

# INDUSIND BANK

CMP:Rs.1,934.10

DATE:10.7.2018

COMPANY DETAILS			
Industry	Banking and financial services		
Incorporated/Headquarters	1994/ Mumbai,Maharastra		
BSE/NSE Code	532187/INDUSINDBK		
52week low/high	1,526.00/1,995.00		
Market Cap(In Cr.)	Rs.96,388.49		
FINANCIAL PERFORMANCE(In 000)			
YEAR	INCOME	EXPENSES	PROFIT
2013-14	101,440,634	87,360,414	14,080,220
2014-15	120,958,372	103,021,219	17,937,153
2015-16	148,776,051	125,911,550	22,864,501
2016-17	185,771,625	157,092,698	28,678,927
2017-18	220,308,520	18,424,8645	36,059,875
SHAREHOLDING PATTERN			

Category	Percentage
Foreign Institutions	46.45%
Foreign Promoter	14.97%
Others	11.57%
GDR	10.78%
Non-Banks Mutual Funds	9.34%
General Public	6.28%
Financial Institutions	0.62%

## HIGHLIGHTS:

India's banking sector is sufficiently capitalised and well-regulated. This industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. The Indian banking system consists of 27 public sector banks, 22 private sector banks, 44 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Deposits under Pradhan Mantri Jan Dhan Yojana (PMJDY) are growing Rs. 81,203.59 crore and 316.7 million accounts were opened in India.

**IndusInd Bank Limited** (BSE/NSE code: 532187/INDUSINDBK and Market cap of Rs. 96,388.49 crore) is a Mumbai based Indian new generation bank, established in 1994. The bank offers commercial, transactional and electronic banking products and services. IndusInd Bank is the first among the new-generation private banks in India. IndusInd Bank has witnessed a healthy and steady financial performance in FY2017-18 by recording a growth of 18.59% in income,17.29% in expenses and 25.74% in profit. Income of the bank stood at Rs. 220,308,520 thousands, Expenses at Rs. 184,248,645 thousands and profit at Rs. 36,059,875 thousands in FY2017-18.CASA of the bank has increased by 43.05% in FY2017-18 from its previous FY2016-17.Over the course of 5 year, Income has increased from Rs. 101,440,634 thousands to Rs. 220,308,520thousands and its CAGR is 16.79%. Foreign Institutions held highest no. of equity shares which was 46.45% of total shareholding and followed by Foreign promoters, Others, Non-Banks Mutual funds, General

public, Financial Institutions held shares of 14.97%, 11.57%, 10.78%,9.34%, 6.28%,0.62% subsequently.

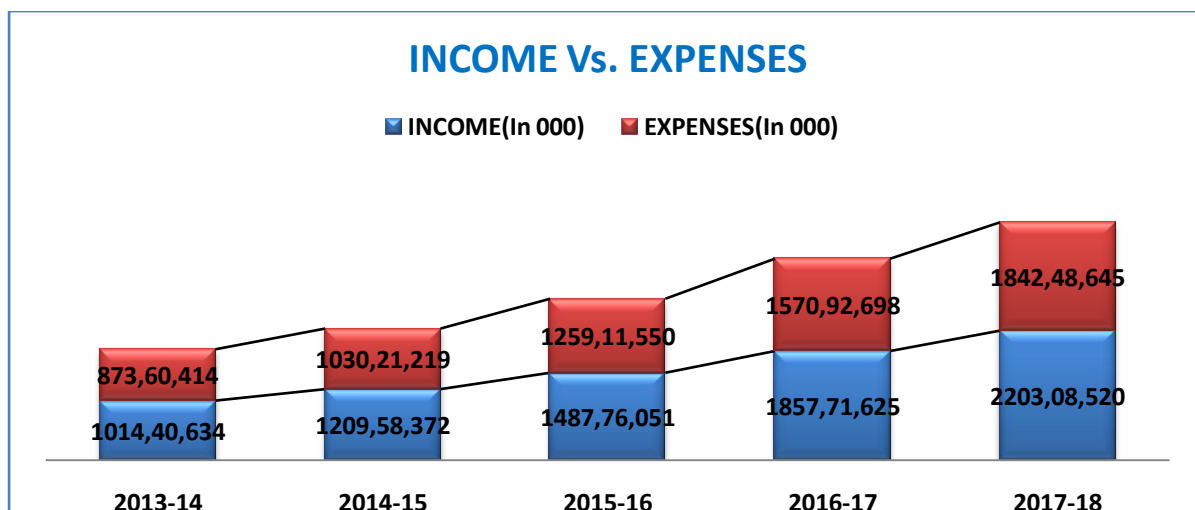
## FINANCIAL PERFORMANCE:

FINANCIAL PERFORMANCE		
PARTICULARS	2016-17	2017-18
Deposits(In 000)	1,265,722,228	1,516,391,743
Advances(in 000)	1,130,805,076	1,449,536,576
Borrowings(In 000)	224,536,943	382,890,782
Assets(In 000)	1,786,484,138	2,216,277,770
Net Interest Income(In 000)	60,626,042	74,974,442
NPA (%)	0.39	0.51
CASA (In 000)	466,460,439	667,292,590
EPS(Rs.)	48.06	60.20
NET PROFIT MARGIN (%)	15.44	16.37
ROA (%)	1.61	1.63
ROE (%)	13.90	15.13

