 1093.101126.70	1,19,49,372	ESOP allotment	69,30,17,696	69,30,46,546	221.95 939.80 1093.10 1116.70	
10-Dec-2019	7,828	10	365.75 453.90 533.95 949.80 1126.70 1224.00	79,96,153	ESOP allotment	69,30,46,546	69,30,54,374	365.75 453.90 533.95 949.80 1126.70 1214.00	
17-Dec-2019	14,000	10	453.90 533.95 949.80 1126.70	1,25,54,208	ESOP allotment	69,30,54,374	69,30,68,374	443.90 523.95 939.80 1116.70	
20-Dec-2019	1,850	10	453.90 533.95 623.25	9,84,268	ESOP allotment	69,30,68,374	69,30,70,224	443.90 523.95 613.25	
21-Jan-2020	3,766	10	453.90 533.95 623.25 1376.00	20,53,088	ESOP allotment	69,30,70,224	69,30,73,990	443.90 523.95 613.25 1366.00	
29-Jan-2020	3,09,640	10	300, 453.9, 478.45 533.95, 623.25, 876.8, 936.75	69,33,83,630	ESOP allotment	69,30,73,990	69,33,83,630	290.00 443.90 468.45 523.95 613.25 866.80 926.75	
11-Feb-2020	58,225	10	453.9, 478.45, 533.95 623.25, 949.80 1220.85	6,57,04,504	ESOP allotment	69,33,83,630	69,34,41,855	443.90 468.45 523.95 613.25 939.80 1210.85	
24-Feb-2020	7,985	10	345.60 453.90 478.45 533.95 623.25	32,25,595	ESOP allotment	69,34,41,855	69,34,49,840	335.60 443.90 468.45 523.95 613.25	
28-Feb-2020	75,650	10	304.05 453.90 478.45 490.30	3,21,76,775	ESOP allotment	69,34,49,840	69,35,25,490	294.05 443.90 468.45 480.30	
09-Mar-2020	5,810	10	453.90 478.45 911.85 949.80	36,21,664	ESOP allotment	69,35,25,490	69,35,31,300	443.90 468.45 901.85 939.80	
17-Mar-2020	4,438	10	453.90 478.45 533.95	22,11,333	ESOP allotment	69,35,31,300	693,535,73 8	443.90 468.45 523.95	
16-Apr-2020	18,630	10	453.90 490.30 533.95	91,28,802	ESOP allotment	69,35,35,738	69,35,54,368	453.90 490.30 533.95	
06-May-2020	5,490	10	345.60 453.90 478.45	22,70,261	ESOP allotment	69,35,54,368	69,35,59,858	345.60 453.90 478.45	
24-Jun-2020	6,180	10	304.55 453.90 478.45	26,38,811	ESOP allotment	69,35,59,858	69,35,66,038	304.55 453.90 478.45	
02-Sep-2020	4,76,29,768	10	524.00	24,95,79,98,432	Preferential allotment	69,35,66,038	74,11,95,806	524.00	
04-Sep-2020	1,51,17,477	10	524.00	7,92,15,57,948	Preferential allotment	74,11,95,806	75,63,13,283	524.00	
23-Sep-2020	1,38,540	10	345.60 453.90 478.45 533.95	7,56,45,18,230	ESOP allotment	75,63,13,283	75,64,51,823	335.60 443.90 468.45 523.95	
16-Oct-2020	16,070	10	345.60 453.90 533.95 623.25	69,83,290	ESOP allotment	75,64,51,823	75,64,67,893	335.60 443.90 523.95 613.25	
06-Nov-2020	5,100	10	343.25	17,50,757	ESOP allotment	75,64,67,893	75,64,72,993	333.25	
20-Nov-2020	4,69,000	10	300.00	14,07,00,000	ESOP allotment	75,64,72,993	75,69,41,993	290.00	
07-Dec-2020	17,925	10	343.25 453.90 533.95	82,64,753	ESOP allotment	75,69,41,993	75,69,59,918	333.25 443.90 523.95	
10-Dec-2020	43,880	10	343.25 412.25 453.90 533.95 623.25	2,23,56,145	ESOP allotment	75,69,59,918	75,70,03,798	333.25 402.25 443.90 523.95 613.25	



## Placement Memorandum

Date of allotment	No. of Equity shares	Face Value (Rs.)	Issue Price	Consideration / Cash or Other than cash	Nature of allotment	Cumulative			Remarks
						No. of Equity shares Pre allotment	No. of Equity shares Post allotment	Equity Share Premium	
18-Dec-2020	1,01,200	10	343.25 453.90 533.95 949.80	5,10,93,435	ESOP allotment	75,70,03,798	75,71,04,998	333.25 443.90 523.95 939.80	
15-Jan-2021	1,73,600	10	231.95	4,02,66,520	ESOP allotment	75,71,04,998	75,72,78,598	221.95	
21-Jan-2021	28,359	10	453.90 533.95 668.00 949.80	1,52,23,962	ESOP allotment	75,72,78,598	75,73,06,957	443.90 523.95 658.00 939.80	
04-Feb-2021	25,765	10	389.85 453.90 533.95 831.85 949.80	1,86,03,970	ESOP allotment	75,73,06,957	75,73,32,722	379.85 443.90 523.95 821.85 939.80	
16-Feb-2021	51,480	10	453.90 533.95 949.80 1093.10	3,66,46,405	ESOP allotment	75,73,32,722	75,73,84,202	453.90 533.95 949.80 1093.10	
18-Feb-2021	1,57,70,985	10	1709.00	26,95,26,13,365	Conversion of Warrants - Promoters	75,73,84,202	77,31,55,187	1709.00	
15-Mar-2021	2,17,112	10	453.90 490.30 533.95 623.25 949.80	11,45,36,509	ESOP allotment	77,31,55,187	77,33,72,299	443.90 480.30 523.95 613.25 939.80	
03-May-2021	1,20,490	10	453.90 490.30 533.95 623.25 831.85 949.80	7,71,13,029	ESOP allotment	77,33,72,299	77,34,92,789	443.90 480.30 523.95 613.25 821.85 939.80	
19-May-2021	33,985	10	409.95 453.90 533.95 537.05 623.25 848.20	1,81,49,707	ESOP allotment	77,34,92,789	77,35,26,774	399.95 443.90 523.95 527.05 613.25 838.20	
08-Jun-2021	2,68,295	10	376.75 453.90 533.95 623.25 949.80	14,15,75,089	ESOP allotment	77,35,26,774	77,37,95,069	376.75 453.90 533.95 623.25 949.80	
10-Jun-2021	47,095	10	376.75 453.90 533.95 623.25 949.80	2,52,57,618	ESOP allotment	77,37,95,069	77,38,42,164	366.75 443.90 523.95 613.25 939.80	
24-Jun-2021	34,620	10	409.95 453.90 533.95 623.25 949.80	2,18,62,248	ESOP allotment	77,38,42,164	77,38,76,784	399.95 443.90 523.95 613.25 939.80	

### 23. Disclosure Pertaining to Wilful Default

We hereby confirm that neither the Issuer nor any of its promoters nor any of the Directors has been declared as wilful defaulters by any Bank or financial institution or authority.



## VII. Summary Term Sheet

## Series XV – 2021

Security Name	8.11% INDUSIND BANK LIMITED BASEL III TIER 2 BONDS (SERIES XV – 2021)
Issuer	INDUSIND BANK LIMITED (“Issuer”/the “Bank”)
Type of Instrument	Unsecured, subordinated, non-convertible, fully paid-up, taxable, redeemable Basel III compliant Tier 2 bonds which will qualify as tier 2 capital of the Issuer (“Bonds”)
Nature of Instrument and Seniority	<b>Unsecured and Subordinated</b>  The Bonds are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangements that legally or economically enhances the seniority of the claim vis-à-vis other creditors of the Issuer. Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in management of the Issuer.
Issue Size	The aggregate total issue size of the Bonds shall not exceed INR 2,800 Crore
Minimum subscription Amount	Not Applicable
Option to retain oversubscription (Amount)	Not Applicable
Mode of Issue	Private placement
Type of Bidding	Closed book bidding
Manner of Allotment	Uniform coupon
Listing (name of stock exchange(s) where it will be listed and timeline for listing)	The Bonds are proposed to be listed on the Wholesale Debt Market (“WDM”) segment of the National Stock Exchange Limited (“NSE”).  The Issuer shall make an application to the stock exchange to list the Bonds and shall obtain such listing approval within T+4 days from the closure of the issue (T day).  In case of delay in listing of Bonds beyond the timelines specified above, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the coupon/dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing).  Such penal interest shall be paid by the Issuer to the holders of the Bonds on the first Coupon Payment Date.
Rating of the Instrument	“CRISIL AA+” by “CRISIL RATINGS LIMITED” pronounced as “CRISIL Double A plus rating” & “IND AA+” by “INDIA RATINGS & RESEARCH PVT LTD” pronounced as “IND Double A plus rating”
Objects of the Issue/ Purpose for which there is requirement of funds	Augmenting Tier 2 capital (as the term is defined in the Basel III Guidelines) and the overall capital of the Issuer to strengthen its capital adequacy and to enhance its long-term resources in accordance with RBI Guidelines.
Details of utilization of the proceeds	The Issuer shall utilize the proceeds of the issue for augmenting Tier 2 capital and overall capital base and for the purpose of its regular business activities and other associated business objectives.
Seniority/ Order of claim	The order of claim of various types of regulatory capital instruments issued by the Issuer and that may be issued in future shall be as under:

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	<p>a) Tier 2 instruments shall be superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital;</p> <p>b) subordinate to the claims of all depositors and general creditors of the Issuer; and</p> <p>c) shall neither be secured nor covered by any guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis banks creditor.</p> <p>d) Unless the terms of any subsequent issuance of bonds/debentures by the Issuer specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under the Placement Memorandum or unless the RBI specifies otherwise in its guidelines, the claims of the holders of the Bonds shall be <i>pari passu</i> with claims of holders of such subsequent debentures/bond issuances; and shall be on <i>pari-passu</i> ranking with holders of other Tier 2 instruments issued by the Issuer.</p> <p>However, the claims of the holders of Bonds shall be subject to the provisions of Loss Absorbency, Permanent Principal Write-Down on PONV Trigger Event and other events mentioned in this summary of terms.</p>
<p><b>Eligible Investors</b></p>	<p>In terms of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations") along with the Operational Circular for issue and listing of non-convertible securities, securitised debt instruments, security receipts, municipal debt securities and commercial papers dated 10 August 2021 ("Operational Circular"), only Qualified Institutional Buyers ("QIBs") are allowed to participate in the issuance of the Bonds. The Tier 2 Bonds to be issued under the Placement Memorandum and other transaction documents have the relevant features, hence the Operational Circular will be applicable.</p> <p>As per Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 dated September 2018, "Qualified Institutional Buyer" means:</p> <ul style="list-style-type: none"> <li>(i) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI;</li> <li>(ii) a foreign portfolio investor other than individuals, corporate bodies and family offices;</li> <li>(iii) a public financial institution;</li> <li>(iv) a scheduled commercial bank;</li> <li>(v) a multilateral and bilateral development financial institution;</li> <li>(vi) a state industrial development corporation;</li> <li>(vii) an insurance company registered with the Insurance Regulatory and Development Authority of India;</li> <li>(viii) a provident fund with minimum corpus of twenty five crore rupees;</li> <li>(ix) a pension fund with minimum corpus of twenty five crore rupees;</li> <li>(x) National Investment Fund set up by resolution no. F. No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>(xi) insurance funds set up and managed by army, navy or air force of the Union of India; and insurance funds set up and managed by the Department of Posts, India; and</li> <li>(xii) Systemically important non-banking financial companies.</li> </ul> <p>This being a private placement Issue, the Eligible Investors who have been addressed through this communication directly are the only Eligible Investors.</p> <p>Potential investors are required to independently verify their eligibility to subscribe to the Bonds on the basis of norms / guidelines / parameters laid by their respective regulatory body including but not limited to the RBI, SEBI, IRDAI, Government of India, Ministry of Finance, Ministry of Labour etc. and be guided by applicable RBI Guidelines.</p>



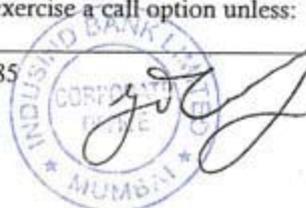
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	<p>The Issuer shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Placement Memorandum by a person shall not be construed as any representation by the Issuer that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Issuer shall not be responsible in any manner.</p> <p>Notwithstanding any acceptance of bids by the Issuer on and/or pursuant to the bidding process on the Electronic Book Platform, (a) if a person, in the Issuer's view, is not an Eligible Investor, the Issuer shall have the right to refuse allotment of Bonds to such person and reject such person's application; (b) if after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Issuer shall not be responsible in any manner.</p>
<b>Coupon/ Dividend Rate</b>	8.11 % Per Annum
<b>Step-up / Step-down</b>	Not applicable
<b>Coupon/ Dividend Payment Frequency</b>	Annual, subject to relevant RBI Guidelines.
<b>Coupon/ Dividend Payment Dates</b>	October 29, 2022 (On the anniversary of the Deemed Date of Allotment every year till redemption of Bonds) subject to the relevant RBI Guidelines and up to the Call Option Date, where applicable.
<b>(Cumulative/ Non-Cumulative in case of dividend)</b>	Not applicable
<b>Coupon Type (Fixed, floating or other structure)</b>	Fixed
<b>Coupon Reset Process (Including rates, spread, effective date, interest rate cap &amp; floor etc.)</b>	Not applicable
<b>Day Count Basis (Actual/Actual) /Computation of Interest</b>	<p>Interest for each of the interest periods shall be computed as per Actual / Actual day count convention on the face value/principal outstanding at the Coupon Rate rounded off to the nearest rupee as set out in the NCS Regulations read with the Operational Circular.</p> <p>Interest period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date, and ending on (but excluding) the next Coupon Payment Date/ call date (if exercised).</p> <p>In case of a leap year, if February 29 falls during the tenor of the Bonds, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.</p>
<b>Interest on Application Money</b>	<p>Interest at the Coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in the Designated Bank Account up to one day prior to the Date of Allotment.</p> <p>The Interest on Application Money will be computed as per Actual/Actual Day count convention. Such Interest would be paid on all the valid applications including the refunds. For the application amount that has been refunded, the Interest on Application Money will be paid along with the refund orders and for</p>



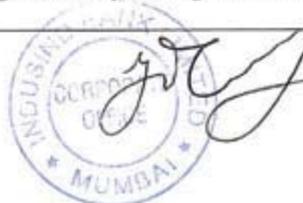
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	<p>the application amount against which Bonds have been allotted, the Interest on Application Money will be paid within ten working days from the Deemed Date of Allotment. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the Interest on refunded money. TDS (tax deducted at source) will be deducted at the applicable rate on Interest on Application money.</p> <p>Provided that, notwithstanding anything contained herein above, the Issuer shall not be liable to pay any interest on monies liable to be refunded in case of invalid applications or applications liable to be rejected including applications made by persons ineligible to apply for and/or hold the Bonds.</p>
<b>Tenor</b>	Redeemable at the end of 10 years from the Deemed Date of Allotment.
<b>Redemption Date</b>	October 29, 2031, subject to Tax Call Date and Regulatory Call Date, if any and provided that the Bonds have not been written-off on account of PONV and/or any other event on account of RBI guidelines.
<b>Redemption Amount</b>	At par along with interest accrued till one day prior to the Redemption Date subject to terms specified herein. However, in case of redemption due to exercise of Tax Call or Regulatory Call or otherwise in accordance with RBI Guidelines (including Basel III Guidelines, as amended from time to time), the Bonds shall be redeemed at par along with interest, subject to the terms specified herein.
<b>Redemption Premium/Discount</b>	Not applicable
<b>Convertibility</b>	Non-Convertible
<b>Issue Price</b>	At par INR 1,00,00,000 (Indian Rupees One Crore) per Bond/Debenture
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	Not applicable
<b>Put Option</b>	No put option available
<b>Put price</b>	Not applicable
<b>Put Notification Time (Timelines by which Investors need to intimate the Issuer)</b>	Not applicable
<b>Call Option</b>	No Issuer call option available, details of Tax Call and Regulatory Call are given below
<b>Condition for exercise of Call Option</b>	<p>Exercise of Tax Call or Regulatory Call on the Bonds by the Issuer will be subject to the Basel III Guidelines, as amended from time to time.</p> <p>In terms of the extant Basel III Guidelines, exercise of Tax Call option or Regulatory Call option on the Bonds by the Issuer will be subject to all the conditions mentioned below:</p> <ol style="list-style-type: none"> <li>1. To exercise a Tax Call option or Regulatory Call option the Issuer must receive prior approval of RBI (Department of Banking Regulation); and</li> <li>2. The Issuer must not do anything which creates an expectation that the Tax Call option or Regulatory Call option will be exercised. For example, to preclude such expectation of the instrument being called, the Dividend / Coupon Reset Date need not be co-terminus with the call date. The Issuer may, at their discretion, consider having an appropriate gap between Dividend / Coupon Reset Date and call date; and</li> <li>3. The Issuer shall not exercise a call option unless:</li> </ol>



