

**TRANSCRIPT OF EXTRAORDINARY GENERAL MEETING OF INDUSIND BANK  
LIMITED HELD ON TUESDAY, AUGUST 25, 2020 AT 11.00 AM  
THROUGH VIDEO CONFERENCE**

**Mr. Haresh Gajwani:**

Dear Shareholders,

Good morning and a very warm welcome to the Extraordinary General Meeting of your Bank. At the outset, I hope you are all safe and in good health.

Before we start the meeting, I would like to apprise you of certain rules to be followed for this EGM.

As you are aware, the meeting is being held through Video Conference means in view of the outbreak of the COVID-19 pandemic and in compliance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Facility for joining this meeting has been made available for the members on first come-first serve basis. All members are by default placed on mute mode by the host to avoid disturbance and to ensure smooth conduct of the meeting.

We have 13 speakers for the meeting. Once the question and answer session...~~session~~ starts, we shall announce the names of the Shareholders who have registered as Speaker Shareholder, one by one.

The Speaker Shareholder will thereafter be requested by the host to start speaking. The Shareholder will be requested to click on the video button and if the Shareholder is not able to come on video, the Shareholder can speak through audio mode.

We would like the Shareholders to limit their time to five minutes, in order to give time to other Speakers as well.

In case the members face any difficulty they may reach out on the helpline number mentioned in the Notice of the meeting.

As the EGM is being held in Video Conferencing mode, the facility of appointing of proxy was not made available to the Members.

The Bank has provided the facility to cast votes electronically on the Resolutions set forth in the Notice.

Members who have not yet cast their votes and who are participating in this meeting can cast their votes during the meeting.

Members are also informed that the transcript of this EGM shall be published on the website of the Bank, after the conclusion of this EGM.

I would now hand over the proceedings to Mr. Arun Tiwari, Chairman of the Bank, Thank you.

**Mr. Arun Tiwari:**

Thank you, Mr. Gajwani.

Dear Shareholders,

Good Morning. It's 11: 00 AM now and the Company Secretary has informed me that the quorum is present for the meeting. The meeting is called to order.

On behalf of the Bank and the Board of Directors, I extend you all a very warm welcome to this Extraordinary General Meeting of IndusInd Bank Limited.

The Bank has taken all feasible efforts in current situation of COVID-19 to enable Members to participate through Video Conference and to vote at EGM.

The Notice of EGM has been sent on August 2, 2020 by electronic mode ~~vote~~ to those Members whose e-mail addresses are registered with the Bank or the Depository Participants.

I thank all the Members, colleagues on the Board, the Auditors and the Management team for joining this meeting over Video Conference.

I would now like to introduce all the Directors participating in this meeting through Video Conference and once I take the name, I will request the director to just raise their hand so that they could be recognized.

First of all, Mr. Sumant Kathpalia who is Managing Director and CEO. I would like to inform the Members that this would be the first meeting of the Members of the Bank being attended by Mr. Sumant Kathpalia upon his occupying position of Managing Director and CEO of the Bank on March 24, 2020.

Then I have Mr. Shanker Annaswamy, who is Non-Executive Independent Director, Mrs. Akila Krishnakumar, Non-Executive Independent Director, Mr. Rajiv Agarwal, Non-Executive Independent Director, Mr. Sanjay Asher, Non-Executive Independent Director.

This meeting shall be first meeting of the members of the Bank being attended by Mr. Sanjay Asher, who was inducted in the Bank, post the last AGM of the Bank held on August 16, 2019.

I confirm that the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relations Committee are attending the meeting through Video Conference.

The representatives of Statutory Auditors of the Bank, M/s. Haribhakti & Co., Chartered Accountants, Mr. Purushottam Nyati and Ms Manisha Maheshwari of M/s Bhandari & Associates, Secretarial Auditors of the Bank are also attending the meeting through Video Conference. I would like to express to the Shareholders by gratitude and thanks through a brief address.