During the year under review, despite the disruption in growth rate in the Indian economy and a persistently challenging macroeconomic environment, the Bank improved its business, with Deposits growing by 19.80% and Advances by 28.19% over the previous year. The Bank continued to focus on increasing earnings from its core banking business, strengthening the fee income streams, and maintaining control on operating costs. Borrowings of the bank has increased to Rs.382, 890,782 thousands in FY2017-18 from Rs.224, 536,943 thousands in FY2016-17.Assets of the bank has shown a growth of 24.06% in FY2017-18.NII stood at Rs.74,974,442 thousands in FY2017-18 as against Rs.60,626,042 thousands in FY2016-17.NPA has also increased to 0.51% in FY2017-18 as compared to 0.39% in FY2016-17.CASA of the bank improved by 43.05% in FY2017-18.EPS stood at Rs.60.20.Net Profit Margin, ROA and ROE has shown a growth in FY2017-18 and stood at 16.37%,1.63%, 15.13% respectively.

## FINANCIAL ANALYSIS:

### INCOME vs. EXPENSES:

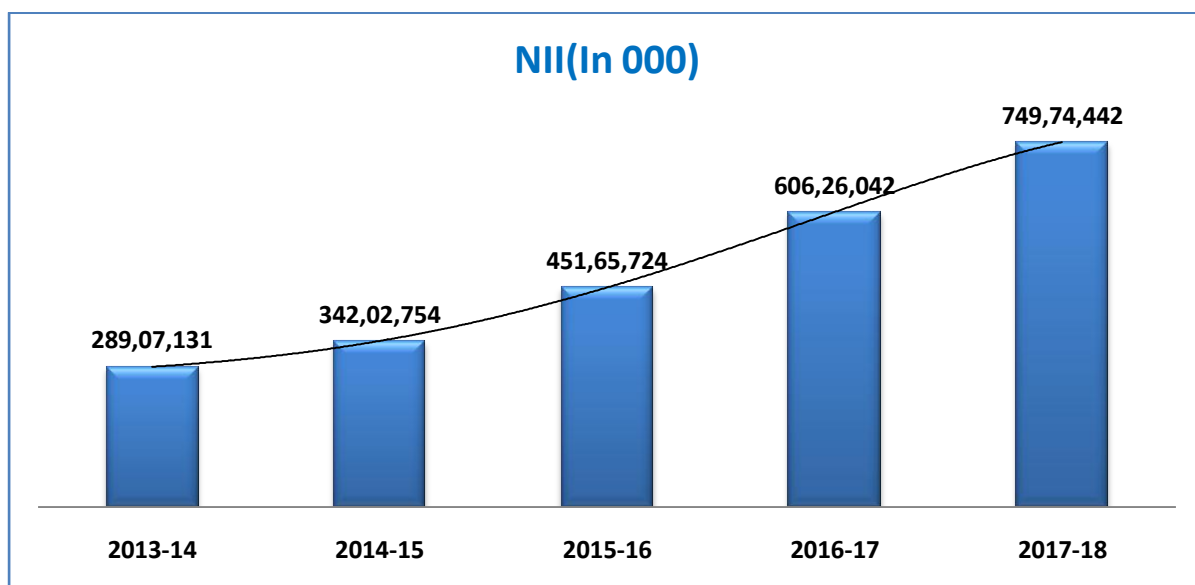


By considering this graph, it could be clearly analysed that both Income & Expenses of the bank has shown an increasing trend. Income of the bank has registered a growth of 18.59% while expenses have registered a growth of 17.29%.

#### INCOME:

- Income of the bank has increased by 18.59%, Rs.220, 308,520 thousands in FY2017-18 as against Rs.185, 771,625 thousands in FY2016-17. This Increase was due to increase in Interest / Discount on Advances / Bills of 19.35%, Income on Investments of 24.63%, other Interest earned of 43.57%.
- Besides that other Income has shown a growth of 13.87% due to Increase in Commission, Exchange and Brokerage of 17.84%, Profit on Sale of Investments (Net) of 31.36%, Profit on Sale of Land, Buildings and Other Assets of 1.54%, Profit on exchange transactions / Derivatives of 0.16%.

