

NAVIGATING CHANGE  
**BANKING ON  
SUSTAINABILITY**



# THEME INTRODUCTION

IndusInd Bank, a leading domestic private sector bank, is embarking on a transformative journey to become a significant player in the industry during its sixth planning cycle for FY2024-26. This journey is guided by a strong triad of progress, consisting of three main priorities - Growth, Granularity, and Governance. Focus on these will shape the Bank's strategy, creating a story of excellence as it navigates through its next phase of growth.

The Blue Whale,  
largest animal recorded to live on earth

The Ocean is the strongest force of nature. The strong currents and waves, while capable of causing damage, can also be harnessed and channeled to become the world's largest source of renewable energy. The Ocean is also home to an unimaginably diverse array of creatures and organisms, symbolizing biodiversity and the interconnectedness of all living things.

To represent its diverse activities and business divisions, the Bank has chosen **The Ocean** as a visual theme. In this report, the Bank invites you on an immersive voyage, exploring different aspects of the vast banking landscape. Similar to the ocean thriving on diversity, the Bank showcases its diversity and preparedness for the future. With deep knowledge, domain expertise, and a commitment to excellence, IndusInd Bank aims to cultivate a flourishing ecosystem that benefits all stakeholders.

IndusInd Bank highlights its commitment to sailing towards a more promising and sustainable future. This journey is not just about numbers; it's about creating a meaningful impact, fostering personalization and upholding responsible banking practices. Together, the Bank and its stakeholders will navigate these waters, confident in their ability to overcome challenges, seize opportunities and steer towards a horizon where shared progress awaits.

# NAVIGATION GUIDE



Sea turtle, a threatened species has seen increased nesting post COVID due to diminished human activity

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# ABOUT THIS REPORT

## Approach to Reporting

IndusInd Bank is a leading Indian banking institution that has integrated ESG principles into its business operations, risk underwriting, and reporting practices. The Bank is committed to creating long-term value for its stakeholders and has been reporting its sustainability efforts proactively since 2011. In 2017, the Bank achieved a significant milestone by publishing its first Integrated Report, which set the tone for the following years. Since then, the Bank has consistently published Integrated Reports that provide a comprehensive overview of its strategy, achievements, relationships, value-creation initiatives, and overall approach to Environmental, Social, and Governance (ESG) considerations.

## Reporting Frameworks

The report has been created following the <IR> framework prescribed by the International Integrated Reporting Council (IIRC), which has now been merged into the IFRS Foundation. The report also includes disclosures according to the Global Reporting Initiative (GRI) Standards: Core option, Task Force on Climate-related Financial Disclosures (TCFD) and United Nations Sustainable Development Goals (UN SDGs).

## Reporting Scope and Boundary

This report provides a comprehensive overview of the Bank's financial and non-financial performance across various business verticals from April 1, 2022 to March 31, 2023.

## Board of Directors Assurance

The Bank's Board of Directors and Senior Management have carefully reviewed this report to ensure its accuracy, completeness, and relevance in accordance with the requirements of the <IR> Framework.

## External Assurance

This report has been externally assured by Ernst & Young Associates LLP. Please refer to page 130 of this report for the assurance statement.

## Precautionary Principle

Being a financial establishment, the Bank's ecological influence predominantly stems from its operations and loans portfolio. The Bank oversees and mitigates its inherent carbon footprint, while simultaneously fostering collaborations with clients and suppliers to address their ecological and societal footprints. The Bank is also actively committed to enlightening its employees about the significance and consequences of Environmental, Social and Governance factors, further solidifying its dedication to sustainable practices.



A bottlenose Dolphin, known for its intelligence and social skills

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*Your Bank is deeply committed to delivering sustainable value to all its stakeholders, including customers, employees, and society at large.*

# MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

I am delighted to address you as we reflect upon the remarkable performance of IndusInd Bank Limited and navigate through the ever-evolving economic landscape. It is my privilege to present the annual report for FY2023.

**A Dynamic Landscape** The global economic outlook remains both challenging and promising, as we emerge from a tumultuous year. We have witnessed stronger-than-expected growth in advanced economies despite multiple global shocks. Re-opening of the Chinese economy is also expected to aid global recovery. However, we anticipate muted global economic activity due to the lagged effects of last year's coordinated monetary tightening by major global central banks led by the US Federal Reserve. Recent stress in the banking sector of advanced economies is also likely to further tighten bank lending standards, adversely impacting credit supply and overall growth.

There are growing concerns in global financial markets over governance, sustainable growth, stability of markets and rapid technological evolution. Global regulators are closely monitoring the developments in Generative Artificial Intelligence and Machine Learning and

its use or misuse. This mandates urgent reskilling of market players, regulators and policy makers. The extant climate crises require significant investment in sustainable nance for mitigation, adaptation and building resilience.

The extreme volatility of interest rates has a direct impact on domestic markets and also leaves repercussions on international markets. Emergent risks from crypto need global consensus on issues around property rights, custody, transfer, and valuation. Apart from this, concerns also stand tall around the lack of regulatory supervision and crypto insolvency, exponentially compounding risks for financial regulators. These risks and fast emerging technological developments, including Artificial Intelligence, defy sovereign boundaries and sectoral silos. Managing the growing milieu of "Known Risks" in addition to potential cyber threats and more importantly the new universal "Unknown Risks" requires an urgent need to forge a global consensus and institutional cooperation that transcends geographical boundaries.

India's increasing global credibility and stature make it a potential leader in establishing an international regulatory alliance to create a more modern global regulatory framework that considers the

interests of Emerging Economies and the Global South. The opportunity presented by India's presidency of the G20 in 2023 allows for the building of consensus in a world currently marked by polarized divisions. If successful, this initiative could have significant positive consequences on a global scale.

Amidst the challenges, central banks and authorities have taken decisive action to mitigate the impact on the broader financial system and emerging economies. While global inflation is easing from its peak last year, core inflation persists in several developed economies, nudging central banks to remain watchful. In fact, inflation is projected to remain above targets in many countries throughout 2023 and 2024. Moreover, subdued demand and the shift from goods to services are dampening global trade. Compounding these issues are protracted geopolitical tensions and divergent global positions on multilateral matters, which increase the risks of geo-economic fragmentation and impact international capital flows.

In this global backdrop, the Indian economy shines as a beacon of hope. The real GDP growth is projected to be in the range of 6 to 6.5% this fiscal year, contributing over 15% to global growth, according to

the International Monetary Fund (IMF) projections. Although growth in India is expected to be moderate compared to the previous fiscal year's 7.2%, the impact of tighter financial conditions is expected to be felt in the second half. Nevertheless, the ongoing recovery in the services sector, resurgence in rural demand robust consumption outlook and improved conditions for capital formation and investments from public and private sources, will support strong growth.

**Looking Ahead with Confidence**

While private consumption growth may witness a temporary weakness in some sectors, we anticipate an overall sustained improvement in consumer sentiment due to a steady pickup in employment and other macroeconomic factors. The strength of rural consumption recovery hinges on the outcome of monsoons, which are predicted to be normal, although some uncertainty remains due to El Nino. The easing of CPI inflation over the year, to around 5% in FY2024 from 6.7% in FY2023, will provide support to consumption as well. Government capital expenditure (CapEx) will play a critical role in driving capital formation, with a substantial increase in budgeted capital spending during FY2024. The moderation in commodity prices, the government's focus on CapEx, healthy balance sheets of banks and corporates, and robust credit growth will foster private investment activity. Encouragingly, RBI's enterprise surveys indicate higher investment intentions of manufacturing companies during the year. The economic outlook for India is promising, relative to most other leading economies.

**Robust Performance**

WIndusInd Bank continues to deliver robust performance and this was seen in outcomes of the recently concluded 3-year Planning Cycle 5 (PC-5 over FY2020-23). The key balance sheet metrics in terms of capital adequacy, liquidity, retail deposit mobilisation, provision coverages etc. are at their healthiest levels in the past several years. Having achieved the balance sheet strengthening, the Bank cautiously moved on to accelerating growth. This is reflected in the Balance Sheet footage of ₹4,57,837 crores (14% Y-o-Y growth), deposits of ₹3,36,120 crores (15% Y-o-Y increase) and loans of ₹2,89,924 crores (21% Y-o-Y increase) as of March 2023. As a consequence, the Bank's Total Income stood at ₹44,541 crores, compared to

₹38,167 crores in the previous year. Operating expenses were ₹11,346 crores, and Pre-Provision Operating Profit rose to ₹14,419 crores. Net Profit soared to ₹7,443 crores (55% Y-o-Y increase). The Bank has now also announced a strategy for the next Planning Cycle 6 (PC-6) spanning FY2023-26. The PC-6 strategy is "Market Share with Diversification" with a focus on Growth, Granularity and Governance. The strategy will be executed through continuing Retailization of deposits, diversifying areas of domain expertise, scaling sub-scale businesses, accelerating Digital initiatives and delivering value to our esteemed customers, while continuously imbibing ESG principles in the businesses. Bank believes the current operating environment is conducive to sturdy growth and thus confident of achieving the ambitions laid out in the PC-6 strategy.

**Resilience in the Face of Challenges**

While we embrace the healthy growth outlook, we remain cognizant of the persistent risks. Weak external demand, geoeconomic fragmentation impacting trade and capital flows, and protracted geopolitical tensions pose challenges. However, we believe that the risks to growth are balanced, with strong domestic drivers sustaining growth while a challenging global economic environment acts as a headwind.

Our macroeconomic stability, characterized by easing inflation, manageable external financing requirements, strong external buffers, including adequate foreign exchange reserves, and a stable policy environment, provides a solid foundation to complement our domestic growth impulses. In this dynamic environment, I take pride in highlighting the resilience of IndusInd Bank.

**A Better Future in Mind**

IndusInd Bank is actively expanding its ESG impact throughout its operations. We are proud to announce that IndusInd Bank has been recognized as the 'Best Bank in India for ESG-FY2023' by Asiamoney for the second consecutive year, affirming our commitment to sustainability and responsible banking practices. We have embedded ESG principles throughout our business, launching products that promote sustainability across sectors such as Retail Banking, Corporate Banking, CFD, Digital Banking and Microfinance. With integrated ESG risk assessments and a boardapproved policy and governance

system, we prioritize ethical practices and responsible lending while monitoring exposure to high ESG risk industries.

IndusInd Bank is the sole Indian bank chosen for the TNFD (Task Force on Nature-related Financial Disclosures) Pilot program, showcasing our dedication to managing biodiversity-related risks. Our goal is to become a carbon-neutral Bank by 2032, with all PIONEER branches now LEED certified. Inclusive practices extend beyond our internal operations, as evidenced by the launch of all-women branches, the employment of neurologically diverse individuals, and a board composition that promotes gender equality. We ensure credibility and reliability in our sustainability reporting by aligning our policies with the latest ESG trends and obtaining third-party assurance.

As we move forward, your Bank remains steadfastly dedicated to its core values of trust, transparency and excellence. We are focused on continuously strengthening our corporate governance practices, effectively managing risks, building the highest levels of compliance, fair and ethical practices within the Bank. Given fast-evolving market opportunities, risks and global technological changes, the Bank is fully prepared to respond with alacrity and dexterity. We recognize the need to constantly reskill our 38,179 highly talented and enthusiastic employees who adroitly adapt to market changes. I am delighted to say that your Bank was certified as a "Great Place to Work" by the Great Place to Work Institute® a reputed global body involved in the assessment of company culture and people practices across sectors and countries. We stay fully committed to building an ethos that cherishes diversity, strong core values and integrity of purpose.

Your Bank is deeply committed to delivering sustainable value to all its stakeholders, including customers, employees, and society at large.

I extend my heartfelt gratitude to our esteemed shareholders, loyal customers, dedicated employees, regulators and all supportive stakeholders for their unwavering trust and support. Together, we shall navigate the fast-evolving landscape, overcome challenges, and expeditiously seize new opportunities to drive the growth and success of IndusInd Bank.

With warm regards,

**Sunil Mehta**  
Chairman



# MESSAGE FROM THE MANAGING DIRECTOR

Dear Stakeholders,

Greetings!

It gives me immense pleasure to present IndusInd Bank's Integrated Report for FY23.

## A journey of progress and prospects

India's expansive and relatively underserved markets present a substantial untapped growth opportunity, attracting investors from both foreign and domestic fronts amid a challenging global economic scenario. India's resilience and optimism are evident as institutions like the International Monetary Fund, the World Bank, and the Asian Development Bank project economic growth rates ranging from 5.9% to 6.4%, surpassing many emerging and developed

economies. Notably, in FY2023, there was a remarkable 15% growth in bank credit, a significant rise from the 9.6% recorded in FY2021.

India has firmly established itself in the global economy, driven by the government's intensified focus on capital spending, particularly in infrastructure projects, alongside increased domestic consumption and rising rural wages. Despite ongoing external volatility, India is well-positioned to maintain its positive trajectory. Global challenges encompass a tightening financial ecosystem, heightened inflation levels,

and enduring geopolitical uncertainties. Recent banking instabilities in developed economies underscore the critical role of governance and prudent balance sheet management.

FY2023 was marked by success, with the Bank achieving robust Net Interest Incomes (NIIs), healthy Net Interest Margins (NIMs), and anticipated upward trends in net profit levels, given the positive outlook for the banking ecosystem. Closing on a high note, this fiscal year sets the stage for an ambitious FY2024.

## Operational excellence

### Key Financial Metrics:

In the past year, our loan book surged by 21% to ₹2.89 lakh crore, complemented by a 15% growth in deposits to ₹3.36 lakh crore. Notably, 54% of our loans are directed towards granular retail borrowers, with the remaining 46% in the wholesale segment. Our balance sheet stands stronger than ever, boasting a comfortable liquidity position with an LCR of 123% and a robust CRAR of 17.86%. Our net NPA decreased by 5 bps, achieving a PCR of 71%. The NIM improved to 4.25% y-o-y, and core fee income grew by 27%.

### Customer Base:

With over 34 million customers, 2,606 branches, and 2,878 ATMs, we strategically prioritized deposit growth in FY2023, resulting in a current CASA ratio of 40%. Retail deposits, as per LCR, grew by 19% y-o-y, constituting 43% of total deposits.

### Digital Innovation:

Our relentless pursuit of digital innovation is evident in the adoption and execution of the 5th Planning Cycle. Customized solutions such as Indus Easy Credit, UPI Pre-Paid vouchers, and applications for various customer segments showcase the firm establishment of our digital foundation.

### New Growth Avenues:

Anticipating a digital banking transformation, we foresee a substantial portion of our business originating from digital channels in the next three years. In the upcoming months, we are set to unveil INDIE, a groundbreaking approach to banking, signaling the commencement of numerous digital initiatives. Notably, our NRI business segment has seen significant growth, targeting a 5% market share.

Our PIONEER Banking segment is on a robust growth path, aiming to double its business within three years. As part of our expansion strategy, we intend to surpass 40 PIONEER branches by 2026 and introduce PIONEER Private to cater to the top tier of this segment.

In the microfinance sector, our commitment revolves around creating

self-employment opportunities and providing financial services access to the underserved. Transitioning from a, "Micro lender to Micro Banker," we actively driving the Government's financial inclusion agenda. Our initiatives include various customer awareness programs focusing on financial literacy and fraud prevention.

In FY2023, our mortgage business, covering Loan Against Property and Prime Home Loans, gained momentum with a 39% increase in annual disbursements and a 10% boost in the Loans Against Property book. The launch of our Prime Home Loan business concluded FY2023 with a closing book of ₹383 crore, setting the stage for a scaling trajectory in the upcoming financial year.

## Commitment to Sustainable Banking

Sustainability is at the core of IndusInd Bank, embodying our resolute commitment to infuse sustainable practices into every aspect of our operations. In our pursuit of Environmental, Social, and Governance (ESG) excellence, we are set to introduce a series of ESG-linked products and initiatives, emphasizing our dedication to responsible banking.

Our commitment to robust ESG practices is evident in the full integration of ESG risk assessment into our Credit Risk assessment process. We take pride in our achievements, having secured top ranks for private sector banks from two prestigious international rating agencies - Carbon Disclosure Projects (CDP) and S&P Global Rankings. Furthermore, our noteworthy recognition as the 'Market leader' for ESG in India by Euromoney for FY2022 and FY2023 underscores our leadership and impact in the realm of sustainable banking.

I am pleased to present our strategic plan for Planning Cycle 6 (PC-6), outlining our vision for the next three years until FY2026. Our strategy revolves around the 3G framework - Growth, Granularity, and Governance. Specifically, we aim for 'Market Share with Diversification', focusing on maintaining or expanding market share in key sectors while diversifying strategically to enhance the risk-adjusted return profile.

The key themes guiding our PC-6 strategy are as follows: 1) Continuing the Retailization Journey; 2) Diversifying Domains; 3) Scaling Sub-Scale Businesses; 4) Accelerating Digital 2.0; and 5) Imbibing ESG into Business. This strategic approach aligns with our long-term goal of achieving 'Sustainable Growth', and we are well-prepared to advance towards these objectives with a range of initiatives in place, aiming to create enduring value for stakeholders.

As the Managing Director of a multidimensional bank, the central goal is to promote innovation and synergy across all operations, evident in our diverse portfolios and the expansion of digital banking. This commitment extends to the seamless integration of Environmental, Social, and Governance (ESG) principles into operations, aligning our business strategy with sustainable development.

## Future Forward

I am optimistic about the prospects of IndusInd Bank for FY2024, notably due to the accelerated growth anticipated through the PC-6 strategy. Amidst robust banking credit off-take and a cyclical recovery in our large businesses, we are strategically positioned to capitalize on the country's strong growth outlook. Our roadmap involves reinforcing core banking capabilities, expanding digital capabilities, and fostering strategic partnerships. Risk management and governance will remain paramount. We see significant potential in our Digital, PIONEER, NRI, Mortgages and MFI business segments, and we intend to leverage our strengths in these areas to drive growth and deliver exceptional value to stakeholders.

We are steadfast in our commitment to all stakeholders. With a clear strategic direction and a resilient business model, we are confident in achieving our objectives and generating shared value. Your ongoing support is deeply valued as we embark on this exciting journey together.

**Sumant Kathpalia**  
Managing Director & CEO

# ABOUT INDUSIND BANK

IndusInd Bank was founded in 1994 under the leadership of the late Mr. Srichand P. Hinduja, in collaboration with distinguished members of the Indian diaspora. The Bank's name, 'IndusInd Bank,' was thoughtfully derived from the rich history of the Indus Valley Civilization, known for its cultural achievements and business acumen.

IndusInd Bank has established itself as a prominent bank of choice and a reliable collaborator over

the course of its transformative 28-year journey. The bank serves a large and diverse clientele of 34 million customers, including individuals, corporations, various government bodies, and Public Sector Undertakings (PSUs) across the nation.

The Bank's commitment to its clients is reflected in its consistent efforts to cultivate and expand its customer base every year. This dedication is reinforced by its use of advanced technologies, ensuring a seamless, convenient, and highly effective banking experience.



The Octopus is considered the most intelligent and behaviorally diverse of all invertebrates.

## Vision and Mission

Over the years, IndusInd Bank has been on a path of growth and dynamism, driven by a commitment to provide top-quality banking services to its customers.



### Vision

IndusInd Bank will be:

01

A relevant business and banking partner to its clients.

02

Engaged with all its stakeholders and will deliver sustainable and compliant growth and returns.

03

Customer-responsive, striving at all times to collaborate with clients in providing solutions for their banking needs.

04

A forerunner in the marketplace in terms of productivity, technology, efficiency and profitability.

05

A change agent for financial inclusion in India.

06

An equal opportunity and preferred employer.



### Mission

IndusInd Bank will consistently add value to all its stakeholders by enhancing the sustainability of the organization and emerge as India's most convenient Bank with financial metrics amongst the best in the industry.

Sharks are predators that rule the ocean.

# KEY HIGHLIGHTS 2023

## Financial Highlights

**₹25,758 Cr**  
Revenue

**4.27%**  
Net Interest Margin

**₹3,36,438 Cr**  
Deposits

**₹7,390 Cr**  
Net Profit After Tax

**₹2,89,923 Cr**  
Total Advances

**71%**  
Provisioning Coverage Ratio

**14.53%**  
Return on Equity

**₹17,592 Cr**  
Net Interest Income

**44.30%**  
Cost to Income Ratio

## Operational Highlights

**34 million+**  
Customer base

**54:46**  
Loan mix ratio:  
Retail v/s Corporate

**86%**  
Credit to  
Deposit Ratio

**43%**  
Retail LCR  
Deposits

**17.86%**  
CRAR

**93%**  
Overall digital  
transaction mix

**40%**  
y-o-y increase in DIY  
Savings accounts  
with VKYC

**1800%**  
y-o-y increase in DIY  
Current accounts  
with VKYC

## Ratings

### Domestic Rating

**CRISIL AA +**  
for Infrastructure Bonds  
Program/ Tier 2 Bonds

**IND AA**  
for Additional Tier 1 Bonds  
Program by India Ratings and  
Research

**CRISIL A1+**  
for Certificate of  
Deposits Program /  
Short-term FD Program

**CARE A1+**  
for Certificate of Deposits

**CRISIL AA**  
for Additional Tier 1  
Bonds Program

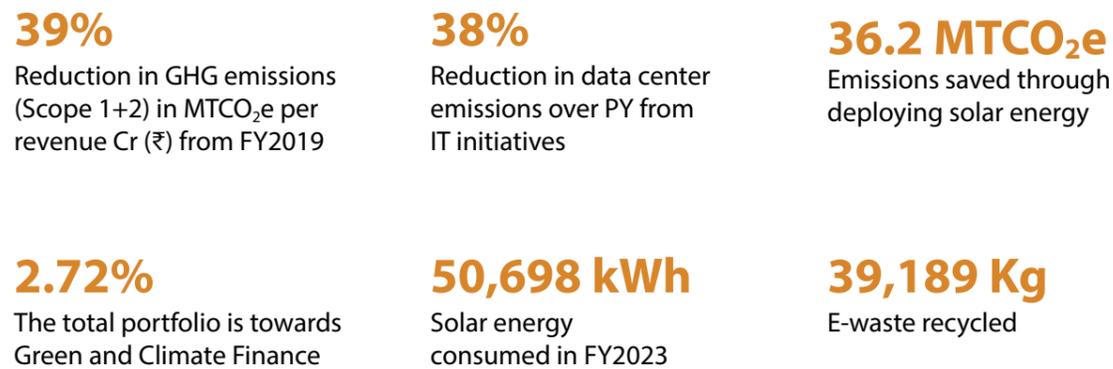
**IND AA+**  
for Senior Bonds Program/  
Tier 2 Bonds by India Ratings  
and Research

### International Rating

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

# ESG HIGHLIGHTS

## Environmental



## Social



## Governance



## Global ESG Ratings/Score (FY2022)



Ranked highest amongst all top 5 private sector banks in India for the third consecutive year, achieving a score of 63 in FY2022. **The Bank has also maintained its presence in the S&P Yearbook for the third consecutive year, making it the only Indian Bank to achieve this recognition.**

This recognition underscores the Bank's commitment and sustained endeavors in advancing the sustainability agenda across various facets such as the environment, social responsibility and governance. The Bank positions itself effectively to confront upcoming sustainability challenges and embrace opportunities.

**CDP:** IndusInd Bank has received acknowledgment from the global environmental non-profit organization CDP (previously called the Carbon Disclosure Project) for its effective management of climate change mitigation. The Bank has achieved a B rating for its efforts in addressing climate change, which reflects its initiatives to reduce emissions, manage climate-related risks and promote the growth of a low-carbon economy. It is also one of the best-rated Bank among the top 5 private banks in India.

**Refinitiv:** The Bank has consistently ranked as the top performer, demonstrating exceptional performance and a remarkable level of transparency within the banking services sector. It achieved a rating of 86 out of 100 and secured the 23<sup>rd</sup> position out of 1,110 global banking services companies in FY22.

The Jellyfish, the oldest multi-organ animal, has survived all five of Earth's mass extinction events.

# KEY DIFFERENTIATOR

IndusInd Bank ranks as the fifth-largest private sector Bank in India. Its diverse range of products and services, and the commitment to excellence has contributed to its widespread customer base. Recognized as a leading brand in the industry, the Bank's value propositions are connected to its inherent strengths.



## Scaling up areas of domain expertise

The Bank has demonstrated its domain expertise and delivered strong risk adjusted returns in sectors like livelihood loans, vehicle finance, microfinance, and diamond financing. Furthermore, the Bank plans to expand into fresh markets, encompassing affordable housing, SME, NRI Banking and wealth management, making it a key aspect of its continuous exploration and growth strategy.



## Strong financial profile

The Bank, having decades of experience, stands as one of the leading three players in the market. Even in the face of a less vibrant environment, the Bank managed to fortify its financial position and effectively tackle market obstacles.



## Proven track record

The Bank's performance distinctly surpasses industry standards across multiple metrics, notably in Pre-provision Profitability, Gross Non-Performing Assets (NPAs) and capitalization levels.



## Convenience and security

The Bank has enhanced its service offerings with innovative, customer-focused digital products. This is supported by significant investments in a robust IT infrastructure, ensuring end-to-end security, strict data compliance and comprehensive cyber-security measures.

## Strengths

1

Diversified loan and liability franchise

2

Profitability amongst the highest in the banking industry

3

Domain expertise in 'livelihood loans'

4

Strong capital adequacy significantly above regulatory thresholds

5

Pan-India distribution network with unparalleled rural presence

6

Focus on digital banking to drive growth

7

Stable asset quality with stringent risk management across the cycles

8

Experienced and well-knit management team

9

Recognized leadership in ESG

## Share in the Bank's Loan Book



26%  
Vehicle Finance



12%  
Microfinance



4%  
Diamond finance

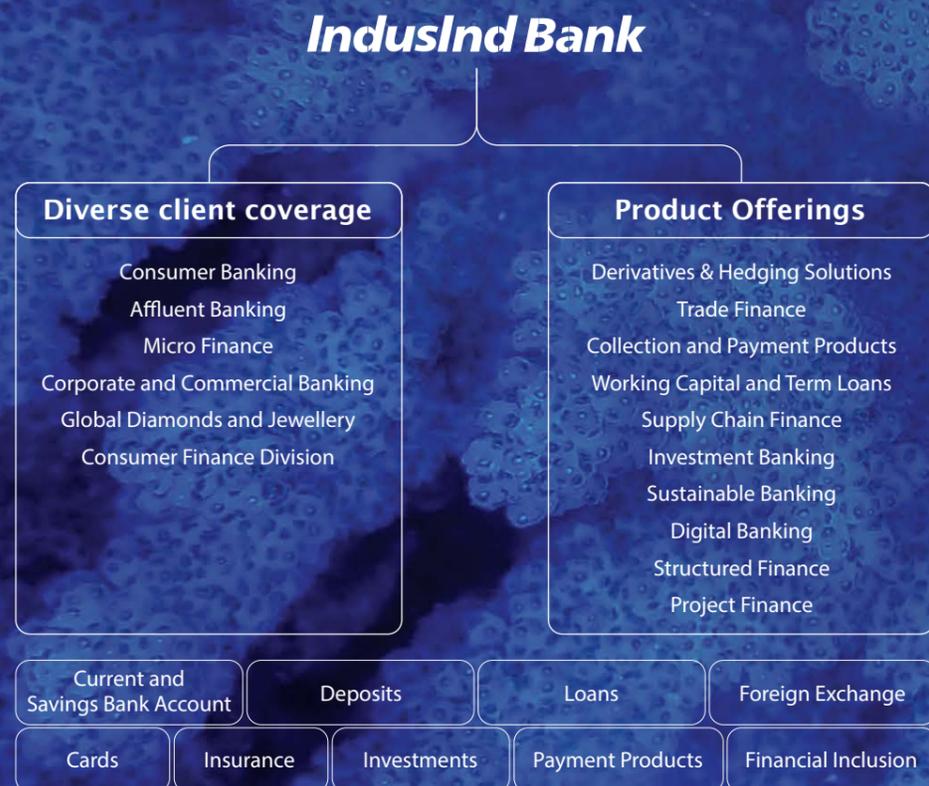
The highly unique Seahorse challenges traditional gender roles.

# OUR PORTFOLIO

IndusInd Bank, has expanded its customer base while revolutionizing the banking experience, making it seamless, user-friendly and efficient through the integration of cutting-edge technology. This dedication extends to embracing diversity and understanding the unique requirements of its valued patrons.

The Bank has firmly secured its position as a leader in distinct financial verticals such as vehicle finance, microfinance and the intricate domain of diamond banking. Its extensive range of products and services not only makes it the preferred choice for Government bodies and corporate entities but also positions it as a favored partner, offering tailored solutions for specific industries and sectors.

In line with its dedication to sustainability, the Bank places an emphasis on impactful investments and environmentally conscious lending. It has established specialized divisions devoted to facilitating these essential services, further illustrating its dedication to the principles of sustainable growth.



## 1 Consumer Banking

IndusInd Bank places emphasis on the financial well-being and convenience of its customers, presenting an array of banking solutions designed to suit their unique needs.

### a. Consumer Liabilities

The Consumer Bank sustained its growth trajectory while expanding liabilities across segments. Key strategies included deposit enhancement, driven by new acquisitions, branch expansion and cross-selling. Digital technology and analytics attracted more retail deposits. Notably, IndusInd Bank's savings account gained industry recognition. Promotions for Merchant Payment and Current Account solutions were successful. FY2023 saw a record 19% y-o-y retail deposit growth, solidifying market leadership.

### b. NRI Banking

IndusInd Bank has consistently grown in the NRI segment, managing to double its market share in NRI liabilities since March 2019. This growth is supported by the enhanced Indus Fast Remit platform, enabling NRIs to conveniently send money to India through a range of partners. The bank is set to further expand this service. Reinforcing its commitment to NRIs, IndusInd Bank offers global services via the IFSC GIFT City branch and facilitates Non-Face to Face Digital Account Opening. Additionally, 203 branches are dedicated exclusively to NRI clients. The bank's commitment extends to providing virtual services, digital banking solutions, and 24/7 toll-free call centers for NRIs living abroad.

### c. SME and Merchant Acquiring

The Bank has focused on strengthening its capabilities by enhancing the Indus Merchant Solutions (IMS) App and digital payment capabilities. By introducing a 4G sandbox the Bank expanded its offerings and led to a threefold increase in the merchant base by March 2023, aided by extended reach and IMS App efficiency. **The app was recognized as the 'Best Merchant Acquirer of the Year' at the 10th edition of Payment Industry Awards in 2023.**

### d. Retail Payments

Retail payments exceeded expectations due to strong y-o-y growth in UPI transactions, driving an impressive number of digital payments per customer. Debit card users averaged 10 monthly transactions, outperforming the industry average of 9. This success has stemmed from targeted campaigns promoting digital payments across channels and merchants. The Bank introduced the top-tier Delights Debit Card, offering up to 5% cashback on diverse transactions.

### e. Client Wealth Management

With tailor-made services, user-friendly digital alternatives, and an extensive network of partners, the Bank has assets amounting to ₹1,82,208 crore as of March 31, 2023. These assets span Mutual Funds, Portfolio Management, Alternate Investment Funds and Demat Accounts.

### f. Retail Assets and Credit Cards

Retail Assets and Credit Cards (RACC) offer various services that cater to various financial needs. IndusInd Bank's asset franchise includes Retail Agriculture, Loan Against Property, Credit Cards, Personal Loans, Business Loans, Loan Against Card Receivable, Gold Loans, Healthcare Finance, ODFD, and Loan Against Securities. It also soft-launched Prime Home Loans in select regions.

