



# Indian Overseas Bank

(Incorporated in India)

Central Office: 763, Anna Salai, Chennai 600 002

## BALANCE SHEET AS AT 31.03.2023

Schedules	(Rs in 000's)		
	As at 31.03.2023	As at 31.03.2022	
<b>CAPITAL &amp; LIABILITIES</b>			
Capital	01	18902 41 23	18902 41 23
Reserves and Surplus	02	6360 53 25	4097 98 46
Deposits	03	260883 29 05	262158 92 48
Borrowings	04	20803 77 19	3070 63 66
Other Liabilities & Provisions	05	6795 81 65	11147 21 06
<b>TOTAL</b>		<b>313745 82 37</b>	<b>299377 16 89</b>
<b>ASSETS</b>			
Cash & Balances with Reserve Bank of India	06	17148 35 62	22748 99 35
Balances with Banks and Money at Call and Short Notice	07	3458 72 71	14024 19 93
Investments	08	94170 41 04	98179 31 28
Advances	09	178052 57 37	144243 52 45
Fixed Assets	10	3709 97 69	3364 89 66
Other Assets	11	17205 77 94	16816 24 22
<b>TOTAL</b>		<b>313745 82 37</b>	<b>299377 16 89</b>
Contingent Liabilities	12	196131 44 96	97998 90 15
Bills for Collection		19547 85 75	17216 22 01
Significant Accounting Policies	17		
Notes on Accounts	18		
		<b>2022 - 23</b>	<b>2021 - 22</b>
Tier 1 Capital (%)		12.88%	10.71%
Total Capital Ratio (CRAR)%		16.10%	13.83%

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2023

Schedules	(Rs in 000's)		
	Year Ended 31.03.2023	Year Ended 31.03.2022	
<b>INCOME</b>			
Interest earned	13	19400 32 62	16729 86 62
Other income	14	4108 74 82	4903 01 99
<b>TOTAL</b>		<b>23509 07 44</b>	<b>21632 88 61</b>
<b>EXPENDITURE</b>			
Interest expended	15	11145 44 45	10418 72 85
Operating expenses	16	6421 46 32	5451 24 36
Provisions & Contingencies (Net)		3843 38 07	4053 37 13
<b>TOTAL</b>		<b>21410 28 84</b>	<b>19923 34 34</b>
<b>PROFIT / LOSS (-)</b>			
Net Profit / Loss (-) for the year		2098 78 60	1709 54 26
Profit / Loss (-) brought forward		-17999 28 75	-18813 86 23
<b>TOTAL</b>		<b>-15900 50 15</b>	<b>-17104 31 97</b>
<b>APPROPRIATIONS</b>			
Transfer to Statutory Reserve		524 69 65	493 20 56
Transfer to Revenue and Other Reserves			
Transfer to Capital Reserve		23 50 06	111 76 22
Transfer to Invest. Fluctuation Reserve		0	290 00 00
Proposed Dividend (including Dividend Tax)		0	0
Balance carried over to Balance Sheet		-16448 69 86	-17999 28 75
<b>TOTAL</b>		<b>-15900 50 15</b>	<b>-17104 31 97</b>
Basic & Diluted Earnings per Share (Rs.)		1.15	0.92
Nominal Value per Equity Share (Rs.)		10.00	10.00

## INDEPENDENT AUDITORS' REPORT

### To the Members of Indian Overseas Bank Report on the Audit of the Standalone Financial Statements Opinion

1. We have audited the accompanying standalone financial statements of Indian Overseas Bank ("the Bank"), which comprise the Balance Sheet as at 31st March 2023, the Profit and Loss Account and the Statement of Cash Flows for the year then ended and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Central Office.