#### NII:



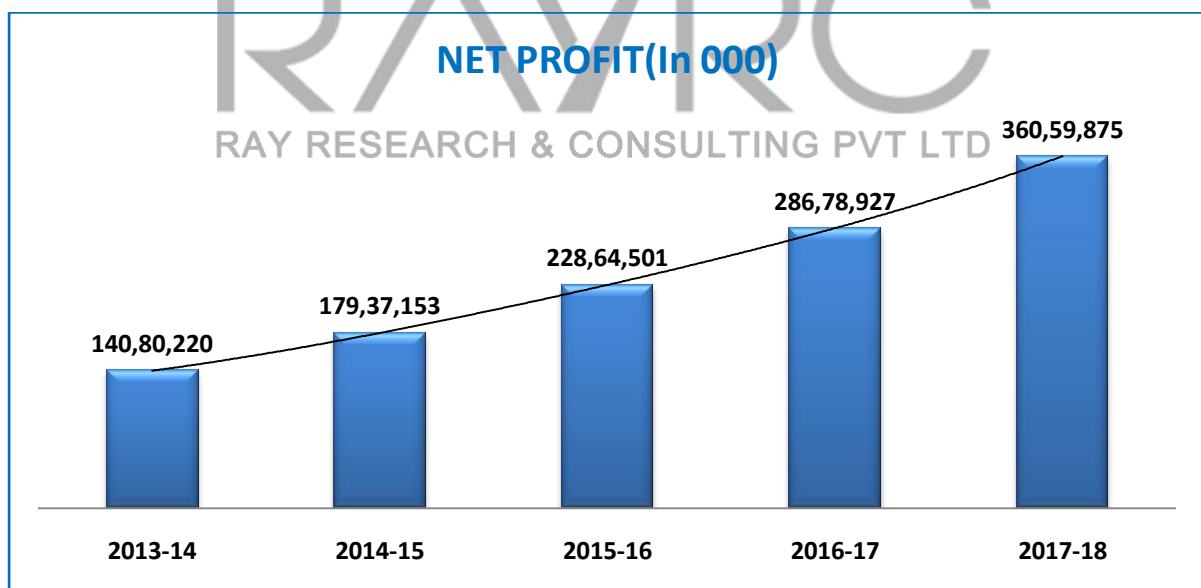
Net Interest Income (NII) of the bank has shown an increase Y-O-Y. During FY2017-18, the bank has recorded a growth of 23.67% which stood at Rs.74,974,442 thousands in FY2017-18 as compared to Rs.60,626,042 thousands in FY2016-17.

### EXPENSES:

Expenses of the bank has registered a growth of 17.29%, Rs. 184,248,645 thousands in FY2017-18 as compared to Rs.157,092,698 thousands in FY2016-17. The increase in Expenses was due to increase in Interest expanded of 17.26%, Operating expenses of 16.90%, Provisions and contingencies of 18.08%.

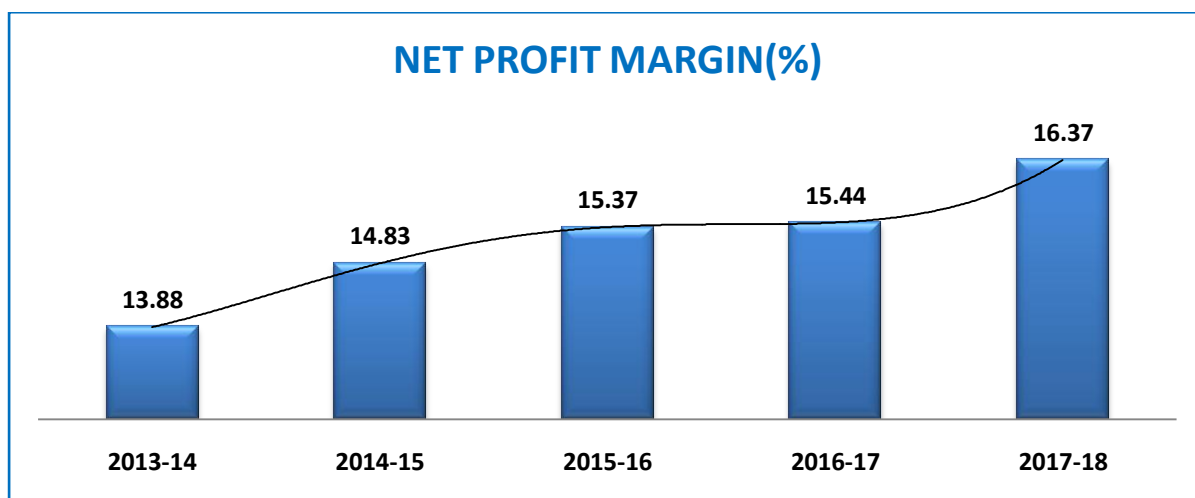
- Interest expanded has increased to Rs.97,833,045 thousands in FY2017-18 from Rs.83,430,661 thousands in FY2016-17 due to increase in Interest on Deposits of 16.08%, Other Interest of 44.70%.
- Operating expenses has registered a growth of 16.90% because of Payments to and Provisions for Employees of 17.07%, Rent, Taxes and Lighting of 14.22%, Printing and Stationery of 4.19%, Depreciation on Bank's Property of 10.98%, Directors' Fees, Allowances and Expenses of 2.65%, law charges of 68.71%. Repairs and Maintenance of 33.97%, Insurance of 21.97%.

