

# Focus

on **Sustainable Future**

Digital. Distinctive. Disruptive.

Annual Report **2021-22**



**Board of Directors (as on March 31, 2022)**

Mr. Arun Tiwari, Chairman  
 Mr. Shanker Annaswamy  
 Dr. T. T. Ram Mohan  
 Mrs. Akila Krishnakumar  
 Mr. Rajiv Agarwal  
 Mr. Sanjay Asher  
 Mrs. Bhavna Doshi  
 Mr. Jayant Deshmukh  
 Mr. Sumant Kathpalia, Managing Director & CEO

**Additional Director**

Mr. Pradeep Udhas (w.e.f. June 9, 2022)

**Company Secretary**

Mr. Girish Koliyote (upto June 17, 2022)

**Deputy Company Secretary**

Mr. Anand K. Das (w.e.f. June 9, 2022)

**Auditors**

M/s. Haribhakti & Co. LLP  
 Chartered Accountants  
 705, Leela Business Park, Andheri Kurla Road,  
 Andheri (East), Mumbai 400 059.  
 Tel: (022) 66729999  
 Fax: (022) 66729777

M/s. M. P. Chitale & Co.  
 Chartered Accountants  
 Hamam House, Ambalal Doshi Marg,  
 Fort, Mumbai 400 001.  
 Tel: (022) 22651186

**Registrar & Share Transfer Agent**

Link Intime India Pvt. Ltd.  
 C-101, 247 Park, L. B. S. Marg,  
 Vikhroli (West), Mumbai - 400 083.  
 Tel: (022) 49186280, 49186000  
 Fax: (022) 49186060

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**Company CIN:** L65191PN1994PLC076333

**Registered Office**

2401, Gen. Thimmayya Road  
 (Cantonment)  
 Pune – 411001.  
 Tel: (020) 69019000

**Corporate Office**

8th Floor, Tower 1  
 One World Centre  
 841, Senapati Bapat Marg  
 Prabhadevi (West) Mumbai – 400013.  
 Tel: (022) 30493999

**Secretarial & Investor Services cell**

Solitaire Corporate Park  
 Building No. 7, Ground Floor  
 167, Guru Hargovindji Marg  
 Andheri (East), Mumbai – 400093.  
 Tel: (022) 66412487 / 66412359

# Message from Managing Director



Dear Shareholders,

At the outset, I hope you and your loved ones are doing well. The past couple of years have been a period of extraordinary circumstances wherein we have been combating recurring global pandemic, supply chain disruptions, geopolitical tensions that have impacted individuals as well as the economy's well-being. We have nevertheless seen a semblance of stability returning in FY2021-22 amidst these turbulent times with daily activities returning to normal. For India, the economic recovery continued to progress well from the pandemic lows, supported by massive nationwide vaccination drive and targeted support measures by the government and regulators. While the pace of economic recovery got impacted by the global geopolitical tensions and rising commodity prices, India is well placed to deal with these challenges on the back of robust macro-economic profile, strong external buffers and healthy corporate and banking industries. India continues to remain among the fastest growing major economies in the world and I believe we are at the cusp of sustained growth and opportunity for the country.

Coming to the Bank's performance, we continued the execution on the Planning Cycle 5 strategy of "Scale with Sustainability". We further strengthened our position across sustainability metrics, while steadily pivoting towards growth.

- We persisted with our strong focus on deposit mobilisation with 15% y-o-y growth, achieved along with a reduction in cost of deposit. The cost of deposit has now come down to the lowest levels in the history of the Bank. The deposit growth was driven by granular retail deposits and CASA, which grew faster than the overall deposits.
- On the loan book side, we remained watchful of the evolving operating environment. We slowed down loan disbursements during COVID-2 wave in the early part of the year and resumed loan growth cautiously once the pandemic concerns receded. Our loan growth for the year picked up by 12% y-o-y compared to 3% y-o-y for the last year.
- The Bank has a unique customer franchise focused on "livelihood" generating loans. These are also segments of domain expertise such as vehicle finance, microfinance and diamond manufacturer financing. These segments continued to outperform the industry in these uncertain times as well. We also saw them participating in the economic recovery achieving one of the best quarterly disbursements in March '22.
- We also progressed well on scaling up our new initiatives such as affluent banking, NRI banking, tractor financing, small corporates with less than ₹500 crores turnover, merchant acquiring, affordable housing and Digital 2.0.
- We continued to invest in our physical and digital distribution network. We added 250 branches during the year, increasing our branch count to 2,265 compared to 2,015 last year. We now have 5,876 distribution points (including BFIL branches & vehicle finance outlets) covering ~1,32,000 villages across India. We also made significant progress towards our Digital 2.0 journey with multiple planned launches during the year. I will cover these items in detail during the latter part of my message.

