ICICI Home Finance

ICICI HOME FINANCE COMPANY LIMITED

21ST ANNUAL REPORT AND ACCOUNTS 2019-2020

Directors
Anup Bagchi, *Chairman*
Supritha Shetty
N. R. Narayanan
Sankaran Santhanakrishnan
G. Gopalakrishna
Vinod Kumar Dhall
Anirudh Kamani, *Managing Director & CEO*

Chief Financial Officer
Vikrant Gandhi

Company Secretary
Pratap Salian

Auditors
B S R & Co. LLP
Chartered Accountants

Registered & Corporate Office
ICICI Bank Towers,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400051

Corporate Office
ICICI HFC Towers, Andheri - Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400059

directors' report

to the members

On behalf of the Board of Directors, it is our pleasure to present the 21st Annual Report along with the Audited Financial Statement of Accounts for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2020 is summarised in the following table.

(₹ million)

	Fiscal 2019	**Fiscal 2020**	*% change*
Net interest income and other income	*3,574.8*	**5,007.7**	40.1%
Operating expenses	*1,865.9*	**2,814.6**	49.5%
Impairment on financial instruments/ write-off (Including fair value changes)	*1,078.0*	**1,934.2**	82.3%
Profit before tax	*630.9*	**258.9**	-59.7%
Profit after tax	*440.9*	**2.8**	-99.4%

Appropriations

The profit after tax for fiscal 2020 is ₹ 2.8 million after Impairment on financial instruments/ write-off of ₹ 1,934.2 million, provision for taxes of ₹ 256.1 million and all expenses. The accumulated profit is ₹ 1,413.8 million, taking in to account the balance of ₹ 1,530.5 million from the previous year end and after appropriating the disposable profit as follows:

(₹ million)

	Fiscal 2019	**Fiscal 2020**
To Special Reserve (created and maintained in terms of Section 29 C of National Housing Bank Act, 1987)	*102.0*	**66.3**
Dividend paid during the year	-	-
- Equity Shares (including dividend distribution tax)	*Nil*	**53.2**
Leaving balance to be carried forward to the next year	*1,530.5*	**1,413.8**

DIVIDEND

The Company's dividend policy is based on profitability and key financial metrics, the Company's capital position and requirements and the regulations pertaining to the same. Given the financial performance for fiscal 2020 and in line with the Company's dividend policy and applicable regulations, no dividend is being recommended by your Directors (fiscal 2019: ₹ 53.2 million dividend (including dividend distribution tax) at the rate of ₹ 0.04 per equity share).

OPERATIONAL REVIEW

During fiscal 2020, the Company opened 35 standalone branches during the year, closing the year with 139 branches and the employee strength increased to 1,836. The Company has also increased its channel partners network significantly during fiscal 2020.

The overall business of the Company, which is primarily retail mortgage had a robust growth. The Company disbursed loans amounting to ₹ 64,413.1 million including buyout of ₹ 63.3 million. During the year the Company assigned loans amounting to ₹ 24,108.8 million. Supported by organic growth in retail mortgages and including the loans assigned, the total loan assets under management (AUM) of the Company grew by 23.3% to ₹ 164.35 billion at March 31, 2020. Further, the Company transferred its consumer finance business to ICICI Bank Limited ('ICICI Bank').

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company from the end of fiscal 2020 and the date of the report.

CHANGE OF NATURE OF BUSINESS

There has been no change in the nature of the business of the Company during the year under review.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a housing finance company in the ordinary course of business.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company currently and at March 31, 2020, consisted of seven Directors out of which three are Non-Executive Independent Directors, three are Non-Executive Directors, nominees of ICICI Bank (Parent) and one whole time Director.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, S. Santhanakrishnan, Non-Executive Independent Director was re-appointed for a further period of five years with effect from October 16, 2019. Further, Vinod Kumar Dhall and G. Gopalakrishna were appointed as Non-Executive Independent Directors for a period of five years with effect from January 18, 2019.

The Board has formed the opinion that the Independent Directors have integrity, requisite expertise and experience required by the Company based on their skills, knowledge and competencies.

Declaration of independence

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and as amended by the Companies (Amendment) Act, 2017, which have been relied on by the Company and were placed at the Board Meeting held on May 2, 2020. In the opinion of the Board, the Independent Directors fulfil the necessary criteria for independence as stipulated under the statutes.

Pursuant to the Companies (Appointment and qualification of Directors) Rules, 2019, the Company has received the declaration from the Independent Directors that their name has been registered in the Independent Directors data bank.

Retirement by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, N.R. Narayanan, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Appointment and Cessation of Directors

Pursuant to the power conferred under Articles of Association of the Company, ICICI Bank has nominated Supritha Shetty as an Additional Director of the Company effective August 22, 2019.

Supritha Shetty, Additional Director of the Company will be appointed as Director of the Company at the ensuing AGM. The Company has received notice as required under Section 160 of the Companies Act, 2013 from a member, signifying his intention to propose the candidature of Supritha Shetty for her appointment as Director on the Board at the ensuing AGM of the Company.

Supritha Shetty has overall experience of 28 years in banking. She has been serving ICICI Bank over 15 years and currently heading Credit & Policy Group for ICICI Bank's Business Banking, Small and Medium Enterprises and Mid-Market Group. She also held the position of Group Compliance Officer (GCO) during the period January 2014 till November 2018. Prior to her position to GCO, she was spearheading the Commercial Banking Business of the Bank. She is Chartered Accountant by qualification.

During the year under review, Anita Pai, Director of the Company ceased to be a Director of the Company effective August 22, 2019 due to withdrawal of her nomination by ICICI Bank.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 Anirudh Kamani (Managing Director & Chief Executive Officer), Vikrant Gandhi (Chief Financial Officer) and Pratap Salian (Company Secretary) are Key Managerial Personnel of the Company.

STATUTORY AUDITOR

Pursuant to Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 and as recommended by the Audit and Risk Management Committee and the Board of Directors, the shareholders of the Company have appointed B S R & Co. LLP, Chartered Accountants, Firm Registration number 101248W/W-100022, as statutory auditors of the Company to hold office from the conclusion of Eighteenth AGM till the conclusion of Twenty Third AGM of the Company, subject to ratification of their appointment at every Annual General Meeting (AGM). However, as per the Companies (amendment) Act, 2017, effective from May 7, 2018, the requirement of ratification of appointment of auditors at every Annual General Meeting has been done away with.

The auditors have indicated their willingness to continue as statutory auditors of the Company and provided the certificate that they meet the eligibility criteria as required under Companies Act, 2013.

Further, the report of the Statutory Auditors along with notes to schedules is enclosed to this report. The Auditors' Report to the members does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for further comments.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Alwyn Jay & Co, a firm of Practicing Company Secretaries was appointed as Secretarial Auditors of the Company. The secretarial auditor has submitted their report for fiscal 2020 and the report does not contain any qualification. The report of the Secretarial Auditors is enclosed as Annexure 1 to this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of provisions of Section 118 of the Companies Act, 2013, the Company is in compliance with Secretarial Standards on Meetings of the Board of Directors and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India.

PERSONNEL

The Company had 1,836 employees at March 31, 2020.

The Company, during the COVID-19 pandemic lockdown, to safeguard employees' health and safety enabled work from home facility to all employees and also ensured continued employee engagements for tracking of their health and safety.

The disclosure as required in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2020 is given in Annexure 2.

The statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure 2A and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the annual report and the financial statements are being sent to the Members excluding the Annexure 2A. The said Annexure is available for inspection at the Corporate office of the Company. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary of the Company.

INTERNAL CONTROL AND ITS ADEQUACY

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

During COVID-19 lockdown remote access has been given to employees through secured Virtual Private network (VPN) as per the Company's policy. In some cases, processes have moved from physical to digital and the transactions are undertaken based on scanned documents. However, there has been no significant change in the internal controls.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AN OUTGO

The provisions of Section 134 (3) (m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to the Company. The Company uses information technology extensively in its operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During fiscal 2020, the Company has not earned any foreign exchange (fiscal 2019: Nil) and the details of total foreign exchange used is given below.

₹ in million

Sr. No.	Currency	*Fiscal 2019*	**Fiscal 2020**
1	USD	4.7	**10.2**
2	GBP	*	-
3	Singapore Dollar	0.02	-

*Insignificant Amount

RELATED PARTY TRANSACTIONS

The transactions between the Company and its related parties, during fiscal 2020, were in the ordinary course of business and based on the principles of arm's length. The Company has a Board approved framework for related party transactions, which has been disclosed on the website of the Company at www.icicihfc.com/aboutus/investorsrelations. The details of material related party transactions at an aggregate level for fiscal 2020 are given in Annexure 3.

ARM'S LENGTH PRINCIPLES

The transactions between the Company and its group companies are to be undertaken on an Arm's length basis. The following broad principles shall be adhered to at the time of undertaking such transactions:

a) All transactions shall have the substantive characteristics of a transaction between independent parties.

b) The transactions shall be entered into in a need-based manner and shall be based on principle of impartiality.

c) The pricing for specific transactions shall be at market related rates and would be benchmarked against comparable quotes for similar transactions in the market between independent parties.

d) The transactions shall comply with all statutory/regulatory guidelines, internal policy norms and procedures (including appropriate documentation) applicable to such transactions, if engaged with independent parties with similar background.

ANNUAL RETURN

An extract of the annual return as required under Section 92 (3) of the Companies Act, 2013 is placed on website of the Company at www.icicihfc.com/aboutus/investorsrelations.

RISK MANAGEMENT FRAMEWORK

The Company is exposed to various kinds of risks like credit risk, market risk, liquidity risk and operational risk arising out of business operations, which include mortgage lending, construction finance, gold loan, liability management etc. In order to mitigate these risks a broad risk management framework has been approved by the Board and under the supervision of Audit and Risk Management Committee (ARMC) of the Company is in place, with an objective to ensure that the Company has in place policies and procedures to manage these. The Company has laid down appropriate systems to facilitate reporting pertaining to key risks to the Board of Directors, Board Committees and the senior management.

The Company has robust credit risk management framework implemented through various policies, manuals and guidelines. The Company has implemented effective pre and post disbursement credit risk control system ensuring effective risk analysis and measurement, periodic monitoring and reporting based on various parameters and adherence to suitable amendments in policy changes. The delegation structure for approval of credit limits is approved by the Board of Directors. All credit proposals other than retail loans and certain other specified products are rated as per the limit prescribed under the policy by risk management team prior to approval by appropriate forum.

The Company is susceptible to market-related risks such as liquidity risk, interest rate risk and funding risk. Liquidity risk arises when there is an asset-liability mismatch caused by the difference in the maturity profile of the assets and liabilities. The risk may arise when the Company may not able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. The Company is exposed to liquidity risk in view of the fact that the assets generated by the Company are in a tenor band of seven to eight years against liability tenor of three to five years.

The Company actively monitors liquidity position; moreover, various triggers are identified and monitored (as per liquidity contingency plan) regularly to ensure that the Company can meet all the requirements of borrowers, lenders while being able to consider investment opportunities as they arise. Liquidity risk is monitored and reported to the senior management of the Company and Asset Liability Management Committee (ALCO) on an ongoing basis. The Company seeks diverse sources of finances to facilitate flexibility in meeting funding requirements. The Company's operations are principally funded by borrowings from capital markets, banks and financial institutions.

Market risk of the investments of the Company is governed by the Investment Policy and Risk Management Policy. The Investment Policy has established limits for various risk metrics, which helps to control the market risk. It describes investment functions, incorporating various limits approved for investment, in line with regulations of National Housing Bank.

Additionally, Risk Management group also analyses the results of various stress testing scenarios from the perspective of ensuring the Company's capital adequacy under any unfavorable/unforeseen market circumstances and ensuring timely actions, wherever required, towards avoidance of situation that could threaten the financial stability of the Company.

The Operational Risk Management function identifies and monitors the operational risks in various products as well as processes of the Company. It ensures that major risks are covered or mitigated in order to avoid or minimize operational risk loss.

The operations of the Company are periodically subjected to Internal Audit, as per the annual risk based audit plan duly approved by the Audit and Risk Management Committee, to ensure that the business operations of the Company are being undertaken as per the Board approved policies and risk management framework.

Over the last few years, the manifold increase in dependence on technology to run critical businesses has also led to the manifestation of newer risks and threats pertaining to the area of cyber security. In order to effectively manage the Cyber Security and at the same time to ensure compliance with regulatory guideline, the Company has developed a comprehensive Cyber Security Policy. The Policy lays down a comprehensive set of measures and practices that would ensure protection of the Company's cyberspace against cyber-attacks, threats and vulnerabilities.

The IT Risk (including cyber security risk) is managed by the Information Technology Strategy Committee (ITSC) of the Company. The core IT systems of the Company is presently hosted at ICICI Bank datacenter and the Group follows Information Security Risk Management framework for risk assessment of these IT systems. The Company ensures awareness of cyber security among all employees by periodic trainings and guidance issued through periodic mailers.

Potential impact of COVID-19 pandemic and actions of mitigation

The unprecedented situation created due to COVID-19 outbreak necessitated a nationwide lockdown thereby impacting treasury operations having potential risks on liquidity. In order to address this risk and to seamlessly carry out treasury activities, the Company immediately activated its Business Continuity Plan (BCP) and took following key actions amongst other administrative actions:

- Increased the liquidity threshold under the Liquidity Contingency Plan (LCP)
- Prepared a plan for recovery of dues up to next 90 days and accordingly calibrated the funds requirement with assumption that new collections and borrowings will be disrupted severely
- Rolled out scheme to garner fixed deposits from existing and new customers

The Company also assessed its structural liquidity for the period ended March 31, 2020 after taking in to account the moratorium extended to its borrowers under the RBI relief package dated March 27, 2020 and has also factored the expected change in prepayment behavior. Basis this assessment no negative impact on liquidity has been observed and the cash flow mismatches have remained within the stipulated regulatory limits.

The Company believes that the lockdown within the country and the slowdown in the global economy would have short to medium-term negative impact on self-employed individuals and salaried customers working for companies whose cash flows have been severely impacted by the lockdown.

The credit risk has been mitigated to some extent by measures taken by RBI by giving relief to customers through moratorium. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company is granting a moratorium of three months on the payment of all installments, falling due between March 1, 2020 and May 31, 2020 to eligible borrowers as per the Company's policy having days past due up to 90 days (Classified as Stage 1 and Stage 2), at February 29, 2020. For all such accounts where the moratorium is opted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of staging).

The Company is taking additional measures to ensure the ongoing effectiveness of risk management, maintaining a strong, diversified and resilient portfolio and ensuring that areas of growth are well controlled and sustainable as give below.

- Engagement of customer through dedicated relationship manager and collection team for regularization of standard accounts
- Policy intervention by way of identifying positive and negative sectors and geographies for future funding need of the customers
- Realigning the product suite by way of differentiated product mix offering to different segments of borrowers
- Diversification of geographical concentration risk by way of varied maximum ticket size based on target geography
- Enhanced field monitoring for partly disbursed retail home loans in under construction projects
- For developer loans, stringent escrow management, field monitoring and engagement with promoters

INFORMATION REQUIRED UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has complied with the provisions related to constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint reported during the year under the Act.

CORPORATE GOVERNANCE

Philosophy of Corporate Governance

The Company's corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

Vigil mechanism

The Company has put in place a Whistleblower Policy through which it has set-up a mechanism that enables employees to report about potentially illegal and/or unacceptable practices. It seeks to enable employees to report such practices without fear of victimisation and reprisal. The Whistleblower Policy aims to administer good governance practices in the Company and to ensure that serious concerns are properly raised and addressed.

The purpose of the Whistleblower Policy is to enable a person who observes an unethical practice (whether or not a violation of law) to approach the Head-Internal Audit and Chairperson of the Audit and Risk Management Committee without necessarily informing his supervisors. The Whistleblower Policy governs reporting and investigation of allegations of suspected improper activities.

Employees of the Company are encouraged to use guidance provided in the Whistleblower Policy for reporting all alleged or suspected improper activities. In all instances, the Company retains the right to determine when circumstances warrant an investigation and in conformity with the Whistleblower Policy and applicable laws and regulations, the appropriate investigative process is employed.

Board evaluation

The Company has adopted a framework for annual evaluation of the Board, Individual Directors and Board Level Committees as per the provisions of the Companies Act, 2013. In terms of the framework adopted by the Company, the Independent Directors evaluate performances of the Board as a whole, Non-Independent Directors and Board Level Committees of the Company. The Board members evaluates the performances of the Independent Directors and the Board Governance, Nomination and Remuneration Committee evaluates performance of each individual Directors on the basis of the questionnaires submitted by all the Directors. The separate meeting of Independent Directors without the attendance of Non-Independent Directors and the management team was held during the year as per the provisions of Schedule IV of the Companies Act, 2013.

Appointment and remuneration policy for Directors, Key Managerial Personnel and other employees

The Board at its meeting held on March 31, 2015, adopted criteria for appointment of Directors. The Board while appointing a Director considers the areas of expertise as required to be possessed by a Director under the Companies Act, 2013 and the due diligence checks to confirm the fit and proper status. The fundamental core attributes which may be considered for the position of an Executive Director would be proven leadership capability, ability to successfully manage diverse stakeholder relationships and ability to devise and drive the business strategy of the Company with focus on productivity and risk management.

The Company while appointing senior management candidates consider proven skills, performance track record, relevant competencies, maturity and experience in handling core functions relevant to the role.

The Whole-time Directors should have sufficient tenure to enable them to deliver on the Company's long term business strategy.

Remuneration for the Independent Directors includes fees for attending each meeting of Committee/Board or for any other purpose whatsoever as may be approved by the Board from time to time within the limits as provided under Companies Act, 2013.

Additionally, the Independent Directors of the Company are paid a profit related commission of ₹ 750,000 each per annum effective fiscal 2016. The payment would be subject to the provisions of the Companies Act, 2013 and availability of net profits at the end of each fiscal.

The Independent Directors would be entitled to reimbursement of expenses for attending Board/Committee meetings, official visits and participation in various forums on behalf of the Company and any other expenses as may be approved by the Board.

During the fiscal, the Company has inadequate profits, as a result of which the remuneration paid to Anirudh Kamani, Managing Director & CEO exceeds the limit of 5% and overall limit as specified under Section 197 of the Companies Act, 2013. The managerial remuneration paid for fiscal 2020 was ₹ 74.6 million (including special pay of ₹ 15.0 million paid by ICICI Bank and perquisite value of ESOPs granted by ICICI Bank exercised during the fiscal of ₹ 26.2 million). Accordingly, in terms of Section 197 read with Schedule V of the Companies Act, 2013, as approved by the Board of Directors, the Company is seeking the approval of the Members of the Company, by way of a special resolution for authorising the payment of remuneration exceeding the said limits at ensuing Annual General Meeting (AGM).

The compensation to employees is being paid as per the Compensation Policy of the Company.

The criteria for appointment of Directors and the Compensation Policy of the Company is available on the website of the Company at www.icicihfc.com/aboutus/investorsrelations.

Details of Board meetings

During the year, five Board meetings were held on April 30, 2019, July 19, 2019, October 18, 2019, January 17, 2020 and February 25, 2020, the attendance details of Board members is given below.

Sr. No.	Name	Number of Board meetings attended
1	Anup Bagchi	5
2	CA S. Santhanakrishnan	5
3	Vinod Kumar Dhall	5
4	G. Gopalakrishna	5
5	N. R. Narayanan	5
6	Anita Pai[1]	1
7	Supritha Shetty[2]	3
8	Anirudh Kamani	5

1. Ceased to be a Director on withdrawal of nomination by ICICI Bank Ltd effective August 22, 2019.
2. Appointed as an Additional Director by the Board effective August 22, 2019, nominated by ICICI Bank Ltd.

Committees of the Board

The details of composition of the Committees of the Board of Directors and meetings held are given below.

a. Audit and Risk Management Committee

Sr. No.	Name	Chairman/ members	Number of meetings attended
1	CA S. Santhanakrishnan	Chairman	4
2	G. Gopalakrishna	Member	4
3	Supritha Shetty	Member	1

During the year, four meetings of the Committee were held on April 30, 2019, July 19, 2019, October 18, 2019 and January 17, 2020. The Committee was reconstituted by appointing Supritha Shetty as member of the Committee effective December 11, 2019.

b. Board Governance, Nomination & Remuneration Committee

Sr. No.	Name	Chairman/ members	Number of meetings attended
1	Vinod Kumar Dhall	Chairman	2
2	G. Gopalakrishna	Member	2
3	Anup Bagchi	Member	2

During the year, two meetings of the Committee were held on April 30, 2019 and October 18, 2019.

c. Corporate Social Responsibility Committee

Sr. No.	Name	Chairman/ members	Number of meetings attended
1	Supritha Shetty	Chairperson	1
2	CA S. Santhanakrishnan	Member	2
3	Vinod Kumar Dhall	Member	2
4	G. Gopalakrishna	Member	2

During the year, two meetings of the Committee were held on April 30, 2019 and January 17, 2020. The Committee was reconstituted on October 18, 2019 by appointing Supritha Shetty as Chairperson of the Committee.

The Company has partnered with ICICI Foundation for Inclusive Growth to support the cause of elementary education, primary health, sustainable livelihood and skill development. The Company has a CSR policy approved by the Board and the CSR budget and activities are overseen by the CSR Committee.

Detailed report on CSR activities/initiatives is enclosed as **Annexure 4.**

d. Stakeholders Relationship Committee

No Committee meeting was held during fiscal 2020 as there were no complaints or pending grievances from the institutional lenders & bond holders of the Company.

Sr. No.	Name	Chairman/ Members	Number of meetings attended
1	N. R. Narayanan	Chairman	-
2	CA S. Santhanakrishnan	Member	-
3	Anirudh Kamani	Member	-

e. Information Technology (IT) Strategy Committee

Sr. No.	Name	Chairman/ Members	Number of meeting attended
1	G. Gopalakrishna	Chairman	2
2	CA S. Santhanakrishnan	Member	2
3	Supritha Shetty	Member	1
4	Anirudh Kamani	Member	2

During the year, two meetings of the Committee were held on July 19, 2019 and January 17, 2020. The Committee was reconstituted on December 11, 2019 by appointing Supritha Shetty as member of the Committee.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY

The Company does not have any subsidiary, associate and joint venture company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 and no new subsidiary, associate and joint venture company was formed during the year under review.

DISCLOSURES AS PER THE HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 2010 (AS AMENDED FROM TIME TO TIME)

PUBLIC DEPOSITS

As required by National Housing Bank, the details of public deposits unclaimed at March 31, 2020, are given below.

i. The total number of accounts of public deposits which have not been claimed by the depositors or not paid by the Company after the date on which the deposit became due for re-payment: 960

ii. The total amounts due (including interest) under such accounts remaining unclaimed or unpaid beyond the dates referred to in clause (i) as aforesaid: ₹ 266.7 million

The total amount of interest due on such unclaimed or unpaid deposits amounted to ₹ 31.4 million at March 31, 2020.

The Company has sent reminders to the depositors and requested them to claim the same. There are no overdue deposits other than unclaimed deposits.

In addition, the Company has raised deposits worth ₹ 20,918.1 million during fiscal 2020. The Company's Fixed Deposits programme has received the highest credit ratings of 'MAAA' by ICRA, 'CARE AAA (FD)' by CARE and FAAA by CRISIL.

DISCLOSURE UNDER HOUSING FINANCE COMPANIES ISSUANCE OF NON- CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014 (AS AMENDED FROM TIME TO TIME)

i. The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption: Nil

ii. The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date of such debentures become due for redemption: N.A.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013, the Company filed the necessary form on September 30, 2019 and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of closure of financial year (i.e. March 31, 2019) with the Ministry of Corporate Affairs.

The matured deposits with the Company, which were unclaimed for more than seven years from the date of maturity of ₹ 3.2 million for fiscal 2020 have been transferred to IEPF as required by the Companies Act, 2013.

MAINTENANCE OF COST RECORD

The Company is not required to maintain cost records in terms of Section 148(1) of the Companies Act, 2013.

DETAILS OF DEBENTURE TRUSTEES

As per SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Debenture Trustees are as under:

1. Name: IDBI Trusteeship Services Limited

   Address and contact details: Asian Building, Ground Floor, 17, R, Kamani Marg, Ballard Estate, Mumbai - 400001.

   Tel No. 022-40807008

2. Name: Axis Trustee Services Limited

   Address and contact details: Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025.

   Tel. No.: 022-62260054 Fax No.: 022-43253000

The Debentures issued under the trusteeship of IDBI Trusteeship Services Limited are fully redeemed in the month of November 2019. Hence, currently Axis Trustee Services Limited is the Debenture Trustee of the Company.

DISCLOSURE OF LARGE CORPORATE ENTITY

Pursuant to SEBI circular SEBI/HO/DDHS/CIR/2018 dated November 26, 2018, the Company has been identified as Large Corporate as per the applicability criteria.

As per the requirement of said circular, the Company after being identified as Large Corporate has to raise 25% of its incremental borrowings during fiscal 2020 through issuance of debt securities. Due to low demand and higher than normal credit spreads prevailing for major part of the year and lockdown during the last few days of the year due to COVID-19, the Company was unable to raise 25% (it raised 21.9%) of its incremental borrowings during fiscal 2020 through issuance of debt securities.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, Directors confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the fiscal 2020 and of the profit and loss of the Company for that period;

(c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They had prepared the annual accounts on a going concern basis;

(e) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors thank National Housing Bank, other statutory authorities, vendors, channel partners and the bankers and lenders of the Company for their continued support.

The Directors express their gratitude for the support and guidance received from the Company's shareholder, ICICI Bank Limited and other ICICI Group companies and also express their warm appreciation to all the employees of the Company for their commendable teamwork, professionalism and contribution during the year. The Directors extend their sincere thanks to the customers of the Company for their continued support.

For and on behalf of the Board
ICICI Home Finance Company Limited

Sd/-
ANUP BAGCHI
Chairman
DIN : 00105962

Place: Mumbai
Date: June 01, 2020

Annexure 1

Alwyn Jay & Co.
Company Secretaries
[Firm Registration No: P2010MH021500] [Peer Review Certificate No.621/2019]
Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East),Mumbai 400101.
Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower, Mira Road (E),
Thane-401107 ; Tel: 022-79629822 ; Mob: 09820465195; 09819334743
Email : alwyn@alwynjay.com Website:www.alwynjay.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

ICICI Home Finance Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICICI Home Finance Company Limited (CIN: U65922MH1999PLC120106) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

ICICI Home Finance

(i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable: -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013

(vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the National Housing Bank Act, 1987 and notifications, and other directions pertaining to Housing Finance Companies issued by the National Housing Bank and the Housing Finance Companies (NHB) Directions, 2010. Further, the Company has complied with the IRDA (Registration of Corporate Agents) Regulations, 2015 issued by the Insurance Regulatory Development Authority and the applicable general laws, rules, regulations and guidelines.

We have also examined compliance of the following to the extent applicable:

(a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India;

(b) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, with respect to the Company's listing of Non-Convertible Debentures; and

(c) SEBI Circular IMD/DF/17/2011 dated September 28, 2011 on Guidelines for Issue and

(d) Listing of Structured Products/ Market Linked Debentures

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

We further report that –

(a) the Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors;

(b) the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

(c) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and

(d) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the Directors present.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following specific events /actions having major bearing on Company's affairs were occurred and the same are in compliance with above referred laws, rules, regulations, guidelines and standards etc.:

1. Approval of Shareholders was obtained for issue of Non-Convertible Debentures (NCDs) of an amount not exceeding Rs.50 billion on private placement basis under Section 42 and 71 of the Companies Act, 2013 by passing Special Resolution at the Annual General Meeting held on June 3, 2019.
2. Allotment of 540 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 270.0 Million on private placement basis on September 6, 2019.
3. Allotment of 100 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 50.4 Million on private placement basis on July 26, 2019.
4. Allotment of 916 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 466.6 Million on private placement basis on August 20, 2019.
5. Allotment of 6000 nos. of Unsecured Redeemable Senior Bonds in the nature of Non-Convertible Debentures (NCDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 3045.4 Million on private placement basis on February 12, 2020.
6. Allotment of 316 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 161.7 Million on private placement basis on November 29, 2019.
7. Allotment of 2100 nos. of Unsecured Redeemable Senior Bonds in the nature of Non-Convertible Debentures (NCDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 1050.0 Million on private placement basis on April 12, 2019.
8. Allotment of 500 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 250.0 Million on private placement basis on June 26, 2019.
9. Allotment of 350 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 177.95 Million on private placement basis on October 23, 2019.
10. Allotment of 7000 nos. of Unsecured Redeemable Senior Bonds in the nature of Non-Convertible Debentures (NCDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 3,533.5 Million on private placement basis on January 30, 2020.
11. Allotment of 7900 nos. of Unsecured Redeemable Senior Bonds in the nature of Non-Convertible Debentures (NCDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 3,950.0 Million on private placement basis on December 5, 2019.
12. Allotment of 2390 nos. of Unsecured Redeemable Senior Bonds in the nature of Market Linked Non-Convertible Debentures (MLDs) of face value of ₹ 5,00,000/- each for an aggregate value of ₹ 1,195.0 Million on private placement basis on August 6, 2019.

Sd/-

Place: Mumbai **ALWYN JAY & Co.**
Date: April 27, 2020 **Company Secretaries**

Sd/-

Office Address: **[Vijay Sonone FCS.7301]**
Annex-103, Dimple Arcade, **[Partner]**
Asha Nagar, Kandivali (East), **[Certificate of Practice No.7991]**
Mumbai 400101 **[UDIN - F007301B000182333]**

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,

The Members,

ICICI Home Finance Company Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **ICICI Home Finance Company Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 lockdown and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Place: Mumbai
Date: April 27, 2020

ALWYN JAY & Co.
Company Secretaries

Sd/-

Office Address:
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101

[Vijay Sonone FCS.7301]
[Partner]
[Certificate of Practice No.7991]
[UDIN - F007301B000182333]

Annexure 2

Disclosures in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the fiscal:

Anirudh Kamani, MD & CEO	38:1
CA. S. Santhanakrishnan, Independent Director[1]	1.1:1
Dileep Choksi, Independent Director[1,2]	1.1:1
S. Santhanakrishnan, Independent Director[1,2]	1.1:1

1. Includes Commission paid during FY2020 and sitting fees has been excluded for calculation of remuneration.

2. Retired on March 31, 2019 on completion of 10 years with the Company.

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the fiscal

The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary ranges from 5% to 12%.