My Dear Shareholders Good Morning. "Unprecedented", is one adjective, that has been used, at an unprecedented level, in the last six months or so. In my corporate career of nearly four decades, this is for the first time that I have seen, Extraordinary General Meeting of a large listed company like ours, being conducted electronically. Though mankind has seen a few pandemics over the recorded history, or the high level of interconnectedness of the one today is one reason why COVID-19 is playing havoc, with societies, economies and human lives across the world.

As far as this EGM is concerned, we all are e-connected today, to consider a specific agenda relating to raising equity share capital for the Bank, on a Preferential Allotment basis. As you all are aware, capital for the Bank is the fuel in the tank, that will ensure stability and growth. Strong capital buffers give confidence to the depositors and lenders, to keep their funds with the Bank. The COVID outbreak, which was declared a pandemic in early March 2020, was accompanied by RBI superseding the Board of a peer private sector bank. This twin shock, occurring simultaneously, did impact the banking industry adversely, and mid-size private sector banks like ours got impacted little more.

While the Bank, is adequately capitalized, given the economic uncertainty, that is expected to continue for a few more months, it is prudent and appropriate that the capital buffers are augmented. This “confidence capitals”, raised now will surely augur well for the Bank.

Since our IPO nearly two decades ago, the Bank has been regularly raising capital through GDRs and QIPs, besides the capital added through three mergers. As you have witnessed, the Promoter support for the Bank is very strong, and they have contributed with capital funds, so as to keep their stake in the Bank close to a level that is permitted by the regulatory guidelines.

Over the last few weeks, the Management led discussions with few marquee investors, this matter was discussed in detail in the last Board Meeting. The Promoters, also expressed their desire to participate in any potential capital raise, in order to maintain their shareholding level. In view of the fact, that this is a confidence capital raising, with limited marquee investors, the Board proposed to adopt the Preferential Allotment route. This is quick and efficient. The Bank has engaged professional advisors, to ensure that the proposed Preferential Allotment is in conformity with all the statutory and regulatory requirements.

Attention of the members of the Bank, is invited, to the additional information sent to you through email yesterday, i.e. 24<sup>th</sup> August, 2020 in the matter of details provided earlier vide para 13 of Item 2, to the Explanatory Statement of the Notice regarding IndusInd International Holdings Ltd., Promoters of the Bank, where we have informed that Mr. Radhamohan Gujadhur, General Manager and Director of IndusInd International Holdings Ltd. represents the Promoter company. Members are requested to note this additional information.

I once again extend a warm welcome to each of you, our esteemed Shareholders and request your consideration of the two items that are in the Agenda today. Wishing you and your families good health.

Now I will request Managing Director & CEO, Mr. Sumant Kathpalia to address the Members, please.

**Mr. Sumant Kathpalia:**

Thank you, Mr. Tiwari and a very good morning to our Shareholders who have taken this opportunity to be connected with us today. At the outset, I trust you are all keeping safe and taking due precautions. It has been a testing period to say the least due to the unprecedented times, we have all found ourselves in over the last few months.

It is particularly proud moment for me to meet all of you for the first time as the Managing Director & CEO of the Bank and I want to give you some introduction about myself. I have been a career banker for the past three decades and worked in Citibank, Bank of America and ABN AMRO Bank before joining IndusInd Bank. I was part of the five-member management team that joined IndusInd Bank in 2008. Previously, I managed the Consumer Banking Business and contributing 65% of

deposits, 15% of loans and 50% of fees and half of the distribution through branches and employees before taking over my current role.

As you are aware, in the recent past, the financial markets have witnessed extreme volatility owing to the COVID 19 outbreak. India has been through one of the most stringent lockdowns in the world. The country is however opening up in a calibrated manner since May. IndusInd Bank as an organization responded exceedingly well amidst the crisis with branches, contact centres, ATMs remaining operational and catering to the financial needs of our customers. We continue to monitor the situation and shall take all possible steps to safeguard the valued interests of our stakeholders.