## 2 Affluent Banking

The Affluent Banking division offers a distinct and personalized banking experience to esteemed clients in India and abroad through its flagship brand, PIONEER Banking and Wealth Management. Grounded in trust, transparency and service, bolstered by technology and innovation, IndusInd Bank's PIONEER excels in serving this rapidly growing client segment. This strategic focus area demonstrates strong growth across key metrics, including sustained liability balance sheet growth in FY2023 from CASA deposits. Fee delivery increased by 30%, diversified across products.

The service proposition includes seamless options like one-touch RM calls, video calls, doorstep banking and priority processing. With credit, wealth solutions, trade products and GIFT City offerings, the Affluent Business provides universal banking services, leveraging data analytics for tailored offers. PIONEER continues to offer lifestyle benefits, including metal cards, golf, lounge access, movie vouchers and VIP event invites, solidifying its appeal to affluent clients.

## 3 Micro Finance

Within the realm of microfinance, the aim is to foster avenues for self-employment while facilitating access to essential financial services for those who have been historically marginalized. The Bank's trajectory involves evolving from a mere micro-lender to a dynamic micro-banker, championing the Government's mission of comprehensive financial inclusion. The Bank is also spearheading diverse initiatives geared towards enhancing customer awareness through programs that focus on honing financial literacy and fortifying safeguards against fraudulent activities.

## 4 Consumer Finance Division

The Consumer Finance Division excels in vehicle financing with a strong market presence and a large customer base. It funds various vehicles, new and used. Housing loans for affordable housing swiftly revitalized businesses. **FY2023 disbursements reached ₹46,309 crore, marking a 42% increase. Disbursements for new vehicles rose by 43% to ₹36,219 crore, and for used vehicles, there was a 48% increase to ₹9,751 crore, with a total of 10.73 lakh new loans.** Tractor funding surged by 18% to ₹4,826 crore in FY2023. CFD also earned ₹53.65 crore via insurance distribution. Backed by a solid infrastructure, it handled 5 million transactions, while tech adoption streamlined operations. CFD's financing, housing loans and innovations fueled impressive growth.

## 5 Corporate and Commercial Banking

IndusInd Bank's dedicated Corporate and Commercial Banking Group is committed to meeting evolving client financing needs for expansion, strategic projects, and infrastructure support. The Bank prioritizes exceeding client expectations and maintaining exceptional service delivery. Its extensive range of financial products and services is designed to cater to specific needs, offering a comprehensive corporate product suite that covers working capital finance, long term finance, supply chain solutions, trade solutions, cash management, project financing, strategic advisory, capital markets and global market solutions.

## 6 Global Diamonds and Jewellery

The Gems and Jewellery Industry is a vital aspect of India's exports, fostering employment and MSME growth. Global Diamonds and Jewellery group (GDJG) leads global financing in this sector and has been recognized for its excellence. It has evolved from diamond financing to encompass various activities globally. It maintains a strong client base, with zero delinquency in its portfolio during FY2023. GDJG's relationship-based banking approach offers cross-selling opportunities for increased assets and revenue.



The endangered Sea Turtle

**Bharat Financial Inclusion Limited (BFIL)**, a wholly-owned subsidiary of the Bank, is a key player in India's microfinance sector. It offers comprehensive Banking services across 535 districts in 23 states, serving rural, semi-urban and urban areas, with a vast network spanning 1,37,000+ villages. Supported by a committed team of ~33,000 field staff, BFIL empowers customers through various services, including small loans, deposit accounts, insurance and fulfilling aspirations like owning vehicles or consumer goods.



**36,000 +**  
Employees



**~10 million**  
Customers



**14.2 million +**  
Active accounts

The very appealing Starfish



## ESG Portfolio

IndusInd Bank is deeply committed to integrating sustainability into all aspects of its business operations. The strategic approach focuses on seamlessly incorporating sustainability into the product offerings for both retail and corporate sectors. In alignment with ESG values, the Bank actively identifies opportunities and develops pioneering products. This showcases a dedicated commitment to promoting sustainable practices and contributing to a responsible financial landscape.

## Highlights of ESG products

Our products are integrated into various business domains, highlighting our commitment to ESG principles. With a dedicated focus on sustainability, we employ responsible practices to develop products that achieve financial goals while making a positive impact on society and the environment.

## Focus on MSME



### Platform to Support Women Entrepreneurs ('WE')

WE is a holistic digital innovation platform, a part of the MSME focus group, designed to empower women entrepreneurs. It offers comprehensive resources tailored to address the intricate financial and vocational needs of women entrepreneurs. Through strategic partnerships, the platform facilitates a wide range of support, including personalized mentoring, specialized training, immersive virtual seminars, valuable industry connections and streamlined access to expert service providers.

Furthermore, it serves as a launchpad for securing equity investment, grants and government initiatives, reinforcing the core of women-led enterprises. The Bank organized an event similar to 'Shark Tank,' offering women entrepreneurs a chance to get investment. With the Bank's expert guidance, the event attracted significant attention from investors, highlighting the impressive potential of the participating women entrepreneurs' ventures.

The offering is built on three core pillars:

**a. Learn:** Providing mentoring, training, and online workshops to enhance skills and knowledge

**b. Connect:** Facilitating industry connections, fostering peer networks, and building communities to share success stories.

Collaborating with service providers such as legal, accounting, taxation, and HR experts

**c. Grow:** Offering bank finance options for debt, access to accelerators, equity funding, loans from NBFCs, grants from government and foundations, and access to various government schemes tailored for women entrepreneurs



### Green Fixed Deposits

IndusInd Bank's 'Green Fixed Deposits,' launched in December 2021, received a positive market response. This innovative initiative allows customers to invest in deposits dedicated to funding assets aligned with the United Nations Sustainable Development Goals (UNSDGs). It highlights the Bank's dedication to benefiting stakeholders and embracing forward-looking, sustainable banking practices for a prosperous future.



### Electric Vehicle (EV) Finance Program

The Bank, in collaboration with Tata Motors, has introduced an Electric Vehicle (EV) Financing Initiative, aiming to make electric vehicles more accessible and affordable. The innovative program includes channel financing options for dealers and corporate entities, leading to significant recognition, such as the prestigious Asset AAA Treasury Awards, where the Bank received the esteemed Best Solution Supply Chain India award for its pioneering impact in 2023.



### Financing for Solar Rooftop

IndusInd Bank is set to empower MSMEs by introducing an innovative Rooftop Solar Loan program, catering to individuals with financing needs under ₹5 lakh. This initiative not only promotes sustainable energy practices but also envisions a future where small-scale businesses can harness the power of solar energy linked innovation to enhance their operations and contribute to a greener and more sustainable economy. With these tailored financial solutions, IndusInd Bank aspires to be a catalyst for positive change, fostering both economic growth and environmental responsibility within the MSME sector.



### Specialized Business Verticals

IndusInd Bank's commitment spans diverse ESG positive sectors, offering tailored banking solutions that include for Renewable Energy and E-Mobility, cash management, and digital services. Aligned with ESG principles, the Bank actively supports inclusive finance in education and healthcare, cash management and escrow services for Impact NBFCs and digital services for MSMEs. Operating in 17 states and covering 45 commodities, the Bank's innovative Agri Finance products underscore its dedication to sustainable agriculture, aligning with ESG goals and fostering economic and environmental well-being.



### Consumer Finance Division (CFD)

The Bank's dedication to sustainability and efficiency is reflected in its offerings of affordable housing loans, vehicle financing, and tractor funding within the Consumer Finance Division. This showcases the IndusInd Bank's contribution towards rural development and promoting financial inclusion. The deployment of Android mobile devices for over 12,000 field collection executives highlights a commitment towards technological innovation and scalability, contributing to efficiency and, indirectly, reducing the environmental impact of traditional processes.



### Bharat Money Store (BMS)

Bharat Financial Inclusion Limited's (BFIL) collaboration with IndusInd Bank through Bharat Money Store (BMS) significantly contributes to financial inclusion, serving a vast rural customer base and providing essential banking services. It serves approximately 10 million customers. It enhances financial inclusion with its presence in 628 districts, covering over 48,000 villages across 11 states. It has enrolled 1,00,000+ merchants and served over 10 million rural customers in FY2023.



Seagulls, intelligent adaptable and resourceful.

# OPERATING ENVIRONMENT

IndusInd Bank, a leading player in India's banking industry, is well-positioned to capitalize on growth opportunities. With extensive experience and a solid foundation, the Bank understands the Indian market and tailors its products and services to meet diverse customer needs. This approach fosters strong customer relationships and satisfaction.



## Retailization

The Retailization of the Indian banking sector has diversified the revenue streams of banks, reducing their dependence on corporate and wholesale banking. Retail banking offers a stable and predictable source of income, which is less susceptible to economic fluctuations. Additionally, Retailization has improved financial inclusion by extending banking services to previously underserved segments of the population. This has contributed to the overall economic growth and development of the country.

### Our Approach

IndusInd Bank has been focusing on building a strong retail deposit franchise. The Bank has seen significant growth in retail deposits, with the intention of increasing the share of retail deposits to 45-50% by the conclusion of the Bank's Planning Cycle 6.



## Digital Transformation

India's banking sector is undergoing a digital transformation to meet the demands of the country's growing digital citizenry. Banks are investing heavily in digital technologies to improve services, reduce costs and build loyalty. The government's push for digitization further incentivizes banks to embrace digital transformation. This transformation aims not only to catch up with global practices but also to develop unique Indian products and business models. This transformation presents opportunities for improved services and innovative solutions tailored to the Indian market.

### Our Approach

IndusInd Bank is accelerating its digital transformation efforts to build a profitable digital bank. The Bank has launched innovative customer-centric solutions and enhanced its digital banking platforms to cater to the evolving needs of individual and MSME customers.



## Demographic Dividends

India has over 800 million people under the age of 35. The banking industry is well-positioned to benefit from India's demographic dividend. As the youth joins the workforce, the demand for banking and financial services will increase substantially. More working individuals will need loans for housing, vehicles and other consumer goods. They will also need assistance saving for retirement and other long-term financial goals. This represents a major opportunity for the Indian banking industry to gain new customers and expand its loan and deposit portfolio.

### Our Approach

India's young and growing population presents a significant opportunity for IndusInd Bank. By focusing on youth-centric products and services, such as digital banking solutions, mobile banking apps and personalized offerings, the Bank can attract and retain the younger generation as its customers.



## The Urbanscape

As cities grow and more people migrate to urban areas, it is crucial to bring the urban poor into the banking network. Strategies such as financial literacy programs and guides issued by institutions like the Reserve Bank of India aim to educate and motivate the urban poor to save, understand banking services and make informed financial decisions. Customized delivery channels and innovative products have been developed to cater to their specific needs. Integrating the urban poor into the financial system promotes financial inclusion and contributes to the stability and sustainability of the social and economic system.

### Our Approach

IndusInd Bank recognizes the growing demand for banking services in urban areas of India. To capitalize on this, the Bank strengthens its presence in urban centers and offers a wide range of financial solutions. Strategic partnerships with real estate developers enhance its offerings. The Bank also expands its branch network to tap into the under-penetrated rural and semi-urban markets. Utilizing technology, IndusInd Bank provides innovative banking solutions tailored to the specific needs of these segments.



Bottle-nosed dolphins

# CAPITALS



## Financial Capital

The Bank offers a variety of products tailored to meet the needs of its wide customer base. The Bank values financial prudence and is committed to managing its financial capital effectively. This approach is the foundation of its robust capital base and consistent returns for shareholders.

(Read more on page 38)



## Intellectual Capital

The Bank is committed to providing exceptional services and building lasting relationships with its clients. It offers personalized solutions through collaboration while keeping pace with advancing technologies.

(Read more on page 60)



## Manufactured Capital

The Bank is actively broadening its network of physical branches through the creation of environmentally-conscious structures, while also advancing its information technology infrastructure to foster ethical and engaging interactions with its clientele.

(Read more on page 42)



## Human Capital

The Bank regards its personnel as its most valuable resource, holding the belief that imparting value to its workforce is paramount. This commitment is actualized through the principles of open and transparent communication, along with comprehensive capacity enhancement and training initiatives. Each member of the Bank's staff is accorded utmost respect and dignity while being embraced by an incentivized and all-encompassing work environment that champions diversity and inclusivity.

(Read more on page 66)



## Natural Capital

The Bank is strongly committed towards the preservation of the environment and has pledged to increase the use of renewable energy sources in its operations. It advocates sustainability as a core part of its strategy, emphasizing the importance of reducing greenhouse gas emissions and promoting eco-friendly initiatives to combat climate change.

(Read more on page 46)



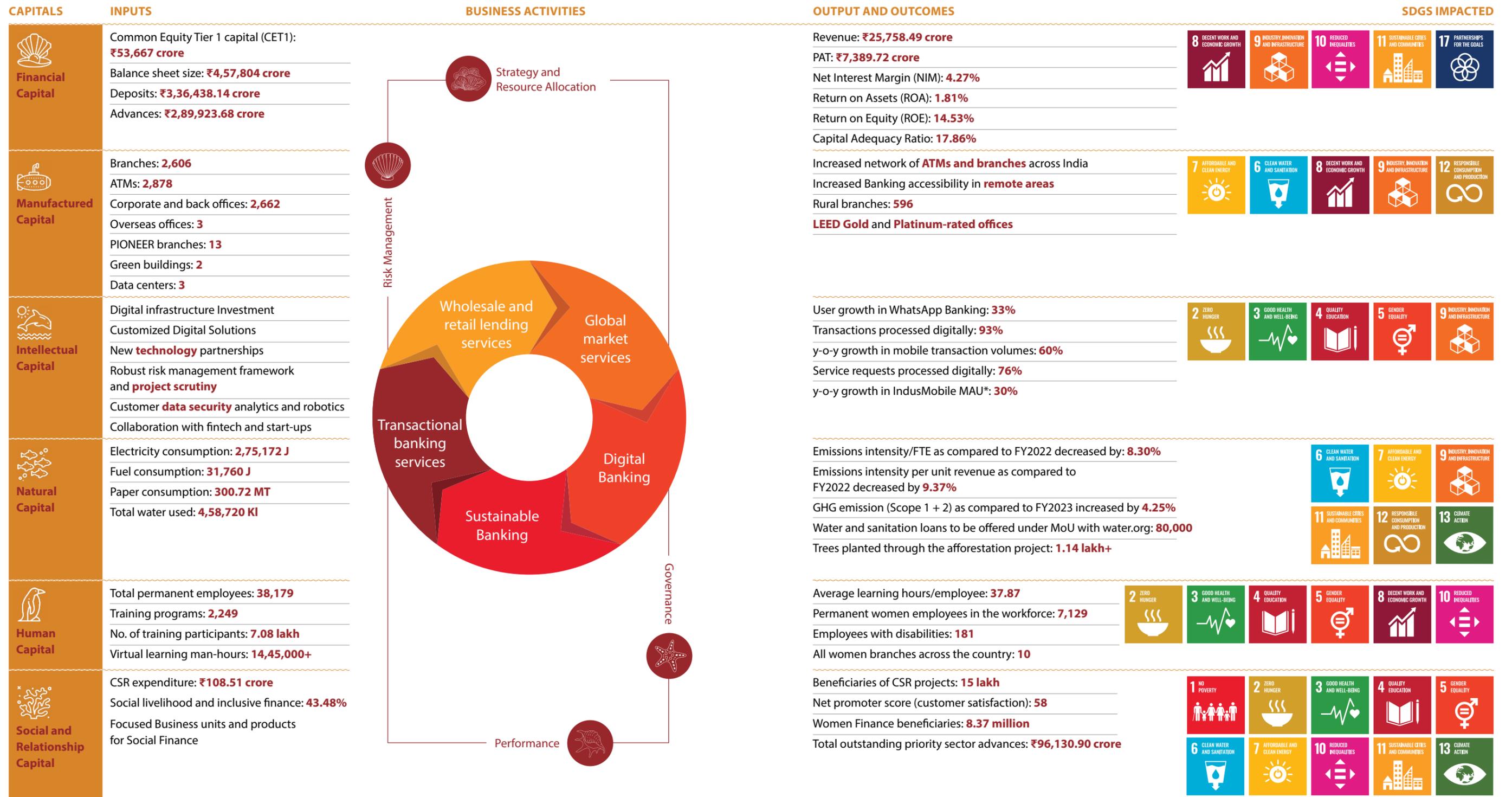
## Social and Relationship Capital

The Bank strives to cultivate a solid and enduring relationship with its stakeholders, channeling its efforts into initiatives that wield a positive and transformative influence on society, bolstering its business ventures. Moreover, the Bank champions community development by catalyzing fresh avenues for sustainable livelihoods, all the while actively seeking to play a pivotal role in fostering the comprehensive advancement of society as a whole.

(Read more on page 74)

# BUSINESS MODEL

IndusInd Bank follows an integrated business model that allows it to maximize value creation for its stakeholders.



# STAKEHOLDER ENGAGEMENT

## Open and Transparent Engagement

IndusInd Bank places tremendous importance on establishing transparent and open lines of communication and engagement with its stakeholders. The valuable feedback received from these stakeholders plays a pivotal role in strengthening the Bank's strengthening the Bank's business strategies, risk management practices and launch of new products. The Bank is dedicated establishing purposeful business strategies, risk management practices and launch of new products. This allows the Bank to refine its internal mechanisms, seize advantageous business prospects, curtail operational uncertainties and maintain a pioneering edge in the competitive landscape, all while delivering value to every stakeholder involved.

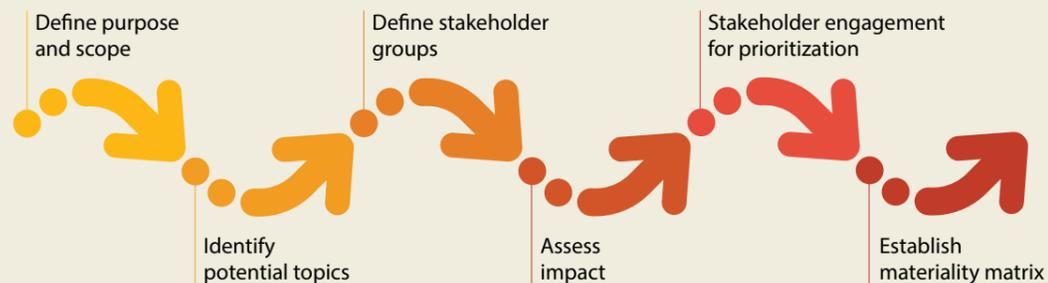
Stakeholders >	 Investors	 Customers	 Employees	 Suppliers	 Regulators & Policymakers	 Society & Communities
<b>Key areas of engagement</b> 	<ul style="list-style-type: none"> <li>Strong operational performance with a focused growth strategy</li> <li>Risk management</li> <li>Compliance to regulations</li> <li>Building a responsible value chain</li> <li>ESG Performance, Ratings and Disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Innovative client-centric Solutions</li> <li>Ease of banking</li> <li>Compliant resolution</li> </ul>	<ul style="list-style-type: none"> <li>Benefits and remuneration</li> <li>Grievance redressal and timely response</li> <li>Training and career development</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Fair treatment</li> <li>Procurement from local suppliers</li> <li>Service delivery and quality</li> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>CSR reporting</li> <li>BRSR reporting</li> </ul>	<ul style="list-style-type: none"> <li>Rural development</li> <li>Financial literacy and inclusion</li> <li>Support for livelihoods</li> <li>Socio-economic development</li> <li>Job creation</li> </ul>
<b>IndusInd Bank's Interaction and Engagement Approach</b> 	The Bank proactively interacts with investors and stakeholders through diverse channels, such as investor gatherings, grievance channels, roundtable discussions, quarterly calls, face-to-face meetings and annual general meetings. These engagements serve two vital purposes: sharing essential information to keep stakeholders apprised of transparent disclosures and gaining insights to enhance their understanding of the Bank's performance and strategic direction	The Bank fosters continuous customer engagement through diverse digital channels, such as video conferencing, dedicated support, surveys and social media, extracting valuable insights to craft bespoke solutions, innovative products and superior services that precisely cater to individual needs	The Bank maintains continuous and proactive engagement with its staff through town-hall gatherings, comprehensive performance evaluations and various other channels. This ensures alignment between their concerns and the Bank's strategic goals	The Bank cultivates meaningful relationships with suppliers through supplier meets, techno-commercial dialogues, sustainability evaluations and ethical procurement, making substantial investments in fostering robust, enduring partnerships	The Bank engages in collaborative efforts with regulatory authorities, employing face-to-face meetings, considerate email exchanges and performance reports. It remains committed to demonstrating corporate citizenship and fulfills its responsibility in the execution of publicly available policies, thereby contributing to their development and implementation	The Bank's commitment to society is embedded in its business model, as it stands as a leading provider of livelihood finance in the country.  Additionally, under the banner "SATTVAM - My Country, My Commitment," the Bank's dedication to rural upliftment is strongly demonstrated through its CSR activities.  The Bank's commitment to delivering a cleaner world to future generations is evident in its pledge to reduce its carbon footprint.
<b>Embracing Value Created</b> 	Consistent financial excellence in the face of market turbulence and shifting dynamics	This has resulted in significant benefits for the Bank's clients, leading to decreased client attrition and improved efficiency in handling customer complaints	Advancing careers while ensuring overall employee well-being for a thriving workplace	The Bank is committed to cultivating a network of suppliers that actively contribute to creating a responsible and sustainable supply chain through the implementation of exemplary practices	The Bank lends its support to government initiatives, complying with the laws of the nation, setting a stellar example and mitigating potential risks	The Bank is committed to a positive impact through CSR initiatives, including environmental stewardship, education, skill advancement, healthcare and arts/sports promotion
<b>Capitals Impacted</b> 	Financial, Natural, Intellectual and Social & Relationship	Intellectual, Manufactured and Social & Relationship	Human, Financial and Intellectual	Financial and Social & Relationship	Financial, Social & Relationship, Natural and Human	Social & Relationship and Natural

# MATERIALITY

Material Issues possess the capacity to significantly influence the Banks operations, business, assets, financials and reputation. The Bank's evaluation of materiality plays a pivotal role in crafting its sustainability strategy and formulating an approach that prioritizes value generation.

## Materiality Assessment Process

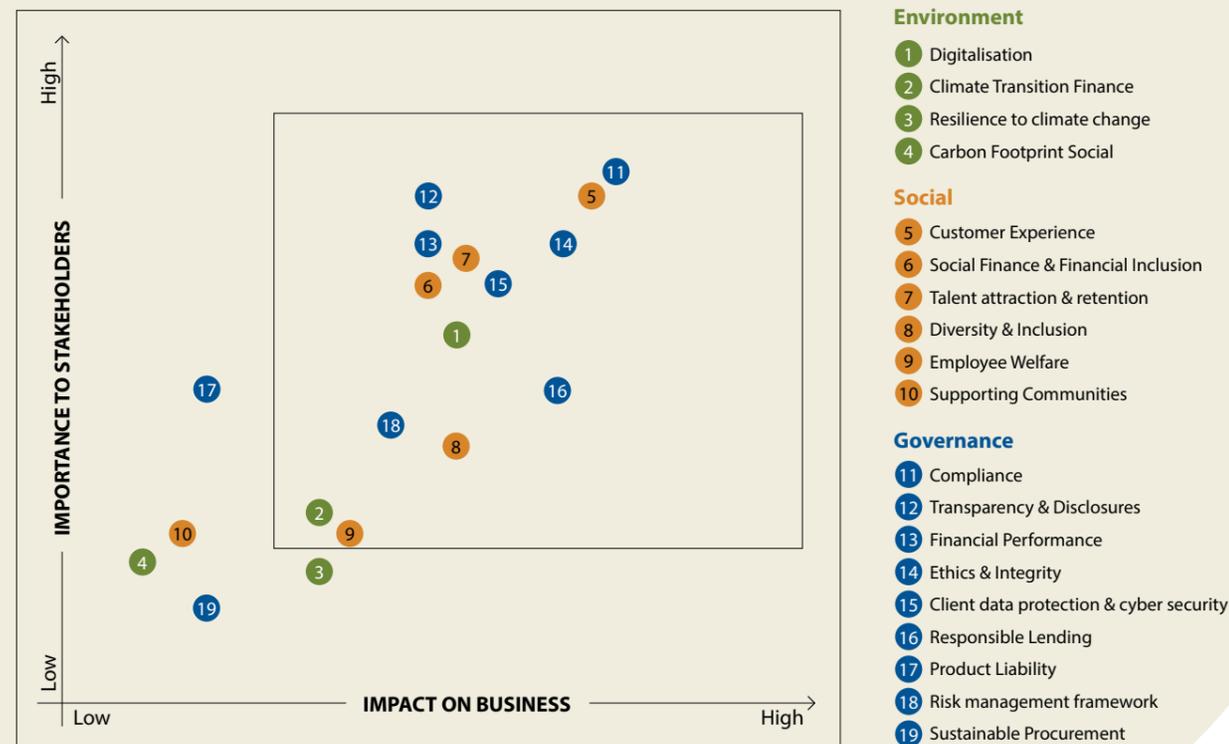
The Bank finds itself in a dynamic market with shifting customer demands. This necessitates the Bank to skilfully navigate the intricate balance between generating revenue, upholding exemplary governance, fostering meaningful stakeholder engagement and addressing broader sustainability imperatives.



## Materiality Matrix

The Bank has discerned a critical set of 19 material topics that hold strategic significance. These topics are evaluated across two vital dimensions: firstly, the profound influence they exert on the business and secondly, the paramount importance they hold for the stakeholders involved.

The Bank takes a proactive approach in identifying key topics that have a substantial impact on both its business and its stakeholders.



Mentioned below is the management's strategy for addressing these key material issues, which hold significant importance for the Bank and its stakeholders.

Key Material Issues	Management Approach	Stakeholder Impacted
<b>5 Customer Experience</b>	The Bank remains steadfast in its dedication to delivering an outstanding customer experience. Each interaction, starting from the moment customers engage with the Bank, is driven by a commitment to comprehend and meet their requirements. The Bank endeavors to provide smooth, effective and tailored services, utilizing state-of-the-art technology and a customer-centric methodology. The Bank's significant objective is to cultivate trust, surpass expectations and ensure a favorable banking experience for every customer.	Customers, Investors
<b>6 Social Finance &amp; Financial Inclusion</b>	IndusInd Bank acknowledges that social finance goes beyond mere financial gains, emphasizing the importance of generating enduring and meaningful advantages for society. The bank actively fosters the growth and impact of social enterprises by providing customized debt solutions to meet their specific needs. This commitment involves offering financial support to initiatives in crucial sectors such as health and sanitation, contributing significantly to the enhancement of community well-being.	Communities, Customers
<b>7 + 8 Talent attraction &amp; retention Diversity &amp; Inclusion</b>	<p>The Bank recognizes that diversity and inclusion extend beyond its internal operations. It extends its commitment to diversity to its customers, partners and the communities it serves. Key highlights of Diversity and Inclusion at the Bank include:</p> <ul style="list-style-type: none"> <li>→ 10 Exclusive All-Women Branches: The Bank has launched all-women branches across India in cities such as Jalandhar, Chandigarh, Delhi, Jaipur, Pune, Bhubaneswar, Kolkata, Bengaluru, Chennai and Thiruvananthapuram.</li> <li>→ The hiring of Neurologically Diverse Employees: In FY2023, the Bank hired 6 neurodiverse employees, contributing to a workforce that includes 181 specially-abled employees.</li> <li>→ Board of Directors: Out of a total of 10 directors, the Bank has 2 women directors on its board.</li> <li>→ Plus 1 Initiative: All department heads have been directed to add female resources to their existing teams.</li> </ul>	Employees, Investors, Suppliers
<b>11 + 12 Compliance Transparency &amp; Disclosures</b>	<p>The Bank is committed to being a responsible organization and is continuously working to cultivate a culture of risk and compliance. The Bank remains attentive to the changing regulatory environment while ensuring that its operations adhere to the standards set by regulatory authorities. Their control functions are in place to guarantee that their businesses and operations align with industry-leading practices.</p> <p>The Bank emphasizes transparency and disclosure as fundamental principles. It firmly believes that providing comprehensive and precise information is essential for customers and stakeholders to make well-informed choices. The Bank is committed to openly sharing its financial data, policies and procedures, ensuring that everyone has access to the necessary information, thereby building trust and promoting accountability in its banking relationships.</p>	Regulators and Policymakers, Investors and Employees
<b>14 Ethics &amp; Integrity</b>	Ethics and integrity form the bedrock of the Bank's values. The Bank is committed to upholding the highest ethical standards in all its operations and interactions. The staff is guided by a strict code of conduct that emphasizes honesty, fairness and accountability. The Bank believes that maintaining integrity is not just a responsibility but a necessity to earn and maintain the trust of their customers and communities.	All stakeholders
<b>15 Client Data Protection &amp; Cyber Security</b>	Managing cyber risks is a crucial component of the Bank's enterprise risk management strategy. The Bank is fully committed to adapting to the evolving cyber landscape and has established a specialized team focused on cyber and information risk management. This dedicated team ensures that the Bank remains vigilant and proactive in safeguarding its operations and customer data from cyber threats.	Customers, Employees, Investors

# STRATEGY

IndusInd Bank advances its strategic goals within well-structured 3-year Planning Cycles, further dissected into annual and quarterly goals. These objectives are crafted precisely, considering potential shifts in the external landscape. The Bank remains vigilant and proactively identifies emerging trends in the political, economic, social, technological and regulatory realms, recognizing their potential impact on the Bank's overall performance.

## Formulating the Strategic Approach

The formulation of IndusInd Bank's strategy is a collaborative endeavor, involving all stakeholders, including crucial top-down strategic inputs from the Core Executive Team (CET). Additional refinement is carried out by collecting insights from the Bank's operating staff, ensuring the seamless integration of evolving customer preferences and emerging market opportunities. When necessary, the Bank involves specialized agencies and consultancies, employing an Outside-In perspective to critically evaluate specific domains. Subsequently, the CEO and the Core Executive Team (CET) present this strategic plan to the Board for thorough review and final approval.



The Great White Shark

*The Bank has transitioned well, strengthened its position and achieved its ambitions for PC-5. WE are well prepared for the next phase of growth. Bank's dedication to technological advancements has led to the successful implementation of cutting edge digital solutions, ensuring enhanced efficiency, streamlined processes and an exceptional banking experience for its customers.*

**Arun Khurana,**  
Deputy CEO, IndusInd Bank

## Planning Cycle 5 Outcome

The Bank completed the final year of its Planning Cycle 5 (PC-5) in March 2023 with outcomes in line with the stated objectives:



**Retail Liabilities Surge**



**Fine-tuning Corporate Banking Approach**



**Holistic Rural Banking**



**Scaling Up Domains**



**New Growth Boosters**

Overall, the Bank has strengthened its position across sustainability metrics and closed the PC-5.

**17.86%**

Capital adequacy ratio

**~86%**

Credit deposit ratio

**~123%**

Liquidity coverage ratio

### Planning Cycle 6 Strategy

The Bank has concluded its comprehensive strategy for the forthcoming three-year period, extending until FY2026, firmly emphasizing three core pillars: Growth, Granularity and

Governance—abbreviated as the '3G' focus. The overarching strategy for this Planning Cycle 6 centers on the concept of 'Market Share with Diversification.' In practical terms, the Bank's goal is to either

sustain or enhance market share in crucial business segments while concurrently diversifying strategically in specific areas, thereby enhancing the risk-adjusted return profile.



1. Loan growth acceleration



2. Deposit mobilization to continue apace



3. Leapfrogging Digital 2.0



4. New Growth Boosters



5. Becoming an Employer of Choice



6. Sustainable Banking

### Growth Drivers for PC-6

IndusInd Bank's strategic framework is rooted in essential themes that guide the institution's path ahead:

1

**Retail Focus Advancement:** The Bank views retailization as a continuous priority, making notable recent progress. It's resolutely focused on increasing retail deposits, aiming for a 45%-50% share by the end of PC-6.