- Overall, the bank continued to progress well towards its strategy of 'Scale with Sustainability' and is now well positioned to take a leap towards sustainable growth.

Sustainability is core to our business strategy. While traction on financial metrics is well covered, we have also progressed on non-financial aspects. We have launched Green Fixed Deposits, where the deposit proceeds will be used to finance projects and firms supporting the United Nations Sustainable Development Goals (SDGs). IndusInd Bank is amongst the few banks globally to bring forth this proposition, thereby integrating SDG into a regular fixed deposit product. The Bank continues to be the only Indian Bank to be included in Dow Jones Sustainability Yearbook and has a highest rating amongst Indian Banks in Refinitiv ESG Rankings. The Bank also believes that it should spread its sphere of activities beyond business. One such initiative is harnessing the power of Sport for Change through our 'IndusInd for Sports'. We supported the para-athletes under our para championship program and we take immense pride in the fact that three of these athletes have been conferred the Padma Shri Award for their exceptional contribution to sports.



Next, I would like to come to the financial performance for the year. I am happy to share that we have recorded the highest ever profits in the history of the Bank with consolidated PAT of ₹4,805 crores. The key financial highlights for the year are:

- Our deposits saw a healthy growth of 15% driven by granular retail deposits and CASA. Our CASA deposits grew by 17% y-o-y resulting in CASA deposits ratio improving from 41.7% to 42.7%.
- Our loan growth accelerated to 12% in March 22 from 3% in March 21. The loan mix remains diversified at 46% Corporate and 54% Consumer.
- We maintained a healthy Net Interest Margin at 4.11% for the year. The margin was supported by robust fall in cost of deposits during the year.
- Our other income grew by 14% y-o-y driven by granular retail sources.
- We remained vigilant on the operating expenses, especially during the economic slowdown, resulting in steady cost to income ratio of 41.55% for the year.
- As a result, we continued to maintain a healthy operating profit margins amidst tough operating environment with Operating Profits/Loan ratio of 5.8% which is amongst the best in the industry.
- Our provisions reduced by 16% y-o-y as the visibility on the asset quality improved during the year. We also made meaningful addition to contingent provisions and maintained healthy Provision Coverage Ratio of 72%. We are now carrying contingent provisions of ₹3,328 crores and total loan related provisions are 152% of GNPA.
- Overall, consolidated Profit After Tax increased by 64% y-o-y at ₹4,805 crores which is the highest ever in the history of the Bank.
- Our ROA at consolidated level for the year improved to 1.33% from 0.93% last year. The annualised ROA for Q4FY22 was 1.51%.
- We closed the year with a capital adequacy ratio of 18.42%, PCR at 72% with significant buffer provisions outside PCR, Credit Deposit ratio at ~81%, operating profit margin close to 6% of loans – all these parameters are at their best levels in the last several years.

Our work has also been acknowledged and rewarded at various reputed forums and platforms. In the last year, the Bank has been bestowed a number of awards. Some notable ones are:

- 'Best Saving Product' Award by Financial Express at the FE Best Banks Awards 2020-21.
- Global 'Celent Model Bank - 2022' Award under Enterprise Payments Hub (EPH) initiative program.
- Outstanding Digital CX - SME Payments' for its Indus Merchant Solutions at CX Awards 2022.
- 'Best Bank for ESG – India' at the Asiamoney Best Bank Award 2022
- Awarded as #1 - Best Financier for 2021 at JCB India Annual Financiers Awards 2021. IndusInd Bank has won this award for 5 years in a row.

Post the pandemic, we have seen consistent shifts in customer behaviour towards digital. The Bank has embarked on our Digital 2.0 strategy. We have created a Digital Centre of Excellence taking a comprehensive view to deploying new-age digital platforms and built end-to-end digital client value propositions. FY2021-22 saw our vision on Digital 2.0 being progressed and the Bank has launched a number of its planned digital initiatives:

- Indus EasyCredit offers an end-to-end digital journey for instant Personal Loans and Credit Cards.
- Indus EasyCredit for Business, a digital-first offering for banking needs of MSME customers.
- Indus Merchant Solutions App, a one-stop solution for merchants of all size bringing all their payment, lending and banking needs under a single umbrella.
- Indus EasyWheels, a portal for used vehicle ecosystem.

