

IndusInd Bank

BRINGING INDIA TO BHARAT

LEVERAGING TECHNOLOGY.
ENABLING INCLUSION.
CREATING LIVELIHOODS.



Annual Report 2017-18

Board of Directors (as at March 31, 2018)

Mr. R. Seshasayee, Chairman
Mrs. Kanchan Chitale
Mr. T. Anantha Narayanan
Mr. Ranbir Singh Butola
Mr. Yashodhan M. Kale
Mr. Shanker Annaswamy
Dr. T. T. Ram Mohan
Mr. Romesh Sobti, Managing Director & CEO

Company Secretary

Mr. Haresh K. Gajwani

Auditors

Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg
Shivaji Park, Dadar (West)
Mumbai - 400 028

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C 101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083.
Tel: (022) 4918 6280, 4918 6000
Fax: (022) 4918 6060

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Company CIN: L65191PN1994PLC076333

Registered Office

2401, Gen. Thimmayya Road,
(Cantonment),
Pune - 411001
Tel. No. : (020) 2623 4000 / 10

Corporate Office

8th Floor, Tower 1, One Indiabulls Centre
841, Senapati Bapat Marg,
Elphinstone Road (W), Mumbai - 400 013
Tel. No. : (022) 3049 3999

Secretarial & Investor Services cell

731, Solitaire Corporate Park,
167, Guru Hargovindji Marg,
Andheri (E), Mumbai - 400 093
Tel. No. : (022) 6641 2487 / 2359

Message from Managing Director



Dear Shareholders,

The year 2017-18 has been a crucial year of change and challenges for the banking sector. Major reforms initiated by the Government have encouraged a digital environment which, in turn, has given the much-needed thrust to the vision of a cashless economy. Against this backdrop, your Bank has executed new propositions to enhance customer convenience basis responsive innovation. The year 2017-18 was also marked by your Bank's desire of 'Bringing India to Bharat' by extending the benefits and features of digitisation (India) to Bharat (rural India) as they are an integral part of a progressive economy.

To elucidate further, the urban parts of our country are sufficiently exposed to Banking and Fintech - making many tenured customers familiar with digital banking and mobile apps. In contrast, there are many individuals in semi-urban and rural India who are yet to experience the benefits of a structured financial system. At IndusInd Bank, we are committed to change this scenario for the better. Towards this, we have begun introducing the combination / benefits of Finance and Technology to the poor and hitherto the unbanked masses - leading to financial inclusion and sustainable livelihood creation.

In fact, the decision to merge Bharat Financial Inclusion Ltd. (BFIL) into IndusInd Bank, announced in October 2017, was prompted by the same endeavour: Bring India to Bharat and create a stronger and more sustainable platform for Financial Inclusion. The merger is a good fit to your Bank's rural banking and microfinance theme, and has provided the Bank with access to best-in-class micro-lending capabilities and domain expertise in microfinance. BFIL has 1,408 branches across 347 districts which complement IndusInd Bank's 1,400-strong branch network (including ~250 rural branches) and 999 vehicle finance outlets. Post the merger, the Bank will have 3,600-plus banking points (excluding ATMs) serving more than 16.8 million customers.

Another notable initiative of your Bank has been the journey towards Customer Experience (CEX) transformation, and the 'Customer First' philosophy that has made good progress in

integrating the business and behavioural mindsets of employees towards customers. We have tried to redefine the Customer Journeys across the Bank, and have focussed on embedding the principles of convenience - Seamless, Easy, Fast, Transparent, into the core of our organisation.

The year 2017-18 has also been a year of major partnerships and collaborations with well established brands to offer a personalised Customer Convenience. In its endeavour to stitch up the fragmented but fast growing payment ecosystem, your Bank entered into partnerships with Fintech and Government entities, viz., MobiKwik and Delhi Metro, to offer co-branded mobile wallets and cards in order to provide seamless payment experience between the customers' bank accounts and their wallet / transit cards.

That's not all. Your Bank collaborated with a leading app aggregator, to launch the 'All-in-One Store' that allows users to access multiple m-commerce services via native API integrations. With this, the customers are now experiencing seamless and highly personalised services of ordering food, booking movie tickets or getting a cab. And all this using the IndusMobile app.