2

**Diverse Growth Strategies:** The Bank aims to strengthen its position in vehicle categories and diversify with scaled-up portfolios in used vehicles and affordable housing. It also prioritizes transitioning from microfinance to micro-banking in rural India and embraces a community banking approach for the Gems and Jewellery sector, as part of its strategic expansion.

3

**Scaling Sub-Scale Ventures:** Scaling sub-scale businesses is a key focus for PC-6. Multiple initiatives are in place, such as comprehensive mortgage-backed loans (including home loans), broadening MSME penetration and expanding PC-5 Initiatives, which encompass Affluent Banking, NRI Banking and merchant offerings.

4

**Digital Acceleration 2.0:** Creating a dedicated digital banking unit showcases the Bank's commitment to innovative, customer-centric solutions for individuals and MSME segments, to build a profitable digital banking platform.

5

**Integrating ESG into Business:** Sustainability is central to the Bank's philosophy, with ongoing initiatives to integrate ESG principles into the overall business strategy, aligning seamlessly with responsible Banking values.

### Outcomes expected for PC-6

18%-23%  
Loan Growth

55%-60%  
Retail Loan Mix

45%-50%  
Retail Deposits as per LCR

5.25%-5.75%  
PPOP/Loans

3,250-3,750  
Branches

>50mn  
Customer Base

Through the introduction of green products, the Bank is poised to venture into burgeoning climate-positive industries. The pivotal themes of climate change and sustainability are set to gain significant prominence, forming essential

cornerstones of its PC-6 initiatives. The Bank has set an ambitious goal to achieve carbon neutrality by 2032. To minimize emissions, the Bank will strategically leverage demand and supply-side mechanisms, complemented by offsets to

mitigate any remaining emissions. As the strategy unfolds, the Bank is committed to establishing the essential pathways that will enable it to realize and fulfill its visionary goals.

### Digital Strategy

Digital transactions have a consistently rising momentum with an increasing portion of the existing business transitioning into the digital realm. This transition underscores the Bank's commitment to embracing and capitalizing on the digital landscape. The Digital Strategy at IndusInd Bank generates substantial outcomes across three key business objectives:

1

Drive Superior Customer Experience and Engagement

93%  
of transactions processed digitally

76%  
of service requests processed digitally

60%  
y-o-y growth in mobile txn. volumes

2

Transform existing lines of businesses

98%  
of savings accounts opened digitally

97%  
of credit cards sourced digitally

79%  
of personal loans sourced digitally

3

Create scalably, profitable Do It Yourself (DIY) / Open Banking-led business models

496%  
Do It Yourself (DIY) Direct platform led Business: Assets growth y-o-y

44%  
Liabilities growth y-o-y

The rare Red Starfish



**FINANCIAL CAPITAL**

# STRONG FINANCIAL GROWTH

Throughout FY2023, IndusInd Bank continued its expansion journey, solidifying its position in the Indian banking sector. The Bank's success is attributed to effective risk management, robust credit policies and expert underwriting capabilities.

During FY2023, the Bank achieved balance sheet expansion, with a significant 14.56% increase in deposits and commendable 21.28% growth in advances. These milestones were driven by the extensive potential of the Bank's network, including cutting-edge digital banking capabilities and 2,606 branches. Financial performance flourished, with post-tax profits growing by a substantial 54.90%.

IndusInd Bank's commitment to superior asset quality was validated as its Gross Non-Performing Assets (GNPA) decreased impressively to 1.98%. The liquidity coverage ratio in retail deposits grew by 19%, with the share of deposits increasing to 43%. The Net Interest Margin (NIM) rose from 4.11% to 4.27%.

The cost-to-income ratio for FY2023 reached 44.30%, primarily due to a significant 19.49% surge in operating expenses compared to the previous year.

(₹ in crore)

Particulars	FY23	FY22	y-o-y Growth
Interest Earned	36,367.91	30,822.44	17.99%
Interest Expended	18,775.80	15,821.60	18.67%
Net Interest Income	17,592.12	15,000.84	17.27%
Non-Interest Income	8,166.37	7,334.20	11.35%
Revenue	25,758.49	22,335.04	15.33%
Payment to Employees	3,030.52	2,488.34	21.79%
Other Expenses	8,008.04	6,749.74	18.64%
Operating Expenses	11,038.56	9,238.08	19.49%
Operating profit before Depreciation, Provisions and Contingencies	14,719.92	13,096.96	12.39%
Depreciation	373.44	321.21	16.26%
Operating Profit	14,346.48	12,775.75	12.29%
Provision and Contingencies	4,486.83	6,602.10	(32.04)%
Profit Before Tax	9,859.65	6,173.65	59.71%
Provision for Tax	2,469.93	1,562.53	58.07%
Net Profit	7,389.72	4,611.12	60.26%
Net Profit (Consolidated)	7,443.49	4,805.03	54.91%



*I believe that our financial journey is not just about numbers; it's about building trust, creating value, and empowering dreams. Together, we navigate the currents of innovation and strategic excellence to steer IndusInd Bank towards a brighter, more prosperous horizon.*

Gobind Jain  
Chief Financial Officer,  
IndusInd Bank

### Thinking Ahead

In FY2024, IndusInd Bank expects loan growth to continue benefiting from the ongoing economic recovery. This growth is expected to be further supported by a consistent increase in lending activity across India.

In accordance with its Strategic Planning Cycle 6, the Bank maintains a strong focus on increasing its deposit base. Its objective is to significantly augment the proportion of retail deposits, targeting a range of 45%-50% by the conclusion of FY2026. This ambitious vision underscores the Bank's proactive stance in shaping its financial landscape.

IndusInd Bank anticipates maintaining its strong CRAR, currently at 17.86%. The Bank has prudently established robust reserves to ensure steadfast support for both its valued clients and the broader economy.



Natural oyster protecting a white pearl

(₹ in crore)

Particulars	FY23	FY22	y-o-y Growth
Deposits	3,36,438.14	2,93,681.35	14.56%
Advances	2,89,923.68	2,39,051.53	21.28%
Balance sheet size	4,57,804.05	4,01,974.58	13.89%

The core net interest margin showed growth during this time, rising to 4.27% from 4.11% in the prior year. This increase can be attributed to several factors, including improved disbursements, higher yields, a higher proportion of loans in the total balance sheet and an enhancement in the share of retail loans to 54%.

Much like an oyster forms a pearl, symbolizing its endurance in the face of challenges, IndusInd Bank has similarly cultivated its financial strength. This parallel is vividly illustrated by the Bank's capital adequacy ratio, which stands at a resolute 17.86%. This speaks volumes about the Bank's meticulous financial management.

IndusInd Bank's capital forms the bedrock of its stability. This capital, empowers the Bank to navigate the ever-changing currents of the financial landscape with confidence. Anchored by a robust Tier I capital adequacy ratio of 16.37% and an impressive Tier II capital adequacy ratio of 1.49%, the Bank stands as a steadfast beacon, capable of weathering economic shifts and providing support to its clientele.

Tier 1 Capital: During the current year, the Bank has not raised any non-equity Tier 1 capital. The Bank has redeemed unsecured, redeemable, subordinated Tier 1 Basel III compliant non-convertible taxable Bonds by exercising the call option on April 18, 2022 of ₹1,000 crore.

Tier 2 Capital: During the current year, the Bank has not raised any Tier 2 capital. As on March 31, 2023, the value of outstanding Tier 2 Capital instruments is ₹2,800 crore.

The Bank created a sizable buffer against negative effects, demonstrating a willingness to responsibly manage potential risks, as seen by a provision coverage ratio that decreased to 70.57%, a slight decrease over the previous year's 72.27%.

### Shareholder Value Creation

During FY2023, the Bank attained a commendable Return on Equity (RoE) of 14.53%, keeping with its commitment to generating wealth for shareholders. During FY2023, earnings per share (EPS) increased by 60% to ₹95.32, while dividends per share increased noticeably to ₹14.



MANUFACTURED CAPITAL

# ELEVATING PRESENCE

Harnessing an intricate web, the Bank's reach extends to 1,37,000 villages, thereby guaranteeing accessibility even to the most remote parts of the country. Moreover, IndusInd Bank boasts a global presence, maintaining representative offices in the prominent hubs of London, Dubai and Abu Dhabi.

Dolphins gracefully navigating the deep ocean



**2,606**  
Branches  
across India



**596**  
Rural  
branches



**2,878**  
ATMs across  
India



**56**  
Offices



Across  
**28**  
States



**3,303**  
Bharat Financial Inclusion  
Limited branches

The Bank has an International Financial Service Centre (IFSC) based in Gujarat GIFT City for offshore banking operations. Representative offices are also present in London, Dubai and Abu Dhabi. There are 13 PIONEER banking branches located in prominent locations across the country, along with 6 currency chests strategically located in Mumbai, Delhi, Chennai, Kolkata, Bengaluru and Chandigarh.

### ESG in Infrastructure

IndusInd Bank is actively expanding its ESG footprint, through initiatives like the Green Branch Initiative. Notably, the IBL House office in Mumbai and Karapakkam office in Chennai have already achieved Leadership in Energy and Environmental Design (LEED) certification.

All Pioneer branches have achieved LEED certification, totaling 13 across the country. This significant milestone underscores the Bank's unwavering commitment to sustainable building practices, meeting the rigorous standards set by the United States Green Building Council (USGBC).

#### A step towards a sustainable future: A case study

This case study showcases IndusInd Bank's sustainability journey, emphasizing its initiatives to create environmentally responsible banking infrastructure. The LEED-certified branches showcase the Bank's dedication, integrating energy-efficient systems, water conservation, waste reduction, and renewable energy use.

This LEED certification received by all PIONEER branches demonstrates the Bank's commitment to eco-friendly practices and environmental responsibility.

Branch-wise certification details are as under:

PIONEER Branches	Certification Types	Level	Savings in %		
			Water	Waste	Energy
Malviya Marg, Jaipur	LEED ID+C CI#	Gold	59.73	82.73	20.05
Church Street, Bangalore	LEED ID+C	Platinum	60.48	78	20.93
Pedder Road, Mumbai	LEED O+M	Platinum	56	100	16.40
Lower Parel, Mumbai	LEED O+M	Platinum	53	100	14.30
Koregaon Park, Pune	LEED O+M	Platinum	57	100	27.30
Ghole Road, Pune	LEED O+M	Platinum	58	100	16.11
Defence Colony, Delhi	LEED O+M	Platinum	52	100	12.80
Punjabi Bagh, Delhi	LEED O+M	Platinum	59	100	28
Sec-9, Chandigarh	LEED O+M	Gold	54	100	13.66
R.K. Salai, Chennai	LEED ID+C CI	Platinum	59.60	93.92	16.11
Juhu, Mumbai	LEED O+M	Platinum	55	100	13.40
Kolkata	LEED ID+C CI	Gold	62.49	95.46	23.90
Juhu Mumbai	LEED O+M	Platinum	57	100	13.40

# LEED O&M: Operation & Maintenance  
# LEED ID+C: Interior Design + Construction

### Key Sustainability Achievements

**Water Conservation:** On average, these branches achieved an impressive water savings rate of 57.70%, contributing significantly to the conservation of this precious resource.

**Waste Reduction:** The waste reduction efforts across all branches, with an average savings rate of 94.02%, demonstrate a commitment to waste management and a reduction in landfill waste.

**Energy Efficiency:** The branches collectively achieved an average energy savings rate of 17.88%, indicative of energy-efficient operations and reduced greenhouse gas emissions.

The Kelp forest, the most productive ocean ecosystem on Earth supporting more diverse range of plants and animals than any habitat



NATURAL CAPITAL

# NURTURING SUSTAINABILITY IN BANKING

IndusInd Bank demonstrates a strong commitment towards environmental conservation and the creation of a sustainable future. The Bank actively adopts renewable energy sources, striving to minimize its carbon footprint. IndusInd Bank also promotes eco-friendly practices that reduce emissions, with the goal of achieving a net-zero future.

Our streamlined and efficient operations are instrumental in achieving scale, enabling us to deliver impactful results. At IndusInd Bank, sustainability is not just a commitment; it's an integral part of our operations. Our commitment is clear: by 2032, we're not just aiming for carbon neutrality; we're crafting a legacy of responsible banking that sets the standard for a brighter, greener future.

**Anil M. Rao,**  
Head - Consumer Operations & Solution Delivery, IndusInd Bank

The magnificent Coral Reef, which provide shelter and food for 25% of all marine life.

### Reducing Emissions

The Bank has vowed firmly to support India's NDCs aim of lowering the country's GDP's carbon intensity by 45% from 2005 levels by 2030. Additionally, the Bank is fully dedicated to supporting SDG 13, which concentrates on tackling climate change. To do this, the Bank will

allocate financial resources to programs that support sustainability and launch several fresh efforts towards greening its operations. The transition to a greener future will be actively supported by this all-encompassing strategy.

### Retail Bank

The Bank actively promotes the adoption of e-statements among its customers to minimize paper usage. Throughout FY2023, IndusInd Bank's GHG emissions paper consumption experienced a significant decrease of 33% compared to the previous year. This remarkable achievement not only demonstrates the Bank's dedication to reducing its carbon footprint but also solidifies its commitment to environmental sustainability.

Furthermore, the Bank encourages its customers to utilize its digital banking platforms to reduce emissions from

travel and streamline operations of large branches. The successful transition to digital banking has prompted the Bank to downsize its new branches by 40% in Tier-2 and Tier-3 cities, leading to a reduction in both Scope 1 and Scope 2 emissions.

The scope of digital banking has expanded, with approximately 30% y-o-y growth in active customers currently using the 'IndusMobile' App and around 33% growth in the WhatsApp banking customer base.

### Energy Efficiency

The Bank is actively implementing measures to reduce carbon emissions in all its business operations, ensuring energy efficiency. These measures include

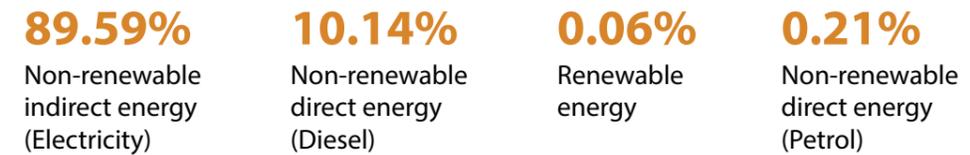
- 1** Sourcing electricity from renewable sources such as solar, wind and hydropower energy.
- 2** Incorporating energy-efficient technologies and equipment with low carbon emissions into building designs, while also promoting conscious energy conservation.
- 3** Embracing a 'Green IT' vision, which involves regular software updates, the adoption of new technologies and streamlining other IT operations to minimize energy consumption.
- 4** Conduct regular energy audits to identify areas for improvement, manage budgeting and costs and develop long-term strategies and solutions.
- 5** Organizing workshops to promote energy conservation, raise awareness about the importance of sustainability and encourage its integration into various aspects of the Bank's operations.

**3,06,932 GJ**

Total energy consumption in FY2023

		FY19		FY20		FY21		FY22		FY23	
Source of Energy	Type of Energy	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ
Non-Renewable	Direct Energy (Fuel-Diesel)	11,187.97	40,276.69	10,857	39,088	6,692.91	24,095.14	8,244.93	29,681.73	8,644	31,119
	Direct Energy – Petrol	222.25	800.10	190.34	685.23	131.56	473.61	169.39	609.81	178	641
	Direct Energy – Total	11,410.22	41,076.79	11,047	39,773	6,824.46	24,568.75	8,414.32	30,291.55	8,822	31,760
	Indirect Energy (Electricity)	74,076.87	2,66,676.51	76,132	2,74,083	73,037.88	2,62,943.73	6,89,30.30	2,48,149.09	76,386	2,74,989
<b>Total Non-Renewable</b>		<b>82,319.08</b>	<b>3,07,753.30</b>	<b>87,180.10</b>	<b>3,13,857.15</b>	<b>79,862.34</b>	<b>2,87,512.48</b>	<b>77,344.62</b>	<b>2,78,440.64</b>	<b>85,208</b>	<b>306,750</b>
Renewable	Solar	255.8	920.88	252.4	908.67	234.77	845.20	1,406.50	5,063	51	183
<b>Grand Total</b>		<b>85,742.89</b>	<b>3,08,674.18</b>	<b>87,432.50</b>	<b>3,14,765.81</b>	<b>80,097.11</b>	<b>2,88,357.68</b>	<b>78,751.12</b>	<b>2,83,504.04</b>	<b>85,259</b>	<b>3,06,932</b>

### Energy Consumption



#### Renewable Energy

In FY2023, renewable energy consumption was 183 GJ. The Bank has implemented various initiatives to utilize solar energy in its operations.

Units	FY23	
	Electricity Generated (kWh)	Emissions Avoided (MTCO <sub>2</sub> e)
<b>Solar Energy generated at Karapakkam facility, Chennai</b>	41,179.6	29.4
<b>Solar energy generated at IndusInd Bank Limited House, Mumbai</b>	9,518.0	6.8

Vibrant and scenic coral reef located in the depths of a tropical ocean

## Emissions Mitigation

The Bank aims to reduce emissions intensity by 50% compared to the baseline of 3.8 MTCO<sub>2</sub>e/Revenue ₹ crore from FY2020 to FY2025. Currently, the Bank's emissions intensity stands at 2.81 MTCO<sub>2</sub>e/Revenue ₹ crore. Notably, the Bank has made significant progress in reducing emission intensity per branch (MTCO<sub>2</sub>e/No. of branches), which decreased from 39.76 in FY2019 to 27.79 in FY2023. Similarly, emission intensity per full-time equivalent (FTE) employee (MTCO<sub>2</sub>e/FTE) decreased from 2.39 in FY2019 to 1.9 in FY2023.

To achieve emissions reduction, the Bank has implemented several measures, including:

**1** Measuring, monitoring and reducing greenhouse gas (GHG) emissions associated with its operations across India.

**2** Undertaking efforts to achieve carbon neutrality in the long run by transforming its operations.

**3** Investing in renewable energy sources and energy-efficient solutions to meet its energy requirements while divesting from fossil fuel interests.

**4** Implementing active emission reduction initiatives, such as deploying thin clients and transitioning to a multi-cloud environment.

→ The Bank has deployed 277 additional thin clients, which are more cost-effective and consume less electricity compared to standard computers. Additionally, the installation of timers in signages has further reduced electricity consumption in offices and branches, contributing to a collective reduction in the Bank's carbon footprint and alignment with environmental targets.

→ The data center migration has successfully adopted a modern architecture and transitioned to a multi-cloud environment, aiming to strike a balance between different cloud platforms. To enhance the customer experience, the Bank has implemented various solutions that prioritize paperless, presence-less and cashless options, all supported by its new data center. These efforts align with the Datacenter Evaluation Framework (DEF) and comply with the latest international guidelines set by IEEE.

As a result of this initiative, the Bank has achieved a significant reduction in greenhouse gas (GHG) emissions. In FY2022, the GHG emission stood at 2,555 MTCO<sub>2</sub>e, but it has been reduced to 1,588 MTCO<sub>2</sub>e in FY2023, marking a remarkable 38% decrease in emissions from data centers.

### Absolute Emissions (MTCO<sub>2</sub>e)

Particulars	FY19	FY20	FY21	FY22	FY23
Direct GHG Scope 1 <sup>1</sup>	5,299	8,832	6,698	9,552	19,074
Indirect GHG Scope 2 <sup>2</sup>	60,908	62,786	58,290	57,359	53,348
<b>Total (Scope 1 + Scope 2)</b>	<b>66,207</b>	<b>71,618</b>	<b>64,988</b>	<b>66,912</b>	<b>72,422</b>
Scope 3 <sup>3</sup>	15,298	13,927	21,393	9,251	6,592

<sup>1</sup> The Bank calculates emissions from IBL and CFD DG sets. To convert financial value into activity data. In cases where the purchase rate of diesel is not available, the average rate of diesel consumed across all Bank branches in India is used for calculations. These emissions are considered fugitive and result from refringent leaks and fire extinguishers at the Bank.

<sup>2</sup> The electricity used by offices and ATMs in all areas is considered. We took a cautious approach to calculating the electricity usage and applied the lowest charges from the electricity distribution company (LT Commercial) to determine the amount paid for electricity consumption.

<sup>3</sup> The calculations have been based on the amount of electricity purchased by the Bank. These calculations involve data from both the Bank and CFD entities. The data related to paper consumption, which includes paper CPU, paper credit card, paper personal loans and paper procurement, is considered.

### Emissions Intensity

Particulars	FY19	FY20	FY21	FY22	FY23
GHG emissions intensity (Scope 1+2) in MTCO <sub>2</sub> e per revenue Cr (₹)	4.60	3.77	3.24	2.99	2.81
GHG emissions intensity (Scope 1+2) in MTCO <sub>2</sub> e per FTE	2.39	2.33	2.19	1.99	1.90
GHG emissions intensity (Scope 1+2) in MTCO <sub>2</sub> e per branch	39.76	37.48	32.35	29.54	27.79

### Scope 3 Emissions Overview (MTCO<sub>2</sub>e)

Particulars	FY22	FY23
Air travel	364	654
Rail travel	1	2
Bus travel	7	11
IBL car hire	11	10
CFD- car hire + reimbursement	0.1	21
Employee commute	409	122
Paper consumption	3,495	2,181
Transaction based off-site ATMs	1,502	1,251
Hotel stays	247	482
Work-from-home emissions	-	104
CFD personal car + office jeep reimbursement	-	1,124
CFD bus + rail reimbursement	-	461
CFD air reimbursement	-	169
<b>Total</b>	<b>9,251</b>	<b>6,592</b>

### Energy Efficient Initiatives

Activity Description	FY22 Emission Saved (MTCO <sub>2</sub> )	FY23 Emission Saved (MTCO <sub>2</sub> )
Thin Clients	1.29	0.16
Virtual Servers	2,540	5,005

Particulars	Units Saved (kWh)	Amount Saved (₹)
Thin Clients	221.6	2,216
Virtual Servers	70,00,000	8,24,10,000

The advantages of incorporating ESG principles into technology are clearly demonstrated in the table, which showcases the implementation of various energy-efficient technologies like

SDDC (software-defined data center), virtualization and VDI (Virtual Desktop Infrastructure) with thin client endpoints. SDDC offers inherent benefits such as improved stability, resilience, availability,

scalability and performance, while also contributing to power and space savings, as well as reducing carbon footprint by minimizing the need for cooling.



Glowing Jellyfish in the deep ocean

## Waste Management

Being in the service sector, the Bank generates waste, primarily in the form of paper and electronic waste. To address this issue, the Bank has implemented waste segregation practices with separate bins in all corporate office pantries. Dry waste is recycled, while wet waste is converted.

Additionally, the Bank ensures the proper recycling of electronic waste by collaborating with authorized e-waste vendors.

**39,189 kgs**  
E-waste recycled

## Water Conservation

IndusInd Bank is committed to reducing its water consumption and has implemented various measures to achieve this goal. The Bank limits its water usage to its office facilities and is actively working to minimize it. Instead of pumping groundwater, the Bank sources water from authorized municipal or other approved sources.

approximately 3 liters of water per flush. Furthermore, aerator sprinkler filters have been installed in washbasins, significantly reducing water usage. Each device saves approximately 2,500 liters of water per day.

These initiatives demonstrate the Bank's dedication to sustainable water management and its efforts to minimize its environmental impact.

To conserve water, the Bank has installed bio-blocks in male urinals, which eliminate the need for water flushes. This innovative system converts flush-based urinals into completely waterless ones, resulting in a saving of

**4,58,720 kiloliters**  
Total water used in FY2023

## Resource Conservation

### Green IT Roadmap

The Bank recognizes the importance of its IT infrastructure for its operations, but it is also aware of the significant environmental impact it has. To address this issue, the Bank has created a Green IT Roadmap. This roadmap aims to reduce power consumption in data centers and disaster recovery centers by transitioning from physical servers to virtual ones.

green buildings. At present, 15 branches/offices have achieved LEED certification, demonstrating the Bank's dedication to sustainable practices.

Additionally, the Bank plans to enhance energy efficiency through Network Virtualization, the Security Platform (NSX) and Hybrid Cloud. These changes are crucial for the Bank's IT infrastructure to undergo fundamental transformations while also being environmentally conscious.

### PIONEER

Bank's Pioneer Banking segment is experiencing robust growth, with an ambitious plan to double its business within the next three years. As a key component of our expansion strategy, we aim to expand our Pioneer branches network to over 40 numbers by 2026 and introduce Pioneer Private to serve the top tier of this segment. Additionally, our overarching objective is to achieve carbon neutrality by 2032, underscored by the LEED certification of all Pioneer branches.

### Green Buildings

The Bank is committed to energy efficiency and as part of this commitment, it operates out of certified Green Buildings. Additionally, the Bank invests in initiatives to develop more

**13**  
PIONEER branches with LEED certification

# GREEN FINANCING

IndusInd Bank has implemented sustainable financing initiatives and frameworks, successfully closing numerous financial deals. Ongoing discussions focus on advancing these initiatives further. Currently, the Bank's sustainable finance portfolio for FY2023, constitutes approximately 46% of its total advances—a significant increase from the reported 33% in FY2018. Aligned with its sustainability commitment, the Bank aims to double its climate and transition finance portfolio by FY2026.

Key industries targeted by the Bank's green financing programs include Water, Sanitation and Hygiene (WaSH), Renewable and Clean Energy, Green Buildings, Energy Efficiency and e-Mobility. By concentrating efforts in these areas, the Bank aims to address environmental challenges and promote sustainable business practices across industries.

## Renewable Energy

Renewable energy is a significant focus of the IndusInd Bank's green financing initiative. The Project Finance team has established a dedicated Clean Energy Finance unit with extensive industry expertise. This team collaborates with various stakeholders in the Clean and Green Energy Ecosystem, including regulators, operators and asset owners, to ensure that the Bank can effectively seize opportunities while understanding the associated risks.

These projects encompass solar, wind, biomass, biogas, small hydro, renewable energy products and renewable energy production, transmission and distribution.

## Green Buildings

IndusInd Bank also provides financing for green building initiatives, including those accredited by LEED, GRIHA and IGBC. This facilitates the transformation of traditional buildings into environmentally friendly structures.

## Energy Efficiency (EE)

Energy efficiency is another area of focus, carefully evaluating the energy efficiency of financed projects to reduce energy consumption and boost efficiency in industrial, commercial, municipal, residential, transportation, agricultural, and manufacturing sectors. Adhering to guidelines from the Bureau of Energy Efficiency (BEE), the Bank is committed to promoting sustainable practices in energy management.

## WaSH (Water, Sanitation and Hygiene) Program

The WaSH Program focuses on improving access to safe drinking water and basic sanitation. It includes financing projects such as Sewage Treatment Plants (STPs), industrial and municipal wastewater treatment plants, water management/ treatment projects and distribution and desalination projects.

## Sustainable Debt Financing Solutions for Corporates

IndusInd Bank is dedicated to empowering the Corporate Sector by supporting India's Net Zero goals and addressing challenges posed by climate change. The Bank is introducing an extensive array of ESG-linked financing solutions, showcasing its commitment to fostering sustainable practices and promoting environmental responsibility within the corporate sector.

Environmental factors such as climate, pollution, biodiversity and resource utilization

Social factors like diversity, inclusion, community support and employee opportunities

Governance factors encompass corporate governance, board accountability and reporting transparency

## IndusInd Bank's ESG-oriented debt solutions include

Green Bond/Loan for climate-positive projects with environmental benefits

Social Bond/Loan addressing social issues

Sustainability Bond/Loan financing or refinancing a mix of green and social projects

Sustainability-Linked Bond/Loan incentivizing companies to meet targets with flexibility in fund utilization

### Sustainable Finance Lending Portfolio (fund based)

Particulars	FY19	FY20	FY21	FY22	FY23*
<b>Green and climate finance advances (₹ in Cr)</b>	4,194	5,382	6,059	6,770	7,887
<b>Green and climate finance as % of Bank's advances</b>	2.25%	3.00%	2.85%	2.83%	2.72%
<b>Social, livelihood and inclusive finance advances (₹ in Cr)</b>	72,071	81,438	91,954	1,05,898	1,26,049
<b>Social, livelihood and inclusive finance as % of Bank's advances</b>	38.67%	39.00%	43.25%	44.30%	43.48%
<b>Total advances (₹ in Cr)</b>	1,86,394	2,06,783	2,12,595	2,39,052	2,89,924
<b>Total ESG lending</b>	76,273	86,820	98,013	1,12,668	1,33,935
<b>ESG lending as % of Bank's advances</b>	40.92%	41.98%	46.10%	47.13%	46.20%

\*All figures reported above are assured by E&Y.

At IndusInd bank, we are crafting a legacy of responsible and sustainable practices, redefining banking for a future where prosperity aligns with environmental and social values.

**Roopa Satish,**  
Head - Sustainable Banking & CSR

### Climate-positive Sectors

The Bank is also transitioning towards contributing to climate-positive sectors. This involves several initiatives:

- 1 Lending to ESG-positive sectors: The Bank aims to increase its exposure to Climate Finance, aligning with the transition to a low-carbon economy. It has conducted a detailed assessment of emerging areas such as E-mobility and Distributed off-grid Rooftop Solar systems, which are expected to require increased financing.
- 2 Conscious CSR spends: The Bank focuses on investing in sustainability-driven projects and contributing to climate-positive initiatives. Examples include afforestation, water and sanitation projects.
- 3 Launch of new products across businesses: To have a climate-positive impact, the Bank is diversifying its offerings.

### Development of Climate-Positive Banking Products

The Bank has taken several initiatives to develop climate-positive banking products and incorporate environmental principles into its operations. Here are some key highlights:

- a Green Deposits: In the previous fiscal year, the Bank introduced 'Green Fixed Deposits' that were utilized to support projects aligned with the United Nations Sustainable Development Goals (UNSDGs).
- b Electric Vehicle Financing: The Bank has decided to venture into financing electric vehicles (EVs) and develop products that cater to the entire EV value chain, aiming to maximize its impact in this sector.
- c The Bank collaborates with the United States Agency for International Development (USAID) to mobilize loans in the WaSH and healthcare sectors. Furthermore, the Bank has secured direct funding of \$475 million from DFC to expand support for 'MSME' and 'microfinance lending for women borrowers in rural communities.' Of these funds, \$150 million was raised during FY2023 to enhance the Bank's microfinance lending portfolio for women borrowers in rural communities in Jharkhand, Uttar Pradesh and Bihar.
- d Agricultural Loans: The Bank has sanctioned over ₹2,600 crore to support more than 17,000 farming households, thereby contributing to their livelihoods. It has expanded its presence across various states in India to diversify its businesses and mitigate geographical risks.

### Integrated ESG Risk Management Approach

The Bank has also adopted an integrated ESG risk management approach to address climate-related risks. This includes

- 1 Purchasing insurance for branches and offices, with premium worth ₹ 58.06 lakhs.
  - 2 Implementing a Business Continuity Plan (BCP) to ensure uninterrupted operations.
  - 3 Conducting regular safety trainings and creating training manuals to enhance operational resilience.
- In the Planning Cycle 6 (PC 6) strategy, which will be in effect from FY2024 to FY2026, ESG is one of the critical pillars. ESG targets are being included in the targets of Business Units to demonstrate the Bank's commitment towards promoting sustainability-linked initiatives in its business and banking operations. These business targets are discussed and approved by Bank's board and then integrated with the KPIs of the BUs and KMPs (Key Managerial Persons).

### Climate Risk-Related Opportunities and Developing Partnerships

The Bank aims to make its portfolio resilient to climate risks and seize climate-related opportunities. It focuses on climate-positive sectors and has launched products like green deposits. These climate-positive products are being integrated across all business verticals.

To strengthen its efforts, the Bank has formed partnerships with funds, foundations and Development Finance Institutions (DFIs) such as the US International Development Finance Corporation, Proparco and USAID. These collaborations aim to support entities and projects engaged in sectors like WaSH, Healthcare, Agriculture and Microfinance.