(iii) The percentage increase in the median remuneration of employees in the fiscal

The median remuneration of employees in the fiscal has increased by 9%.

(iv) The number of permanent employees on the rolls of Company

The number of permanent employees on rolls of the Company is 1,836 at March 31, 2020.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last fiscal and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile (percentage) increase made in the salaries of total employees other than the Key Managerial Personnel for fiscal 2020 is around 9%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 5% to 12%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company

Yes. However, due to inadequate profits for fiscal 2020 the remuneration paid to the Company's Managing Director & CEO exceeds the limit of 5% and overall limit as specified under Section 197 of the Companies Act, 2013. The Company is seeking approval of the Members of the Company, by way of a special resolution for authorising the payment of remuneration exceeding the said limits at ensuing Annual General Meeting (AGM).

ICICI Home Finance

Annexure 3

Related party transactions

The details of material related party transactions at arm's length principles for the year ended March 31, 2020 on an aggregate basis are given below.

₹ in million

Sr. no.	Nature of Contracts/ Transactions	Name of the Related Party	Nature of Relationship	Duration of Contracts	Salient terms of Contracts/ Transactions	Amount
1.	Sell down of retail mortgage loans by way of Direct Assignment (DA)	ICICI Bank Ltd.	Holding Company	-	At Market Price	21,455.9
2.	Term Loan taken/availed	ICICI Bank Ltd	Holding Company	Various Maturities	At Market Price	4,000.0
3.	Investment made by fellow subsidiary in the Company's bonds by way of private placement	ICICI Securities Primary Dealership Ltd.	Fellow subsidiary	Various Maturities	At Market Price	3,200.0
4.	Principal amount of derivatives such as interest rate swaps, currency swaps and foreign exchange contracts	ICICI Bank Ltd	Holding Company	Various Maturities	At Market Price	1,809.4
5.	Sell of consumer finance business on slump sale basis	ICICI Bank Ltd	Holding Company	-	At Market Price	1,190.2

Sd/-

Anirudh Kamani

Managing Director & CEO

DIN: 07678378

Annexure 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES/INITIATIVES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

   Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Home Finance Company Ltd. The Company's contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company and through the broader community. As per the CSR Policy, CSR activities are being undertaken by the Company directly or through ICICI Foundation or through any other entity. Over the last few years ICICI Foundation has developed significant projects in specific areas and has built capabilities for direct project implementation as opposed to extending financial support to other organisations.

   The CSR Policy of the Company sets the framework guiding the Company's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism and CSR activities that would be undertaken. The CSR committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The Company's CSR activities are largely focused in the areas of education, health, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives. The CSR policy was approved by the Committee in October 2014, and put up on the Company's website http://www.icicihfc.com/pdf/CSR_policy_hfc.pdf

2. **The Composition of the CSR Committee**

   The Company's CSR Committee comprises three Independent Directors and a Non-Executive Director and is chaired by the Non-Executive Director. The composition of the Committee is set out below.

Sr. No.	Name	Chairman/members
1	Supritha Shetty	Chairperson
2	G. Gopalakrishna	Member
3	Vinod Kumar Dhall	Member
4	S. Santhanakrishnan	Member

   The functions of the Committee include review of CSR initiatives undertaken by the Company, formulation and recommendation of CSR policy to the Board indicating the activities to be undertaken by the Company and recommendation of the amount of the expenditure to be incurred on such activities, reviewing and recommending the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, policies and practices of the Company, monitoring the CSR activities, implementation of and compliance with the CSR Policy and reviewing and implementing, if required, any other matter related to CSR initiatives as recommended/suggested by the Board.

   (a) **Average net profit of the Company for last three fiscals**

   The average net profit of the Company for the last three fiscals calculated as specified by the Companies Act, 2013 was ₹ 675.1 million.

3. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

   The prescribed CSR expenditure requirement for fiscal 2021 is ₹ 13.5 million.

4. **Details of CSR spent during the fiscal**

   (a) **Total amount to be spent for the fiscal**

   Total amount spent towards CSR during the fiscal 2020 was ₹ 30.8 million.

   (b) **Amount unspent, if any**

   The required amount was fully spent.

c) **Manner in which the amount spent during the fiscal is detailed below.**

1	2	3	4	5	6	7	8
Sr. No	**CSR Project/ Activity Identified**	**Sector in which the Project is Covered**	**Projects/ Programmes 1.Local area/others- 2.Specify the state / district (Name of the District/s, State/s where Project/ Programme was Undertaken**	**Amount Outlay (Budget) Project/ Programme wise**	**Amount Spent on the Project/ Programme Sub-heads: 1.Direct Expenditure on Project/ Programme, 2.Overhead:**	**Cumulative Spend upto to the Reporting Period**	**Amount Spent: Direct/ Through Implementing Agency**
1.	Projects of ICICI Foundation for Inclusive Growth	Promoting sustainable livelihood through vocational skill development projects through the ICICI Academy for Skills and Rural Initiative	Centres of the ICICI Academy for Skills located at Bengaluru, Bhubaneswar, Chennai, Coimbatore, Dehradun, Delhi, Durg, Gorakhpur, Guwahati, Hyderabad, Indore, Jaipur, Karnal, Kochi, Kolkata, Lucknow, Mohali, Mumbai, Mysore, Nagpur, Narsobawadi, Patna, Pune, Trichy, Vadodara and Vijayawada. Around 1,200 villages across the country under the Rural Initiative.	₹ 30.8 million	₹ 29.5 million	₹ 317.7 million	Amount spent through ICICI Foundation for Inclusive Growth
2.	Tree plantations	Ensuring environmental sustainability	Trees for farmers, Harda, Madhya Pradesh Trees for tribals, Koraput, Odisha, India Trees for Water, Surav Village, Maharashtra		₹ 1.3 million	₹ 1.3 million	Amount spent by the Company directly through Grow Trees agency

5. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

Sd/-
Anirudh Kamani
Managing Director & CEO
DIN: 07678378

Sd/-
Supritha Shetty
CSR Committee Chairperson
DIN: 02101473

OVERALL BUSINESS ENVIRONMENT

Macroeconomic overview

The global economy clocked growth rate of 2.9 percent in 2019. Trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies continued to weigh on global economic activity - especially manufacturing and trade in the second half of 2019. Monetary policy easing continued into the second half of 2019 in several economies.

COVID-19 pandemic is posing a risk to the stabilisation of global growth that came from a truce following the US-China trade war. The COVID-19 pandemic is inflicting high and rising human costs worldwide and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the International Monetary Fund (IMF) projected global economy to de-grow 3 per cent in 2020, much worse than during the fiscal 2009 financial crisis. IMF also projects, that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalises, helped by policy support. Fiscal measures will need to be scaled up if the stoppages to economic activity are persistent or the pickup in activity as restrictions are lifted is too weak.

The Government of India in last twelve months have taken several steps to lift growth, including a cut in corporate tax rates, a real estate fund for stressed housing projects and a national infrastructure pipeline. However, the domestic demand slowed more sharply than expected amid stress in the non-bank financial sector and a decline in credit growth. In fiscal 2020, India achieved a growth of 4.2 percent down from 6.1 percent growth in fiscal 2019. IMF forecasts India's growth at 1.9 per cent in fiscal 2020, change from the latest forecast from IMF in January of a 5.8 per cent growth due COVID-19 pandemic.

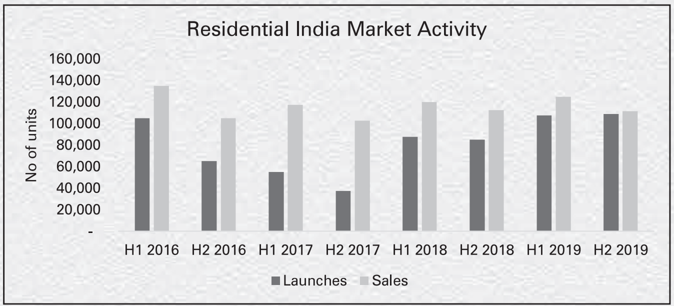
Credit quality pressure on corporate India, which has been rising because of economic slowdown and consumption slump is set to intensify with Covid-19 pandemic. The impact will vary with sectors and will be influenced by the extent of trade disruption, social distancing and resultant economic slowdown.

Housing and Real Estate

The real estate industry has undergone a virtual catharsis since 2014 with the imposition of the Real Estate (Regulation and Development) Act, 2016 (RERA), Goods and Services Tax Act (GST) and demonetisation, in the midst of a prolonged correction in demand and prices. While coming to terms with the new regulatory scenario, developers have also been increasingly aligning themselves with the needs of home buyers by reducing ticket sizes and unit sizes in a bid to encourage sales.

Indian property market is passing through a major consolidation as half of real estate developers operating in 2012 across the top 14 cities have withdrawn from the business or tied up with big developers due to a multi-year demand slowdown and incremental regulatory compliance.

During this period of right-sizing and right-pricing of new residential product and greater transparency due to increased regulation has led to a steadying of sales and positive YoY growth numbers of the three trailing half-yearly periods leading up to H2-CY-2019 (CY:- Calendar Year). This stabilisation in volumes can be attributed largely to the fact that developers have been focusing on affordable housing and on lower ticket/unit sizes. 60% of launches during H2-CY-2019 have occurred in ticket sizes under ₹ 5.0 million and 82% under ₹ 10.0 million and 48% of the sales as well were concentrated in the under ₹ 5.0 million ticket size.



Of the eight cities, only Mumbai, Kolkata and Pune saw YoY sales growth fall during H2-2019 while Bengaluru was the only city that saw double-digit YoY growth for the same period, with the other markets posting more modest growth numbers.

City wise market activity in 2019 (number of units)

City Name	Launches	Sales	Sales Growth
MMR	79,810	60,943	-5%
NCR	22,905	42,828	5%
Bengaluru	33,772	48,076	10%
Pune	44,660	32,801	-2%
Chennai	11,542	16,959	6%
Hyderabad	13,495	16,267	4%
Kolkata	5,654	11,266	-12%
Ahmedabad	11,487	16,713	3%

Source: - Knight Frank

During the last four years, the growth in residential prices in most of the top eight cities of India has been below retail inflation growth and the gap has progressively increased since H1-CY-2016.

House Price to Income Ratio

City Name	2010	2019
Mumbai	11.0	7.1
NCR	6.0	5.0
Bengaluru	5.6	3.9
Pune	4.6	2.5
Chennai	5.4	3.9
Hyderabad	5.7	5.0
Kolkata	5.7	2.9
Ahmedabad	4.3	3.1

Source: - Knight Frank

Commercial Real Estate in India has managed to attract investments from institutional investors in last few years despite the real estate slowdown in the market. With the oversubscription of Embassy REIT, the investors have shown their interest towards commercial real estate investments. Various new trends like co-working have successfully emerged in the market with flexi working spaces. The reduced cost and flexible working environment have attracted several corporates particularly in Tier I cities.

COVID-19 pandemic is expected to weigh heavily both on demand and supply front for the real estate sector. Residential demand is expected to fall sharply in fiscal 2021 as consumers will defer high ticket spending like real estate. Fall in demand for real estate, which is already reeling under pressure of unsold inventory in major cities like MMR and NCR, due to pandemic will have additional stress on the sector. Growth in supply is expected to be hit due to delay in projects during the first quarter of fiscal 2021, which may be aggravated due to availability of labour post lockdown as mobilisation will take time. Project timelines will see significant deferment. However, demand for ready to move inventory is expected to grow.

Challenges and opportunities for housing finance companies

Home loan outstanding grew 14% on year in the nine months of fiscal 2020. The growth in home loan outstanding was majorly supported by banks, which have witnessed healthy growth of 18% in their books during the period. whereas HFCs/NBFCs grew at a relatively slower pace of 8% during the same period.

Liquidity constraint halted the growth momentum for HFCs. After witnessing steadfast growth of over 20 per cent in fiscals 2014-18, lending by HFCs considerably dropped in the second half of fiscal 2019 to less than 10 per cent, primarily due to crisis in the sector triggered by defaults by few large players. As traditional borrowing routes of term lending from banks and capital market borrowings shrank, HFCs had to switch to loan securitisation, which witnessed an unprecedented rise in fiscal 2019 and 2020 to manage liquidity and ALM challenges. Affordable housing, which accounts for roughly 15 per cent of the overall portfolio of HFCs, continued to grow in double digits (10-12 per cent) in fiscal 2019 and 2020, however, growth has certainly decelerated from a rate of above 20 per cent in fiscal 2018. Tier 2 and Tier 3 cities are the major growth drivers, especially in western and southern regions.

HFCs having strong parentage (either bank or public sector undertaking or large conglomerate group) have recorded faster growth than other HFCs have in the first half of fiscal 2020 as they continued to receive funds while market borrowings had dried up.

While HFCs are recreating their business models, asset quality has taken a hit mainly in the non-housing segments. NPAs have witnessed an upward movement owing to stress in the wholesale loan portfolio, predominantly the builder and loan against property (LAP) segments. With realtors still struggling to get refinance and the lender/investor community shutting down the funding tap, stress in the real estate sector adversely impacted the asset quality of HFCs. This is expected to deteriorate further in fiscal 2021 due to stress in the developer loan segment due to economic slowdown on account of COVID-19 pandemic.

Due to the COVID pandemic it will be difficult to expect the mortgage loans portfolio will grow in fiscal 2021. The sector will witness lower credit growth driven by near term shutdown and will only recover gradually over a period of time. However, Affordable Homes will continue to see demand specifically from first time home buyers and home buyers facing the impact of COVID-19 in urban slums. Similarly, the requirement for physical distancing and work from home culture of COVID-19 may create demand for bigger houses/flats.

ICICI HFC, due to its better asset-liabilities management practices and its ICICI pedigree broadly remained largely immune by liquidity crisis. While the asset quality in its retail portfolio is expected to be hit in the short term, it expects that the same will return to normalcy over the medium to long terms.

Key regulatory developments

During fiscal 2019, the regulatory oversight for HFCs was moved from NHB to RBI, while NHB will continue to be the supervisor and will provide refinance. In the meanwhile, NHB took steps to ensure stability and quality in the HFCs by increasing the requirement for capital and reducing the leverage limits whereby trying to build confidence in the investor community.

Further, the government, along with the regulator, has been taking steps to ease stress in the real estate and HFC/NBFC sectors by announcing various measures to address the liquidity crunch and provide relief to stalled real estate projects such as –

- Relaxation on the minimum holding period for which assets eligible for securitisation
- Providing a partial credit guarantee to public sector banks for purchasing the high-rated pooled assets of financially sound NBFCs
- Relaxation of ECB guidelines for affordable housing
- Establishing an alternate investment fund (AIF) amounting to ₹ 25,000 crores aimed at priority debt financing for the completion of stalled housing projects
- Higher income tax exemption for home buyers in the affordable housing segment

Regulatory announcement relating to COVID-19

In wake of the out-break of COVID-19 pandemic, both the government and RBI came into action and announced a slew of measures to ensure that there is sufficient liquidity in the financial market and the burden on the common man is reduced. In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, Reserve Bank of India has permitted Financial Institutions to grant a moratorium of up to three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020, which was extended by further three months upto August 31, 2020 by RBI. The regulator also allowed dispensation to the financial institutions extending such moratorium by way of freezing the days past due for such customers.

Additionally, RBI reduced the rate by 115 bps and CRR for banks by 50 bps. It also announced Targeted Long Term Repo (LTRO), to enable banks to onward lend to NBFCs/HFCs/MFs and other financial sector players to ease their liquidity requirements. It also announced liquidity package for MFs separately. All this has been taken positively by the market and funds are available to NBFCs/HFCs with relatively stable profiles.

Further, NHB has also announced relaxation in the form of moratorium on payments related to refinance.

BUSINESS OVERVIEW

Distribution and other initiatives

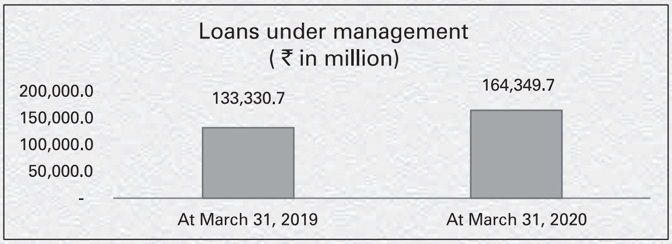
During fiscal 2020, the Company has grown in terms of size, geographical presence, infrastructure and capabilities. It has 139 operational branches at different locations for customer acquisition (as compared to 105 operational branches at March 31, 2019). Simultaneously, the Company invested in hiring talent, both for frontline and enabling functions, growing from a total of 1,272 employees at March 31, 2019 to 1,836 employees at March 31, 2020. This capacity creation has now poised the Company for the next level of growth which it proposes to achieve in the next few years. The Company understands that it is important to build culture of ethics, governance and integrity and accordingly, conducted assimilation programs covering all its employees.

In line with the distribution strategy adopted by the Company, it strengthened its channel partner network of Direct Marketing Associates (DMA) and connectors during the year.

Loan portfolio

The Company’s focus on home loan disbursements has grown consistently in fiscal 2020. Differentiated focus on affordable housing through spot sanctions and dedicated front line sales team has led to increase in share of affordable segment in disbursements to 13% in from mere 1% in FY2019.

The growth in the loan book was 5.7% from ₹ 133,330.7 million to ₹ 140,923.5 million. The Company also assigned a portion of its loan receivables amounting to ₹ 24,108.8 million during the year.



Asset quality and composition

Under Ind AS, asset classification is done based expected credit loss model instead of the earlier incurred loss model under Indian GAAP. Accordingly, the provisions are done based on the Company’s historical loss experience and future expected credit loss in addition to other parameters.

The assets are classified into three stages as given below.

Stage 1 – Borrowers having delinquency less than or equal to 30 days past due and not classified as Stage 3, are classified as Stage 1

Stage 2 – Borrowers having delinquency greater than 30 days past due and not classified as Stage 3, are classified as Stage 2

Stage 3 – Borrowers identified as Credit Impaired

The details of stagewise Exposure at Default (EaD) and ECL provision is given below.

Particulars	At March 31, 2019	At March 31, 2020
Stage 3		
EaD	7,438.6	8,460.7
ECL provision	2,983.4	3,761.1
Net	4,455.2	4,699.6
Coverage Ratio %	40.1%	44.5%
Stage 1 & 2		
EaD stage 1	126,698.6	132,855.5
EaD stage 2	2,641.1	4,148.7
ECL provision	464.2	780.3
Net	128,875.5	136,223.9

Risk management

The Company has a well-established Enterprise Risk Management framework (covering market, credit, liquidity & operational risk). This framework governs policies, procedures and systems to monitor, review and report key risks. The Company continues to follow NHB guidelines for High/Medium/Low categorisation of its customers and further applies pre-defined risk weights based on proprietary credit scoring model to take appropriate credit sanction decisions.

Technology and digitisation

The Company has put in place its IT strategy and governing policies to focus on new applications/systems on-boarding (through development/procurement) in a seamless manner to address growing focus on technology enabled processes and customer experience enhancement. The Company will continue to leverage its parent ICICI Bank’s technology infrastructure, core business applications for its functions and processes and IT/Cyber security.

During the year, Company also launched its new website along with property search portal (www.icicihfc.com).

Borrowing profile

The borrowing/resource profile of the Company is well diverse and therefore one of the key strengths of the Company. It has access to both onshore and offshore markets. Onshore it has borrowings through term loans, NCDs/Bonds, Commercial

Papers (CPs), refinance from NHB and Fixed Deposits (FDs) and offshore through External Commercial Borrowings (ECBs).

The Company has varied list of banks which have lent money in the form of term loans constituting to 54% of its total liability. It also has a diverse investor profile who have lent money through capital market instruments which includes Banks, Mutual Funds, Primary Dealers, Insurance Companies, Pension Fund, Corporates, etc. Further, the Company in the current financial year augmented resources by floating Market Linked Debentures and doing assignment transactions. The borrowing from capital markets constitutes 20% of the total borrowings.

During the year, the Company significantly scaled up its FD book from ₹ 10.49 billion at March 31, 2019 to ₹ 25.13 billion at March 31, 2020 thereby taking its share in liability to a healthy 20%.

During the year the Company also could repay its high cost loans back to banks and also renegotiated rates with various banks. It also accessed term loans under the PSL scheme of the RBI. The Company could also borrow significant amount of its requirement in the second half of the fiscal from capital markets at much lower rates. All these have helped the Company keep its cost of funds at reasonable levels given the challenging market conditions and in the process also increased the duration of its liabilities.

Asset Liability Management (ALM)

The Company's stringent policy norms of restricting reliance on short term instruments and ongoing efforts to elongate the duration of its liabilities has placed its ALM in a comfortable position. Further, policy of carrying sufficient liquidity and liquidity buffers have ensured that the liquidity available with the Company is adequate at all points in time, thereby insulating it from any liquidity shocks.

Credit rating

The Company has been accorded the highest rating by leading credit rating agencies. The Company has a standalone issuer credit rating of AAA/Stable by ICRA. and various borrowing programs of the Company are also accorded with highest credit rating from different rating agencies.

Instrument	CRISIL	ICRA	CARE
Fixed Deposits	FAAA/Stable	MAAA/Stable	CARE AAA (FD);Stable
Senior Bonds Non-Convertible Debentures	CRISIL AAA/ Stable	[ICRA] AAA/ (Stable)	CARE AAA; Stable
Subordinate Bonds	-	[ICRA] AAA/ (Stable)	CARE AAA; Stable
Market Linked Debentures	CRISIL PP-MLD AAAr/ Stable	-	CARE PP-MLD AAA; Stable
Commercial Paper	-	[ICRA] A1+	CARE A1+
Long Term Bank Facilities	-	[ICRA] AAA/ (Stable)	-

Strategy

Going forward, the Company will build upon the created capacity and grow its mortgage loan portfolio with a focus on differential customer experience with propositions like technology enabled distribution platform, seamless customer acquisition and servicing channel, speedy loan disbursement and satisfactory service experience.

The Company will continue its focus on Affordable housing, a high growth segment in the sector and expand on real estate finance portfolio. The Company also intends to leverage its liability franchise to bring cost competitiveness to its business operations along with focus on assignment transactions.

Given the current situation of pandemic the Company is fully geared up to resume business at very short notice and has also calibrated its credit policy to ensure that the credit quality is not compromised in the challenging times. The Company also has been successfully operating its FD business and liability franchise during the period of lockdown in month of April 2020, it raised ₹ 650 million in FDs and ₹ 3,700.0 million from capital markets.

Financial highlights

The Company's infrastructure presence and staff count has grown multifold in fiscal 2020, resulting in significant increase in the opex base. Consequently, the operating profit is muted in fiscal 2020. The performance highlights for fiscal 2020 are given below.

- Net interest income increased from ₹ 3.28 billion in fiscal 2019 to ₹ 4.46 billion in fiscal 2020 primarily due to loan book growth and income from securitisation.
- Yield decreased to 10.2% in fiscal 2020 compared to 10.5% in fiscal 2019
- Fee income primarily includes income from third party referrals, income from property search services and advisory business. Fee income increased from ₹ 0.19 billion in fiscal 2019 to ₹ 0.31 billion in fiscal 2020, primarily due to an increase in fees earned in mortgage business and referral fees. However, fees earned by property search services decreased from ₹ 0.08 billion in fiscal 2019 to ₹ 0.07 billion in fiscal 2020, mainly due to slump in real estate market.
- Other income primarily includes rent income from property. Other income decreased from ₹ 0.06 billion in fiscal 2019 to ₹ 0.05 billion in fiscal 2020. Other income in fiscal 2019 included interest on income tax refund of ₹ 0.01 billion.
- Operating expenses, primarily includes employee benefits expenses and other administrative expenses. Employee cost and benefit expenses increased from ₹ 0.80 billion in fiscal 2019 to ₹ 1.43 billion in fiscal 2020. This is largely due to increase in manpower strength to build the distribution and credit teams as well as establishing the support functions. Other administrative expenses include rent, rates and taxes, repairs and maintenance, direct marketing and sourcing business expenses, collection expenses and depreciation on assets. Other operating expenses increased from ₹ 1.08 billion in fiscal 2019 to ₹ 1.36 billion in fiscal 2020. This is attributable to rollout of new branches and their corresponding rent expenses, increased depreciation on capitalisation of branch set-up costs, payment to channel partners for sourcing of loans and increased collection expenses.
- Provisions and write offs increased from ₹ 1.08 billion in fiscal 2019 to a provision of ₹ 1.93 billion in fiscal 2020, primarily due to an increase in provision on construction finance loans, consumer finance loans and also due to the COVID scenario on mortgage portfolio .
- The Company appropriated from retained earnings ₹ 0.07 billion to Special Reserve in fiscal 2020 in accordance with Section 29C of National Housing Bank Act, 1987. Transfer to Special Reserve amounted to ₹ 0.10 billion in fiscal 2019.
- Total AUM increased from ₹ 133.33 billion at March 31, 2019 to ₹ 164.35 billion at March 31, 2020. Loan book increased from ₹ 133.33 billion at March 31, 2019 to ₹ 140.92 billion at March 31, 2020.
- Gross non-performing loans (NPA) increased from ₹ 7.55 billion at March 31, 2019 to ₹ 8.58 billion at March 31, 2020. Net non-performing loans (NPA) increased from ₹ 4.45 billion at March 31, 2019 to ₹ 4.70 billion at March 31, 2020. The Gross and net NPA for fiscal were 5.9% and 3.3% respectively.
- Investments increased from ₹ 2.72 billion at March 31, 2019 to ₹ 5.95 billion at March 31, 2020.
- Total borrowings increased from ₹ 118.43 billion at March 31, 2019 to ₹ 128.66 billion at March 31, 2020.
- The capital adequacy ratio was 14.80% at March 31, 2020 compared to 17.98% at March 31, 2019 against NHB requirement of 13.00% and Tier-1 capital adequacy ratio was 13.74% at March 31, 2020 compared to 17.21% at March 31, 2019.

KEY FINANCIAL INDICATORS OF LAST 3 YEARS

The following table sets forth, for the periods indicated, the key financial ratios.

Particulars	Fiscal 2018 (Ind AS)	Fiscal 2019 (Ind AS)	Fiscal 2020 (Ind AS)
Return on average equity (%)[1]	7.12	2.73	*
Return on average assets (%)[2]	1.18	0.39	*
Earnings per share (Basic & Diluted) (₹)	0.96	0.40	*
Net interest margin (%)	3.25	3.06	2.52
Fee/Income (%)	6.20	5.23	6.15
Cost/Income (%)[3]	33.27	52.67	56.21

*Insignificant amount.

1. Return on average equity is the ratio of the net profit after tax to average equity share capital and reserves.
2. Return on average assets is the ratio of net profit after tax to average assets.
3. Cost represents operating expense. Income represents net interest income and non-interest income.

independent auditor's report

to the members of ICICI Home Finance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ICICI Home Finance Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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 on the financial statements.

Emphasis of matter

We draw your attention to the following matters:

a) As more fully described in Note 45 to the financial statements, pursuant to the Reserve Bank of India ('RBI') directions on 'COVID-19 Regulatory Package – Asset Classification and Provisioning' issued on 17 April 2020, the Company has granted a three month moratorium and the resultant asset classification benefit on loans and advances to its customers. As at March 31, 2020, for determining the staging of such loans and advances and the corresponding expected credit loss ('ECL') provision, the Company has kept the ageing of such loans and their asset classification standstill during the moratorium period. Further, the underlying forecasts and assumptions applied by the Company in the determination of ECL provision are subject to uncertainties which are often outside of the Company's control. Accordingly, the Company's ECL estimates are inherently uncertain, and as a result, actual results may differ from these estimates.

b) As more fully described in Note 50 to the financial statements, an amount of INR 61.2 million represents managerial remuneration paid /provided for the year ended March 31, 2020 in excess of the limits prescribed under section 197 read with Schedule V of the Act. Pursuant to the provisions of the Companies (Amendment) Act, 2017, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Company in its ensuing annual general meeting.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances to customers Charge: INR 1,934.2 million for year ended March 31, 2020 Provision: INR 4,541.4 million as at March 31, 2020	
Refer to the accounting policies in "Note 3.7 to the Financial Statements: Impairment of financial assets", "Note 3.1 to the Financial Statements: Use of estimates and judgment" , "Note 10 to the Financial Statements: Loans" and "Note 45 to the Financial Statements: Financial Risk Management"	
Subjective estimate Recognition and measurement of impairment of loans and advances involves significant management judgment. Ind AS 109, Financial Instruments, requires credit loss to be assessed based on expected credit loss ('ECL') model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant factors under consideration are: - Segmentation of loan book - Loan staging criteria - Calculation of probability of default and loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors There are many data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. *Impact of COVID-19* On 11 March 2020 the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact of and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment on loans and advances on account of: - the effect of the nation-wide lockdown on Company's business, operations and financial accounting and reporting processes as a result of the shutdown; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of the RBI Regulatory Package on asset classification and provisioning.	Our key audit procedures included: **Design / controls** • Understanding of management's processes, systems and controls implemented in relation to the impairment allowance process and the execution of COVID-19 RBI Regulatory Package. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Using modelling specialist to test the ECL model methodology and reasonableness of assumptions used, including management overlays. • Testing the management review controls over measurement of impairment allowances and disclosures in the financial statements. **Substantives tests** • Assessing the appropriateness of management rationale for determination of criteria for SICR considering both: adverse effects of COVID-19 and mitigants in the form of the RBI Regulatory Package. • Corroborate through independent checks and enquiries the reasonableness of management's assessment of grading of severity of impact of COVID-19 on components of its loan portfolio and the resultant impairment provision computed. • Evaluated the appropriateness of application of accounting principles based on the requirements of Ind AS 109 and our business understanding. • Performed test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations were tested through re-performance where possible. • The appropriateness of management's judgments was also independently re-considered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used, loss emergence periods and the valuation of collateral. • Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the Company regarding impact of COVID-19.