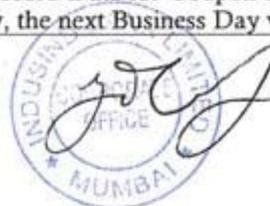
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	<p>(a) The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Issuer; or</p> <p>(b) The Issuer demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.</p> <p>Minimum capital requirement refers to Common Equity Tier 1 of 8% of risk weighted assets (including capital conservation buffer of 2.5%) and total capital of 11.5% of risk weighted assets including any additional capital requirement identified under Pillar 2.</p>
<b>Tax Call</b>	<p>If there is any change in or amendment to the laws affecting taxation (or regulations or rulings promulgated thereunder) in India or any change in the official application of such laws, regulations or rulings (a "<b>Tax Event</b>") the Issuer will no longer being entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds, and the Issuer may at its option, redeem the Bonds in whole but not in part, at par along with interest subject to the terms specified herein and/or substitute the bonds with new bonds having tax deductible coupons.</p> <p>Any redemption upon the occurrence of a Tax Event will be subject to the provisions described under "<b>Call Notification Time</b>" and conditions 1 to 3 enumerated under "<b>Condition for exercise of Call Option</b>". ("<b>Tax Call Date</b>")</p> <p>The RBI may permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds.</p> <p>Potential Investors may note that approvals to be obtained from the RBI to exercise Tax Call option are not routine and are subject to the discretion of the RBI. Further, the RBI shall, before providing such approvals, thoroughly consider the financial and capital position of the Issuer or any other criteria or basis it deems fit.</p>
<b>Regulatory Call</b>	<p>If there is a change in the regulatory classification of the Bonds that occurs on or after the issue date of the Bonds (a "<b>Regulatory Event</b>"), the Issuer may, at its option, redeem the Bonds, in whole but not in part, at par along with Interest, subject to the terms specified herein and/or substitute the bonds so that the new bonds have better regulatory classification, with prior approval of the RBI. Any redemption upon the occurrence of a Regulatory Event will be subject to the provisions described under "Call Notification Time" and conditions 1 to 3 enumerated under "Condition for exercise of Call Option" ("<b>Regulatory Call Date</b>").</p> <p>RBI may permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Call at the time of issuance of the Bonds.</p> <p>Potential investors may note that approvals to be obtained from the RBI to exercise Regulatory Call option are not routine and are subject to the discretion of the RBI. Further, RBI shall before providing such approvals, thoroughly consider the financial and capital position of the Issuer or any other criteria or basis it deems fit.</p>
<b>Call Option Date</b>	Tax Call Date, Regulatory Call Date
<b>Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the Call Option)</b>	<p>Any redemption of the Bonds on account of exercise of Call Option shall be subject to the Issuer giving a prior notice of not less than 21 days before the date from which such call option right becomes exercisable.</p> <p>The Issuer shall also provide a copy of such notice to the stock exchange(s) where such non-convertible securities are listed and shall make an advertisement in an English national daily and regional daily having wide circulation, in accordance with the NCS Regulations.</p>



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Call Option Price	INR 1,00,00,000 (Indian Rupees One Crore) per Bond/Debenture
Face Value	INR 1,00,00,000 (Indian Rupees One Crore) per Bond/Debenture
Minimum Application/ bid lot	1 Bond and in multiple of 1 (one) Bond thereafter.
Issue Timing	
Issue Opening Date on NSE Electronic Bidding Platform/ Bid Opening date	October 28, 2021
Issue Closing on NSE Electronic Bidding Platform/ Bid Closing date	October 28, 2021
Date of earliest closing of the Issue, if any	Not applicable
Pay-in Date	October 29, 2021
Deemed Date of Allotment	October 29, 2021
Payment Mode/ Manner of settlement in the issue i.e. through clearing corporation or through escrow bank account of issuer	<p>Successful bidders should ensure the funds pay-in from their same bank account which is updated by them in the NSE-EBP while placing the bids. Payment should be made by the deadline specified in the EBP Guidelines.</p> <p>Successful bidders should do the funds pay-in to the bank accounts of the NSE Clearing Limited ("NCL") ("<b>Designated Bank Account</b>") appearing on the NSE-EBP.</p>
Settlement Cycle	T+1
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Settlement Mode	Payment of interest and repayment of principal shall be made by way of credit through direct credit / NECS / RTGS / NEFT mechanism, or issue of cheque(s) / interest/redemption warrant(s) / demand draft(s).
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
Business Day Convention/Effect of Holidays	<p>'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with the Operational Circular.</p> <p>If the date of payment of interest does not fall on a Business Day, then the succeeding Business Day will be considered for such payment of interest, however the amount of interest to be paid would be computed as per the schedule originally stipulated at the time of issuing the security.</p> <p>If the Redemption Date of the Bonds falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new Redemption Date, along with interest accrued on the debentures until but excluding the date of such payment.</p>
Disclosure of Interest/Dividend/ Redemption Dates	October 29, 2031
Record Date	Record Date for payment of Coupon or of principal which shall be the date falling 15 days prior to the relevant Coupon Payment Date, Tax Call Date or Regulatory Call Date (each as defined later) on which interest or principal repayment is due and payable. In the event the Record Date for Coupon Payment Date falls on a day which is not a Business Day, the next Business Day will be considered as the



Placement Memorandum

	Record Date. In the event the Record Date for principal repayment falls on day which is not a Business Day, the immediately preceding Business Day shall be considered as the Record Date.
All Covenants of the Issue (including side letters, accelerated payment clause etc)	All covenants applicable to the issue are covered in the offer document and there are no other side letters.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum	Unsecured
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1) Letter appointing Catalyst Trusteeship Limited, as Trustee to the Bondholders;</li> <li>2) Debenture Trustee Agreement/ Bond Trustee Agreement;</li> <li>3) Debenture Trust Deed;</li> <li>4) Rating Letter from Credit Rating Agencies;</li> <li>5) Tripartite Agreement between the Issuer, Registrar to the Issue and NSDL for issue of Bonds in dematerialized form;</li> <li>6) Tripartite Agreement between the Issuer, Registrar to the Issue and CDSL for issue of Bonds in dematerialized form;</li> <li>7) Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>8) Application made to NSE and/or BSE for seeking its in-principle approval for listing of Bonds;</li> <li>9) Listing Agreement with NSE and/or BSE; and</li> <li>10) Placement Memorandum with the application form</li> </ol>
Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Issuer, subject to the following:</p> <ol style="list-style-type: none"> <li>1) Rating Letters from CRISIL RATINGS LIMITED and India Ratings and Research Private Limited;</li> <li>2) Consent Letter from Catalyst Trusteeship Services to act as the Trustee to the Bondholder(s);</li> <li>3) Letter from NSE conveying in-principle approval for listing and trading of bonds.</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Placement Memorandum:</p> <ol style="list-style-type: none"> <li>1) Credit of Demat Account(s) of the Allottee(s) within 2 (Two) Business Days from the Deemed Date of Allotment;</li> <li>2) Making listing application to NSE and obtain the listing approval within 4 trading days from the closure of the issue.</li> </ol>



## Placement Memorandum

<b>Prohibition on Purchase / Funding of Instruments</b>	Neither the Issuer nor any related party over which the Issuer exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Issuer directly or indirectly fund the purchase of the Bonds. The Issuer shall not grant advances against the security of the Bonds issued by it.
<b>Default interest rate</b>	<p>In case of default in payment of Coupon and/or principal redemption on the due dates as per the terms set out under this Placement Memorandum, additional interest at 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period.</p> <p>If the trust deed in relation the Issue is not executed within the timelines set out in the NCS Regulations, without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1996 and NCS Regulations, the Issuer shall also pay interest of two per cent per annum to the Bondholders, over and above the Coupon Rate, till the execution of the trust deed.</p> <p>However, it is clarified that any non-payment of interest and / or principal on account of RBI Guidelines on Basel III capital regulations, Loss Absorbency and other events of this Summary Term Sheet, shall not be deemed to be an Event of Default and no such default interest shall be payable.</p>
<b>Event of Default (including manner of voting / conditions of joining Inter Creditor Agreement)</b>	<p>The holders of the Bonds shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.</p> <p>Please also refer page 59 of this Placement Memorandum</p>
<b>Creation of Recovery Expense Fund</b>	<p>As required under applicable laws</p> <p>The Issuer shall create a Recovery Expense Fund in the manner and use it for the purpose as maybe specified by SEBI or designated Stock Exchange from time to time. The National Stock Exchange of India Ltd. (NSE) will be the designated stock exchange for the deposit of prescribed Recovery Expenses Fund (REF).</p>
<b>Conditions for breach of covenants (as specified in the Debenture Trust Deed)</b>	As specified on page 60
<b>Provisions related to Cross Default</b>	Not Applicable
<b>Trustee</b>	Catalyst Trusteeship Limited
<b>Registrar</b>	Link Intime India Pvt Ltd.
<b>Roles and Responsibilities of Trustees to the Issue</b>	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Operational Circular, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trustee Agreement, Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty.
<b>Loss Absorption</b>	<p>The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines of the RBI.</p> <p>Accordingly, the Bond and claim by any holders of the Bonds, if any, against the Issuer, wherever situated, may at the option of RBI be permanently written-down, in whole or in part, upon the occurrence of the trigger event called Point of Non-Viability ("PONV").</p>



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	<p>The write-down will have the following effects:</p> <ol style="list-style-type: none"> <li>1. Reduce the claim of the instrument in liquidation;</li> <li>2. Reduce the amount re-paid when a call is exercised; and</li> <li>3. Partially or fully reduce coupon/dividend payments on the instrument.</li> </ol>
<p><b>Permanent Principal write-down on PONV Trigger event</b></p>	<p>The Bonds are issued subject to Basel III Guidelines as amended from time to time (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) and at the option of the RBI, can be permanently written-off upon occurrence of the trigger event, called the Point of Non-Viability Trigger ("PONV Trigger"). If a PONV Trigger (as described below) occurs, the Issuer shall:</p> <ol style="list-style-type: none"> <li>1. notify the Trustee;</li> <li>2. cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date; and</li> <li>3. Without the need for the consent of the holders of the Bonds or the Trustee, write-off of the outstanding value of the Bonds by such amount as may be prescribed by the RBI ("PONV Write off Amount") or adjust the Bonds in any other manner as required by the RBI at the relevant time.</li> </ol> <p>A write-off / other adjustment may occur on more than one occasion.</p> <p>Once the principal of the Bonds have been written-off/ adjusted in any other manner stipulated by the RBI, pursuant to PONV Trigger Event, the PONV Write-off Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.</p> <p>If the Issuer is amalgamated with any other bank after the Bonds have been written off permanently pursuant to a PONV Trigger Event, these cannot be reinstated by the amalgamated bank.</p> <p>If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, pursuant to Section 45 of the BR Act, the Issuer will be deemed as non-viable or approaching non-viability and the PONV Trigger Event will be activated. Accordingly, the Bonds will be permanently written-off in full prior to any reconstitution or amalgamation.</p> <p>Write off for PONV means full and permanent write off.</p> <p><b>The PONV Trigger event is the earlier of:</b></p> <ol style="list-style-type: none"> <li>1. a decision that full permanent write-off/ other adjustment as stipulated by the RBI, without which a bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and</li> <li>2. the decision to make a public sector injection of capital, or equivalent support, without which a bank would become non- viable, as determined by the Reserve Bank of India.</li> </ol> <p>The write-off of any Common Equity Tier 1 capital will not be required before the write-off of these instruments.</p> <p>Such a decision would invariably imply that the write-off/ other adjustment stipulated by the RBI consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</p> <p>The Bondholders shall not have any residual claims on the Issuer (including any claims which are senior to ordinary shares of the Issuer), following any trigger event.</p> <p>In any case it should be noted that following writing-off or any other stipulated adjustment, the instruments and claims and demands as noted above neither the Issuer, nor any other person on the Issuer's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such holder and all claims and</p>



demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. Unless otherwise specified in this Placement Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or *pari passu* or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.

The order of write down of these instruments will be according to the Basel III Guidelines, as amended from time to time, and the order as per the extant Basel III Guidelines is mentioned in the Term sheet/ Placement Memorandum.

RBI may in its imminence alter or modify the PONV Trigger whether generally or in relation to the Issuer or otherwise. In any case it should be noted that following writing-off of the Bonds and claims and demands as noted above neither the Issuer, nor any other person on the Issuer's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the holder of the Bonds or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated.

**A non-viable bank will be:**

A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include write-off/ combination with or without other measures as considered appropriate by the Reserve Bank of India.

Bank facing financial difficulties and approaching PONV will be deemed to achieve viability if within a reasonable time in the opinion of the RBI it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off / any other adjustment as stipulated by the RBI / public sector injection of funds are likely to:

- a. Restore depositors'/investors' confidence;
- b. Improve rating /creditworthiness of the bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and
- c. Augment the resource base to fund balance sheet growth in case of fresh injection of funds.

The amount of non-equity capital to be written-off will be determined by the RBI.

**Criteria to Determine the PONV:**

When the bank is adjudged by the RBI to be approaching the PONV Trigger event, or has already reached the PONV, but in the views of the RBI:

- a. There is a possibility that a timely intervention in form of capital support, with or without other supporting interventions, is likely to rescue the bank; and
- b. If left unattended, the weaknesses would inflict financial losses on the bank and, thus, cause decline in its common equity level.

The purpose of write-off/ any other adjustment as stipulated by RBI, of these instruments will be to shore up the capital level of the bank.



Placement Memorandum

	<p>RBI would follow a two-stage approach to determine the non-viability of bank as under:</p> <ul style="list-style-type: none"> <li>• The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of a bank approaching non-viability and, therefore, a closer examination of the bank's financial situation is warranted.</li> <li>• The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the bank is about to become non-viable. These criteria would be evaluated together and not in isolation.</li> </ul> <p>Once the PONV is confirmed, the next step would be to decide whether rescue of the bank would be through write-off alone or write-off in conjunction with a public sector injection of funds or any other adjustment as may be stipulated by the RBI. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off/ any other form of adjustment as stipulated by the RBI.</p>
<p><b>Other Events</b></p>	<p>Treatment of Bonds in the event of winding-up:</p> <p>If the Issuer goes into liquidation before the Bonds have been written-down, the Bonds will absorb losses in accordance with the order of Seniority as specified in this Placement Memorandum and as per usual legal provisions governing distribution in a winding up.</p> <p>If the Issuer goes into liquidation after the Bonds have been written-down, the Bondholders will have no claim on the proceeds of liquidation.</p> <p><b>Amalgamation of a banking company: (Section 44 A of BR Act, 1949)</b></p> <p>Subject to the provisions of the Banking Regulation Act, 1949 as amended from time to time:</p> <ul style="list-style-type: none"> <li>• If the bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</li> <li>• If the bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up the Bonds as per its discretion.</li> <li>• If the bank is amalgamated with any other bank after the Bonds have been written-down permanently, these Bonds cannot be written up by the amalgamated entity.</li> </ul> <p><b>Scheme of reconstitution or amalgamation of a banking company</b></p> <p>Subject to the provisions of Banking Regulation Act, 1949 as amended from time to time:</p> <p>If the relevant authorities decide to reconstitute the bank or amalgamate the bank with any other bank under the Section 45 of BR Act, 1949, the bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down/ any other adjustment as prescribed by RBI will be activated. Accordingly, the Bonds will be fully adjusted/written-down permanently, in such other manner as stipulated by RBI before amalgamation / reconstitution in accordance with these rules.</p>
<p><b>Repurchase/ Buy-Back / Redemption</b></p>	<p>(i) The Issuer may at any time, subject to the following conditions having been satisfied and such repayment being otherwise permitted by the then prevailing Basel III Guidelines, repay the principal amount of the Bonds by way of repurchase, buy-back or redemption:</p> <ol style="list-style-type: none"> <li>(a) The prior approval of RBI shall be obtained;</li> <li>(b) The Issuer has not assumed or created any market expectations that RBI approval for such repurchase/redemption/buy-back shall be given;</li> </ol>



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	<p>(ii) The Issuer may repurchase/buy-back/ redeem the instrument only if:</p> <ul style="list-style-type: none"> <li>a) it replaces the Bond with capital of the same or better quality and the replacement of this Bond is done at conditions which are sustainable for the income capacity of the Issuer; or</li> <li>b) demonstrates that its capital position is well above the minimum capital requirements after the repurchase / buy-back / redemption;</li> <li>c) any other pre-conditions specified in the Basel III Guidelines at such time have been satisfied.</li> </ul> <p>Such Bonds may be held, reissued, resold, extinguished or surrendered, at the option of the Issuer.</p>
<b>Re-capitalization</b>	Nothing contained in this Placement Memorandum or any other transaction document shall hinder recapitalization by the Issuer.
<b>Discount</b>	The Bonds shall be subjected to a progressive discount for Capital adequacy purposes in accordance with the Basel III guidelines.
<b>Applicable RBI Guidelines</b>	<p>The present issue of Bonds is being made in pursuance of Master Circular on Basel III capital regulations issued vide circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, by the RBI covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of Tier 2 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16) as amended or replaced from time to time.</p> <p>The issue of Bonds and the terms and conditions of the Bonds will be subject to the applicable guidelines issued by the RBI and the Securities and Exchange Board of India from time to time.</p>
<b>Reporting of non-payment of Coupon</b>	All instances of non-payment of Coupon shall be notified by the Issuer to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the RBI, Mumbai
<b>Risk Factors pertaining to the Issuer</b>	As set out in Section IV – Key Risk Factors of the placement documents.
<b>Governing Law &amp; Jurisdiction</b>	The Bonds are governed by and shall be construed in accordance with the laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra.



## VIII. DECLARATION

# IndusInd Bank

### DECLARATION

The Directors hereby declare that:

- (a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- (b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government,
- (c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document; and
- (d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
- (e) The following clause on 'General Risk' is incorporated in Placement memorandum Page no.1.

For **INDUSIND BANK LTD.**



Authorised Signatory  
Name: Sumant Kathpalia  
Title: Managing Director & CEO  
Date: October 28, 2021  
Place: Mumbai



**One India Bulls Center Office :** IndusInd Bank Limited, 8th Floor, Tower 1, One Indiabulls Centre, 841, S.B. Marg, Elphinstone Road (W), Mumbai - 400 013, India Tel: (0022) 24231999

**Registered Office :** 2401 Gen. Thimmayya Road, Pune 411 001, India  
Tel.: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at [www.indusind.com](http://www.indusind.com)  
CIN: L65191PN1994PLC076333

## Annexure I Consent Letter from the Debenture Trustee

**CATALYST**  
Believe in yourself... Trust us!



CL/PLN/2021-22/DEB/44

Date: 16.10.2021

To  
IndusInd Bank Limited  
One Indiabulls Centre,  
Tower 1, 8th Floor,  
841, Senapati Bapat Marg,  
Elphinstone Road (W),  
Mumbai - 400013

Dear Sir,

**Re: Consent to act as a Bond Trustee for Private Placement of Rated, Listed, Unsecured, Redeemable, Basel III Tier 2 Non-Convertible Taxable Bonds (Series XV – 2021, 10 year without any call option) at par aggregating to total issue size not exceeding INR 2800.00 Crores.**

We refer to the mail dated 16.10.2021 informing that your Bank proposes to issue of Rated, Listed, Unsecured Redeemable Basel III Tier 2 Non-Convertible Taxable Bonds (Series XV – 2021, 10 year without any call option) at par aggregating to total issue size not exceeding INR 2800.00 Crores on private placement basis and requesting us to act as debenture trustee.