Kelps, which cover 25% of world's coastlines providing food and shelter, are increasingly threatened by climate change.

# TOWARDS CARBON NEUTRALITY 2032 GOAL

The Bank has declared its commitment to achieving carbon neutrality by 2032 and is actively implementing a series of initiatives to drive and sustain investments in this direction. This vision encompasses:

## Step 1

Overall Emissions from various sources for each location to be calculated

## Step 2

Emissions to be forecasted till FY2032, based on the current growth of the Bank's business in each building category like branches, offices, etc.

## Step 3

Analysis of energy benchmarking from facilities based on data from questionnaires, compared with BEE benchmarking

## Step 4

Average annual energy consumption details collected for all locations and analyzed for potential energy saving and investments based on currently available technologies

## Step 5

Arriving at interventions required for neutrality would involve the use of the carbon neutrality levers on the supply side and demand side, along with the purchase of the carbon offsets



**Supply-side levers:** To include inter-alia on-site solar installations, procurement of renewable energy



**Demand side levers:** Reducing energy consumption intensity and enhancing own energy efficiency through procuring more renewable energy



**Centered around energy efficiency:** Energy smart solutions for buildings and HVAC, better energy-rated appliance usage, monitoring of lights and signage and other solutions



**Centered around Fuel change:** Changing fuel types, use of EV/H2 vehicles, hydrogen fuel cell backup for data centers and other measures



**Emission offsets:** Purchase of carbon offsets for residual emissions by means of various instruments

## Step 6

Strategy to be realigned every two years to utilize the best-in-class technology. In each of the steps above, the relevant capex and opex are captured in the Bank's books accordingly.

This integrated methodology underlines the Bank's commitment to not only achieving carbon neutrality but also fostering a sustainable and environmentally responsible banking ecosystem in line with its Carbon Neutrality target 2032.

Sea ferns, boasting a self supporting growth form



INTELLECTUAL CAPITAL

# ADVANCING WITH DATA-DRIVEN INSIGHTS

*I firmly believe that technology is the cornerstone of our commitment to innovation and customer-centricity. We relentlessly strive to harness the power of cutting-edge solutions, paving the way for seamless banking experiences that elevate our customers' lives. Embracing technological advancements enables us to shape the future of banking, revolutionizing the way we serve and interact with our valued customers.*

**Shiv Kumar Bhasin,**  
Chief Transformation Officer, IndusInd Bank

## Digitization

IndusInd Bank's ongoing digital initiatives have been making significant progress, benefiting both the organization and its customers. These initiatives have successfully enhanced the Bank's overall capabilities, leading to increased productivity. By deploying various applications, the Bank has achieved a holistic transformation, empowering it to operate more efficiently. The

Bank is on the verge of marking a major milestone with the imminent launch of its groundbreaking digital product - INDIE.

One notable achievement is the integration of internal and third-party applications, enabling seamless transaction processing across branches, contact centers and operations.

This integration has streamlined operations and improved customer experience by facilitating straight-through processing.

IndusInd Bank's Open Banking initiatives have also played a crucial role in its digital transformation journey. The Bank has developed a robust API banking suite that encompasses a wide range of services, including collections, payments and global remittances. Leveraging time-tested APIs on the cloud, the Bank has empowered developers to create innovative use cases, particularly in driving digital payments in India.

Furthermore, IndusInd Bank has embraced video KYC initiatives, revolutionizing the onboarding process for new customers. This fully integrated, zero-contact and entirely digital account opening facility has simplified the process of opening fixed deposits in just a few steps. Additionally, credit card customers can now conveniently submit applications for digital processing, setting a new standard of service excellence in the banking industry.

In FY2023, the Bank remains dedicated to pursuing major technological initiatives. It actively seeks new collaborations and evaluates existing partnerships to ensure the delivery of top-notch products and solutions to its clients. To foster innovation within its product offerings, the Bank has established numerous partnerships with leading companies spanning the technology spectrum.

Among these notable partners are Salesforce, Oracle, Azure, Hewlett-Packard, Cisco, Tata Consultancy Services, IBM, Amazon Web Services, SAS and Newgen Software. These strategic alliances enable the Bank to leverage the expertise and cutting-edge technologies of these renowned companies, enhancing its ability to provide best-in-class solutions to its valued customers. By harnessing the collective strengths of these partnerships, the Bank is at the forefront of driving innovation and delivering exceptional products and services to meet the evolving needs of its clients.

**33%**  
y-o-y growth in WhatsApp banking registered customer base

**60%**  
IndusInd Bank Mobile transaction volume y-o-y growth

### IndusMobile

IndusMobile is a cutting-edge mobile app developed by IndusInd Bank that has revolutionized customer interactions and engagement across various channels. By utilizing real-time events-based engagement, the Bank customizes communications for each customer, resulting in improved app ratings. To ensure the utmost security, IndusInd Bank has integrated One Span and LookOut SDK to protect against fraudsters. The Bank has exciting plans for the future, including a revamp of the app's user interface and user experience (UI/UX), enhancements to the UPI and investment journeys and seamless integration for cross-selling insurance, loans and credit cards. The ultimate goal of IndusInd Bank is to provide customers with enhanced financial control and unparalleled convenience.

### IndusNet

IndusNet, another comprehensive platform offered by IndusInd Bank, provides customers with a holistic view of their accounts, loans, cards and investments, further enhancing their banking experience. The Bank has seamlessly integrated with the CBDT and GST portals for tax payments, processing over 1 lakh tax payments amounting to over ₹400 Crore. Through alliances with various partners, IndusInd Bank aims to strengthen its digital payment ecosystem while ensuring strict compliance with regulatory mandates, creating a safe and secure banking environment.

### Central Bank Digital Currency

As a pioneer in the digitization of banking services, IndusInd Bank has played a crucial role in the Reserve Bank of India's (RBI) Central Bank Digital Currency (CBDC) pilot. The Digital Rupee application has been enthusiastically adopted and the Bank actively promotes the adoption of digital currency in 26 pilot cities. With initiatives like CBDC-UPI QR interoperability, offline CBDC and programmable CBDC, IndusInd Bank aims to revolutionize financial transactions across India.

### Digital GIFT City App

Within the Gujarat International FinanceTech CITY (GIFT City), IndusInd Bank maintains an active branch as part of its 'DigitalFirst' approach. To better serve its GIFT City customers, the Bank is developing a ground-breaking mobile application that leverages advanced technology and streamlined processes. This focus on innovation allows the Bank to meet the evolving needs of its customers within this dynamic ecosystem.

### Indus Merchant Solutions App for Microfinance Users

IndusInd Bank has implemented the Indus Merchant Solutions App, a comprehensive paperless solution that combines the digital, paperless and Omni-channel experience of various payment companies with banking features. This all-in-one 'Merchant in a Box' solution is specifically designed for microfinance users, allowing Bharat Super Shop merchants to access real-time UPI collections and utilize their banking facilities.

### Indus Easy Credit

Indus Easy Credit, a digital platform offered by IndusInd Bank, has been highly successful in providing scalable and customer-centric solutions. The Bank has experienced tremendous growth in the DIY segment, offering personal loans, credit cards, cobranded cards and a unique interactive credit card. Its loan origination system now approves loans in less than five minutes. By collaborating with fintech companies, IndusInd Bank has expanded its reach and offering innovative solutions while upholding rigorous security and transparency standards.

### Agency Banking

Authorized by the Government of India, IndusInd Bank acts as an agency bank for the collection of various direct and indirect taxes, including income tax, goods and services tax and customs duty. The Bank facilitates these collections through multiple channels such as IndusNet, Indus Direct and its extensive branch network, ensuring timely remittance of collected taxes to the RBI on the next business day.

### Savings Account and Fixed Deposits Online Platform

The Bank's commitment to continuous improvement extends to its Online Account Opening process for Savings Accounts and Fixed Deposits. Through user-friendly enhancements and integration with Mo-engage, IndusInd Bank has seen a remarkable 40% y-o-y increase in the number of savings accounts opened through its portal. The Bank remains focused on creating long-term value and attracting customers who align with its core business objectives, ensuring an exceptional banking experience at every touchpoint.

### Indus Fast Remit (IFR)

IndusInd Bank introduced Indus Fast Remit (IFR), an online marketplace for remittances accessible across different geographical locations. This platform provides customers with the flexibility to choose remittance services based on their preferences and partner offerings, presenting significant potential for the Bank to expand its Non-Resident liability book.

Virtual Desktop Infrastructure (VDI) replaces traditional PCs with energy-efficient thin clients, offering a similar user experience while consuming significantly less energy and producing fewer CO<sub>2</sub> emissions. With additional 277 thin clients, the Bank saved 221.60 kWh.

Work From Home (WFH), a phenomenon accelerated by the pandemic, has benefited the Bank by reducing commute and travel costs, improving employee well-being and productivity and decreasing environmental workloads in office premises such as space, power and cooling. The Bank has implemented a roster-based model, allowing up to 30-40% of employees to work from home.

Digital Origination, facilitated by Tab Banking, VKYC and mobile apps, enables the Bank to assist customers in various account opening, loan and card processes while reducing paper usage and carbon footprint. The Bank has achieved over 85% digital origination for liability accounts and is now accelerating the adoption of digital origination for lending programs on the retail/consumer book.

### Forging a Digital Ecosystem through Strategic Investment

The Bank is committed to optimal operational efficiency, harnessing technology as a pivotal enabler. It has adopted modern architecture, transitioning to a hybrid cloud model for a balanced presence. Customer experience is enriched through paperless, remote and cashless solutions, supported by a cutting-edge data center aligned with DEF and IEEE standards.

To support reporting and analytics, the Bank is upgrading its Enterprise Data platform. This empowers real-time data handling, enabling instant alerts and improved customer visibility. The recent integration of the Enterprise Payments Hub (EPH) platform, a pioneering cloud-based payment solution, showcases the Bank's dedication to innovative payment technology.

Further enhancing customer experiences, the Bank integrates premier products such as IBM Webseal and the Enterprise Payment Hub from TCS into its ecosystem, aligning with its commitment to excellence.

### Awards Received for the Bank's Digital and Technical Expertise

#### Digital CX Award

IndusInd Bank was bestowed with the highly acclaimed award for Outstanding Digital CX Payments and Collection Services at the Digital CX Awards 2022

#### MeitY-Digidhan Dashboard for Digital Payments

MeitY ranked IndusInd Bank #1 amongst Private Banks for FY2022 on its Digidhan Dashboard for Digital Payments

#### Bharat FinTech Summit 2023

IndusInd Bank won the Best CIO award at the Bharat FinTech Summit 2023

## ESG Integration with Technology

The Bank has successfully utilized innovative technologies to integrate ESG principles into its operations. By leveraging emerging technologies, the Bank has developed ground-breaking solutions to tackle ESG challenges. These solutions offer enhanced digital experiences to the Bank's clients while promoting energy conservation and reducing paper waste through streamlined processes. Here are a few examples of how the Bank has implemented this approach:

Software-Defined Data Center (SDDC) is a virtualization technology that divides server hardware into multiple virtual applications, allowing for increased stability, resiliency, availability, scalability, performance and space and power savings. By slicing and dicing server hardware, SDDC can run approximately 17 to 18 virtual applications on a single server.

Centralized e-Client Communication (CCM) is an IT project aimed at transitioning customers to receive letters, statements and other communications through digital channels such as email, SMS and WhatsApp.

Hyper-converged Infrastructure (HCI) integrates computing, storage and network in a single box, eliminating the need for separate storage and networks. This technology reduces space and power requirements in the data center. The Bank currently hosts around 50 HCI nodes, resulting in 50% of power saved per node.



Seals basking in Sun

# DATA SAFETY

IndusInd Bank places paramount importance on the security of its clients. The assurance of information security stands as a paramount duty of the Bank, upholding a comprehensive framework of safeguards encompassing the realms of physical, electronic and procedural measures. This approach ensures the fortification of customers' sensitive information.

The Bank's Board of Directors rigorously reviews its information and cybersecurity, while the IT Strategy Committee oversees the cybersecurity strategy. Mr. Shanker Annaswamy, a Bank Director, leads the Cybersecurity Strategy Process via the IT Strategy Committee. The Bank employs a Chief Information Security Officer (CISO) reporting to the Chief Risk Officer (CRO) to oversee cybersecurity, backed by an insurance policy between \$10 million to \$100 million.

The Bank's IT Infrastructure and Information Security hold an ISO 27001 certification and have passed external audits. The Bank conducts third-party vulnerability analyses to enhance security. All employees receive cybersecurity training, access policies and procedures through the Bank's portal. They're required to report security incidents to [incidentresponse@indusind.com](mailto:incidentresponse@indusind.com).

The Security Incident Response Team informs the CISO and Bank Team about incidents. New employees complete a cybersecurity e-learning module, along with regular updates ensure training compliance. Employee access to customer information is solely for business purposes, governed by a code of ethics. This applies to personal and sensitive data collected through various channels, except information in the public domain or provided under relevant laws. All collected information serves legitimate purposes while preserving confidentiality and compliance.

## #DamnTheScam

The Bank introduced the impactful #DamnTheScam initiative, placing data security at the forefront of its efforts. The Bank's ethos revolves around enlightening and equipping its patrons with indispensable knowledge and heightened awareness, enabling them to protect themselves against the perils of financial fraud.

Employing a fusion of ingenious visuals and cleverly crafted comic personas, the campaign disseminated vital pointers and insights regarding secure banking methodologies. Through this innovative approach, the Bank effectively conveyed essential information, fostering a culture of secure financial practices.

Particulars	FY21	FY22	FY23
Total number of information security breaches or other cybersecurity incidents	0	0	0
Total number of data breaches	0	0	0
Total number of customers and employees affected by the Company's data breach	0	0	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents	0	0	0



HUMAN CAPITAL

# EMPOWERING TALENT

## Building a Robust Workforce

IndusInd Bank benefits from a highly skilled and dedicated team of individuals who play a crucial role in helping the Bank achieve its goals.

The Bank's employees work together seamlessly, leveraging their diverse skills and expertise to achieve common objectives. This collaborative approach not only enhances productivity but also fosters a sense of unity and shared purpose among the employees.

To further strengthen this cohesive workforce, IndusInd Bank has implemented policies that attract and retain talented professionals. By rewarding and acknowledging the efforts of employees, creating a positive work environment, and providing opportunities for career advancement, the Bank ensures that its workforce remains motivated and committed. Through these initiatives, the Bank not only nurtures talent within the organization but also identifies potential future leaders who will drive business growth. The Bank follows a robust performance management process,

incorporating the establishment of Key Result Areas (KRAs) and SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) aligned with the Bank's business objectives. Compliance is integrated as a goal within employees' SMARTs. The annual performance appraisal for FY2023 was determined by tangible achievements of performance objectives, influencing compensation decisions. The Bank conducts periodic performance feedback conversations to address issues, mentor employees, and improve overall performance and productivity.

*By supporting our employees' development, well-being and diversity, we lay the foundation for not just professional success but a collective journey towards excellence.*

Zubin Mody,  
CHRO

## Diversity and Inclusion

IndusInd Bank places great importance on diversity and inclusion within its workforce. The Bank actively promotes inclusivity by recruiting individuals from diverse backgrounds.

Recognizing that a diverse workforce leads to better brainstorming and the exploration of new perspectives, IndusInd Bank strives to improve its performance and create more positive value. By embracing a wide range of viewpoints, the Bank empowers its employees to contribute their unique insights, ultimately driving innovation and enhancing overall performance.

**38,179**

Total permanent employees

**181**

Employees with disabilities

**3,403**

Total contractual employees

**10**

All women branches

**4,597**

Net new hires

**7,129**

Female employees

**Employee Training and Development**

IndusInd Bank ensures that its new employees receive comprehensive training covering the Bank's structure, vision, strategy, functions, people, policies, values, and code of conduct. This two-day orientation program equips employees with essential information about the bank's procedures. The positive impact of these courses on the Bank's business includes:

- Efficient Sales and relationship management teams
- Managers become well-versed in all of the Bank's products.

- Employees gain confidence, improving client interactions, discussions, and sales pitches, ultimately boosting revenue.
- New employees align themselves with the Bank's vision, mission, and values.
- Operational errors have decreased due to the implementation of standardized learning solutions, which have led to more cost-efficient and improved training delivery timelines, with costs being only 10% of those associated with other channels.
- E-learning significantly reduces the need for in-person training programs and associated logistics.

The Bank also offers online courses covering processes, risk management and compliance. These initiatives play a vital role in helping employees understand operations, adapt effectively and enhance performance, providing valuable insights into the Bank's products, technology, compliance, processes and future agendas.

Training highlights

Data Point	FY22 Value	FY23 Value
Training programs	1,548	2,249
No. of training participants	7.3 lakh	7.08 lakh
Average amount spent on FTE	₹21	₹42
Average hours of training and development	39.16 hours	37.87 hours
Total spend on learnings	₹1.55 crore	₹2.98 crore
Digital learning man-hours	1,315,000	14,45,774

**Employee Engagement**

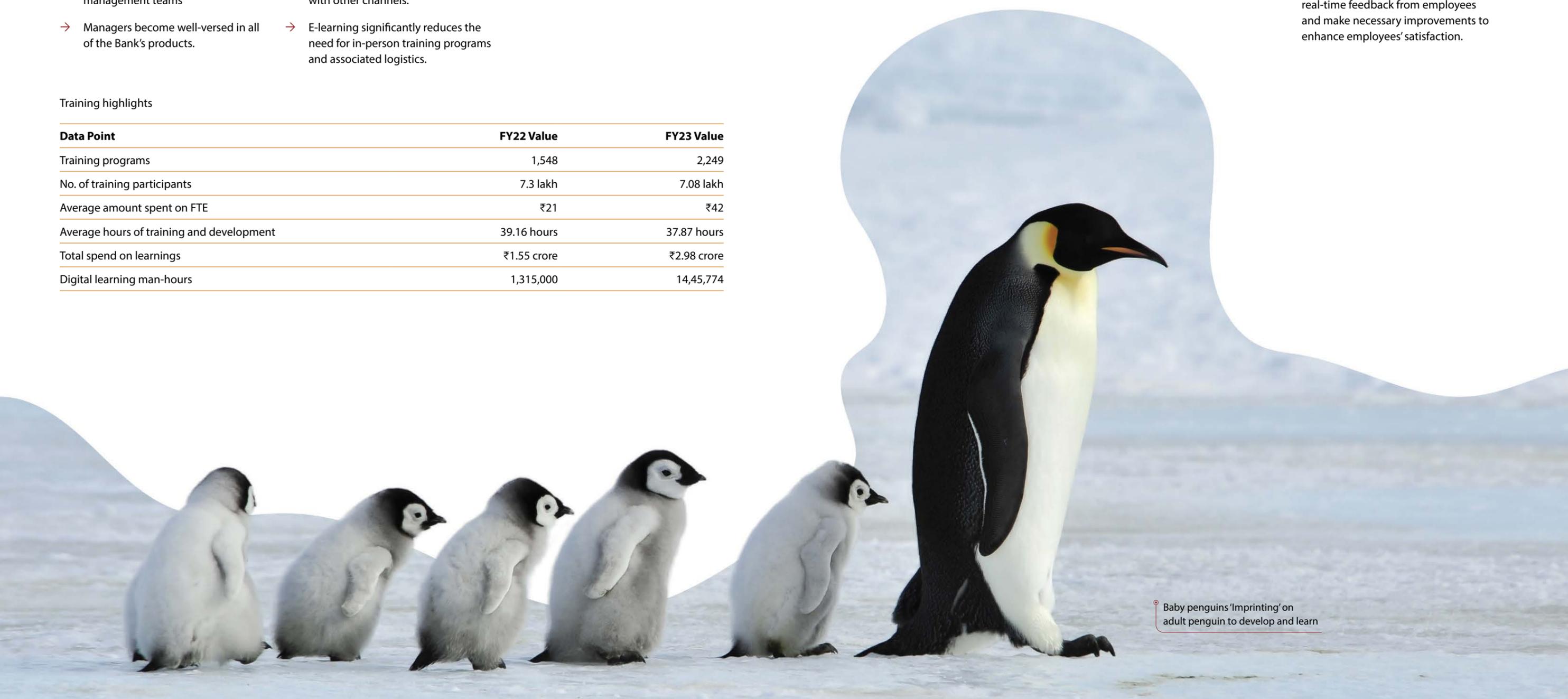
The Bank places a strong emphasis on engaging its employees through a range of initiatives. One such initiative is the quarterly webcasts led by the MD & CEO, where he communicates the Bank's direction and performance, highlighting the importance of compliance,

governance, integrity and discipline. Additionally, programs like We Connect, Let's Connect, Coffee Connect and Employee Appreciation programs are in place to facilitate grievance resolution, promote employee retention, and support professional development.

To foster a sense of community across different locations, the Bank celebrates occasions such as International Women's

Day, regional festivals and sports events. These events help create a feeling of togetherness amongst employees. Furthermore, the Bank recognizes and appreciates employees' long-term commitment through service awards.

To ensure continuous improvement, the Bank actively monitors employee experience through various processes. This includes conducting welcome calls, extended experience calls, service anniversary processes and exit processes. These processes allow the Bank to gather real-time feedback from employees and make necessary improvements to enhance employees' satisfaction.



Baby penguins 'Imprinting' on adult penguin to develop and learn

**Employee Volunteering**

IndusInd Bank's 'Employee Volunteering Program' was launched in FY2023 to foster a culture of social responsibility and community engagement across the organization. The introduction of the Employee Volunteering Policy, along with the provision of two days of Volunteering Leave per year, has not only encouraged but also facilitated employees in dedicating their time and skills to various environmental and social causes, to make a difference in society beyond their work. Furthermore, the decision to extend participation to family and friends has served as an incentive for employees and has amplified the program's reach.

This fiscal year, the Bank witnessed a notable engagement level, with a total of 3,927 volunteering hours contributed across 21 on-ground activities, spanning 10 Tier 1 & 2 cities. These activities encompassed diverse projects such as government school transformation through mural painting, tree planting, lakeshore/beach clean-ups and serving mid-day meals to children in government schools.

The integration of technology through the employee volunteering portal has streamlined the process of capturing and managing volunteering hours, making it accessible to employees via their phones or computers. This innovation

has not only simplified administrative tasks but has also fostered greater transparency and engagement among the workforce. In the following fiscal year, the Bank intends to continue expanding and refining its employee volunteering program, to encourage employees to participate in meaningful community engagement.

**Feedback from Volunteers**

*It was a wonderful experience for me, having just started my career. The initiative taken by the organization is highly impactful for the employees' mindset towards society and for the children as well. There should be more activities like this, enabling us to connect with society and contribute to what is needed.*

**Promod Puri Laxman Puri Goswami**  
Branch Banking, Udaipur

*The kids and I had a wonderful experience and would like to be a part of such an event again in the future.*

**Neetu Surinder Ajit Singh**  
Branch Banking, Chandigarh

**Human Rights Practices**

Human rights are essential for every individual and safeguarding these rights is of utmost importance. IndusInd Bank is committed to ensuring that no human rights violations occur within the organization in any capacity. This policy extends to the Bank's own operations, including employees, direct activities, products and services, as well as its suppliers and partners.

To uphold this commitment, the Bank carries out various activities as part of its due diligence process regarding human rights. These activities include identifying potential human rights issues and assessing risks within the Company's operations, throughout the value chain, and in new business relationships such as mergers, acquisitions, and joint ventures. The Bank conducts systematic and periodic reviews to map potential risks associated with human trafficking, forced labor, child labor, freedom of association, the right to collective bargaining, equal remuneration and all forms of discrimination. The Bank's policies cover all employees, including women, children and third-party contracted labor.

In order to mitigate and address human rights concerns, the Bank undertakes the following actions:

- 1 The Bank does not provide loans to customers or businesses involved in activities that employ child labor, juvenile labor, deforestation, sand mining or coal mining in areas where such practices are banned

- 2 Regular human rights reviews are conducted during the hiring process for employees and contract staff, as well as throughout their employment life cycle, to ensure ongoing compliance
- 3 Periodic checks are performed and standard operating procedures (SOPs) are established to address potential issues related to human trafficking, forced labor, child labor, freedom of association, the right to collective bargaining, equal remuneration and all forms of discrimination
- 4 The SOPs require document verification, evidence collection and Know Your Customer (KYC) checks before onboarding individuals or entities

**Prevention of Sexual harassment**

The Bank diligently handles all reported cases in accordance with the legal obligations outlined in the Prevention of Sexual Harassment (Prevention, Prohibition and Redressal) Act of 2013. Any employees found to have violated the law are appropriately disciplined.



# HEALTH AND SAFETY

The safety and well-being of the employees are crucial for the proper functioning of the Bank. A Safety Management System is put into place which effectively integrates day-to-day operations and allows the organisation to identify risks, along with ways to mitigate them. Reducing potential accidents helps achieve compliance and performance improvement.

Particulars	FY22 Value	FY23 Value
Reported cases of injury/work-related hazards	0	0
Women employees trained on safety	1,450	1,710
Employees sensitized about workplace safety	7,792	8,230
Man-hours put in training women for safety	4,377	5,130
Security personnel trained on human rights	3,842	4,643
Employees participated in fire and evacuation drill programs	21,800	22,150

## Workplace Health and Safety Policy

Specific to the organization and with respect to its size and nature, the policy clearly communicates the Management's safety commitment and the Bank's safety-related vision, mission and goals. The policy contains a framework for setting and reviewing health and safety-related objectives in a concise and clear manner. This is then dated and made effective by the senior most person in the Bank. It is communicated to all the employees and stakeholders of the Bank before being implemented and maintained.

## Rights of Association

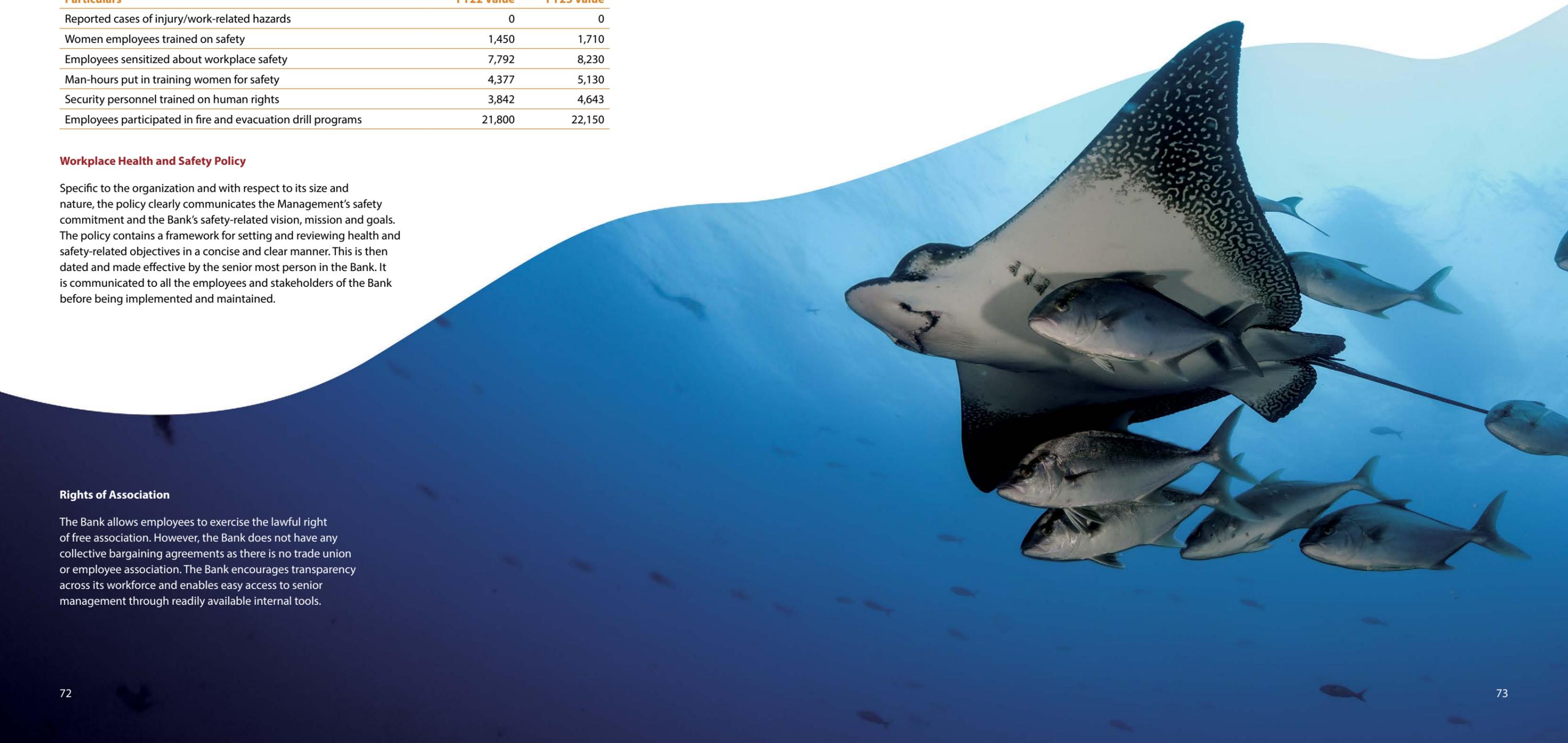
The Bank allows employees to exercise the lawful right of free association. However, the Bank does not have any collective bargaining agreements as there is no trade union or employee association. The Bank encourages transparency across its workforce and enables easy access to senior management through readily available internal tools.

## Governance Structure on Fire Safety and Security

The top management of the Bank allocates responsibility, accountability and authority for the development, implementation and performance evaluation of the safety management system to achieve its safety targets. The Bank has established structures and procedures that include effective arrangements for identifying and preventing hazards. There is also a governance framework for allocating resources towards development and providing facilities to implement and periodically review these measures. Furthermore, employees on the Safety Management teams receive comprehensive training from the Bank..

## Workplace Safety Assessment

After workplace hazards are identified and mitigated, their impact on the internal and external environment is measured and monitored. This includes new working processes, compliance and regulation norms, among others. Emergency prevention, employee preparedness and response arrangements are established in accordance with relevant external agencies. Periodic audits, safety inspections and management reviews are also conducted to determine the effectiveness of the safety management system. The results are then handed over to the safety and risk management team.





SOCIAL & RELATIONSHIP CAPITAL

# SUSTAINING SOCIAL CONNECTIONS

At the core of IndusInd Bank’s vision is exceptional customer responsiveness. The Bank forms collaborative partnerships with clients, tailoring solutions to their unique banking needs. Using a comprehensive approach, it achieves unmatched customer satisfaction by integrating technology and personalized service.

The Bank invests in training frontline staff, contact center representatives, relationship managers and service executives to skillfully handle client interactions, maintaining a high standard of service.

*By empowering relationships through innovative customer engagement and strategic marketing initiatives, we amplify brand visibility and drive growth. Our commitment to meaningful connections positions us as a trusted, socially responsible Brand, resonating with customers and investors.*

**Soumitra Sen,**  
Head - Consumer Banking & Marketing

### Customer Engagement

IndusInd Bank serves a diverse clientele with unique needs. Through client segmentation, the Bank establishes digital and physical connections, accompanied by press releases, brand building and the ‘Voice of the Customer’ feedback.

### Rural Connect

IndusInd Bank’s microfinance portfolio, represented by BFIL, boasts an expansive rural distribution network, surpassing other Indian financial institutions. With approximately 33,000 BFIL field staff, the Bank serves around 7.7 million customers. This involves diverse financial transactions such as loan disbursements, installment support and the establishment of savings and deposit accounts. The Bank’s innovative approach caters to customer needs, turning their aspirations into reality, while impactful marketing campaigns spread awareness about its offerings.