These initiatives have shown great traction in their early days of launch and should see further fillip with effective marketing drives. We are also progressing well on our planned digital launches focused on Individual and SME segment and you will soon hear from us about these. Overall, we aim to continue our execution on Digital 2.0 strategy with planned launches and scaling up the existing initiatives.

I think with focused execution on strategic priorities, the Bank is progressing well towards its vision of delivering long term sustainable growth. We also addressed whistleblower allegations that we received during the year with comprehensive internal and external reviews. We now have a long growth runway ahead and I, along with the management team, of the Bank are committed to delivering on our strategic goals and driving long-term stakeholder value.

I would also like to provide my sincere gratitude towards regulatory authorities for their constant support. My appreciation to my colleagues and members of the Board for guiding and supporting the management team in its endeavours. The Bank has an extremely strong franchise of ~32 million customers. I would also like to acknowledge the support of our customers and our highly committed and capable workforce for delivering seamless banking in these tough operating environments.

Sumant Kathpalia  
Managing Director & CEO

## Key Business Highlights (Standalone)



Net Profit at  
**₹4,611 Crores**

Net Interest Margin at  
**4.11%**

PPOP up by **9.48%**  
to **₹12,839 Crores**

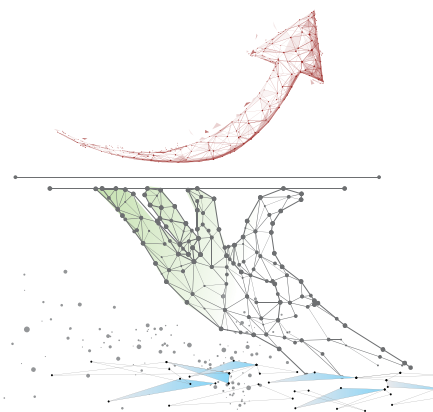
PCR at  
**72.27%**

Deposit up by **15%**  
to **₹2,93,681 Crores**

Capital Adequacy  
Ratio (CAR) at **18.42%**

Increased Network  
**2,265** Branches  
**2,767** ATMs

Book Value per share  
**₹611.29**  
CASA ratio at **43%**



## Ratings

## Domestic Rating:

- ★ **CRISIL AA+** for Infrastructure Bonds Program/Tier-2 Bonds
- ★ **CRISIL AA** for Additional Tier-1 Bonds Program
- ★ **CRISIL A1+** for Certificate of Deposit Program/Short-term FD Programme
- ★ **IND AA+** for Senior Bonds Program/Tier-2 Bonds by India Ratings and Research
- ★ **IND AA** for Additional Tier-1 Bonds Program by India Ratings and Research
- ★ **IND A1+** for Short Term Debt Instruments by India Ratings and Research

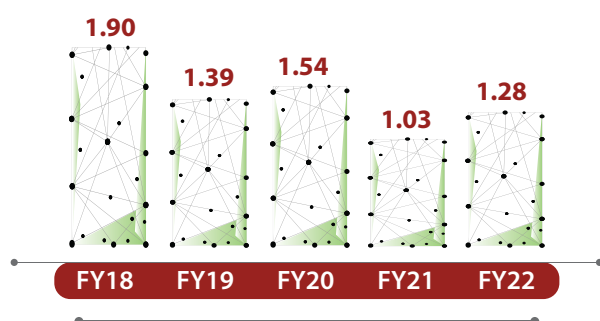
## International Rating:

- ★ **Ba1** for Senior Unsecured MTN Programme by Moody's Investors Service

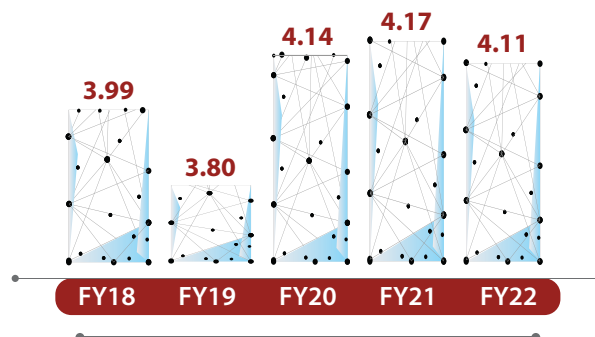
# Stronger Fundamentals



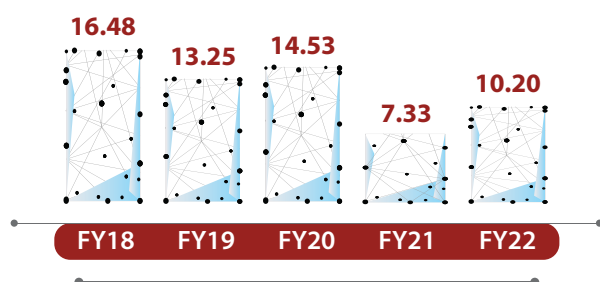
## Return on Assets (%)



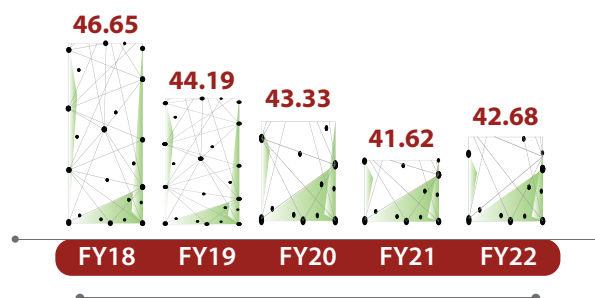
## Net Interest Margin (%)



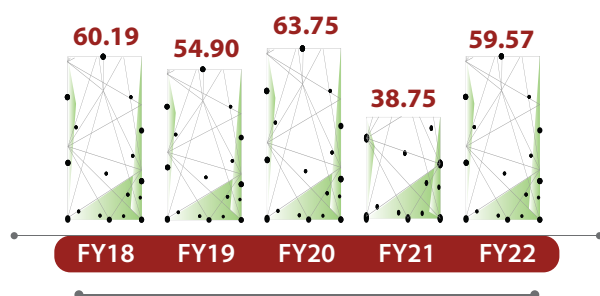
## Return on Equity (%)



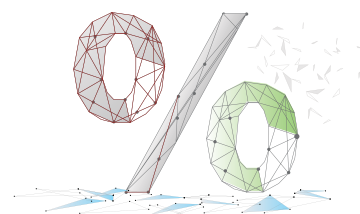
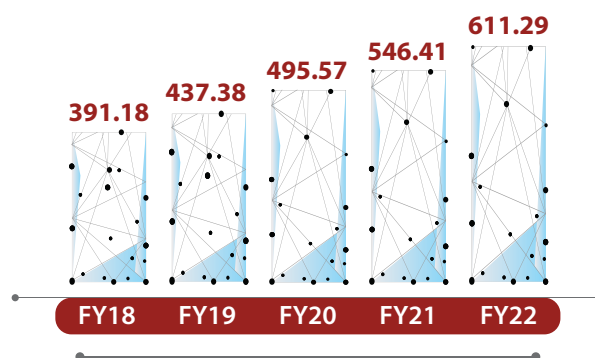
## Cost to Income (%)