Key audit matter	How the matter was addressed in our audit
The extent to which the COVID-19 pandemic will impact the Company's current estimate of expected credit losses is highly uncertain at this point. For the purpose of financial reporting, the Company has conducted a qualitative assessment of significant increase in credit risk ('SICR') of its loan and advances and considered a higher probability of default basis updated macro-economic scenarios to factor in the potential impact of COVID-19 on expected credit loss provision.	
Information technology ('IT') **IT systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls implemented in IT systems, such that, if there exists gaps in the IT control environment, then it could result in the financial accounting and reporting records being materially misstated. The Company uses 'SAP system' as the general ledger for its overall financial reporting and this system is interfaced with other systems that process transactions related to loans, investments and borrowings. Due to the large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. We have focused on user access management, change management, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our key audit procedures included: • Tested a sample of key controls operating over the IT in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • Tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and other preventive controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Evaluated the design, implementation and operating effectiveness of significant accounts related IT automated controls which are relevant for accuracy of system calculation and consistency of data transmission. • Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises Directors' Report and Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

The other information is expected to be made available to us after the date of this auditors' report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 and Board of Directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 judgment and maintain professional skepticism 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 Company'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 Company 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.

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 auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act; and

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer Note 40 to the financial statements;

    b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts- Refer Note 51 to the financial statements;

    c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

    d) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid/ provided by the Company to its managing director during the current year is not in an accordance with the provisions of section 197 of the Act. The remuneration paid to the managing director is in excess of the limit laid down under section 197 of the Act. Pursuant to the provisions of the Companies (Amendment) Act, 2017, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Company in its ensuing annual general meeting. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248 W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882
ICAI UDIN: 20046882AAAAAX4076

Mumbai
May 2, 2020

i. (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. On account of the outbreak of COVID-19 virus and the nation-wide lock-down imposed in India, the Company has not been able to complete the physical verification exercise for some assets during the year. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

ii. The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3 (ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has granted an unsecured loan to other party (Managing Director) covered in the register maintained under section 189 of the Act, in respect of which:

(a) The terms and conditions of the grant of such unsecured loan is, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations.

(c) There were no overdue amounts as at March 31, 2020 in respect of such loans.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments or provided guarantees and securities which attract the provisions of sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

v. According to the information and explanation given to us, in the opinion of management of the Company, since the Company is a housing finance company, directives issued by Reserve Bank of India and the provision of sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder are not applicable to the Company. Further, in our opinion and according to the information and explanation given to us, the provisions of the Housing Finance Companies (NHB) Directions, 2010, as amended have been generally complied with. We are informed by the management of the Company that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any other court. Thus, paragraph 3 (v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of provident fund, employees' state insurance and goods and services tax that have not been deposited on account of any dispute. However, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Tax demand raised (INR in millions)	Amount already provided for in books (INR in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands raised against the Company	165.0	105.1	Financial Year ("FY") 2004-2005	Assessing Officer, Mumbai
Income Tax Act, 1961	Income Tax demands raised against the Company	434.3	406.9	FY 2007-2008	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax demands raised against the Company	523.7	510.0	FY 2008-2009	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax demands raised against the Company	1,014.8	900.0	FY 2010-2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax demands raised against the Company	1,240.4	1,040.0	FY 2011-2012	Commissioner of Income Tax (Appeals)

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from financial institutions or banks or debenture holders during the year. During the year Company did not have any loans or borrowings from the Government.

ix. In our opinion and according to the information and explanations given to us, monies raised by the Company by way of debt instruments and term loans were generally applied for the purpose for which those were raised, expect pending utilisation of the funds which were temporarily deployed in liquid assets. The Company has not raised money by way of initial public offer or further public offer during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in excess of limits prescribed under the provisions of section 197 read with Schedule V to the Act. The Company has paid/ provided for an amount equal to INR 61.2 million which is in excess of limits prescribed. We have been informed that the Company shall seek the approval of its shareholders by way of a special resolution in its ensuing annual general meeting.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or allotted fully or partly convertible debentures during the year. Thus, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or person connected with him. Thus, paragraph 3 (xv) of the Order is not applicable to the Company.

xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248 W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882
ICAI UDIN: 20046882AAAAAX4076

Mumbai
May 2, 2020

Annexure B to the Independent auditor's report

of even date on the financial statements of ICICI Home Finance Company Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ICICI Home Finance Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248 W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882
ICAI UDIN: 20046882AAAAAX4076

Mumbai
May 2, 2020

ICICI Home Finance

at March 31, 2020

Particulars	Note No.	At March 31, 2020	(₹ in million) At March 31, 2019
I **ASSETS**			
Financial assets			
Cash and cash equivalents	6	221.0	98.4
Bank balance other than above	7	708.5	2.5
Derivative financial instruments	8	1,663.8	-
Receivables	9		
(i) Trade receivables		49.9	129.9
(ii) Other receivables		-	-
Loans	10	140,923.5	133,330.7
Investments	11	5,943.6	989.7
Other financial assets	12	742.7	1,731.2
		150,253.0	136,282.4
Non-financial assets			
Current tax assets (net)		671.3	555.5
Deferred tax assets (net)	42	977.5	1,145.5
Property, plant and equipment	13	1,551.8	1,094.0
Intangible assets	14	44.4	34.8
Other non-financial assets	15	204.2	171.6
		3,449.2	3,001.4
		153,702.2	139,283.8
II **LIABILITIES AND EQUITY**			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	8	1,842.2	1,718.3
Payables	16		
(i) Micro, small and medium enterprises		7.1	8.2
(ii) Other payables		911.2	522.1
Debt securities	17	25,335.5	25,320.3
Borrowings (Other than debt securities)	18	78,195.7	80,554.0
Deposits	19	25,125.3	10,490.3
Subordinate liabilities	20	-	2,070.0
Other financial liabilities	21	5,474.8	1,683.4
		136,891.8	122,366.6
Non-financial liabilities			
Current tax liabilities (net)		10.6	10.6
Provisions	22	49.7	41.4
Other non-financial liabilities	23	72.3	37.0
		132.6	89.0
EQUITY			
Equity share capital	4	10,987.5	10,987.5
Other equity	5	5,690.3	5,840.7
		16,677.8	16,828.2
		153,702.2	139,283.8

The accompanying notes are an integral part of the financial statements

for the year ended March 31, 2020

Particulars	Note No.	Year ended March 31, 2020	(₹ in million) Year ended March 31, 2019
Revenue from operations			
Interest income	24	15,452.1	11,196.3
Dividend income		75.8	106.0
Fees and commission income	25	307.9	187.0
Net gain on fair value changes	26	61.0	34.3
Net gain on derecognition of financial instruments under amortised cost category		627.2	-
Other revenue from operations	27	124.5	19.9
Total revenue from operations		16,648.5	11,543.5
Other income	28	50.4	58.0
Total income		16,698.9	11,601.5
Expenses			
Finance costs	29	11,691.2	8,026.7
Fees and commission expense	30	45.2	47.9
Impairment on financial instruments	31	1,934.2	1,078.0
Employee benefit expenses	32	1,432.5	802.2
Depreciation and amortisation expenses		258.3	57.4
Other expenses	33	1,078.6	958.4
Total expenses		16,440.0	10,970.6
Profit before exceptional items and tax		258.9	630.9
Exceptional items		-	-
Profit before tax		258.9	630.9
Tax expense	42		
Current tax		185.0	353.1
Deferred tax		71.1	(163.1)
Profit for the year		2.8	440.9
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of net defined benefit plan		(11.4)	1.8
Income tax impact		3.0	(0.6)
Items that will be reclassified to profit or loss			
Fair value change on derivatives designated as cash flow hedge		(31.3)	(1,104.0)
Income tax impact		(100.0)	385.8
Total other comprehensive income		(139.7)	(717.0)
Total comprehensive income		(136.9)	(276.1)
Earnings per equity share	37		
(1) Basic(₹)		0.00	0.40
(2) Diluted (₹)		0.00	0.40

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors
ICICI Home Finance Company Limited

For B S R & Co. LLP
Chartered Accountants
Firm registration no.: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No.:046882

Anup Bagchi
Chairman
DIN-00105962

Anirudh Kamani
Managing Director & CEO
DIN-07678378

Place: Mumbai
Date: May 2, 2020

Vikrant Gandhi
Chief Financial Officer

Pratap Salian
Company Secretary

cash flow statement

for the year ended March 31, 2020

(₹ in million)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	**Cash flow from operating activities**		
	Profit before taxation and exceptional items	**258.9**	*630.9*
	Adjustments for:		
	Depreciation/amortisation	**258.3**	*57.4*
	Loss on sale or write off of fixed assets	**0.2**	*0.4*
	Fair value change in investment	**(61.0)**	*(34.3)*
	Impairment on financial instruments	**1934.1**	*1,078.0*
	Share based payment to employees	**39.7**	*55.0*
	Fair value changes in gratuity	**(11.4)**	*1.8*
	Net (gain)/loss on derecognition of financial instruments	**(627.2)**	-
	Dividend Income	**(75.7)**	*(106.9)*
	Interest income on investments	**(110.3)**	*(35.2)*
	Profit on sale of mutual fund units	**(124.5)**	*(19.9)*
	Interest income on loans	**(15,335.9)**	*(11,161.1)*
	Interest expense on borrowings	**11,691.2**	*8,026.7*
	Operating profit before working capital changes	**(2163.6)**	*(1,507.2)*
	Adjustments for increase or decrease in :		
	(Increase) / Decrease in Trade receivables	**78.2**	*(45.7)*
	(Increase) / Decrease in Other financial assets	**1,615.7**	*(819.5)*
	(Increase) / Decrease in Other non-financial assets	**(451.9)**	*(135.9)*
	(Decrease) / Increase in Trade payables	**388.0**	*328.4*
	(Decrease) / Increase in Other financial liabilities	**2,500.7**	*102.8*
	(Decrease) / Increase in Other non financial liabilities	**35.3**	*27.3*
	(Decrease) / Increase in Provisions	**(4.1)**	*(1.9)*
	(Increase)/Decrease in bank balances other than cash and cash equivalent	**(706.0)**	-
	Loans given (net movement)	**(8,689.2)**	*(36,809.5)*
	Interest income received	**14,512.4**	*10,568.3*
	Interest expenses on borrowings paid	**(11,040.1)**	*(9,572.9)*
	Cash generated from operations	**(3,924.6)**	*(37,865.8)*
	Income taxes paid (net)	**(300.8)**	*(438.0)*
	Net cash (used in) / generated from operating activities - A	**(4,225.4)**	*(38,303.8)*
B	**Cash flow from investing activities :**		
	Net (Purchase)/sale of fixed assets	**(192.9)**	*(398.3)*
	Net (Purchase)/sale of mutual funds	**(3,300.0)**	*210.4*
	(Purchase) of investments (other than mutual funds)	**(1,595.6)**	*(152.2)*
	Sale of investments (other than mutual funds)	**2.5**	*110.4*
	Interest received on investments	**110.3**	*35.2*
	Dividend income	**75.7**	*106.9*
	Profit on sale of mutual funds	**124.5**	*19.9*
	Net cash (used in) / generated from investing activities - B	**(4,775.5)**	*(67.7)*
C	**Cash flow from financing activities :**		
	Proceeds from borrowings	**95,686.4**	*114,081.8*
	Repayment of borrowings	**(86,387.8)**	*(75,672.7)*
	Repayment of lease liability (including interest payments)	**(121.9)**	-
	Dividend and dividend distribution tax paid	**(53.2)**	-
	Net cash generated from / (used in) financing activities - C	**9,123.5**	*38,409.1*
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**122.6**	*37.6*
	Cash and cash equivalents at beginning of the year	**98.4**	*60.8*
	Cash and cash equivalents at end of the year	**221.0**	*98.4*
	Notes :		
	1. Cash and cash equivalents consists of :		
	(i) Current accounts	**221.0**	*98.4*
	Total	**221.0**	*98.4*

2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows".
3. Net movement in Borrowings (including Debt Securities), Deposits and Subordinated Liabilities amounting to ₹ 10,221.9 million (Previous year ₹ 36,654.3 million) includes fresh issuance, repayments, effect of changes in foreign exchange rates, interest accrual and unamortise borrowing cost.
4. During the year ended March 31, 2020, the Company has sold its consumer finance business, on slump sale basis, for a cash consideration of ₹ 1,190.2 million. Break-up of assets sold are as below.

Loans (net of unamortised income/expenses and loans written-off)	**1,170.7**
Property, plant and equipments (net-off accumulated depreciation	**27.3**
Total	**1,198.0**

5. There was no financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration no.: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No.:046882

Place: Mumbai
Date: May 2, 2020

For and on behalf of the Board of Directors
ICICI Home Finance Company Limited

Anup Bagchi
Chairman
DIN-00105962

Anirudh Kamani
Managing Director & CEO
DIN-07678378

Vikrant Gandhi
Chief Financial Officer

Pratap Salian
Company Secretary

Statement of changes in equity

ICICI Home Finance

for the year ended March 31, 2019 and March 31, 2020

A. Equity share capital

	₹ in million
Balance at April 1, 2018	**10,987.5**
Changes in equity share capital during the period	-
Balance at March 31, 2019	10,987.5
Changes in equity share capital during the period	-
Balance at March 31, 2020	**10,987.5**

B. Other equity

₹ in million

Particulars	Reserves and surplus			Capital contribution	Other comprehensive income		Total
	Statutory reserve	General reserve	Retained earnings		Actuarial gain/ (losses)	Cash flow hedge reserve	
Balance at April 1, 2018	**4,597.6**	**249.3**	**1,191.8**	**23.3**	**1.1**	**-**	**6,063.1**
Profit for the year	-	-	440.7	-	-	-	440.7
Dividend (including dividend distribution tax)	-	-	-	-	-	-	-
Transfer to retained earnings							-
Share based payments to employees	-	-	-	55.0	-	-	55.0
Cash flow hedge reserve	-	-	-	-	-	(718.2)	(718.2)
Actuarial gains/ (losses)	-	-	-	-	0.1	-	0.1
Transfer to/from reserves	102.0	-	(102.0)	-	-	-	-
Balance at March 31, 2019	**4,699.6**	**249.3**	**1,530.5**	**78.3**	**1.2**	**(718.2)**	**5,840.7**

₹ in million

Particulars	Reserves and surplus			Capital contribution	Other comprehensive income		Total
	Statutory reserve	General reserve	Retained earnings		Actuarial gain/ (losses)	Cash flow hedge reserve	
Balance at March 31, 2019	**4,699.6**	**249.3**	**1,530.5**	**78.3**	**1.2**	**(718.2)**	**5,840.7**
Profit for the year		-	2.8	-	-	-	2.8
Dividend (including dividend distribution tax)	-	-	(53.2)	-	-	-	(53.2)
Transfer to retained earnings							-
Share based payments to employees	-	-	-	39.7	-	-	39.7
Cash flow hedge reserve	-	-	-	-	-	(131.3)	(131.3)
Actuarial gains/ (losses)	-	-	-	-	(8.4)	-	(8.4)
Transfer to/from reserves	66.3	-	(66.3)	-	-	-	-
Balance at March 31, 2020	**4,765.9**	**249.3**	**1,413.8**	**118.0**	**(7.2)**	**(849.5)**	**5,690.3**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration no.: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No.:046882

Place: Mumbai
Date: May 2, 2020

For and on behalf of the Board of Directors
ICICI Home Finance Company Limited

Anup Bagchi
Chairman
DIN-00105962

Anirudh Kamani
Managing Director & CEO
DIN-07678378

Vikrant Gandhi
Chief Financial Officer

Pratap Salian
Company Secretary

NOTES FORMING PART OF ACCOUNTS

1. Corporate information

ICICI Home Finance Company Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company is a deposit taking Housing Finance Company registered with the National Housing Bank (NHB) and is governed by the provisions of the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time and other directions, regulations and circulars issued by NHB. The Company is wholly-owned subsidiary of ICICI Bank Limited. The Company's registered office is at ICICI Bank Towers, Bandra-Kurla Complex, Bandra, Mumbai, India. The principal place of business of the Company is at ICICI HFC Tower, Andheri Kurla Road, Andheri, Mumbai. The Company is engaged in providing loans for the purpose of acquiring, constructing, erecting, improving, developing any house, flats or buildings or any form of real estate or any part or portion thereof. The Company also provides loans for specified purposes against the security of immovable property and loan against gold. The Company is also engaged in providing advisory, consultancy and broking for residential and commercial properties.

The financial statements were approved for issue by the Board of Directors on May 2, 2020.

2. Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the Act) and relevant amendment rules issued thereafter and guidance given by NHB through its circulars to follow notified Ind ASs on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements have been prepared on a going concern basis.

2.2 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is the functional and the presentation currency of the Company. Except as otherwise indicated, financial information presented in Indian Rupees has been rounded to the nearest million with one decimal.

2.3 Presentation and disclosure of financial statements

The Company prepares its financial statements in the format prescribed in the Division III of Schedule III of the Act applicable for preparation and presentation of the financial statements. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The Company presents its Balance Sheet in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note no. 34. Accounting policies have been consistently applied except where a newly-issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

2.4 Offsetting financial instruments

Financial asset and financial liabilities are generally reported gross in the balance sheet. They are offset and reported net when, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3. Significant accounting policies

3.1 Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the year. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Accounting policies of the Company require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Company's financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. The critical policies that involves critical accounting estimates includes valuation of financial instruments, recognition of gain on derecognition of financial assets, impairment of financial assets, recognition of interest income/expenses using Effective Interest Rate (EIR) method and deferred tax. Management believes that the estimates used in the preparation of the Company's financial statements are prudent and reasonable.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on carrying amount of its assets. For detail, please refer disclosure on Expected credit losses and disclosure on fair valuation. The impact of COVID-19 on the Company's financial statements may differ from that estimated at the date of approval of these financial statements.

3.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a. Recognition of interest income and interest expenditure

Interest income and expense for all interest bearing financial instruments are recognised in 'interest income' and 'interest expense', respectively in the statement of profit and loss account on an accrual basis using the effective interest rate (EIR) method.

The EIR method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The EIR is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating the EIR, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimates of cash flows have been revised, the carrying amount of the financial asset or liability is adjusted to reflect the actual and revised cash flows, discounted at the instruments original EIR. The adjustment is recognised as interest income or expense in the period in which the revision is made.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets. For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). Interest expense is calculated by applying the EIR to the gross carrying amount of financial liabilities.

Interest on Government Securities and bank deposits are recognised on a time proportionate basis.

b. Dividend income

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

c. Fee and commission income

Fee and commission income other than those that are integral part of EIR are recognised as income as the related services are performed.

Property services fees are recognised to the extent of invoice raised on the customer, when right to receive payment is established.

d. Rental income

Income from operating leases are recognised in the Statement of profit and loss as per the contractual rentals unless another systematic basis is more representative of the time pattern in which benefits derived from the leased assets.

3.3 Financial assets

Except where financial assets that are irrevocably designated at initial recognition as fair value through profit or loss (FVTPL), the classification is based on:

(a) The Company's business model for managing the financial assets and

(b) The contractual cash flow characteristics of the assets

Financial assets classified are according to subsequent measurement basis into:

Amortised cost: The Company classifies the financial assets at amortised cost if the contractual cash flows represents solely payments of principal and interest on the principal amount outstanding and as per the Company's business model management is intending to hold these financial instruments in order to collect contractual cash flows.

Fair value through other comprehensive income (FVOCI): The Company classifies the financial assets as FVOCI if the contractual cash flows represents solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets.

Fair value through profit or loss (FVTPL): Financial assets are classified as FVTPL unless they are classified as FVOCI or at amortised cost.

At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequently, financial assets measured at amortised cost requires the application of the effective interest rate method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Gains and losses resulting from fluctuations in fair value are not recognised for financial assets measured at amortised cost. In case of financial asset instruments classified as FVTPL, changes in fair value is recognised in the statement of profit and loss.

Equity instruments

The Company measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments, Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. The Company follows trade date method of accounting for purchase and sale of investments. Profit or loss on sale of investments is determined on First in First out (FIFO) basis.

3.4 Financial liabilities and equity instruments

The Company classifies these instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

Financial liabilities

The Company's borrowings include bonds, commercial paper, fixed deposits, borrowings from banks, etc. Deposits, debt securities issued, subordinated liabilities and other borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest rate method.

3.5 Determination of fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid/ask prices and using valuation techniques/methods for other instruments. Valuation techniques/methods include discounted cash flow method and other unobservable inputs.

3.6 Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or where the Company has transferred substantially all the risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Company has retained control, the assets continue to be recognised to the extent of the Company's continuing involvement.

Any loans transferred to asset reconstruction companies, against the consideration of security receipts issued by the asset reconstruction companies, do not meet the derecognition criteria and therefore is not derecognised till such time as the asset reconstruction companies redeem the security receipts.

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. In accordance with the Ind AS 109, on de-recognition of a financial asset for assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss and present value of future cash flows accruing in the form of differential interest (excess interest spread) over the expected life of the assigned loans is recognised at the date of derecognition as receivable with a corresponding credit to profit and loss account.

The Company continues to perform servicing of the assigned loans and receives servicing fee from the assignee. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in the Statement of Profit and Loss.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expired.

3.7 Impairment of financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets and loan commitments which are not fair valued through profit or loss. Expected credit losses for loans and advances are measured at an amount equal to the 12-month ECL (ECL loss allowance on default events on the financial instruments that are possible within 12 months after the reporting date), unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL (ECL that results from all possible default events over the life of the financial instrument). Equity instruments are measured at fair value and not subject to impairment loss. ECL impairment loss allowance (or reversal) recognised during the year is recognised as expenses/(income) in the statement of profit and loss.

Financial assets are normally written-off, either partially or in full, when there is no reasonable expectation of further recovery.

For detailed information on categories of loans into Stages as defined under Ind AS 109 'Financial Instruments', significant increase in credit risk, default and methodology of calculating ECL using Probability of default, Loss given default and Exposure at default, refer note no. 45.

3.8 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes expenditures that are directly attributable to the acquisition and installation of the asset, net of tax/duty credits availed, if any. PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain/loss on disposal of an item of PPE is determined by comparing the proceeds from disposal with carrying amount of the item of the PPE and is recognised in statement of profit and loss. The costs of the day-to-day servicing of PPE are recognised in statement of profit and loss as and when they are incurred.

3.9 Intangible assets

Purchased softwares are measured at cost less accumulated amortisation and accumulated impairment losses. The cost includes expenditures that are directly attributable to the acquisition and installation of the software, net of tax/duty credits availed, if any. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of the asset.

The gain/loss on disposal of an item of intangible assets is determined by comparing the proceeds from disposal with carrying amount of the item of the intangible assets and is recognised in statement of profit and loss.

3.10 Depreciation and amortisation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is provided on straight-line basis over the estimated useful lives of the assets.

The following table sets forth, useful life of property, plant and equipment.

Particulars	Useful life (No. of years)
Office Buildings on freehold land	60
Right of use asset (ROU)	Period of lease
Improvements to leasehold property	Period of lease
Furniture and fixtures	5 to 10
Office Equipment	3 to 5
Electrical installations and equipment	10
Motor vehicles	5
Servers and network equipment	4 to 6
Computers	3
Software	4

Items individually costing upto ₹ 5,000 are depreciated fully over the period of 12 months from the date of purchase.

Depreciation and amortisation methods, useful lives and residual values are reassessed at each reporting date and effect of changes are recognised prospectively. Advances paid towards acquisition of property, plant and equipment are disclosed as capital advances.

3.11 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

3.12 Taxation

Tax expense comprises of current and deferred tax.

Current tax

Income tax expense is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity/Other Comprehensive Income in which case it is recognised in equity/other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted as on the reporting date.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.13 Employee benefits plans

Gratuity

The Company pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service. The Company makes contribution to a trust which administers the funds through insurance companies.

Actuarial valuation of the gratuity liability is determined by an actuary appointed by the Company. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in other comprehensive income and are not reclassified in to profit and loss account in subsequent periods.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of planed assets.

Provident fund

The Company is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Company contributes an equal amount for eligible employees. Out of the contribution made by the Company, amount as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is contributed to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The balance contributions are made to a fund administered by trustees. The contributions are recognised as an expense in the year in which they are incurred. The funds are invested according to the rules prescribed by the Government of India. Actuarial valuation for the interest rate guarantee on the provident fund balances is determined by an actuary appointed by the Company. Any shortfall in amount is contributed by the Company to the trust and charged to its statement of profit and loss.

Accumulated leave

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.

The Company provides for leave encashment benefits, which is a defined benefit obligation, based on actuarial valuation conducted by an independent actuary.

Long-term incentive plan

The Company pays long term incentives to certain employees on fulfilment of criteria prescribed conditions. The Company's liability towards long term incentive is determined actuarially based on certain assumptions regarding rate of interest, staff attrition and mortality as per the projected unit credit method. Expenses towards long term incentive and actuarial gains or losses arising during the year are recognised in statement of profit and loss.

National Pension Scheme

The Company contributes 10.0% of the total basic salary of certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension management companies. The Company also gives an option to its employees allowing them to receive the amount in lieu of such contributions along with their monthly salary during their employment.

The amount so contributed/paid by the Company to the NPS or to employees during the period are recognised in the statement of profit and loss.

3.14 Share-based payments

The Parent Bank (ICICI Bank Limited) issued stock options to certain employees of the Company. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the Parent Bank's estimate of options that will eventually vest and is recognised on a straight line basis over the vesting period in the statement of profit and loss with corresponding increase in equity as contribution from the Parent Bank.

3.15 Leases

The Company has various lease arrangement for many assets including properties. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement of the lease, the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of twelve months or less (short-term leases) and low value leases. For low-value assets and short-term leases, lease rentals are recognised in the statement of profit and loss on accrual basis. The ROU asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs paid at or before the commencement date and subsequently at cost less accumulated amortisation and accumulated impairment losses, if any. The lease liability is measured at amortised cost at the present value of the future lease payment, discounted using the Company's incremental borrowing rate. The lease liability is subsequently increased by interest cost on the lease liability and decreased by the lease payment made.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

3.16 Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined based on management estimate of cash outflow to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed.

Contingent liabilities and contingent assets are reviewed at each reporting date.

3.17 Commitments

Commitments are future liabilities, classified and disclosed as follows:

a) Undrawn loan commitments;

b) Estimated amount of contracts remaining to be executed on capital account and not provided for;

c) Uncalled liability on investments partly paid;

d) Other commitments, if any, to the extent they are considered material and relevant in the opinion of management.

3.18 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.19 Statement of cash flows

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is prepared using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

3.20 Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

3.21 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

3.22 Accounting for derivative financial instruments

The Company enters into derivative contracts such as interest rate swaps, foreign exchange contracts and currency swaps, to manage its exposure to interest rate risk and foreign exchange rate risk. The Company recognises and measures such derivative instruments at fair value. Except for those derivatives which are designated as effective cash flow hedge, the gains and losses are recognised in the statement of profit and loss.

The Company has designated certain derivatives as cash flow hedges of interest bearing liabilities. At the inception of a hedge transaction, the Company formally documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. This process includes identification of the hedging instrument, hedged item, risk being hedged and the methodology for assessing effectiveness and measuring ineffectiveness of the hedge. In addition, the Company assesses both at the inception of the hedge and on an ongoing basis, whether the derivative used in the hedging transaction is effective in offsetting changes in fair value of the hedged item, and whether the derivative is expected to continue to be highly effective. The Company assesses the effectiveness of the hedge instrument at inception and continually on a quarterly basis. The effective portion of change in fair value of the designated hedging instrument is recognised in the other comprehensive income. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.23 Dividend pay-out

The Company recognises a liability towards equity share holders of the Company when the dividend is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4. Equity share capital

The following table sets forth, for the period indicated, details of share capital.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
Authorised shares		
2,385,000,000 Equity shares of ₹ 10 each (March 2019: 2,385,000,000, April 1, 2018 : 2,385,000,000)	**23,850.0**	*23,850.0*
15,000,000 Preference shares of ₹ 10 each (March 2019: 15,000,000, April 1, 2018: 15,000,000)	**150.0**	*150.0*
Total authorised shares	**24,000.0**	*24,000.0*
Issued, subscribed and paid-up Equity share capital		
1,098,750,000 Equity shares of ₹ 10 each fully paid-up (March 2019 - 1,098,750,000, April 1, 2018 – 1,098,750,000)	**10,987.5**	*10,987.5*
Total Issued, subscribed and paid-up Equity share capital	**10,987.5**	*10,987.5*

The following table sets forth, for the periods indicated, reconciliation of the equity shares.

Particulars	At March 31, 2020		*At March 31, 2019*	
	No.	₹ in million	*No.*	*₹ in million*
At the beginning of the year	**1,098,750,000**	**10,987.5**	*1,098,750,000*	*10,987.5*
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,098,750,000**	**10,987.5**	*1,098,750,000*	*10,987.5*

a. All equity shares are held by the holding company (ICICI Bank Limited) and its nominees at March 31, 2020 and at March 31, 2019.

b. The Company has not reserved any shares for issues under options and contracts/commitments for the sale.

c. The Company has not allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor it has bought back any shares during the preceding 5 financial years.

d. The Company has not:

i. Issued any securities convertible into equity/preference shares.

ii. Issued any shares where calls are unpaid.

iii. Forfeited any shares.

e. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2020, the amount of per share dividend (excluding dividend distribution tax) distributed to equity shareholder was ₹ 0.04 (March 31, 2019 – Nil).

5. Other Equity

The following table sets forth, for the periods indicated, details of other equity.