### Affluent Channel Connect

Every channel operates with distinct and precise objectives in order to fulfill the requirements and tackle the issues of its unique customer demographic. Within the Affluent channel, a group of committed Service Managers and Relationship Managers collaborates using an engagement-centric coverage approach. This strategy strives to expand the clientele, guarantee customer loyalty and foster a strong brand allegiance. In the NRI relationship channel, which encompasses the virtual relationship team, the primary focus lies on catering to international clients. This involves tailoring digital initiatives to accommodate the challenges imposed by the geographical limitations faced by these clients.

### Customer Experience

In line with the Bank’s vision of ultimate convenience, the CEX strategy prioritizes SEFT principles—Seamless, Effortless, Fast and Transparent—ensuring the client needs are met. The ongoing commitment to exceptional client experiences involves transparent engagement, both digital and traditional. The specialized Client Experience unit, backed by customer insights, drives service enhancements collaboratively.

### Customer Satisfaction

With the aim of understanding customer needs and improving the client experience, the Bank conducts tailored surveys for various interactions.

During FY2023, the Bank shifted from measuring customer satisfaction score (CSAT) to measuring Net Promoter Score (NPS). The Net Promoter Score is the world’s leading metric for measuring customer loyalty. IndusInd Bank started the NPS program in Jun 2022 and given below are the trends on PAN Bank level (for the journeys which were active during this period. The Bank is adding new journeys as it progresses ahead in FY2024).

Parameters	FY23 (Jun’22 - Mar’23)
Promoters% (9-10 Rating)	74%
Passive% (7-8 Rating)	9%
Detractors% (0-6 Rating)	16%
<b>NPS (% Promoters - % Detractors)</b>	<b>58</b>

### Customer Grievance Redressal

With customer care being one of the key focus areas, the Bank has a Board approved Customer Grievance Redressal Policy, as well as a Redressal Mechanism in place, in case of any complaints, issues or suggestions by a customer. Complaints can also be made on toll-free numbers which lead a customer to efficient call centers open 24 hours in case of any inconvenience. The Bank values its customers and makes sure that any kind of inconvenience is resolved at the earliest.

**91%**

Customer complaints received and resolved

### Customer Data Privacy

IndusInd Bank ensures strict confidentiality and refrains from sharing customer account information with external entities, except when necessary for known and lawful Bank operations. This data is exclusively used to offer optimal services, safeguarding both customer privacy and the Bank’s interests. The Bank maintains a robust IT and Information Security Committee to oversee and ensure privacy protection.

(Read more about the Privacy Policy of the Bank [here](#))

## Marketing Initiatives

IndusInd Bank is dedicated to offering banking experience through innovative technology and top-tier services. With a focus on becoming India's preferred bank, the Marketing and Communications strategy played a crucial role in FY2023. It encompassed engaging all customer segments, enhancing brand awareness and fostering customer loyalty.

a

### Savings Account Ho Toh Aisa – Featuring film actor Siddharth Malhotra

The Bank unveiled the '360' campaign, with actor Siddharth Malhotra, brilliantly portraying the advantages of its Savings Accounts in sync with customers' changing financial needs. His widespread popularity across demographics makes him an ideal choice as the Bank's brand ambassador. For maximum exposure, the campaign utilized both digital and print avenues. Advertisements graced esteemed publications like the Times of India and the Economic Times. Television-wise, attention-grabbing commercials aired during prime time on a range of English news, general entertainment, business news and English movie channels. The campaign's inclusivity extended to vernacular TV commercials in Tamil, Telugu, Kannada and Malayalam.

b

### EazyDiner Credit Card

With pandemic restrictions easing, dining out is on the rise. This prompted the launch of a premium EazyDiner Credit Card, rewarding frequent diners. Marketing tactics included press releases, ads and influencer campaigns. Over 100 restaurants were branded, highlighting benefits like dining perks, instant rewards and travel advantages.

c

### Prime Home Loans

In FY2023, IndusInd Bank introduced the 'Prime Home Loans' to meet the rising demand for independent living. The product was initially launched in 11 top residential markets and expanded to 23 across India. It began with home loans for ready properties, later extending to under-construction properties, focusing on CAT A+/A developers in 6 cities. The marketing emphasized quick processing, up to 30-year tenure, personalized service and attractive rates. The Bank achieved a ₹385 crore portfolio within seven months of launch.

d

### Partnership with British Airways and Qatar Airways

IndusInd Bank has teamed up with British Airways Executive Club and Qatar Airways Privilege Club to offer customers an exceptional travel experience. The Bank is introducing a unique multi-branded credit card powered by Visa in collaboration with these international airlines. The card will be launched in the first quarter of FY2024. The announcement was made through a widespread press release covering various media channels.

e

### Bank On Happiness Campaign

IndusInd Bank celebrated Diwali by launching the #BankOnHappiness campaign, highlighting its customer-centric approach. The campaign emphasized how the Bank brings happiness to customers' lives through various products and services, including attractive interest rates, credit and debit card offers and loan products. It featured a range of offers, discounts and cashback on purchases from leading brands and e-commerce platforms, accessible via the Bank's cards. This happiness-focused theme extended to loan products and other business segments of the Bank.

## Customer Awareness Campaign

a

### Mumbai Metro & Chennai Metro

IndusInd Bank's strong brand presence spans key metro stations in Delhi and Mumbai. The Bank has secured branding rights for Mumbai's new Metro Lines, using Train Wraps for impact and gaining branding privileges for Chennai's Metro Blue Line. In Mumbai, the 44 trains span over 35 kilometers, and in Chennai, the expansion to include new stations extends the reach of the 54.41-kilometer line..

b

### #DamnTheScam

The Bank is dedicated to customer online safety. They launched the #DamnTheScam campaign to raise awareness about fraud, targeting all ages. Through comics and animated videos on social media, the campaign educates customers on preventing scams and enhancing trust in IndusInd Bank.

## Beyond Banking

The Bank is committed to generating lasting value for its stakeholders — customers, clients, shareholders and employees — while also actively promoting social progress and environmental preservation. The marketing and communications team has messages for each of these groups, aimed at raising awareness across the board. Notable initiatives include: 'IndusInd ForSports', 'Box Cricket Tournament', '#CheerForThemToHear', 'Get, Set, Run' and many more.

(For more details refer to the Annual Report)

The Stingray, a distinctive flatfish, has thrived in the oceans since the time of the dinosaurs.

# SUSTAINABLE PROCUREMENT

IndusInd Bank is committed to sustainable operations through responsible sourcing. The Bank collaborates with local suppliers, rigorously evaluating them based on various attributes to ensure ESG compliance for 80% of its IT vendor base. The Bank emphasizes principles against child labor, upholds health and safety standards and safeguards human rights. Suppliers are also expected to adopt environmental and energy management systems, aligning with the Bank's Sustainable Procurement Policy, which outlines criteria for selecting and onboarding vendors.

## Sustainable Procurement Policy

IndusInd Bank's Sustainable Procurement Policy embodies inclusivity, transparency and the protection of human rights. This comprehensive approach extends to sustainable sourcing, prioritizing local suppliers and ensuring optimal cost-efficiency—a core aspect of the Bank's operational ethos.

Through this policy, the Bank aims to establish and maintain long-term relationships with suppliers, going beyond typical purchase agreements.

The commitment is to nurture mutually beneficial ties with all suppliers by implementing robust standards, emphasizing environmentally and socially responsible practices.

The Bank envisions raising awareness and consciousness within its supply chain and encouraging vendors to adopt sustainable practices.

Additionally, there is a focus on instilling awareness and preparedness among the Bank's vendors for timely and accurate regulatory reporting.

## Local Engagement

The Bank collaborates with regional suppliers for hardware and software services, including laptops, desktops, computer systems, and peripherals. Incorporating uninterruptible power supply (UPS) systems and batteries, 70% of these products undergo recycling, highlighting the Bank's commitment to a sustainable supply chain.

## Sustainable Practices

Establishing a formal Sustainable Procurement Policy and Supplier Code of Conduct

Engaging suppliers and collecting vendor ESG Declarations

Conducting supplier assessments and procurement audits for IT vendors (FY2022). All Tier 1 suppliers (34 nos) fulfill the requirement of IndusInd Bank's ESG criteria.

## Vendor Procurement Process

The Bank uses an internally developed advanced online system, the Vendor Management System (VMS), for vendor onboarding. This system assesses new vendors by examining their financial strength, client portfolio, agreements, and skills. Established vendors undergo performance evaluations by cross-functional teams, including Business, IT and SDG, measuring their success against Service Level Agreements (SLAs) and Statements of Work (SOW).

The gentle Whale Shark, the largest fish in the ocean, often serves as a host to a variety of smaller marine life.

# SOCIAL FINANCING

Social financing plays a crucial role in fostering responsible and sustainable growth, generating a positive impact on society as a whole. Within this framework, debt solutions hold significant importance for social enterprises, with a specific emphasis on sectors such as health and sanitation. IndusInd Bank is committed to providing these solutions to individuals and organizations, placing the well-being of stakeholders and the broader community at the core of its operations.

IndusInd Bank recognizes that social finance is not only about financial returns but also about creating meaningful and lasting benefits for society. By offering debt solutions tailored to the needs of social enterprises, the Bank actively supports their growth and impact. This includes providing financial assistance to initiatives in the health and sanitation sectors, which are vital for improving the overall well-being of communities.

IndusInd Bank strives to be a catalyst for positive change by ensuring that the well-being of stakeholders and the community at large remains fundamental to its operations. Through its Social finance initiatives, the Bank aims to contribute to a more equitable and prosperous future for all.

*The Corporate Banking Unit's greatest strength is that it is well diversified across many businesses. I am particularly proud of our commitment to businesses that embed finance, which brings out the importance of equitable growth in society.*

Sanjeev Anand,  
Head - Corporate, Commercial,  
Rural & Inclusive Banking

## Key Highlights

Digital solutions, such as IMPS, RTGS, NEFT, UPI and AEPS/Biometric Authentication System, are revolutionizing transactions in the microfinance sector. These advanced technologies are streamlining the process, making it more efficient and convenient for users. By leveraging these digital platforms, individuals and businesses in the microfinance segment can conduct transactions seamlessly and securely, enhancing the overall financial experience.

Particulars	FY22	FY23
Number of new rural customers added under BCs	15,84,030	17,66,972
Increase in rural customers over the previous year under Business Correspondents (BCs)	0.31%	11.50%
Inclusive Banking Group Women beneficiaries	8.28 million	8.37 million

### Inclusive Banking

The banking sector plays a crucial role in accelerating financial inclusion, particularly vital for an economy like India during turbulent global periods. IndusInd Bank believes in financial inclusion, providing flexible and affordable solutions and services to every citizen of the country. In FY2023, the Bank also had a 10% market share in sustainable livelihood financing with facilities like Micro Finance, loans for the 'missing-middle' segment, micro-enterprise segment on the asset side, savings bank accounts, micro-recurring deposits and remittances, among a range of value-added services. As an integral component of the Bank's inclusion strategy, this program facilitates the provision of small loans specifically tailored for women borrowers. They also

widen out to underprivileged and economically disadvantaged groups, creating impact and development in the rural sector. IndusInd Bank is one of the largest Micro Finance lenders having a presence in 29 states. With 8.37 million women as a part of the customer base, the Bank has 110K+ active Bharat Money Stores Banking at doorstep in remote areas and has onboarded 26,648 merchants during the year to look after the banking needs, specifically those of MSMEs. Risk Management through data has also been enabled for every branch and district. Bridging gaps between the urban and rural sectors is one of the main inclusivity models by IndusInd Bank, which also develops opportunities, creates positive value and gives a boost to sustainable livelihood and empowerment.

#### Financial Services for Individuals with Disabilities

IndusInd Bank is committed to ensuring that individuals with disabilities have easy access to a range of financial services. Here are some initiatives undertaken by the Bank:

- 1** Dedicated counters with lower-height workstations are provided for senior citizens and individuals with disabilities, ensuring their comfort and convenience
- 2** All 2,878 ATMs are equipped with audio-enabled 'Talking ATMs' that have braille keypads, enabling individuals with visual impairments to independently carry out transactions
- 3** Cheques are made accessible in braille, allowing individuals with visual impairments to read and understand the information on the cheques
- 4** Doorstep banking services are offered in compliance with the Banking Codes and Standards Board of India (BCSBI), ensuring that individuals with disabilities can access banking services from the comfort of their homes. More information about doorstep banking can be found on the Bank's website
- 5** Net banking and mobile banking services are available, providing individuals with disabilities with convenient and accessible options to manage their finances remotely

The Bank has taken steps to enhance physical accessibility as well, with 2,878 ATMs and 2,606 branches equipped with accessibility ramps, making it easier for individuals with mobility challenges to access banking facilities.

### Financial Services for Low-income Social Groups

Microfinance loans play a pivotal role in empowering women entrepreneurs, creating sustainable livelihood opportunities. These loans by IndusInd Bank extend offerings to entrepreneurs and women borrowers under the microfinance facility. Micro Enterprise Loans, offered to existing customers with higher loan requirements for business expansion, are available up to ₹2.5 lakh through this program. Some of the various digital solutions to facilitate smooth banking transactions for our customers are deposit, withdrawal, fund transfer/ remittances, Aadhar Enabled Payment System (AEPS), biometric authentication on a real-time basis, balance inquiry, Aadhar seeding, mobile update and RuPay card activation, among others.

**Bharat Financial Inclusion Limited (BFIL)**, a subsidiary of IndusInd Bank, serves as a business correspondent and plays a crucial role in promoting financial inclusion. It offers a range of banking services, including microfinance loans, merchant acquisition, liability products and remittances. With an extensive distribution network in rural areas, BFIL operates in 535 districts across 23 states, serving over 1,37,000 villages.

BFIL focuses on supporting women entrepreneurs at the bottom of the economic pyramid, enabling them to achieve financial independence and improve their overall well-being. Through the Joint Liability Group (JLG) model, women form groups and engage in various rural economic activities. BFIL provides digital financial services to these women, facilitating loan disbursements, installment repayments and other transactions.

The responsible lending practices and prompt service delivery of BFIL have earned it a strong reputation in the market. The loan book managed through BFIL amounted to ₹32,215 crore as of FY2023. With BFIL's support, IndusInd Bank aims to expand its reach to more women borrowers and their families, offering a wider range of banking services, including individual loans, affordable housing loans and micro-insurance products.

(Read more about Bharat Financial Inclusion Limited in our Annual report on page 48)

### Spreading Financial Literacy

Financial literacy is a crucial tool that empowers citizens, fostering social and financial inclusion, as well as economic development.

IndusInd Bank helps educate communities, women borrowers and underprivileged people, making them financially literate and enabling them to feel more included.

The Bank is sensitizing women and borrowers, on

Risks of over-indebtedness	Mechanisms for grievance redressal	Pricing and importance of timely loan repayment	Credit bureau track record
Rules and regulations of micro finance loans	Group understanding and capability to voluntarily cross-guarantee their loans		

IndusInd Bank takes an active role in promoting financial and digital literacy by organizing 'Financial and Digital Literacy Camps' in rural regions. These camps are specifically designed to cater to the needs of farmers, women, senior citizens and students. These camps serve as valuable platforms for imparting knowledge and providing guidance on various financial topics and digital banking. By reaching out to diverse audiences in rural areas, IndusInd Bank aims to empower individuals with the necessary skills and knowledge to make informed financial decisions and embrace digital banking solutions.

**Business Banking Group**

The Business Banking Group at IndusInd Bank provides a range of offerings to support the financial needs of MSME businesses. This includes working capital loans and short-term finance options, which are determined based on the stock and book debt of the business

group, as well as its potential to meet the required working capital. These business groups are categorized into traders, service providers, exporters, importers and manufacturers, presenting ample opportunities for cross-selling. IndusInd Bank is actively

working towards expanding its offerings to include a more diverse range of business groups, aiming to provide comprehensive financial solutions to a wider array of industries.

**Entities with Financial Details:**

- 1** IndusInd Bank provides banking finance solutions to meet the working capital and trade-related needs of businesses.
- 2** The target pool for these solutions includes small and medium-sized enterprises (SMEs) that have sole or multiple banking relationships, and offer exclusive collateral security coverage.
- 3** This proposition extends opportunities to various types of entities, including sole proprietorships, registered businesses, private limited companies and public limited companies.
- 4** To be eligible, entities must have a minimum of two years of audited financials and a business vintage of at least three years.

**Entities without Financial Details**

- 1** To lend to this sector, a beneficial scorecard mechanism was developed to provide rationality in lending.
- 2** Under the 'GST and Banking' proposition, customers who are willing to provide their GST returns, have satisfactory banking, adequate collateral, are offered facilities.
- 3** Loans can be obtained without submitting detailed financial information.

**Consumer Financing**

The Consumer Finance Division (CFD) focuses on vehicle financing and stands as one of the Bank's three domains of expertise. With a robust market share across product segments, extensive customer penetration, and a well-managed business franchise, CFD provides funding for a diverse range of vehicles and equipment. This includes Heavy, Light, and Small Commercial Vehicles for goods and passenger applications, Passenger Cars, Utility Vehicles, Two-Wheelers, Tractors, and Construction Equipment like Excavators, Loaders, Tipplers, Cranes, etc. Finance is extended for both new and used assets in all the above segments.

The CFD made significant strides in the housing loan sector, particularly in the low-cost/affordable housing segment, aligning with the, Housing for All, project, a key focus area of the Government of India. During FY2023, the business recovery was swift, disbursements reached ₹46,309 crore, a substantial 42% increase from ₹32,580 crore in FY2022. New vehicle disbursements accounted for ₹36,219 crore, reflecting a 43% increase, while used vehicles saw a 48% surge, reaching ₹9,751 crore. The year witnessed the sourcing of 10.73 lakh new loans.

Tractor funding, a pivotal initiative for 'Priority Sector Lending and Financial

Inclusion', displayed commendable performance, recording a disbursement of ₹4,826 crore in FY2023, marking an 18% growth compared to ₹4,084 crore in FY2022.

In addition to lending, CFD generated commission income of ₹53.65 crore through the distribution of various third-party insurance products in the general insurance segment.

CFD's operational efficiency is supported by a robust back office and the Document Storage and Retrieval Facility at the Bank's Karapakkam Unit in Chennai. In the past year, this unit handled nearly 5 million transactions, including loan bookings closure.

CFD adopts modern technology, utilizing Android tablets for sourcing applications across all products. This has streamlined the credit and business approval process, enhancing overall efficiency. Field collection executives are equipped with an Android based collection App on Bank-owned mobile devices, boasting a deployment of over 12,000 units—one of the largest in the banking industry. This system is integrated within the Airwatch MDM Container Model for data security and operates with data and access-controlled APN SIMS.

**Retail Agri Business**

Farmers are provided with training on Mobile and Internet Banking, as well as other digital infrastructure, to empower them with the necessary skills to leverage digital financial services. In FY2023, the retail agri book experienced a growth of approximately 21%, expanding its reach into new rural and semi-urban locations.

The Bank funded over 4,000 applications under the Indus Kisan Credit Card (KCC) scheme across 580+ branches in Madhya Pradesh, Maharashtra, Kerala, Gujarat, Rajasthan, Haryana, Punjab and Chhattisgarh. The outstanding book size for FY2023 in the retail agri-business segment amounts to ₹2,600 crore.

**₹2,600 crore**

Outstanding book size for retail agri-business for FY2023



### Agriculture Financing

Agriculture is a vital sector in the Indian economy, employing a significant portion of the population and contributing to positive development. IndusInd Bank actively supports agribusinesses through financing, dedicating 25-30% of individual lending exposure to female borrowers. The Agricultural Business Group (ABG) complies with the Environmental and Social Management System (ESMS), ensuring ethical practices are followed in alignment with the Bank's growth philosophy.

IndusInd Bank follows a value chain financing approach that covers the entire Agri Value Chain, from farmers to agri-corporates. In retail agriculture, the Bank provides tailored credit products, including 'Indus Kisan,' a solution for farmers' financial needs. This offering simplifies credit access, with flexible repayment schedules and environmental sustainability measures such as RuPay debit cards and access to the Indus Mobile App. Additionally, customers receive savings accounts promoting customer retention and loyalty.

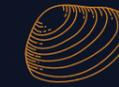


### Education Financing

As the population of India continues to grow, there is a steady increase in the demand for education. Consequently, investment in the education sector is also on the rise. This sector proves to be recession-proof and requires negative working capital due to its consistent cash flows.

Within the education segment, funding is provided to various types of educational institutions, including medical colleges, engineering colleges, vocational colleges and more. These institutions play a crucial role in producing professionals who contribute to the overall growth and development of society. Additionally, certain institutions prioritize offering affordable education to ensure it is accessible to students from lower socio-economic backgrounds.

The Bank offers financing to clients with a strong track record and implements robust monitoring mechanisms. These mechanisms include regular monitoring of cash flows, reconciling cash flow routing with the actual number of enrolled students and comparing projected admissions with actual figures. These measures are in place to maintain a high-quality portfolio.



### Healthcare Solutions

IndusInd Bank, through its specialized healthcare delivery team, recognizes the importance of supporting the healthcare ecosystem. The Bank caters to the banking and financial needs of hospitals, diagnostic chains and specialty care units, ensuring that they have the necessary resources to provide world-class healthcare services.

This strategic focus on healthcare has proven to be beneficial for the Bank, generating assets and income. The Bank's involvement in the healthcare sector covers the entire value chain, ranging from supporting new medical equipment manufacturers to partnering with major established hospital networks. The Bank also extends its support to promoter-driven single vintage hospitals as well as private equity-backed fledgling hospital systems.



# COMMUNITY DEVELOPMENT

## State - Wise concentration of CSR Footprint



IndusInd Bank has embraced CSR with the motive of making a significant contribution to society by promoting sustainable development while aligning with the nation's socio-economic goals. The Bank continues to orchestrate long-term programs and work in areas of development to give back to its communities.

Aligned with the UN 2030 Sustainable Development Goals and national priorities such as NITI Aayog's Aspirational District Program (ADP), the Bank aims to promote greater well-being for rural and urban households and bolster local ecosystem development. The Bank has a strong focus on long-term value creation and aims for a better social impact with minimal execution risk. As one of the leading financial institutions in the country, the Bank's vision of sustainability makes CSR a crucial element for all operations. To give back to the community and generate a positive impact, the Bank has both a long-term and a short-term CSR plan, in the form of its flagship CSR program and strategic programs, respectively.

The flagship 'Holistic Rural Development' program was created to transform villages and rural livelihoods in the five selected aspirational districts. These community development programs aim to integrate community involvement and collaborations between the district, state and central government, converging government schemes, technology, innovation and data-backed assessments. These initiatives will be implemented over a period of 10 years. This extensive decade-long effort will help the Bank deepen its social impact, generate value creation and further expand its initiatives both geographically and in economically empowering rural households and communities. The strategic programs, with a duration of 3 to 5 years, are based on key outcomes in environmental sustainability, inclusive sports, education and development in urban and semi-urban areas.

The Bank has positively impacted over 15 lakh lives through several need-based initiatives implemented across the nation in FY2023. 'Sattvam', the Bank's CSR philosophy, embodies the

theme 'Our Country, Our Commitment'. This CSR program has been designed with the ethos of inclusivity and excellence, focusing on contributing to India's future, promoting inclusive growth, raising living standards, celebrating exceptional talent, and advocating for environmental conservation. By strategically aligning their initiatives with the Sustainable Development Goals, they not only contribute to global sustainability but also work towards elevating the Human Development Index, ensuring a brighter and more inclusive future for all. Their commitment to society transcends mere corporate responsibility; it's a pledge to catalyze profound change.



# Flagship Program

## Holistic Rural Development Program

The Bank has been leading initiatives through its flagship program in the aspirational districts, in alignment with the Government of India (GOI) and NITI Aayog's objectives for comprehensive rural development. The selected districts include Osmanabad in Maharashtra, Begusarai in Bihar, Baran in Rajasthan, Bahraich in Uttar Pradesh and Virudhunagar in Tamil Nadu. The program aims to increase income levels and improve the quality of life of the rural population in the selected districts. The interventions are based on a needs assessment conducted in each district and are strategized to enhance the primary sources of livelihood while building resilience to climate change and promoting women's empowerment.

The welfare schemes of the GOI are further propagated to leverage the benefits meant for the last-mile users. All the interventions are substantiated with innovations using technology and promoting an entrepreneurial approach.

The interventions of the program are classified under five thematic areas to achieve key socio-economic outcomes that are broadly aligned with the SDGs and NITI Aayog. Under its commitment to 'Making a Sustainable Impact Among Marginalized Communities through an Integrated Holistic Approach,' interventions are planned to integrate community involvement, collaborations at the district, state and central levels, convergence of government schemes,

technology and innovation and data-backed assessment. Climate resilience and socio-economic development of women are at the core of the flagship program. This 10-year commitment through this integrated program comprises interventions designed to enhance and create livelihoods in agriculture, water, agri-allied and non-farm value chains, Farmer Producer Organizations (FPO) and skilling, as well as collaborative efforts in health-nutrition, education and basic infrastructure. This program intends to create maximum societal impact in the priority geography of the Bank.

In FY2023, the flagship program made a profound impact, reaching more than 5,40,000 beneficiaries from 66,000 households across 827 villages in 31 blocks in the initial phase. The Bank was able to make an impact as detailed below:

**827**

Villages of 31 district blocks

**5.40 lakh**

Beneficiaries

**4,949**

Households Benefited under improved livestock management

**39.18 lakh**

Cub Liter Water Harvesting capacity created

**5,266 Ha**

Land treated

**4,729 SHGs**

have supported more than 94,000 women through the program

**42,000**

Students tinkered from 76 schools for Innovations & Entrepreneurial skills

**1,00,000+**

Women and adolescent girls benefited through health camps

**37,000+**

Community members trained via capacity building sessions

**619**

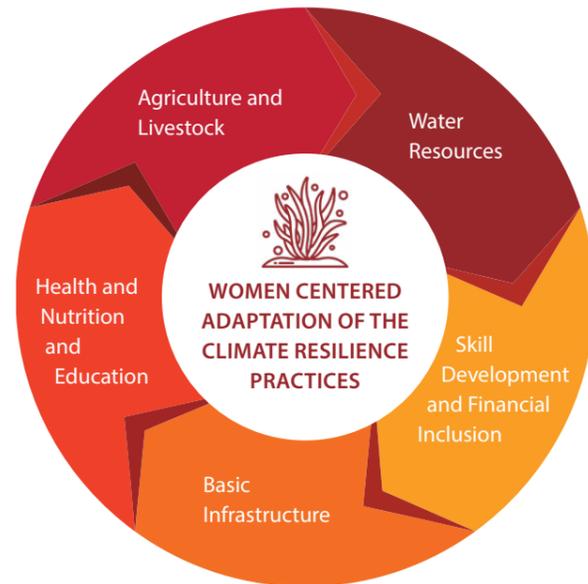
Water harvesting structures created

**₹45 crore**

Worth Convergence

**5,288 Households**

Benefited through social security schemes unlocking ₹1.45 crore



FY2023 witnessed remarkable achievements in the flagship program. The Bank promoted its flagship program through advocacy with the central and state governments, resulting in:

- Signing of MoUs with the District Government and administration for ownership and shared responsibilities right from the initiation
- Signing of a Statement of Intent (SOI) with NITI Aayog – Atal Innovation Mission
- Signing of a Non-Disclosure Agreement (NDA) and MOU with the National Skills Development Corporation (NSDC)
- Commitment to partnerships with major companies and PSUs for the CSR initiatives namely WASH and entitlements. ASCI (Administrative College of India) and Haqdarshak have been onboarded

The Clown Fish

# Strategic Projects

## **A** Water Stewardship and Environmental Sustainability

The Bank firmly believes that it's not just an option but a necessity to take proactive steps in safeguarding the environment and promoting a transition to healthier, low-carbon societies. At IndusInd Bank, a robust business model goes hand in hand with protecting the Earth. It emphasizes the idea that a thriving economy is closely tied to a healthy planet, encapsulating the Bank's sustainability philosophy: 'Good Ecology is Good Economics.'

The Bank has undertaken various initiatives to ensure environmental sustainability, ecological balance, the protection of flora and fauna, agroforestry, the conservation of natural resources and the maintenance of the quality of soil and water. Bank's projects on Water

Stewardship are carried out in rural water-deprived landscapes and emphasize collective accountability and action to ensure that water resources are managed responsibly, sustainably and equitably. Along with water security, these interventions translate into crop productivity, income enhancement, soil conservation and the building of community institutions to strengthen climate resilience.

Other activities, such as spring water conservation, roof rain and river water harvesting, restoration and revival of traditional water bodies (lakes and drains), afforestation (traditional and Miyawaki) and renewable energy solutions for various educational and healthcare institutions, are creating sustainable value for all.

 **9815+ Ha**  
Land treated

 **464**  
Villages benefitted

 **143**  
Rain water harvesting structures created or renovated



### Our Interventions:

#### Restoring and Rejuvenation of Traditional Water Bodies (Madhya Pradesh):

Through community-led action, this initiative is addressing issues related to climate change and working towards achieving the SDGs targets in Bundelkhand by reviving its traditional water bodies. By repairing and rejuvenating these traditional water bodies, the initiative is able to harvest monsoon rains and facilitate agriculture and livelihoods.

reduction of green cover by promoting afforestation. Within the framework of this program, native trees have been planted across nine cities in seven states, with the aim of generating a sequestration potential of 252 million metric tons of CO2 annually. This initiative involves safeguarding and encouraging the growth of existing green spaces, as well as mobilizing communities for carbon sequestration and environmental preservation. In these areas, native saplings were also planted, achieving a survival rate of 90%.

#### Renewable Energy (Maharashtra):

As part of the Bank's 'Institutions on Solar' program in Maharashtra, rooftop solar installations were carried out at a hospital, providing a clean energy source, saving electricity costs, and raising awareness about clean energy among the beneficiaries.

#### Watershed Development (Madhya Pradesh, Odisha, Jharkhand, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana):

The project emphasizes soil and water conservation, climate-resilient agricultural activities and community capacity building. As part of the project, structural barriers were constructed in project areas to arrest soil erosion and prevent surface water runoff. Water management practices have also been promoted for agricultural development. Watershed development interventions have successfully increased the income of beneficiaries in a sustainable manner and enabled communities to collectively plan and achieve their desired development.

#### Spring Shed Management (Odisha):

The project emphasizes the management of the perennial water source through streams, utilizing ridge-to-valley treatment and practices. The catchment area, specifically the spring origin, undergoes treatment using a combination of techniques. Additionally, the command area receives treatment by enhancing agricultural practices, improving soil quality, promoting livelihoods and implementing water conservation measures. The project's interventions yield benefits not only for natural resources but also for the community livelihood. Water is made accessible for irrigation, drinking and domestic purposes through diversion-based irrigation structures constructed at springs for tribal communities. In addition to treating the area, soil and water conservation are achieved through agricultural interventions, beneficiary training, and exposure visits.

#### Traditional Rain Water Harvesting (Rajasthan & West Bengal):

In Rajasthan, their interventions supported the revival of water through traditional rainwater harvesting structures such as Roof Rain Water Harvesting System (RRWHS), Naadis (ponds), Tankas (tanks) and Khadins (bunds), etc., during FY2023. This initiative was conducted at the most affordable cost for water harvesting efforts to date. River Water Harvesting was also implemented in West Bengal to augment water availability and support agricultural activities through a lift and distribution system. The Bank followed a decentralized resource management and utilization system ensuring efficient and equitable distribution of water..

#### PRAGAT Watershed Development Program of BFIL (Karnataka):

Pragat Watershed Development focuses on water security in drought-prone regions by addressing water stress and groundwater scarcity. It adopts a tailored Watershed Approach, securing 80% of its funding from Convergence (Government and Community) through CSR. Bio-physical interventions have led to a 12.30% increase in farmers' income, a 3.05-meter rise in the groundwater table and a 16.22% improvement in productivity for FY2023. The project follows a 'Community Led' approach for sustainable resource management, empowering community members for continued efforts post BFIL's exit. To date, the Pragat initiative has restored 17,157 hectares over three years.