At IndusInd Bank, we remain focused on running our business in a way which generates value for our customers, employees and other stakeholders. We realise that we need to extend our sphere of activities beyond business. One such initiative is harnessing the power of Sport for Change, through our 'IndusInd For Sports' initiative. This year, we launched our third marquee programme under the Sports Vertical - The Girl Power Programme - an initiative in partnership with Inspire Institute of Sport, the sporting arm of JSW Steel.

Our Net Profit rose 26 per cent in the year to ₹3,606 crores. Net Interest Income was up 24 per cent at ₹7,497 crores. Non-Interest Income rose 14 per cent, to ₹4,750 crores. The Return-on-Assets stood at 1.90 per cent. Total Advances and Deposits grew by 28 per cent and 20 per cent respectively.

It is gratifying to see that our hard work throughout the year was acknowledged and rewarded by numerous accolades. We were honoured by 'The Forrester Indian Mobile Banking Benchmark Report 2017' as the 3rd Best Bank amongst the participating banks for IndusMobile App. We were mentioned amongst the winning category for the Best IT Risks and Cyber Security Initiatives, Best Payment Initiatives. We bagged the runner-up category for the Best Financial Inclusions initiatives and for the Best Technology Bank.

I would like to thank the regulatory authorities and agencies for their constant support. Finally, my sincere appreciation to my colleagues and members of the Board for guiding and supporting the management team in its endeavours.

Yours Sincerely,

Romesh Sobti
Managing Director & CEO

Key Business Highlights



Net Profit
up by **26%** to
₹3,606 Cr

Net Interest Margin
stable at **3.99%**

Net Interest Income
up by **24%** to
₹7,497 Cr

Operating Profit
up by **22%** to
₹6,656 Cr

Loan Book Growth
up by **28%** to
₹1,44,954 Cr

Capital Adequacy
Ratio (CAR) at
15.03%

Return on Risk
Weighted Assets
at **2.28%** as against
2.21% the previous year

Book Value per share
₹391.18

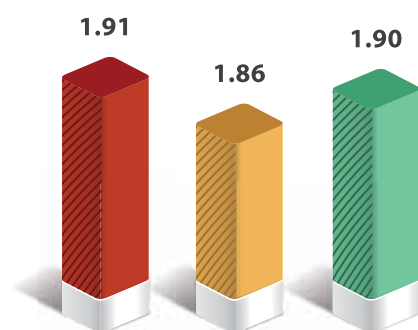
Increased Network
1,400 Branches
2,203 ATMs
713 Geographic Locations

Ratings

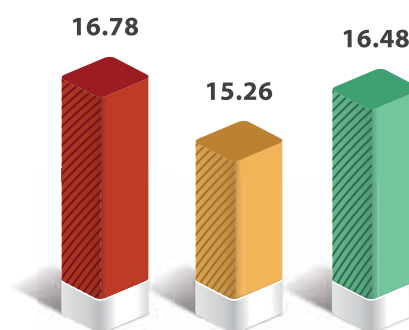


- **CRISIL AA+** for Infra Bonds program
- **CRISIL AA** for Additional Tier I Bonds program
- **CRISIL A1+** for certificate of deposit program
- **IND AA+** for Senior Bonds program by India Ratings and Research
- **IND AA** for Additional Tier I Bonds program by India Ratings and Research
- **IND A1+** for Short-Term Debt Instruments by India Ratings and Research

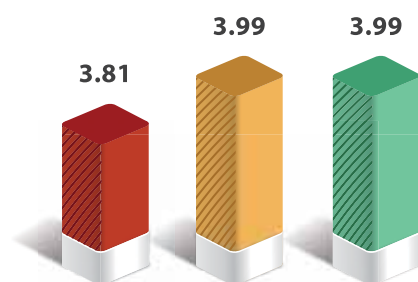
Consistent delivery over the past 3 years



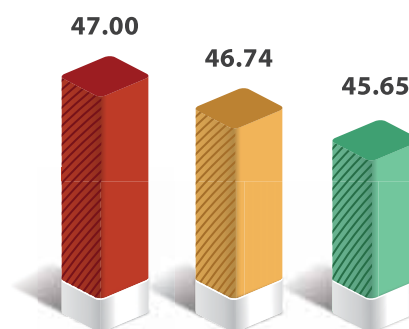
RETURN ON ASSETS (%)