A. Summary of Other Equity balance

₹ in million

	Particulars	At March 31, 2020	*At March 31, 2019*
(i)	General reserve	**249.3**	*249.3*
(ii)	Statutory reserve (As per Section 29C of National Housing Bank Act,1987) (refer note (b) below)	**4,765.9**	*4,699.6*
(iii)	Retained earnings	**1,413.8**	*1,530.5*
(iv)	Capital contribution (Share based compensation to employees)	**118.0**	*78.3*
(v)	Items of Other Comprehensive Income		
	- Re-measurements of net defined benefit plan	**(7.2)**	*1.2*

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
- Fair value change on derivatives designated as cash flow hedge	**(849.5)**	*(718.2)*
Total Other Equity	**5,690.3**	*5,840.7*

B. Nature and purpose of reserves

a. General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956, wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act, 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve is a free reserve available to the Company for distribution.

b. Statutory Reserve and Special Reserve

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum not less than twenty percent of its profit every year, as disclosed in the statement of profit and loss and before any dividend is declared, is transferred. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered an eligible transfer. Statutory Reserve can be utilised only for the purposes as may be specified by the NHB from time to time and every such utilisation is required to be reported to the NHB within twenty one days from the date of such utilisation. There has been no draw down from reserves during the year ended March 31, 2020 (March 2019 - Nil).

The following table sets forth, for the periods indicated, reconciliation of the statutory reserve.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of National Housing Bank, Act 1987	**1,683.8**	*1,682.9*
b) Amount of Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**3,015.8**	*2,914.7*
c) Total	**4,699.6**	*4,597.6*
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	**0.6**	*0.9*
b) Amount of Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	**65.7**	*101.1*
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**1,684.4**	*1,683.8*
b) Amount of Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**3,081.5**	*3,015.8*
c) Total	**4,765.9**	*4,699.6*

c. Capital contribution (Share based compensation to employees)

The Parent Bank (ICICI Bank Limited) has issued stock options to certain employees of the Company. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the Parent Bank's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in equity as contribution from the Parent Bank.

d. Other Comprehensive Income (OCI)

Re-measurements of net defined benefit plan - It represents the cumulative actuarial gains/(losses) defined employee benefit plans.

Cash flow hedge - It represents the cumulative gains/(losses) arising on fair valuation of the derivative instruments designated as cash flow hedges through OCI.

6. Cash and Cash Equivalents

The following table sets forth, for the periods indicated, details of cash and cash equivalents.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Cash on hand	**-**	*-*
Balances with banks[1] (in current accounts)	**221.0**	*98.4*
Total	**221.0**	*98.4*

1. There was no earmarked balance at March 31, 2020 (March 31, 2019: Nil).

7. Bank balances other than cash and cash equivalents

The following table sets forth, for the periods indicated, bank balances other than cash and cash equivalents.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Balances with banks to the extent held as margin money or security against borrowings, guarantees, other commitments[1]. (In deposit accounts with original maturity more than 3 months)	**708.5**	*2.5*
Total	**708.5**	*2.5*

1. Includes fixed deposits of ₹ 706.0 million (March 31, 2019: Nil) placed with scheduled banks to comply with investment/deposits requirements of Companies (Share Capital and Debentures) Amendment Rules, 2019.

8. Derivative financial instruments

The Company enters into derivatives transactions for risk management purposes. The primary risk managed using derivatives instruments are foreign currency risk and interest rate risk. The Company deals in derivatives for hedging floating rate borrowings denominated in foreign currency. Refer note no. 51 for detailed information on derivatives transaction undertaken by the Company.

The following tables set forth, for the periods indicated, notional amounts and fair values of the derivative deals entered into by the Company.

₹ in million

Particulars	At March 31, 2020			
	Notional amounts[1]	**Fair value - assets**	**Notional amounts[1]**	**Fair value – liabilities**
Part I				
(i) Currency derivatives				
- Forwards	3,142.7	104.9	-	-
- Currency swaps	20,722.9	1,558.9	-	-
Sub-total (i)	**23,865.6**	**1,663.8**	**-**	**-**
(ii) Interest rate derivatives				
- Forward rate agreements and interest rate swaps	-	-	20,722.9	1,842.2
Sub-total (ii)	-	-	20,722.9	1,842.2
Total derivative financial instruments (i) + (ii)	**23,865.6**	**1,663.8**	**20,722.9**	**1,842.2**
Part II				
Included in above (part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Cash flow hedging				
- Currency derivatives	23,865.6	1,663.8	-	-
- Interest rate derivatives	-	-	20,722.9	1,842.2
Sub-total (i)	**23,865.6**	**1,663.8**	**20,722.9**	**1,842.2**
Total derivative financial instruments	**23,865.6**	**1,663.8**	**20,722.9**	**1,842.2**

1. Notional amounts are converted using foreign exchange rates prevailing at reporting date.

₹ in million

Particulars	At March 31, 2019			
	Notional amounts[1]	**Fair value – assets**	**Notional amounts[1]**	**Fair value – liabilities**
Part I				
(i) Currency derivatives				
- Forwards	-	-	3,706.7	208.2
- Currency swaps	-	-	19,079.0	919.8
Sub-total (i)	-	-	22,785.7	1,128.0
(ii) Interest rate derivatives				
- Forward rate agreements and interest rate swaps	-	-	23,079.0	590.3

₹ in million

Particulars	At March 31, 2019			
	Notional amounts[1]	Fair value – assets	Notional amounts[1]	Fair value – liabilities
Sub-total (ii)	**-**	**-**	**23,079.0**	**590.3**
Total derivative financial instruments (i) + (ii)	**-**	**-**	**45,864.7**	**1,718.3**
Part II				
Included in above (part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Cash flow hedging				
- Currency derivatives	-	-	22,785.7	1,128.0
- Interest rate derivatives	-	-	19,079.0	590.3
Sub-total (i)	**-**	**-**	**41,864.7**	**1,718.3**
(ii) Undesignated derivatives	**-**	**-**	**4,000.0**	*****
Total derivative financial instruments (i) + (ii)	**-**	**-**	**45,864.7**	**1,718.3**

* Insignificant amount

1. Notional amounts are converted using foreign exchange rates prevailing at reporting date.

9. Receivables

The following tables set forth, for the periods indicated, details of trade receivables.

₹ in million

Particulars	At March 31, 2020		
	Gross value	Expected credit loss	Net value
Trade receivables			
Receivables considered good – secured	-	-	-
Receivables considered good – unsecured[1]	74.7	24.8	49.9
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	-	-	-
Total	**74.7**	**24.8**	**49.9**
Included in above:			
- Debts due by directors or other officers of the Company	-	-	-
- Debts due by firms/LLPs/private companies in which any director is partner or a director or a member	-	-	-

1. Includes ₹ 5.9 million from related parties.

₹ in million

Particulars	At March 31, 2019		
	Gross value	Expected credit loss[2]	Net value
Trade receivables			
Receivables considered good – secured	-	-	-
Receivables considered good – unsecured[1]	142.3	12.4	129.9
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	-	-	-
Total	**142.3**	**12.4**	**129.9**
Included in above:			
- Debts due by directors or other officers of the Company	-	-	-
- Debts due by firms/LLPs/private companies in which any director is partner or a director or a member	-	-	-

1. Includes ₹ 71.1 million from related parties.

2. Re-grouped from line item 'Provision for others' under note 22. 'Provisions'.

10. Loans

The following table sets forth, for the periods indicated, details of loans.

₹ in million

Particulars			At March 31, 2020	*At March 31, 2019*
		At amortised cost		
(A)	(i)	Loans repayable on demand[1]	**114.5**	*3,551.8*
	(ii)	Term loans[2]	**145,350.4**	*133,226.5*
		Total - Gross	**145,464.9**	*136,778.3*
		Impairment loss allowance	**(4,541.4)**	*(3,447.6)*
		Total – Net	**140,923.5**	*133,330.7*
(B)	(i)	Secured by tangible assets	**145,150.1**	*135,175.0*
	(ii)	Unsecured	**314.8**	*1,603.3*
		Total – Gross	**145,464.9**	*136,778.3*
		Impairment loss allowance	**(4,541.4)**	*(3,447.6)*
		Total – Net	**140,923.5**	*133,330.7*
(C)	**(i)**	**Loans in India**		
		Public sector	**-**	*-*
		Other than public sector	**145,464.9**	*136,778.3*
		Total –Gross (C) (i)	**145,464.9**	*136,778.3*
		Impairment loss allowance	**(4,541.4)**	*(3,447.6)*
		Total –Net (C) (i)	**140,923.5**	*133,330.7*
	(ii)	**Loans outside India**		
		Public sector	**-**	*-*
		Other than public sector	**-**	*-*
		Total –Gross (C) (ii)	**-**	*-*
		Impairment loss allowance	**-**	*-*
		Total –Net (C) (ii)	**-**	*-*
		Total –Net (C) (i) and (ii)	**140,923.5**	*133,330.7*

1. The percentage of outstanding loans granted against collateral of gold jewellery to total assets at March 31, 2020 was 0.01 % (March 31, 2019: Nil).

2. Includes initial funding towards insurance amounting to ₹ 1,808.3 million at March 31, 2020 (March 31, 2019: 2,429.9 million).

11. Investments

The following tables set forth, for the periods indicated, details of investments.

₹ in million

Particulars	At March 31, 2020						
	Amortised cost	At fair value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Sub total		
Investments in India							
Mutual funds	-	-	3,314.7	-	3,314.7	-	3,314.7
Government securities[1,2]	2,216.3	-	-	-	-	-	2,216.3
Equity instruments	-	-	412.6	-	412.6	-	412.6
Total Gross	**2,216.3**	**-**	**3,727.3**	**-**	**3,727.3**	**-**	**5,943.6**
Impairment loss allowance	-	-	-	-	-	-	-
Total Net	**2,216.3**	**-**	**3,727.3**	**-**	**3,727.3**	**-**	**5,943.6**

1. Based on the assessment, there is no requirement for allowance for impairment losses on government securities.

2. Floating charge has been created on government securities (for statutory liquidity ratio (SLR) purpose) as per NHB Directions.

₹ in million

Particulars	At March 31, 2020						
	Amortised cost	At fair value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Sub total		
Investments in India							
Mutual funds	-	-	-	-	-	-	-
Government securities[1,2]	620.7	-	-	-	-	-	620.7
Equity instruments	-	-	369.0	-	369.0	-	369.0
Total Gross	**620.7**	**-**	**369.0**	**-**	**369.0**	**-**	**989.7**
Impairment loss allowance	-	-	-	-	-	-	-
Total Net	**620.7**	**-**	**369.0**	**-**	**369.0**	**-**	**989.7**

1. Based on the assessment, there is no requirement for allowance for impairment losses on government securities.

2. Floating charge has been created on government securities (for statutory liquidity ratio (SLR) purpose) as per NHB Directions.

12. Other financial assets

The following table sets forth, for the periods indicated, details of other financial assets.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
At amortised cost		
Interest receivable on swaps	**-**	*4.9*
Security deposits	**48.1**	*43.9*
Mutual fund redemption receivable	**-**	*1,680.0*
Advances recoverable	**54.2**	*2.4*
Interest only strip receivable	**631.8**	*-*
Other financial assets[1]	**8.6**	*-*
Total	**742.7**	*1,731.2*

1. Includes share application money of ₹ 7.5 million (March 31, 2019: Nil).

13. Property, plant and equipment

The following table sets forth, for the periods indicated, details of Property, plant and equipment.

₹ in million

Particulars	Gross block				Depreciations/amortisation				Net block	
	At April 1, 2019	Additions	Disposals/ adjustments	At March 31, 2020	At April 1, 2019	For the period	Adjustments/ deductions	At March 31, 2020	At April 1, 2019	At March 31, 2020
Free hold land	0.4	-	-	0.4	-	-	-	-	0.4	0.4
	(0.4)	-	-	(0.4)	-	-	-	-	(0.4)	(0.4)
Buildings[1]	1,210.1	123.9	8.9	1,325.1	29.6	122.8	-	152.4	1,180.5	1,172.7
	(778.1)	-	-	(778.1)	(14.8)	(14.8)	-	(29.6)	(763.3)	(748.5)
Improvements to leasehold property	157.4	27.3	1.9	182.8	6.9	36.0	2.1	40.8	150.5	142.0
	(0.9)	(156.5)	-	(157.4)	(0.7)	(6.2)	-	(6.9)	(0.2)	(150.5)
Computers	48.7	34.0	22.8	59.9	13.5	21.9	11.2	24.2	35.2	35.7
	(7.7)	(41.0)	-	(48.7)	(2.7)	(10.8)	-	(13.5)	(5.0)	(35.2)
Office equipment	84.3	38.7	2.7	120.3	12.8	26.1	2.3	36.6	71.5	83.7
	(14.9)	(69.6)	(0.2)	(84.3)	(3.6)	(9.2)	-	(12.8)	(11.3)	(71.5)
Furniture & fixtures	53.5	41.6	0.5	94.6	5.7	28.0	0.1	33.6	47.8	61.0
	(3.5)	(50.2)	(0.2)	(53.5)	(0.4)	(5.3)	-	(5.7)	(3.1)	(47.8)
Electric Installation & Equipment	30.5	8.6	-	39.1	0.8	3.7	-	4.5	29.7	34.6
	-	(30.5)	-	(30.5)	-	(0.8)	-	(0.8)	-	(29.7)
Server & Network	8.1	17.2	-	25.3	0.7	4.9	-	5.6	7.4	19.7
	-	(8.1)	-	(8.1)	-	(0.7)	-	(0.7)	-	(7.4)
Vehicles	3.8	-	-	3.8	0.8	1.0	-	1.8	3.0	2.0
	-	(3.8)	-	(3.8)	-	(0.8)	-	(0.8)	-	(3.0)
Total	**1,596.8**	**291.3**	**36.8**	**1,851.3**	**70.8**	**244.4**	**15.7**	**299.5**	**1,526.0**	**1,551.8**
Previous year (March 31, 2019)	(805.5)	(359.7)	(0.4)	(1,164.8)	(22.2)	(48.6)	-	(70.8)	(783.3)	(1,094.0)

1. Following the adoption of Ind AS 116 'Leases', Right of Use assets of ₹ 419.8 million was recognised and prepaid rent of ₹ 12.2 million reclassified from other non-financial assets. These amounts are included in gross block at April 1, 2019.
2. There is no charge on building (March 2019: negative charge for ₹ 23.8 million) and Free Hold land (March 31, 2019: pari-passu charge towards secured bond borrowings).
3. Amounts in brackets pertain to previous financial year.

14. Other intangible assets

The following table sets forth, for the periods indicated, details of intangible assets.

₹ in million

Particulars	Gross block				Depreciations/amortisation				Net block	
	At April 1, 2019	Additions	Disposals/ adjustments	At March 31, 2020	At April 1, 2020	For the period	Adjustments/ deductions	At March 31, 2020	At April 1, 2019	At March 31, 2020
Computer software	44.7	39.1	19.9	63.9	9.9	13.9	4.3	19.5	34.8	44.4
Total	**44.7**	**39.1**	**19.9**	**63.9**	**9.9**	**13.9**	**4.3**	**19.5**	**34.8**	**44.4**
Previous year (March 31, 2019)	(6.1)	(38.6)	-	(44.7)	(1.1)	(8.8)	-	(9.9)	(5.0)	(34.8)

15. Other non-financial assets

The following table sets forth, for the periods indicated, details of other non-financial assets.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
Input tax credit – Goods and Service Tax	**106.4**	*76.9*
Capital advances (Unsecured, considered good)[1]	**34.5**	*31.2*
Pre-paid expenses[1]	**51.7**	*44.4*
Other non-financial assets (Unsecured, considered good)	**11.6**	*19.1*
Total	**204.2**	*171.6*

1. Regrouped from line item 'Other non-financial assets'.

16. Payables

The following table sets forth, for the periods indicated, details of payable.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
Total outstanding dues of micro, small and medium enterprises (refer note below)	**7.1**	*8.2*
Total outstanding dues to creditors other than micro and small enterprises	**911.2**	*522.1*
Total	**918.3**	*530.3*

Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company. The following table sets forth, for the periods indicated, the amount of principal and interest outstanding.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
The principal amount and the interest due thereon (Interest - March 31, 2020 : Nil, March 31, 2019 : Nil) remaining unpaid to any supplier as at the end of each accounting year	7.1	*8.2*
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

17. Debt securities

The following tables set forth, for the periods indicated, details of debt-securities issued.

₹ in million

Particulars	At March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Debt securities in India				
Non-convertible debentures				
- Secured	-	-	-	-
- Unsecured	**22,910.3**	-	-	**22,910.3**
Zero coupon bonds	-	-	-	-
Commercial papers	**2,452.2**	-	-	**2,452.2**
Total - Gross	**25,362.5**	-	-	**25,362.5**
Less – Unamortised borrowing cost	**(27.0)**	-	-	**(27.0)**
Total – Net	**25,335.5**	-	-	**25,335.5**

₹ in million

Particulars	*At March 31, 2019*			
	At amortised cost	*At fair value through profit or loss*	*Designated at fair value through profit or loss*	*Total*
Debt securities in India				
Non-convertible debentures				
- Secured	*4,000.0*	-	-	*4,000.0*
- Unsecured	*13,340.0*	-	-	*13,340.0*
Zero coupon bonds	*1,302.1*	-	-	*1,302.1*
Commercial papers	*6,678.2*	-	-	*6,678.2*
Total - Gross	*25,320.3*	-	-	*25,320.3*
Less – Unamortised borrowing cost	-	-	-	-
Total – Net	*25,320.3*	-	-	*25,320.3*

The following table sets forth, for the periods indicated, details of secured bonds.

₹ in million

Description	Date of Allotment	Date of Redemption	Rate of Interest	At March 31, 2020	*At March 31, 2019*
4,000 NCDs of ₹ 1,000,000 each	November 25, 2009	November 25, 2019	9.29%	**-**	*4,000.0*
				-	*4,000.0*
Less – Unamortised borrowing cost				**-**	-
Total				**-**	*4,000.0*

1. The Non-convertible debentures (NCD)/Bonds are issued with fixed coupon rate and redeemable at par. NCD/Bonds amounting to ₹ 4,000.0 million at March 31, 2019 are secured by charge on the immovable property and negative lien on the assets of the Company.

The following table sets forth, for the periods indicated, details of unsecured bonds.

₹ in million

Description	Date of Allotment	Date of Redemption	Rate of Interest	At March 31, 2020	*At March 31, 2019*
2,400 NCDs of ₹ 500,000 each	December 5, 2019	December 5, 2024	8.00%	**1,200.0**	-
7,000 NCDs of ₹ 500,000 each	January 30, 2020	December 5, 2024	8.00%	**3,500.0**	-
5,500 NCDs of ₹ 500,000 each	December 5, 2019	December 5, 2022	7.70%	**2,750.0**	-
6,000 NCDs of ₹ 500,000 each	February 12, 2020	December 5, 2022	7.70%	**3,000.0**	-

₹ in million

Description	Date of Allotment	Date of Redemption	Rate of Interest	At March 31, 2020	*At March 31, 2019*
540 MLDs of ₹ 500,000 each[1]	September 6, 2019	January 6, 2022	7.70%	**270.0**	-
230 MLDs of ₹ 500,000 each[1]	October 23, 2019	January 6, 2022	7.60%	**115.0**	-
316 MLDs of ₹ 500,000 each[1]	November 29, 2019	January 6, 2022	7.40%	**158.0**	-
3,100 NCDs of ₹ 500,000 each	December 24, 2018	December 24, 2021	9.10%	**1,550.0**	*1,550.0*
2,390 MLDs of ₹ 500,000 each[1]	August 6, 2019	August 6, 2021	8.00%	**1,195.0**	-
120 MLDs of ₹ 500,000 each[1]	October 23, 2019	August 6, 2021	7.40%	**60.0**	-
500 MLDs of ₹ 500,000 each[1]	June 26, 2019	June 25, 2021	8.10%	**250.0**	-
100 MLDs of ₹ 500,000 each[1]	July 26, 2019	June 25, 2021	8.00%	**50.0**	-
916 MLDs of ₹ 500,000 each[1]	August 20, 2019	June 25, 2021	7.70%	**458.0**	-
4,200 NCDs of ₹ 500,000 each	March 20, 2018	May 27, 2021	8.22%	**2,100.0**	*2,100.0*
3,100 NCDs of ₹ 500,000 each	March 20, 2018	April 30, 2021	8.22%	**1,550.0**	*1,550.0*
2,100 NCDs of ₹ 500,000 each	April 12, 2019	March 22, 2021	8.25%	**1,050.0**	-
3,600 NCDs of ₹ 500,000 each	August 30, 2017	August 28, 2020	7.36%	**1,800.0**	*1,800.0*
1,000 NCDs of ₹ 500,000 each	July 21, 2016	July 21, 2020	8.36%	**500.0**	*500.0*
1,700 NCDs of ₹ 500,000 each	June 27, 2017	June 26, 2020	7.50%	**850.0**	*850.0*
1,000 NCDs of ₹ 500,000 each	June 20, 2016	June 19, 2020	8.53%	**500.0**	*500.0*
1,000 NCDs of ₹ 500,000 each	February 26, 2018	February 26, 2020	8.10%	**-**	*500.0*
990 NCDs of ₹ 1,000,000 each	November 25, 2009	November 25, 2019	9.29%	**-**	*990.0*
3,000 NCDs of ₹ 500,000 each	February 12, 2018	August 12, 2019	8.05%	**-**	*1,500.0*
2,000 NCDs of ₹ 500,000 each	February 1, 2018	June 25, 2019	8.00%	**-**	*1,000.0*
1,000 NCDs of ₹ 500,000 each	March 23, 2016	May 23, 2019	8.77%	**-**	*500.0*
				22,906.0	*13,340.0*
Add – Unamortised premium/ discount				**4.3**	-
Total				**22,910.3**	*13,340.0*

1. The Non-convertible debentures in the nature of market linked debentures are issued with coupon rate linked to performance of underlying/reference index.

The following table sets forth, for the periods indicated, details of zero coupon bonds.

₹ in million

Description	Date of Allotment	Date of Redemption	Rate of Interest (XIRR)	At March 31, 2020	*At March 31, 2019*
Unsecured					
520 ZCB of ₹ 500,000 each	March 23, 2016	April 15, 2019	8.77%	**-**	*335.2*
1,500 ZCB of ₹ 500,000 each	March 23, 2016	May 15, 2019	8.77%	**-**	*966.9*
				-	*1,302.1*
Less – Unamortised borrowing cost				**-**	-
Total				**-**	*1,302.1*

The following tables set forth, for the periods indicated, details of commercial papers.

At March 31, 2020 (Interest rate – 6.55% to 6.85%)

₹ in million

Maturities	0-1 month	1-2 months	2-3 months	3-6 months	6-12 months	Total
Face value	-	1,500.0	-	-	1,000.0	2,500.0
Carrying value	-	1,489.0	-	-	963.0	2,452.0

At March 31, 2019 (Interest rate - 6.50% to 7.99%)

₹ in million

Maturities	0-1 month	1-2 months	2-3 months	3-6 months	6-12 months	Total
Face value	-	4,750.0	2,000.0	-	-	6,750.0
Carrying value	-	4,704.7	1,973.5	-	-	6,678.2

The following table sets forth, ratings assigned by credit rating agencies at March 31, 2020.

Instrument	CRISIL	ICRA	CARE
Fixed deposits	FAAA/Stable	MAAA(Stable)	CARE AAA(FD); Stable
Senior bonds/non-convertible debentures	CRISIL AAA/ Stable	[ICRA] AAA(Stable)	CARE AAA; Stable
Subordinate bonds	-	[ICRA] AAA(Stable)	CARE AAA; Stable
Market linked debentures	CRISIL PP-MLD AAAr/Stable	-	CARE PP-MLD AAA; Stable
Commercial paper	-	[ICRA]A1+	CARE A1+
Long term bank facilities	-	[ICRA] AAA(Stable)	-

1. In addition to the debt instrument wise specific credit ratings, the Company has been assigned the Issuer Rating of 'ICRA AAA' by ICRA.

2. There has been no migration of rating during the year and previous financial year.

18. Borrowings (other than debt securities)

The following tables set forth, for the periods indicated, details of borrowings.

₹ in million

Particulars	At March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Unsecured borrowings				
(a) Term loans				
(i) from banks	44,683.4	-	-	44,683.4
(ii) External commercial borrowings	20,722.7	-	-	20,722.7
(iii) from National Housing Bank	8,181.8	-	-	8,181.8
(b) Term loans from related parties	5,000.0	-	-	5,000.0
(c) Loans repayable on demand				
(i) from banks	-	-	-	-
(ii) from related parties	-	-	-	-
Total (A) – Gross	**78,587.9**	**-**	**-**	**78,587.9**
Less – Unamortised borrowing cost	(392.2)	-	-	(392.2)
Total (A) – Net	**78,195.7**	**-**	**-**	**78,195.7**
Borrowings in India	57,865.2	-	-	57,865.2
Borrowings outside India	20,722.7	-	-	20,722.7
Total (B) – Gross	**78,587.9**	**-**	**-**	**78,587.9**
Less – Unamortised borrowing cost	(392.2)	-	-	(392.2)
Total (B) – Net	**78,195.7**	**-**	**-**	**78,195.7**

₹ in million

Particulars	At March 31, 2019 At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Unsecured borrowings				
(a) Term loans				
(i) from banks	49,073.8	-	-	49,073.8
(ii) External commercial borrowings	19,078.8	-	-	19,078.8
(iii) from National Housing Bank	8,030.7	-	-	8,030.7
(b) Term loans from related parties	1,000.0	-	-	1,000.0
(c) Loans repayable on demand				
(i) from banks	499.7	-	-	499.7
(ii) from related parties	3,252.2	-	-	3,252.2
	80,935.2	**-**	**-**	**80,935.2**
Less – Unamortised borrowing cost	(381.2)	-	-	(381.2)
Total (A)	**80,554.0**	**-**	**-**	**80,554.0**
Borrowings in India	61,856.4	-	-	61,856.4
Borrowings outside India	19,078.8	-	-	19,078.8
	80,935.2	**-**	**-**	**80,935.2**
Less – Unamortised borrowing cost	(381.2)	-	-	(381.2)
Total (B)	**80,554.0**	**-**	**-**	**80,554.0**

a. There has not been any default in repayment of borrowings and interest during financial year ended March 31, 2020 and March 31, 2019.

b. At March 31, 2020, there are no borrowings guaranteed by directors and others (March 31, 2019: Nil).

The following tables set forth, the interest rates and contractual maturity pattern of term loans at March 31, 2020.

a. **Term loans from banks**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
< 6.50%	833.3	2,120.8	250.0	-	3,204.2
6.50% to 7.99%	2,241.7	1,020.8	-	-	3,262.5
8.00% to 9.50%	7,890.3	23,658.8	6,667.7	-	38,216.7
Total	**10,965.3**	**26,800.5**	**6,917.7**	**-**	**44,683.4**

b. **External commercial borrowings**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
8.00% to 9.50%	-	-	20,722.7	-	20,722.7
Total	**-**	**-**	**20,722.7**	**-**	**20,722.7**

c. **Term loans from National Housing Bank**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
< 6.50%	365.8	975.4	975.4	206.6	2,523.2
6.50% to 7.99%	232.9	621.0	615.5	2,347.5	3,816.9
8.00% to 9.50%	172.8	409.2	388.1	871.6	1,841.7
Total	**771.5**	**2,005.7**	**1,978.9**	**3,425.7**	**8,181.8**

d. **Term loans from related parties**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
8.00% to 9.50%	600.0	4,000.0	400.0	-	5,000.0
Total	**600.0**	**4,000.0**	**400.0**	**-**	**5,000.0**

The followings tables set forth, the interest rates and contractual maturity pattern of term loans at March 31, 2019.

a. **Term loans from banks**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
8.00% to 9.50%	7,490.0	30,548.6	11,035.2	-	49,073.8
Total	**7,490.0**	**30,548.6**	**11,035.2**	**-**	**49,073.8**

b. **External commercial borrowings**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
8.00% to 9.50%	-	-	19,078.8	-	19,078.8
Total	**-**	**-**	**19,078.8**	**-**	**19,078.8**

c. **Term loans from National Housing Bank**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
< 6.50%	303.3	808.9	808.9	808.9	2,730.0
8.00% to 9.50%	52.7	140.5	140.5	464.5	798.3
9.51% to 11.00%	232.9	621.0	621.0	3,027.4	4,502.4
Total	**588.9**	**1,570.5**	**1,570.5**	**4,300.8**	**8,030.7**

d. **Term loans from related parties**

₹ in million

Maturities	0-1 year	1-3 years	3-5 years	5 years and above	Total
8.00% to 9.50%	-	600.0	400.0	-	1,000.0
Total	**-**	**600.0**	**400.0**	**-**	**1,000.0**

19. **Deposits**

The following tables set forth, for the periods indicated, details of deposits.

₹ in million

Particulars	At March 31, 2020 At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(i) Public deposits	16,724.8	-	-	16,724.8
(ii) From banks	720.3	-	-	720.3
(iii) From others	7,795.8	-	-	7,795.8
	25,240.9	**-**	**-**	**25,240.9**
Less – Unamortised borrowing cost	(115.6)	-	-	(115.6)
Total	**25,125.3**	**-**	**-**	**25,125.3**

1. Public deposits as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge and lien in favour of the Trustee's for Depositors on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

₹ in million

Particulars	At March 31, 2019			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(i) Public deposits	7,090.9	-	-	7,090.9
(ii) From banks	1,226.2	-	-	1,226.2
(iii) From others	2,189.3	-	-	2,189.3
Total	**10,506.4**	**-**	**-**	**10,506.4**
Less – Unamortised borrowing cost	(16.1)	-	-	(16.1)
Total	**10,490.3**	**-**	**-**	**10,490.3**

1. Public deposits as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge and Lien in favour of the Trustee's for Depositors on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

20. Subordinate liabilities

The following tables set forth, for the periods indicated, details of sub-ordinated liabilities.

₹ in million

Particulars	At March 31, 2020			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
In India				
Non-convertible debentures	-	-	-	-
	-	**-**	**-**	**-**
Less – Unamortised borrowing cost	-	-	-	-
Total – in India	**-**	**-**	**-**	**-**
Subordinate liabilities outside				
India	-	-	-	-
Total - Subordinate liabilities	**-**	**-**	**-**	**-**

₹ in million

Particulars	At March 31, 2019			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Subordinate liabilities in India				
Non-convertible debentures	2,070.0	-	-	2,070.0
	2,070.0	**-**	**-**	**2,070.0**
Less – Unamortised borrowing cost	-	-	-	-
Total	**2,070.0**	**-**	**-**	**2,070.0**

The following table sets forth, for the periods indicated, details of unsecured bonds (sub ordinate liabilities).