We hereby convey our acceptance to act as Debenture Trustees for the said issue of Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and the Offer Document / Information Memorandum / Disclosure Document, and subject to company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Assuring you the best professional services.

Yours faithfully,

REGD. OFFICE  
CATALYST CAPITAL ADVISORS  
PVT. LTD.  
1001, 10th Floor,  
Senapati Bapat Marg,  
Mumbai - 400013

Authorized Signatory



## Annexure II Application Form



**IndusInd Bank**

Registered Office: 2401, General Thimmayya Road Cantonment, Pune – 411 001  
Corporate Office: 8th Floor, One World Center,  
841, S.B.Marg, Elphinstone Road, Mumbai -013  
Tel No: 022 24231999 Fax: 022 24231998  
Website www.indusind.com

Application Form No.: \_\_\_\_\_

Date: \_\_\_\_\_

Dear Sirs,

**Sub. : ISSUE BY WAY OF PRIVATE PLACEMENT BY INDUSIND BANK LTD (THE "BANK" / "ISSUER") OF UNSECURED, SUBORDINATED, NON-CONVERTIBLE, FULLY PAID-UP, TAXABLE, REDEEMABLE BASEL III COMPLIANT TIER 2 BONDS (T2 BONDS) IN THE NATURE OF DEBENTURES OF THE FACE VALUE OF RS. 1,00,00,000/- EACH (THE DEBENTURES/BONDS) AT PAR AGGREGATING TO TOTAL SIZE NOT EXCEEDING RS 2,800 CRORES (THE "ISSUE") BY INDUSIND BANK LIMITED**

**Important Notes:**

1. Please read the instructions carefully before filling this Form
2. Kindly ensure that you have read and understood the contents of the Placement Memorandum dated \_\_\_\_\_ 2021 relating to the Issue of which this Application Form is part. The same are not repeated here towards brevity. It will deem that in proceeding to complete and submit the Application Form, you have read and understood the contents of the Placement Memorandum dated \_\_\_\_\_, 2021.

Capitalized terms used but not defined herein shall have the meaning given to them in the Placement Memorandum relating to the Issue.

We apply for allotment to us of the Debenture(s). The amount payable on application is remitted herewith. We bind ourselves by the Terms and Conditions of the Debentures (as contained in Summary Term sheet at Page No ---- of the Placement Memorandum. I/We authorize to place my/our name(s) on the Register of Bond Holders of the Company as holders of the NCDs allotted to me/us and register my/our address as given below. We note that the Bank is entitled in its absolute discretion to accept or reject this application whole or in part without assigning any reason whatsoever.

Name of Remitting Branch and Bank:

No. of Bonds applied for: (in figures)	
No. of Bonds applied for: (in words)	
Amount (Rs.) in figures	
Total Amount (Rs.) (in words)	
Date of remittance through Cheque / DD /NEFT /RTGS	
Name of Remitting Branch and Bank	
Cheque /DD / NEFT Number/UTR Number	



**Placement Memorandum**

Bank Account Number	
IFSC Code	

**Applicant's Name & Address in full (Please use Capital Letters)**

Name:		
Address:		
		Pin Code:
Tel:	Mobile No.	E-mail:
Occupation:		

Name of Authorized Signatory	Designation	Signature
1.		
2.		
3.		

**Details of Bank Account**

Beneficiary Name			
Bank Name and Branch			
Nature of Account (SB/CA)		Account No.	
IFSC Code			

**Depository Details**

Name of Depository	NSDL		CDSL	
DP Name				
DP ID				
Client ID				
UIN				

We understand that in case of allotment of Debentures to us, our Beneficiary Account as mentioned above will be credited to the extent of Debentures allotted.

Taxpayer's PAN or GIR No.	IT Circle/Ward/District	<input type="checkbox"/> Not Allotted		
Tax Deduction Status: (Please refer Placement Memorandum for details)	<input type="checkbox"/> Fully Exempted	<input type="checkbox"/> Tax to be deducted at Source	<input type="checkbox"/> Yes	<input type="checkbox"/> No

I/We understand that these investments are being counted towards Tier 2 Capital of the Bank, and accordingly the payment or repayment of the Coupon and Principal Amount is not guaranteed and is subject to the parameters set out by RBI governing such Tier 2 Capital bonds. We understand that if the parameters set out by the RBI for making coupon payments are not met, we will not receive any coupon on the Debentures. Further, we understand that for making any payment of principal on the Debentures, in addition to meeting the relevant criteria stipulated by RBI for such repayment,



## Placement Memorandum

the consent of RBI is also required, which is not a routine consent and is provided by RBI in its sole discretion after analyzing the financial statements and well-being of the Bank.

I/We have read and understood the contents of the Placement Memorandum dated \_\_\_\_\_ 2021 relating to the Issue, including without limitation the Terms and Conditions of the Debentures, the Risk Factors and the Important Notes above in the Application Form. I/We bind ourselves to the Terms and Conditions, confirm the assumptions of the Issuer, and wish to apply for allotment of the Debentures. I/We request you to please place our name(s) on the Register of Bond Holders.

## Acknowledgement Slip



**IndusInd Bank**

**Registered Office: 2401, General Thimmayya Road Cantonment, Pune – 411 001**

**Corporate Office: 8th Floor, Tower I, One World Center,**

**841, S.B.Marg, Elphinstone Road, Mumbai -013**

**Tel No: 022 24231999 Fax: 022 24231998**

**Website www.indusind.com**

Application Form No.:

Date: \_\_\_\_\_

Received from \_\_\_\_\_

Rs. \_\_\_\_\_/- by Cheque / RTGS / NEFT on \_\_\_\_\_ from \_\_\_\_\_

[(Name of Remitting Bank)] towards application for \_\_\_\_\_ Debentures.

### INSTRUCTIONS

1. The Application Form must be completed in full in BLOCK LETTERS IN ENGLISH.
2. Signatures should be made in English or in any of the Indian languages. Signature in a language other than English must be attested by an authorized official of a Bank or by a magistrate/notary public under his/her official seal.
3. The entire application amount in respect of the Debentures being applied must be paid along with the application form. All payments should be by electronic transfer of funds through RTGS/NEFT/electronic fund mechanism for credit to the bank accounts of the NSE Clearing Limited (NCL) ("Designated Bank Accounts") appearing on the NSE-EBP.
4. Applications made by Eligible Investors must be accompanied by certified copies of PAN Card, Memorandum and Articles of Association, Board Resolution/Power of Attorney for investment and authority to authorized signatories. In case of the Applicant being a Provident/Superannuation/Gratuity Fund, Port Trust or any other Trust, a Certified true copy of the Trust Deed, Resolution of Trustees / Power of Attorney and List of authorized Signatories.
5. Minimum application shall be for 1 Debenture and thereafter in the multiples of 1 Debenture.
6. The Company is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason. An application form which is not complete in any respect is liable to be rejected.
7. Please mention your Permanent Account Number or the GIR number allotted under the Income Tax Act, 1961 and the Income Tax Circle/Ward/District and also attach the copy of the same. If neither the PAN nor GIR number has been allotted, the fact of non-allotment should be clearly mentioned in the application form in the space provided.
8. Receipt of application will be acknowledged by way of the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.
9. Applications will be accepted as per the terms of the Issue outlined in the Information Memorandum.

Note: IndusInd Bank Limited reserves the right to change the Issue Schedule including early closure at its sole discretion.



## Annexure III Rating Letters and Rationales

India Ratings  
& Research

A Fitch Group Company

FitchGroup

Mr. Krishan Bhandari

Head- Risk Management  
Industrial Bank Limited,  
5th Floor, Tower 1, One India Bulls Centre,  
341, S.B. Marg, Prabhadevi,  
Mumbai - 400013

October 07, 2021

Dear Sir/Madam,

**Re: Rating Letter of Industrial Bank Limited**

India Ratings and Research (Ind-Ra) is pleased to communicate the following ratings:

- INR 20bn Senior unsecured redeemable bonds: IND AA+/ 'Stable' outlook
- INR 40bn Additional Tier 1 (AT1) Bonds: IND AA/Stable' outlook
- INR 40bn Basel III compliant Tier 2: IND AA+/Stable' outlook (Yet to be issued)

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the

India Ratings & Research Private Limited A Fitch Group Company  
Weberhard Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra [E], Mumbai - 400051  
Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/L2IN-U67300MH2995FC140049 | [www.indiaratings.co.in](http://www.indiaratings.co.in)

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collective work product of India Ratings and no individual or group of individuals is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security of any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, addition to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [info@indiaratings.co.in](mailto:info@indiaratings.co.in)

Sincerely,

India Ratings

*Prakash Agarwal*  
Prakash Agarwal  
Director

*K. Gupta*  
Karan Gupta  
Director



Placement Memorandum

India Ratings  
& Research  
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Annexure: Facilities Breakup

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Rated Amount (billion)	Amount	Rating/Outlook
Senior unsecured redeemable bonds	IN1095A08041	31 March 2015	8.8	31 March 2022	IN85.0		IND AA+/Stable
Senior unsecured redeemable bonds	IN1095A08058	9 December 2016	7.6	9 December 2026	IN815.0		IND AA+/Stable
	Total				IN820		

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Rated Amount (billion)	Rating/Outlook
AT1 perpetual debt	IN1095A08066	22 March 2017	9.5	Perpetual	IN10	IND AA/Stable
AT1 perpetual debt	IN1095A08074	18 July 2017	9.5	Perpetual	IN10	IND AA/Stable
AT1 perpetual debt	IN1095A08082	28 March 2019	10.5	Perpetual	IN14.90	IND AA/Stable
	Utilised limit				IN34.90	
	Unutilised limit				IN5.10	
	Total				IN40.00	

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# Ratings

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# CRISIL

An S&P Global Company

RL/IDUSENE/276671/TIBUBIII/0821/16003/97193004  
August 20, 2021

Mr. K. G. Bhandari  
Executive - Vice President  
IndusInd Bank Limited  
IndusInd Bank, 8th Floor, Tower 1C,  
One India Bulls Centre, 8-11, S.B.Marg  
Elphinstone Road  
Mumbai City - 400013  
9820098938

Dear Mr. K. G. Bhandari,

**Re: CRISIL Rating on the Rs. 4000 Crore Tier II Bonds (Under Basel III) of IndusInd Bank Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA+/Stable (pronounced as CRISIL double A plus rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

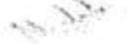
As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crsil.com](mailto:debtissue@crsil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDGL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crsil.com](mailto:debtissue@crsil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

  
Rahul Malik  
Associate Director - CRISIL Ratings

  
Nivedita Shibu  
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crsil.com](http://www.crsil.com). CRISIL Ratings or its associates may have other commercial transactions with the company/ies. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpline at [CRISIL\\_ratingdesk@crsil.com](mailto:CRISIL_ratingdesk@crsil.com) or at 1800-267-1301.

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(A subsidiary of CRISIL Limited)  
Corporate Identity Number: U67100MH2019PLC126247

Registered Office: CRISIL House, Central Avenue, Hinjewadi Business Park, Noida, Mumbai - 400 076 Phone: +91 22 3342 3000 | Fax: +91 22 4040 5600  
[www.crsilratings.com](http://www.crsilratings.com)



# Ratings

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# CRISIL

An S&P Global Company

RL/IDUSBNE/276671/IIIBUBIII0821/16003/97193004  
August 20, 2021

Mr. K. G. Bhandari  
Executive - Vice President  
IndusInd Bank Limited  
IndusInd Bank, 8th Floor, Tower 1C,  
One India Bulls Centre, 841, S.B.Marg  
Elphinstone Road  
Mumbai City - 400013  
9820098938

Dear Mr. K. G. Bhandari,

**Re: CRISIL Rating on the Rs. 4000 Crore Tier II Bonds (Under Basel III) of IndusInd Bank Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA+/Stable (pronounced as CRISIL double A plus rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

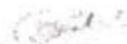
As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crsil.com](mailto:debtissue@crsil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDGL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crsil.com](mailto:debtissue@crsil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

  
Rahul Malik  
Associate Director - CRISIL Ratings

  
Nivedita Shiba  
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crsil.com](http://www.crsil.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at [CRISILratingdesk@crsil.com](mailto:CRISILratingdesk@crsil.com) or at 1800-267-1301.

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Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400 076. Phone: +91 22 3342 3000 / Fax: +91 22 4040 5800  
[www.crsilratings.com](http://www.crsilratings.com)



# Annexure IV Auditor's Report

**HARIBHAKTI & CO. LLP**  
Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of IndusInd Bank Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of IndusInd Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss Account and the Cash Flow Statement for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2021, its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to Note 4.15 of Schedule 18 to the standalone financial statements which explains that the extent to which COVID-19 pandemic will impact the Bank's operations and standalone financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

  
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Registered offices: P1, Laxmi Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 091, India. Tel: +91 22 6672 9999 Fax: +91 22 6672 9777  
Other offices: Ahmedabad, Bikaner, Chennai, Coimbatore, Hyderabad, Kolkata, New Delhi, Pune



**HARIBHAKTI & CO. LLP**

Chartered Accountants

Key Audit Matters	How our audit addressed the key audit matter
<p><b>Information Technology (IT) Controls Framework</b></p> <p>The Bank has a complex IT architecture to support its day-to-day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect the financial accounting and reporting process of the Bank.</p> <p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric.</p> <p>As part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification/Authentication Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.</p> <p>We gathered a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>In ITGC testing, on sample basis, we reviewed control areas such as User Management, Change Management, Systems Security, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p> <p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests.</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</p>



Continuation Sheet



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### Classification and Provisioning of Advances

(Refer schedule 5, schedule 9, note 5 of Schedule 17 and note 4.1, 4.9, 4.13 4.14 4.15 and 4.16 of schedule 18 to the standalone financial statements)

The Bank's portfolio of advances to customers amounts to Rs. 2,12,595.41 crore (Net of Provisions) as at March 31, 2021.

As required under Income Recognition, Asset Classification and Provisioning Norms (IRAC norms), guidelines on COVID 19 related Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 issued by the Reserve Bank of India (the "RBI") ('Regulatory Package'), Circulars on Resolution Framework for COVID-19 related stress and restructuring of advances dated August 06, 2020 ('Resolution Framework') and other circulars, notifications and directives issued by the RBI, the Bank classifies advances to performing and non-performing which consists of Standard, Sub-standard, Doubtful and Loss and recognizes appropriate provisions.

The Bank, as per its governing framework, made the performing and non-performing advances provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under RBI guidelines.

The Classification, Provisioning and Write off of advances is a Key Audit Matter as the Bank has significant exposure to a large number of borrowers across various sectors, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions and estimation of provisions thereon.

The same resulted in significant audit efforts to address the risks around loan recoverability, classification and the determination of related provisions.

Our audit procedures included, but were not limited to the following:

- We gained understanding of the processes by carrying out walkthroughs and tested the key controls identified by us over borrower risk grading for advances (including larger customer exposures that are monitored individually) on classification of such advances as performing or non-performing;
- Tested on sample basis, the approval of new lending facilities, the annual review/renewal assessments for existing facilities carried out by the management and controls over the monitoring of credit quality;
- Evaluated the design of internal controls relating to borrower wise classification of loan in the respective asset classes viz., standard, sub-standard, doubtful and loss with reference to their days-past-due (DPD) status (including consideration of non-financial parameters of NPA, restructuring guidelines, the Regulatory Package and Resolution framework) and provisioning of advances. Tested the operating effectiveness of these internal controls;
- Tested loans on sample basis loans to form our own assessment as to whether impact of impairment events have been recognised in a timely manner by the Bank;
- Made inquiries with Management regarding any effects considered on the NPA identification and / or provisioning, resulting from observations raised by the RBI during their annual inspection of the Bank's operations;
- For the selected non-performing advances, assessed Management's forecast and inputs on recoverability of cash flows, impact of auditor's comments on the financial statements, valuation of underlying security and collaterals, estimation on recoverability of amounts on default and other sources of repayment;

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Continuation Sheet



**HARIBHAKTI & CO. LLP**

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- Held specific discussions with the Credit and Risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA;
- Performed credit assessments of a sample of corporate and retail loans including larger exposures assessed by the Bank showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We have reviewed the Bank's risk grading of the loan, their account statement review and assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability; and
- Reviewed Bank's policy including Standard Operating Procedures with respect to Implementation of Regulatory package and Resolution framework ('guidelines') and tested sample to ascertain the implementation of those guidelines by the Bank.

**Provisions for advances:**

- Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning;
- Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;
- Considered board approved policy and internal laid down policy for higher provision for NPAs, advances covered under Resolution Framework, stressed sectors, adopted by the Bank;
- Re-performed, on sample basis of retail and corporate portfolios, the calculation of provisions, to determine the accuracy of the same;
- With respect to holding provisions as at March 31, 2021 against the potential impact of COVID-19 including provisions held under Resolution Framework, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Bank.