### NET PROFIT:



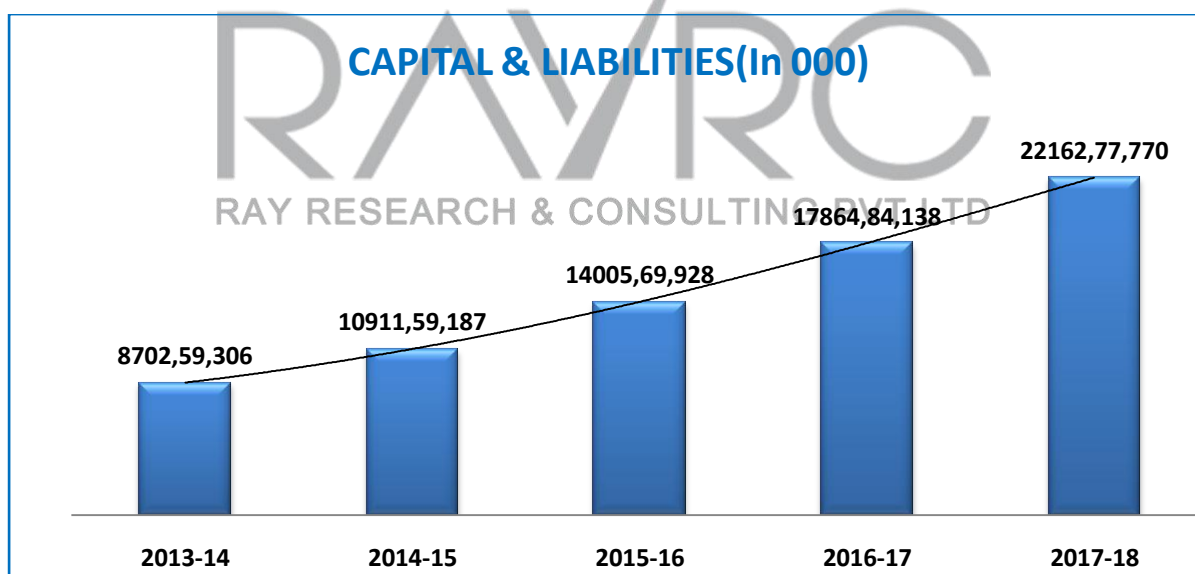
Net Profit of the company stood at Rs.36,059,875 thousands in FY2017-18 as compared to Rs.28,678,927 thousands in FY2016-17, recording a growth of 25.74%. As Revenue of the bank increased, Profit of the bank has increased.

## NET PROFIT MARGIN:



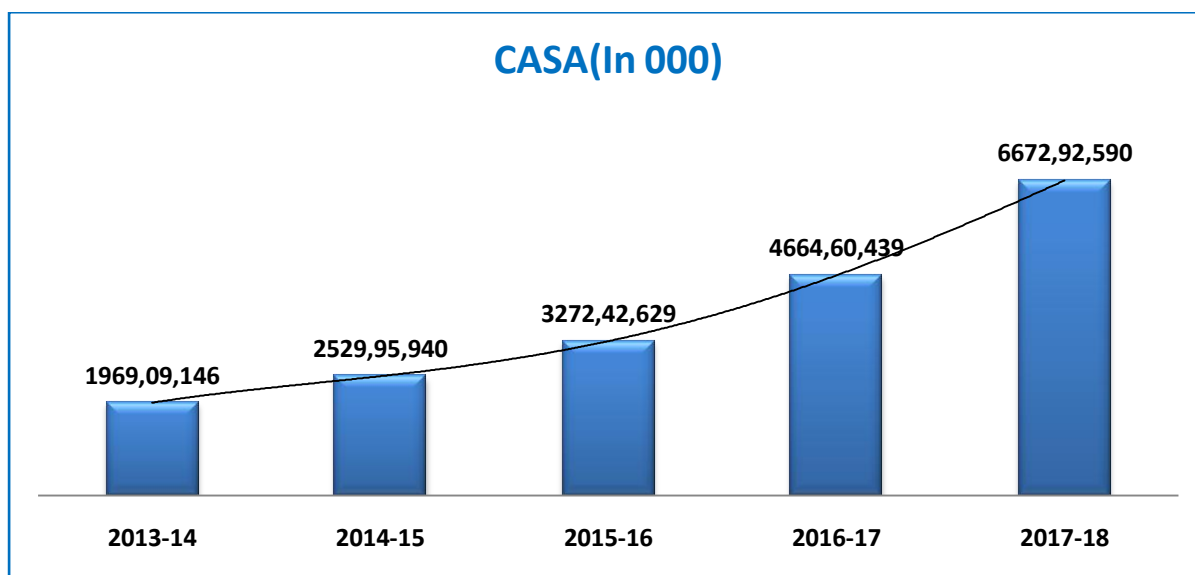
Net profit Margin of the bank has increased Y-O-Y. Net Profit Margin stood at 16.37% in FY2017-18 as compared to 15.44% in FY2016-17 which showed the efficiency. The bank has managed its expenses in a good way that's why profit margin has increased.