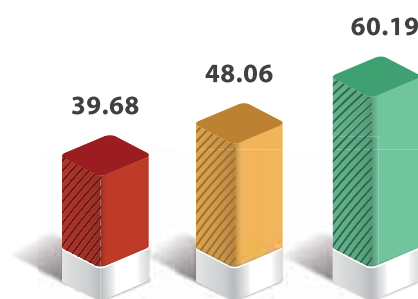
RETURN ON EQUITY (%)



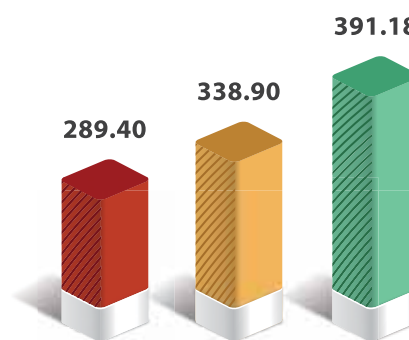
NET INTEREST MARGIN (%)



COST/ INCOME (%)



**EARNINGS PER SHARE
(₹ PER SHARE)**



**BOOK VALUE PER SHARE
(₹ PER SHARE)**

Board of Directors 2018



Mr. R. Seshasayee
Chairman



Mrs. Kanchan Chitale
Non-Executive
Independent Director



Mr. T. Anantha Narayanan
Non-Executive
Independent Director



Mr. Ranbir Singh Butola
Non-Executive
Independent Director



Mr. Shanker Annaswamy
Non-Executive
Independent Director



Dr. T. T. Ram Mohan
Non-Executive
Independent Director



Mr. Yashodhan Kale
Non-Executive
Non-Independent Director



Mr. Romesh Sobti
Managing Director & CEO

The Core Executive Team



Mr. Romesh Sobti
Managing Director & CEO



Mr. Paul Abraham
Chief Operating Officer



Mr. Suhail Chander
Head - Corporate &
Commercial Banking



Mr. Sumant Kathpalia
Head - Consumer Banking



Mr. K. S. Sridhar
President



Mr. Arun Khurana
Head - Global Markets Group



Mr. S. V. Parthasarathy
Head - Consumer Finance



Mr. Ramesh Ganesan
Head - Transaction Banking



Mr. S. V. Zaregaonkar
Chief Financial Officer



Mr. Sanjeev Anand
Country Head - Commercial
Banking & Deputy Head -
Corporate & Commercial Banking



Mr. Zubin Mody
Head - Human Resources



Mr. Sanjay Mallik
Head - Investor
Relations & Strategy



**Mr. Ramaswamy
Meyyappan**
Chief Risk Officer



Mrs. Roopa Satish
Country Head -
Corporate, Institutions &
Investment Banking



**Mr. Bijayananda
Pattanyak**
Head - Gems and Jewellery

Leveraging Technology towards Inclusion and Sustainable Livelihood



There is a digital revolution reshaping the way brands connect, engage and communicate with their consumers. Empowering rural India, and bringing the large unbanked population within the ambit of mainstream banking, continues to be a key focus area for your Bank. Riding the digital revolution wave, your Bank has worked towards ensuring that benefits and privileges of digitisation also manifest itself in rural markets. With the advent of technology and the nationwide adoption of Aadhaar and biometrics as a key identifier, the Bank has made strong moves for taking banking to the unbanked.

On one hand, we have 'India' that is bustling with technology and on par or ahead of the curve in e-commerce and digital banking with the rest of the world. On the other hand, there is the 'Bharat' or rural India which for so long had remained outside the paradigm of formal banking and which is slowly but surely discovering the convenience of the digital world.