Continuation Sheet



## HARIBHAKTI & CO. LLP

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### Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone financial

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Continuation Sheet



## HARIBHAKTI & CO. LLP

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Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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**HARIBHAKTI & CO. LLP**

Chartered Accountants

**Report on Other Legal and Regulatory Requirements**

- (1) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act read with the relevant rules issued thereunder.
- (2) As required under Section 143(3) of the Act and Section 30(3) of the Banking Regulation Act, 1949, we report that:
  - a. We have sought and 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. In our opinion, the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - c. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
  - d. The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing standalone financial statements are not required to be submitted by the branches; we have visited 65 branches for the purpose of our audit;
  - e. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - f. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - g. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure";
  - i. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act; and  
In our opinion and to the best of our information and according to the explanations given to us, requirements prescribed under Section 197 of the Act is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.
  - j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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(i) The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Schedule 12 and Schedule 18 - Note 9.4 on Contingent Liabilities to the standalone financial statements;

(ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 18 - Note 3 and 9.5 to the standalone financial statements; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI-Firm Registration No.103523W / W100048



Purushottam Nyati  
Partner

Membership No. 118970

UDIN:- 21118970AAAADX1577

Place: Mumbai

Date: April 30, 2021



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## HARIBHAKTI & CO. LLP

Chartered Accountants

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 (h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of IndusInd Bank Limited on the standalone financial statements for the year ended March 31, 2021]

**Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of IndusInd Bank Limited ("the Bank") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to Financial Statements

A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statements includes those policies and



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procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

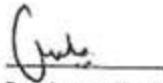
**Opinion**

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Purushottam Nyati

Partner

Membership No. 118970

UDIN :- 21118970AAAADX1577

Place: Mumbai

Date: April 30, 2021



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## Annexure V Illustration of Cash flows

Redemption after 10 years (on maturity) from the Deemed Date of Allotment

CASH FLOWS	ORIGINAL PAYMENT DATES	MODIFIED PAYMENT DATES	NO. OF DAYS IN COUPON PERIOD	AMOUNT (IN RS.)
1st Coupon	Saturday, 29 October, 2022	Saturday, 29 October, 2022	365	8,11,000.00
2nd Coupon	Sunday, 29 October, 2023	Monday, 30 October, 2023	365	8,11,000.00
3rd Coupon	Tuesday, 29 October, 2024	Tuesday, 29 October, 2024	366	8,11,000.00
4th Coupon	Wednesday, 29 October, 2025	Wednesday, 29 October, 2025	365	8,11,000.00
5th Coupon	Thursday, 29 October, 2026	Thursday, 29 October, 2026	365	8,11,000.00
6th Coupon	Friday, 29 October, 2027	Friday, 29 October, 2027	365	8,11,000.00
7th Coupon	Sunday, 29 October, 2028	Monday, 30 October, 2028	366	8,11,000.00
8th Coupon	Monday, 29 October, 2029	Monday, 29 October, 2029	365	8,11,000.00
9th Coupon	Tuesday, 29 October, 2030	Tuesday, 29 October, 2030	365	8,11,000.00
10th Coupon	Wednesday, 29 October, 2031	Wednesday, 29 October, 2031	365	8,11,000.00
Principal	Wednesday, 29 October, 2031	Wednesday, 29 October, 2031		1,00,00,000.00

Above Calculation of Cash Flows is based on 1 Bond of Rs 1,00,00,000/- (Face Value of each bond)

\* Note: to be determined basis the coupon rate determined.

(In the event the Coupon Payment Date or the Redemption Date is a holiday, payments will be made in accordance with the Business Day Convention)

### Assumptions:

Effect of public holidays is not considered as it is difficult to ascertain for future dates.



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Annexure VI Share Capital History

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
April 12, 1994	6,00,00,016	10	10.00	Cash	Initial share capital	6,00,00,016
September 14, 1994	3,99,99,984	10	10.00	Cash	Initial share capital	10,00,00,000
May 22, 1995	2,00,00,000	10	50.00	Cash	Preferential issue	12,00,00,000
December 24, 1997	4,00,00,000	10	45.00	Cash	Public issue (IPO)	16,00,00,000
					Allotment Date 24.12.1997	
	-3,97,73,017			Merger	Cancellation of equity shares of the Bank held by the erstwhile IndusInd Enterprises & Finance Ltd. (IEFL) pursuant to the sanctioned Scheme of Amalgamation of IEFL with the Bank.	
July 28, 2003	10,00,00,000	10	N.A.	Merger	Equity shares issued to the shareholders of the erstwhile IEFL in the share exchange ratio of 1:1	22,02,26,983
	6,02,26,983				Actual Allotment	
	22,02,26,983				Total number of equity shares before amalgamation of Ashok Leyland Finance Ltd.	
July 16, 2004	7,04,74,853	10	N.A.	Merger	Equity shares issued to the shareholders of the erstwhile ALFL in the share exchange ratio of 4:9	29,07,01,836
March 24, 2005	-384200			Forfeiture	Forfeiture of Shares	29,03,17,636
March 30, 2007	2,94,90,300	10	49.49	Cash	Issue of Global Depository Receipts	31,98,07,936
June 24, 2008	3,51,92,064	10	63.14	Cash	Issue of Global Depository Receipts	35,50,00,000
August 17, 2009	5,48,97,140	10	87.50	Cash	QIP issue	40,98,97,140
October 21, 2009	49,500	10	50.60	Cash	ESOP Allotment	40,99,46,640
January 8, 2010	2,70,680	10	50.60 38.95	Cash	ESOP Allotment	41,02,17,320
January 22, 2010	1,48,400	10	48.00 38.95	Cash	ESOP Allotment	41,03,65,720
February 10, 2010	27,610	10	38.95	Cash	ESOP Allotment	41,03,93,330
February 25, 2010	35,750	10	38.95	Cash	ESOP Allotment	41,04,29,080
March 5, 2010	18,960	10	38.95	Cash	ESOP Allotment	41,04,48,040
March 18, 2010	6,600	10	38.95	Cash	ESOP Allotment	41,04,54,640
April 07, 2010	41,250	10	38.95 50.60	Cash	ESOP Allotment	41,04,95,890
April 16, 2010	2,67,830	10	38.95 48.00 50.60	Cash	ESOP Allotment	41,07,63,720
April 29, 2010	51,340	10	38.95	Cash	ESOP Allotment	41,08,15,060
May 25, 2010	12,100	10	38.95 44.00	Cash	ESOP Allotment	41,08,27,160
June 05, 2010	43,760	10	38.95 44.00	Cash	ESOP Allotment	41,08,70,920
July 10, 2010	9,000	10	44.00	Cash	ESOP Allotment	41,08,79,920
July 20, 2010	1,20,100	10	38.95 44.00 50.60	Cash	ESOP Allotment	41,10,00,020
July 30, 2010	20,600	10	44.00 50.60	Cash	ESOP Allotment	41,10,20,620



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Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
August 25, 2010	71,710	10	38.95 44.00 50.60	Cash	ESOP Allotment	41,10,92,330
September 06, 2010	1,01,700	10	38.95 44.00	Cash	ESOP Allotment	41,11,94,030
September 22, 2010	24,750	10	100.05	Cash	ESOP Allotment	41,12,18,780
September 24, 2010	5,00,00,000	10	234.55		QIP Issue	46,12,18,780
October 04, 2010	31,050	10	38.95 44.00 100.05	Cash	ESOP Allotment	46,12,49,830
October 12, 2010	28,92,980	10	48.00 50.60 100.05	Cash	ESOP Allotment	46,41,42,810
October 18, 2010	1,87,265	10	38.95 44.00 50.60 100.05	Cash	ESOP Allotment	46,43,30,075
November 09, 2010	3,32,190	10	38.95 44.00 50.60	Cash	ESOP Allotment	46,46,62,265
November 23, 2010	6,160	10	38.95	Cash	ESOP Allotment	46,46,68,425
December 02, 2010	9,200	10	38.95 50.60	Cash	ESOP Allotment	46,46,77,625
December 21, 2010	2,29,810	10	38.95 44.00 50.60	Cash	ESOP Allotment	46,49,07,435
January 04, 2011	4,60,660	10	38.95 44.00	Cash	ESOP Allotment	46,53,68,095
February 02, 2011	3,36,350	10	38.95 50.60	Cash	ESOP Allotment	46,57,04,445
February 07, 2011	26,800	10	38.95	Cash	ESOP Allotment	46,57,31,245
February 28, 2011	35,640	10	38.95 140.15	Cash	ESOP Allotment	46,57,66,885
March 22, 2011	6,950	10	140.15	Cash	ESOP Allotment	46,57,73,835
April 01, 2011	7,260	10	38.95	Cash	ESOP Allotment	46,57,81,095
May 04, 2011	7,230	10	38.95 44.00 140.15	Cash	ESOP Allotment	46,57,88,325
May 12, 2011	3,200	10	38.95 44.00 140.15	Cash	ESOP Allotment	46,57,91,525
May 25, 2011	1,69,360	10	44.00	Cash	ESOP Allotment	46,59,60,885
June 09, 2011	6,600	10	44.00	Cash	ESOP Allotment	46,59,67,485
June 21, 2011	1,500	10	44.00	Cash	ESOP Allotment	46,59,68,985
July 22, 2011	1,39,381	10	38.95 44.00 140.15 196.50	Cash	ESOP Allotment	46,61,08,366
August 03, 2011	2,00,000	10	48.00	Cash	ESOP Allotment	46,63,08,366
August 10, 2011	1,38,179	10	38.95 44.00 50.60 196.50	Cash	ESOP Allotment	46,64,46,545



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
August 23, 2011	10,375	10	44.00 196.50	Cash	ESOP Allotment	46,64,56,920
September 02, 2011	75,875	10	38.95 44.00 50.60 140.15 196.50	Cash	ESOP Allotment	46,65,32,795
September 16, 2011	29,700	10	100.05	Cash	ESOP Allotment	46,65,62,495
October 03, 2011	18,810	10	100.05 196.50	Cash	ESOP Allotment	46,65,81,305
October 21, 2011	1,08,780	10	38.95 44.00 48.00 196.50	Cash	ESOP Allotment	46,66,90,085
November 11, 2011	12,320	10	38.95 44.00 196.50	Cash	ESOP Allotment	46,67,02,405
November 21, 2011	18,077	10	100.05 196.50	Cash	ESOP Allotment	46,67,20,482
December 01, 2011	10,692	10	38.95 196.50	Cash	ESOP Allotment	46,67,31,174
December 15, 2011	1,000	10	38.95	Cash	ESOP Allotment	46,67,32,174
January 03, 2012	2,67,960	10	38.95 44.00 50.60	Cash	ESOP Allotment	46,70,00,134
January 18, 2012	50,035	10	38.95 196.50	Cash	ESOP Allotment	46,70,50,169
February 03, 2012	36,975	10	38.95 196.50	Cash	ESOP Allotment	46,70,87,144
February 15, 2012	1,01,882	10	38.95 140.15 196.50 220.45	Cash	ESOP Allotment	46,71,89,026
March 02, 2012	72,340	10	38.95 140.15 196.50 220.45	Cash	ESOP Allotment	46,72,61,366
March 19, 2012	2,48,635	10	38.95 196.50 220.45	Cash	ESOP Allotment	46,75,10,001
April 10, 2012	3,300	10	196.50	Cash	ESOP Allotment	46,75,13,301
April 20, 2012	1,42,980	10	38.95 44.00 196.50 220.45	Cash	ESOP Allotment	46,76,56,281
May 08, 2012	22,467	10	38.95 44.00 196.50 220.45	Cash	ESOP Allotment	46,76,78,748
May 16, 2012	9,62,197	10	44.00 48.00 196.50 220.45	Cash	ESOP Allotment	46,86,40,945



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Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
May 31, 2012	56,855	10	38.95 44.00 196.50 220.45	Cash	ESOP Allotment	46,86,97,800
June 20, 2012	36,880	10	38.95 44.00 196.50	Cash	ESOP Allotment	46,87,34,680
July 04, 2012	60,699	10	38.95 44.00 196.50 220.45 253.60	Cash	ESOP Allotment	46,87,95,379
July 20, 2012	48,150	10	44.00 140.15 196.50 220.45 253.60	Cash	ESOP Allotment	46,88,43,529
August 06, 2012	2,11,339	10	38.95 44.00 100.05 196.50 220.45 236.20 253.60	Cash	ESOP Allotment	46,90,54,868
August 21, 2012	63,354	10	44.00 196.50 220.45 253.60	Cash	ESOP Allotment	46,91,18,222
August 30, 2012	2,82,111	10	38.95 48.00 140.15 196.50 220.45 253.60	Cash	ESOP Allotment	46,94,00,333
September 21, 2012	1,32,396	10	38.95 100.05 140.15 196.50 220.45 253.60 254.90 274.80	Cash	ESOP Allotment	46,95,32,729
October 05, 2012	47,660	10	38.95 100.05 196.50 220.45 253.60	Cash	ESOP Allotment	46,95,80,389
October 17, 2012	65,776	10	38.95 196.50 236.20 253.60 274.80	Cash	ESOP Allotment	46,96,46,165



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Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
November 02, 2012	1,36,964	10	38.95 50.60 196.50 220.45 236.20 253.60	Cash	ESOP Allotment	46,97,83,129
November 20, 2012	31,375	10	38.95 44.00 196.50 236.20 253.60 274.80	Cash	ESOP Allotment	46,98,14,504
December 05, 2012	5,21,00,000	10	374.05		QIP Issue	52,19,14,504
December 07, 2012	73,082	10	38.95 100.05 196.50 253.60 274.80	Cash	ESOP Allotment	52,19,87,586
December 21, 2012	71,504	10	38.95 44.00 196.50 220.45 253.60	Cash	ESOP Allotment	52,20,59,090
January 07, 2013	74,270	10	38.95 196.50 220.45 253.60	Cash	ESOP Allotment	52,21,33,360
January 22, 2013	29,530	10	38.95 196.50 231.95 253.60	Cash	ESOP Allotment	52,21,62,890
February 01, 2013	40,265	10	140.15 196.50 231.95 253.60	Cash	ESOP Allotment	52,22,03,155
February 25, 2013	1,67,785	10	38.95 100.05 140.15 196.50 220.45 253.60 262.25	Cash	ESOP Allotment	52,23,70,940
March 11, 2013	2,06,961	10	38.95 140.15 196.50 220.45 253.60 254.90 262.25 274.80	Cash	ESOP Allotment	52,25,77,901
March 21, 2013	99,805	10	38.95 100.05 140.15 196.50 220.45 231.95 253.60	Cash	ESOP Allotment	52,26,77,706



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
April 4, 2013	9,125	10	44.00 196.50 220.45 253.60 262.25	Cash	ESOP Allotment	52,26,86,831
April 22, 2013	60,770	10	44.00 196.50 220.45 253.60 262.25	Cash	ESOP Allotment	52,27,47,601
May 3, 2013	16,270	10	196.50 220.45 253.60	Cash	ESOP Allotment	52,27,63,871
May 16, 2013	2,36,967	10	38.95 48.00 196.50 253.60 254.90 262.25	Cash	ESOP Allotment	52,30,00,838
June 3, 2013	44,870	10	196.50 220.45 253.60	Cash	ESOP Allotment	52,30,45,708
June 18, 2013	2,04,747	10	50.60 196.50 220.45 253.60 262.25	Cash	ESOP Allotment	52,32,50,455
July 9, 2013	4,12,982	10	38.95 44.00 48.00 196.50 220.45 253.60 254.90	Cash	ESOP Allotment	52,36,63,437
July 22, 2013	1,16,958	10	38.95 196.50 236.20 253.60	Cash	ESOP Allotment	52,37,80,395
July 25, 2013	17,000	10	220.45	Cash	ESOP Allotment	52,37,97,395
August 7, 2013	2,00,940	10	38.95 44.00 50.60 140.15 196.50 220.45 253.60 262.25	Cash	ESOP Allotment	52,39,98,335
August 19, 2013	56,417	10	38.95 44.00 140.15 196.50 220.45 253.60 254.90 343.25	Cash	ESOP Allotment	52,40,54,752



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
August 23, 2013	25,680	10	196.50 253.60 274.80 343.25	Cash	ESOP Allotment	52,40,80,432
September 4, 2013	35,430	10	38.95 100.05 196.50 254.90 304.05	Cash	ESOP Allotment	52,41,15,862
September 23, 2013	24,167	10	196.50 231.95 253.60	Cash	ESOP Allotment	52,41,40,029
October 7, 2013	28,840	10	44.00 196.50 253.60	Cash	ESOP Allotment	52,41,68,869
October 17, 2013	16,010	10	196.50 236.20 253.60 262.25 345.60	Cash	ESOP Allotment	52,41,84,879
November 7, 2013	38,461	10	196.50 236.20 253.60	Cash	ESOP Allotment	52,42,23,340
November 21, 2013	54,180	10	196.50 220.45 253.60 274.80 304.05 343.25	Cash	ESOP Allotment	52,42,77,520
December 5, 2013	28,867	10	38.95 196.50 253.60 304.55 345.60	Cash	ESOP Allotment	52,43,06,387
December 19, 2013	30,585	10	38.95 196.50 253.60	Cash	ESOP Allotment	52,43,36,972
January 8, 2014	1,03,470	10	38.95 44.00 50.60 196.50 220.45 231.95 253.60	Cash	ESOP Allotment	52,44,40,442
January 21, 2014	5,09,549	10	44.00 48.00 196.50 253.60	Cash	ESOP Allotment	52,49,49,991
February 10, 2014	62,708	10	38.95 196.50 236.20 253.60 319.05	Cash	ESOP Allotment	52,50,12,699
February 13, 2014	3,00,000	10	48.00	Cash	ESOP Allotment	52,53,12,699



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
February 20, 2014	41,315	10	196.50 220.45 253.60 304.55	Cash	ESOP Allotment	52,53,54,014
March 4, 2014	68,640	10	196.50 220.45 253.60	Cash	ESOP Allotment	52,54,22,654
March 25, 2014	23,830	10	196.50 220.45 253.60	Cash	ESOP Allotment	52,54,46,484
April 9, 2014	11,450	10	38.95 196.50 253.60	Cash	ESOP Allotment	52,54,57,934
April 17, 2014	3,57,930	10	196.50 220.45 231.95 236.20 253.60 254.90 262.25	Cash	ESOP Allotment	52,58,15,864
May 6, 2014	1,58,235	10	44.00 50.60 100.05 196.50 220.45 253.60 254.90 319.05	Cash	ESOP Allotment	52,59,74,099
May 22, 2014	64,882	10	196.50 220.45 253.60 262.25	Cash	ESOP Allotment	52,60,38,981
June 5, 2014	72,750	10	38.95 44.00 196.50 220.45 231.95 253.60 254.90 262.25 343.25	Cash	ESOP Allotment	52,61,11,731
June 20, 2014	40,929	10	196.50 220.45 253.60 262.25 343.25	Cash	ESOP Allotment	52,61,52,660
July 7, 2014	68,798	10	196.50 253.60 262.25 304.55	Cash	ESOP Allotment	52,62,21,458
July 17, 2014	11,69,566	10	38.95 48.00 50.60 140.15 196.50 220.45 253.60	Cash	ESOP Allotment	52,73,91,024



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
July 31, 2014	1,77,353	10	196.50 220.45 236.20 253.60 254.90 262.25 304.55 319.05 343.25 353.90	Cash	ESOP Allotment	52,75,68,377
August 14, 2014	3,04,827	10	38.95 48.00 140.15 196.50 220.45 253.60 254.90 453.90	Cash	ESOP Allotment	52,78,73,204
September 1, 2014	74,087	10	100.05 196.50 220.45 236.20 253.60 254.90 453.90	Cash	ESOP Allotment	52,79,47,291
September 12, 2014	89,299	10	38.95 196.50 220.45 253.60 262.25 304.05 319.05 453.90 478.45	Cash	ESOP Allotment	52,80,36,590
September 25, 2014	57,327	10	196.50 253.60 254.90 262.25 304.05 453.90	Cash	ESOP Allotment	52,80,93,917
October 10, 2014	40,045	10	140.15 196.50 253.60 411.50 453.90	Cash	ESOP Allotment	52,81,33,962
October 27, 2014	41,390	10	140.15 196.50 220.45 231.95 253.60 262.25 453.90	Cash	ESOP Allotment	52,81,75,352