## EQUITIES & LIABILITIES:



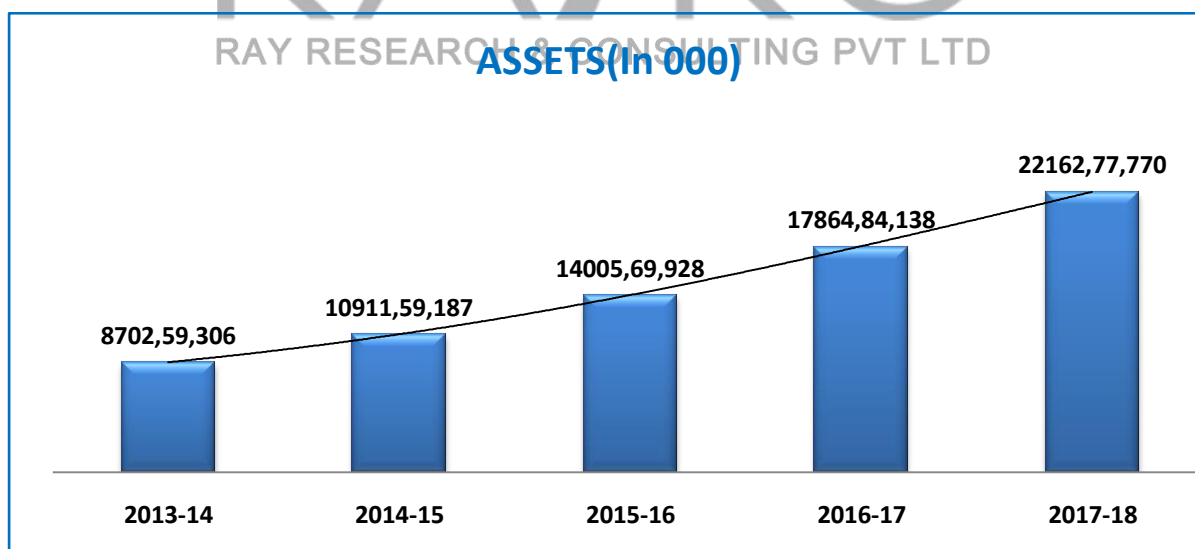
Capital & Liabilities of the bank has shown an increase of 27.55% in FY2017-18 which stood at Rs. 2,216,277,770 thousands in FY2017-18 as compared to Rs. 1,786,484,138 thousands in FY2016-17. This increase in capital & liabilities is due to increase in Capital of 0.35%, Reserve & Surplus of 15.95%, Deposits of 19.80%, Borrowings of 70.52%.

## CASA:



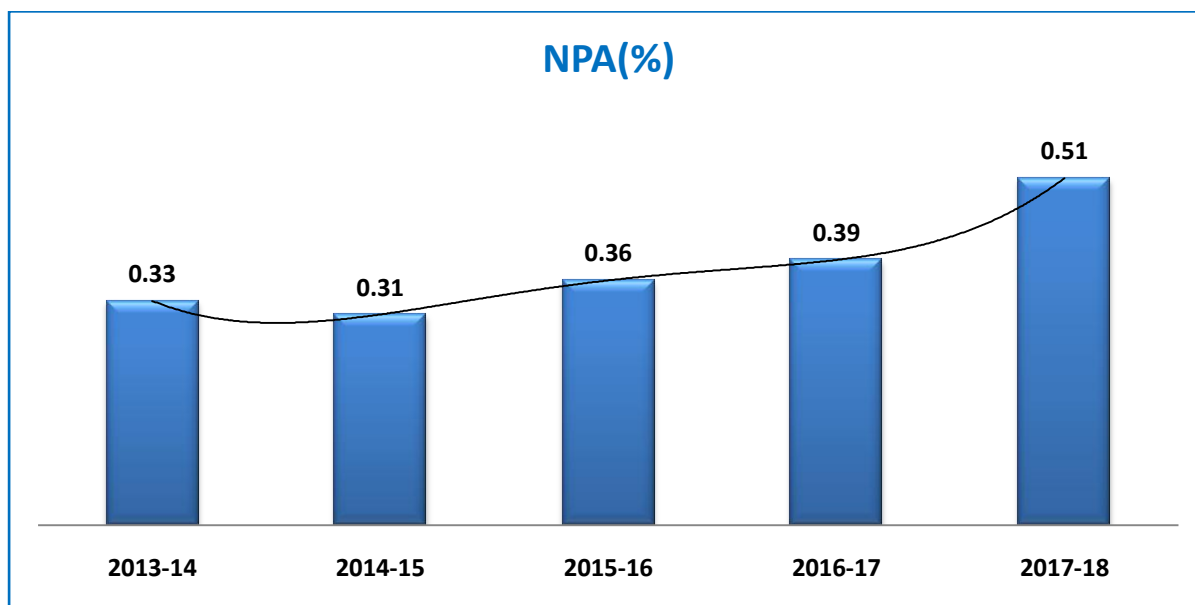
CASA of this Bank has increased to RS.667, 292,590 thousands in FY2017-18 from Rs.466, 460,439 thousands in FY2016-17, recording a growth of 43.05%. Current deposits of the bank has increased to Rs.208,409, 860 thousands in FY2017-18 as compared to Rs.196,088,116 thousands in FY2016-17. Saving Deposits has increased by 69.72% in FY2017-18 to Rs.458,882,730 thousands as against Rs.270,372,323 thousands in FY2016-17.