## Earnings per Share (₹)



## Book Value per Share (₹)



## Board of Directors



**Mr. Arun Tiwari**  
Chairman



**Mr. Shanker Annaswamy**  
Director



**Dr. T. T. Ram Mohan**  
Director



**Mrs. Akila Krishnakumar**  
Director



**Mr. Rajiv Agarwal**  
Director



**Mr. Sanjay Asher**  
Director



**Mrs. Bhavna Doshi**  
Director



**Mr. Jayant Deshmukh**  
Director



**Mr. Sumant Kathpalia**  
Managing Director & CEO



**Mr. Pradeep Udhas**  
Additional Director (w.e.f. June 9, 2022)



## Management Team



**Mr. Sumant Kathpalia**  
Managing Director & CEO



**Mr. Arun Khurana**  
Deputy CEO



**Mr. S. V. Zaregaonkar**  
Chief Operating Officer



**Mr. S. V. Parthasarathy**  
Mentor - Consumer Finance



**Mr. Sanjeev Anand**  
Head - Corporate,  
Commercial, Rural &  
Inclusive Banking



**Mr. Ramesh Ganesan**  
Head - Technology and  
Corporate & Global Market  
Operations



**Mr. Zubin Mody**  
Chief Human  
Resources Officer



**Mr. Ramaswamy Meyyappan**  
Chief Risk Officer



**Mr. Bijayananda Pattanayak**  
Head - Gems & Jewellery



**Mr. Soumitra Sen**  
Head - Consumer Bank &  
Marketing



**Mr. Gobind Jain**  
Chief Financial Officer



**Mr. Anil M. Rao**  
Head - Consumer Operations  
& Solution Delivery





**Mr. Samir Dewan**  
Head - Affluent Banking  
& International Business



**Mr. Rana Vikram Anand**  
Head - Pan Bank Liability  
Group, Customer Service  
& Synergy



**Ms. Roopa Satish**  
Head - Portfolio  
Management & CSR



**Ms. Charu Sachdeva Mathur**  
Head - Digital Banking  
& Strategy (Existing Business)



**Mr. Anish Behl**  
Head - Wealth & Para  
Banking



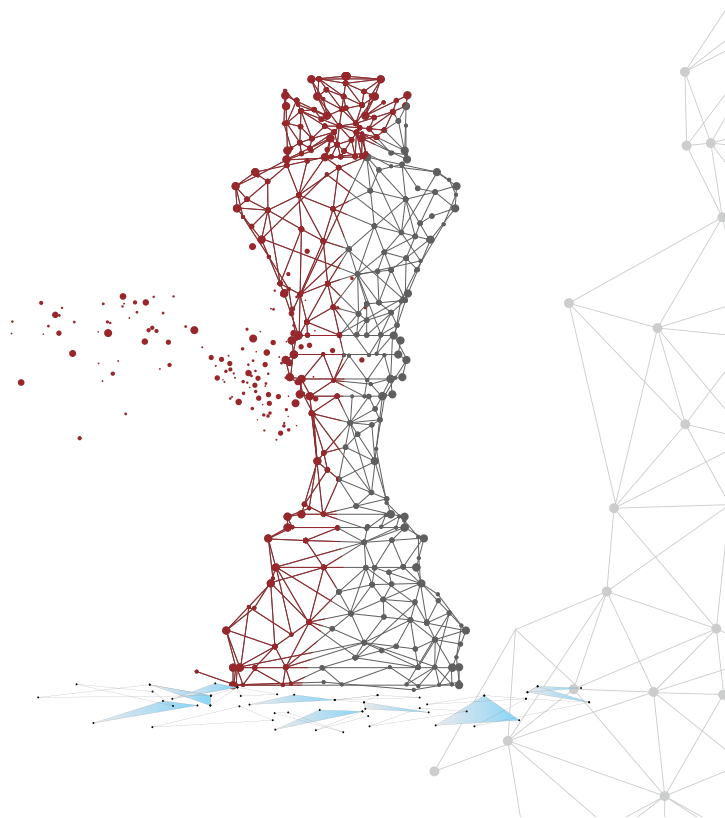
**Mr. Siddharth Banerjee**  
Head - Global Markets & FIG



**Mr. A. G. Sriram**  
Head - Consumer Finance



**Mr. Jyoti Prasad Ratho**  
Head - Inspection & Audit



## Awards & Accolades



### ★ The Asset Asian Triple Awards 2021

#### Treasury, Payment and Working Capital Category

- Best in Treasury and Working Capital Public Sector India
- Best Payment and Collection Solution India AutoPe Payment Solution
- Best Payment and Collection Solution India Cashfree Payments India
- Best Payment and Collection Solution India - Nupay
- Best Payment and Collection Solution India - Maharashtra State Cooperative Cotton Growers Marketing Federation

#### Supply Chain Finance Category

- Best Service Provider (India) Distribution Finance 3rd Year in a Row
- Best Supply Chain Solution: India - Dell India
- Best Supply Chain Solution: India - Haler Appliances (India) P. Ltd.
- Best Supply Chain Solution: India - APL Apollo Tubes Ltd.

### ★ Ashok Leyland Product Funding 2020

Ranked #2 in the Annual Financier Award

### ★ FICCI CSR Awards 2019-20

- Environment Sustainability for Drain Restoration Project, Gurgaon
- Inclusive Development of PWDs for IndusInd Bank Para-Champions Programme

### ★ BNY MELLON STP Award 2020

The CGMO Trade & Remittance Operations team received the 2020 BNY Mellon STP Award in recognition of achieving an exceptional STP rate of 96.37%

### ★ VMware Customer Excellence Award 2021

Global VMware Customer Excellence Award for Improved Customer Experience