**3,684 Ha**  
Watershed Area Restored



**6,581 Mn L**  
Water Conserved



**157**  
Water Harvesting Structures Built



**5,920**  
Farmers Impacted



**50,562**  
Saplings Planted

#### Pragat Drinking Water Program of BFIL:

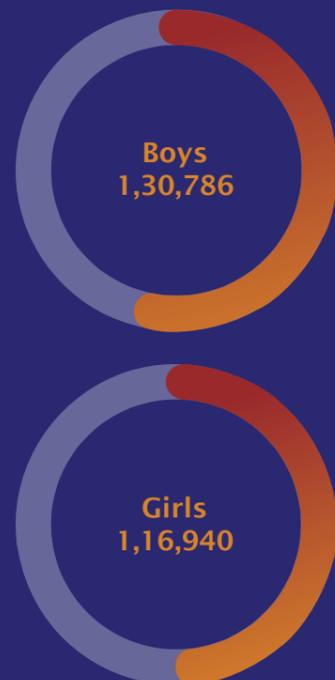
After conducting an in-depth analysis of the drinking water situation at various levels, BFIL supported the revival of defunct RO plants to provide access to clean drinking water to beneficiaries in rural households. As part of the program, trainers educated the community to ensure they were well-equipped to continue operations smoothly. Additionally, they facilitated groundwater recharge through borewell recharge structures for raw water supply wells, resulting in an increased access to safe water from 4% to 65%. To date, a total of 93 RO plants have been revived, with 45 in FY2023 catering to 2,10,012 beneficiaries and dispensing 55 million liters of water.

## B Education

In a middle-income country like India, millions of students face disadvantages stemming from poverty, conflict, gender and disability. The lack of holistic learning in their education represents a missed developmental opportunity with long-term negative impacts. Despite a notable improvement in primary and secondary level enrollment in India, the failure to establish a platform for comprehensive development has resulted in various adverse consequences within higher education and employability. According to a recent Employability report, only 37% of engineering graduates in India demonstrate employability, lacking fundamental skills such as learning, collaboration and communication abilities. As per the World Development

Report 2018 by the World Bank, millions of students confront the possibility of this missed opportunity leading to reduced wages in their later lives, thereby jeopardizing local and regional socio-economic development.

This year, multiple projects were implemented to support students in rural areas, benefiting 2.27 lakh students. Additionally, 7,000 teachers received training in teaching methodologies and 825 teachers underwent training in SMART classes to enhance their teaching effectiveness. Furthermore, 220 students were awarded scholarships to pursue their education and lay the foundation for their future.



**2,47,700**  
Students



**3,300**  
Schools



**8,800**  
Teachers

### Our Interventions:

#### Foundation Literacy and Numeracy (FLN):

The Government of India launched the Foundation Literacy and Numeracy (FLN) program under the NUPIN Bharat initiative to enhance the learning outcomes of children in the primary section. In alignment with the government mandate, the Bank implemented the Foundation Literacy and Numeracy project in collaboration with various partners. The project addressed the learning gaps among primary and middle school students, establishing a fundamental framework for the holistic development of the students navigating through the challenges of primary and middle school. The total reach of the project was 33,800+ students across 158 schools.

#### Early Language and Learning:

The Bank and its partner implemented the 'Early Language and Learning Program' to enhance the learning outcomes of first and second-grade students in selected schools across India, with the support of the local state government. They also devised sessions for teacher development, mentorship, and the advancement of new pedagogical approaches. The program positively impacted over 1,00,000 children in 2,300+ schools, involving more than 3,600 teachers who received specialized training in the subject matter.

#### Mid-Day Meal:

The Mid-Day Meal program is a critical initiative implemented by the government to encourage children to return to school and ensure they receive quality nutrition through food provision. This time, the mid-day meal program was executed by establishing a centralized kitchen in Mansa, Gujarat. The centralized kitchen commenced its operations on July 23, 2022. IndusInd Bank funded the construction of this state-of-the-art kitchen, which was inaugurated by the Honorable Union Home Minister, Mr. Amit Shah. This marks the eighth facility of its kind in the state, equipped to cater to 26,000 children across 190 government schools.

#### Pragat Education - Road to School Program of BFIL:

The program addressed education issues comprehensively, aligning with the New Education Policy and the government's target of achieving foundational literacy and numeracy for every child by FY2027. Supported by the Department of Education, Government of Karnataka, it successfully trained 259 Pragat Teachers in 35 schools, resulting in 95% of children now being FLN qualified and overall improved learning in government schools.



**6,643**

Students Benefited



**4,551**

Community Awareness & Counselling

#### Skilling:

In FY2023, the Bank, in collaboration with its strategic partners, implemented the 'Future Skills Training Program' with the objective of providing skills and employment assistance to unemployed youth and dropouts. The program beneficiaries received training in futuristic skill domains such as AI and Core Java, in addition to aptitude and employability skills, aimed at enhancing their job market prospects. The program garnered a positive response, making a significant impact on 780 young people, 40% of whom were female beneficiaries.

#### Skilling for Disabilities:

The Bank launched skilling programs for individuals with disabilities, promoting their independence and inclusion. Specialized education, vocational training and more were provided to 582 beneficiaries. In rural areas, 20,255 unemployed youth were trained to become entrepreneurs, benefiting small-scale dairy farmers.

Additionally, the Bank supported the rehabilitation and skill development of 86 youth impacted by drug addiction and homelessness, aiming for their successful integration into society.

#### Scholarships:

58 students were awarded scholarships through IndusInd Bank's scholarship program to pursue their higher studies and pave the way for a brighter future. All of these students hail from humble backgrounds, where their families were unable to provide financial support for their higher education.

#### Life Skill Enhancement:

The Bank implemented life skills programs for school children. The objective of the program was to orient and educate the children about the conservation of nature, as well as to build and equip the next generation of nature lovers to take action to protect the planet. The total number of students impacted was more than 48,800.

#### Other School Programs:

Last year, the Bank and its partners implemented various school-based programs, including a significant project involving the construction of a college building. This building aims to support the higher education of over 2,600 students. This year, the Bank continued its support by assisting more than 500 students in need ensuring they complete their basic education.

Sea Anemone - predatory marine invertebrates



## IndusInd For Sports

Using the unique power of sports to attract, mobilise and inspire, "IndusInd For Sports" attempts to bring out the sporting best – human values, inclusion and sustainability. The initiative entail year-long engagement activities for customers, employees and the community through well thought-out inclusive sports programmes. The Bank prioritizes both inclusivity and sporting excellence in its sports programs, emphasizing the participation of individuals from diverse backgrounds, including different genders, persons with disabilities and underprivileged communities. Within its programs, the Bank identifies and scouts talented athletes, offering them the essential support to compete in national and international sports tournaments. The Bank's focus extends beyond promoting talent; it also aims to cultivate a sense of national pride through its sporting achievements.



**960+**  
Sportspersons supported in FY2023



**1,115+**  
Tournaments participated



**275+**  
Medals won

### Our Interventions:

#### IndusInd Hockey for Her Excellence program:

Launched in 2019, the primary objective of the program was to establish a structured grassroots initiative for children in two districts of Odisha (Sundargarh & Sambalpur) via schools and communities. This initiative aimed to create a robust feeder system for both state and national hockey teams.

- 11 girls in Odisha's state team at our High Performance Center, finishing second at the U21 Khelo India League 2023.
- 4 of our sports program beneficiaries won Silver, representing India in Ireland's Five-Nation Under-23 tournaments.

**40**  
Athletes supported (Age 13-15)

**10**  
Coaches supported

#### Girl Power Program:

The program is a 360-degree holistic development initiative, aimed at fostering the overall growth, sustainability, and empowerment of female athletes. The Bank provides support for coaching, sports science, sports medicine, sports psychology, and a customized academic curriculum.

- In the 2022 Commonwealth Games, Sushila Devi won silver, supported by the Bank. In 2023, she got the Arjuna Award.
- Linthoi Chanambam became India's first world Judo Champion, securing gold in the 2022 World Judo Championship.

**31**  
Female athletes are supported in the field of Judo

#### Para Champions Program:

The Para Champions program was created to enhance the Indian Paralympic movement by providing structure, planning and vision. Its goal was to empower Indian Para athletes through sports science assistance, financial support for elite training and competition, connections to global experts and showcasing athlete success stories publicly.

- In FY2023, two Para athletes from the Bank's program received the Arjuna Award.
- Sumit Antil, a Para Athlete, set a new Javelin throw world record of 68.62 m at the Indian Open Para Athletics Championship in Bangalore.
- Parul Parmar won Bronze at the Thailand Para-Badminton International 2022.

**45**  
Athletes supported (31 Male & 14 Female)

**10**  
No of Disciplines

#### CABI - Cricket Association for the Blind in India:

The CABI partnership program facilitates inclusion, empowerment and development of visually impaired cricket players. It improves access to infrastructure, skills and nutrition, conducting sensitization workshops through CABI for player and public awareness. The program also enhances livelihoods and offers socio-political opportunities.

- The Indian Blind Cricket team clinched their third consecutive victory at the 2022 T-20 World Cup. An inspiring campaign highlighted the Bank's support and encouraged the team's spirit. The Bank honored the team for their historic win at the corporate office in Mumbai.

**700+**  
Cricketers supported (Men-400 and Women-300)

#### IndusInd Bank Nagesh Trophy (Yearly):

The IndusInd Bank Nagesh Trophy is a tournament equivalent to the Ranji Trophy. In this three-month event, 28 states, Union Territories and Railways of India participate, engaging in T-20 matches during the league stage, followed by quarterfinals, semifinals and finals. The objective of the tournament is to offer visually impaired players an opportunity to showcase their best performance and earn a chance to represent the Indian Blind Cricket team.

#### Elite Athletic program and nurturing rural champions:

The program supports children of nomadic tribes and backward castes from the rural pockets of Satara district in Maharashtra.

- Two program beneficiaries represented the India Junior team in Ireland, winning Silver in a Five-Nation under-23 tournaments.

- Vaishnavi Sawant secured bronze in the 3,000-meter Steeplechase at the 61st National Open Athletics Championship.

- They won 212 medals across different levels - district, state, national and international.

**60**  
Junior athletes are being supported across 3 Disciplines – Field Hockey, Athletics and Wrestling

#### IndusInd Tribal Squash Program:

Launched in FY2023, the Academy operates at the grassroots level, assisting children from diverse backgrounds. Situated in Kalote Mokashi Village in the state of Maharashtra, the Academy serves as a hub for local tribal communities that have historically faced economic and social disadvantages.

The Bank plans to support 19 tribal girls in the sport of squash, providing assistance for nutrition, skills development and participation in various tournaments.

## Stories of Change



**IndusInd Bank achieved 100 multi-layer farming models and 36 micro-irrigation models in Bihar's Begusarai. They covered 85 acres with exotic crops.**

108 multi-layer farming models, 39 micro-irrigation models and 85 acres of exotic crops reflect increased community acceptance of non-traditional farming.

Government schemes included implementing 5 Atal Tinkering Labs in district schools and enrolling 1,819 beneficiaries in health and financial schemes through Haqdarshak.

Engaged 800 farmers through 40 Farmer Interest Groups (FIGs) in 11 blocks, promoting Farmer Group Discussions (FGDs).

Conducted 4 exposure visits for Panchayati Raj Institution (PRI) representatives and consultation meets with SMEs, enhancing government relationships through regular meetings with district PMUs and block-level officers.



**In Maharashtra's Osmanabad, IndusInd Bank supported 425 Multi-layer Kitchen Gardens and 731 Micro Irrigation systems across 120 villages.**

Demonstration models strategically placed influenced communities, leading to 425 Kitchen Gardens and 731 Micro Irrigation systems adopted.

Haqdarshak enabled communities to access benefits, for 2,179 beneficiaries through government schemes.

2,415 beneficiaries were trained in various livelihoods. Women groups started enterprises like cake making and livestock rearing.

A bottom-up approach fosters government relationships, gaining support from key departments like Krishi Vigyan Kendra and Rural Livelihood Mission.



**In Haryana, IndusInd Bank launched India's First CSR-Supported Development Impact Bond (DIB) in Education, Prarambhik Bhasha Shikshan Karyakram (PBSK)/Early Language Learning (ELL).**

India's inaugural CSR-funded DIB in education collaborated with Haryana government, covering six districts and benefiting 1,00,000+ children and 7,500+ educators.

The DIB focused on the lowest 25th percentile of learners, resulting in significant gains, even during pandemic-related closures.

Achieved 3.5x targeted learning gains, with 80%+ students proficient in reading, at a cost of \$6.7 per child per year.

Pioneering initiative enhanced FLN project financing in India, adopted into NIPUN Haryana Mission.

### Impact NBFC

IndusInd Bank's financial services unit is one of the leading players in the financial industry. From Non-Banking Financial Companies (NBFCs), Housing Finance corporations (HFCs) and Public Finance Institutions (PFI), IndusInd Bank provides a wide range of products and services to meet the diverse needs of its clients.

### Social Infra

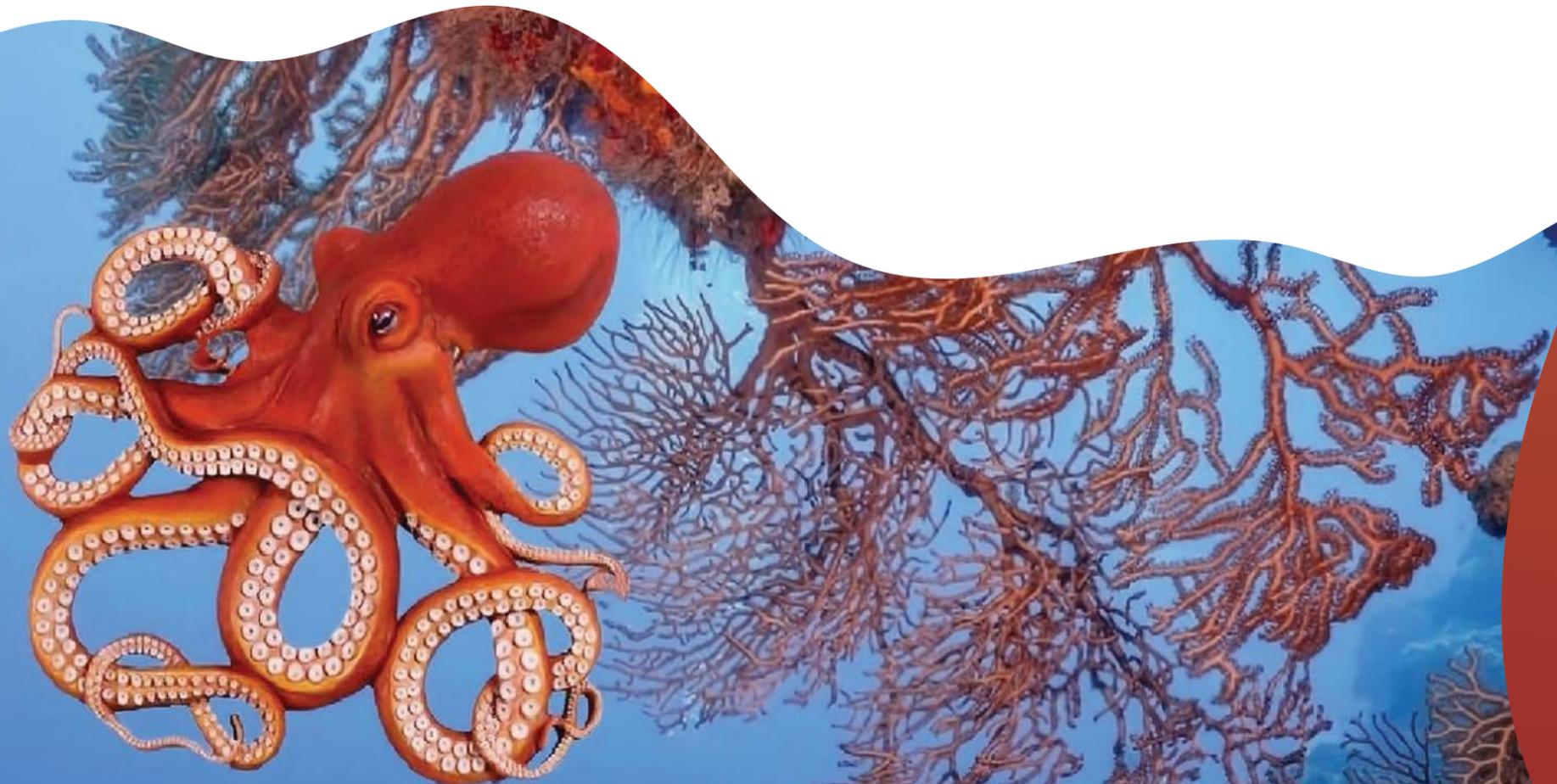
This enables funding for infrastructure projects, such as the construction of roads and highways, bridges on the roads and railway lines, multi-modal transport – metros and bus rapid transits, air/ sea port construction, water supply systems, sanitation and drinking water facilities, etc. for the social development of the citizens. It contributes indirectly to the economic development of the country.

### Affordable Housing

IndusInd Bank's real estate unit offers finance with a focus on commercial and residential real estate projects in the affordable housing segment. In support of the government's Housing for All initiative, the Bank offers housing loans specifically tailored for the low-cost/affordable housing segments. The goal is to transform its customers' dream of owning a home into a tangible reality.

### Agri-Business

IndusInd Bank follows a value chain financing approach that covers the entire agri value chain, from farmers to agri-corporates. With its strong presence in 17 states and operations across 60 locations, the Bank has established a robust foothold in core Agriculture-based markets. The Bank's innovative Agri Project Finance, Agri Trade Finance and Agri Infrastructure Finance products and services have garnered industry acclaim.



# RISK MANAGEMENT

IndusInd Bank has crafted a risk management framework that places paramount emphasis on comprehensive identification, precise measurement, vigilant monitoring, and control of risks across diverse business segments. The Bank's commitment to excellence is evident in its proactive integration of industry-leading practices, a testament to its relentless pursuit of fortifying and elevating its risk management capabilities.

The Chief Risk Officer (CRO) holds a dual reporting structure, answering to both the Managing Director (MD) and CEO of the Bank, as well as the Board-level Risk Management Committee (RMC). This Committee exercises complete oversight over the operations of various subcommittees established to identify, measure, manage and mitigate the diverse risks faced by the Bank.

Given the wide array of business activities the Bank engages in, it's essential to efficiently identify, measure, control, monitor and report risks. Both the Board of Directors and the Risk Management Committee carefully supervise the risks undertaken by the Bank. **The Risk Management function operates independently from the core business, devoid of any volume or profit targets.**

The CRO maintains a direct reporting line to the CEO. The Bank's policies clearly define its approach to underwriting, with the Risk Management team acting as a filter, prioritizing risks based on these policies and the established Risk Management framework. Critical risks are thoroughly assessed by the Chief Risk Officer, and depending on their significance, are presented before the Risk Management Committee of the Board for consideration.

*At IndusInd Bank, risk management is not just a function; it's our commitment to stability and innovation. We navigate through uncertainties with diligence, turning challenges into opportunities. By prioritizing sound risk strategies, we not only safeguard our Bank but also fuel sustainable growth, ensuring a resilient future for our customers and stakeholders.*

**Vivek Bajpey,**  
Chief Risk Officer, IndusInd Bank

© The venomous Red Lion Fish found in the Indian Ocean

## Risk Mitigation Measures

IndusInd Bank has been implementing a range of proactive measures, aligned with global standards and tailored to the prevailing operational landscape, to elevate its risk management prowess. Given the expansion of its business operations and the pioneering introduction of products and services, the imperative of embracing comprehensive risk management practices cannot be

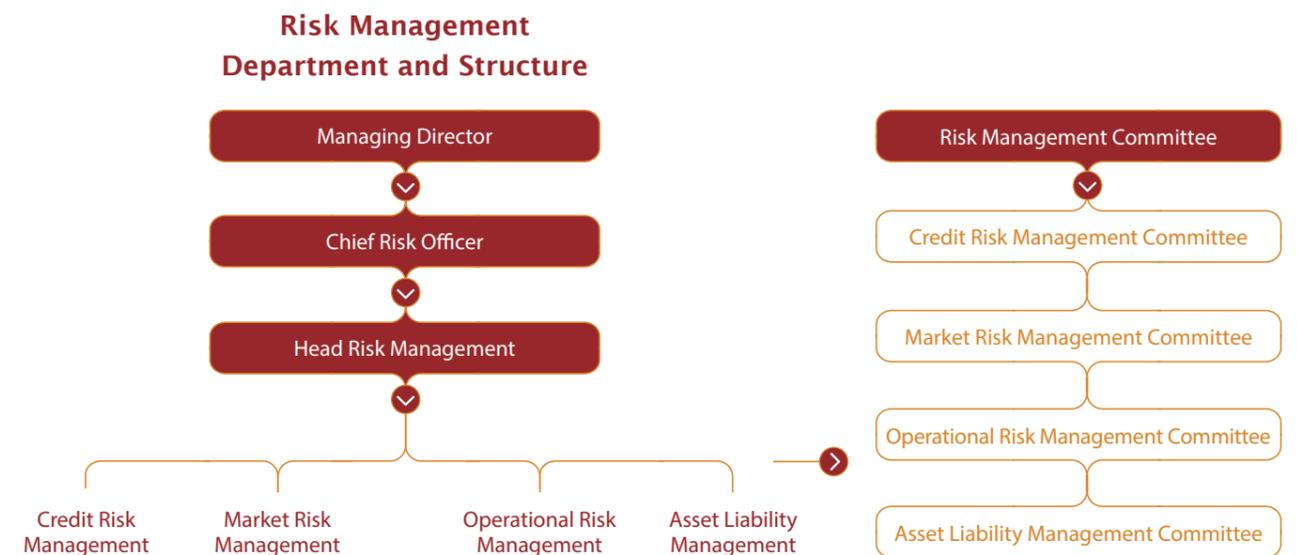
overstated. This is paramount to ensuring the preservation and fortification of the Bank's vested interests.

Some of the measures recently adopted include:

1. Risk Analytics and Data Mining
2. B-score model development for retail loan book

3. Development of rating models for assessing borrower risk for newer segments introduced
4. Implementation of software for assessment of various risks such as credit risk, market risk, operational risk, ALM, reputation risk, etc.

## Risk Management Framework



# KEY RISKS AND MANAGEMENT METHODS

## Credit Risk

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p><b>Transaction and Portfolio Risk:</b> Dependence on the probability of default and concentration of the portfolio</p>	<p>This is a function of loss given default (LGD)</p>	<p>The Bank uses tailored rating models for different borrower segments, manages risks from various counterparts via exposure limits and follows country risk limits for international transactions.</p> <p>Risk management includes portfolio-level exposure limits to counteract concentration risk. This involves consistent assessment using metrics like Weighted Average Credit Rating (WACR) and behavioral models for vehicle finance portfolios.</p> <p>The Bank conducts stress tests on credit portfolios to enhance resilience, assessing their ability to handle tough scenarios. An Early Warning Signals (EWS) system promptly flags risks and alerts regarding borrower accounts.</p>	 <p>Financial Capital, Social and Relationship Capital</p>

## Market Risk

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Interest rate risk, foreign exchange risk, price risk, volatility risk and commodity risk Dependence on the deterioration of the value of assets due to unfavorable movement in market variable</p>	<p>Replacement cost equivalent to mark-to-market</p>	<p>The Bank employs a framework for market risk management, utilizing sophisticated tools such as mark-to-market valuation, sensitivity analysis and value-at-risk assessment. This is reinforced by the seamless integration of the Market Risk Management System (SAS) with the robust treasury system 'Calypso,' enabling close monitoring of risk parameters, computation of market risk capital charges, and oversight of key aspects like Value-at-Risk (VaR) limits and risk sensitivities.</p> <p>The Bank's advanced system enforces stop-loss, exposure, deal-size limits and daily portfolio valuation, providing real-time risk exposure insights. Daily monitoring of risk sensitivities allows us to quickly respond to emerging market challenges.</p>	 <p>Financial Capital</p>

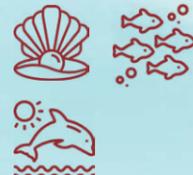
## Assets and Liabilities Mismatch Risk

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Mismatch in future buckets is managed, therefore occurrence is very unlikely</p>	<p>Depends on the cost of funds to be generated to mitigate the mismatch</p>	<p>Limits prescribed for mismatch in time buckets facilitate efficient management of Asset Liability Management (ALM) risk. Interest rate sensitivity is monitored from an earning and economic value perspective through prudential limits for rate-sensitive gaps, modified duration and other risk parameters.</p> <p>Interest rate risk on the investment portfolio is monitored through value at risk and risk sensitivities daily. Optimum risk is assumed through duration to balance between risk containment and profit generation from market movements.</p>	 <p>Financial Capital</p>

## Operational Risk

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Inadequate or failed processes, people, or systems risk. Dependence on the probability of operational loss incidents</p>	<p>Value of actual loss incidents and provisions</p>	<p>The Bank is well-prepared for uncertainties with a robust Business Continuity Plan (BCP) and regular exercises to test it. It manages risks effectively through various strategies, including training, awareness, process improvements, insurance, outsourcing and automation, proactively addressing vulnerabilities.</p> <p>The Bank utilizes cutting-edge risk management tools like Risk and Control Self-Assessment (RCSA), monitoring Key Risk Indicators (KRIs), collecting loss data following Basel 8x7 matrix and deploying the Operational Risk Assessment Process (ORAP) framework. These tools strengthen the Bank's risk management and enhance resilience against potential challenges.</p>	 <p>Financial Capital, Human Capital, Intellectual Capital</p>

## Liquidity Risk

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Funding Gap Risk is mitigated by maintaining a strong LCR and investing in high-quality liquid assets. Market Liquidity Risk is influenced by overall financial market conditions.</p>	<p>Dependence on the cost of funds to be generated to mitigate the liquidity gap</p>	<p>Liquidity risk is assessed using a multifaceted approach encompassing structural liquidity gaps, real-time dynamic liquidity positioning, rigorous liquidity coverage ratios, in-depth liquidity ratio analysis and comprehensive behavioral assessments. Additionally, prudent thresholds are set to manage and mitigate any adverse negative gaps across different time frames.</p>	 <p>Financial Capital, Social and Relationship Capital</p>

**Regulatory Risk**

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p><b>Strong regulatory adherence:</b> Robust compliance department overseeing operations.</p> <p><b>Staff expertise:</b> Well-trained employees handle compliance and customer interactions.</p>	<p>Compliance with regulatory guidelines and penalties/fines levied in case of violations/non-compliance</p>	<p>The Bank diligently employs rigorous quality checks and controls through both internal and external audits, ensuring strict adherence to regulatory mandates. A well-established internal policy and functioning mechanism are firmly in position, further boosting the Bank's commitment to compliance.</p>	 <p><b>Financial Capital, Social and Relationship Capital</b></p>

**Brand and Reputation Risk**

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p><b>Market perception, frauds, complaints:</b> The Bank's image and fraud/complaint levels.</p> <p>Minimal occurrence – the Bank has adequate corporate governance and professional management team in place</p>	<p>Dependence on the volume of frauds and replacement cost of deposits due to adverse reputational events</p>	<p>The Bank has adeptly preserved the quality of its assets while simultaneously achieving remarkable expansion in the size of its balance sheet. Through consistent efforts, the Bank has successfully secured additional capital at frequent intervals, thereby upholding its external rating with consistency.</p>	 <p><b>Intellectual Capital</b></p>

**Climate-change Risk**

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Extreme weather events like rising sea levels, floods, cyclones, tsunamis and flooding The likelihood of occurrence is moderate (For more details please refer to the TCFD Chapter)</p>	<p>Impact on credit costs for agriculture, infrastructure and real estate sectors Decreased asset quality Damage to the Bank's infrastructure and technological assets</p>	<p>Introducing an upgraded funding strategy that emphasizes the importance of a diversified portfolio spanning multiple industries and segments. The Bank is also instating a robust Business Continuity Plan (BCP) to ensure seamless operations even during unforeseen challenges. Furthermore, the Bank is embarking on a comprehensive digital transformation, enhancing processes for both our valued employees and clients.</p>	 <p><b>Natural Capital, Social and Relationship Capital</b></p>

**Occupational Health and Safety Risk**

Potential impact: Erosion of capital

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Health and safety issues related to indoor air quality, ergonomics and physical infrastructure; health issues due to pandemics and other natural calamities; The likelihood of occurrence is low</p>	<p>Lower productivity, absenteeism and delayed completion of tasks</p>	<p>The Bank boasts cutting-edge technology and automated operations, resulting in significantly reduced exposure to operational risks. The Bank's personnel have undergone comprehensive training to proficiently execute operations within the institution. Stringent protocols, coupled with prominent signage, are diligently enforced across all facilities to ensure the utmost standards of health and safety.</p>	 <p><b>Human Capital</b></p>

**Cyber Risk**

Potential impact: Erosion of capital and data

Risk Identified	Estimated Financial Implications	Approach	Capitals Impacted
<p>Increasing tech and digital risks, worsened by COVID-19 remote work, with a low likelihood.</p>	<p>Depends on the volume of fraud</p>	<p>The Bank employs a diverse range of robust technical safeguards, encompassing formidable control mechanisms for vulnerabilities, network security fortifications, rigorous password management protocol, and software development oversight.</p>	 <p><b>Financial Capital, Social and Relationship Capital, Intellectual, Human Capital</b></p>

**Emerging Risks**

**Climate risk-related opportunities: The Bank has embarked on a three-pronged approach:**

solar rooftop financing, green bonds, etc. and embed the products all across the business activities

**Increasing focus on climate-positive sectors to make Bank's book climate risk resilient:** Agriculture, Construction; Infrastructure: Smart electricity grids, EV charging and Power (clean power) and transport (low carbon)

**Focus on partnerships with DFIs:** tie up with DFIs like PROPARCO, OPIC, USAID, etc. with dedicated lines to generate outreach and improve the cost of capital

**Focus on launching climate-positive products:** like green deposits, green personal loans, developing products around the financing of green loans for

# ESG INTEGRATION IN RISK UNDERWRITING

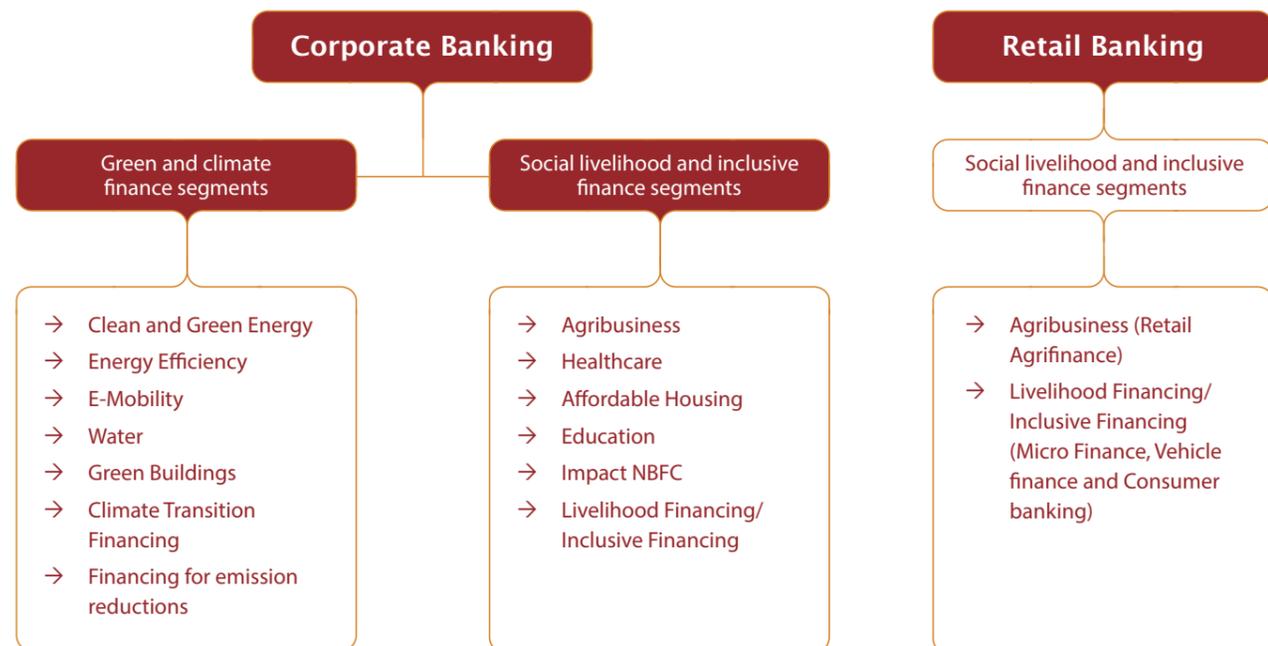
IndusInd Bank is committed to being a socially and environmentally conscious institution. It aims to expand its lending portfolio by focusing on sectors that make a positive impact on the nation's development while ensuring sustainability.