## ASSETS:



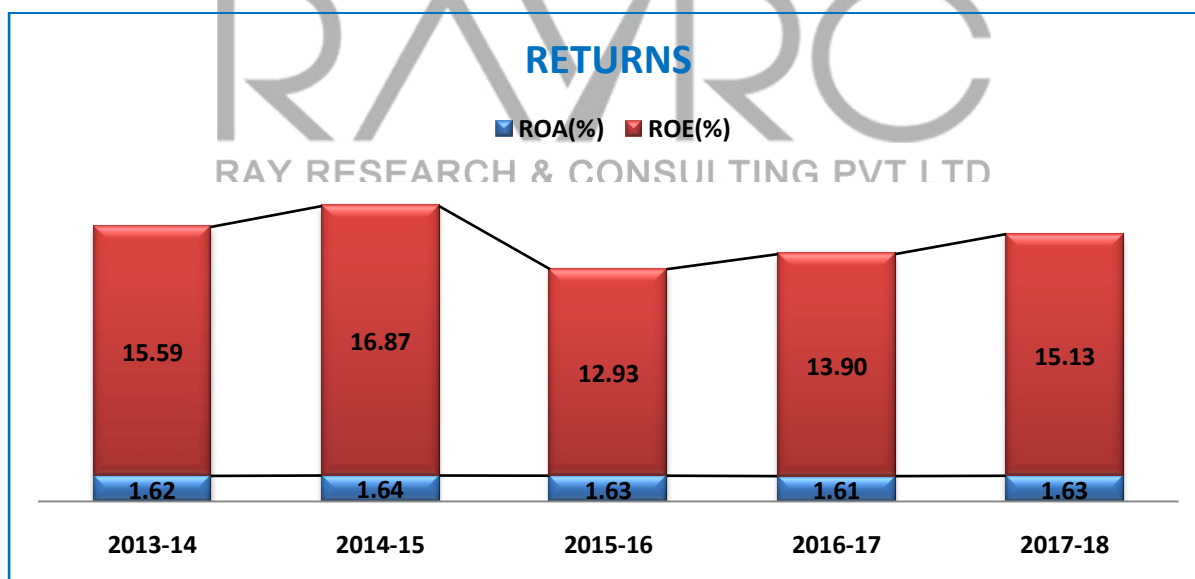
Assets of the company has swelled up by 27.55% in FY2017-18 , Rs.2,216,277,770 thousands in FY2017-18 as compared to Rs.1,786,484,138 thousands in FY2016-17. This Increase was due to increase in Cash and Balances with Reserve Bank of India of 41.47%, Investments of 36.45%, Advances of 28.19%, Fixed Assets of 0.26%, Other Assets of 35.26%.

## NPA:



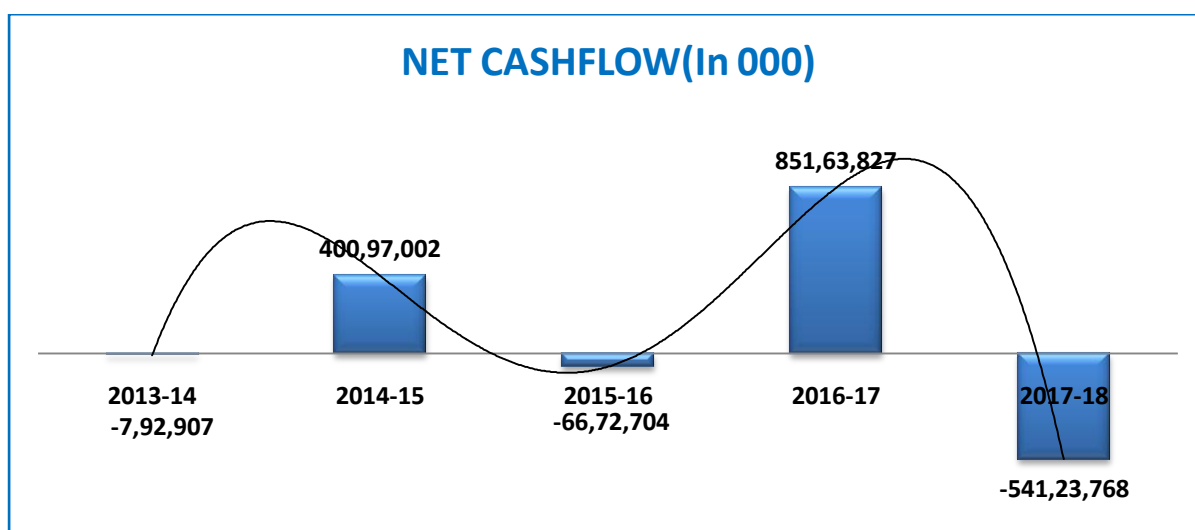
During the year March 31<sup>st</sup> 2018, NPA of this bank has increased to 0.51% from 0.39% in March 31<sup>st</sup> 2017.