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
November 7, 2014	1,13,049	10	50.60 196.50 231.95 253.60 262.25 274.80 304.05 343.25 453.90 478.45	Cash	ESOP Allotment	52,82,88,401
November 19, 2014	73,710	10	38.95 196.50 220.45 253.60 254.90 262.25 345.60 453.90 478.45	Cash	ESOP Allotment	52,83,62,111
December 4, 2014	88,462	10	38.95 140.15 196.50 253.60 262.25 274.80 304.05 343.25 345.60 453.90	Cash	ESOP Allotment	52,84,50,573
December 12, 2014	6,000	10	220.45	Cash	ESOP Allotment	52,84,56,573
December 18, 2014	51,947	10	140.15 196.50 220.45 231.95 253.60 262.25 319.05 411.50 453.90	Cash	ESOP Allotment	52,85,08,520
January 2, 2015	5,45,590	10	38.95 48.00 140.15 196.50 231.95 253.60 262.25 304.55 453.90	Cash	ESOP Allotment	52,90,54,110
January 15, 2015	38,378	10	38.95 196.50 220.45 253.60 262.25 274.80 453.90	Cash	ESOP Allotment	52,90,92,488



**Placement Memorandum**

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
January 30, 2015	44,785	10	196.50 253.60 453.90	Cash	ESOP Allotment	52,91,37,273
February 16, 2015	84,380	10	38.95 196.50 220.45 231.95 253.60 254.90 262.95 304.55 345.60 365.75 389.85 453.90	Cash	ESOP Allotment	52,92,21,653
February 26, 2015	43,085	10	196.50 220.45 253.60 262.25 343.25 365.75 411.50 453.90 478.45	Cash	ESOP Allotment	52,92,64,738
March 13, 2015	79,352	10	196.50 220.45 231.95 236.20 253.60 254.90 262.25 343.25 345.60 453.90	Cash	ESOP Allotment	52,93,44,090
March 27, 2015	1,0,6119	10	196.50 220.45 253.60 304.05 304.55 411.50 453.90	Cash	ESOP Allotment	52,94,50,209
April 9, 2015	76,340	10	38.95 196.50 220.45 253.60 254.90 262.25 304.5 5345.60 411.50 453.90 490.30	Cash	ESOP Allotment	52,95,26,549
April 24, 2015	6,780	10	196.50 220.45 253.60 453.90	Cash	ESOP Allotment	52,95,33,329



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
May 14, 2015	2,43,438	10	48.00 196.50 220.45 231.95 253.60 274.80 304.55 319.05 345.60 411.50 412.25 453.90 478.45	Cash	ESOP Allotment	52,97,76,767
May 29, 2015	14,16,970	10	48.00 196.50 220.45 231.95 236.20 253.60 262.25 274.80 304.05 319.05 343.25 345.60 389.85 411.50 453.90	Cash	ESOP Allotment	53,11,93,737
July 3, 2015	512,18,640	10	835.00	Cash	ESOP Allotment	58,24,12,377
July 8, 2015	62,402	10	196.50 253.60 319.05 345.60 453.90 533.95 537.05	Cash	ESOP Allotment	58,24,74,779
July 22, 2015	12,533	10	196.50 253.60 274.80 319.05 453.90 533.95	Cash	ESOP Allotment	58,24,87,312
July 27, 2015	2,74,425	10	48.00 50.60 196.50 253.60 304.55 453.90 533.95	Cash	ESOP Allotment	58,27,61,737
August 6, 2015	87,81,360	10	847.20	Cash	ESOP Allotment	59,15,43,097
August 10, 2015	98,216	10	253.60 304.55 343.25 453.90 533.95	Cash	ESOP Allotment	59,16,41,313



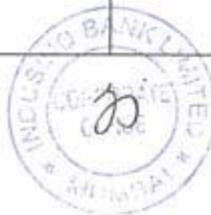
Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
August 27, 2015	1,74,994	10	253.60 304.55 343.25 453.90 533.95	Cash	ESOP Allotment	59,18,16,307
September 9, 2015	2,51,435	10	38.95 100.05 196.50 220.45 236.20 253.60 254.90 262.25 274.80 304.05 304.55 343.25 345.60 411.50 419.60 453.90 533.95 537.05 551.10	Cash	ESOP Allotment	59,20,67,742
September 22, 2015	98,666	10	100.05 196.50 236.20 253.60 319.05 343.25 345.60 411.50 453.90 478.45 533.95	Cash	ESOP Allotment	59,21,66,408
October 7, 2015	43,199	10	196.50 253.60 319.05 345.60 411.50 453.90	Cash	ESOP Allotment	59,22,09,607
October 20, 2015	25,827	10	196.50 220.45 253.60 389.85 453.90 533.95	Cash	ESOP Allotment	59,22,35,434
October 30, 2015	91,491	10	196.50 220.45 253.60 304.55 343.25 411.50 453.90 533.95 623.25	Cash	ESOP Allotment	59,23,26,925



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
November 6, 2015	4,97,690	10	48.00 196.50 231.95 253.60 274.80 319.05 345.60 365.75 411.50 412.25 453.90 533.95	Cash	ESOP Allotment	59,28,24,615
November 20, 2015	68,160	10	196.50 231.95 253.60 254.90 319.05 411.50 453.90 478.45 533.95 551.10	Cash	ESOP Allotment	59,28,92,775
November 27, 2015	3,65,005	10	48.00 196.50 253.60 453.90 533.95	Cash	ESOP Allotment	59,32,57,780
December 10, 2015	90,150	10	38.95 253.60 453.90 537.05 551.10	Cash	ESOP Allotment	59,33,47,930
December 16, 2015	2,81,395	10	95.45 220.45 228.70 253.60 304.05 365.75 411.50 453.90	Cash	ESOP Allotment	59,36,29,325
December 23, 2015	12,725	10	253.60 345.60 453.90 551.10 623.25	Cash	ESOP Allotment	59,36,42,050
January 5, 2016	6,990	10	253.60 345.60 453.90 551.10 623.25	Cash	ESOP Allotment	59,36,49,040
January 14, 2016	2,77,260	10	48.00 220.45 253.60 304.05 345.60 453.90 533.95	Cash	ESOP Allotment	59,39,26,300



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
January 21, 2016	6,91,150	10	50.60 95.45 196.50 220.45 228.70 253.60 345.60 453.90 533.95 537.05 551.10	Cash	ESOP Allotment	59,46,17,450
January 29, 2016	67,049	10	38.95 196.50 220.45 231.95 365.75 453.90 478.45 533.95 537.05 623.25	Cash	ESOP Allotment	59,46,84,499
February 4, 2016	10,718	10	196.50 253.60 345.60 453.90 533.95	Cash	ESOP Allotment	59,46,95,217
February 11, 2016	10,701	10	253.60 262.25 304.55 453.90 533.95 537.05	Cash	ESOP Allotment	59,47,05,918
February 18, 2016	2,17,883	10	38.95 50.60 196.50 220.45 231.95 253.60 304.05 345.60 453.90 478.45 533.95 537.05	Cash	ESOP Allotment	59,49,23,801
February 24, 2016	27,185	10	38.95 196.50 253.60 389.85 453.90 533.95	Cash	ESOP Allotment	59,49,50,986
March 3, 2016	17,527	10	196.50 253.60 304.05 453.90 490.30 533.95	Cash	ESOP Allotment	59,49,68,513



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
March 10, 2016	7,107	10	196.50 253.60 453.90 876.80	Cash	ESOP Allotment	59,49,75,620
March 16, 2016	3,490	10	196.50 253.60 262.25 411.50 453.90 533.95	Cash	ESOP Allotment	59,49,79,110
March 23, 2016	7,225	10	319.05 453.90 876.80 319.05 453.90 876.80	Cash	ESOP Allotment	59,49,86,335
April 6, 2016	19,212	10	253.60 304.05 304.55 343.25 453.90	Cash	ESOP Allotment	59,50,05,547
April 14, 2016	3,650	10	453.90 533.95 876.80	Cash	ESOP Allotment	59,50,09,197
April 28, 2016	20,780	10	196.50 253.60 343.25 453.90 490.30 533.95	Cash	ESOP Allotment	59,50,29,977
May 5, 2016	12,993	10	196.50 253.60 453.90	Cash	ESOP Allotment	59,50,29,977
May 11, 2016	1,51,409	10	48.00 196.50 253.60 343.25 453.90 478.45 433.95	Cash	ESOP Allotment	59,51,94,379
May 26, 2016	25,710	10	253.60 319.05 411.50 453.90 533.95 537.05	Cash	ESOP Allotment	59,52,32,634
June 3, 2016	25,143	10	50.60 196.50 343.25 453.90 533.95	Cash	ESOP Allotment	59,52,57,777
June 8, 2016	66,175	10	196.50 253.60 453.90 533.95 537.05	Cash	ESOP Allotment	59,53,23,952



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
June 15, 2016	69,616	10	253.60 453.90 533.95 949.80	Cash	ESOP Allotment	59,53,93,568
June 22, 2016	4,33,345	10	196.50 228.70 253.60 453.90 533.95	Cash	ESOP Allotment	59,58,26,913
June 29, 2016	39,265	10	196.50 220.45 253.60 412.25 453.90 533.95	Cash	ESOP Allotment	59,58,66,178
July 8, 2016	8,850	10	453.90 533.95 537.05 848.20	Cash	ESOP Allotment	59,58,75,028
July 13, 2016	6,371	10	453.90 533.95 537.05 848.20	Cash	ESOP Allotment	59,58,81,399
July 21, 2016	1,10,715	10	50.60 253.60 453.90 533.95	Cash	ESOP Allotment	59,59,92,114
July 28, 2016	1,98,385	10	196.50 220.45 253.60 389.85 453.90 533.95 551.10 623.25 831.85	Cash	ESOP Allotment	59,61,90,499
August 4, 2016	40,930	10	196.50 253.60 453.90 533.95 949.80	Cash	ESOP Allotment	59,62,31,429
August 10, 2016	2,40,225	10	48.00 253.60 304.05 411.50 453.90 533.95 831.85 949.80	Cash	ESOP Allotment	59,64,71,654
August 19, 2016	68,160	10	253.60 262.25 453.90 490.30 533.95 949.80	Cash	ESOP Allotment	59,65,39,814



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
August 24, 2016	1,43,330	10	38.95 220.45 253.60 453.90 533.95 949.80	Cash	ESOP Allotment	59,66,83,144
August 31, 2016	60,492	10	100.05 196.50 253.60 319.05 389.85 411.50 453.90 533.95 537.05 623.25 949.80	Cash	ESOP Allotment	59,67,43,636
September 7, 2016	81,775	10	100.05 196.50 220.45 231.95 253.60 304.05 412.25 453.90 533.95 537.05 949.80	Cash	ESOP Allotment	59,68,25,411
September 15, 2016	29,505	10	196.50 220.45 253.60 343.25 453.90 533.95 551.10 949.80	Cash	ESOP Allotment	59,68,54,916
September 22, 2016	33,605	10	220.45 253.60 345.60 453.90 533.95 949.80	Cash	ESOP Allotment	59,68,88,521
September 28, 2016	27,599	10	253.60 433.75 453.90 537.05 949.80	Cash	ESOP Allotment	59,69,16,120
October 6, 2016	32,340	10	343.25 411.50 453.90 478.45 533.95 848.20 949.80	Cash	ESOP allotment	59,69,48,460



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
October 14, 2016	13,930	10	253.60 389.85 411.50 412.25 453.90 949.80	Cash	ESOP allotment	59,69,62,390
October 19, 2016	13,740	10	453.90 533.95 623.25 949.80	Cash	ESOP allotment	59,69,76,130
October 27, 2016	47,140	10	253.60 304.05 411.50 453.90 478.45 533.95 949.80	Cash	ESOP allotment	59,70,23,270
November 4, 2016	51,433	10	100.05 196.50 253.60 304.05 389.85 533.95 537.05 918.65 949.80	Cash	ESOP allotment	59,70,74,703
November 9, 2016	7,620	10	253.60 453.90 533.95 949.80	Cash	ESOP allotment	5,97,08,23,230
November 17, 2016	2,08,995	10	48.00 253.60 274.80 453.90 478.45 551.10 623.25 949.80	Cash	ESOP allotment	59,72,91,318
November 24, 2016	62,980	10	38.95 196.50 220.45 253.60 274.80 389.85 453.90 478.45 533.95 623.25 918.65 949.80	Cash	ESOP allotment	59,73,54,298
November 30, 2016	21,305	10	220.45 253.60 453.90 533.95 918.65 949.80	Cash	ESOP allotment	59,73,75,603



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
December 9, 2016	7,720	10	196.50 220.45 253.60 304.05 453.90 533.95 949.80	Cash	ESOP allotment	59,73,83,323
December 19, 2016	27,145	10	38.95 453.90 949.80	Cash	ESOP allotment	59,74,10,468
December 21, 2016	13,390	10	196.50 220.45 253.60 453.90 911.85 949.80	Cash	ESOP allotment	59,74,23,858
January 2, 2017	2,78,600	10	95.45 228.70 253.60 453.90	Cash	ESOP allotment	59,77,02,458
January 6, 2017	9,769	10	220.45 253.60 453.90 533.95 949.80	Cash	ESOP allotment	59,77,12,227
January 13, 2017	2,44,528	10	95.45 220.45 228.70 253.60 453.90 478.45 848.20 949.80	Cash	ESOP allotment	59,79,56,755
January 23, 2017	3,650	10	453.90 918.65	Cash	ESOP allotment	59,79,60,405
January 30, 2017	19,745	10	220.45 453.90 533.95 936.75 949.80	Cash	ESOP allotment	59,79,80,150
February 2, 2017	24,610	10	220.45 253.60 453.90 533.95 848.20	Cash	ESOP allotment	59,80,04,760
February 9, 2017	49,520	10	196.5 220.45 412.25 453.90 533.95 537.05 949.80	Cash	ESOP allotment	59,80,54,280



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
February 9, 2017	9,310	10	220.45 253.60 274.80 453.90 533.95 918.65	Cash	ESOP allotment	59,80,63,590
February 23, 2017	7,210	10	253.60 274.80 453.90 533.95 848.20	Cash	ESOP allotment	59,80,70,800
March 2, 2017	10,825	10	253.6 274.80 389.85 453.90 876.80 949.80	Cash	ESOP allotment	59,80,81,625
March 10, 2017	15,725	10	196.5 220.45 253.60 274.80 453.90 911.85 918.65	Cash	ESOP allotment	59,80,97,350
March 16, 2017	34,570	10	196.5 253.60 453.90 533.95 831.85 848.20 949.80	Cash	ESOP allotment	59,81,31,920
March 23, 2017	16,785	10	196.5 220.45 253.60 453.90 876.80 949.80	Cash	ESOP allotment	59,81,48,705
April 7, 2017	41,285	10	220.45 253.60 304.55 453.90 533.95 911.85 918.65 949.80	Cash	ESOP allotment	59,81,89,990
April 13, 2017	7,575	10	453.90 537.05 876.80 949.80	Cash	ESOP allotment	59,81,97,565
April 20, 2017	14,423	10	253.60 343.25 453.90 949.80	Cash	ESOP allotment	59,82,11,988
April 25, 2017	5,159	10	453.90 949.80	Cash	ESOP allotment	59,82,17,147
April 27, 2017	11,175	10	253.60	Cash	ESOP allotment	59,82,28,322



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			389.85 453.90 533.95 831.85 876.80 949.80			
May 4, 2017	41,839	10	253.60 453.90 533.95 876.80 949.80	Cash	ESOP allotment	59,82,70,161
May 12, 2017	21,995	10	196.50 253.60 453.90 533.95 949.80	Cash	ESOP allotment	59,82,92,156
May 18, 2017	28,792	10	253.60 411.50 453.90 533.95 949.80	Cash	ESOP allotment	59,83,20,948
May 24, 2017	20,535	10	196.50 253.60 453.90 537.05 623.25 848.20 880.75 949.80	Cash	ESOP allotment	59,83,41,483
June 1, 2017	32,080	10	196.50 220.45 253.60 453.90 533.95 537.05 848.20 880.75 949.80	Cash	ESOP allotment	59,83,73,563
June 8, 2017	4,593	10	253.60 453.90 533.95 1053.75	Cash	ESOP allotment	59,83,78,156
June 16, 2017	94,250	10	196.50 253.60 453.90 533.95 848.20	Cash	ESOP allotment	59,84,72,406
June 27, 2017	44,905	10	196.50 253.60 345.60 412.25 453.90 533.95 537.05 623.25	Cash	ESOP allotment	59,85,17,311



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			831.85 918.65 949.80			
July 6, 2017	15,415	10	196.50 253.60 412.25 453.90 537.05 949.80	Cash	ESOP allotment	59,85,32,726
July 12, 2017	18,965	10	196.50 253.60 453.90 478.45 533.95 949.80	Cash	ESOP allotment	59,85,51,691
July 31, 2017	68,155	10	412.25 453.90 533.95 551.10 876.80 918.65 949.80 1126.70	Cash	ESOP allotment	59,85,51,691
August 7, 2017	24,840	10	253.60 453.90 478.45 533.95 537.05 831.85 949.80	Cash	ESOP allotment	59,86,44,686
August 11, 2017	39,100	10	253.60 345.60 453.90 533.95 949.80 1126.70	Cash	ESOP allotment	59,86,83,786
August 21, 2017	27,960	10	220.45 253.60 453.90 533.95 831.85 949.80	Cash	ESOP allotment	59,87,11,746
August 29, 2017	5,760	10	453.90 551.10 949.80	Cash	ESOP allotment	59,87,17,506
August 31, 2017	46,845	10	100.05 389.85 453.90 533.95 537.05 949.80 1053.75 1186.75	Cash	ESOP allotment	59,87,64,351
September 8, 2017	42,441	10	220.45 253.60	Cash	ESOP allotment	59,88,06,792