## Financing connected with ESG performance of companies

Banks play a crucial role in facilitating the transition to a low-carbon economy and IndusInd Bank takes this responsibility seriously. The Bank has proactively developed capabilities to provide Climate Finance, offering a range of climate financing solutions. Additionally, IndusInd Bank supports social development through a robust social finance portfolio, with a particular focus on education, healthcare, and other social assets.

To ensure responsible investment, ESG risk analysis is seamlessly integrated into IndusInd Bank's investment process. The Bank closely evaluates the ESG performance of corporates during the credit appraisal process. ESG factors are assessed to measure their impact on both business and society, as well as their contribution to value creation. Material ESG issues are identified and evaluated, and this information is further supplemented through client communication and employee awareness activities.

As part of its commitment to good governance, IndusInd Bank has implemented the Environment and Social Risk Management System (ESMS). This system ensures checks and balances are in place, maintaining a hierarchical structure. The Board of Directors exercises control and supervision over ESMS, which helps create a positive impact and generate long-term financial returns.



## Environment and Social Management System (ESMS)

The primary objective of ESMS is to integrate environmental and social considerations into business activities and to safeguard investment credit and reputational risks arising out of ESG factors. A Board-approved comprehensive ESMS policy and governance mechanism for the ESG risk assessment is in place. With an established Environmental and Social Management System (ESMS), IndusInd Bank ensures balanced investments with the triple bottom line,

identifying critical components of ESG and sustainability.

The governing body oversees and ensures the proper functioning of the ESMS. The ESMS Policy is guided by national regulations as well as international frameworks and guidelines such as the Principles of the UN Global Compact (UNGC), UN Principles for Responsible Investing (UNPRI), the International Standards Organization's

(ISO) environment management guidelines, and the Equator Principles. Clients are evaluated on the basis of several ESG parameters and risks involved, with the policies reinforced by Relationship Managers, trained through stringent capacity-building, to appropriately assess all proposals, identify gaps and mitigate risks to the Bank's portfolio from risks arising out of E&S linked variables.

**General E&S Standards for the Bank's portfolio include:**

The Bank expects that its clients meet all pertinent E&S laws and regulations

Clients are required to obtain all applicable licenses and permits for all of their business operations

Clients are also expected to consider implementing best-in-class practices for managing the related impact of their business activities

As per the ESMS policy of the Bank, it is mandatory for every proposal to clear the Exclusion List to ensure that the Bank does not provide any facility for projects/ activities that are likely to create an adverse impact on the environment and society at large. The exclusion criteria contains the following:

Production or trade in any product or activity deemed illegal

Production or trade in substances that are internationally banned, including but not limited to wildlife products, products regulated under CITES, and illegal narcotics, among others

Gambling, casinos and equivalent enterprises

Production or trade in products involving forced labour or child labour

Businesses owning factories or workplaces that have inadequate safety mechanisms when dealing with known industrial carcinogens

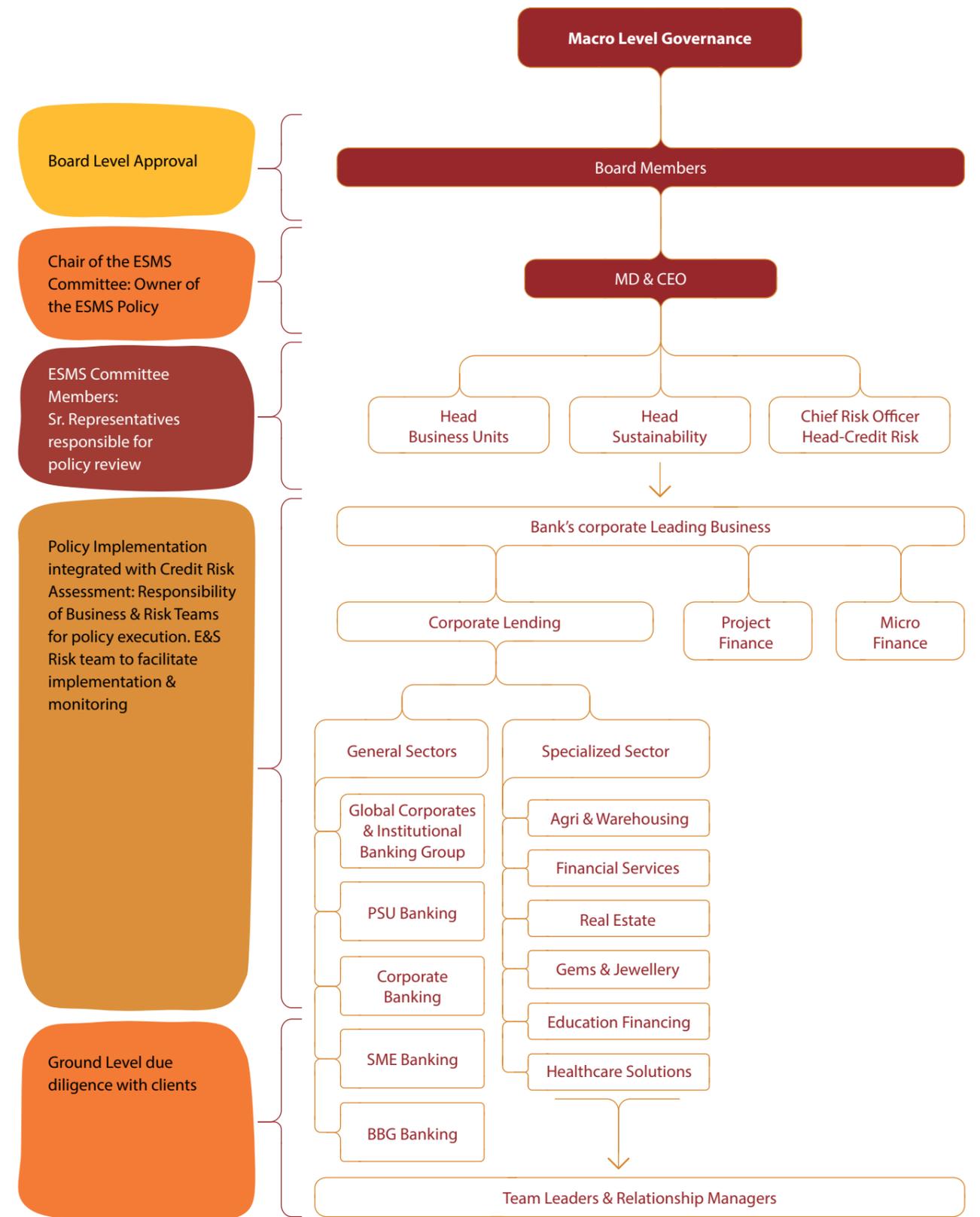
Businesses with a substantial stake in the porn industry

Production or trade in explosives and/ or fireworks primarily meant for non-industrial use

Production or trade in tobacco or any of its derivative products including but not limited to cigarettes, gutka, etc. (except companies trying to diversify their business with more than 50% revenue from non-tobacco business streams)

Under the ESMS policy, there is a list of severe risk industries for which the credit proposals are referred to the ESG risk team for a detailed analysis and the proposal is put up for approval by the ESMS committee post which a proposal is considered for credit appraisal/sanction. This is part of an enhanced diligence mechanism that is moderately dissuading in nature for funding to severe risk industries. It may be noted that IBL was amongst the first banks in India to have fully integrated its credit appraisal system with the ESG risk assessment system. This is applicable to the entire wholesale banking unit of IBL subject to exclusions mentioned in the Bank's ESMS policy.

The ESG Risk vertical was created to fully integrate an assessment of ESG-related risks as a part of the credit appraisal process. The Bank's ESMS was fully integrated with CredPro (the Bank's credit appraisal and management system) in FY2023. Many upgrades were made to the ESMS system to make it more robust by adding new processes in the system for screening of credit proposals for ESG risks. For wholesale bank proposals, an elaborate process duly approved by the Bank's Board is followed and all the high-risk cases are evaluated by the ESMS committee before the proposals are presented to credit committee(s) for sanction.



As of March 31, 2023, exposure to severe risk industries accounts for less than 5% of the Bank's total advances. The updated ESMS policy can be accessed at: <https://www.indusind.com/content/dam/indusind-corporate/generic/ESMS.pdf>



Olive Ridley Sea Turtle



# VISIONARY LEADERSHIP

IndusInd Bank's governance is foundational to its value creation process. Committed to regulatory compliance, the Bank goes beyond, embodying ethical conduct, independence, responsibility, accountability, and transparency. Led by a diverse and experienced Board, diverse policies are instituted and closely monitored. The leadership, comprising seasoned professionals, ensures the Bank operates with integrity, transparency, and accountability, fostering a culture of innovation and customer-centricity for continued growth for all stakeholders.



**Mr. Sunil Mehta**  
Chairman

Mr. Sunil Mehta is a graduate of Shri Ram College of Commerce, Delhi University. He is a Fellow Member of the Institute of Chartered Accountants of India and an alumnus of the Wharton School of Management, University of Pennsylvania, USA. Mr. Sunil Mehta has forty years of proven leadership experience in banking, financial services, insurance and investments with leading global and domestic financial institutions namely Citibank, AIG, SBI, PNB and YES Bank among others. Since 2000, Mr. Mehta has been engaged in AIG companies and was responsible for all AIG businesses in India covering insurance, financial services, real estate, asset management and investments as well as other businesses and was on the Board of all AIG Companies in India including, Tata AIG General Insurance and Tata AIA Life Insurance Ltd for several years. Mr. Mehta worked with Citibank for over 18 years where he held various senior positions covering operations, risk management, public sector business, sales & risk reengineering and extensively across corporate banking. He served as an Independent Director on the Board of State Bank of India from June 2014 to March 2017. Subsequently, he held the position of Non-Executive Chairman at Punjab National Bank from March 2017 to February 2020. Following this, he was appointed as the Non-Executive Chairman of YES Bank Limited, a decision formalized by a Government of India Notification on March 13, 2020, as part of the Bank's Reconstruction Scheme. At IndusInd Bank, he plays a pivotal role in adopting the overarching Sustainability Vision, Policies & Governance Mechanisms, Targets, and strategies essential for achieving the Bank's objectives.



**Mr. Shanker Annaswamy**  
Director

Mr. Shanker Annaswamy holds a Bachelor of Engineering degree (B.E), in Electronics and Communications from Madras University and a Diploma in Business Management Education from AIMA, New Delhi. Mr. Shanker Annaswamy was the Managing Director of IBM India Private Limited from July 2004 to December 2012. He had also served as President and Chief Executive Officer for GE Medical Systems, South Asia and before that Managing Director of Wipro-GE Medical Systems. As the MD of both Wipro-GE Medical Systems (2002-2004) and IBM India Private Limited (2004-2012) managing large forces and diversified business portfolios, he had a good experience in Human Resource Management (e.g. succession planning, leadership development, mentoring) and enterprise risk management functions of the company. With four decades of experience overseeing extensive workforces and diverse business portfolios, he possesses considerable expertise in both human resource management and Enterprise Risk Management. He was a member of NASSCOM's Executive Council from 2004 to 2008 and Chairman of the CII National Committee of IP owners (2010-2011) and also represented the company on the National Executive Committee of FICCI. In 2010, he was honored with the Bloomberg and UTV CXO Award as the Business Head of the Year for Multinationals. Furthermore, in October 2011, he received the accolade of Best CEO – Multinational Company at the Forbes India Leadership Awards 2011, recognizing his role in transformational leadership.



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

Dr. T. T. Ram Mohan, a Professor of Finance and Economics at IIM Ahmedabad, graduated from IIT Bombay and IIM Calcutta and obtained his doctorate from the Stern School of Business at New York University. Prof. Ram Mohan worked in consultancy in the financial sector before entering academics. He has been Divisional Manager at Tata Economic Consultancy Services, Head of Strategy, at Standard Chartered Bank India, Vice President Bear Stearns in Hong Kong, and Head of Research, at Birla Marlin Securities. For over 15 years, he wrote a fortnightly column for The Economic Times. Prof Ram Mohan's research interests include banking sector reforms, privatization and corporate governance. He was a visiting faculty at the Stern School of Business, NYU in 2001. He has served on numerous committees for the RBI and has been a member of the Primary Markets Advisory Committee of SEBI. He has also been on the board of directors of several companies, including many in the financial sector such as Brics Securities, IndusInd Bank, Rural Electrification Corporation, SBI Pension Fund, and SBI Caps Securities. Prof. Ram Mohan is also an Advisor to Acacia Partners, a New York-based Asset Management Company and advises them on a range of matters, including macroeconomic conditions in India, policy and regulatory issues impacting the financial sector and the competitive position of various firms in the financial sector. He has authored eight books and numerous papers. His most recent title, Rethink: What's Broke at Today's Corporations and How to Fix It, published by Penguin Random House, was the co-winner of the Best Business Book of the Year award at the Tata Literary Festival in November 2015.



**Mrs. Akila Krishnakumar**  
Director

Mrs. Akila Krishnakumar holds a Masters degree in Management Studies. She was the President of Global Technology and Country Head until February 2013 at SunGard – a Fortune 500 Company and a global leader in financial service softwares. During her career spanning 30 years, she has led technology-driven companies that were building enterprise-scale solutions across the world. Mrs. Akila Krishnakumar's focus has been on operational excellence, talent engagement and customer relevance, which repeatedly has delivered robust returns for the many businesses she managed. She had been on the Board of State Bank of Mysore from June 1, 2016, to March 31, 2017.

# BOARD OF DIRECTORS

IndusInd Bank's achievements stem from the collaborative insights and capable leadership of its respected Board of Directors and Management Team. Their forward-looking mindset and effective oversight guarantee that IndusInd Bank upholds the highest standards of integrity, transparency and responsibility. Together, they epitomize a culture of ingenuity, distinction and a customer-focused approach, all of which pave the way for the Bank's ongoing expansion and success.



**Mr. Rajiv Agarwal**  
Director

Mr. Rajiv Agarwal, a Bachelor of Science in physics, spent 2 years at Cranfield Institute of Technology, UK, studying Materials Science. Having amassed close to 38 years of experience in the 'Small Scale Industries' segment, Mr. Agarwal started his career in the family business at JG Vacuum Flasks Pvt Ltd., manufacturers of thermos flasks and vacuum refills, with significant exports to Europe. During his career, he has been a promoter in several small-scale ventures, primarily in the manufacturing sector.

He is presently working as a Director at Rightsource Technologies Pvt. Ltd. and Autopress India Pvt Ltd. Rightsource Technologies Pvt Ltd is a Consulting Company working as a local strategic buying office for a large international company, manufacturing home and kitchen appliances and cookware, while Autopress India Pvt. Ltd., is a manufacturing company making high-end cookware. Autopress was one of the first companies to bring 'Triply' cookware that was 'Made in India', to the Indian market, under the brand name STAHL. He is also a partner at Sensory Solutions. Sensory Solutions is a firm in partnership with his sons. Its primary activity is to conduct training programs with corporate as well as individual customers.



**Mr. Sanjay Asher**  
Director

Mr. Sanjay Asher holds a Bachelor's Degree in Commerce and a Bachelor's Degree in Law from the University of Bombay. He is also a qualified Chartered Accountant. Mr. Asher has been a practicing advocate since 1991 and was admitted as a solicitor in 1993. He is presently a Senior Partner with M/s Crawford Bayley & Co., India's oldest law firm. He specializes in the fields of M&A, cross-border M&A, joint ventures, private equity, and capital markets. He has been a noted speaker at various seminars and conferences including those organized by the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India, the Bombay Chamber of Commerce and Industry, International Financial Law Review, etc. He has authored several articles in national and international publications, including a book on the Companies Act, 2013.



**Mrs. Bhavna Doshi**  
Director

Mrs. Bhavna Doshi is a Fellow Member of the Institute of Chartered Accountants of India and holds a Master's Degree in Commerce from the University of Mumbai. Mrs. Doshi provides advisory services in the fields of taxation, accounting and corporate and regulatory matters and has rich experience of over three decades. She is a former Partner of a member firm of KPMG in India (BSR & Co) and has also been a Senior Advisor to KPMG in India. Mrs. Doshi was an elected Member of the Council of the Institute of Chartered Accountants of India (ICAI) and served on various Committees and Boards of ICAI including the Chairperson of the Accounting Standards Board, Research Committee and Professional Development Committees. She has also served on the Government Accounting Standards Advisory Board, constituted by the Controller and Auditor General of India. She was also President of the Indian Merchants Chamber (IMC) and is currently serving on the President's Advisory Committee at IMC. Mrs. Doshi had an exemplary academic career and was ranked 2nd at the All-India Level at both, Intermediate and Final CA examinations. She has also won the 'Best Lady Candidate Award'.



**Mr. Jayant Deshmukh**  
Director

Mr. Jayant Deshmukh was a career Government official with over 31 years of vast and varied experience in the field of agriculture. He served as Director of Agriculture, in Maharashtra State, from April 2010 to March 2016 in different capacities. Prior to that, he held many important positions in the Department of Agriculture in, Maharashtra. He has rich experience working from the grassroots level to the top administration. He has domain expertise in the fields of seed certification, watershed development, crop insurance, agri input management, capacity building, farmers' organization, organic farming, soil health, etc. He also worked at the Licensing and Regulatory Authority for agri inputs and has closely coordinated with Govt. of India and the World Bank for successful implementation of their projects. Before joining the Department of Agriculture Maharashtra, Mr. Deshmukh served as Agri. Finance Officer at the Bank of Maharashtra for nearly 18 months. He gained first-hand knowledge about rural and agricultural finance, rural livelihood issues, cooperation and issues related to the recovery of loans. A postgraduate in agriculture, Mr. Deshmukh has provided training in various areas pertinent to his expertise, including soil and water conservation and management at the International Irrigation Center at Utah State University in Logan, USA, and rural development at Feldafing in Munich, Germany, to highlight a couple of significant instances. He has worked in close coordination with different cooperative institutions like the sugar cooperatives, Dist. Cooperative Banks, Multipurpose Societies for successful implementation of Government Programmes.



**Mr. Pradeep Udhas**  
Director

At 64 years of age, Mr. Pradeep Udhas, an American citizen with a residence in Mumbai, brings a wealth of experience to his role as a senior advisor to the Chairman and CEO of KPMG India. His extensive background includes an MBA in Management Information Systems from Union College, New York. Before his current advisory position, Mr. Udhas was a senior partner at KPMG India, a firm he co-founded 27 years ago, where he held various global senior roles, initiated numerous services, and developed multimillion-dollar business lines. Additionally, he is a founding member of e2e Technologies in the U.S. and has established the India operations of Greater Pacific Capital, a private equity firm. With a career spanning over four decades in global business, management consulting, technology, private equity, and quality systems, Mr. Udhas is highly skilled in formulating and implementing advanced global business strategies.



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

Sumant Kathpalia brings over 30 years of leadership experience to IndusInd Bank, where he has been instrumental in driving a transformative 12-year journey of growth, expertly overseeing finances, investor relations, and innovation initiatives. As the former 'head of consumer bank division', his pioneering efforts in customer-centric innovations and advocacy for data-driven efficiency have been particularly impactful. His academic background includes a Chartered Accountancy degree from ICAI and a B. Com (Hons.) from Hindu College, Delhi University. His extensive tenure at global banks such as Citibank, Bank of America, and ABN AMRO has endowed him with pivotal expertise that he now leverages at IndusInd Bank.

# EFFECTIVE CORPORATE GOVERNANCE

The leadership of IndusInd Bank provides strategic guidance and is focused on continuously refining the governance mechanisms to optimize the Bank's potential for value creation.

## Appointment of the Board

The Bank selects its directors based on the rigorous 'Fit and Proper' criteria specified in the current RBI guidelines. The Bank only welcomes experts with significant expertise and substantial experience on the board. The Banking Regulation Act of 1949's standards are rigorously followed in how the Board does business.

In strict conformity with RBI regulations, the Compensation and Nomination &

Remuneration Committee is tasked with determining a person's suitability for the position of 'Director'. The Bank organizes a wide range of induction programs for its directors, engaging external experts from numerous sectors to provide training, to guarantee a thorough understanding and preparedness. Furthermore, a proactive strategy is used by encouraging Directors to take part in educational activities run by prestigious organizations outside the Bank.

## Board Committees

To effectively carry out its operations, the Board has taken the initiative to form a variety of committees, each with a distinct function. The main objective of this is to guarantee complete adherence to the legal and regulatory requirements defined by the RBI, the Companies Act, and the SEBI (Listing Obligations and Disclosure Requirements) legislation of 2015, among other pertinent legislations.

## Board Diversity

With a strong and well-balanced Board of Directors which possesses a wide range of qualities that ensure a seamless blend of functional excellence and in-depth industry knowledge, Under the requirements stated in Section 10A (2)(a) of the Banking Regulation Act of 1949, the Bank maintains a broad variety of skills within the Board. The Board demonstrates expertise and specialized knowledge in a variety of industries, including accountancy, agriculture, rural economy, banking, cooperation, economics, finance, law, small-scale industry, information technology, human resources, business development and management, payment and settlement systems and risk management. These skills are complemented by real-world experience in these industries.

The Board Diversity Policy at IndusInd Bank is staunch in its opposition to any type of discrimination based on gender, caste, race, or ethnicity. Notably, the Bank appoints more female directors than is required by law. Two accomplished women directors, Mrs. Bhavna Doshi and Mrs. Akila Krishnakumar, are now present on the board.

By the requirements outlined by the Banking Regulation Act of 1949, the Companies Act of 2013, the Listing Regulations, and the Bank's Articles of

Association, the Board's composition has been meticulously crafted to achieve an ideal amalgamation of Executive, Non-Executive, Independent and Woman Directors.

### The Committees of the Board

 <b>Audit Committee</b>	 <b>Committee of Directors</b>	 <b>Compensation and Nomination &amp; Remuneration Committee</b>
 <b>Customer Service Committee</b>	 <b>Corporate Social Responsibility and Sustainability (CSR&amp;S) Committee</b>	 <b>Finance Committee</b>
 <b>I.T. Strategy Committee</b>	 <b>Risk Management Committee</b>	 <b>Review Committee (for Non-cooperative Borrowers and Wilful Defaulters)</b>
 <b>Stakeholders' Relations Committee</b>	 <b>Special Committee of the Board (for monitoring large value Frauds)</b>	 <b>Vigilance Committee</b>

### Independence of the Board

IndusInd Bank's Board of Directors is made up of ten members using a single-tier structure, including the Chairman, Managing Director & CEO and eight Directors. The Independent Directors strictly abide by SCHEDULE IV's definition of independence, Section 149(6) of the Companies Act of 2013 and Regulations 16(1)(b) and 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to the definitions of independence found in those same sections.

Two successive terms of four years each are allowed for the appointment of an independent director. According to the terms outlined in the Banking Regulations Act of 1949, Independent Directors must adhere to their tenure. Mandatory rotation-based retirement does not apply to these Directors. After the tenure is over, the Nomination and Remuneration Committee's proposals must be approved by the Board and shareholders before being considered for reappointment.

During the reappointment process, the Board evaluates the outcomes of the performance assessment and ascertains whether the Director continues to satisfy the criteria for Independence, as delineated within the Companies Act, 2013.

### Board Structure

The Managing Director & CEO of the Bank holds all executive functions, while the Chairman serves as a part-time Non-Executive Chairman of the Board. The Board consists of ten directors, two of whom are women.

#### Board



10

Total Directors

94.7%

Attendance percentage of board meetings in the last business year. The minimum attendance for all members required is at least 12.5%.

### Board Evaluation

The Board has developed a thorough 'Policy on Performance Evaluation' that serves as a framework for evaluating the Board, its committees, individual directors as well as various other crucial factors like attendance, active participation and significant contributions to the Board's strategies. In-depth business knowledge, diligence and preparation, interpersonal dynamics expertise, encouraging constructive engagement in discussions and strategic planning, commitment to stakeholder interests, meticulous

attention to internal control mechanisms and adherence to ethical conduct standards are some of the primary focal points for evaluating board directors.

The Compensation and Nomination & Remuneration Committee of the Board carefully examines the Director's performance when deciding whether to extend their term as a director and it then makes its well-thought-out recommendations to the Board.

The annual assessment of the Board's effectiveness is the responsibility of an independent external organization. This outside organization conducts a thorough evaluation based on the exact standards established by the Bank's Compensation and Nomination & Remuneration Committee. These standards include:

Formulation and execution of pertinent strategies and business plans, demonstrating their effectiveness over time.

Robust implementation of policies and procedures that are designed to fortify the Bank's operational framework.

The composition, structure, and collective expertise of the Board, ensure a balanced and knowledgeable leadership.

Diligent oversight of the Financial Reporting Process, encompassing the vigilant management of Internal Controls.

Demonstrated willingness to invest time and effort in comprehending the intricacies of the Bank and its operational landscape.

An acute awareness of the latest developments in realms such as corporate governance frameworks, financial reporting standards, as well as prevailing industry and market conditions, among others.

### Shareholding Pattern

The CEO and other members of the Executive Committee at the Bank are not subjected to any specific stock ownership obligations. According to the Indian Companies Act, mandating particular stock ownership levels for these individuals is not obligatory.

None of the governmental entities holds a voting stake exceeding 5% of the overall voting rights. Similarly, no individual family member, including the founding members possess more than 5% of the voting rights.

Moreover, the Bank does not implement distinct voting rights for various share categories or utilize dual-class shares. Instead, it employs a unified class of shares that caters to both the general public and senior management. As of March 31, 2023, the Bank's total equity shares amount to ₹775.90 crore, each valued at ₹10.

### Promoter Shareholding

Promoter Name	Number of Shares	%
IndusInd International Holdings Limited	8,95,37,464	11.54
IndusInd Limited	2,79,78,546	3.61
<b>Total</b>	<b>11,75,16,010</b>	<b>15.15</b>

## CEO Compensation Structure

The Bank has established predefined financial returns and relevant financial metrics for determining the CEO's variable compensation. Comprehensive guidelines are in place, outlining deferred bonus, time vesting and performance duration applicable to the CEO's variable compensation.

Throughout the year, the Bank has followed all the guidelines from the RBI circular dated November 4, 2019. The guidelines concern the compensation of whole-time directors, chief executive officers, material risk-takers and control function staff. The quantum of variable pay disbursed annually, covering all eligible employees including material risk takers and risk controllers, may vary based on the Bank's financial performance gauged by various parameters such as net interest margin, net interest income, return on assets, profit after tax and return on equity.

The CEO receives Stock Options, the fair value of which is calculated as of the grant date using the Black-Scholes option pricing methodology. Based on historical data, expected volatility—which represents the projected movement in equity share price for a

certain period—is calculated. For some time, equal to the estimated life of the options, up to the grant date, this data also contains the daily volatility of the closing equity share price on the National Stock Exchange (NSE).

The Black-Scholes option pricing model is utilized to determine the fair value of options granted, factoring in variables such as dividend yield, volatility, risk-free interest rates and expected option life.

Employees who meet the requirements may participate in the Employee Stock Option Scheme 2020 (also known as 'ESOS 2020'), which is also open to Directors who are not Promoters, Non-Executive, Independent Directors and Directors who own more than 10% of the Bank's outstanding equity shares. Employee stock options having a face value of ₹10 per share are used to grant these options.

For selected personnel, including WTD/ CEO/risk takers/other control function staff, the percentage of short-term bonuses deferred through shares or stock options is cumulatively determined. Under RBI standards, a clawback provision has been developed, allowing

the Bank to implement malus/claw-back arrangements if the concerned personnel underperform for the Bank or relevant business lines in any given year.

When appropriate, the clawback arrangement adjusts deferred compensation after vesting while the malus arrangement modifies it before vesting. The exercise period for CEO-issued stock options, which are a significant part of variable compensation, is five years unless otherwise specified by the Compensation Committee.

These stock options are equity-based, and each one entitles the holder to one equity share.

As part of their Key Result Areas (KRAs), the CEO and certain Executive Committee members' remuneration plans are linked to goals for responsible lending. Additionally, the achievement of the product innovation and digitalization targets stated in their KRAs connects with the CEO and Country Head - Technology and CGMO compensation.

## Sectoral Expertise of the Board

At IndusInd Bank, The Board of Directors transcend mere regulatory compliance to establish robust governance practices. Compliance with regulatory requirements serves as the foundation, but they consistently place emphasis on ensuring that the composition of their Board and its Committees surpasses the prescribed regulations. Their focus lies in achieving independence, diversity in skills, expertise and fields. By going beyond these requirements, they strive to foster an inclusive and effective governance structure that upholds the highest standards of accountability and decision-making. Whenever necessary, the Board also seeks inputs from external experts to enhance decision-making.

## Vigilance Mechanism

The Vigilance Department has been functional in the Bank since October 2008 and its objective is to enhance managerial and operational efficiency and effectiveness. The aim is to prevent, detect and analyze corruption/wrongdoing/misdemeanors on the part of the employees and follow it up by deterrent / preventive action to ensure the highest standards of integrity, governance and ethical practices. The Bank has a Chief of Internal Vigilance who heads the Vigilance Department, he reports to the MD and CEO of the Bank and is also the designated authority under the Whistleblower Mechanism.

There were 11 vigilance complaints/references received directly of which 7 were closed after investigation (not substantiated), 1 resulted in punitive action and 3 were under investigation as of March 31, 2023.

## Policies and Code of Conduct



The foremost goal of the Environment and Social Management System (ESMS) is to seamlessly integrate environmental and social considerations into the realm of the Bank's business. It aims to fortify the Bank's investments against the perils of credit, reputational vulnerabilities and the multifaceted risks linked to Environmental, Social and Governance (ESG) factors, which have the potential to translate into risks affecting credit and asset values. This policy extends and reinforces the Bank's existing credit risk framework, strategically augmenting these processes.



IndusInd Bank recognizes its responsibility beyond banking and is dedicated to improving the communities it serves. Through employee volunteering, the Bank promotes a culture of giving back by involving staff, their families, fostering empathy and purpose. This policy extends to all bank members and encourages its subsidiaries to adopt it.



The Sustainability policy upholds the philosophy of 'Good Ecology is Good Economics' and advises to follow sustainable and responsible banking practices. The Policy is an umbrella policy, overseeing the environmental, social, economic, and governance aspects. The Policy guides in integrating sustainability considerations in business practices, decision making, operations, processes and systems. The Bank is dedicated to mitigating environmental and social risks through responsible banking and sustainable finance.