₹ in million

Description	Date of Allotment	Date of Redemption	Rate of Interest	At March 31, 2020	*At March 31, 2019*
2,070 NCDs of ₹ 1,000,000 each	April 24, 2009	April 24, 2019	9.75%	-	*2,070.0*
				-	*2,070.0*
Less – Unamortised borrowing cost				-	-
Total				**-**	*2,070.0*

21. Other financial liabilities (at amortised cost)

The following table sets forth, for the periods indicated, details of other financial liabilities (at amortised cost).

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
Interest accrued	**2,032.9**	*1,126.3*
Unpaid matured deposits and interest accrued thereon	**267.4**	*108.8*
Lease liability[1]	**457.0**	-
Others[2]	**2,717.5**	*448.3*
Total	**5,474.8**	*1,683.4*

1. Lease liabilities have been recognised from April 1, 2019 following the adoption of Ind AS 116 'Leases'. Comparatives have not been restated.
2. Includes book overdraft, unappropriated credits pertaining to loans and fixed deposits, accruals for expenses etc.

22. Provisions

The following table sets forth, for the periods indicated, details of provisions.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
(a) Provision for employee benefits		
Leave encashment	**26.9**	*18.6*
Gratuity	**11.1**	*1.7*
Others	**-**	-
(b) Other provisions		
Provision for others[1]	**11.7**	*21.1*
Total	**49.7**	*41.4*

1. Allowances pertaining to trade receivable re-grouped to line item 'Receivable considered good - unsecured' under note 9. 'Receivables'

23. Other non-financial liabilities

The following table sets forth, for the periods indicated, details of other non-financial liabilities.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
Undisputed statutory dues	**72.3**	*37.0*
Others	**-**	-
Total	**72.3**	*37.0*

24. Interest income

The following table sets forth, for the periods indicated, details of interest income.

₹ in million

Particulars	Year ended March 31, 2020			*Year ended March 31, 2019*		
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	*On financial assets measured at fair value through OCI*	*On financial assets measured at amortised cost*	*On financial assets classified at fair value through profit or loss*
Interest on loans	-	15,335.9	-	-	*11,160.0*	-
Interest income from investments	-	110.3	-	-	*35.2*	-
Interest on deposits with banks	-	5.9	-	-	*1.1*	-
Total	**-**	**15,452.1**	**-**	-	*11,196.3*	-

25. Fees and commission income

The following table sets forth, for the periods indicated, details of fees and commission income.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Property service fees	69.1	*81.1*
Referral fees – General insurance	77.1	*24.3*
Referral fees – Life insurance	19.7	*19.8*
Other fee income	142.0	*61.8*
Total	**307.9**	*187.0*

26. Net gain/(loss) on fair value changes

The following table sets forth, for the periods indicated, details of net gain/(loss) on fair value changes.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments	60.9	*65.1*
- Derivatives	0.1	*(30.8)*
Total	**61.0**	*34.3*
(B) Others	-	-
Total	-	-
(C) Total net gain/(loss) on fair value changes	61.0	*34.3*
Fair value changes		
- realised	1.9	*75.5*
- unrealised	59.1	*(41.2)*
(D) Total net gain/(loss) on fair value changes	**61.0**	*34.3*

27. Other revenue from operations

The following table sets forth, for the periods indicated, details of other revenue from operation.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Profit on sale of mutual fund units	124.5	*19.9*
Profit on sale of government securities	-	-
Total	**124.5**	*19.9*

28. Other income

The following table sets forth, for the periods indicated, details of other income.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Dividend income (Equity shares)	-	*0.9*
Rent income	47.2	*44.7*
Others (including interest on income tax refund)	3.2	*12.4*
Total	**50.4**	*58.0*

29. Finance Cost

The following table sets forth, for the periods indicated, details of finance cost.

₹ in million

Particulars	Year ended March 31, 2020		*Year ended March 31, 2019*	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	*On financial liabilities measured at fair value through profit or loss*	*On financial liabilities measured at amortised cost*
Interest on deposits	-	1,581.7	-	*411.7*
Interest on borrowings	-	8,098.6	-	*4,291.2*
Interest on debt securities	-	1,952.3	-	*3,115.0*
Interest on subordinate liabilities	-	12.7	-	*208.8*
Interest on lease liabilities	-	45.9	-	-
Total	-	**11,691.2**	-	*8,026.7*

30. Fees and commission expenses

The following table sets forth, for the periods indicated, details of fees and commission expenses.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Property services fee	15.4	*12.6*
Legal and technical fee	23.9	*15.1*
Brokerage and commission expenses	5.9	*20.2*
Total	**45.2**	*47.9*

31. Impairment on financial instruments

The following table sets forth, for the periods indicated, details of impairment and write-offs of financial instruments.

₹ in million

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial liabilities measured at amortised cost
Loans	-	1,919.9	-	1,061.1
Investments	-	-	-	-
Others[1]	-	14.3	-	16.9
Total	-	**1,934.2**	-	**1,078.0**

1. Regrouped from line item 'Provisions and write offs' in note no. 33 'Other expenses'.

32. Employee benefits expenses

The following table sets forth, for the periods indicated, details of employee benefits expenses.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Salaries and wages	1,248.3	*686.7*
Contribution to provident and other funds	84.7	*34.8*
Share based payment to employees	39.7	*55.0*
Staff welfare expenses	59.8	*25.7*
Total	1,432.5	*802.2*

33. Other Expenses

The following table sets forth, for the periods indicated, details of other expenses.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent, rates and energy cost	**59.9**	*79.0*
Repairs and maintenance	**60.6**	*56.2*
Communication costs	**42.8**	*15.4*
Printing and stationery	**22.4**	*19.7*
Advertisement and publicity	**75.3**	*94.2*
Director's fees, allowances and expenses	**4.6**	*5.0*
Auditor's fees and expenses (refer note below)	**11.4**	*11.8*
Legal and professional charges	**271.7**	*293.4*
Collection expenses	**232.0**	*233.2*
Insurance	**5.2**	*7.4*
Travelling and conveyance	**105.9**	*51.2*
Office expenses	**98.6**	*29.7*
Corporate Social Responsibility expenditure[1]	**30.8**	*45.4*
Computer consumables	**18.1**	*6.1*
Provisions and other write offs[2]	**-**	*-*
Miscellaneous expenses[3]	**39.3**	*10.7*
Total	**1,078.6**	*958.4*

1. Refer note 53 for details.
2. Regrouped to line item 'Others' in note no. 31 'Impairment on financial instruments'.
3. Includes loss of ₹ 7.8 million on transfer of consumer finance business to Parent Bank on a going concern basis by way of slump sale.

Remuneration to auditors

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Statutory audit fees	**5.5**	*5.5*
Tax audit fees	**0.6**	*0.5*
Certification and other fees[1]	**5.3**	*5.8*
Total	**11.4**	*11.8*

1. Including reimbursement of expenses and tax credit not available to the Company.

34. Current and non-current assets and liabilities

The following tables set forth, for the periods indicated, the assets and liabilities to be recovered or settled within and after twelve months.

₹ in million

Particulars	At March 31, 2020 — Amounts expected to be recovered or settled — Within twelve months	After twelve months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	221.0	-	221.0
Bank balance other than above	548.0	160.5	708.5
Derivative financial instruments	40.7	1,623.1	1,663.8
Receivables			
(i) Trade receivables	49.9	-	49.9
(ii) Other receivables	-	-	-
Loans	20,782.8	120,140.7	140,923.5
Investments	3,560.4	2,383.2	5,943.6
Other financial assets	389.6	353.1	742.7
	25,592.4	**124,660.6**	**150,253.0**
Non-financial assets			
Current tax assets (net)	-	671.3	671.3
Deferred tax assets	-	977.5	977.5
Property, plant and equipment	-	1,551.8	1,551.8
Capital work-in-progress	-	-	-
Other intangible assets	-	44.4	44.4
Other non-financial assets	131.5	72.7	204.2
	131.5	**3,317.7**	**3,449.2**
Total	**25,723.9**	**127,978.3**	**153,702.2**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	-	1,842.2	1,842.2
Payables			
(i) Micro and Small Enterprises	7.1	-	7.1
(ii) Other payables	911.2	-	911.2
Debt securities	7,138.9	18,196.6	25,335.5
Borrowings (Other than debt securities)	12,220.7	65,975.0	78,195.7
Deposits	7,578.6	17,546.7	25,125.3
Subordinate liabilities	-	-	-
Other financial liabilities	4,134.9	1,339.9	5,474.8
	31,991.4	**104,900.4**	**136,891.8**
Non-financial liabilities			
Current tax liabilities (net)	10.6	-	10.6
Provisions	18.1	31.6	49.7
Other non-financial liabilities	72.3	-	72.3
	101.0	**31.6**	**132.6**
EQUITY			
Equity Share Capital	-	10,987.5	10,987.5
Other equity	-	5,690.3	5,690.3
	-	**16,677.8**	**16,677.8**
Total	**32,092.4**	**121,609.8**	**153,702.2**

₹ in million

Particulars	At March 31, 2019 — Amounts expected to be recovered or settled — Within twelve months	After twelve months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	98.4	-	98.4
Bank balance other than above	-	2.5	2.5
Derivative financial instruments	-	-	-
Receivables			
(i) Trade receivables	129.9	-	129.9
(ii) Other receivables	-	-	-
Loans	24,669.0	108,661.7	133,330.7
Investments	9.8	979.9	989.7
Other financial assets	1,687.3	43.9	1,731.2
	26,594.4	**109,688.0**	**136,282.4**

₹ in million

Particulars	At March 31, 2019 Amounts expected to be recovered or settled Within twelve months	After twelve months	Total
Non-financial assets			
Current tax assets (net)	-	555.5	555.5
Deferred tax assets	-	1,145.5	1,145.5
Property, plant and equipment	-	1,094.0	1,094.0
Capital work-in-progress	-	-	-
Other intangible assets	-	34.8	34.8
Other non-financial assets	115.0	56.6	171.6
	115.0	**2,886.4**	**3,001.4**
Total	**26,709.4**	**112,574.4**	**139,283.8**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	208.2	1,510.1	1,718.3
Payables			
(i) Micro and Small Enterprises	8.2	-	8.2
(ii) Other payables	522.1	-	522.1
Debt securities	16,470.3	8,850.0	25,320.3
Borrowings (Other than debt securities)	11,768.2	68,785.8	80,554.0
Deposits	6,097.5	4,392.8	10,490.3
Subordinate liabilities	2,070.0	-	2,070.0
Other financial liabilities	1,683.4	-	1,683.4
	38,827.9	**83,538.7**	**122,366.6**
Non-financial liabilities			
Current tax liabilities (net)	-	10.6	10.6
Provisions	25.9	15.5	41.4
Other non-financial liabilities	-	37.0	37.0
	25.9	**63.1**	**89.0**
EQUITY			
Equity Share Capital	-	10,987.5	10,987.5
Other equity	-	5,840.7	5,840.7
	-	**16,828.2**	**16,828.2**
Total	**38,853.8**	**100,430.0**	**139,283.8**

35. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

36. Capital Management

Objective

The Company actively manages its capital to meet regulatory norms as prescribed by National Housing Bank (NHB) and current and future business needs considering the risks in its businesses, expectation of rating agencies, shareholders and investors and the available options of raising capital. No changes have been made to the objectives, policies and processes from the previous financial year.

The capital management framework of the Company is administered by the Finance Group under the supervision of the Board and the Assets Liability Management Committee.

The Company has complied in full, with externally imposed capital requirement over the reporting period.

Monitoring and reporting

The Board of Directors maintains an active oversight over the Company's capital adequacy levels. On a half yearly basis an analysis of the capital adequacy position and the risk weighted assets are reported to the Board.

The following table sets forth, for the period indicated, computation of the debt to equity ratio.

₹ in million, except ratio

Particulars	At March 31, 2020	*At March 31, 2019*
Debt	**128,656.5**	*118,434.6*
Equity	**16,677.8**	*16,828.2*
Debt to equity ratio	**7.71**	*7.04*

37. Earnings per share

The following table sets forth, for the period indicated, computation of the earnings per share.

₹ in million, except per share data

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Earnings		
Net Profit attributable shareholders (before dilution)	**2.8**	*440.9*
Dilution impact (If any)	**-**	-
Net Profit attributable shareholders (after dilution)	**2.8**	*440.9*
Common stock		
Weighted average number of equity shares (basic)	**1,098,750,000**	*1,098,750,000*
Dilutive impact	**-**	-
Weighted average number of equity shares (diluted)	**1,098,750,000**	*1,098,750,000*
Basic earnings per share (₹)	**0.00**	*0.40*
Diluted earnings per share (₹)	**0.00**	*0.40*

There are no instruments outstanding that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the period(s) presented.

There were no transactions that have occurred after the reporting date that would have changed significantly the number of ordinary shares outstanding or potential ordinary shares outstanding at the reporting date.

38. Operating segment

The Company is engaged in lending business. The Company provides mortgages loans (home loan, loan against properties, construction realty). The Company is also engaged in mortgage business related other services such as property search services. All other activities of the Company revolve around the main business. The Board reviews the Company's performance as a single business. The Company's operation is within India only. There being only one segment, disclosure for operating segment is not applicable.

Further, no clients individually accounted for more than 10% of the revenue in financial year ended March 31, 2020 and March 31, 2019.

39. Leases

The Company adopted Ind AS 116 'Leases' from April 1, 2019. Ind AS 116 introduced a single, on-balance sheet model for leases. Accordingly, the Company has recognised Right of use (ROU) asset representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied this Standard using the prospective approach. Accordingly, the comparative information is not re-stated.

Presentation/disclosure related to leases in financial statements is given below.

1. The Company has presented lease liability as a separate line item in schedule on 'Other Financial Liabilities'. The Company presents ROU assets (pertaining to its branch/office premises) as part of Properties, Plant and Equipment.
2. The Company has presented interest expenses on lease liability separately from depreciation charge for the ROU assets. Interest expenses on lease liability is a component of finance cost.
3. In cash flow statement, the Company has classified
   a) Principal portion of lease payment as financing activities,
   b) Interest on lease liability as financing activities,
   c) Lease payment for short-term assets or low-value assets as operating activities.

At transition, on measurement in accordance with the Ind AS 116, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate at April 1, 2019. ROU assets are measured at an amount equal to the lease liabilities. The Company used the following practical expedients-

a) Applied the exemption not to recognise ROU assets and lease liabilities for short-term leases and low value leases.

b) Excluded initial direct cost from measuring the ROU assets at the date of initial application.

c) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Therefore, contracts that were not identified as lease under Ind AS 17 were not re-assessed.

d) Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

e) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

As a result of initial application at April 1, 2019, the Company recognised ROU assets and lease liability of ₹ 419.8 million. The Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied was 9.35%.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the ROU asset and interest expenses on lease liability. The Company recognised depreciation and interest costs of ₹ 103.9 million and ₹ 45.9 million respectively for the year ended March 31, 2020 as against rental expenses of ₹ 121.9 million. The following table sets forth, for financial year ended March 31, 2020, movement in carrying value of right of use assets (for branch premises).

₹ in million

Particulars	Total
Balance at April 1, 2019 (on initial application of Ind AS 116 'Leases')	419.8
Addition	122.1
Deletion	(8.9)
Depreciation to date	(103.9)
Balance at March 31, 2020	429.1

1. Excludes prepaid rent.

The following tables sets forth, for the period indicated, details pertaining to lease liabilities.

a) **movement in carrying value of lease liability for year ended March 31, 2020**

₹ in million

Particulars	Total
Balance at April 1, 2019 (on initial application of Ind AS 116 'Leases')	419.8
Addition	122.1
Deletion	(8.9)
Finance cost accrued during the period	45.9
Payment	(121.9)
Balance at March 31, 2020	457.0

b) **break-up of lease liability in to current and non-current at March 31, 2020**

₹ in million

Particulars	Total
Current lease liabilities	87.1
Non-current lease liabilities	369.9
Total	**457.0**

c) **Contractual maturities of lease liabilities at March 31, 2020 on an undiscounted basis**

₹ in million

Particulars	Up to one month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 year	Total
Lease liabilities	10.5	21.1	94.6	399.8	30.1	**556.1**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Further for the year ended March 31, 2020, the Company

- Recorded expense of ₹ 17.6 million for short-term leases and for leases related to low-value leases.
- Did not have any variable lease payments.
- Had not sub-leased right of use assets.
- Had total cash out flow for leases amounting to ₹ 121.9 million.
- Does not have any significant restrictions or covenants imposed by leases.
- Has committed undiscounted value of the leases not yet commenced of ₹ 3.9 million

40. Provisions, commitments and contingencies

The following table sets forth, for the periods indicated, the break-up of provisions and contingencies included in statement of profit and loss.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Impairment on financial instruments	**1,919.9**	*1,061.1*
Others	**14.3**	*16.9*
Total	**1,934.2**	*1,078.0*

The Company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Litigation

A number of litigations and claims against the Company and its directors are pending in various forums. The claims on the Company mainly arise in connection with civil cases involving allegations of service deficiencies, property or labor disputes, fraudulent transactions, economic offences and other cases filed in the normal course of business. The Company is also subject to counter-claims arising in connection with its enforcement of contracts and loans. A provision is created where an unfavorable outcome is deemed probable and in respect of which a reliable estimate can be made. In view of inherent unpredictability of litigation and cases where claims sought are substantially high, actual cost of resolving litigations may be substantially different than the provision held. The total amount of provision made was ₹ 7.3 million at March 31, 2020 (March 31, 2019: ₹ 6.4 million).

Based upon a review of open matters with its legal counsels including loss contingency on account of such litigation and claims, and classification of such contingency as 'probable', 'possible' or 'remote' and with due provisioning for the relevant litigation and claims, the management believes that the outcome of such matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

The following table sets forth, for the periods indicated, movement in provision for legal cases.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Opening provision	**6.4**	*6.4*
Provision made during the year	**1.0**	*0.1*
Utilisation	**(0.1)**	*(0.1)*
Reversal of unused amount	**-**	*-*
Closing provision	**7.3**	*6.4*

Claims filed against the Company not acknowledged as debt amounted to ₹ 9.3 million at March 31, 2020 (March 2019: ₹ 11.2 million).

Loan commitments

The Company has outstanding undrawn commitments to provide loans to customers. These loan commitments aggregated ₹ 10,194.5 million at March 31, 2020 (March 31, 2019: ₹ 4,597.2 million). Further, the commitments have fixed expiration dates and are contingent upon the borrower's ability to maintain specific credit standards.

Capital commitments

The Company is obligated under various capital contracts. Capital contracts are work/purchase orders of a capital nature, which have been committed.

Estimated amounts of contracts remaining to be executed on property, plant and equipment aggregated to ₹ 10.7 million (net of advances - ₹ 9.9 million) at March 31, 2020 (March 31, 2019: Gross – ₹ 123.1 million, Net of advances – ₹ 110.1 million).

Estimated amounts of contracts remaining to be executed on intangible assets aggregated to ₹ 68.7 million (net of advances - ₹ 35.0 million) at March 31, 2020 (March 31, 2019: Gross – ₹ 70.6 million, Net of advances – ₹ 52.4 million).

Commitment towards investments

Uncalled amount towards investments at March 31, 2020 amounted to ₹ 7.5 million (March 31, 2019: Nil).

Tax contingencies

Various tax-related legal proceedings are pending against the Company at various levels of appeal either with the tax authorities or in the courts. Where after considering all available information in the opinion of management a liability requires accrual, the Company accrues such liability.

Where such proceedings are sufficiently advanced to enable management to assess that a liability exists and are subject to reasonable estimation, management records its best estimate of such liability. Where a reasonable range of potential outcomes is estimated, management records its best estimate, or in the absence of a basis for selecting a specific estimate within a range, management records a liability no less than the lower end of the estimated range. The contested tax demands are adjusted by the tax authorities against refunds due to the Company on favorable resolution of earlier year's appeals/completion of assessments or paid. The payment/adjustment does not prejudice the outcome of the appeals filed by the Company.

At March 31, 2020, the Company has assessed its contingent tax liability at an aggregate amount of ₹ 416.3 million pertaining to income tax demands by the Government of India's tax authorities for past years (March 31, 2019: ₹ 416.3 million). Based on consultation with counsel and favorable decisions in the Company's own or other cases, the management believes that the tax authorities are not likely to be able to substantiate their tax assessments and accordingly, has not provided for these tax demands at March 31, 2020. Disputed tax issues that are classified as remote are not disclosed as contingent liabilities by the Company. The key disputed liabilities are detailed below:

a. Income tax deduction for special reserve available to financial institutions

b. Disallowance of expenses incurred for earning tax exempt income

Based on judicial precedents in the Company's and other cases and upon consultation with tax counsels, the management believes that it is more likely than not that the Company's tax position will be sustained. Accordingly, no provision has been made in the accounts.

41. Dividend paid

The Board of Directors at its meeting held on April 30, 2019 recommended a dividend of ₹ 44.1 million, ₹ 0.04 per equity share in respect of year ended March 31, 2019, excluding dividend distribution tax of ₹ 9.1 million. According to Ind AS 110 - 'Events after the balance sheet date', the Company did not account for proposed dividend (including tax) as a liability for the year ended March 31, 2019. The Dividend was paid on June 4, 2019 after approval from Shareholders at Annual General Meeting held on June 3, 2019.

42. Income taxes

The following table sets forth, for the periods indicated, major components of income tax expense/ (benefit).

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Current tax expense/(benefit)		
Tax expense/(benefit) for current year	**185.0**	*351.5*
Adjustments for prior years	**-**	*1.6*
Total current tax expense/(benefit)	**185.0**	*353.1*
Deferred tax expense/(benefit)		
Origination and reversal of temporary difference	**(142.2)**	*(163.1)*
Change in tax rates	**213.3**	*-*
Total deferred tax expense/(benefit)	**71.1**	*(163.1)*
Total income tax expense/(benefit)	**256.1**	*190.0*

The tax expense and tax assets have been computed as per applicable tax laws and generally accepted tax computation policies and procedures. There is no uncertain tax treatment.

The following table sets forth, for the periods indicated, income taxes charged or credited directly to statement of other comprehensive income.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Items that will not be reclassified to the profit or loss		
Defined benefit plan actuarial gains/(losses)	**(2.8)**	*0.6*
Change in tax rates	**(0.2)**	*-*
Items that will be reclassified to the profit or loss		
Impact due to cash flow hedge reserve	**(7.9)**	*(385.8)*
Change in tax rates	**107.9**	*-*
Income tax charged/(credited) to other comprehensive income	**97.0**	*(385.2)*

Reconciliation of tax rates

The Indian statutory tax rate (including surcharge and education cess) was 25.168% for the year ended March 31, 2020 (March 31, 2019: 34.944%).

The following table sets forth, for the periods indicated, reconciliation of the expected income taxes at statutory income tax rate to income tax expense/ (benefit) as reported.

₹ in million

Particulars	Year ended March 31,2020	*Year ended March 31,2019*
Profit/(loss) before income taxes	**258.9**	*630.9*
Total		
Enacted statutory tax rate	**25.168%**	*34.944%*
Income tax expense/(benefit) at the statutory tax rate	**65.2**	*220.5*
Increases/(reductions) in taxes on account of:		
Income tax deduction for Special Reserve available to financial institutions	*(16.7)*	*(35.4)*
Exempt income (dividend)	**(17.7)**	*(35.5)*
Income charged at rates other than statutory tax rate	**-**	*(23.6)*
Changes in the statutory tax rate	**213.3**	*-*
Deferred tax not recognized	**-**	*-*
Expenses disallowed for tax purposes	**12.1**	*64.0*
Income tax expense/(benefit) reported	**256.1**	*190.0*

The effective income tax rate for year ended March 31, 2020 was 98.9% (March 31, 2019: 30.12%).

Effective income tax rate for the year ended March 31, 2020, excluding one-time re-measurement of opening deferred tax balances was 16.5%.

Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) promulgated by the President of India on September 20, 2019 has made certain amendments to the Income Tax Act, 1961 and the Finance Act, 2019. With effect from previous year 2019-20, the Company has an option to pay income tax at the rate of 25.168% without availing exemption and incentive as specified in the Ordinance. Prior to the ordinance, the applicable tax rate for the Company was 34.944%. The Company has opted to pay income-tax at the rate of 25.168% and provision for current tax has been computed accordingly. Further, deferred tax has also been computed at 25.168% and the same has resulted in additional charge of ₹ 213.3 million in Statement of Profit and Loss and ₹ 107.7 million in Other Comprehensive Income for the year ended March 31, 2020.

Components of deferred tax balances

The tax effects of temporary differences are reflected through a deferred tax asset/liability, which is included in the balance sheet of the Company.

The following table sets forth, for the periods indicated, components of the deferred tax balances.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Deferred tax assets:		
Allowance for loan losses	**1136.6**	1186.0
Cash flow hedge reserve	**285.8**	385.8
Others	**97.7**	102.4
Total	**1,520.1**	1,674.2
Total deferred tax asset		
Deferred tax liabilities:		
Depreciation on property, plant and equipment	**102.0**	169.9
Deferred loan origination expenses (net) and borrowing cost (EIR method of accounting) and interest on stage 3 loans	**265.6**	355.3
Fair value changes in investments and derivatives	**17.3**	3.5
Unrealised gains chargeable to tax on realisation basis	**157.7**	-
Total deferred tax liability	**542.6**	528.7
Net deferred tax asset/(liability)	**977.5**	1,145.5

In assessing the realisability of deferred tax assets, management has considered whether it is probable that some portion or all of the deferred tax assets will not be realised. The ultimate realisation of the deferred tax asset is dependent on the generation of future taxable income during the periods in which the temporary differences become deductible. Management has considered the scheduled reversal of deferred tax liabilities, the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that sufficient taxable profits will be available against which the Company will realise the benefits of those deductible differences.

The following tables set forth, for the periods indicated, movement in temporary differences during the year.

₹ in million

Particulars	Balance at April 1, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	Balance at March 31, 2020
Allowance for loan losses	1,186.0	(49.4)	-	1,136.6
Deferred loan origination expenses (net) and borrowing cost (EIR method of accounting) and interest on stage 3 loans	(355.3)	89.7	-	(265.6)
Depreciation on Property, plant and equipment	(169.9)	67.9	-	(102.0)
Fair value changes in investments and derivatives	(3.5)	(13.8)	-	(17.3)
Cash flow hedge reserve	385.8	-	(100.0)	285.8
Unrealised gains chargeable to tax on realisation basis	-	(157.7)	-	(157.7)
Others	102.4	(7.8)	3.0	97.7
Total	**1,145.5**	**(71.1)**	**(97.0)**	**977.5**

₹ in million

Particulars	Balance at April 1, 2018	Recognised in profit and loss account	Recognised in other comprehensive income	Balance at March 31, 2019
Allowance for loan losses	1,014.6	171.4	-	1,186.0
Deferred loan origination expenses (net) and borrowing cost (EIR method of accounting) and interest on stage 3 loans	(265.0)	(90.3)	-	(355.3)
Depreciation on Property and equipment	(172.7)	2.8	-	(169.9)
Fair value changes in investments and derivatives	(33.4)	29.9	-	(3.5)
Cash flow hedge reserve	-	-	385.8	385.8
Others	53.7	49.3	(0.6)	102.4
Total	**597.2**	**163.1**	**385.2**	**1,145.5**

43. Derecognition of financial assets

During the year ended March 31, 2020, the Company has sold 90% of a portion of its retail mortgage loans through direct assignments, measured at amortised cost, to maintain reasonable leverage. As per regulatory requirement, the Company continues to hold balance 10% of those loans as Minimum Retention Requirement (MRR). The Company transferred substantially all the risks and rewards relating to assets to the buyer and accordingly, sold portion of loans was derecognised. The Board of Directors has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The following table below sets forth, for the periods indicated, the summary of carrying amounts of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Carrying amount of derecognised financial assets	**24,108.8**	-
Gain on derecognition of financial assets[1,2]	**627.2**	-

1. Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety therefore the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition as interest-only strip receivable with a corresponding credit to profit and loss account.

2. Net-off of upfront amortisation of loan origination cost (net) of ₹ 21.2 million.

44. Offsetting financial assets and financial liabilities

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set-off recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability, simultaneously. Certain derivative financial instruments are subject to master netting agreements, whereby in the case of insolvency, derivative financial assets and derivative financial liabilities will be settled on a net basis.

The following tables set forth, for the periods indicated, the information on the impact of off-setting on the balance sheet and other related information.

At March 31, 2020 ₹ in million

Particulars	Effect of offsetting on balance sheet			Amounts not set-off on the balance sheet			
	Gross amounts	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet (A)	Impact of Master Netting Agreements (B)	Cash collateral (C)	collateral (D)	Net amount (A-B-C-D)
Financial assets							
Other financial assets	-	-	-	-	-	-	-
Financial liabilities							
Other financial liabilities	-	-	-	-	-	-	-

At March 31, 2019 ₹ in million

Particulars	Effect of offsetting on balance sheet			Amounts not set-off on the balance sheet			
	Gross amounts	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet (A)	Impact of Master Netting Agreements (B)	Cash collateral (C)	collateral (D)	Net amount (A-B-C-D)
Financial assets							
Other financial assets	186.2	181.3	4.9	-	-	-	-
Financial liabilities							
Other financial liabilities	181.3	181.3	-	-	-	-	-

45. Financial risk management

Introduction and overview

The Company, is exposed primarily to credit, market and liquidity risk from financial instruments. The Company is also subject to operational risks.

This section presents information about the Company's exposure to the above risks, its objectives, policies and processes for managing the risk and methods used to measure the risk.