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			304.05 319.05 453.90 478.45 533.95 949.80			
September 15, 2017	35,946	10	220.45 453.90 533.95 551.10 623.25 949.80 1186.75	Cash	ESOP allotment	59,88,42,738
September 22, 2017	28,900	10	220.45 453.90 533.95 551.10 623.25 949.80 1186.75	Cash	ESOP allotment	59,88,71,638
October 9, 2017	1,00,855	10	196.50 253.60 319.05 345.60 411.50 453.90 533.95 623.25 918.65 949.80 1186.75	Cash	ESOP allotment	59,89,72,493
October 16, 2017	18,684	10	345.60 453.90 478.45 533.95 949.80	Cash	ESOP allotment	59,89,91,177
October 18, 2017	24,720	10	253.60 453.90 533.95 831.85 918.65 949.80	Cash	ESOP allotment	59,90,15,897
October 26, 2017	23,440	10	253.60 304.55 453.90 949.80 1126.70 1186.75	Cash	ESOP allotment	59,90,39,337
November 2, 2017	1,40,985	10	196.50 220.45 253.60 262.25 345.60 433.75 453.90	Cash	ESOP allotment	59,91,80,322



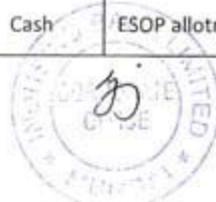
Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			533.95 623.25 831.85 876.80 918.65 949.80 1126.70 1186.75 1220.85			
November 7, 2017	93,605	10	389.85 453.90 490.30 533.95 537.05 831.85 949.80	Cash	ESOP allotment	59,92,73,927
November 15, 2017	5,165	10	453.90	Cash	ESOP allotment	59,92,79,092
November 24, 2017	45,190	10	345.60 433.75 453.90 533.95 537.05 551.10 848.20 911.85 949.80 1053.75 1093.10	Cash	ESOP allotment	59,93,24,282
November 29, 2017	4,200	10	453.90 478.45 949.80	Cash	ESOP allotment	59,93,28,482
December 8, 2017	35,257	10	196.50 253.60 453.90 533.95 551.10 848.20 949.80 1053.75	Cash	ESOP allotment	59,93,63,739
December 13, 2017	3,875	10	453.90 533.95 848.20 949.80 1126.70	Cash	ESOP allotment	59,93,67,614
December 21, 2017	3,67,730	10	228.70 453.90 533.95 949.80 48.00 1186.75	Cash	ESOP allotment	59,97,35,344
January 3, 2018	11,260	10	220.45 412.25 453.90 533.95	Cash	ESOP allotment	59,97,46,604



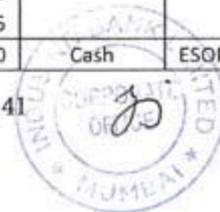
Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			623.25 949.80 1126.70			
January 12, 2018	11,048	10	220.45 453.90 533.95 848.20 949.80	Cash	ESOP allotment	59,97,57,652
January 17, 2018	1,65,200	10	228.70 453.90	Cash	ESOP allotment	59,99,22,852
January 24, 2018	20,800	10	220.45 253.60 453.90 533.95 918.65 949.80	Cash	ESOP allotment	59,99,43,652
February 2, 2018	20,500	10	220.45 253.60 453.90 533.95 537.05 848.20 949.80	Cash	ESOP allotment	59,99,64,152
February 9, 2018	66,355	10	220.45 453.90 533.95 848.20 949.80	Cash	ESOP allotment	60,00,30,507
February 15, 2018	80,150	10	220.45 253.60 345.60 453.90 533.95 623.25 831.85 949.80 1220.85	Cash	ESOP allotment	60,01,10,657
February 23, 2018	2,340	10	253.60 453.90 949.80 1220.85	Cash	ESOP allotment	60,01,12,997
March 1, 2018	91,555	10	253.60 304.05 304.55 345.60 453.90 533.95 831.85 848.20 949.80 1126.70 1186.75 1265.40	Cash	ESOP allotment	60,02,04,552
March 8, 2018	13,615	10	253.60 453.90	Cash	ESOP allotment	60,02,18,167



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			533.95 623.25 848.20 876.80 949.80 1053.75			
March 16, 2018	2,000	10	453.90 949.80	Cash	ESOP allotment	60,02,20,167
March 21, 2018	3,020	10	253.60 453.90 949.80 1126.70	Cash	ESOP allotment	60,02,23,187
April 12, 2018	10,785	10	253.60 453.90 537.05 623.25 848.20 949.80 1126.70	Cash	ESOP allotment	60,02,33,972
April 23, 2018	8,095	10	253.60 453.90 533.95 623.25 831.85 949.80	Cash	ESOP allotment	60,02,42,067
May 3, 2018	4,670	10	253.60 453.90 533.95 949.80	Cash	ESOP allotment	60,02,46,737
May 7 2018	4,895	10	196.50 253.60 453.90 623.25 831.85 949.80	Cash	ESOP allotment	60,02,51,632
May 10, 2018	6,965	10	196.50	Cash	ESOP allotment	60,02,58,597
May 18 2018	18,900	10	196.50 253.60 304.55 453.90 533.95 949.80	Cash	ESOP allotment	60,02,77,497
May 24, 2018	19,905	10	253.60 453.90 533.95 949.80 1053.75 1383.90	Cash	ESOP allotment	60,02,97,402
June 5, 2018	53,556	10	196.50 220.45 253.60 453.90 533.95 1220.85	Cash	ESOP allotment	60,03,50,958
June 8, 2018	54,328	10	196.50	Cash	ESOP allotment	60,04,05,286



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			253.60 453.90 533.95 623.25 831.85			
June 15, 2018	11,641	10	196.50 253.60 453.90 533.95 949.80	Cash	ESOP allotment	60,04,16,927
June 26, 2018	21,055	10	196.50 253.60 453.90 533.95 1126.70 1431.75	Cash	ESOP allotment	60,04,37,982
July 6, 2018	45,370	10	196.50 220.45 253.60 453.90 533.95 623.25 831.85 949.80 1498.90	Cash	ESOP allotment	60,04,83,352
July 16, 2018	2,887	10	253.60 848.20 880.75	Cash	ESOP allotment	60,04,86,239
August 3, 2018	100,481	10	220.45 231.95 253.60 304.55 453.90 533.95 623.25 848.20 949.80 1126.70	Cash	ESOP allotment	60,05,86,720
August 8, 2018	283,580	10	48.00 253.60 533.95 949.80 1126.70	Cash	ESOP allotment	60,08,70,300
August 20, 2018	43,609	10	253.60 453.90 533.95 537.05 949.80 1431.75 1498.90	Cash	ESOP allotment	60,09,13,909
August 28, 2018	25,546	10	220.45 304.55 453.90 533.95 949.80	Cash	ESOP allotment	60,09,39,455



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
September 3, 2018	24,670	10	253.60 453.90 533.95 537.05 848.20 911.85 949.80	Cash	ESOP allotment	60,09,64,125
September 10, 2018	47,905	10	220.45 231.95 253.60 389.85 453.90 533.95 537.05 623.25 848.20 949.80 1126.70 1186.75	Cash	ESOP allotment	60,10,12,030
September 12, 2018	2,54,295	10	48.00 253.60 220.45 304.55 453.90 533.95 537.05 949.80 1126.70	Cash	ESOP allotment	60,12,66,325
September 21, 2018	29,877	10	253.60 453.90 533.95 537.05 623.25 848.20 949.80 1126.70 1383.90	Cash	ESOP allotment	60,12,96,202
October 10, 2018	1,37,837	10	220.45 253.60 304.55 345.60 365.75 453.90 490.30 533.95 537.05 623.25 848.20 918.65 936.75 949.80 1053.75 1126.70 1498.90	Cash	ESOP allotment	60,14,34,039
October 26, 2018	37,425	10	253.60	Cash	ESOP allotment	60,16,68,217



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			533.95 537.05 918.65 949.80			
November 1, 2018	94,460	10	453.90 533.95 537.05 949.80 1053.75 1186.75 1220.85	Cash	ESOP allotment	60,17,62,677
November 22, 2018	3,680	10	253.60 389.85 453.90 936.75 949.80 1126.70	Cash	ESOP allotment	60,17,66,357
November 29, 2018	19,475	10	453.90 533.95 949.80	Cash	ESOP allotment	60,17,85,832
December 10, 2018	15,605	10	220.45 453.90 533.95 623.25 848.20 949.80 1053.75 1126.70	Cash	ESOP allotment	60,18,01,437
December 14, 2018	2,53,600	10	228.70 453.90 533.95	Cash	ESOP allotment	60,20,55,037
December 24, 2018	27,526	10	220.45 253.60 453.90 478.45 949.80	Cash	ESOP allotment	60,20,82,563
January 7, 2019	304,290	10	220.45 228.70 231.95 453.90 533.95 623.25 949.80	Cash	ESOP allotment	60,23,86,853
February 4, 2019	33,930	10	220.45 231.95 253.60 453.90 533.95 537.05 936.75 949.80	Cash	ESOP allotment	60,25,11,153
February 7, 2019	107,330		220.45 228.70 231.95 453.90	Cash	ESOP allotment	60,26,18,483



## Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			623.25 949.80 1126.70			
February 15, 2019	21,005	10	220.45 253.60 453.90 1265.40	Cash	ESOP allotment	60,26,39,488
February 21, 2019	3,465	10	453.90 949.80	Cash	ESOP allotment	60,26,42,953
February 28, 2019	3,525	10	345.60 453.90 623.25	Cash	ESOP allotment	60,26,46,478
March 14, 2019	39,080	10	304.05 453.90 623.25 949.80 1126.70	Cash	ESOP allotment	60,26,85,558
March 25, 2019	1,310	10	253.60 412.25 453.90 243.60 402.25 443.90	Cash	ESOP allotment	60,26,86,868
April 5, 2019	178,925	10	228.70 253.60 345.60 453.90 623.25 949.80 1265.40 1759.75	Cash	ESOP allotment	60,28,65,793
April 22, 2019	50,245	10	253.60 345.60 453.90 623.25 911.85 949.80 1759.75	Cash	ESOP allotment	60,29,16,038
May 10, 2019	28,070	10	253.60 453.90 533.95 623.25 911.85 949.80 1383.90 1431.75	Cash	ESOP allotment	60,29,44,108
May 16, 2019	11,675	10	453.90 533.95 936.75 949.80	Cash	ESOP allotment	60,29,55,783
May 24, 2019	12,559	10	304.55 453.90 949.80 1186.75	Cash	ESOP allotment	60,29,68,342
June 3, 2019	70,815	10	231.95	Cash	ESOP allotment	60,30,39,157



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			253.60 453.90 533.95 880.75			
June 6, 2019	84,400	10	231.95 253.60 453.90 478.45 533.95 911.85 1383.90	Cash	ESOP allotment	60,31,23,557
June 14, 2019	11,355	10	253.60 453.90 623.25 949.80	Cash	ESOP allotment	60,31,34,912
June 21, 2019	4,030	10	253.60 453.90 533.95 949.80	Cash	ESOP allotment	60,31,38,942
July 9, 2019	896,17,781	10	N.A	Cash	ESOP allotment	69,27,56,723
July 18, 2019	145,909	10	231.95 343.25 345.60 411.50 412.25 453.90 478.45 533.95 623.25 911.85 949.80	Cash	ESOP allotment	69,29,02,632
July 26, 2019	7,750	10	365.75 453.90 623.25	Cash	ESOP allotment	69,29,10,382
August 2, 2019	9,460	10	231.95 453.90 533.95 623.25 949.80	Cash	ESOP allotment	69,29,19,842
August 7, 2019	5,065	10	345.60 623.25 936.75 949.80	Cash	ESOP allotment	69,29,24,907
September 11, 2019	7,080	10	453.90 533.95 623.25 876.80 949.80 1126.70	Cash	ESOP allotment	69,29,31,987
September 16, 2019	34,270	10	453.90 533.95 623.25 876.80 949.80	Cash	ESOP allotment	69,29,66,257



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			1126.70			
September 26, 2019	16,500	10	231.95 453.90 478.45 533.95 876.80 1126.70	Cash	ESOP allotment	69,29,82,757
October 18, 2019	30,060	10	345.60 453.45 533.95 623.25 936.75 949.80 962.00 1126.70 1186.75	Cash	ESOP allotment	69,30,12,817
November 1, 2019	3,819	10	533.95 623.25 678.00 828.00 1126.70	Cash	ESOP allotment	69,30,16,636
November 15, 2019	1,060	10	533.95 623.25 678.00 828.00 1126.70	Cash	ESOP allotment	69,30,17,696
November 21, 2019	28,850	10	231.95 949.80 1093.10 1126.70	Cash	ESOP allotment	69,30,46,546
December 10, 2019	7,828	10	365.75 453.90 533.95 949.80 1126.70 1224.00	Cash	ESOP allotment	69,30,54,374
December 17, 2019	14,000	10	453.90 533.95 949.80 1126.70	Cash	ESOP allotment	69,30,68,374
December 20, 2019	1,850	10	453.90 533.95 623.25	Cash	ESOP allotment	69,30,70,224
January 21, 2020	3,766	10	453.90 533.95 623.25 1376.00	Cash	ESOP allotment	69,30,73,990
January 29, 2020	309,640	10	300.00 453.90 478.45 533.95 623.25 876.80 936.75	Cash	ESOP allotment	69,33,83,630
February 11, 2020	58,225	10	453.90	Cash	ESOP allotment	69,34,41,855



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
			478.45 533.95 623.25 949.80 1220.85			
February 24, 2020	7,985	10	345.60 453.90 478.45 533.95 623.25	Cash	ESOP allotment	69,34,49,840
February 28, 2020	75,650	10	304.05 453.90 478.45 490.30	Cash	ESOP allotment	69,35,25,490
March 9, 2020	5,810	10	453.90 478.45 911.85 949.80	Cash	ESOP allotment	69,35,31,300
March 17, 2020	4,438	10	453.90 478.45 533.95	Cash	ESOP allotment	69,35,35,738
April 16, 2020	18,630	10	453.90 490.30 533.95	Cash	ESOP allotment	69,35,54,368
May 6, 2020	5,490	10	345.60 453.90 478.45	Cash	ESOP allotment	69,35,59,858
June 24, 2020	6,180	10	304.55 453.90 478.45	Cash	ESOP allotment	69,35,66,038
September 02, 2020	476,29,768	10	524.00	Cash	Preferential Allotment on QIP	74,11,95,806
September 04, 2020	151,17,477	10	524.00	Cash	Preferential Allotment on Non -QIP	75,63,13,283
September 23, 2020	138,540	10	345.60 453.90 478.45 533.95	Cash	ESOP allotment	75,64,51,823
October 16, 2020	16,070	10	345.60 453.90 533.95 623.25	Cash	ESOP allotment	75,64,67,893
November 06, 2020	5,100	10	343.25	Cash	ESOP allotment	75,64,72,993
November 20, 2020	469,000	10	300.00	Cash	ESOP allotment	75,69,41,993
December 07, 2020	17,925	10	343.25 453.90 533.95	Cash	ESOP allotment	75,69,59,918
December 10, 2020	43,880	10	343.25 412.25 453.90 533.95 623.25	Cash	ESOP allotment	75,70,03,798



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
December 18,2020	101,200	10	343.25 453.90 533.95 949.80	Cash	ESOP allotment	75,71,04,998
January 15,2021	173,600	10	231.95	Cash	ESOP allotment	75,72,78,598
January 21,2021	28,359	10	453.90 533.95 668.00 949.80	Cash	ESOP allotment	75,73,06,957
February 04,2021	25,765	10	389.85 453.90 533.95 831.85 949.80	Cash	ESOP allotment	75,73,32,722
February 16,2021	51,480	10	453.90 533.95 949.80 1093.10	Cash	ESOP allotment	75,73,84,202
February 18,2021	157,70,985	10	1709.00	Cash	Conversion of Warrants - Promoters	77,31,55,187
March 15,2021	217,112	10	453.90 490.30 533.95 623.25 949.80	Cash	ESOP allotment	77,33,72,299
May 03,2021	120,490	10	453.90 490.30 533.95 623.25 831.85 949.80	Cash	ESOP allotment	77,34,92,789
May 19,2021	33,985	10	409.95 453.90 533.95 537.05 623.25 848.20	Cash	ESOP allotment	77,35,26,774
June 08,2021	268,295	10	376.75 453.90 533.95 623.25 949.80	Cash	ESOP allotment	77,37,95,069
June 10,2021	47,095	10	376.75 453.90 533.95 623.25 949.80	Cash	ESOP allotment	77,38,42,164



Placement Memorandum

Date of Allotment	Number of Equity Shares	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of Payment	Reasons of Allotment	Cumulative Capital
June 24,2021	34,620	10	409.95 453.90 533.95 623.25 949.80	Cash	ESOP allotment	77,38,76,784



## Annexure VII Board Resolution Copy

### IndusInd Bank

Certified True Copy of the Resolution passed at the 267<sup>th</sup> meeting of the Board of Directors of IndusInd Bank Limited held on Thursday, October 21, 2021 at 11.30 a.m. in the Board Room, 8<sup>th</sup> Floor, Tower 1, One World Centre, Jupiter Mills Compound, 841, S. B. Marg, Elphinstone Road (West), Mumbai - 400013.

Issue of Subordinated, Unsecured Basel III compliant Bonds in the nature of Non-Convertible Debentures towards Non-Equity Regulatory Tier 2 Capital (T2 Bonds):

"RESOLVED THAT in terms of the provisions of the Companies Act, 2013 and the Rules made thereunder, and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, the Operational Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued vide Circular dated August 10, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and other applicable Acts, Rules and Regulations, (collectively "the Regulations") as amended from time to time, the consent of the Board of Directors of the Bank be and is hereby granted:

- (a) for issue of rated, listed, Non-Convertible, Subordinated and Unsecured Basel III Compliant Bonds in the nature of Debentures towards Non-Equity Regulatory Tier 2 Capital (T2 Bonds) with a Face Value of ₹1,00,00,000 each for cash for an amount not exceeding ₹2,800 crore (Rupees Two thousand Eight hundred crore only), repayable at the end of 10 years without a Call Option, at interest rate not exceeding 8% per annum, and on such other terms and conditions as may be approved by the Managing Director and CEO, to identified investors, on a private placement basis ("the Issue"); and
- (b) for issuing the Placement Document to the prospective investors, and the Managing Director and CEO be and hereby is authorized to make consequential changes to the draft Placement Document to give effect to the comments and suggestions of the legal counsel or any approving authorities or make updates till the date of issue of the Placement Document to the proposed investors, as may be necessary.