In the banking sector, there are particular challenges that need to be effectively addressed in order to ensure the long term success of banks and their ability to supply credit to the economy. These challenges include non-performing loans, capital buffers and the moratorium cum restructuring process. We believe we are well positioned to manage this transition and pivot towards growth as the economy starts to revert to a near normal position in a quarter or two.

This of course has relevance to the Agenda of this meeting. While the Bank already has a comfortable capital adequacy ratio, to further strengthen its buffers, the Board of Directors approved a preferential issue of capital of Rs.3,288 crores on July 28, 2020. The capital raise is an important part for the Bank as it showcases the confidence reposed in the business model of the bank. This will add 125 basis point to our capital adequacy taking our pro-forma capital adequacy to 16.5%. Participation has come from marquee in long term investors, as mentioned in the EGM Notice. Promoters of the Bank are also participating in the fundraise, reflecting their continued support and confidence in the Bank. We sincerely appreciate all the support from our shareholders now and over the years.

The Bank has an extremely strong franchise covering 26 million customers across 4,850 offices and branches all over India served by more than 30,000 employees. It plays a vital part in the country's infrastructure, consumer convenience and small livelihood creation through its support for business and personal customers. I would like to acknowledge the support of our loyal stakeholders and a highly committed professional and capable workforce.

I am committed to driving the improved performance going forward and want to take this opportunity to thank you for your patronage during these trying times. Your support and trust in us has been key to our success. I look forward to your continued support in the years to come. I will spend more time with you discussing the Bank's financial results and strategy in the AGM scheduled next month. We have braved out recent tough times and the only way forward is upwards. With this I conclude my remarks and request our Chairman to take the proceeding further.

Thank you.

**Mr. Arun Tiwari:**

Thank you Mr. Kathpalia. With your consent, Members I shall take the Notice convening this meeting as read.

Now I propose to take up the business of the meeting, seriatim, in accordance with the EGM Notice.

Item No. 1: Issuance of Equity Shares on Preferential Basis to Qualified Institutional Buyers; and  
Item No. 2: Issuance of Equity Shares on Preferential Basis to Non-Qualified Institutional Buyers.

Resolutions representing the above along with Explanatory Statements, have been furnished in the

Notice for the meeting.

I now request the Company Secretary to invite and call out the names of Speaker Shareholders who have registered, one by one.

**Mr. Haresh Gajwani:**

We now start the question and answer session.

Before I open the floor for the Shareholders, I would like to reiterate that the Speakers be brief and limit their speech to five minutes and request the shareholders not to repeat the questions and points made by the earlier Speakers.

If there is a connectivity problem at the speakers' end and the next speaker will be asked to join. Once the connectivity improves, the speaker will be called again to speak, once the other registered speakers have completed their turn.

I would like to call our first speaker Mr. Yusuf Rangwala.

**Host:**

Mr. Rangwala, you are unmuted, can you please speak.

**Mr. Yusuf Rangwala:**

Yes. Very Good Morning to all of the Board of Directors and first I thank our Chairman, whose qualification and who is working with the Citibank, in his guidance our Bank will grow up and I also thank and I also support both resolutions, nothing more to add. Sir, coming is Ganesh Chaturthi, you have my good wishes. The Ganesh festival is now going on. I am very thankful to Raghunath Sir, Hello? I'm very thankful to Raghunath Sir, and he phoned me whether you want to join. Sir I'm very extremely thankful and Sir I would like to know when is our annual meeting. Sir, can you tell me on what date Sir,..annual meeting is fixed and Sir I will come directly on point Sir, our share today is Rs.595, previously it was about six months ago, it was around Rs.1,600. So now it has come very down. Sir you're taking steps, In your guidance, Sir I think so once it will come and cross Rs.1,000 within few months of your guidance Sir and I wish our Bank good luck for the future and all the festivals. Sir. I will take a leave Sir, if you don't mind Sir. Thank you very much, Sir. Jai Hind, Jai Maharashtra, Vande Mataram.

**Mr. Sumant Kathpalia:**

Thank you Yusuf Bhai.

