

IndusInd Bank's Accounting Hera Pheri



Retail investors are **confused about the derivatives accounting mistake** that led to IndusInd Bank's stock crashing. Let's simplify it using an iconic duo—Raju (Akshay Kumar) and Shyam (Suniel Shetty) from **Hera Pheri!**

Understanding the Blunder – A Hera Pheri Example

Imagine **Raju and Shyam place a bet of ₹1,00,000**. It's a simple zero-sum game:

- ◆ If Raju loses ₹1,00,000, Shyam gains ₹1,00,000.
- ◆ If Shyam loses ₹1,00,000, Raju gains ₹1,00,000.

Since the money stays between them, **the overall impact is zero**—no real profit or loss.



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Where the Accounting Blunder Happens!

Now, when the bet is settled, Shyam records his ₹1,00,000 gain in his books. But Raju, instead of recording his loss, thinks:

"Arre bhai, yeh toh ghar ke andar ka paisa hai! **Loss dikhane ki kya zaroorat?**"

What's the impact?

On paper, the books show a ₹1,00,000 profit. But in reality, **no real money was made!**



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Now Scale This Up to IndusInd Bank! 🏦

Instead of Raju and Shyam's bet, think of internal derivative trades **between two departments** within IndusInd Bank:

- ✓ **One department** recorded its **profit**.
- ✗ **The other department** didn't record its **corresponding loss immediately**.

This inflated the bank's profits on paper. Once the error was discovered, the stock took a nosedive.

Was It a Genuine Mistake or a Real-Life Hera Pheri?

The bank claims it was an **accounting oversight**, but let's be honest – **such errors don't go unnoticed for years** unless something fishy is going on.

Regulators are investigating, and the truth will come out.

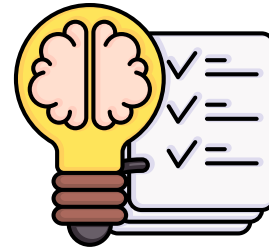


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Lessons from Hera Pheri



- **Accounting should be as clean as Baburao's white kurta** – No misrepresentation!
- **Regulators are like police inspectors** – If you mess up, they'll come knocking.
- **Investor confidence is like Baburao's mood** – Once lost, it's tough to fix!

What do you think? Was this an honest mistake or a real-life Hera Pheri?