RESOLVED FURTHER THAT the Managing Director and CEO be and is hereby authorized to appoint various intermediaries including Debenture Trustee, legal counsel, Registrar to the Issue, Credit Rating Agencies, merchant bankers, and agents to the Issue on such terms and conditions, and with further power to delegate the authority partially or fully to any other official of the Bank, jointly or severally;



One India Built Center Office | IndusInd Bank Limited, 8<sup>th</sup> Floor, Tower 1, One World Centre,  
841, S.B. Marg, Elphinstone Road (W), Mumbai - 400 013, India. Tel: 022 2421 1999



## **IndusInd Bank**

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorize the Finance Committee of the Board to approve issuance of this tranche and finalize the allotment of securities to identified investors.

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorize Mr. Sunant Kulkarni, Managing Director and CEO or any officer nominated by him to execute all such agreements, documents, instruments and writings and to do all such acts, deeds, matters and things as may be required."

Certified to be true  
For IndusInd Bank Ltd.



Harsh K. Gajwan  
Company Secretary  
Membership No. A18225



## IndusInd Bank

**Certified True Copy of the Resolution passed at the 268<sup>th</sup> meeting of the Board of Directors of IndusInd Bank Limited held on Wednesday, October 27, 2021 at 3:00 p.m. in the Board Room, 8<sup>th</sup> Floor, Tower 1, One World Centre, Jupiter Mills Compound, 841, S. B. Marg, Elphinstone Road (West), Mumbai – 400013.**

**\*RESOLVED THAT** in partial modification to the Resolution passed by the Board in its 267<sup>th</sup> meeting held on October 21, 2021 on the issuance of Subordinated, Unsecured Basel III-compliant Bonds in the nature of Non-Convertible Debentures towards Non-Equity Regulatory Tier 2 Capital (T2 Bonds) for an amount not exceeding Rs.2,800 crores (Rupees Two thousand eight hundred crores only), wherein the interest rate was mentioned as 'not exceeding 8% per annum', approval of the Board be and is hereby accorded to modify that the rate of interest shall be as may be determined jointly by the Managing Director & CFO and the Deputy CEO.

**RESOLVED FURTHER THAT** the other terms and conditions as mentioned in the aforesaid Board Resolution passed in the 267<sup>th</sup> Board meeting shall remain unaltered.

**RESOLVED FURTHER THAT** the Board of Directors hereby authorize the Managing Director & CEO or any Officer of the Bank nominated by him to execute all such agreements, documents, instruments and writings and to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid Resolution.

Certified to be true  
For IndusInd Bank Ltd.

  
Hareesh K. Gajwani  
Company Secretary  
Membership No. A18225



Solitaire Corporate Park Office (IndusInd Bank Limited), Building No. 7 Solitaire Corporate Park,  
Andheri, Chhatrapati Shivaji Road, Chhatrapati Shivaji, Andheri (E), Mumbai - 400 053. India Tel: 022-26412461

Registered Office: 2401 City, Shivajinagar Road, Pune 411 001, India  
Tel: 020-2634 3321 Fax: 020-2634 3341 Web: www.indusind.com  
CIN: L21919MH1994PL1000133











## IndusInd Bank

The above-mentioned Bonds / NCDs would be issued by the Bank in accordance with the applicable statutory guidelines for cash, either at par or at premium or at a discount to the Face Value, depending upon the prevailing market conditions and on such terms and conditions including the Interest, Tenor, Coupon, Repayment, Security, etc. or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board shall in its absolute discretion deem fit, without being required to seek any further consent or approval from Members and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution.

The funds, if any, raised will augment the long term funds of the Bank and improve the regulatory capital adequacy where applicable, and such funds will be deployed for furtherance of the business of the Bank.

Approval of the Members is requested by way of a Special Resolution for issuance of Long-Term Bonds, including Infrastructure Bonds / Subordinated Non-Convertible Debentures (NCDs) / Bonds eligible to be included in the Additional Tier I and Tier II Capital of the Bank in the Domestic / Overseas market, on Private Placement basis, in one or more tranches under one or more Shelf Disclosure Documents and one or more Letters of Offer, and on such terms and conditions for each series / tranches including the Price, Coupon, Premium, Discount, Tenor, Interest, Repayment, Security etc., as deemed fit by the Board for an amount not exceeding Rs.20,000 crores (Rupees Twenty thousand crores only).

The Board of Directors, recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

None of the Directors or the Key Managerial Personnel of the Bank or their relatives are interested, financially or otherwise, in the said Resolution.

**Certified to be true  
For IndusInd Bank Limited**

HARESH  
KISHINCHAN  
D GAJWANI

**Hareh Gajwani  
Company Secretary  
Membership No. A18225**



Corporate Office: IndusInd Bank Ltd, 100, Colaba Causeway, Mumbai - 400 001  
Registered Office: IndusInd Bank Ltd, 100, Colaba Causeway, Mumbai - 400 001  
Registered Office: IndusInd Bank Ltd, 100, Colaba Causeway, Mumbai - 400 001



# Annexure IX In-Principle Listing Approval



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National Stock Exchange Of India Limited

Ref. No.: NSE/LIST/4232

October 22, 2021

The Company Secretary  
Indusind Bank Limited  
731, Solitaire Corporate Park,  
167 Gurn Hargevindgi Marg,  
Andhari Ghokopur link road, Chakala,  
Andhari (East), Mumbai - 400093

Kind Attn.: Mr. Harek Gajwani

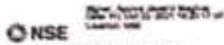
Dear Sir,

**Sub: In-principle approval for listing of Non-Convertible Basel III Compliant Tier 2 Bonds in the nature of Debentures on private placement basis**

This is with reference to your application dated October 21, 2021 requesting for In-principle approval for listing of Unsecured, Redeemable, Non-cumulative, Taxable, Non-convertible, Basel III Compliant Tier 2 Bonds in the nature of Debentures of face value of Rs. 10000000 each, having total issue size aggregating upto Rs 250000 lakhs, to be issued by Indusind Bank Limited on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Bank prints the Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/4232 dated October 22, 2021 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever"



National Stock Exchange of India Limited | Exchange Plaza, C-1, Block C, Bandra Kurla Complex Bandra (E), Mumbai - 400051  
In Rs +91 22 26101511 | www.nseindia.com | CIN: IN722995 (AGGR) 261744





## Annexure X Related party transactions

### FY 2020-21

**Key Management Personnel (KMP)**

Mr. Sumant Kathpalia, Managing Director

**Relatives of KMP**

Mrs. Ira Kathpalia, Mr. Karan Kathpalia.

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited)

In accordance with RBI guidelines dated March 29, 2003, details pertaining to the related party transactions have not been provided where there is only one related party in each of the above categories.

### FY 2019-20

**Key Management Personnel (KMP)**

Mr. Romesh Sobti, Managing Director (upto March 23, 2020)

Mr. Sumant Kathpalia, Managing Director (w.e.f. March 24, 2020)

**Relatives of KMP**

Mrs. Anita Sobti, Mr. Gaurav Sobti, Ms. Aanchal Sobti Mitra, Mrs. Ira Kathpalia, Mr. Karan Kathpalia

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

Bharat Financial Inclusion Limited (formerly IndusInd Financial Inclusion Limited) (w.e.f. August 6, 2018)

In accordance with RBI guidelines dated March 29, 2003, details pertaining to the related party transactions have not been provided where there is only one related party in each of the above categories.

### FY 2018-19

**Key Management Personnel:**

Mr. Romesh Sobti, Managing Director

**Associates**

IndusInd Marketing and Financial Services Private Limited

**Subsidiaries**

The Bank has incorporated a wholly owned subsidiary named IndusInd Financial Inclusion Limited during the financial year ended March 31, 2019. The aforesaid subsidiary company is yet to commence its operations as on March 31, 2019.

In accordance with RBI guidelines dated March 29, 2003, details pertaining to the related party transactions have not been provided as there is only one related party in each of the above categories.

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## Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



### Rating Rationale

August 20, 2021 | Mumbai

## IndusInd Bank Limited

Ratings reaffirmed at 'CRISIL AA+/Stable', CRISIL AA/Stable/CRISIL A1+'; 'CRISIL AA+/Stable' assigned to Tier II Bonds (Under Basel III)

#### Rating Action

Rs.4000 Crore Tier II Bonds (Under Basel III)	CRISIL AA+/Stable (Assigned)
Rs.1000 Crore Tier I Bonds (Under Basel III)	CRISIL AA/Stable (Reaffirmed)
Rs.1000 Crore Tier I Bonds (Under Basel III)	CRISIL AA/Stable (Reaffirmed)
Rs.2000 Crore Tier I Bonds (Under Basel III)	CRISIL AA/Stable (Reaffirmed)
Rs.1500 Crore Infrastructure Bonds	CRISIL AA+/Stable (Reaffirmed)
Short Term Fixed Deposit Programme	CRISIL A1+ (Reaffirmed)
Rs.40000 Crore Certificate of Deposits	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL AA+/Stable' rating for Tier-II Bonds (under Basel III) of IndusInd Bank (IndusInd) and reaffirmed its 'CRISIL AA+/CRISIL AA<sup>[1]</sup>/Stable/CRISIL A1+' ratings on the existing debt instruments.

The rating reflects the healthy capitalisation levels with high core equity ratio and comfortable earnings profile marked by healthy pre-provisioning profits. These strengths are partially offset due to potential challenges in asset quality largely due to Covid-19 impact, which has been an industry-wide phenomenon. The resource profile for the bank is average with relatively high share of bulk deposits, albeit, that retail deposits which has been a focus area of the Bank has been growing progressively. The Bank has comfortable liquidity buffer and has been maintaining liquidity coverage ratio (LCR) in the range of 140% to 145% since the past four quarters.

Capitalisation metrics of the bank remain healthy as reflected in CET1, Tier 1 and overall capital adequacy ratio (CAR) at 15.6%, 16.9% and 17.6% respectively as on June 30, 2021. In February 2021, the bank had raised Rs 2,021 crore of equity capital through conversion of warrants issued to promoters. This was in addition to Rs 3,288 crore raised in September 2020 through preferential allotment. The overall CAR including Q1FY22 profits was at 17.9% as on June 30, 2021.

The Bank is focused on increasing the retail book share and making corporate book more granular. Additionally, they also intend to reduce exposure to real estate segment which has been declining over last five quarters. The net advances as on June 30, 2021 stood at Rs 2,10,727 crore, a 6% growth year-on-year from June 30, 2020 (Rs 1,98,069 crore). The corporate (including business banking portfolio) and retail segments constituted around 49: 51% of the portfolio as on June 30, 2021.

The gross NPA of the bank increased marginally to 2.9% as on June 30, 2021 against 2.7% as on March 31, 2021, which is one of the lowest in the industry. Provision coverage is strong at 72% as on June 30, 2021 on the gross NPA. However, within retail segment, the slippages have increased in segments like two wheelers, small commercial vehicles and credit cards, where segmental NPAs as on June 30, 2021 were 9.78%, 7.62% and 4.38% respectively. These advances forms around 6% of overall advances of the Bank. The Bank has restructured only 2.7% of advances as on June 30, 2021. CRISIL Ratings also understands that the restructuring in the corporate segment primarily comprises of two large loans to conglomerates. The other major restructuring segment is vehicle finance space. Further, in Q2 of fiscal 2022, due to the impact of 2nd wave of Covid, CRISIL Ratings expects restructuring requests from Vehicle Finance and microfinance portfolio.

CRISIL Ratings' rating on the Tier I bonds (under Basel III) of IndusInd Bank is as per the criteria 'CRISIL Ratings rating criteria for BASEL III-compliant instruments of banks'. CRISIL Ratings evaluates the bank's (i) reserves position (adjusted for any medium-term stress in profitability) and (ii) cushion over regulatory minimum CET1 (including CCB) capital ratios. Also evaluated is the demonstrated track record and management philosophy regarding maintaining sufficient CET1 capital cushion above the minimum regulatory requirements. The bank's eligible reserves to total assets remains comfortable at over 4%. Additionally, the bank has maintained healthy capitalization metrics with total capital ratio ranging above 14.0%-17.4% from March 31, 2016 till March 31, 2021 leading to an average CET1 capital buffer of 6.4% during the same period. The cushion over regulatory capital ratio along with high eligible reserves places the Bank in a comfortable position for servicing its Tier I bonds. A material reduction in this cushion would be a rating sensitivity factor for Tier I bonds.

<sup>[1]</sup> For Tier I bonds under Basel III

#### Analytical Approach

For arriving at the ratings, CRISIL Ratings has evaluated the standalone business and financial risk profile of IndusInd Bank.

#### Key Rating Drivers & Detailed Description

##### Strengths:

##### \* Healthy Capitalisation

Capitalisation metrics of the bank remain healthy as reflected in CET1, Tier 1 and overall capital adequacy ratio (CAR) at 15.6%, 16.9% and 17.6% respectively as on June 30, 2021. In February 2021, the bank also raised Rs 2,021 crore of equity capital through conversion of warrants issued to promoters. This was in addition to Rs 3,288 crore raised in September 2020 through preferential allotment. The overall CAR including Q1FY22 profits was at 17.9% as on June 30, 2021.

##### \* Comfortable earnings profile with healthy pre-provisioning profits

The earnings profile of the bank is comfortable marked by healthy pre-provisioning profits. The bank has continuously reported return on assets (ROA) of around 1.8% in the five fiscals between fiscal 2014 and fiscal 2018. Since fiscal 2019 the ROA has been impacted because of higher provisioning expense. The bank reported ROA of 0.9% for fiscal 2021 and annualised ROA of 1.1% for first three months of fiscal 2022. The profitability in fiscal 2021 has been impacted by provisioning expense of Rs 7,334 crore of which Rs 3,589 crore was on account of prudent additional provisioning for Covid -19 related stress. The banks pre-provisioning profits is one of the highest in the industry and has remained comfortable which stood at Rs 11,782 crore for the fiscal 2021 at 3.5% of average assets and was at 3.7% (annualised) of average assets for Q1 of fiscal 2022. Historically the credit cost has been moderate and in the range of 0.4% to 0.7%

between fiscal 2014 to fiscal 2018. Since fiscal 2019, credit cost has been impacted due to slippage in the corporate book. The credit cost for fiscal 2021 was 2.4% including Covid-19 provision against 1.6% for previous fiscal. However, in Q1-2022 the credit cost improved marginally to 2.1% (annualised). NIMs have been supported by the high yields in microfinance and vehicle finance segments. Additionally, the bank had a strong fee income of about 1.9% in fiscal 2021 which has remained steady in the range of 2.4-2.6% in the past five fiscals and has supported the earnings profile. Amidst the expectation of slippages, while credit costs could inch up, the banks pre-provisioning profits are healthy and should be able to absorb the increase in credit costs in the near term. The provisioning cover ratio (PCR) of the bank was 72% against gross NPA basis as on June 30, 2021. Overall loan related provisions are at 3.6% of advances or 123% of GNPA. CRISIL Ratings expects IndusInd to maintain a PCR of over 70% in the medium term.

#### Weakness:

##### \* Asset Quality remains monitorable

In the past, the reported asset quality metrics for both corporate and retail segments have been range bound with overall GNPA between 1.0%-1.2% during March 31, 2014 to December 31, 2018. Since fiscal 2019, due to slippage of some corporate accounts and with COVID 19 related stress in the past fiscal, the gross NPA has increased steadily and was 2.9% as on June 30, 2021., CRISIL Ratings analysis of the top exposures comprising around 65% of the loan book indicate that the GNPA levels may marginally go up as result of Covid-19 impact. In the corporate segment, the Bank has exposure to Real Estate developers, Hospitality sector and Gems & Jewellery segments, which are inherently vulnerable to an economic downturn and Covid-19 linked challenges. However, the Bank has reported lower NPAs in these sectors so far. Additionally, vulnerability of the microfinance (MFI) and vehicle finance book due to Covid-19 and associated weaker economic activity remains a key monitorable.

Despite Covid-19 challenges, the Bank has done of only 2.7% of portfolio as on June 30, 2021. CRISIL Ratings also understands that the restructuring in the corporate segment primarily comprises of two large loans to conglomerates. The other major restructuring segment is vehicle finance space. CRISIL Ratings understands that there has been no restructuring invoked in the Gems & Jewellery and marginal for microfinance segments so far. Due to the impact of the 2<sup>nd</sup> wave of Covid-19, CRISIL Ratings expects additional restructuring of 1-1.5% is expected to be done in Q2 of fiscal 2022 primarily to come from the vehicle finance and microfinance segments. However, at an industry level, CRISIL Ratings notes that collection efficiency in these segments has bounced back in July 2021. The ability of these sectors to bounce back is strong once the normalcy returns which may facilitate good traction in collections.

However, CRISIL Ratings notes that the Bank has managed recoveries from stressed accounts in the past. Therefore, while there could be slippages and the bank's overall GNPA may go up, the ability to get recoveries from the stressed/slipped accounts will be a key monitorable.

##### \* Moderate resource profile

The bank has tried to shore up the resource profile with increasing share of retail deposits. As per LCR disclosure of June 2021, the retail and small business component in total deposits has shown a significant increase of 56% year-on-year as on June 30, 2021 and stands at about 36% of total deposits. Overall, the deposit base for the bank increased to Rs 2,67,233 crore as on June 30, 2021 from Rs 2,11,265 crores as on June 30, 2020. However, the reliance on bulk deposits remains moderately high, albeit declining. The CASA ratio of the bank stood at 42.0% as on June 30, 2021. Concentration in top 25 depositors is also high at 21% but has been progressively declining with growth in retail and small business deposits. The Bank continues to focus on ramping up the deposit base by tapping other customer segments.

The average cost of deposits of the bank was 5.0% for fiscal 2021 and was higher than that of similar rated peers. However, CRISIL Ratings notes that the cost of deposits has been on an improving trend and has decreased by about 120-130 bps from that of fiscal 2020. Nevertheless, the Bank's ability to sustain its retail deposit base as it steadily optimises the deposit rates will be a key monitorable.

#### Liquidity: Strong

The bank's liquidity position is comfortable with liquidity coverage ratio at 146% as on June 30, 2021, against the regulatory requirement of 100%. As per LCR disclosure of June 2021, the retail and small business component in total deposits has shown an increase of 56% year-on-year as on June 30, 2021 and stands at about 36% of total deposits. The Bank continues to focus on ramping up the deposit base by tapping other customer segments. The Bank is also maintaining significant excess liquidity comprising of excess SLR and other liquid investments of Rs 64,818 crore as on June 30, 2021.