**Mr. Haresh Gajwani:**

Mr. Anand Sharma.

**Host:**

Sir, Mr. Sharma has not joined the meeting. Can we have the next speaker please?

**Mr. Haresh Gajwani:**

Okay, Ms Isha Goyal.

**Host:**

Ms Isha Goyal has also not joined the meeting, can we have the next speaker?

**Mr. Haresh Gajwani:**

Ms Pushpadevi Khandelwal.

**Host:**

Ms Pushpadevi Khandelwal has not joined the meeting. Can you have the next speaker?

**Mr. Haresh Gajwani:**

Mr. Rohintan Farangroz Battiwala.

**Host:**

Mr. Rohintan you are unmuted, can you please speak. Thank you.

**Mr. Rohintan Farangroz Battiwala:**

Hello, could you hear me? Am I audible.

**Mr. Arun Tiwari:**

Yes, you are Mr. Rohitan.

**Mr. Rohintan Farangroz Battiwala:**

Respected Chairman, the Board of Directors, Company Secretary, Good Morning to all of you. Sir my name is Rohintan Battiwala and thanks for inviting me to speak via virtual conference, i.e. Video Conference. Sir there is nothing much more to speak in this EGM which is self-explanatory but one, but only one or two questions I have in mind which I would like to ask your good self. Sir the question is that, instead of Issuance of Equity Share of Preferential Basis to Qualified Institutional Buyers, why did not the Bank go for the Rights Issue, so that we could have also taken part in it at a very reasonable low premium. Sir, we are very old shareholder since the inception of IPO, we would have loved to subscribe for the same. Anyway sir, the Board is very much wise, they must have thought otherwise. Sir we hope that next time you will come out with rights issue so that we may also subscribe for it. Sir, thanks for inviting me to speak and give patient hearing. Sir, please next time keep in the hall only, this we are not able to concentrate on this Sir. Next time Sir, I hope that we will meet in the hall again, I always come there Sir. Sir, with this I support all your resolutions wholeheartedly. Thanking you for the same. Thank you sir.

**Host:**

Mr. Jehangir Batiwala, you can speak.

**Mr. Jehangir Rohinton Batiwala:**

Hello, can you hear me? Hello?

**Host:**

Mr. Batiwala We can hear you.

**Mr. Jehangir Rohinton Batiwala:**

Okay. Respected Board Members and Company Secretary, Mr. Haresh Gajwani, Good morning to all. of you, my name is Jehangir and thanks for inviting me to speak. Sir, I will not take much of your time, just some normal queries like why was this preferential allotment, done and what is the objective of the funds collected, any terms and conditions the institutional buyers will have to follow and when will the AGM happen Sir? Sir, frankly speaking, this virtual conference meeting is absolutely not done, sir. We would like to personally meet you and interact with you and enjoy the

meeting. Thank you for your time and patience, Sir. And we hope to see you again, back the same way as you were in the meeting. Thank you and we support all your Resolutions

**Mr. Haresh Gajwani:**

Ms Vasudha Vikas Dakve please.

**Host:**

Sir, Ms Vasudha Dakve has not joined the meeting. Can we have the next speaker?

**Mr. Haresh Gajwani:**

Mr. Akshay Anil Kumar please. Mr. Akshay Anil Kumar.

**Host:**

Mr. Akshay Anil Kumar, can you please speak? Thank you.

**Mr. Akshay Anil Kumar:**

Can you all see me? Hello, can everybody hear me?

Firstly, a very Good afternoon to the entire Board of Directors and all the Members. So, I firstly thank you for giving me this opportunity. So in on analysing your EGM Notice in the current scenario, I just have two observations. Firstly, your Q1 2020 results, I see that your year-on-year, your net profit is down about 64% but if you make a comparison with other private sector banks, may be HDFC, maybe ICICI, maybe even Housing Finance Company of LIC, they have all been at least minimum 20% increase year-on-year. So I mean, I know this is the question more addressed for AGM purpose but the fact remaining that since there is a dip here, whether this was the reason why you're trying to raise capital, in order to meet the, for the next entire fiscal year, our budget and expenditure to ensure that. What is the main basis for doing on preferential this year....basis?