Risk management framework

The key principles underlying the risk management framework are as follows:

1. The Board of Directors has oversight on all the risks assumed by the Company. Specific Committees of the Board have been constituted to facilitate focused oversight of various risks. The Audit and Risk Management Committee reviews the risk management policies, compliance with risk management guidelines stipulated by the NHB. It reviews key risk indicators covering areas such as credit risk, interest rate risk, liquidity risk and operational risks. Audit Risk and Management Committee provides direction to and also monitors the quality of the internal audit function.
2. Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3. Independent groups have been constituted across the Company to facilitate independent evaluation, monitoring and reporting of various risks. These control groups function independently of the business groups/sub-groups.

The risk management framework forms the basis of developing consistent risk principles.

Material risks are identified, measured, monitored and reported to the Board of Directors and Board level committees.

Credit risk

The Company is exposed to credit risk in its lending operations. Credit risk is the risk of loss that may occur from the failure of any counterparty to abide by the terms and conditions of any financial contract with the Company, principally the failure to make required payments as per the terms and conditions of the contracts.

Objectives

The Company manages its risk with the broad objectives of mitigating the risk arising from losses on account of the default, maintaining a healthy credit portfolio, complying with regulatory norms as specified by National Housing Bank and maximising return to the stakeholders.

Policies and processes

All credit risk related aspects are governed by the Board approved Credit and Recovery Policy (CRP). CRP outlines the type of products that can be offered, customer categories, target customer profile, credit approval process and limits. The delegation structure for approval of credit limits is approved by the Board of Directors. All credit proposals relating to construction realty finance and other funding to corporates are rated by risk management team prior to approval by the appropriate forum.

Credit approval authorisation structure

Every new credit facility and every extension or material change of an existing credit facility (such as its tenor, collateral structure or major covenants) to any counterparty requires credit approval at the appropriate authority level. The Company assigns credit approval authorities to individuals according to their qualifications, experience and training, and these are reviewed periodically. The authorisation is based on the level of risk and the quantum of exposure, to ensure that the transactions with higher exposure and level of risk are put up to correspondingly higher forum/committee for approval.

In respect of retail loans, all exposures are approved under operating notes or programs approved by the Committee of Directors (COD). This involves a cluster-based approach for a particular product or for homogeneous group of individuals/business entities that comply with certain laid down parameter-based norms. The norms vary across product segments/customer profile, but typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. The individual credit proposals are evaluated and approved by executives on the basis of the product policies.

Collateral management

The Company defines collateral as the assets or rights provided to the Company by the borrower or a third party in order to secure a credit facility. The Company would have the rights of secured creditor in respect of the assets offered as security for the obligations of the borrower/obligor. The Company ensures that the underlying documentation for the collateral provides the Company appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate retain or take legal possession of it in a timely manner in the event of default by the counterparty. The collateral is valued at the time of sanctioning the credit facility and loan-to-value (LTV) norms are applied as specified in the credit policies. For loan accounts classified as Stage 3, collaterals are valued on annual basis.

Impairment assessment

The Company determines credit loss allowances in accordance with Ind AS 109 as follows:

Stage 1 – Borrowers having delinquency less than or equal to 30 days past dues and not classified as Stage 3, are classified as Stage 1.

Stage 2 – Borrowers having delinquency greater than 30 days past dues and not classified as Stage 3, are classified as Stage 2.

Stage 3 – Borrowers identified as Credit Impaired.

However, where moratorium is granted to borrower in accordance with extant guidance of regulator, assets classification/staging is also in accordance with the guidance. For details, please refer section 'Reconciliation of gross carrying amount of loans and advances'.

At initial recognition, all financial assets which are not purchased or originated as credit impaired are reflected in Stage 1. If there is a significant increase in credit risk, the financial asset is transferred to Stage 2. Significant increase in credit risk is determined if borrower having delinquency more than 30 days and not classified as credit impaired. The assignment of a financial instrument to Stage 3 is based on the status of the obligor being in default (i.e. having delinquency more than 90 days) or identified as credit impaired. The expected credit loss calculation for Stage 3 distinguishes between transactions in homogeneous and non-homogenous portfolios.

Default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for Expected Credit Loss (ECL) in all cases when the borrower becomes 90 days past due on its contractual payments. The Company also considers following for classification as stage 3:

a. If terms of repayment are modified.

b. Overdue accounts based on future cash flows being negative.

c. Cases where fraud has been identified.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether a borrower accounts is subject to 12 month ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure in retail loans to have significantly increase in credit risk if a borrower becomes 30 days past due on its contractual payments. In addition to days past due criteria, the Company also considers an exposure in Construction Realty to have significant increase in credit risk on moving a customer to watch list.

Basis of inputs, assumptions and the estimation techniques

The Company calculates expected credit losses for each financial asset individually. Similarly, the determination of the need to transfer between stages is made on an individual asset basis. The Company uses three main components to measure ECL. These are Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). Audit & Risk Management Committee approves the underlying estimates, assumptions and methodology for computing allowances.

The estimation techniques for the input factors for retail portfolio of the Company are described in more detail below.

Probability of default (PD)

One year PD - For the purpose of PD estimation, the portfolio is segmented based on months-on-books and days past due (DPD) status. For estimating the

PD, historical data at quarterly time points have been used. The one-year PD is generated by taking a simple average of the defaults rates of the most recent 20 quarters of the corresponding pool.

Life time PD – 13-year default rate is considered for lifetime PD estimation since it has been observed that the cumulative PD curve tends to flatten out by 12th year. For cohorts where observation window is less than 13 years, a chain ladder approach has been used to project defaults rates over 13 years. The lifetime PD curves have been generated by taking a simple average of the cumulative PD curves of the most recent 20 quarters of the corresponding pool. Since a Stage 3 transaction is defaulted, the probability of default is equal to 100%.

The current COVID -19 impact on economic growth of the country is difficult to predict and the extent of negative impact will mainly depend on the future developments in containment of COVID-19, which is highly uncertain. Existing ECL model of the Company was primarily based on historical experiences of the economic conditions, customer behaviour and related factors. Hence, the increased uncertainty about potential future economic scenarios and their impact on credit losses has necessitated to consider additional scenarios while measuring ECLs.

Impact on certain type of borrowers like self-employed borrower segment would be more than the salaried segment due to impact on working capital cycle caused by closure of business during the lockdown. In case of retails loans, the Company calculates ECL on a collective basis. The portfolio is segmented based on nature of products, months-on-books and days past due (DPD) status. Further, the Company has segmented the portfolio, in to salaried and self-employed borrowers for arriving at the potential impact on probability of default. The Company for lack of any other comparable event of this nature has assumed the financial crisis of 2008 as a benchmark in deciding on the future probability of default (PD).

The Company has carried out scenario analysis based on PD observed during the financial crisis of FY2009 compared to pre-financial crisis PD to arrive at the scalar to be multiplied with the currently observed PD to consider the expected impact due to COVID-19. The resultant scalars arrived at post the analysis were higher for self employed segment in comparison to salaried segment.

Loss Given Default (LGD)

LGD is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. For estimation of LGD, portfolio is segmented based on the default status. The LGD for the non-default segment has been considered for all Stage 1 assets. The time horizon ensures that the projected recoveries used for LGD estimation are based on the defaults that have seen at least three years of recovery. The LGD estimation for the non-default segment at each of the financial year end has been based on the observed recoveries for the accounts moving in to default over the next one year. For cohorts where less than 6 years of observed recoveries are available, the recoveries are projected using chain ladder projection method. The recoveries are discounted to the default period using the cost of funds for the respective periods.

The Company expects that there would be no impact on the LGDs in case of account going into default the recovery periods by sale of asset in mortgage loans is long term process and there by negating any effect of correction in real estate prices in short term.

Exposure at Default (EAD)

The EAD is defined as the expected amount of the credit exposure to a counterparty at the time of its default. The outstanding receivable is considered to be the exposure at default. For cases involving undrawn amount, a percentage share of undrawn amount is added to the outstanding amount in order to appropriately reflect the expected outstanding amount in case of a counterparty default. The calibrations of such parameters are based on regulatory guidelines and product type specifics.

Construction Real Estate Book

For real estate book the Company carried out the individual borrower wise assessment to quantify the COVID impact. The stage 1 and 2 assets were analysed based on scenario analysis to arrive at the potential COVID impact. Scenarios analysis was done basis impact on sales/future demand and asset valuation.

Further, impact analysis has been done considering the developer pedigree, project completion stage, promoter’s skin in the game, affordability factor, sales velocity, location advantage and repayment track record parameters. With this impact analysis, the cases which are having low and medium impact are classified under Stage 1 whereas the cases having high impact are classified under Stage 2 accounts.

Cash flow analysis was done to arrive at final allowance for each account in construction realty finance, which are classified as stage 3.

The underlying forecasts and assumptions applied in the determination of ECL provision are subject to uncertainties which are often outside of the Company’s control and accordingly, actual results may differ from these estimates.

Potential impact of COVID-19 pandemic on credit risk management practices and actions of mitigation

To effectively manage impact of the pandemic Covid-19, Government of India has placed the country into an extended period of lockdown till May 3, 2020. The Company believes that the lockdown within the country and the slowdown in the global economy would have a short to medium-term negative impact on self-employed individuals and salaried customers working for companies whose cash flows have been severely impacted by the lockdown.

The credit risk has been mitigated to some extent by measures taken by RBI by giving relief to customers through moratorium. In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Company has extended the option of payment moratorium for all amounts falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. In line with the RBI guidelines issued on April 17, 2020, in respect of all accounts classified as Standard (Stage 1 and Stage 2) the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification.

The Company is taking following additional measures to ensure the ongoing effectiveness of risk management, maintaining a strong, diversified and resilient portfolio and ensuring that areas of growth are controlled and sustainable.

- Engagement of customer through dedicated relationship manager and collection team for regularisation of standard accounts
- Policy intervention by way of identifying positive and negative sectors and geographies for future funding need of the customers
- Realigning the product suite by way of differentiated product mix offering to different segments of borrowers
- Diversification of geographical concentration risk by way of varied maximum ticket size based on target geography
- Enhanced field monitoring for partly disbursed retail home loans in under construction projects
- For developer loans, stringent escrow management, field monitoring and engagement with promoters

Quantitative disclosures on credit risk

The following sections pertain to quantitative disclosures on maximum exposure for the Company.

Maximum credit risk exposure

The following table sets forth, for the periods indicated, the carrying amount of financial assets.

₹ in million

Category	At March 31, 2020	*At March 31, 2019*
Balances with banks	**221.0**	*98.4*
Deposits with banks	**708.5**	*2.5*
Derivative financial instruments	**1,663.8**	-
Trade receivables (net of allowances)	**49.9**	*129.9*
Advances (net of allowances)[1]	**1,40,923.5**	*133,330.7*
Other assets	**742.7**	*1,731.2*
Total	**144,309.4**	*135,292.7*

1. Advances generally have a significant level of collateralisation depending on the nature of the product. Mortgage loans are secured against residential/commercial property as collateral, loan against securities are secured against securities. Lending to construction finance customers is also secured. Collateral provides a secondary source of repayment for funds advanced in the event that a customer cannot meet their contractual repayment obligations. Consumer durable finance is unsecured.

Reconciliation of gross carrying amount of loans and advances

The following table set forth, for the periods indicated, movement in gross carrying amount of loans and advances.

₹ in million

Particulars	Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Balance at April 1, 2019	**126,698.6**	**2,641.1**	**7,438.6**	**136,778.3**
Loans and advances originated	64,349.8	-	-	**64,349.8**
Loans and advances purchased	63.3	-	-	**63.3**
Assets derecognised (on repayment excluding write-offs)[1,2]	(54,537.3)	(565.4)	(173.4)	**(55,276.1)**
Transfer to Stage 1	2,155.0	(1,840.7)	(314.3)	**-**
Transfer to Stage 2	(5,471.1)	5,952.9	(481.8)	**-**
Transfer to Stage 3	(402.8)	(2,039.2)	2,442.0	**-**
Amount written off	-	-	(450.4)	**(450.4)**
Balance at March 31, 2020	**132,855.5**	**4,148.7**	**8,460.7**	**145,464.9**

1. Includes direct assignment of retail mortgage loans amounting of ₹ 24,108.8 million.

2. Includes ₹ 1,205.9 million as part of sale of consumer finance business on slump sale basis.

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Company has extended the option of payment moratorium for all amounts falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. In line with the RBI guidelines issued on April 17, 2020, in respect of all accounts classified as Standard (Stage 1 and Stage 2) the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification.

The Company has extended the moratorium option to its borrowers under a Board approved policy. At March 31, 2020, the aggregated outstanding of the borrowers to whom moratorium has been extended and which were overdue but standard (Stage 1 and Stage 2) at February 29, 2020 amounted to ₹ 7,412.4 million. Of these, borrowers with aggregated outstanding of ₹ 1,390.2 million (including accrued interest of ₹ 50.7 million) were extended assets classification benefit (accounts not classified as Stage 3) at March 31, 2020. At March 31, 2020, the Company has loan loss allowances of ₹ 118.9 million against these loan accounts (allowances made during Q4-2020 amounted to ₹ 23.7 million).

The following table set forth, for the periods indicated, movement in gross carrying amount of loans and advances.

₹ in million

Particulars	Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Balance at April 1, 2018	**90,871.5**	**1,806.7**	**7,305.4**	**99,983.6**
Loans and advances originated	46,086.6	-	-	**46,086.6**
Loans and advances purchased	17,331.5	-	-	**17,331.5**
Assets derecognised (on repayment) (excluding write offs)	(25,582.5)	(302.3)	(128.6)	**(26,013.4)**
Transfer to Stage 1	1,642.2	(1,356.0)	(286.2)	**-**
Transfer to Stage 2	(3,487.9)	3,722.1	(234.2)	**-**
Transfer to Stage 3	(162.8)	(1,229.4)	1,392.2	**-**
Amount written off	-	-	(610.0)	**(610.0)**
Balance at March 31, 2019	**126,698.6**	**2,641.1**	**7,438.6**	**136,778.3**

Reconciliation of allowances for loans and advances

The following tables set forth, for the periods indicated, movement in impairment allowance for loans and advances.

₹ in million

Particulars	**Measured at an amount equal to 12- month credit losses**	**Measured at an amount equal to life time expected credit losses on non-credit impaired financial instruments**	**Measured at an amount equal to life time expected credit losses on credit impaired financial instruments**	**On financial assets that are purchased or originated credit impaired**	**Total**
Impairment allowance at April 1, 2019	**273.7**	**190.5**	**2,983.4**	**-**	**3,447.6**
New assets originated	128.9	-	-	-	**128.9**
Transfer to 12-month credit losses	195.6	(120.1)	(75.5)	-	**-**
Transfer to life-time credit losses –not credit impaired	(44.3)	117.0	(72.7)	-	**-**
Transfer to life-time credit losses impaired – credit impaired	(5.2)	(148.7)	153.9	-	**-**
Reversal on write-off	-	-	(451.5)	-	**(451.5)**
Reversal on recovery	(26.1)	(27.3)	(50.9)	-	**(104.3)**
Changes in provision on account of migration between stages and in same stage due to change in buckets	(110.7)	357.0	1,274.4	-	**1,520.7**
Impairment allowance at March 31, 2020	**411.9**	**368.4**	**3,761.1**	**-**	**4,541.4**

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk and change in probability of default due to estimated impact of COVID-19 pandemic. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered a higher probability of default to factor in the potential impact of COVID-19 on impairment allowances.

₹ in million

Particulars	Measured at an amount equal to 12- month credit losses	Measured at an amount equal to life time expected credit losses on non-credit impaired financial instruments	Measured at an amount equal to life time expected credit losses on credit impaired financial instruments	On financial assets that are purchased or originated credit impaired	Total
Impairment allowance at April 1, 2018	**206.5**	**118.0**	**2,672.7**	**-**	**2,997.2**
New assets originated or purchased	125.0	-	-	-	**125.0**
Transfer to 12-month credit losses	157.5	(79.1)	(78.4)	-	**-**
Transfer to life-time credit losses –not credit impaired	(17.3)	64.0	(46.7)	-	**-**
Transfer to life-time credit losses impaired	(0.9)	(80.3)	81.2	-	**-**
Reversal on write-off			(605.1)	-	**(605.1)**
Reversal on recovery	(43.8)	(6.4)	(53.6)	-	**(103.8)**
Changes in provision on account of migration between stages and in same stage due to change in buckets	(153.3)	174.3	1,013.3	-	**1,034.3**
Impairment allowance at March 31, 2019	**273.7**	**190.5**	**2,983.4**	**-**	**3,447.6**

The following table sets forth, for the periods indicated, the closing balance of impairment allowance on loans and advances.

₹ in million

Particulars	March 31, 2020	*March 31, 2019*
Impairment allowances measured at an amount equal to 12- month credit losses	**411.9**	*273.7*
Impairment allowances measured at an amount equal to life time expected credit losses on non-credit impaired financial instruments	**368.4**	*190.5*
Impairment allowances measured at an amount equal to life time expected credit losses on credit impaired financial instruments	**3,761.1**	*2,983.4*
Total	**4,541.4**	*3,447.6*

Impairment on financial instruments by category

The following tables sets forth, for the periods indicated, closing balances of impairment allowances by category of financial instruments.

₹ in million

Particulars	At March 31, 2020		
	On financial instruments measured at amortised cost	On financial instruments measured as fair value through other comprehensive income	Total
Loan and advances[1]	4,541.4	-	**4,541.4**
Trade receivables	24.8		**24.8**
Total	**4,566.2**	**-**	**4,566.2**

1. Excluding allowance for loan commitment of ₹ 12.0 million.

₹ in million

Particulars	At March 31, 2019		
	On financial instruments measured at amortised cost	On financial instruments measured as fair value through other comprehensive income	Total
Loan and advances[1]	3,447.6	-	**3,447.6**
Trade receivables	12.4	-	**12.4**
Total	**3,460.0**	**-**	**3,460.0**

1. Excluding allowance for loan commitment of ₹ 4.0 million.

Ageing analysis of loans and advances

The following tables set forth, for the period indicated, the ageing analysis of gross carrying amount of loans and advances.

₹ in million

Particulars	At March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Not due	1,32,801.5	4,001.9	31.6	**1,36,835.0**
Overdue up to 30 days	54.1	6.0	-	**60.1**
Overdue 31 – 60 days	-	51.7	2.5	**54.2**
Overdue 61 – 90 days	-	89.0	-	**89.0**
Overdue More than 90 days[1]	-	-	8,426.6	**8,426.6**
Total	**1,32,855.6**	**4,148.6**	**8,460.7**	**1,45,464.9**

1. Includes installments which are not due.

₹ in million

Particulars	At March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Not due	126,662.2	2,505.7	44.6	**129,212.5**
Overdue up to 30 days	36.4	-	1.0	**37.4**
Overdue 31 – 60 days	-	69.4	-	**69.4**
Overdue 61 – 90 days	-	66.0	21.1	**87.1**
Overdue More than 90 days[1]	-	-	7,371.9	**7,371.9**
Total	**126,698.6**	**2,641.1**	**7,438.6**	**136,778.3**

1. Includes installments which are not due.

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was ₹ 5.8 million at March 31, 2020 (March 31, 2019: Nil).

Concentration of credit risk

Credit risk is monitored in accordance with the guidelines stipulated by the National Housing Bank (NHB). None of the borrower has exceeded the Single Borrower Limit and Group Borrower Limit as set by the regulator during the year ended March 31, 2020.

The following table sets forth, for the periods indicated, the product wise concentration of loans and advances.

₹ in million

Particulars	At March 31, 2020	*At March 31, 2019*
Mortgage loans	1,38,736.0	1,26,274.9
Construction realty loans	6,558.9	6,943.8
Consumer durable loans	-	1,606.5
Loan against securities	151.6	1,953.1
Gold loan	18.4	
Grand Total	**1,45,464.9**	***1,36,778.3***

Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has Asset Liability Management Committee (ALCO) which reviews the Asset Liability profile and interest rates on regular basis. The Company has Board approved Asset Liability Management (ALM) Policy, which prescribes broad overview on liquidity risk. The tools used by the Company in liquidity risk management include gap analysis (ALM statements) and liquidity ratios such as high value customer deposits to total funding resources. For measuring and managing net funding requirements, the Company has adopted use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates.

The Statement of Structural Liquidity is prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. The Company monitors absolute and/or cumulative mismatches across all time buckets by establishing internal prudential limits consistent with regulatory requirements.

Liquidity Contingency Plan

The statement of structural liquidity is used as a standard tool for measuring and managing net funding requirements and the assessment of a surplus or shortfall of funds in various maturity buckets in the future. The Company has certain resources (enumerated as below) at its disposal for meeting the shortfall in liquidity if the outflows of cash occur significantly earlier than indicated in the ALM statements, or are for significantly different amounts from those indicated in the ALM statements.

a. Balances in schemes of mutual funds

b. Line of credit (overdraft limit) from banks

c. Other liquid investments (in excess of statutory requirements, if any)

In addition to above, the Company has other avenues such as issuance of commercial paper, bonds/Non-Convertible Debentures (NCD), term loans or borrowings from banks and institutions including undrawn term loans and fixed deposits through which additional liquidity can be generated.

Potential impact of COVID-19 pandemic and actions of mitigation

The unprecedented situation created by COVID-19 outbreak necessitated a nationwide lockdown thereby impacting treasury operations having potential risks on liquidity. In order to address this risk and to seamlessly carry out treasury activities, the Company immediately activated its Business Continuity Plan (BCP) and took following key actions amongst other administrative actions.

- Increased the liquidity threshold under the Liquidity Contingency Plan (LCP)
- Prepared a plan for dues upto next 180 days and accordingly calibrated the funds requirement with assumption that new collections and borrowings will be disrupted severely
- Rolled out scheme to garner fixed deposits from existing and new customers

Accordingly, from liquidity perspective the Company does not anticipate any adverse impact due to this situation.

The Company also assessed its structural liquidity for the period ended March 31, 2020 after taking in to account the moratorium extended to its borrower under the RBI relief package and factored the expected change in prepayment behavior. Based on this assessment no negative impact on liquidity has been observed and the cash flow mismatches have remained within the stipulated regulatory limits.

With the steps taken as above the Company has been able to function normally and also make preparedness to start business as usual from the perspective of funds requirement.

Maturity analysis for financial liabilities

The tables below set forth, for the periods indicated, the cash flows under financial liabilities as per their residual contractual maturities at the balance sheet date.

₹ in million

March 31, 2020	Up to one month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 year	Total
Trade payables	918.3	-	-	-	-	**918.3**
Debt securities (including estimated interest)	86.6	2,956.1	5,226.6	20,058.6	-	**28,327.9**
Borrowings (including estimated interest)	377.2	3,462.9	14,358.1	73,094.5	4,387.0	**95,679.7**
Deposits (including estimated interest)	406.5	1,746.9	12,153.9	29,587.1	1,023.7	**44,918.1**
Subordinate liabilities (including estimated interest)	-	-	-	-	-	**-**
Loan commitments	536.2	977.2	1,097.0	1,236.6	-	**3,847.0**
Derivative financial liabilities	-	-	-	1,842.2	-	**1,842.2**
Other financial liabilities[1]	2,991.9	14.1	66.1	336.6	33.2	**3,441.9**

1. Excluding interest accrued.

₹ in million

March 31, 2019	Up to one month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 year	Total
Trade payables	530.3	-	-	-	-	**530.3**
Debt securities (including estimated interest)	2,608.2	9,607.0	7,809.5	10,049.4	-	**30,074.1**
Borrowing (including estimated interest)	4,220.2	2,365.5	11,494.6	78,953.2	5,989.1	**103,022.6**
Deposits (including estimated interest)	40.7	786.9	6,013.4	5,370.4	-	**12,211.4**
Subordinate liabilities (including estimated interest)	2,070.0	-	-	-	-	**2,070.0**
Loan commitments	346.0	719.3	327.0	490.4	-	**1,882.7**
Derivative financial liabilities	-	11.3	196.9	1,510.1	-	**1,718.3**
Other financial liabilities[1]	557.1	-	-	-	-	**557.1**

1. Excluding interest accrued.

For non-derivative financial liabilities, amounts represent undiscounted cash flows.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and equity price risk.

a. Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, that is, in a currency other than the functional currency in which they are measured. The Company has exposure to foreign exchange risk by virtue of External Commercial Borrowings (ECBs). The Company entered into derivative transactions to hedge the risk towards adverse movement in foreign exchange and interest rate. The Company had taken derivative positions which is a principal only swap, interest rate swap and forwards of upto 1 year/upto maturity for all cash flows arising out of the interest rate swaps to mitigate these risks on the ECBs. There have been no changes in the contractual terms of the hedged item and hedging instrument pursuant to the COVID-19 outbreak. Refer note no. 51 for details for hedges.

The Company does not have any foreign currency exposure except external commercial borrowings denominated in USD.

b. Interest rate risk is the risk that changes in market interest rates might adversely affect the Company's financial condition. It is the risk of potential variability in earnings and capital value resulting from changes in market interest rates. A company generally faces interest rate risk when one side of the balance sheet largely has rate sensitive items and the other side has rate insensitive items. Interest rate risk arises on interest-bearing financial instruments recognised in the balance sheet (e.g. debt instruments acquired or issued) and on some financial instruments not recognised in the balance sheet (e.g. loan commitments). The Company uses various tools including gap analysis, Earnings at Risk (EaR) and duration of equity (DoE) for interest risk management.

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate.

Particulars	At March 31, 2020	*At March 31, 2019*
Variable rate borrowings	**44.80%**	*48.22%*
Fixed rate borrowings	**55.20%**	*51.78%*
Total borrowings	**100.00%**	*100.00%*

At March 31, 2020, the Company has Earnings (Profit) at Risk (EaR) impact of ₹ 24.2 million (March 31, 2019: ₹ 168.9 million) due to Interest rate sensitivity of 100 basis point adverse change in borrowing rates and 50 basis point adverse change in lending rates as per approved ALM Policy of the Company. There is no significant interest rate risk due to COVID-19 outbreak.

c. Equity price risk is the risk that the fair value of equities decreases as the result of changes in their prices. The Company does not trade into equities. The unquoted investments are valued in accordance with Ind AS 113 'Fair Value Measurements'. The Company does not have any significant amount of investments in equities, hence there is no material impact expected due to COVID -19 outbreak.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk management in the Company follows three lines of defense approach:

1. First line of defense is business line management –They are responsible for identifying and managing operational risks inherent in the products and processes. They are also responsible for assessing and enhancing controls thereby promoting strong risk culture.
2. Second line of defense is risk management group –They are responsible for independent review of processes and functions and implementation of the operational risk management function in the Company. Key responsibilities include risk identification, risk assessment, risk measurement, risk monitoring, and risk reporting.
3. Third line of defense is internal audit department –They provide independent assurance that the first and second lines are operating in line with policies, regulations and internal standards defined for management of operational risk in the Company.

   Operational risk and related areas are governed by the Board approved policies.

Potential impact of COVID-19 pandemic and actions of mitigation

COVID-19 is impacting businesses globally by disrupting supply chains, travel, operations and financial markets. To ensure continuity of critical activities, the Company has adopted work from home policy during the lockdown period.

The Company adapted to the changed environment in a very short period of time. It also addressed the potential risks which posed themselves due to offsite working typically on internal processes and system vulnerabilities. The Company also ensured seamless accessibility of critical systems through Virtual Private Network thereby minimizing the risk of security/data breaches and cyberattacks. This enabled the Company to provide work experience very close to the way employees work from office with adequate controls in place.

To safeguard its infrastructure and employees' health and safety, the Company continued tracking of all closed branch/offices premises and also ensured employee engagements.

46. Fair value measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised are disclosed in note 3.

a) Valuation framework

Fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company uses valuation models for computing the valuation of instruments wherever a traded price is not readily available for such instruments.

Fair value hierarchy

The Company measures fair values using the following value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1

Valuation is based upon unadjusted quoted prices of identical instruments traded in active markets. The instruments that have been valued based upon such quoted prices include mutual funds.

Level 2

Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, prices quoted by market participants and prices derived from valuation models which use significant inputs that are observable in active markets. The instruments that have been valued based upon such valuation include derivatives.

Level 3

Valuation is based on valuation techniques or models which use data not based on unobservable market input or assumptions. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable or when determination of the fair value requires significant management judgment or estimation.

Valuation models

Level 1

Prices quoted in active markets – The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent prices at which regularly and recently occurring transactions take place.

Level 2

Valuation techniques with observable inputs - The Company uses valuation techniques to establish the fair value of instruments where prices, quoted in active markets, are not available. Valuation techniques used for financial instruments include modeling techniques, the use of indicative quotes for proxy instruments, quotes from recent and less regular transactions and broker quotes.

Derivatives are valued using mark-to-market receivable/payable indicated by the counterparties. The valuation derived based on counterparties quote are also independently validated.

Level 3

Valuation techniques with significant market unobservable inputs - This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table sets forth, carrying value and fair value of financial instruments by categories at March 31, 2020.

₹ in million

Particulars	Fair value through P&L	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets						
Cash and cash equivalents	-	-	-	221.0	221.0	221.0
Bank deposits	-	-	-	708.5	708.5	708.5
Derivative financial instruments	-	1,663.8	-	-	1,663.8	1,663.8
Trade receivables	-	-	-	49.9	49.9	49.9
Loans	-	-	-	140,923.5	140,923.5	140,923.5
Investments	3,727.3	-	-	2,216.3	5,943.6	5,982.3
Other financial assets	-	-	-	742.7	742.7	742.7
Total	**3,727.3**	**1,663.8**	**-**	**144,861.9**	**150,253.0**	**150,291.7**
Liabilities						
Derivative financial instruments	-	1,842.2	-	-	1,842.2	1,842.2
Trade and other payables	-	-	-	918.3	918.3	918.3
Borrowings (including Debt securities and Deposits)	-	-	-	128,656.5	128,656.5	131,263.3
Other financial liabilities	-	-	-	5,474.8	5,474.8	5,474.8
Total	**-**	**1,842.2**	**-**	**135,049.6**	**136,891.8**	**139,498.6**

At March 31, 2020, financial assets carried at fair value was ₹ 3,727.3 million and financial assets carried at amortised cost was ₹ 144,861.9 million. The significant portion of financial assets carried at fair value are mainly investments in liquid debt securities (classified as Level 1) and accordingly, any material volatility is not expected.