IndusInd Bank is steadfast in its commitment to ensure the well-being and safety of its employees, contractors and visitors within the workplace. The Bank is resolute in its dedication to continually enhance safety measures, striving to eliminate workplace injuries and illnesses. Furthermore, the Bank acknowledges the pivotal role of collaboration among all stakeholders in attaining our safety objectives. The primary aim of this policy is to guarantee, to the greatest extent possible:

- The provision and consistent maintenance of a secure working environment across all IndusInd Bank offices.
- Equipping employees with the requisite information, training, guidance and oversight to enable them to work in a secure and risk-free manner.
- The regular monitoring of the well-being of both operational and contract employees, as well as the conditions of their respective work environments.
- Adherence to health and safety policies and procedures in accordance with legislative mandates.
- The continual review and enhancement of safety performance.
- The management of workplace health and safety risks through active engagement of all stakeholders.



The Board of Directors of IndusInd Bank has adopted a 'Board Performance Evaluation Policy' to comply with regulatory requirements, aiming to systematically evaluate Director performance, set qualification criteria and make recommendations to the Compensation and Nomination & Remuneration Committee for appointments, removals and remuneration adjustments, enhancing Committee efficiency.



The Bank's compensation framework is rooted in meritocracy and fairness, guided by stringent compensation governance standards and regulatory compliance. This policy governs the remuneration for the Part-Time Non-Executive Chairman and Non-Executive Directors. It strictly adheres to RBI guidelines for:

- i) Part-Time Non-Executive Chairman (as per Section 10B (1A) of the Banking Regulation Act, 1949).
- ii) Non-Executive Directors (excluding the Non-Executive Chairman), per RBI Circular RBI/2021-22/24DOR. GOV.REC.8/29.67.001/2021-22, dated April 26<sup>th</sup>, 2021.



As per the audit Committee's recommendation, the Company's Board of Directors formally adopted the RPT Policy. This policy complies with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) Regulation 23(1) and pertinent provisions of the Companies Act, 2013 (the Act) and associated Rules, subject to periodic amendments.

Its primary aim is to oversee and regulate transactions between IndusInd Bank Limited, its subsidiaries and related parties, preventing potential conflicts of interest during their execution.



**Code of Conduct for Directors & Senior Management**

The Code endeavors to articulate the fundamental principles upon which the Bank is to base its operations and the manner in which it should engage with its diverse array of stakeholders, including government and regulatory bodies, media entities and various counterparties. It acknowledges the Bank's pivotal role as both a guardian and custodian of public funds, underscoring the imperative to garner the trust and confidence of the broader public in order to effectively discharge its fiduciary duties and obligations. Furthermore, this Code consolidates within a single comprehensive document the duties and accountabilities expected from both Directors and Senior Management.



**Policy for Appointment Selection of Directors**

IndusInd Bank has established a thorough Policy on the Selection and Appointment of Directors, providing a comprehensive framework that outlines the criteria for evaluating the qualifications, notable attributes and independence of prospective Directors. This policy also dives into the complexities associated with their appointment and potential removal.

The Policy articulates the foundational principles that underpin the process of identifying individuals possessing the requisite qualifications for Directorship, as well as the protocols governing the assessment of Director independence, particularly in the context of appointing Independent Directors. Moreover, it delineates the meticulous procedures governing the selection, appointment and potential reappointment of Directors.



**Policy for Inactive Accounts**

IndusInd Bank categorizes a client as 'inactive' if they haven't participated in trading or held any open positions in Currency Futures with the bank for the last six months. The system marks such clients as 'inactive' in the Back Office system on the Exchange Terminal, like NOW for NSE. Furthermore, a formal message is sent to the client, informing them of the account deactivation and providing instructions for reactivation.



**Grievance Redressal Policy**

IndusInd Bank, recognized for its commitment to excellent customer service, has developed policy document with the purpose of reducing customer complaints and grievances through an effective service delivery and review mechanism. The main aim is to swiftly address and resolve any customer concern. The review mechanism is crucial in identifying areas for improvement in product features and service delivery, ultimately enhancing overall customer satisfaction. The Bank follows certain guiding principles in its approach to addressing grievances, ensuring a proactive and customer-centric resolution process.

- a) The Bank will proficiently and equitably handle all complaints and within defined timeframes.
- b) Customers will be thoroughly informed about the various channels available for escalating their complaints and grievances within the organization. Furthermore, they will be made aware of their entitlement to alternative remedies should they find the Bank's initial response unsatisfactory.



**CSR Policy**

At IndusInd Bank, we firmly believe in the synergy between a healthy ecology and robust economics. Our commitment is to create sustainable economic growth while benefiting our stakeholders, employees, the environment and the broader community. We prioritize designing sustainable CSR programs that empower marginalized and high-stress communities.



**Anti-corruption Policy**

The Bank prohibits corruption in any form, including:

- Bribes in any form (including kickbacks) on any portion of contract payments or soft dollar practices
- Undisclosed direct or indirect political contributions
- Undisclosed charitable donations or sponsorships

The Bank conducts regular training sessions to sensitize its employees to remain vigilant against such practices.



**Privacy Policy**

The Bank is responsible for maintaining the confidentiality of information at all times. The Head - Consumer Operations & Solution Delivery is the custodian of the Privacy Policy and related issues. Privacy Policy system is embedded in Group-wide risk/compliance management. Disciplinary actions in case of breaches of privacy are taken as and when required. To ensure compliance, as per the statutory requirement of the Reserve Bank of India, audit of the Privacy Policy is also carried out. The Bank's Privacy Policy can be accessed [here](#).



**Whistle-blower Policy**

The Whistle Blower Policy was adopted by the Bank in 2009, to provide a channel to various stakeholders, viz., employees, customers, suppliers, shareholders, etc., to bring to the notice of the Bank any issue involving compromise/violation of ethical norms, legal or regulatory provisions, etc., without any fear of reprisal, retaliation, discrimination or harassment.

The Bank's Whistleblower policy and processes in this regard are in complete sync with all statutory and regulatory guidelines on the Vigil Mechanism to ensure a compliant, fraud-free and ethical work environment.



**Anti-Competitive and Monopolistic Practices**

The Bank strictly adheres to the prevention of anti-competitive and monopolistic practices. As a result, there is no legal case pending/completed against the Bank with respect to anti-competitive behavior and violations of anti-trust and monopoly legislation for FY2023. The Bank did not incur any fines or settlements related to anti-competitive practices in the past four fiscal years. Also, there are no ongoing investigations related to anti-competitive practices.



**Anti-Money Laundering (AML)**

The Bank has established procedures to ensure the effective establishment and implementation of culture opposing money laundering and terrorism financing. These include:

- Customer Due Diligence (CDD): Formal policies and procedures include customer verification based on reliable sources
- Non-face-to-face CDD: Formal policies and procedures are in place for non-face-to-face customers
- Terrorist Financing: CDD procedures include formal searches against lists of known or suspected terrorists issued by competent authorities having jurisdiction over the relevant financial institution
- Politically Exposed Persons (PEPs): Formal policies and procedures are in place covering the identification, periodical review and monitoring of PEPs
- Senior management to sign off PEP customers or other customers from countries, businesses and products with the greatest risk of money laundering/terrorism financing
- Annual independent assessment of monitoring procedures via an external agency.



**Upholding Honesty and Integrity**

The Bank's governance practices are laid out on the foundation of honesty and integrity, conducting business in compliance with all the regulatory and legal obligations. The principles of anti-corruption and bribery are captured in the three Codes of Conduct of the Bank:

- Code of Conduct for Directors and Senior Management
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure



**The Bank's Brand Ranking in the Market**

IndusInd Bank has been a pioneer in undertaking initiatives that have redefined the banking landscape. It once again has been ranked among the top 50 Most Valuable Indian Brands as per Brandz India Report 2023, which ranks and showcases the most valuable brands across the globe. As one of India's leading financial service brands, IndusInd Bank has proudly become the preferred banking solutions provider and partner for approximately 34 million customers across the country, including individuals, large corporations, various government entities and PSUs. The Bank has consistently ranked among the top banks in India in multiple industry surveys and rankings. It enjoys clearing bank status for major stock exchanges BSE and NSE and settlement bank status for NCDEX. It is also an impaneled banker for MCX and was first included in the NIFTY 50 benchmark index on April 1, 2013.



**Zero-Tolerance Stance on Bribery and Corruption**

IndusInd Bank is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. Strong guidelines and stringent control measures are in place to prevent and stop malpractices, with clearly defined consequences for non-compliance. Moreover, the Bank actively discourages malpractices and takes prompt and decisive action to identify and address any instances. It is important to note

that the Bank refrains from making any direct or indirect political or charitable contributions. Adhering to ethical standards, the Bank does not allow the inclusion of sponsorships in its Corporate Social Responsibility (CSR) initiatives. Any donations made are legal and ethical under local laws and practices, such as mandates laid down by Section (135) of the Companies Act 2013. The Bank has a zero-tolerance approach to bribery and

corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems to counter bribery. Strong and stringent control measures are in place to stop such activities and associates are encouraged to bring to notice any such malpractice that might have been missed out.

**Trade Associations**

S. No.	Particulars	Reach of trade and industry chambers/ associations (State/National/International)
1	Indian Banks Association	National
2	Micro Finance Institutions Network	National
3	Institutional Investor Advisory Services India Limited	National
4	Bombay Chamber of Commerce and Industry	State
5	Indo-German Chamber of Commerce	International
6	Foreign Exchange Dealers Association of India	National



**Tax Strategy**

The Bank mostly operates its business inside the borders of India, with its overseas ventures concentrating on obtaining resources from international markets. The Bank upholds an unrelenting commitment to abiding by the tax rules and regulations. The Bank's operational range is essentially limited to the domestic market.

The Bank avoids any business practices that might be seen as tax avoidance. Importantly, it does not set up operations in jurisdictions known for being tax havens. The Bank is distinguished by its clear avoidance of transferring values to countries with low tax rates. It is committed to using tax structures that offer genuine commercial benefits.

The Bank's taxation practices are approved by the Board of Directors. The Bank does not support or associate itself with political campaigns, political entities, lobbyists, or organizations that participate in lobbying, as well as other organizations that are not subject to taxation, to influence public policy.



**Global Systemically Important Bank (G-SIB)**

Banks play a vital role in the flow of money and credit between savers and borrowers. For a working economy and society, the stability and sustainability of the entire financial system is of utmost importance. Learnings from past financial crises have driven national and international regulatory initiatives that

press for the adoption of stronger capital requirements and loss absorbency, among other measures. Global Systemically Important Banks, as defined and monitored by the Financial Stability Board (FSB), are particularly subject to these regulatory initiatives, as the Basel Committee on Banking Supervision

seeks to improve the resilience of banks and banking systems that are active in business areas with high-risk exposure. As per the latest list released by the FSB, IndusInd Bank does not fall under the ambit of Global Systemically Important Banks (G-SIB).

**Basel III Leverage Components**

Particulars	March 2020	March 2021	March 2022	March 2023
Tier 1 capital (₹ Mn)	3,76,853	4,59,230	4,95,930	5,51,576
Exposure measure (₹ Mn)	39,65,994	45,29,275	49,75,796	55,30,437
Leverage ratio (%)	9.50	10.14	9.97	9.97



**Restricted Access and Ethics**

The Bank secures financial information. It maintains physical and procedural safeguards to protect customer information. Employees are authorized to access customer information for business purposes only. The Bank's employees are bound by a code of ethics that requires confidential treatment of customer information and are subject to disciplinary action if they

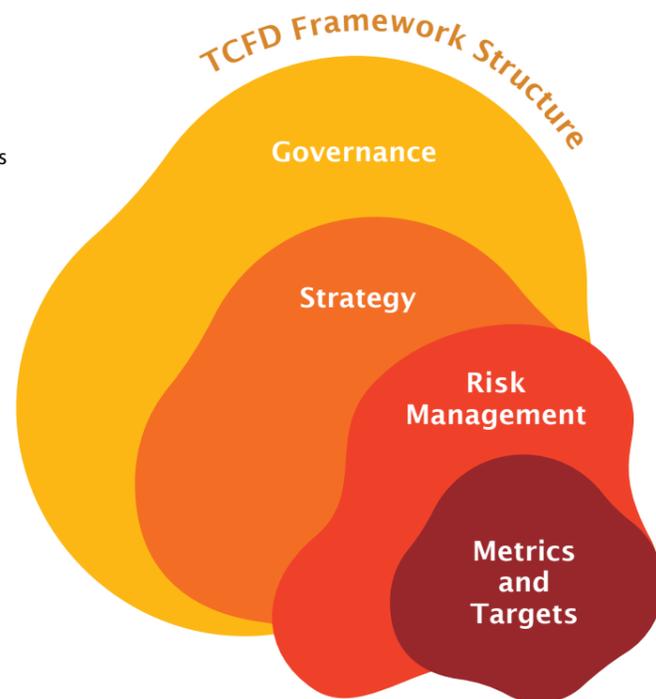
fail to follow this code. IndusInd Bank may also share Information to provide customers with better services and a range of offers and services available to them. If customers desire the Bank to limit such sharing whereby customers would not like to be informed of offers available, he/she may contact the Bank at [reachus@indusind.com](mailto:reachus@indusind.com)

# ALIGNING WITH TCFD RECOMMENDATIONS

IndusInd Bank is aware of the adverse impacts stemming from the phenomenon of climate change. This is propelling the occurrence of severe weather incidents, unpredictable rainfall trends, scorching heat waves and prolonged droughts. Furthermore, it is also acknowledged as a persistent menace to the overall steadiness of the financial framework.

The Bank demonstrates a keen understanding of the financial ramifications tied to climate-related risks and is actively harmonizing its endeavors with the guidance set forth by the TCFD (Task Force on Climate-related Financial Disclosures). By embracing these comprehensive disclosures, the Bank is substantially elevating its commitment to effectively address any potential exigencies linked to climate-induced risks in times to come.

The Bank has implemented several measures to align with the TCFD Framework.



## Governance

The Sustainability department, manages ESG integration into bank's business and operations, controls ESG risks and monitors ESG targets. The Head of Sustainable Banking integrates climate risk via the ESMS committee. The sustainability head evaluates policies and projects and presents budgets to the CSR & Sustainability Committee of the board.

The Bank's adept handling of climate-related risks and opportunities is embodied in the Sustainability Policy, overseen by committees at both the Board and management levels.

**TCFD's Recommended Disclosure**  
Board oversight of climate-related risks and opportunities. Management role in assessing and managing climate-related risks and opportunities.

## Risk Management Committee

The Risk Management Committee (RMC) reports directly to the Bank's Board of Directors, overseeing investment risks amid internal, external and overall environmental factors. The Enterprise-wide Risk Management Department further minimizes earnings volatility while enhancing shareholder value through adept risk handling.

Responsibilities of the RMC include:

- a** Advise the Board on effective risk management, including capital allocation for credit risk and institution-wide operational adjustments to address operational risk, while also considering climate-related regulatory, transitional and physical risks.
- b** Ensure the Bank's adherence to RBI Guidelines, overseeing operational progress and aligning with BASEL recommendations for credit risk management.
- c** Assess risks tied to lending to new segments and develop proactive strategies.
- d** Recognize the growing importance of climate change and social risks, while conducting a thorough evaluation of physical and transition risks in the Bank's portfolio. Additionally, implement an integrated Environment and Social Due Diligence (ESDD) framework for client-level credit risk assessment.

## Environment and Social Risk Management Committee

The ESMS Committee, chaired by the Sustainability Head and comprising the Deputy CEO, CRO and Business Head

oversees E&S risk assessment at the Company (borrower) level. The Corporate Banking and Sustainability teams conduct thorough evaluations and presents them to the committee for approval. The ESMS policy categorizes industries with severe risks as inherently high in emissions and susceptible to climate risk.

## Sustainability and CSR Committee CSR and Sustainability Committee

The Board's CSR and Sustainability Committee holds the crucial responsibility of endorsing a well-defined Sustainability Strategy for the Bank. This strategy inherently incorporates the Bank's commitments to climate action. This encompasses not only the evaluation of risks but also the exploration of business prospects intertwined with climate considerations, alongside a concerted focus on mitigating the Bank's carbon footprint. Moreover, the Board consistently conducts comprehensive assessments of the Bank's advancements vis-à-vis its ESG targets.

## Sustainability Council

The Sustainability Council, overseen by the MD and CEO, is accountable to the CSR and Sustainability Committee of board. Guided by the Sustainability Head, it aligns the Bank's policies with ongoing operations, monitors goals and performance and ensures compliance. Results are reported to the MD for onward submission to the Board.

## Strategy

The Bank is effectively implementing its PC-5 strategy (Planning Cycle 5: 2021-2023) by integrating sustainability into its operations and business. This includes key elements like 'Sustainable Operations,' 'Good Governance,' 'Responsible Banking,' 'Sustainable Finance,' 'Human Capital Development,' 'Sustainable Procurement' and 'Social Responsibility,' all of which incorporate climate change considerations.

At the board level, the approved strategy involves integrating ESG into Business, Risk Management and Operations. The Bank is expanding into climate-resilient sectors and partnering with Developmental Financial Institutions to foster climate-positive businesses. Collaboration with government bodies and proactive measures emphasize the Bank's commitment.

Recognizing impact of climate, the Bank aims to reduce its carbon footprint. With a strong focus on renewable energy, the Bank has increased green and climate lending in its portfolio. This showcases the Bank's alignment with sustainability and societal goals.

**TCFD's Recommended Disclosure**  
Climate-related risks and opportunities (short, medium and long-term) and impact on strategy and financial planning; resilience of strategy under different climate-related scenarios.

# Climate Risk Management

IndusInd Bank is now utilizing scenario analysis to predict potential shifts in its business and operations. These scenarios are evaluated by both our risk mechanisms and senior leadership. Our assessment covers internal operations, downstream activities and clients. The ongoing challenge for Banks is managing various risks, with climate change emerging as a paramount concern. Climate risks, in the form of transition and physical risks, pose substantial threats.



## Transition Risk

- Policy, regulatory and legal changes
- Technology shifts
- Changing market demand and reputation

## Physical Risk

- Acute – Extreme weather events
- Chronic – Shifts in climate patterns over a long term

## Climate-Related Transition Risks

India proudly subscribes to numerous commitments for an improved climate strategy and widespread adoption of renewables across sectors. The nation aims to increase renewables capacity to 500GW by 2030. Finance plays a pivotal role, particularly in priority areas like rural development, agriculture, waste and water management. These aspects are now integral to the country's banking strategy, supported by risk assessment scenarios. This strategy seamlessly integrates green and climate financing, emphasizing renewable and clean energy, energy efficiency, sustainable infrastructure, water and sanitation, both in the short and long term.

The country's vision is to achieve Net Zero Emissions by 2070, in addition to attaining the short-term targets which include:

- 1 Increasing renewables capacity to 500 GW by 2030,
- 2 Meeting 50% of energy requirements from renewables,

- 3 Reducing cumulative emissions by one billion tonnes by 2030, and
- 4 Reducing emissions intensity of India's gross domestic product (GDP) by 45% by 2030

## Treatment of Climate Change-Induced Transition Risk:

**Initiative:** The Bank increases lending in climate-positive sectors that to address transition risks.

**Strategy and Evaluation:** Various projects examined across different sectors, regions and business segments.

**Outcome:** The Bank's focus includes boosting climate-positive lending, investments and partnerships. Our target is to double the portfolio of Climate and Green finance by FY 2026.

## Climate-Related Physical Risks

The Bank is fully cognizant of the escalating impact of climate change, acknowledging its potential for severe physical consequences such as flooding, storms and droughts due to a warming globe. These risks factor into the Bank's Credit Risk Assessment and ESMS framework, evaluating potential effects on sectors like agriculture, infrastructure and real estate. Acute risks like flooding are scrutinized, while chronic risks also influence the Credit Risk Assessment process, particularly for clients in vulnerable sectors. The Bank strategically offers loans to more climate-resilient segments within these sectors.

## Treatment of Climate Change-Induced Physical Risk

**Challenge:** The Bank's agricultural assets face escalated vulnerability due to climate-induced physical risks.

**Goal:** Enhance climate resilience by directing lending towards sub-sectors and diversifying across regions.

**Action:** In FY2023 the Bank's retail agriculture arm grew steadily, branching into new rural and semi-urban areas via funding initiatives across states.

**Result:** This proactive approach enabled the Bank to extend its agricultural portfolio to new geographies and niche segments, partially mitigating physical risks.

## Risk Mitigation for Banking Operations:

The Bank has established a comprehensive Operational Risk Management (ORM) Framework to assess potential losses from various sources, including system failures, technological issues, human factors and climate change impacts. This framework includes insurance coverage for branches and offices, a Business Continuity Plan (BCP) and safety training.

## Climate Risk-Associated Prospects:

Beyond the realm of mere risk mitigation, the Bank has astutely recognized specific sub-domains within the aforementioned sectors. These strategic identifications serve the dual purpose of bolstering its portfolio and fortifying it against climate vulnerabilities.

**Agriculture:** Funding for energy-efficient irrigation and advanced technology, to ensure food security.

**Construction:** Investment in green buildings and energy efficient retrofitting for older structures.

**Infrastructure:** Funding to develop robust networks including roads, highways, metros, BRT, smart grids, and EV charging.

**Power:** Expanding portfolios for renewables, energy efficiency, and clean energy services.

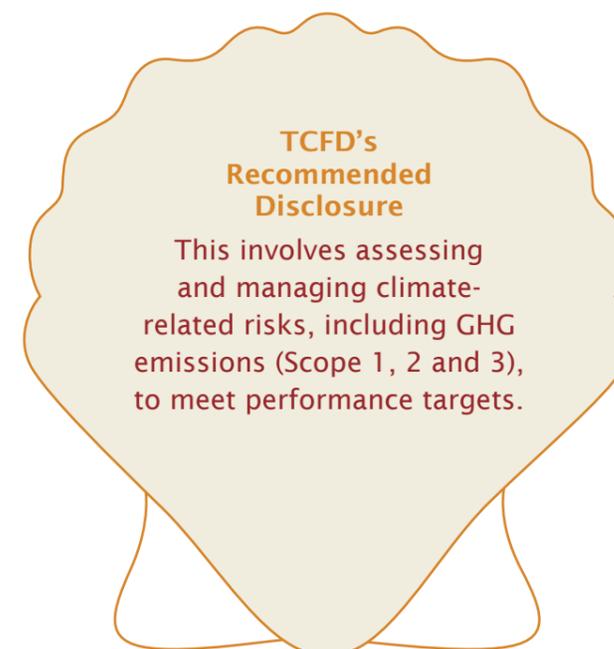
**Transport:** Increasing investments in low-carbon, energy-efficient transportation solutions.

# Metrics and Targets

IndusInd Bank is dedicated to fostering sustainability and addressing the challenges and prospects linked to climate change. Through consistent monitoring of associated risks, sustainable financial practices and minimizing its operational carbon footprint, the Bank has effectively positioned itself with a competitive advantage.

The Bank is significantly expanding its portfolio in ESG lending. By FY2026, the Bank has set a compelling objective for Green and Climate Finance. Simultaneously, the Bank remains steadfast in its commitment to fostering Social, Livelihood and Inclusive Finance.

The Bank has also announced its ambition for becoming Carbon neutral by 2032. IndusInd Bank's journey towards alignment with the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD) is making significant headway. The Bank is poised to embrace these recommendations more comprehensively, marking a crucial stride toward transparency and accountability in climate-related financial practices.





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## Independent Assurance Statement

To,

### The Management and Board of Directors

IndusInd Bank Limited,  
PNA House, 4th Floor,  
Plot No. 57, Street No. 17, MIDC, Andheri (E)

### Scope

We have been engaged by IndusInd Bank Limited (IBL) to perform independent assurance, as defined by International Standards on Assurance Engagements ('ISAE 3000 (Revised)'), hereafter referred to as the engagement, to report on IndusInd Bank Limited Integrated Report FY 2022-23 (the "Subject Matter") for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

### Criteria applied by IndusInd Bank Limited

In preparing the Integrated Report FY 2022-23, IndusInd Bank Limited applied the principles of International Integrated Reporting Framework (<IR>) published by International Integrated Reporting Council (IIRC). IBL's non-financial performance reporting criteria has been derived from Global Reporting Initiative (GRI) Standards 2021. Such criteria were specifically designed for Integrated Report FY 2022-23; As a result, the subject matter information may not be suitable for another purpose.

### IndusInd Bank Limited's Responsibilities

IndusInd Bank Limited's management is responsible for selecting the Criteria, and for presenting the Integrated Report FY 2022-23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)'). The terms of reference for this engagement are as agreed with IndusInd Bank Limited. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Description of procedures performed.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Integrated Report FY 2022-23 and related information and applying analytical and other appropriate procedures. Our procedures included:

- Conducted interviews with selected personnel at Corporate office to understand the process for collecting, collating, and reporting the subject matter as per Global Reporting Initiative (GRI) standards,
- Evaluated the appropriateness of the quantification methods used to arrive at the non-financial disclosures presented in the subject matter,
- Undertook analytical review procedures to support the reasonableness of the data through consultations with the site team and sustainability team,
- Conducted data reliability and accuracy checks on a sample basis, at Corporate Office of IBL pertaining to the disclosures of the GRI Standards as mentioned in Annexure 1,
- Review of select qualitative statements in various sections of the Integrated Report FY 2022-23.

We also performed such other procedures as we considered necessary in the circumstances.



**Other matters**

The assurance scope excludes:

- Data and information outside the defined reporting period (1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023)
- Data and information on the economic and financial performance of the IBL.
- Data, statements, and claims already available in the public domain through Annual Report, Integrated Report, or other sources available in the public domain.
- IBL's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention.
- IBL's compliance with regulations, acts, and guidelines with respect to various regulatory agencies and other legal matters

**Our Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Integrated Report FY 2022-23 for the year ended 31<sup>st</sup> March 2023 for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 in order for it to be in accordance with Criteria.

**Restricted use:** This report is intended solely for the information and use of IndusInd Bank Limited and is not intended to be and should not be used by anyone other than IndusInd Bank Limited .

**For and on behalf of Ernst & Young Associates LLP**

**Chaitanya Kalia**  
 25/01/2024  
 Mumbai, India



**Annexure 1:**

GRI Indicator	Description
GRI 2: General Disclosures 2021	
2-7	Employees
GRI 302: Energy 2016	
302-1	Energy consumption within the organization
GRI 303: Water and Effluents 2018	
303-5	Water consumption
GRI 305: Emissions 2016	
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Other indirect (Scope 3) GHG emissions
305-4	GHG emissions intensity
GRI 401: Employment 2016	
401-1	New employee hires and employee turnover
GRI 403: Occupational Health and Safety 2018	
403-5	Worker training on occupational health and safety
GRI 404: Training and Education 2016	
404-1	Average hours of training per year per employee
GRI 405: Diversity and Equal Opportunity 2016	
405-1	Diversity of governance bodies and employees

# ANNEXURES

## GRI CONTENT INDEX

**Statement of use** IndusInd Bank Limited has reported in accordance with the GRI Standards for the period April 01, 2022 - March 31, 2023

**GRI 1 used** GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	10-15, Back Cover				
	2-2 Entities included in the organization's sustainability reporting	04, 05				
	2-3 Reporting period, frequency and contact point	04, 05				
	2-4 Restatements of information	04, 05				
	2-5 External assurance	04, 130				
	2-6 Activities, value chain and other business relationships	18-23				
	2-7 Employees	66-73				
	2-8 Workers who are not employees	66				
	2-9 Governance structure and composition	116-120				
	2-10 Nomination and selection of the highest governance body	116-117				
	2-11 Chair of the highest governance body	112				
	2-12 Role of the highest governance body in overseeing the management of impacts	116-119				
	2-13 Delegation of responsibility for managing impacts	118-119				
	2-14 Role of the highest governance body in sustainability reporting	04, 05				
	2-15 Conflicts of interest	121				
	2-16 Communication of critical concerns	121				

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	2-17 Collective knowledge of the highest governance body	112-115				
	2-18 Evaluation of the performance of the highest governance body	119				
	2-19 Remuneration policies	119, 121				
	2-20 Process to determine remuneration	119				
	2-21 Annual total compensation ratio					
	2-22 Statement on sustainable development strategy	6-7, 8-9				
	2-23 Policy commitments	121-123				
	2-24 Embedding policy commitments	121-123				
	2-25 Processes to remediate negative impacts	54-55				
	2-26 Mechanisms for seeking advice and raising concerns	54-55				
	2-27 Compliance with laws and regulations	121-125				
	2-28 Membership associations					
	2-29 Approach to stakeholder engagement	28-29				
	2-30 Collective bargaining agreements					

**Material topics**

<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	30-31				
	3-2 List of material topics	30-31				

**Economic performance**

<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	12, 38-41				

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	201-2 Financial implications and other risks and opportunities due to climate change	126-129				
	201-3 Defined benefit plan obligations and other retirement plans					
	201-4 Financial assistance received from government	90-99				
<b>Indirect economic impacts</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	42-45				
	203-2 Significant indirect economic impacts	80-99				
<b>Procurement practices</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	79				
<b>Anti-corruption</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	122-124				
	205-2 Communication and training about anti-corruption policies and procedures	122-124				
	205-3 Confirmed incidents of corruption and actions taken	124				
<b>Anti-competitive behavior</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	122-125				
<b>Tax</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	124				

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	207-2 Tax governance, control, and risk management	124				
	207-3 Stakeholder engagement and management of concerns related to tax	28-29				
	207-4 Country-by-country reporting					
<b>Energy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	48-49				
	302-2 Energy consumption outside of the organization	48-49				
	302-3 Energy intensity					
	302-4 Reduction of energy consumption	48-49				
	302-5 Reductions in energy requirements of products and services					
<b>Water and effluents</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	53				
	303-2 Management of water discharge-related impacts	53				
	303-3 Water withdrawal					
	303-4 Water discharge					
	303-5 Water consumption	53				
<b>Emissions</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	50				
	305-2 Energy indirect (Scope 2) GHG emissions	50				
	305-3 Other indirect (Scope 3) GHG emissions	50				
	305-4 GHG emissions intensity	51				
	305-5 Reduction of GHG emissions	51				

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	305-6 Emissions of ozone-depleting substances (ODS)					
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions					
<b>Waste</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	53				
	306-2 Management of significant waste-related impacts	53				
	306-3 Waste generated	53				
	306-4 Waste diverted from disposal	53				
	306-5 Waste directed to disposal	53				
<b>Supplier environmental assessment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	78-79				
	308-2 Negative environmental impacts in the supply chain and actions taken	79				
<b>Employment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics					
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	66-71				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66-73				
	401-3 Parental leave	30-31				
<b>Occupational health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	72-73				
	403-2 Hazard identification, risk assessment, and incident investigation					

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	403-3 Occupational health services	72-73				
	403-4 Worker participation, consultation, and communication on occupational health and safety	66-73				
	403-5 Worker training on occupational health and safety	72-73				
	403-6 Promotion of worker health	72-73				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72-73				
	403-8 Workers covered by an occupational health and safety management system	72-73				
	403-9 Work-related injuries	72-73				
	403-10 Work-related ill health	72-73				
<b>Training and education</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics					
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	68-69				
	404-2 Programs for upgrading employee skills and transition assistance programs	68-69				
	404-3 Percentage of employees receiving regular performance and career development reviews					
<b>Diversity and equal opportunity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	117				
	405-2 Ratio of basic salary and remuneration of women to men					
<b>Child labor</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	71, 78				
<b>Forced or compulsory labor</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				

GRI Standard / Other Source	Disclosure	Location (Page No.)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	78				
<b>Local communities</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	88-99				
	413-2 Operations with significant actual and potential negative impacts on local communities	88-99				
<b>Supplier social assessment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	78-79				
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	78-79				
	414-2 Negative social impacts in the supply chain and actions taken					
<b>Customer health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	72-73				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	72-73				
<b>Customer privacy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-31				
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	64-65				

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