- (i) 20 branches audited by us and  
(ii) 838 branches including 2 Regional Offices, audited by the Statutory Branch Auditors  
(iii) 4 foreign branches audited by local Auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet, the Profit and Loss account and Statement of Cash Flows are the returns from 2418 branches (includes 47 regional offices) which have not been subjected to audit. These unaudited branches account for 26.38% of advances, 55.00% of deposits, 60.79% of Interest Income and 64.92% of Interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March, 2023;  
(ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and  
(iii) the Cash Flow Statement gives a true and fair view of the Cash Flows for the year ended on that date.

#### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone financial statements prepared in accordance with the Accounting Principles generally accepted in India including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circular and guidelines issued by the Reserve Bank of India ("RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

3. We draw attention to the following notes in Schedule 18 of Standalone Financial Statements:

- i) Note No. 7.2 regarding Tax paid in Advance (Net of provision) where amounts pending assessment, appeals and under dispute are under reconciliation.  
ii) Note No.7.3 relating non providing of any additional provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.  
iii) Note No.14. h (1) of the statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 425.86 Crores The Bank has charged an amount of Rs.85.17 Crores to the profit and loss account for the year ended 31st March 2023 and the balance unamortized expense of Rs.255.52 Crores has been carried forward in terms of RBI Circular No.RBI/2021-22/105 DOR.ACC. REC.57/21.04.018/2021-22 dated October 4, 2021.

iv) Note No.17 to the statement which explains that the extent to which the Covid-19 pandemic's impact on the bank's operation will depend on future developments, which are highly uncertain.  
Our Opinion is not modified in respect of the above matters.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the Key Audit Matters to be communicated in our Report.  
Our Opinion is not modified in respect of the above matters.

#### Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors are responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon).

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors are responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

8. We did not audit the financial statements / information of 842 branches (including 2 Regional Offices and 4 Overseas Branches) included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of Rs.162325.70 (in crores) as at 31st March 2023 and total revenue of Rs.10,896.78 (in crores) for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 45.24% of advances, 43.57% of deposits, and 22.01% of Non-performing assets as at 31st March 2023 and 28.25% of revenue for the year ended 31st March 2023. The financial statements / information of these branches, have been audited by the branch auditors and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949.

Subject to the limitations of the audit indicated in paragraph 6 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;  
(b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and  
(c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks - Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.  
b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.  
c) On the basis of the written representations received from the directors as on March 31, 2023, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.  
d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.  
e) Our Audit report on the adequacy and operating effectiveness of the bank's internal financial controls over financial reporting is given in Annexure -A to this report. Our Report Expresses an unmodified opinion on the Bank's Internal financial control over financial reporting as at 31st March, 2023.

#### 11. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far it appears from our examination of those books  
b) The Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account  
c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and  
d) In our opinion, the Balance Sheet, Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

#### Disclosure as required in MAS Notice 608:

"We wish to state that in the event of receivership, winding up proceedings or such equivalent proceedings of the bank, the regulatory authority in the country where the bank is incorporated does not require our Head Office to confer a lower priority in the repayments of deposits to depositors of the branches of the bank located outside of the home country, as compared to depositors of the bank in its home country."

#### AJAY KUMAR SRIVASTAVA

Managing Director & CEO

S SRIMATHY

Executive Director

SANJAY VINAYAK MUDALIAR

Executive Director

#### DIRECTORS

ANNIE GEORGE MATHAW, VIVEK AGGARWAL, SURESH KUMAR RUNGTA, SANJAYA RASTOGI, B CHANDRA REDDY, DEEPAK SHARMA

#### Chartered Accountants

For S N NANDA & CO  
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PUNEETT NANDA  
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For S N KAPUR & ASSOCIATES  
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For NANDY HALDER & GANGULI  
Chartered Accountants  
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RANA PRATAP NANDY  
Partner  
M No : 051027

12.05.2023 Chennai, India

The accounts to be audited form an integral part of the audited financial statements and a full understanding of the statements and the state of affairs of the Bank can only be achieved by referring the complete set of the Bank's audited financial statements. This can be obtained upon request from

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