Loans and advances carried at amortised cost, which are valued considering allowances for losses using expected credit loss method. In addition to the historical pattern of credit loss, the Company considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. Based the assessment as given in note 45 on Expected Credit losses, the allowance for loans of ₹ 4,541.4 million at March 31, 2020 is considered adequate.

Significant amount of financial assets, other than loans and advances which are carried at amortised cost are in the form of cash and cash equivalents, bank deposits, government securities where in the Company does not expect any increase in credit risk.

The following table sets forth, carrying value and fair value of financial instruments by categories at March 31, 2019.

₹ in million

Particulars	Fair value through P&L	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
Assets						
Cash and cash equivalents	-	-	-	98.4	98.4	98.4
Bank deposits	-	-	-	2.5	2.5	2.5
Trade receivables	-	-	-	129.9	129.9	129.9
Loans	-	-	-	133,330.7	133,330.7	133,330.7
Investments	369.0	-	-	620.7	989.7	990.5
Other financial assets	-	-	-	1,731.2	1,731.2	1,731.2
Total	**369.0**	**-**	**-**	**135,913.4**	**136,282.4**	**136,283.2**
Liabilities						
Derivative financial instruments	-	1,718.3	0.0[1]	-	1,718.3	1,718.3
Trade and other payables	-	-	-	530.3	530.3	530.3
Borrowings (including Debt securities and Deposits)	-	-	-	118,434.6	118,434.6	119,908.8
Other financial liabilities	-	-	-	1,683.4	1,683.4	1,683.4
Total	**-**	**1,718.3**	**0.0[1]**	**120,648.3**	**122,366.6**	**123,840.8**

1. Insignificant amount.

The following tables set forth, for the periods indicated, an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1, 2 and 3.

₹ in million

At March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
Mutual funds	3,314.7	-	-	3,314.7
Equity Shares	-	-	386.0	386.0
Units of venture capital funds	-	-	26.6	26.6
Derivative financial assets	-	1,663.8	-	1,663.8
Total	**3,314.7**	**1,663.8**	**412.6**	**5,391.1**
Financial liabilities				
Derivative financial liabilities	-	1,842.2	-	1,842.2
Total	**-**	**1,842.2**	**-**	**1,842.2**

₹ in million

At March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
Equity Shares	-	-	352.3	352.3
Units of venture capital funds	-	-	16.7	16.7
Derivative financial assets	-	*	-	*
Total	**-**	*****	**369.0**	**369.0**
Financial liabilities				
Derivative financial liabilities	-	1,718.3	-	1,718.3
Total	**-**	**1,718.3**	**-**	**1,718.3**

*Insignificant amount

During financial year ended March 31, 2020 and March 31, 2019, the Company has not transferred any financial assets or liabilities from one level to another level.

b) Financial instruments not measured at fair value measurement

Estimated fair value of financial instruments

Fair value estimates are generally subjective in nature and are made at a specific point in time based on the characteristics of the financial instruments and relevant market information. Quoted market prices are used, wherever available. In other cases, fair values are based on estimates using present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and may not be realised in an immediate sale of the instruments.

The short-term financial assets (cash and cash equivalents, Other bank balances, receivables and other assets) and liabilities (Trade payables and other liabilities) are stated at amortised cost, which is approximately equal to their fair value.

The details of methods and assumptions used by the Company in estimating the fair values of financial instruments is given below.

i. Loans and advances

Substantially all loans reprice frequently, with interest rates reflecting current market pricing, hence carrying value of loan approximates fair value. The advances are classified as level 3 instruments in view of absence of any significant market observable data for valuation of these instruments.

ii. Investments

The Company has investments in government securities which are carried at amortised cost. The fair value of these investments are computed based on prices published by Fixed Income Money Market and Derivatives Association (FIMMDA)/Financial Benchmark India Private Limited (FIBIL).

iii. Debt securities and other borrowings (including fixed deposits)

The fair value of the Company's debt is estimated by discounting future contractual cash flows using appropriate interest rates and credit spreads. The carrying value short-term borrowings approximates fair value. The borrowings are classified as level 3 instruments.

The following tables set forth, for the period indicated provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1, 2 and 3 categories.

₹ in million

At March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	140,923.5	140,923.5
Investments	2,255.0	-	-	2,255.0
Total	**2,255.0**	**-**	**140,923.5**	**143,178.5**
Financial liabilities				
Borrowings	-	23,245.8	108,017.5	131,263.3
Total	**-**	**23,245.8**	**108,017.5**	**131,263.3**

₹ in million

At March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	133,330.7	133,330.7
Investments	621.5	-	-	621.5
Total	**621.5**	**-**	**133,330.7**	**133,952.2**
Financial liabilities				
Borrowings	-	20,744.9	99,163.9	119,808.8
Total	**-**	**20,744.9**	**99,163.9**	**119,808.8**

c) Reclassification of financial assets

During financial year ended March 31, 2020 and March 31, 2019, the Company has not reclassified any of financial assets from one category to another category.

d) Movement in level 3 financial instruments measured at fair value

The following tables set forth, for the periods indicated, the reconciliation of the opening and closing amounts of level 3 financial assets measured at fair value.

₹ in million

Description	Equity instruments	Units of Venture capital fund	Total
Opening balance at April 1, 2019	**352.3**	**16.7**	**369.0**
Total gains or losses included in statement of profit and loss	33.7	12.4	46.1
Purchases	-	-	-
Sales (including realised gains/(losses)	-	(2.5)	(2.5)
Closing balance at March 31, 2020	**386.0**	**26.6**	**412.6**
Total amount of gains or (losses) included in statement of profit and loss on account attributable to change in unrealised gains or (losses) relating to assets still held at reporting date	33.7	17.0	50.7

₹ in million

Description	Equity instruments	Units of Venture capital fund	Total
Opening balance at April 1, 2018	**324.3**	**90.0**	**414.3**
Total gains or losses included in statement of profit and loss	83.8	(18.7)	65.1
Purchases	-	-	-
Sales (including realised gains/(losses))	(55.8)	(54.6)	(110.4)
Closing balance at March 31, 2019	**352.3**	**16.7**	**369.0**
Total amount of gains or (losses) included in statement of profit and loss on account attributable to change in unrealised gains or (losses) relating to assets still held at reporting date	71.2	(4.4)	66.8

e) Unobservable inputs used in measuring fair value of financial instruments categorised as level 3

The following tables set forth, for the periods indicated, information about significant unobservable inputs used in measuring financial instruments categorised as level 3 in the fair value hierarchy.

₹ in million

Type of financial instruments	Fair value at March 31, 2020	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Unlisted equity	386.0	Independent valuation	A significant increase/ decrease in the price would result in a higher/lower fair value
Venture funds	26.6	Net Assets Value (NAV) provided by the Venture Capital Fund (VCF)	A significant increase/ decrease in the NAV would result in a higher/lower fair value
Total	**412.6**		

Investment in equity shares are valued by Independent valuer using investee company's net worth. Based on the assessment of current financial conditions and business prospects of investee company, valuation was appropriately discounted to reflect the risks and uncertain market conditions. Any changes in the scenario could be a key risk to valuation.

₹ in million

Type of financial instruments	Fair value at March 31, 2019	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Unlisted equity	352.3	Price/value provided by external valuer	A significant increase/ decrease in the price would result in a higher/lower fair value
Venture funds	16.7	NAV provided by the VCF	A significant increase/ decrease in the NAV would result in a higher/lower fair value
Total	**369.0**		

The effect of unobservable inputs on fair value measurement

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The exposures to Level 3 fair value measurements for the Company are unlisted equity instruments and units in venture capital fund.

The total outstanding carrying amount of unlisted equity and units in venture capital funds at March 31, 2020 was ₹ 412.6 million (at March 31, 2019 ₹ 369.0 million). The most significant input impacting the fair value of the unlisted equity shares and units in venture capital fund are prices or values provided by external valuer/fund and recent market transactions. A 10% change in price would result in an impact of ₹ 41.3 million (at March 31, 2019 ₹ 36.9 million).

47. Employee benefits

Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets.

The gratuity benefit is provided through annual contributions to a fund administered and managed by ICICI Prudential Life Insurance Company Limited (ICICI Prudential). Under this scheme, the settlement obligation remains with the Company, although ICICI Prudential administer the scheme.

Gratuity is a defined benefit plan and Company is exposed to the following risks:

a) Interest rate risk: A fall in the discount rate which is linked to the Government Securities rate, will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at reporting date on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

d) Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The following table sets forth, for the periods indicated, the funded status of the plans and the amounts recognised in the financial statements.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Change in benefit obligations		
Opening obligations	**70.6**	*53.6*
Service cost	**11.1**	*7.1*
Interest cost	**4.8**	*3.9*
Remeasurements gains/(losses)		
-Actuarial gain/(loss) from changes in demographic assumptions	**(0.0)**	*(2.4)*
-Actuarial gain/(loss) from changes in financial assumptions	**9.0**	*0.8*
-Actuarial gain/(loss) from changes in experience adjustments	**1.9**	*5.4*
Past service cost	**-**	*-*
Transfer in/(out) of liability	**(1.9)**	*10.7*
Benefits paid	**(5.5)**	*(8.5)*
Benefit obligations at the end of the year	**90.0**	*70.6*
Change in plan assets		
Fair value of plan assets at beginning of the year	**68.9**	*58.5*
Interest on plan assets	**4.6**	*4.3*
Actual return on plan assets less interest on plan assets	**(0.5)**	*1.6*
Actuarial gain/(loss) from changes in demographic assumptions	**-**	*-*
Actuarial gain/(loss) from changes in financial assumptions	**-**	*-*
Employer contributions	**13.3**	*2.3*
Transfer in/(out) of assets	**(1.9)**	*10.7*
Benefits paid	**(5.5)**	*(8.5)*
Plan assets at the end of the year	**78.9**	*68.9*
Expected employer's contribution next year	**10.0**	*2.0*
Fair value of plan assets at the end of the year	**78.9**	*68.9*
Present value of the defined benefit obligations at the year	**90.0**	*70.6*
Unrecognised prior service cost	**-**	*-*
Amount not recognised as an Asset	**-**	*-*
Asset/(liability)	**(11.1)**	*(1.7)*

The following table sets forth, for the periods indicated, the components of the income and expenses recognised in other comprehensive income.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance of actuarial (gains)/losses recognised in other comprehensive income	**(1.8)**	*(4.0)*
Remeasurements loss/(gains)		
Actuarial loss or gain arising from:		
Demographic assumptions	**0.0**	*(2.4)*
Financial assumptions	**9.0**	*0.8*
Experience adjustment	**1.9**	*5.4*
Return on plan assets excluding interest income	**0.5**	*(1.6)*
Effects of movements in exchange rates	**-**	*-*
Closing balance of actuarial (gains)/losses recognised in other comprehensive income	**9.6**	*(1.8)*

The following table sets forth, for the periods indicated, the components of the net gratuity cost recognised in statement of profit and loss.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Service cost	**11.1**	*7.1*
Interest cost/(income)	**0.1**	*(0.3)*
Amortisation of prior service cost		*-*
Net gratuity cost	**11.2**	*6.8*

Gratuity cost is included in the line item 'Employee benefits expenses' in the statement of profit and loss.

The discount rate used to discount gratuity obligations has been determined with reference to the prevailing market yields on government of India bonds, for the estimated term of obligations, at the end of the reporting period.

The following table sets forth, for the periods indicated, assumptions used to determine benefit obligations.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	**5.65%**	*7.40%*
Rate of increase in compensation levels	**7.00%**	*7.00%*

Assumptions regarding future mortality has been based on published statistics and mortality tables. The current longevities underlying the value of the defined benefit obligation at the reporting date were as follows:

Age (years)	Year ended March 31, 2020	Year ended March 31, 2019
21-24	**41%**	*41%*
25-29	**36%**	*36%*
30-34	**30%**	*30%*
35-44	**20%**	*20%*
45 and above	**9%**	*9%*

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

₹ in million

Age (years)	At March 31, 2020	At March 31, 2019
Discount rate (0.5% movement)		
On increase	**(2.7)**	*(3.8)*
On decrease	**2.8**	*4.2*
Future salary growth (0.5% movement)		
On increase	**2.9**	*4.2*
On decrease	**(2.7)**	*(3.8)*

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the methods and assumptions used in preparing the sensitivity analysis.

Plan assets

The following table sets forth, for the periods indicated, the Company's asset allocation for gratuity by asset category based on fair values.

₹ in million

Asset category	At March 31, 2020		At March 31, 2019	
	Amount	As percentage of total	Amount	As percentage of total
Insurer managed funds	78.6	99.6%	68.9	100%
Others	0.3	0.4%	-	-

Maturity analysis of the benefit payments from the fund

The following table sets forth, for the periods indicated maturity analysis of the benefit payments from the fund.

₹ in million

Future year from the date of reporting	March 31, 2020	March 31, 2019
1st year	**11.3**	*12.4*
2nd year	**12.0**	*9.3*
3rd year	**9.0**	*9.7*
4th year	**8.7**	*7.1*
5th year	**7.6**	*6.2*
6th year	**12.4**	*5.6*
7th year	**15.7**	*9.8*
8th year	**4.5**	*12.8*
9th year	**4.1**	*3.4*
10th year and above	**47.9**	*39.4*

Weighted average duration of defined benefit obligation is 6.2 years (March 31, 2019: 5.9 years).

Provident fund

Employees of the Company are entitled to receive benefits under the provident fund. These contributions are made to a fund set up by the Company and administered by a Board of Trustees. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company has contributed ₹ 52.0 million (March 31, 2019: ₹ 23.2 million) to the employees' provident fund for the year ended March 31, 2020, which includes compulsory contribution made towards employee pension scheme under Employees Provident Fund and Miscellaneous Provisions Act, 1952. This cost is included in the line item 'Employee benefits expenses' in the statement of profit and loss. In accordance with an actuarial valuation, the Company has provided an amount of ₹ 14.1 million as deficiency in the interest cost as the present value of the expected future earnings on the fund is lower than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.50%.

The following table sets forth, for the periods indicated, the funded status of the plans and the amounts recognised in the financial statements.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Change in benefit obligations		
Opening obligations	**275.6**	*225.0*
Service cost	**29.4**	*16.4*
Interest cost	**21.3**	*17.6*
Remeasurements gains/(losses)	**6.1**	*2.3*
Employee's contribution	**62.4**	*29.4*
Transfer in/(out) of liability	**46.3**	*5.1*
Benefits paid	**(33.5)**	*(20.2)*
Benefit obligations at the end of the year	**407.6**	*275.6*
Change in plan assets		
Fair value of plan assets at beginning of the year	**275.6**	*225.0*

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Expected return on plan assets	**26.1**	*19.4*
Actuarial gain/(loss)	**(12.8)**	*0.5*
Employer contributions	**29.4**	*16.4*
Employee contributions	**62.4**	*29.4*
Transfer in/(out) of assets	**46.3**	*5.1*
Benefits paid	**(33.5)**	*(20.2)*
Plan assets at the end of the year	**393.5**	*275.6*
Expected employer's contribution next year	**31.5**	*17.6*

The following table sets forth, for the periods indicated, the asset allocation for provident fund by asset category based on fair values.

₹ in million

Asset category	At March 31, 2020		At March 31, 2019	
	Amount	As percentage of total	Amount	As percentage of total
Government of India securities	221.1	56.2%	171.4	62.2%
Corporate bonds	115.3	29.3%	65.1	23.6%
Exchange traded funds	32.2	8.2%	23.3	8.4%
Others	24.9	6.3%	15.9	5.8%
Total	**393.5**	**100%**	**275.6**	**100%**

The following table sets forth, for the periods indicated, assumptions used to determine benefit obligations.

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Discount rate	**5.65%**	*7.40%*
Expected rate of return on assets	**6.31%**	*8.57%*
Discount rate for the remaining term to maturity of investment	**6.50%**	*7.60%*
Average historic yield on investment	**7.16%**	*8.77%*
Guaranteed rate of return	**8.50%**	*8.65%*
Average expected future period (In years)	**4.08**	*3.83*

Compensated absence

The following table sets forth, for the periods indicated, details for compensated absence.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Cost	**14.5**	*7.1*
Assumptions		
Discount rate	**5.65%**	*7.40%*
Salary escalation rate	**7.00%**	*7.00%*

Cost for the year is included in the line item 'Employee benefits expenses' in the statement of profit and loss.

Defined contribution plans

The following table sets forth, for the period indicated, contribution made by the Company towards defined contribution plans.

₹ in million

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Employer's Contribution to Employee state insurance scheme[1,2]	**2.5**	*1.3*
Employer's Contribution to National Pension Scheme[3]	**2.7**	*1.5*
Total	**5.2**	*2.8*

1. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
2. For employees eligible as per Employee Employees' State Insurance Act, 1948.
3. For employees who have opted for the scheme.

Cost for the year is included in the line item 'Employee benefits expenses' in the statement of profit and loss.

48. Share based payments

In terms of an Employee Stock Option Scheme (ESOS), of the Parent Bank, share options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended from time to time, the maximum number of options granted to any eligible employees/Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and the aggregate of all such options granted to any eligible employees/Directors shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of the options in line with SEBI Regulations.

Options granted prior to March 2014 vested in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30%, and 40% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. In April 2016, the Parent Bank modified the exercise period from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, the exercise period was further modified by the Parent Bank to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants. In May 2018, exercise period was further modified by the Parent Bank to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants.

During the year ended March 31, 2020, ₹ 39.7 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (FY2019: ₹ 55.0 million).

The following table sets forth, for the period indicated, movement in share options during the year.

Particulars	At March 31, 2020		*At March 31, 2019*	
Outstanding at the beginning of the year	**2,926,210**	**242.91**	*2,433,882*	*234.28*
Add: Granted during the year[1]	**142,015**	**438.80**	*552,015*	*278.42*
Less: Exercised during the year	**218,094**	**205.97**	*38,867*	*199.06*
Less: Expired/lapsed during the year	**5,180**	**282.85**	*20,820*	*257.20*
Outstanding at the end of the year	**2,844,951**	**255.59**	*2,926,210*	*242.91*

1. Including changes in outstanding stock options on account of group company transfers.

The following table sets forth, for the period indicated, the key assumptions used to estimate the fair value of options granted.

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Risk-free interest rate	**7.15% to 7.62%**	*7.91% to 8.06%*
Expected life	**3.46 to 5.46 years**	*3.64 to 5.64 years*
Expected volatility	**30.78% to 31.17%**	*31.31% to 31.47%*
Expected dividend yield	**0.37%**	*0.80%*

The weighted average fair value of options granted by the Parent Bank during the year ended March 31, 2020 was ₹ 149.51 (year ended March 31, 2019: ₹ 106.67).

Risk free interest rates over the expected term of the option are based on the government securities yield in effect at the time of the grant. The expected term of an option is estimated based on the vesting term as well as expected exercise behavior of the employees who receive the option of the Parent Bank. Expected exercise behavior is estimated based on the historical stock option exercise pattern of the Parent Bank. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the Parent Bank's publicly traded equity shares. Expected dividends during the estimated expected term of the option are based on recent dividend activity of the Parent Bank.

49. Related party disclosure

The Company has transactions with its related parties comprising Holding Company, fellow subsidiaries, post-employment benefit plans and key management personnel (KMP) and close members of their family. The transactions between the Company and its related parties were in the ordinary course of business and based on the principles of arm's length.

The following table sets forth, names of related parties and their relationship as per Ind AS 24 'Related party disclosures'.

S No.	Name of the related party	Nature of relationship
1	ICICI Bank Limited	Holding Company
2	ICICI Securities Limited	Fellow Subsidiary
3	ICICI Securities Primary Dealership Limited	Fellow Subsidiary
4	ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
5	ICICI Lombard General Insurance Company Limited	Fellow Subsidiary
6	ICICI Securities Inc.	Fellow Subsidiary
7	ICICI Securities Holdings Inc.	Fellow Subsidiary
8	ICICI Venture Funds Management Company Limited	Fellow Subsidiary
9	ICICI Trusteeship Services Limited	Fellow Subsidiary
10	ICICI Investment Management Company Limited	Fellow Subsidiary
11	ICICI International Limited	Fellow Subsidiary
12	ICICI Bank UK PLC	Fellow Subsidiary
13	ICICI Bank Canada	Fellow Subsidiary
14	ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
15	ICICI Prudential Trust Limited	Fellow Subsidiary
16	ICICI Prudential Pension Funds Management Company Limited	Fellow Subsidiary
17	I-Process Services (India) Private Limited	Associate of Holding Company
18	India Infradebt Limited	Associate of Holding Company
19	ICICI Foundation for Inclusive Growth	Other related entity of Holding Company
20	Sandeep Bakhshi[1]	Key Managerial Personnel of Holding Company
	(Relatives - Shivam Bakshi, Esha Bakshi and Minal Bakshi)	
21	Anup Bagchi	Key Managerial Personnel
22	Anirudh Kamani, Managing Director and CEO	Key Managerial Personnel
23	Sankaran Santhanakrishnan	Key Managerial Personnel
24	Dileep Choksi[2]	Key Managerial Personnel
25	S. Santhanakrishnan[2]	Key Managerial Personnel
26	Vinod Kumar Dhall[3]	Key Managerial Personnel
27	G. Gopalakrishna[3]	Key Managerial Personnel
28	N. R. Narayanan	Key Managerial Personnel
29	Anita Pai[4]	Key Managerial Personnel
30	Supritha Shetty[5]	Key Managerial Personnel
31	ICICI HFC Employees Provident Fund	Post-Employment benefit plan
32	ICICI HFC Employees Group Gratuity Scheme	Post-Employment benefit plan

1. Included as related party from June 19, 2018.
2. Ceased to be related party effective from March 31, 2019.
3. Included as related party effective January 18, 2019.
4. Ceased to be related party effective from August 22, 2019.
5. Included as related party effective August 22, 2019.

The following table sets forth, for the periods indicated, details of outstanding balance with related parties.

₹ in million

Particulars	Name of the related party	Nature of relationship	At March 31, 2020	At March 31, 2019
Assets				
Bank balances (including fixed deposits and interest accrued thereon)	ICICI Bank Limited	Holding company	**128.9**	83.7
Fee receivable	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**31.0**	11.9
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**4.8**	2.8
Loan receivable from KMP (staff loan and home loan) and their relatives	Anirudh Kamani	Key Managerial Personnel	**29.8**	31.7
Other receivables	ICICI Bank Limited	Holding company	**52.8**	135.6
Liabilities				
Equity share capital	ICICI Bank Limited	Holding company	**10,987.5**	10,987.5
Loans	ICICI Bank Limited	Holding company	**5,000.0**	1,000.0
Bank/Book overdraft in current accounts	ICICI Bank Limited	Holding company	**1,095.7**	3,272.3
Amount collected from borrowers pending to be transferred (for portfolio sold)	ICICI Bank Limited	Holding company	**448.9**	-
Mark to Market payable on derivative	ICICI Bank Limited	Holding company	**90.1**	964.6
Fee payable	ICICI Bank Limited	Holding company	**9.5**	6.2
	ICICI Securities Limited	Fellow subsidiary	**-**	1.6
Bonds	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**2,100.0**	-
	Anup Bagchi	Key Managerial Personnel	**10.2**	-
Interest payable on bonds	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**52.4**	
	Anup Bagchi	Key Managerial Personnel	**0.5**	-
Fixed deposits	Anirudh Kamani	Key Managerial Personnel	**1.1**	
	Shivam Bakhshi	Relatives of Key Managerial Personnel of holding Company		
	Esha Bakhshi		**1.6**	1.0
	Minal Bakhshi		**0.7**	*
Interest payable on FDs	Anirudh Kamani	Key Managerial Personnel	*****	
Other payables (Including on account of expenses	ICICI Bank Limited	Holding company	**96.9**	172.0
	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**-**	1.3
	ICICI Securities Limited	Fellow subsidiary	**2.5**	3.4
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**3.0**	2.4
	I Process service (I) Private Limited	Associate of holding company	**0.4**	7.3
Others				
Swap (notional principal)	ICICI Bank Limited	Holding company	**24,329.5**	26,843.8
Letter of comfort (utilised)	ICICI Bank Limited	Holding company	**-**	7,060.0
Guarantee	ICICI Bank Limited	Holding company	**2.5**	2.5

*Insignificant amount.

1. The receivables/payables above are expected to be realised/settled in cash/cash equivalents during the regular course of business.
2. No impairment losses or allowances have been recorded during the period against balance outstanding with related party.

The following table sets forth, for the periods indicated, details of transactions with related parties.

₹ in million

Particulars	Name of the related Party	Nature of relationship	FY2020	*FY2019*
Income				
Rent Income	ICICI Bank Limited	Holding company	**47.2**	*44.7*
Mark to Market gain on derivative	ICICI Bank Limited	Holding company	**	-
Expense recovery	ICICI Bank Limited	Holding company	**14.7**	*21.5*
Servicing fee	ICICI Bank Limited	Holding company	**16.3**	*0.1*
Interest income on fixed deposits	ICICI Bank Limited	Holding company	**0.2**	*0.2*
Interest income on loans	Anirudh Kamani	Key Managerial Personnel	1.1	0.8
Referral fees	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**77.1**	*24.3*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**19.6**	19.8
Dividend Income	India Infradebt Limited	Associate of holding company	**-**	*0.9*
Property service fee	Anup Bagchi	Key Managerial Personnel	**-**	*0.2*
Transfer for leave balance	ICICI Prudential Asset Management Company Limited	Fellow Subsidiary	**	-
Expenses				
Servicing fee	ICICI Bank Limited	Holding company	**3.1**	*4.0*
Collection cost (shared expenses)	ICICI Bank Limited	Holding company	**231.1**	*233.2*
Travel cost	ICICI Bank Limited	Holding company	**-**	*8.0*
IT infrastructure cost (shared expenses)	ICICI Bank Limited	Holding company	**24.5**	*42.6*
Interest and other finance expenses (including hedging cost)	ICICI Bank Limited	Holding company	**1,079.0**	*383.3*
Interest expenses on bonds	ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	**52.4**	-
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**-**	*34.0*
	ICICI Securities Primary Dealership Limited	Fellow subsidiary	**-**	*0.5*
	Anup Bagchi	Key Managerial Personnel	**0.5**	-
Sourcing Cost (Loans and Fixed Deposits)	ICICI Bank Limited	Holding company	**55.4**	*23.6*
	ICICI Securities Limited	Fellow subsidiary	**21.1**	*7.7*
Fee expenses –Property Service	ICICI Bank Limited	Holding company	**16.3**	*8.8*
	ICICI Securities Limited	Fellow subsidiary	**-**	*1.1*
Donation paid	ICICI Foundation for Inclusive Growth	Associate of holding company	**29.5**	*45.4*
Arranger fee paid	ICICI Bank Limited	Holding company	**5.5**	*90.5*
	ICICI Securities Primary Dealership Limited	Fellow subsidiary	**0.3**	*0.2*
	ICICI Securities Limited	Fellow subsidiary	**0.4**	-
Rent expenses	ICICI Bank Limited	Holding company	**4.3**	*13.7*
	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**2.0**	*19.1*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**0.4**	*2.4*
Insurance premium	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**41.2**	*20.0*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**3.2**	*1.5*
Remuneration[1]	Anirudh Kamani	Key Managerial Personnel	**74.6**	*29.9*
Interest expenses on deposits	Anirudh Kamani	Key Managerial Personnel	**	-
	Shivam Bakhshi	Relatives of Key Managerial Personnel of holding company	**0.2**	*
	Esha Bakhshi		**0.1**	*
	Minal Bakhshi		**0.1**	*
Sitting fees/Commission	Dileep C Choksi	Key Managerial Personnel	**0.8**	*1.4*
	S Santhanakrishnan		**0.8**	*1.6*
	Sankaran Santhanakrishnan		**1.6**	*1.3*
	G Gopala Krishna		**0.8**	*0.1*
	Vinod Kumar Dhall		**0.6**	*0.1*
Contribution to Provident Fund (including employee contribution)	ICICI HFC Employees Provident Fund	Post-Employment benefit plan	**92.0**	*45.8*

₹ in million

Particulars	Name of the related Party	Nature of relationship	FY2020	*FY2019*
Contribution to Gratuity fund	ICICI HFC Employees Group Gratuity Scheme	Post-Employment benefit plan	**13.3**	*0.3*
Mark to Mark Loss on derivative	ICICI Bank Limited	Holding company	**-**	*31.8*
Miscellaneous (IPA charges, LAS sourcing cost, operation cost, common corporate expenses and man power services.)	ICICI Bank Limited	Holding company	**74.9**	*115.5*
	I Process service (I) Private Limited	Associate of holding company	**42.9**	*136.3*
	ICICI Securities Primary Dealership Limited	Fellow subsidiary	**-**	*0.2*
	ICICI Securities Limited	Fellow subsidiary	**0.5**	*1.5*
Others				
Purchase of fixed assets	ICICI Bank Limited	Holding company	**-**	*4.1*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**-**	*0.1*
Sale of consumer finance business on slump sale basis	ICICI Bank Limited	Holding company	**1,190.2**	*-*
Sale of retail mortgage loans (Direct assignment)	ICICI Bank Limited	Holding company	**21,455.9**	*-*
Dividend on equity shares	ICICI Bank Limited	Holding company	**44.1**	*-*
Purchase of Government securities	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**-**	*107.6*
Sale of investment in shares	ICICI Bank Limited	Holding company	**-**	*55.8*
Transfer of staff loans	ICICI Bank Limited	Holding company	**-**	*88.0*
Recovery of principal amounts of loans from KMPs and their relatives	Anirudh Kamani	Key Managerial Personnel	**1.0**	*1.3*
Bank loans taken earlier, repaid during the year	ICICI Bank Limited	Holding company	**-**	*3,096.0*
Investment in bonds	ICICI Securities Primary Dealership Limited	Fellow subsidiary	**3,200.0**	*-*
	Anup Bagchi	Key Managerial Personnel	**10.3**	*-*
Fixed deposits	Anirudh Kamani	Key Managerial Personnel	**1.1**	*-*
Deals of swap/forwards notional principal	ICICI Bank Limited	Holding company	**1,809.4**	*22,953.9*

*Insignificant amount.