#### Outlook Stable

CRISIL Ratings believes IndusInd Bank will maintain its healthy capitalisation and comfortable pre-provisioning profitability.

#### Rating Sensitivity factors

##### Upward factors

- Improvement in resource profile with a higher share of retail deposits and lower cost of deposits in comparison to peers
- Continued growth momentum with asset quality metrics remaining comfortable and capital position remaining strong with CET1 ratio (including CCB) remaining above 13% on a sustained basis

##### Downward factors

- Higher than expected deterioration in asset quality or earnings profile
- Decline in capital adequacy ratios (including CCB) with CET I remaining below 11% on sustained basis
- Sustained outflow in deposits

#### About the Bank

IndusInd Bank is a new-generation private-sector bank; it commenced operations in 1994. The bank has a pan-India presence, with around 5221 branches (including 2385 branches of BFIL) and 2870 automated teller machines (ATMs) as on June 30, 2021. It also has representative office in Dubai, Abu Dhabi and London. The bank has multilateral ties with other banks, ensuring access to more than 95,000 ATMs for its customers. It has four divisions: corporate and commercial banking, consumer banking, global markets group, and transaction banking.

#### Key Financial Indicators

As on / for the period ended	Unit	44348	44256
<b>Total Assets</b>	<b>Rs crore</b>	<b>372996</b>	<b>362903</b>
<b>Total income</b>	<b>Rs crore</b>	<b>9363</b>	<b>35501</b>
<b>Profit after tax</b>	<b>Rs crore</b>	<b>1016</b>	<b>2929</b>
<b>Gross NPA</b>	<b>%</b>	<b>2.88</b>	<b>2.67</b>
<b>Overall capital adequacy ratio**</b>	<b>%</b>	<b>17.9</b>	<b>17.4</b>
<b>Return on assets*</b>	<b>%</b>	<b>1.1</b>	<b>0.9</b>

\*annualised

\*\* including 3 months profitability

#### Any other information:

##### Note on Tier-I instruments (under Basel III)

The distinguishing features of non-equity Tier-I capital instruments (under Basel III) are the existence of coupon discretion at all times, high capital thresholds for likely coupon non-payment, and principal write-down (on breach of a pre-specified trigger). These features increase the risk attributes of non-equity Tier-I instruments over those of Tier-II instruments under Basel III, and capital instruments under Basel II. To factor in these risks, CRISIL Ratings notches down the rating on these instruments from the bank's corporate credit rating. The rating on the bank's Tier-I Bonds (under Basel III) is lower by one notch from the bank's corporate credit rating, in line with CRISIL Rating's criteria (refer to 'CRISIL's rating criteria for Basel III-compliant instruments of banks').

The factors that could trigger a default event for non-equity Tier-I capital instruments (under Basel III), resulting in non-payment of coupon, include: i) the bank exercising coupon discretion, ii) inadequacy of eligible reserves to honour coupon payment if the bank reports low profit or a loss, or iii) the bank breaching the minimum regulatory common equity Tier (CET) I ratio. Moreover, given their additional risk attributes, the rating transition for non-equity Tier-I capital instruments (under Basel III) can potentially be higher than that for Tier-II instruments.

#### Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr)	Rating Outstanding with Outlook
NA*	Tier-II Bonds (under Basel III)	NA	NA	NA	4000	CRISIL AA+/Stable
INE095A08058	Bond	09-Dec-16	0.076	09-Dec-26	1500	CRISIL AA+/Stable
INE095A08066	Tier-I bonds (under Basel III)	22-Mar-17	0.095	Perpetual	1000	CRISIL AA/Stable
INE095A08074	Tier-I bonds (under Basel III)	18-Apr-17	0.095	Perpetual	1000	CRISIL AA/Stable
INE095A08082	Tier-I bonds (under Basel III)	28-Mar-19	0.105	Perpetual	2000	CRISIL AA/Stable
NA	Short-Term Fixed Deposit Programme	NA	NA	NA	-	CRISIL A1+
NA	Certificates of Deposit	NA	NA	7-365	40000	CRISIL A1+

\*Yet to be issued

#### Annexure - Rating History for last 3 Years

Instrument	Type	Current		2021 (History)		2020		2019		2018		Start of 2018
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Certificate of Deposits	ST	40000.0	CRISIL A1+	31-03-21	CRISIL A1+	27-03-20	CRISIL A1+	20-03-19	CRISIL A1+	09-03-18	CRISIL A1+	CRISIL A1+
				--	--	--	--	26-02-19	CRISIL A1+	--	--	
Infrastructure Bonds	LT	1500.0	CRISIL AA+/Stable	31-03-21	CRISIL AA+/Stable	27-03-20	CRISIL AA+/Stable	20-03-19	CRISIL AA+/Stable	09-03-18	CRISIL AA+/Stable	CRISIL AA+/Stable
				--	--	--	--	26-02-19	CRISIL AA+/Stable	--	--	
Short Term Fixed Deposit Programme	ST	0.0	CRISIL A1+	31-03-21	CRISIL A1+	27-03-20	CRISIL A1+	20-03-19	CRISIL A1+	09-03-18	CRISIL A1+	CRISIL A1+
				--	--	--	--	26-02-19	CRISIL A1+	--	--	
Tier I Bonds (Under Basel III)	LT	4000.0	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	27-03-20	CRISIL AA/Stable	20-03-19	CRISIL AA/Stable	09-03-18	CRISIL AA/Stable	CRISIL AA/Stable
				--	--	--	--	26-02-19	CRISIL AA/Stable	--	--	
Tier II Bonds (Under Basel III)	LT	4000.0	CRISIL AA+/Stable	--	--	--	--	--	--	--	--	--

All amounts are in Rs.Cr.

#### Criteria Details

Links to related criteria
<a href="#">Rating Criteria for Banks and Financial Institutions</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">Rating criteria for Basel III - compliant non-equity capital instruments</a>

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CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

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For more information, visit [www.crisilratings.com](http://www.crisilratings.com)

**About CRISIL Limited**

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide

For more information, visit [www.crisil.com](http://www.crisil.com)

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## India Ratings Assigns IndusInd Bank's Tier II Bonds 'IND AA+' /Stable; Affirms Other Ratings

# 23

AUG 2021

By Jindal Haria

India Ratings and Research (Ind-Ra) taken the following rating actions on IndusInd Bank Limited (IBL):

Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND AA+/Stable	Affirmed
Short-Term Issuer Rating					IND A1+	Affirmed
*Senior unsecured redeemable bonds	-	-	-	INR20	IND AA+/Stable	Affirmed
*Additional Tier 1 (AT1) Bonds	-	-	-	INR40	IND AA/Stable	Affirmed
Basel III compliant Tier 2 #	-	-	-	INR40	IND AA+/Stable	Assigned

# Yet to be issued

\*Details in Annexure

The ratings reflect the following factors: the improving deposit and liability profile; the easing of the agency's concerns on asset-quality metrics and the ability of the bank to absorb stresses, including COVID-19 impact, overall economic recovery expectations, strengthened capital buffers and enhanced ability over the last one year to raise capital from the market, as the bank raised about INR53 billion in FY21 (including promoter warrant conversion; total equity raise amounting to 15% of its FY20 net worth).

The rating also factors in IBL's leadership position in certain asset classes (such as vehicle financing and microfinance) and its robust pre-provision operating buffers IBL has a granular loan portfolio, a diversified income profile, and an experienced management team; all these factors, in the agency's opinion, have been enabling the bank to navigate its way through the disruptions caused by the pandemic while it strives to expand its franchise and scale.

The AT1 bonds rating reflects the bank's strong standalone credit profile, along with its ability to service coupons and manage principal write-down risk on its debt capital instruments. To arrive at the rating, Ind-Ra has considered the discretionary component, coupon omission risk and the write-down/conversion risk as key parameters. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank's senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds. Ind-Ra envisages coupon deferrals and principal write-down risk as a remote possibility in view of the bank's adequate revenue reserve and operating buffers.

## KEY RATING DRIVERS

**Growing Franchise:** IBL commanded a share of about 2% share in net banking advances at end-FY21 (FY17: 1.5%), backed by its leadership position in vehicle finance. Furthermore, IBL has among the highest pre-provisioning profits in the banking space, consistently above 5%, giving the bank substantial ability to withstand stresses. The bank has achieved the growth and profitability objectives that it had set up in the plan for FY17-FY20 and has embarked upon a new plan to increase granularity of deposits, maintain healthy liquidity, credit to deposit ratios, focus on digital offerings across all banking products, merchant solutions, cross-sell and has set out targets for the same. The bank will continue to be among the largest lenders in vehicle finance and microfinance and plans to broaden its franchise in these segments. Ind-Ra expects the bank to continue to grow its franchise, especially on the non-corporate side, through the abovementioned plan.

**Improvement in Liability Profile:** IBL's deposits grew by almost 26% yoy to INR2.67 trillion in 1QFY22, with most of the incremental deposits accruing in the form of retail granular deposits of less than INR20 million. The differential in the interest rates with peers and larger banks has been brought down in the last three quarters. While the current account deposits more or less remained stable over 1QFY21-1QFY22, the savings account deposits grew by about 52% yoy over the same period, with the growth being evenly spread across the quarters. As per the liquidity coverage ratio disclosure of June 2021, the retail and small business component in total deposits reported a growth of 57% yoy as on June 30, 2021, and accounted for about 37% of the total deposits. The bank's liability is also supported by its considerable low-cost refinance lines from developmental refinancing institutions. The bank also reduced its reliance on borrowings as well as its term deposit and bulk deposit rates in 2HFY21. Its certificates of deposits decreased by over 75% to about INR77 billion in 1QFY22 (FY20: INR300 billion) and constituted about 3% of total deposits (March 2020: 15%). The bank also aims to consistently reduce its credit-to-deposit ratio to 90% (near about current levels from above 100% till FY20). IBL's proportion of bulk deposits, although higher than that of its peers, declined to 27% in June 2021 from 38% in March 20 and 31% at end-December 2020. The share of the top 20 depositors, while remaining elevated, declined to 22% in FY21 (FY20: 23%). Ind-Ra believes the bank will prioritise its liability profile, and will continue to target retail deposits and growth relative to asset growth across preferred segments.

**Asset Quality and Credit Costs Manageable:** IBL has a leadership position in certain retail asset classes with a pan India franchise; this has strengthened its ability to manage the asset quality in those segments. IBL's gross non-performing assets (GNPAs) stood at 2.88% at end-1QFY22, with 72% provision coverage. The bank was impacted by the second wave of COVID-19. As a consequence, its restructured assets increased to 2.7% at end-1QFY22 (end-FY21: 2%), while GNPAs increased to INR61 billion in 1QFY22 (INR58 billion). However, the impact of the same is mitigated by the fact that the bank carries unutilised provisions of INR20.5 billion (not a part of the provision coverage) that can be utilised in case it sees further slippages, and furthermore, most impacted segments are seeing an encouraging recovery. The bank had restructured total advances of INR60 billion, out of which about INR30 billion are vehicle loans. The bank also expects a modest increase in the restructured assets in 2QFY22. At end-1QFY22, the collection efficiencies for segments other than commercial vehicles and small business loans / loans against property had reached March 2021 levels, as per the bank. The bank has not seen any material delinquencies or drop in collections from the real estate and gems and jewellery sectors and has negligible GNPAs; however, some real estate exposures have benefitted from the extension of date of commencement of operations. Additionally, the bank has exposure to one large stressed telecom account. The agency expects the bank to see a credit cost of 2%-2.5% in FY22 and somewhat lower in FY23, considering the provisions that it already carries.

**Robust Pre-Provision Operating Profit:** IBL's pre-provision operating profit has remained higher than that of its peers (FY22: 5.6%; 9MFY20: 5.4% annualised; FY19: 4.9%, FY18: 5.2%), primarily driven by the higher share of its consumer finance and microfinance portfolios. Moreover, the bank booked treasury income of about INR15 billion in FY21. The bank's non-interest income as a percentage of gross income has been stable and higher than that of its peers (35%-40% compared with 25%-40% for peers and better rated banks), driven by its foreign exchange, processing fees, distribution and investment banking businesses (FY21 was an exception, with the non-interest income to gross income being about 25%, lower than the historical trends and in line with expectations).

**Adequate Capitalisation:** IBL's core equity tier-1 capital, including profits, was 15.6% at end-FY21 (CET1: 15.6%, Tier1: 16.9%; capital adequacy ratio (excluding the quarterly profit) at end-June 21: 17.6%). The bank received an additional infusion of about INR20 billion through warrant conversion by the promoters in 4QFY21 and this added about 1% to the bank's tier-1 capital. Ind-Ra expects that

in a business-as-usual scenario, this along with internal accruals would provide the bank with adequate growth capital in the medium term. In addition, the improvement in the bank's price-to-book over FY20 enhanced its ability to raise equity, if and when required. The bank's capital-to-risk (weighted) assets ratio was 17.4% at end-FY21 and is comparable to larger banks.

**Liquidity Indicator – Adequate:** The bank's short-term asset funding (excess of short-term assets over short-term liabilities) was in surplus of about 5% of the total assets in June 2021 on the back of its excess statutory liquidity qualifying securities and reverse repo, all of the above totaling about INR640 billion. Ind-Ra expects the bank to continue to have substantial liquidity buffers. The bank has a concentrated deposit profile, which improved by about 1% to 22% (top 20 depositors to total deposits) in FY21; however, any substantial withdrawal of large deposits could have a material impact on its asset-liability profile. The liquidity coverage ratio of the bank at end-1QFY22 was 146% (FYE20: 118%). Overall, Ind-Ra believes the bank's liquidity position has improved significantly from FY20 and could continually benefit from the increasing granularisation and retailisation of its deposits.

**New Areas of Focus and Related Challenges:** Over IBL's fifth planning cycle (2020-2023), the bank aims to implement key themes, such as focusing on digital banking; fortifying liabilities; scaling-up domain expertise; investing in new growth engines and significantly improving its practices and policies. The key goals that the bank has adopted include an increase in the share of funded exposure in lower tenor buckets, augmenting the share of retail deposits (as reflected in the liquidity coverage ratio calculations) to 45%-50% by 2023 from 36%. . These are related challenges and the agency believes the bank will have to continue to mobilise increased proportion of low-cost deposits and retail deposits while reducing the cost of deposits. This, the agency believes, could enable the bank to take higher exposure to secured assets and higher rated funded exposure, so that it maintains its margins on an overall basis. While business owners would remain a key customer profile for IBL, the bank plans to roll out its millennial initiative, which includes the introduction of a new all-in-one banking proposition for the new-age customer, and build customer loyalty outside of the business owner as well. This, in the agency's, opinion is a key challenge and would require substantial investment in brand building, digital banking interfaces and backend servicing engines.

## RATING SENSITIVITIES

**Positive:** Substantial growth in the franchise and scale, continued granularisation of deposits and liability profile while sustaining the capital and operating buffers and lowering credit costs sustainably could result in a positive rating action.

**Negative:** Weakening of the liability profile, which could be on account of larger growth in wholesale funding or material gaps in the asset liability tenors, ceding of the franchise, significantly higher-than-expected deterioration in the asset quality, which could dilute the capital buffers, could lead to a negative rating action. Tier I capitalisation levels with CET I capital falling below 12% on a sustained basis, net NPA to CET I capital rising sharply to exceed the levels reported by the large private sector banks, significant erosion of the franchise (sustained reduction of market share in advances or deposits) or a weakening of the bank's competitiveness in the industry could result in a negative rating action.

## COMPANY PROFILE

IBL is a new generation private bank that started operations in 1994. The bank is a significant player in financing commercial and other vehicles along with providing corporate working capital loans. IBL has regularly raised common equity in the past few years from markets at significant premiums due to its strong profitability. At end-FY21, it reached a balance sheet size of INR3.72 trillion, with a net profit of INR28.3 billion (FY20: INR44.19 billion). At end-1QFY22, the bank had a network of 2,015 branches and 2,870 ATMs across the country.

### FINANCIAL SUMMARY

Particulars	FY21	FY20
Total assets (INR billion)	3,629.0	3,070.6
Total equity (INR billion)	435.0	347.1
Net income (net profit) (INR billion)	28.36	44.19
Return on average assets (%)	0.9	1.51
Common equity tier 1 (%)*	15.6	13.22

Capital adequacy ratio (%)*	17.4	15.04
Source: IBL, Ind-Ra		

## RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook			
	Rating Type	Rated Limits (billion)	Rating	31 March 21	4 April 2020	3 June 2019	22 March 2019
Issuer rating	Long-term/ Short-term	-	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+	IND AA+/Negative/ IND A1+	IND AA+/Stable/IND A1+	IND AA+/Stable/ IND A1+
Senior unsecured redeemable bonds	Long-term	INR20	IND AA+/Stable	IND AA+/Stable	IND AA+/Negative	IND AA+/Stable	IND AA+/Stable
AT1 perpetual debt	Long-term	INR40	IND AA/Stable	IND AA/Stable	IND AA/Negative	IND AA/Stable	IND AA/Stable -
Basel III Tier II Bonds	Long-term	INR40	IND AA+/Stable				

## ANNEXURE

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Rated Amount (billion)	Rating/Outlook
Senior unsecured redeemable bonds	INE095A08041	31 March 2015	8.8	31 March 2022	INR5.0	IND AA+/Stable
Senior unsecured redeemable bonds	INE095A08058	9 December 2016	7.6	9 December 2026	INR15.0	IND AA+/Stable
	Total				INR20	

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Rated Amount (billion)	Rating/Outlook
AT1 perpetual debt	INE095A08066	22 March 2017	9.5	Perpetual	INR10	IND AA/Stable
AT1 perpetual debt	INE095A08074	18 July 2017	9.5	Perpetual	INR10	IND AA/Stable
AT1 perpetual debt	INE095A08082	28 March 2019	10.5	Perpetual	INR14.90	IND AA/Stable
	Utilised limit				INR34.90	
	Unutilised limit				INR5.10	
	Total				INR40.00	

## COMPLEXITY LEVEL OF INSTRUMENTS

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Instrument Type	Complexity Indicator
Hybrid Instruments (AT1)	High
Bonds	Low
Basel III Tier II	Moderate

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## SOLICITATION DISCLOSURES

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## Applicable Criteria

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[Financial Institutions Rating Criteria](#)  
[Rating Bank Subordinated and Hybrid Securities](#)

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