Now, if you look at something like in YES Bank which did an SPO and which was subscribed 98%; despite YES Bank's volatility, the subscription of the SPOs is 98%. So, why hasn't IndusInd Bank considered SPO or a rights issue, as one of the previous speaker said and why on the preferential basis only? I mean, I completely buy your point that preferential basis was necessary to speed up the process here but instead of allotting the entire Rs.3,300 crores on completely on preferential basis, why not had it been split on preferential and on the rights issue or an SPO? That is my one question. Now, I second see, I noticed that your deposit for this quarter has increased 2.35% on a quarter on quarter basis. I hope you know, you don't start making, you don't use your deposit amounts to do your provisioning because your provisioning this year has increased for this quarter has increased substantially. Now, it doesn't become another case of you know, PMC where you use your retail deposits in order to cover your sub-standard assets here. So, that was my second question. And my final question in this being is that, I see that AIA Limited has not yet opened a custodian account which is a provision as per SEBI Regulations. So, what is the AIL Ltd. or AIL Company Ltd. Whether have they opened the custodian account and whether their entire Rs.800 crores is coming for this particular preferential issue? So with that, my again ,my final question, I mean, my final point is, if you see how ICICI has now, is now ready to raise Rs.15,000 crores; HDFC Bank is now raising funds, you can see that how other private sector and public sector banks are now going to look fresh allotments to raise capital. So, in this regard, if you look at IndusInd Bank which historically caters to one set of bank, one set of banking sectors, whether are you going to do any sort of a rights issue. , for the very simple fact being that you see, when every bank is now going you know, retail is the way how we raise our capital, then why not come in the IndusInd Bank tap on it, instead of you know, giving rights to your again to your parent company, Hinduja and your other company, why not target that as the next basis. So, I mean, that that is my only point here as to why not a rights issue or FPO was considered?

With that I am sure that IndusInd Bank is then we will perform excellently and I think as long as the previous speaker said, your loan size, your book size have grown substantially. I am confident that your shares will definitely rise up and this is excellent management which is backing IndusInd bank., so I'm very confident on that. That is my only point. So once again I thank everybody for the opportunity. I will be back for AGM with a new set of questions.

**Mr. Haresh Gajwani:**

Mr. Vinod Agarwal.

**Host:**

Sir, Mr. Vinod Agarwal has not joined the meeting. Can we have the next speaker?

**Mr. Haresh Gajwani:**

Mr. Bharat Raj Kankanala

**Host:**

Mr. Bharat Raj has also not joined the meeting, can we have the next speaker?

**Mr. Haresh Gajwani:**

Mr. Aspi Bhesania

**Host:**

Mr. Aspi Bhesania has not joined the meeting. Can we have the next speaker?

**Mr. Haresh Gajwani:**

Mr. Beruz Pouredahi

**Host:**

Mr. Beruz, can you please speak. Thank you.

**Mr. Arun Tiwari:**

Yes, loudest of all, sir.

**Mr. Beruz Feramroz Pouredahi:**

Sir we appreciate the dedication of your staff and your employees. Sir, Mr. Raghu, Secretary-Manager and Mr. Haresh Gajwani they have taken initiative in this regard, for us to join because in this pandemic as it is very difficult to connect to this internet also. So we appreciate the dedication of your staff.

Even Mr. Zubin Modi, our HR department, he contacted us. Sir, we appreciate all your staff and we wish our company all the very best. Sir we support all your resolutions. , you are a very fine bank and your bank will prosper and it will come to its previous glory.

Thank you very much. One second my wife wants to speak.

**Mrs. Homayun Beruz Pouredahi:**

Sir, can you hear me? Sir regarding your capital Capital is always welcome in the bank without capital, how can a bank function? Sir but I just wanted to know how will you service this extra capital? Of course this year there is no dividend, but in future there is , preference shares, there's bound to give benefits to the subscribers, just throw light on that. I want to pause here and go ahead with your EGM. Thank you Sir.