## RETURNS:



Returns of the bank has shown an increase in FY2017-18. ROA stood at 1.63% in FY2017-18 as compared to 1.61% in FY2016-17. ROE stood at 15.13% in FY2017-18 as compared to 13.90% in FY2016-17. ROA of the bank increased that means the bank has not purchased more assets in accordance with the income.

## NET CASH FLOW:



The bank has a negative cash flow in FY2017-18 which stood at Rs.54, 123,768 thousands in FY2017-18 as compared to Rs.85,163,827 thousands in FY2016-17. This negative cash flow was due to Increase in Advances, Investments, direct tax paid, Proceeds from sale of Fixed Assets, Proceeds from issue of equity shares, Dividends paid. (

## CONSOLIDATED FINANCIAL STATEMENTS:

### PROFIT AND LOSS STATEMENT:

<b>PROFIT AND LOSS STATEMENT</b>					
(Rs. in '000)					
	2013-14	2014-15	2015-16	2016-17	2017-18
<b>INCOME</b>					
Interest Earned	82,535,344	96,919,639	115,806,589	144,056,703	172,807,487
Other Income	18,905,290	24,038,733	32,969,462	41,714,922	47,501,033
<b>TOTAL</b>	<b>101,440,634</b>	<b>120,958,372</b>	<b>148,776,051</b>	<b>185,771,625</b>	<b>220,308,520</b>
<b>EXPENDITURE</b>					
Interest Expanded	53,628,213	62,716,885	70,640,865	83,430,661	97,833,045
Operating expenses	21,852,828	27,259,325	36,721,009	47,830,758	55,914,436
Provisions and Contingencies	11,879,373	13,045,009	18,549,676	25,831,279	30,501,164
<b>TOTAL</b>	<b>87,360,414</b>	<b>103,021,219</b>	<b>125,911,550</b>	<b>157,092,698</b>	<b>184,248,645</b>
<b>PROFIT</b>					
Net Profit for the year	14,080,220	17,937,153	22,864,501	28,678,927	36,059,875
Add : Share in profit/(loss) of Associate					1,333
Profit bought forward	17,909,295	26,233,340	36,640,165	50,134,532	71,198,604
Amount Available for Appropriation	-	-	-	-	
<b>PROFIT('000)</b>	<b>31,989,515</b>	<b>44,170,493</b>	<b>59,504,666</b>	<b>7881,34,59</b>	<b>107,259,812</b>
<b>APPROPRIATIONS</b>					
Transfer to					



a) Statutory Reserve	3,520,055	4,484,288	5,716,125	7,169,732	9,014,969
b) Capital Reserve	81,754	122,749	132,100	455,366	76,193
c) Investment Reserve Account	745	371,633	-	-	-
d) Proposed final dividend	1,840,781	2,120,129	2,926,203	45.54	4,322,416
e) Corporate Dividend Tax	312,840	431,529	595,706	-	-
Deductions during the year					71,51,62
	5,756,175	7,530,328	9,370,134	7,629,652	14,128,740
Balance carried over to the Balance Sheet	26,233,340	36,640,165	50,134,532	71,183,807	931310,72
<b>TOTAL</b>	<b>31,989,515</b>	<b>44,170,493</b>	<b>59,504,666</b>	<b>78,813,459</b>	<b>107,259,812</b>
<b>EARNINGS PER EQUITY SHARE</b>					
(Face value of `10/- per share)					
Basic (Rs.)	26.85	33.99	39.68	48.06	60.20
Diluted (Rs.)	26.41	33.41	39.26	47.56	59.58

## BALANCESHEET:

<b>BALANCE SHEET</b>					
<b>(Rs. in '000)</b>					
	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>CAPITAL AND LIABILITIES</b>					
Capital	5,256,386	5,294,502	5,949,863	5,981,487	6,002,232
Employee Stock Options Outstanding	110,196	140,531	137,664	152,007	145,711
Reserves and Surplus	85,063,042	101,010,311	170,872,227	200,327,715	232,284,650
Deposits	605,022,853	741,343,642	930,003,461	1,265,722,228	1,516,391,743
Borrowings	147,619,570	206,180,562	221,558,648	224,536,943	382,890,782
Other Liabilities and Provisions	27,187,259	37,189,639	72,048,065	89,763,758	78,562,652
<b>Total liabilities</b>	<b>870,259,306</b>	<b>1,091,159,187</b>	<b>1,400,569,928</b>	<b>1,786,484,138</b>	<b>2,216,277,770</b>
<b>ASSETS</b>					
Cash and Balances with Reserve Bank of India	44,139,156	40,351,427	45,210,405	77,487,471	109,624,060
Balances with Banks and Money at Call and Short Notice	23,555,261	67,439,992	55,908,310	108,795,071	22,534,714
Investments	215,629,530	248,593,697	312,143,147	367,021,382	500,783,339
Advances	551,018,359	687,881,990	884,193,419	1,130,805,076	1,449,536,576
Fixed Assets	10,164,472	11,575,774	12,553,239	13,352,328	13,387,531

