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चेन्नै **Chennai 600 014**

Ref : ISC /237/ 2018-19

June 28, 2018

The Vice President National Stock Exchange of India Limited "Exchange Plaza", Bandra Kurla Complex Bandra East Mumbai - 400 051.	The Manager BSE Limited Phiroze Jeejibhai Towers Dalal Street Mumbai - 400 001
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Dear Sirs,

Sub: Corporate Announcement – NSE Symbol : INDIANB - Stock Code : 532814

The Board of Directors of the Bank at their meeting held on 10.05.2018, while approving Bank's Audited Balance Sheet and Profit and Loss Account for the year ended 31.03.2018, also accorded approval for recommendation for payment of dividend @ Rs 6/- per share (60%) on the equity capital for the FY 2017-18, subject to approval of shareholders.

As per Section 15 (1) of Banking Regulation Act, no banking company shall pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organization expenses, shares-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off.

However, notwithstanding anything contained in Section (1), as per Section 15 (2) (ii) of the act, a banking company may pay dividends on its shares without writing off the depreciation, if any, in the value of its investments in shares, debentures or bonds (other than approved securities) in any case where adequate provision for such depreciation has been made to the satisfaction of the auditor of the banking company.

As per RBI circular No. DBR/BP/BC/102.21.04.048/2017-18 dtd 02.04.2018 and DBR.No.BP.9730/21.04.018/2017-18 dtd 27.04.2018 the following options were given in respect of MTM losses and additional liability on Gratuity:

- Option to spread 'mark to market' loss on AFS & HFT investments for quarter ended December 31, 2017 and March 31, 2018, equally over the four quarters commencing with the quarter in which the loss is incurred.
- Permitted Banks to spread additional liability on account of the enhancement in gratuity limit from Rs. 10 lakhs to Rs. 20 lakhs from 29.03.2018 under Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended March 31, 2018.

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The Bank has exercised the options during the quarter ended 31.03.2018 and deferred the Gratuity expenditure of Rs. 24.33 crore to subsequent three quarters and also spread the MTM losses of total Rs. 547.01 crore to subsequent quarters (after providing for December 2017 and March 2018).

Considering the above, the matter was taken up with appropriate authorities seeking permission for declaration of dividend. RBI has informed that Bank can declare dividend after fully providing for MTM loss, Gratuity and any other provisions staggered in terms of dispensation given by RBI to all the Banks.

In considering the regulatory advice, the Board of Directors of the Bank vide their resolution dated 28th June 2018 prudentially decided for

- a) Withdrawal of the earlier resolution dt 10.05.2018 recommending declaration of dividend at Rs 6/- per equity share (60%).
- b) Withdrawal of the 2nd item from the Agenda of the Notice convening the AGM of the Bank

This Notification is issued pursuant to Regulation 30 (1) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (as amended).

We request you to take on record the above.

Yours faithfully,



Bimal Shah
COMPANY SECRETARY