**Mr. Arun Tiwari:**

That is the end of the speakers who had registered to speak. Thank you so very much.

We at IndusInd Bank, appreciate and value the good words you have spoken about the Bank and the Management and the Board. Not very many questions but whatever questions are very pointed questions, so I will reply and some of them are overlapping, so I will reply them one by one.

First and foremost is why preferential, why not rights issue or FPO. Let me address that first, FPO if you remember in one of other banks, it has come at 50% discount. So do you want that your Bank should be discounted and that would have sent wrong signals to the market., number one. And as much as the preferential issuance is concerned, one there is an appropriate time to raise the capital. So, we found that this is one window when we can before the market gets crowded, we can raise quickly. So the process is very quick and preferential raise, that is why and it's very fast, two - this is at a premium to book value. Whereas, normally, if you see rights are at discount. Post issuance the dilution is only 8.3%. So I think these were the reasons which made us to take the preferential routes.

Somebody asked us about AGM. We are meeting at the board level tomorrow to decide that date but indicatively it should be somewhere in the month of September, that is next month.

Purpose, in as much of this raises, there is no conditions attached by the investors to it. It's purely growth capital for the business. And you know, and that we don't know how long COVID will last. So it's just bolstering up our capital base.

Mr. Akshay, some of your questions were relating to AGM. I have responded to a deposit and retail when we meet in the AGM, we will be responding to that in much, much details. Other thing that you asked was about FPO / rights issue which I have covered, in as much all investors are concerned proper due diligence over a period of time was done by the management on them and whatever money they have committed, it has to come within 15 days., 15 days that money will be in.

And lastly, Mrs. Homayun Beruz , Bank has the history of giving dividends to all its shareholders on the capital, they have infused by way of equity. This year Reserve Bank of India has put a stop till September results, they will take a call whether the financial institutions can declare dividends for the last year or not. So, as it happens, we will come back to you on that.

With that I think we have covered all your risk questions and responses there too. In case if anyone's questions/queries have not been answered, you may write an email at [investor@indusind.com](mailto:investor@indusind.com) and then same shall be answered by us in due course.

Please note, the Board has appointed Mr. SM Bhandari, Practising Company Secretary, as a Scrutinizer to scrutinize the process of remote e-voting and voting at EGM in a fair and transparent manner.

Now, I request Mr. SM Bhandari to explain the procedure for voting. Mr. Bhandari? Mr. Bhandari are you there?

**Host:**

Mr. Bhandari is not there for the meeting.

**Mr. Arun Tiwari:**

Mr. Bhandari, you have muted yourself. Yes, go ahead Mr. Bhandari, we can hear you now.

**Mr. S. M. Bhandari:**

Good Afternoon, Shareholders. The voting has been started, one can vote as per the resolution. Nothing else to say Sir, the voting is open, they can vote.

**Mr. Arun Tiwari:**

Okay, Mr. Bhandari, what we hear was that voting has already started so all the Shareholders can vote. The Shareholders who have already cast their vote using remoting e-voting platform of NSDL are not required to cast their vote again and the e-voting on all resolutions as set out in the Notice of EGM will be kept open for 15 minutes from now. Right, thank you Mr. Bhandari.

**Mr. SM Bhandari:**

Okay, thank you.

**Mr. Arun Tiwari:**

The Proceedings of the EGM and e-voting results shall be intimated to the Stock Exchanges along with the Scrutinizer's Report and simultaneously shall also be published on the website of the Bank and NSDL.

All the compliances with respect to the EGM shall be adhered to by the Bank.

Lastly, I thank all the Shareholders for their cooperation and active participation in the proceedings and for their valuable suggestions.

I now announce the conclusion of bank's Extraordinary General Meeting.

Thank you, colleagues on the Board for joining in and Members who could join in, for this EGM.

Mr. Haresh Gajwani, Thank you so much.