1. Including incentive and perquisite value of employee's stock options granted by the Parent Bank.

During FY2020, ICICI Bank Limited (Parent Bank) and ICICI Securities Limited (Fellow subsidiary) has renunciated their rights to subscribe to equity shares of Receivables Exchange of India Limited (RXIL) in favour of the Company.

Compensation to Key Managerial Personnel

The following table sets forth, for the periods indicated, the details of compensation paid by the Company to the Key Managerial Personnel of the Company.

₹ in million

Particulars	March 31, 2020	*March 31, 2019*
Short-term employee benefits (including salaries)	**72.6**	*28.0*
Post-employment benefits	**2.0**	*1.9*
Other long-term benefits	**-**	*-*
Total[1]	**74.6**	*29.9*

1. Including incentive and perquisite value of employee's stock options granted by the Parent Bank.

Expenses towards gratuity and leave encashment provisions are determined actuarially on overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

50. Managerial Remuneration for the year ended March 31, 2020 was higher by ₹ 61.2 million (including incentive and perquisite value of stock option granted by Parent Bank) as compared to limits prescribed under section 197 read with Schedule V to the Companies Act, 2013. The Company is in the process of obtaining shareholder's approval by passing a special resolution in the ensuing general meeting'.

51. Derivative instruments and hedging activities

The Company enters into derivatives transactions for risk management purposes. The primary risk managed using derivatives instruments are foreign currency risk and interest rate risk. The risk management policy lays down the broad guidelines and approach to ensure that various risks are understood, measured and monitored and relevant policies and procedures are established to address these risks. Moreover, the investment policy lays down a broad framework for management of investment function, instrument and entity wise investment limits and their stop loss limits. The investment policy also lays down the types of derivative transactions to hedge different types of risks embedded in a single asset/liability. The policy also lays down the total exposure limit, counterparty credit exposure limit, and trigger limits along with the reporting authority.

For hedge transactions, the Company identifies the hedged item (asset or liability) at the inception of the hedge itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter. Derivatives held for risk management purposes meet the hedge accounting requirements. Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting.

Derivative not qualifying for hedge accounting

The Company uses interest rate swaps to manage its interest rate risk arising from INR denominated fixed interest rate borrowings. These interest rates swaps are entered into for period consistent with exposure of the underlying transactions. These interest rate swaps are not qualifying for hedge accounting.

The following table sets forth, for the periods indicated, the carrying values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

₹ in million

Period ended	Derivative	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities
At March 31, 2020	Interest rate swaps	-	-	-	-
At March 31, 2019	Interest rate swaps	4,000.0	-	-	-

Derivative qualifying for hedge accounting

The Company has borrowed aggregate to $ 275.0 million in form of ECBs and in order to fully hedge the same, the Company has taken derivative positions in the form of a 5 year Principal-Only Swap (POS), 5 year $ Interest Rate Swap (IRS) and Currency Forwards up to 1 year for all its coupon cash flows. These swaps hedge any adverse movement in the $ INR rates on its principal and interest obligations and also against any adverse movement in the LIBOR on its interest rate obligations.

There is an economic relation between the hedged item and hedging instruments as the terms of derivatives match with that of External Commercial Borrowings (notional amount, interest payment dates, principal repayment dates etc.). There have been no changes in the contractual terms of the hedged item and hedging instrument from the COVID-19 outbreak.

As per the Investment Policy, the Company monitors the derivative exposure limits based on calculations as per Original Exposure Method (OEM) and Current Exposure Method (CEM). The Credit Conversion Factors (CCF) are applied as per the regulatory guidelines.

The following table sets forth, for the period indicated, the carrying values of derivatives financial instruments recorded as assets or liabilities together with their notional amounts.

₹ in million

Particulars	Assets		Liabilities	
	Notional amounts	Fair value	Notional amounts	Fair value
At March 31, 2020				
Forward contracts	3,142.7 ($ 41.7 million)	104.9	-	-
Currency swaps	20,722.9 ($ 275.0 million)	1,558.9	-	-
Interest rate swaps	-	-	20,722.9 ($ 275.0 million)	1,842.2
Total derivatives	**23,865.6 ($ 316.7 million)**	**1,663.8**	**20,722.9 ($ 275.0 million)**	**1,842.2**
At March 31, 2019				
Forward contracts	-	-	3,706.7 ($ 53.4 million)	208.2
Currency swaps	-	-	19,079.0 ($ 275.0 million)	919.9
Interest rate swaps	-		19,079.0 ($ 275.0 million)	590.2
Total derivatives	**-**	**-**	**41,864.7 ($ 606.4 million)**	**1,718.3**

The following table sets forth, for the period indicated, the details of the hedged items.

₹ in million

Particulars	Carrying amount	Accumulated amount of fair value adjustment	Balance in cash flow hedge reserve (gross of deferred tax)
Cash flow hedging			
At March 31, 2020			
Borrowings	20,722.7	1,062.3	1,135.3
At March 31, 2019			
Borrowings	19,078.8	(581.6)	1,104.0

Hedging instruments are disclosed in line item derivative financial instruments (under financial assets/liabilities).

52. Events after reporting date

There have been no significant events after the reporting date that require disclosure in these financial statements.

53. Details of CSR Expenditure

The gross amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ended March 31, 2020 was ₹ 30.8 million (March 31, 2019 : ₹ 45.4 million).

₹ in million

	Year ended March 31, 2020			Year ended March 31, 2019		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
a) Amount spent during the year	-	-	-	-	-	-
Construction/ acquisition of any asset	-	-	-	-	-	-
Other than above	30.8	-	30.8	45.4	-	45.4

The Company has partnered with ICICI Foundation for Inclusive Growth to support the cause of elementary education, primary health, sustainable livelihood and skill development.

54. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 have not been made in these financial statements since the requirement does not pertain to the year ended March 31, 2020.

As per our report of even date attached

For and on behalf of the Board of Directors
ICICI Home Finance Company Limited

For B S R & Co. LLP
Chartered Accountants
Firm registration no.: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No.:046882

Anup Bagchi
Chairman
DIN-00105962

Anirudh Kamani
Managing Director & CEO
DIN-07678378

Place: Mumbai
Date: May 2, 2020

Vikrant Gandhi
Chief Financial Officer

Pratap Salian
Company Secretary

ICICI Home Finance

independent auditor's certificate on 'statement of additional disclosures for the year ended March 31, 2020'

Private and confidential
The Board of Directors
ICICI Home Finance Company Limited
ICICI Bank Towers
Bandra-Kurla Complex
Bandra (East)
MUMBAI 400 051
June 4, 2020

Dear Sirs

Independent auditor's report on the 'Statement of Additional Disclosures for the year ended March 31, 2020'

1. This report is issued in accordance with the terms of our engagement letter dated August 3, 2019 and addendum thereto dated June 4, 2020 executed with ICICI Home Finance Company Limited (the 'Company').

2. The Company's management has requested us to certify the information presented in 'the Statement of Additional Disclosures for the year ended March 31, 2020' (hereinafter referred to as the 'Statement'), which has been prepared by the Company in accordance with the guidelines prescribed by the National Housing Bank (the 'NHB') vide the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 (hereinafter referred to as the 'NHB Directions'). The information presented in the accompanying Statement has been extracted from the unaudited financial information / management workings and other records maintained by the Company for the year ended March 31, 2020.

Management's responsibility

3. The preparation of the Statement is the responsibility of management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the NHB directions and for providing all relevant information to NHB.

Auditor's responsibility

5. For the purpose of this report, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that, the information provided in the Statement has not been correctly extracted from the unaudited financial information and other records of the Company for the year ended March 31, 2020:

   a) Read the requirements prescribed in Annex 4 of the aforesaid NHB Directions to verify that the information presented in the Statement is in accordance with proforma requirements prescribed in Annex 4;

   b) Traced the amounts / values reported in the Statement to the unaudited financial information / management workings and other records maintained by the Company; and

   c) Verified the arithmetical accuracy of the computations reported in the Statement.

6. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

9. Based on our procedures performed mentioned in paragraph 5 above, information and explanations given to us and subject to possible effects of the foot notes mentioned in the Statement, nothing has come to our attention that causes us to believe that, in all material respects, the information pertaining to the year ended March 31, 2020 presented in the accompanying Statement has not been correctly extracted from the unaudited financial information and other records maintained by the Company for the year ended March 31, 2020.

Other matter

10. With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no. G.S.R 365(E) dated March 30, 2016, for financial reporting purposes the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). However, as per circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018, for regulatory and supervisory purposes, including various kinds of reporting to the NHB, housing finance companies shall continue to follow the extant provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on Prudential Norms, and other related circulars, issued in this regard by the NHB from time to time.

    Our report is not modified in respect of this matter.

Restriction of use

11. This report is addressed to and provided to the Board of Directors solely in accordance with the purpose mentioned in the engagement letter dated August 3, 2019 and addendum thereto dated June 4, 2020 and should not be used by any other person or for any other purpose. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Yours sincerely

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sumana Chakravarty
Partner
Membership No: 121236
UDIN: 20121236AAAAAN5807

Statement of additional disclosures required by the National Housing Bank for the year ended March 31, 2020

These disclosures have been prepared in accordance with the guidelines prescribed by the National Housing Bank through notification no. NHB.HFC. CG-DIR.1/MD&CEO/2016 dated February 9, 2017 – The Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016. These amounts are not traceable to the financial statements at March 31, 2020. The differences are arising as the disclosures are made as per the regulatory requirement whereas the financial statements are prepared as per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013.

1. Capital to Risk Assets Ratio (CRAR)

The following table sets forth, for the period indicated, computation of capital adequacy ratio.

	Particulars	At March 31, 2020	*At March 31, 2019*
(i)	CRAR%	**14.80%**	*17.98%*
(ii)	CRAR – Tier I capital %	**13.74%**	*17.21%*
(iii)	CRAR – Tier II capital %	**1.06%**	*0.77%*
(iv)	Amount of subordinated debt raised as Tier II capital	**-**	*-*
(v)	Amount raised by issue of Perpetual debt instruments	**-**	*-*

1. The Company has reckoned the property value at the time of loan origination for the purpose of computation of Loan to value ratio (LTV) and accordingly assigned applicable risk weights.

2. Statutory reserve

The Company has created a reserve fund as required by section 29C of National Housing Bank Act, 1987, wherein a sum equal to twenty percent of its profit every year, as disclosed in the profit and loss account and before any dividend is declared, is transferred. The Special Reserve qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly, the Company has been availing tax benefits for such transfers.

The following table sets forth, for the period indicated, appropriation and balance in Statutory reserve.

(₹ in million)

	Particulars	At March 31, 2020	*At March 31, 2019*
	Balance at the beginning of the year		
a)	Statutory Reserve u/s 29C of National Housing Bank, Act 1987	**1,683.8**	*1,682.9*
b)	Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**3,015.8**	*2,914.7*
c)	**Total**	**4,699.6**	*4,597.6*
	Addition/Appropriation/ Withdrawal during the year		
	Add: a) Amount transferred u/s 29C of the NHB Act, 1987	**0.6**	*0.9*
	b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987[1]	**65.7**	*101.1*
	Balance at the end of the year		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**1,684.4**	*1,683.8*
b)	Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**3,081.5**	*3,015.8*
c)	**Total**	**4,765.9**	*4,699.6*

1. Includes ₹ 63.5 million from opening retained earnings.

Draw down from reserves

There has been no draw down from reserves during the year ended March 31, 2020 (March 2019 - Nil).

3. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Company.

(₹ in million)

	Particulars	At March 31, 2020	*At March 31, 2019*
	Value of investments		
(i)	Gross value of investments	**8,276.5**	*3,405.1*
(a)	In India (includes investment in mutual funds of ₹ 3,300.0 million) (March – 2019 - Nil)	**8,276.5**	*3,405.1*
(b)	Outside India	**-**	*-*
(ii)	Provision for Depreciation	**(1,110.7)**	*(604.5)*
(a)	In India	**(1,110.7)**	*(604.5)*
(b)	Outside India	**-**	*-*
(iii)	Net value of Investments	**7,165.8**	*2,800.6*
(a)	In India	**7,165.8**	*2,800.6*
(b)	Outside India	**-**	*-*
	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	**604.5**	*675.6*
(ii)	Add: Provisions made during the year	**540.0**	*-*
(iii)	Less: Write-off/Written-back of excess provisions during the year	**(33.8)**	*(71.1)*
(iv)	Closing balance	**1,110.7**	*604.5*

4. Derivatives

Interest Rate Swaps (IRS)

For accounting policy and hedging policies/risk management framework, please refer note no. 3.20 and note no. 46 respectively of financial statements.

The following tables set forth, for the periods indicated, the details of risk exposure in interest rate swaps.

(₹ in million)

	Particulars	At March 31, 2020	*At March 31, 2019*
(i)	The notional principal of swap agreements	**20,722.9**	*23,079.0*
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements1	**-**	*-*
(iii)	Collateral required by the HFC upon entering into swaps	**-**	*-*
(iv)	Concentration of credit risk arising from the swap	**-**	*-*
(v)	The fair value of the swap book	**(1,842.2)**	*(590.3)*

(₹ in million)

	Particulars	At March 31, 2020	*At March 31, 2019*
(i)	Derivatives (notional principal amount)	**20,722.9**	*23,079.0*
(ii)	Marked to market positions	**(1,842.2)**	*(590.3)*
(iii)	Assets (+)	**-**	*-*
(iv)	Liability (-)	**(1,842.2)**	*(590.3)*
(v)	Credit exposure	**-**	*-*
(vi)	Unhedged exposures	**-**	*-*

Currency and forward derivatives

The following table sets forth, for the periods indicated, the details of currency and forward derivatives.

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
The notional principal of currency swap/ forward	**23,865.6**	*22,785.7*
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**1,663.8**	-
Collateral required by the Company upon entering into swaps	**-**	-
Concentration of credit risk arising from the swap[1]	**100%**	-
The fair value of the swap book	**1,663.8**	*(1,128.0)*

1. Entire exposure is towards banks.

Derivatives

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
Derivatives (notional principal amount)	**23,865.6**	*22,785.7*
Marked to market positions	**1,663.8**	*(1,128.0)*
Assets (+)	**1,663.8**	-
Liability (-)	**-**	*(1,128.0)*
Credit exposure	**-**	-
Unhedged exposures	**-**	-

Forward Rate Agreement (FRA)

The Company does not have any forward rate agreement in the current and previous years.

Exchange traded interest rate derivative

The Company does not have any exchange traded interest rate derivatives in the current and previous years.

5. Details of sale/purchase of financial assets

a. During the year, the Company purchased performing mortgage loans amounting to ₹ 63.3 million (March 31, 2019: ₹ 17,242.9 million) from other housing finance company(ies).

b. During the year, the Company assigned/sold performing mortgage loans to banks amounting to ₹ 24,108.8 million (March 31, 2019: Nil). The following table sets forth, for the periods indicated, the details of loans assigned to banks.

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
(i) No. of accounts	**16,963**	-
(ii) Aggregate value of accounts sold	**24,108.8**	-
(iii) Aggregate consideration	**24,108.8**	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	**-**	-
(v) Aggregate gain/(loss) over net book value	**-**	-

1. The Company recognised gain of ₹ 15.0 million on redemption of Interest Only Strip (March 31, 2019: Nil).

c. The Company has not purchased non-performing financial assets from other Housing Finance Companies in the current and previous financial year.

d. The Company has not sold performing/ non-performing financial assets to asset reconstruction companies/banks in the current and previous financial year. However, the Company, as a part of sale of consumer finance business on slump sale basis, has transferred non-performing advances of ₹ 174.1 million (excluding accounts written off earlier amounting to ₹ 254.2 million) to ICICI Bank.

6. Securitisation

The Company has not entered in to any securitisation transaction in current year and previous financial years.

The Company has not sponsored any SPVs during the current and previous year, and there is no outstanding amount of securitised assets as a result of any such sponsorships.

7. Exposure to real estate sector

The following table sets forth, for the periods indicated, the position of exposure to real estate sector.

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
(a) Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (Individual Housing Loans up to ₹ 1.5 million – March 2020 - ₹ 17,431.0 million, March 2019 - ₹ 13,749.1 million)	**123,333.5**	*113,403.0*
(ii) Commercial real estate		
Lending fully secured by mortgages on commercial real estates (office buildings, retail space multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc). Exposure would also include non-fund based (NFB) limits.	**18,038.9**	*16,171.6*
(iii) Investments in mortgage backed securities (MBS) & other securitised exposures	**-**	-
(a) Residential	**-**	-
(b) Commercial real estate	**-**	-
(iv) Others (These contains exposures not covered above)	**-**	-
(b) Indirect exposure		
Fund based & non-fund based exposures on National Housing Bank (NHB) & Housing Finance Companies (HFCs)	**-**	-

8. Exposure to Capital Market

The following table sets forth, for the periods indicated, the position of exposure to capital market.

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**528.9**	*513.8*
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), Convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	**-**	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security;	**104.7**	*2,749.9*
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds' does not fully cover the advances;	**-**	-

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	0.9	*1.5*
Total exposure to Capital Market	**634.4**	*3,265.2*

9. Provisions and contingencies

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Company has extended the option of payment moratorium for all amounts falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. In line with the RBI guidelines issued on April 17, 2020, in respect of all accounts classified as Standard, the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification.

The Company has extended the moratorium option to its borrowers under a Board approved policy. At March 31, 2020, the aggregated outstanding of the borrowers to whom moratorium has been extended and which were overdue but standard at February 29, 2020 amounted to ₹ 7,412.4 million. Of these, borrowers with aggregated outstanding of ₹ 1,339.5 million were extended assets classification benefit at March 31, 2020. At March 31, 2020, the Company has provision of ₹ 65.8 million for accounts where moratorium was extended (Provision made during Q4-2020 amounted to ₹ 53.1 million).

The following table sets forth, for the periods indicated, the break-up of provisions and contingencies included in profit and loss account.

(₹ in million)

Particulars	Year ended March 31, 2020	*Year ended March 31, 2019*
Provision for depreciation on Investment (Investments in security receipts)	540.0	-
Provision towards non-performing assets	1,293.6	*822.4*
Provision for standard assets	342.4	*144.4*
- HL to individuals	173.1	*100.2*
- HL to others	1.1	*0.2*
- Teaser Loans	-	-
- Commercial Real Estate-Residential Housing Loans	13.6	*(31.5)*
- Commercial Real Estate- Other Loans	53.6	*14.9*
- Other Loans	101.0	*60.6*
Other provisions and write offs[1]	422.9	*(29.5)*
Total	**2,598.9**	*937.3*
Provision made towards Income Tax, including deferred tax credit of ₹ 635.3 million (March 31, 2019: ₹ 241.0 million)	(450.3)	*112.1*

1. Includes write-offs and other provision of ₹ 456.7 million (March 31, 2019: ₹ 41.6 million) and reversal of provision for investments ₹ 33.8 million (March 31, 2019: reversal of provision ₹ 71.1 million).

10. Break up of loans & advances and provision thereon

The following table sets forth, for the periods indicated, the break-up of loans in housing and non-housing.

(₹ in million)

Particulars	Housing		Non-Housing	
	At March 31, 2020	*At March 31, 2019*	At March 31, 2020	*At March 31, 2019*
Standard				
Total Outstanding	84,243.2	*75,887.5*	52,634.4	*53,390.6*
Provision	499.5	*309.4*	452.8	*300.5*
Sub- Standard				
Total Outstanding	720.7	*337.1*	789.2	*1,711.3*
Provision	110.0	*50.6*	120.5	*257.3*
Doubtful- 1				
Total Outstanding	177.9	*965.7*	1,468.1	*184.0*
Provision	66.1	*462.8*	650.0	*63.0*
Doubtful- 2				
Total Outstanding	939.1	*595.4*	177.7	*108.9*
Provision	893.4	*294.4*	102.7	*63.8*
Doubtful- 3				
Total Outstanding	-	-	-	-
Provision	-	-	-	-
Loss				
Total Outstanding	835.4	*325.9*	615.9	*582.7*
Provision	835.4	*325.9*	615.9	*582.7*
Total[1]				
Total Outstanding	86,916.3	*78,111.6*	55,685.2	*55,977.5*
Provision	2,404.6	*1,443.1*	1,941.9	*1,267.3*

1. The total outstanding amount above includes interest accrued but not due on loans amounting to ₹ 1,059.7 million at March 31, 2020 (March 31, 2019 - ₹ 804.7 million)

11. Concentration of loans and advances, Exposures, NPAs and deposits

(a) Concentration of loans and advances

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
Total loans and advances to twenty largest borrowers	5,717.2	*6,956.3*
Percentage of loans and advances of twenty largest borrowers to total advances	4.0%	*5.2%*

(b) Concentration of all exposure (including off-balance sheet exposure)

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
Total exposure to twenty largest borrowers/customers	9,505.1	*9,686.2*
Percentage of exposures of twenty largest borrowers/ customers to total exposure on borrowers/customers	6.2%	*6.9%*

(c) Concentration of NPAs

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
Total exposure to top ten NPA accounts	2,770.4	*2,712.2*

(d) Concentration of public deposits

(₹ in million)

Particulars	At March 31, 2020	*At March 31, 2019*
Total deposits of twenty largest depositors	5,530.5	*3,730.3*
Percentage of deposits of twenty largest depositors to total depositors	32.0%	*48.4%*

12. Sector-wise NPAs

(₹ in million)

	Sector (percentage of NPAs to total Advances in that sector)	At March 31, 2020	*At March 31, 2019*
A.	**Housing Loans:**		
1.	Individuals	1.6%	*1.2%*
2.	Builders/Project Loans	62.7%	*59.9%*
3.	Corporates	4.1%	*7.4%*

(₹ in million)

	Sector (percentage of NPAs to total Advances in that sector)	At March 31, 2020	*At March 31, 2019*
4.	Others	-	-
B.	**Non-Housing Loans:**		
1.	Individuals	**3.5%**	*2.7%*
2.	Builders/Project Loans	**36.6%**	*33.6%*
3.	Corporates	**3.8%**	*2.6%*
4.	Others	-	*2.6%*

13. Movement of Non-performing assets (NPAs)

The following table sets forth, for the periods indicated, movement in gross NPAs, movement in net NPAs and provisions for NPAs.

(₹ in million)

	Particulars	At March 31, 2020	*At March 31, 2019*
(I)	**Net NPAs to Advances (%)**	**1.7%**	*2.1%*
(II)	**Movement of NPAs (Gross)**		
a)	Opening balance	**4,810.3**	*3,317.8*
b)	Addition during the year	**2,708.4**	*2,726.7*
c)	Reduction during the year[1]	**(1,794.7)**	*(1,234.2)*
d)	Closing balance	**5,724.0**	*4,810.3*
(III)	**Movement of Net NPAs**		
a)	Opening balance	**2,710.0**	*2,039.9*
b)	Addition during the year	**569.9**	*1,576.1*
c)	Reduction during the year[1]	**(949.9)**	*(906.0)*
d)	Closing balance	**2,330.0**	*2,710.0*
(IV)	**Movement of provision for NPAs (excluding provision on standard assets)**		
a)	Opening balance	**2,100.3**	*1,277.9*
b)	Provisions made during the year	**2,138.5**	*1,150.6*
c)	Write off/ write back of excess provisions[1]	**(844.8)**	*(328.2)*
d)	Closing balance	**3,394.0**	*2,100.3*

1. Includes gross NPA, net NPA and provision for NPA of ₹ 174.1 million, Nil and ₹ 174.1 million respectively on sale of consumer finance business.
2. Also refer note no. 9

14. Unsecured advances against intangible assets

The Company has not made advances against intangible collaterals of the borrowers at March 31, 2020 (March 31, 2019: Nil).

15. Loans against gold

Outstanding loans granted against collateral of gold jewellery was 0.01% of total assets at March 31, 2020. (March 31, 2019: Nil).

16. Credit rating

The following table sets forth, ratings assigned by credit rating agencies at March 31, 2020.

Instrument	CRISIL	ICRA	CARE
Fixed Deposit	FAAA/Stable	MAAA(Stable)	CARE AAA(FD); Stable
Senior Bonds/ Non Convertible Debentures	CRISIL AAA/ Stable	[ICRA] AAA(Stable)	CARE AAA; Stable
Subordinate Bonds	-	[ICRA] AAA(Stable)	CARE AAA; Stable
Market Linked Debentures	CRISIL PP-MLD AAAr/Stable	-	CARE PP-MLD AAA; Stable
Commercial Paper	-	[ICRA]A1+	CARE A1+
Long Terms Bank Facilities	-	[ICRA] AAA(Stable)	-

1. In addition to the debt instrument wise specific credit ratings, the Company has been assigned the Issuer Rating of 'ICRA AAA' by ICRA.
2. There has been no migration of rating during the year and previous financial year.

17. There is no financing of the parent company's products during the current year and previous year.

18. The Company has not exceeded the Single Borrower Limit and Group Borrower Limit as set by NHB.

19. Fraud

As required by NHB through its guideline dated February 5, 2019 on reporting and monitoring of frauds, the Company has reported frauds amounting to ₹ 87.0 million during year ended March 31, 2020 (March 31, 2019: ₹ 73.6 million).

20. The Company does not have any overseas assets.

21. The Company is registered with the following other financial sector regulators:

(a) Insurance Regulatory & Development Authority of India

22. Customers Complaints

The following table sets forth, for the periods indicated, movement in customer complaints.

	Particulars	At March 31, 2020	*At March 31, 2019*
(a)	No. of complaints pending at the beginning of the year	**1**	*13*
(b)	No. of complaints received during the year	**589**	*535*
(c)	No. of complaints redressed during the year	**590**	*547*
(d)	No. of complaints pending at the end of the year	-	*1*

The Company has Customer Grievance Redressal Mechanism (CGRM) for convenience of customers to register their complaints and for it to monitor and redress them.

23. During current and previous financial year, there were no penalties imposed by NHB or any other regulators.

24. The accounting policies regarding key areas of operations are disclosed as note 38 to the Financial Statement for the year ended March 31, 2020.

25. Revenue recognition

There have been no instances except for interest on non-performing loans in which revenue recognition has been postponed pending the resolution of significant uncertainties.

26. Asset Liability Management

The following table sets forth, maturity pattern of certain types of items of Assets and Liabilities at March 31, 2020.

(₹ in million)

Maturity Bucket	Liabilities				Assets		
	Borrowings from banks[1]	Market borrowing	Fixed deposits	Foreign currency liabilities[2]	Advances	Investments	Foreign currency assets
1 Day to 30-31 Days (one month)	29.4	-	217.5	-	1,453.1	3,581.4[3]	-
Over 1 month to 2 months	505.1	1,488.9	777.9	-	499.1	-	-
Over 2 months to 3 months	1,861.6	1,350.0	142.1	-	1,801.4	-	-
Over 3 months to 6 months	2,773.3	2,300.0	1,546.6	-	5,567.8	-	-
Over 6 months to 1 Year	7,167.4	2,013.3	4,957.0	-	11,414.1	200.0	-
Over 1 year to 3 years	32,806.1	13,519.4	12,743.4	-	15,035.7	153.7	-
Over 3 years to 5 years	30,019.4	4,690.9	4,218.9	20,722.7	17,833.4	104.1	-
Over 5 years to 7 years	1,202.1	-	249.9	-	16,854.9	-	-
Over 7 years to 10 years	1,232.1	-	387.6	-	22,879.0	985.3	-
Over 10 years	991.4	-	-	-	48,203.5	2,141.3	-
Total	**78,587.9**	**25,362.5**	**25,240.9**	**20,722.7**	**141,542.1**	**7,165.8**	**-**

1. Including foreign currency liabilities.
2. These are fully hedged through derivative instruments.
3. Includes government securities amounting to ₹ 281.4 million which forms part of excess statutory liquidity securities.

The following table sets forth, maturity pattern of certain types of items of Assets and Liabilities at March 31, 2019.

(₹ in million)

Maturity Bucket	*Liabilities*				*Assets*		
	Borrowings from banks[1]	*Market borrowing*	*Fixed deposits*	*Foreign currency liabilities[2]*	*Advances*	*Investments*	*Foreign currency assets*
1 Day to 30-31 Days (one month)	*3,961.0*	*2,405.2*	*34.1*	-	*1,788.0*	*200.0[3]*	-
Over 1 month to 2 months	*413.5*	*6,171.6*	*445.4*	-	*1,633.0*	-	-
Over 2 months to 3 months	*791.0*	*2,973.5*	*253.6*	-	*1,746.5*	-	-
Over 3 months to 6 months	*1,851.0*	*1,500.0*	*684.4*	-	*5,508.8*	*1.5*	-
Over 6 months to 1 Year	*4,767.9*	*5,490.0*	*4,689.4*	-	*13,257.5*	-	-
Over 1 year to 3 years	*32,719.1*	*8,850.0*	*3,076.2*	-	*16,025.5*	-	-
Over 3 years to 5 years	*32,084.5*	-	*1,323.4*	*19,078.8*	*17,158.3*	*260.7*	-
Over 5 years to 7 years	*1,570.4*	-	-	-	*15,912.7*	*1,835.9*	-
Over 7 years to 10 years	*1,142.4*	-	-	-	*19,226.9*	*150.2*	-
Over 10 years	*1,658.4*	-	-	-	*41,027.2*	*352.3*	-
Total	***80,959.0***	***27,390.3***	***10,506.4***	***19,078.8***	***133,284.4***	***2,800.6***	**-**

1. Including foreign currency liabilities.
2. These are fully hedged through derivative instruments.
3. Represents government securities amounting to ₹ 200.0 million which forms part of excess statutory liquidity securities.

27. Related party Transactions

Details of all material transactions with related parties are disclosed in note 49 of financial statements.

28. Management

Refer to the Management Discussion and Analysis report for the relevant disclosures.

29. Remuneration of Directors

Details of Remuneration of Directors are disclosed in note 49 of financial statements.

30. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's and previous year's profit and loss.

31. The previous year figures have been reclassified/regrouped/restated to conform to current year's classification.

Anirudh Kamani
Managing Director & CEO

Vikrant Gandhi
Chief Financial Officer