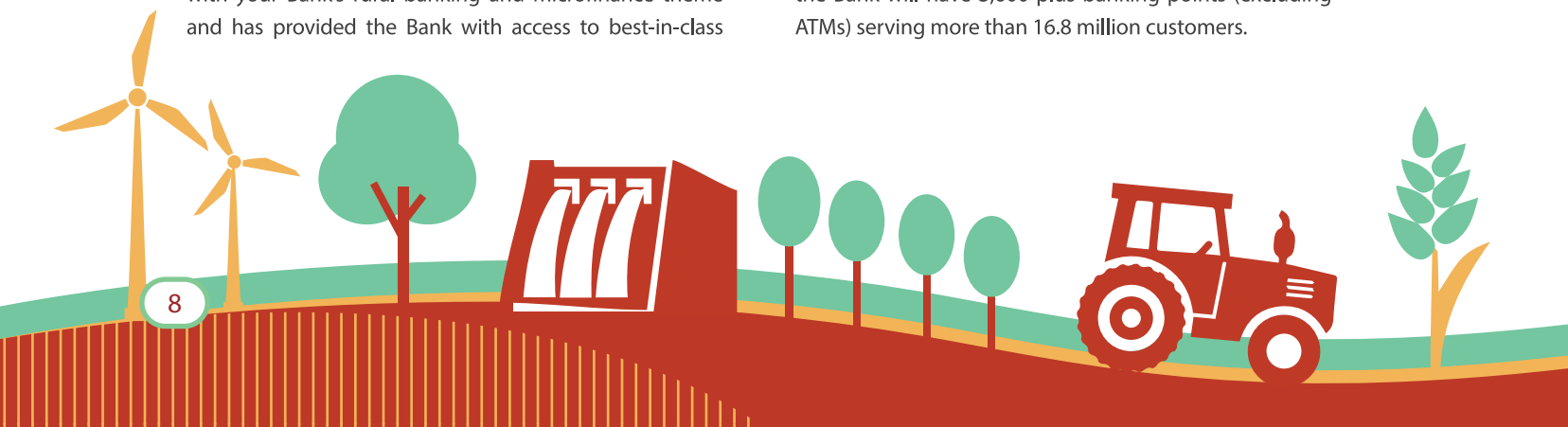
IndusInd Bank is working towards bridging this gap. In doing so, the Bank remains convinced that the adoption of low cost, and yet technologically sophisticated, digital platforms will not only bring banking to the unbanked but will drive a societal change by creating an environment which facilitates sustainable livelihoods for customers.

Enabling Inclusion & Creating Livelihoods



The strategic decision to merge Bharat Financial Inclusion Ltd. (BFIL) with IndusInd Bank, announced in October 2017, was driven by the same goal: to take India to Bharat and create a stronger and more sustainable platform for Financial Inclusion. The merger reflects a strong fitment with your Bank's rural banking and microfinance theme and has provided the Bank with access to best-in-class

micro-lending capabilities and domain expertise in microfinance. BFIL has 1,408 branches across 347 districts and 1,00,000 villages, which complement IndusInd Bank's 1,400-strong branch network (including ~250 rural branches) and 999 vehicle finance outlets. Post the merger, the Bank will have 3,600-plus banking points (excluding ATMs) serving more than 16.8 million customers.



Moreover, to propel growth, the Inclusive Banking Group within Commercial Banking (through its domain expertise in Financial Inclusion) has focused on developing various client-centric products to propagate financial inclusion and livelihood development.

While we continue our banking activities, our commitment and support to our communities, where we live and work, continue to be of great importance. One of the principal areas of our support has been in the area of inclusive sports and taking this theme forward, your Bank, in partnership with Inspire Institute of Sport, the sporting arm of JSW, has supported 60 female athletes under the Girl Power Programme.



Through this initiative, we have tried to progress our mandate in supporting athletes, who require the best of facilities in training, equipment and coaching etc., but who are not able to access these, with best-in-class support, so that they can excel and achieve to the best of their abilities. Your Bank launched 'WinLikeAGirl', an aggressive and focused social-media campaign, to gain support for the female athletes who brought glory to the country, in the recently concluded Commonwealth Games 2018.

Leveraging Technology

The focus on digitisation in both customer-facing applications, as well as internal processes, saw strong adoption and implementation. Your Bank has made significant strides towards the Digital India agenda, driving digital payment acceptance at merchant establishments, including the adoption of Bharat QR, UPI and AadhaarPay. In its endeavour to stitch up the fragmented but fast-growing payment ecosystem, the Bank entered into partnerships with Fintech and Government entities to provide seamless payment experience for clients.



IndusForex.com

The platform www.indusforex.com, our portal to sell foreign exchange, send money abroad and buy Forex Cards online, gained further traction with customers as the portal was further simplified from a customer experience perspective, and the client journey further improved, leading to better customer experience and adoption.

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