Other Assets	25,752,528	35,316,307	90,561,408	89,022,810	120,411,550
<b>TOTAL</b>	<b>870,259,306</b>	<b>1,091,159,187</b>	<b>1,400,569,928</b>	<b>1,786,484,138</b>	<b>2,216,277,770</b>
Contingent Liabilities	1,478,042,644	1,091,159,187	2,851,013,208	4,063,871,915	6,620,991,562
Significant Accounting Policies	57,745,685	67,289,177	137,608,454	190,069,091	374,154,798

## CASHFLOW:

<b>CASHFLOW STATEMENT</b>					
<b>(Rs. in '000)</b>					
	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Cash Flow from Operating Activities					
Net Profit before taxation	21,283,287	27,091,702	34,692,611	43,596,885	54,806,720
Adjustments for :					
Depreciation on Fixed assets	981,483	1,268,489	1,565,193	1,906,988	2,116,434
(Appreciation) / Depreciation on Investments	875,645	-664,258	295,123	313,639	1,208,612
Tax Provisions					
Employees Stock Option expenses	3,077	30,335	22,246	32,893	12,134
Loan Loss and Other Provisions	3,800,660	4,554,719	6,426,444	10,599,681	10,545,707
Amortisation of premium on HTM investments	261,282	315,755	363,324	785,086	1,793,222
Interest on Tier II/ Upper Tier II bonds				-	
Interest Paid on Borrowings	8,797,073	10,996,283		-	
Loss / (Profit) on sale of fixed assets	-1,701	19,145	-69,895	-31,457	-80,066
Share in Current Year profit of Associate					1,333
Operating Profit before Working Capital changes	37,007,899	43,612,170	43,295,046	57,203,715	70,404,096
Adjustments for :					
Increase /Decrease in Advances	-111,612,919	-	-202,737,873	-257,211,337	-
		141,418,350			329,277,206
Increase/Decrease in Investments	-20,224,799	-32,615,664	-84,018,215	-27,576,960	-
					136,748,959
Increase/Decrease in Other Assets	-7,894,530	-7,498,239	-7,059,949	5,468,411	-30,381,085
Increase/Decrease in Deposits	63,855,703	136,320,788	188,659,819	335,718,767	250,669,515

Increase /Decrease in Other Liabilities	5,603,482	9,605,056	7,470,326	20,938,194	-11,916,268
Cash generated from / (used in) Operations	-33,265,164	8,005,761	-54,390,846	134,540,790	-187,249,907
Direct Taxes paid (net of refunds)	-7,792,411	-11,220,088	-13,488,410	-18,847,771	-19,754,500
Net Cash used in Operating Activities	-41,057,575	-3,214,327	-67,879,256	115,693,019	-207,004,407
Cash Flow from Investing Activities					
Purchase of Fixed Assets (including WIP)	-1,770,556	-2,786,264	-2,690,226	-2,871,859	-2,357,927
Proceeds from sale of Fixed Assets	33,541	27,403	115,078	135,486	162,447
Net Cash used in Investing Activities	-1,737,015	-2,761,561	-2,575,148	-2,736,373	-2,195,480
Cash Flow from Financing Activities					
Proceeds from issue of equity shares (net of issue expenses)	351,592	662,515	51,251,957	966,224	1,019,650
Proceeds from issue of Long Term Infrastructure Bonds	-	5,000,000	-	150,000,000	-
Dividends paid	-1,569,751	-2,154,335	-2,848,342	-3,227,055	-4,322,416
Proceeds from perpetual Debt Instruments				10,000,000	10,000,000
Payment towards Redemption of Subordinated Tier-2 capital	-500,000	-2,251,000	-5,350,000	-3,089,000	-
Increase/Decrease in Borrowings	53,524,008	55,811,993	20,728,085	-47,332,706	148,353,838
Interest paid on Borrowings	-8,797,073	-10,996,283	-	-	-
Interest paid on Tier II/upper Tier II Bonds	-1,007,093	-	-	-	-
Net Cash generated from Financing Activities	42,001,683	46,072,890	63,781,700	-27,682,537	155,051,072
Effect of exchange fluctuation translation reserve	-	-	-	-110,282	25,047
Net Increase / (Decrease) in Cash and Cash Equivalents	-792,907	40,097,002	-6,672,704	85,163,827	-54,123,768
Cash and Cash Equivalents at the beginning of the year	68,487,324	67,694,417	107,791,419	101,118,715	186,282,542
Cash and Cash Equivalents at the end of the year	67,694,417	107,791,419	101,118,715	186,282,542	132,158,774

## REFERENCES:

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- [https://en.wikipedia.org/wiki/IndusInd\\_Bank](https://en.wikipedia.org/wiki/IndusInd_Bank)

