ICICI HOME FINANCE COMPANY LIMITED

20TH ANNUAL REPORT AND ACCOUNTS 2018-2019

Directors,
Anup Bagchi, Chairman
Anita Pai
N. R. Narayanan
Dileep C. Choksi (upto March 31, 2019)
Subramaniam Santhanakrishnan (upto March 31, 2019)
Sankaran Santhanakrishnan
Vinod Kumar Dhall (w.e.f. January 18, 2019)
G. Gopalakrishna (w.e.f. January 18, 2019)
Anirudh Kamani, Managing Director & CEO

Chief Financial Officer,
Vikrant Gandhi

Company Secretary,
Pratap Salian

Auditors,
B S R & Co. LLP
Chartered Accountants

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

Corporate Office,
ICICI HFC Tower, 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 20th Annual Report along with the Audited Financial Statement of Accounts for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2019 is summarised in the following table.

(₹ million)

	Fiscal 2018	**Fiscal 2019**	*% change*
Net interest income and other income	*3,164.3*	**3,574.8**	13.0%
Operating expenses	*1,073.2*	**1,882.8**	75.4%
Impairment on financial instruments/ write-off (Including fair value changes)	*617.4*	**1,061.1**	71.9%
Profit before tax	*1,567.1*	**630.9**	-59.7%
Profit after tax	*1,058.4*	**440.9**	-58.3%

APPROPRIATIONS

The profit after tax for fiscal 2019 is ₹ 440.9 million after Impairment on financial instruments/ write-off (including fair value changes) of ₹ 1,061.1 million, provision for taxes of ₹ 190.0 million and all expenses. The accumulated profit is ₹ 1,530.4 million, taking in to account the balance of ₹ 1,191.8 million from the previous year end and after appropriating the disposable profit as follows:

(₹ million)

	Fiscal 2018	**Fiscal 2019**
To Special Reserve (created and maintained in terms of Section 29 C of National Housing Bank Act, 1987)	*206.0*	**102.0**
Dividend paid during the year	-	-
- Equity Shares (Dividend including tax)	*595.8*	**Nil**
Leaving balance to be carried forward to the next year	*1,191.8*	**1,530.4**

DIVIDEND

Your 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 2019 and in line with the Company's dividend policy and applicable regulations, your Directors are pleased to recommend a dividend of ₹ 0.04 per equity shares on the paid up share capital of ₹ 10.99 billion in fiscal 2019 amounting to ₹ 0.04 billion. The Company has not paid any interim dividend in fiscal 2019 (fiscal 2018: ₹ 0.35 billion, 3.15% on paid up share capital of ₹ 10.99 billion).

OPERATIONAL REVIEW

During FY2019, the Company opened 105 standalone branches and the employee strength increased to 1,272 at March 31, 2019. The Company has also increased its channel partners network significantly during FY2019.

The overall business of the Company, which is primarily retail mortgage had a robust growth. During the year the Company also got an opportunity to buy-out portfolios from other HFCs. Supported by organic growth in retail mortgages and the portfolio buy-out, the total loan assets of the Company grew by 37.5% to ₹ 133.33 billion at March 31, 2019.

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 2019 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, 2019, 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, Dileep Choksi and CA S. Santhanakrishnan were appointed as non-executive independent directors for a period of five years. S. Santhanakrishnan and Dileep Choksi retired on March 31, 2019 on completion of 10 years with Company. The term of office of CA S. Santhanakrishnan would expire on October 15, 2019. The Board of Directors on recommendation of Board Governance, Nomination & Remuneration Committee has recommended re-appointment of CA S. Santhanakrishnan as an Independent director of the Company for a further period of five years on the expiry of his current term.

The Board of Directors of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, appointed Vinod Kumar Dhall and G. Gopalakrishna as non-executive independent directors of the Company effective January 18, 2019 for a period of five consecutive years subject to approval of members at the ensuing Annual General Meeting. Brief details of Vinod Kumar Dhall and G. Gopalakrishna is given below.

Vinod Kumar Dhall has a Law degree from the University of Delhi and a Masters degree in Mathematics from University of Allahabad. He entered the Indian Administrative Service in 1966 and retired as Secretary, Government of India. He has held various positions in Government of India and Government of Madhya Pradesh during his tenure. Subsequently, he was member and acting Chairman of Competition Commission of India for about five years and also Consultant/ Adviser of United Nations Industrial Development Organisation for over five years. He specialises in the field of Corporate Affairs, Industry, Commerce and Finance, in which he has total experience of 27 years. He has handled matters like Insurance, Corporate Governance, Competition Law and Policy, Industrial Development and Investment Promotion, Industrial Financing, Corporate Law Reforms and Economic Regulation. He currently has his own law firm and advises on Corporate Law and Corporate Governance issues.

G. Gopalakrishna is a B.A. LL.B., CAIIB and was with Reserve Bank of India (RBI) for over 33 years. He was Executive Director of RBI from October 2007 to April 2014. He was overseeing the Department of Banking Supervision, Non-Banking Supervision, Financial Stability Unit, Communication, Information Technology, Foreign Exchange, and Payment & Settlement system. He was the Regional Director, Kerala from 2001 to 2004. He was the Chairman and Member of several Working Groups set-up by RBI including working groups on Information Security, Electronic Banking Technology, Risk Management and Cyber Frauds. Post retirement from RBI, he was appointed as Director, CAFRAL.

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 Vinod Kumar Dhall and G. Gopalakrishna for their appointment as Directors on the Board at the ensuing AGM of the Company.

ICICI Home Finance

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 Meetings held on January 18, 2019 and April 30, 2019. In the opinion of the Board, the independent Directors fulfil the necessary criteria for independence as stipulated under the statutes.

Retirement by rotation
Pursuant to the provisions of Section 152 of the Companies Act, 2013, Anup Bagchi, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

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 2019 and the report does not contain any qualification. The report of the Secretarial Auditors is enclosed as Annexure 1 to this report.

PERSONNEL
The Company had 1,272 employees at March 31, 2019.

The statements containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 2 and Annexure 2A**.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND 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 the year the total foreign exchange earned was Nil (previous year Nil) and the details of total foreign exchange used is given below.

(₹ million)

Sr. No.	Currency	Fiscal 2019	*Fiscal 2018*
1	USD	**4.7**	-
2	GBP	**0.0005**	-
3	Singapore Dollar	**0.02**	-

RELATED PARTY TRANSACTIONS
The transactions between the Company and its related parties, during fiscal 2019, were in the ordinary course of business and based on the principles of arm's length. The details of material related party transactions at an aggregate level for fiscal 2019 are given in **Annexure 3**.

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, loan against securities (LAS), consumer finance, liability management etc. In order to mitigate these risks a broad risk management framework 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.

Credit risk is managed and controlled through the existing risk analysis, measurement, monitoring and reporting systems. A detailed framework on credit risk management is implemented through various policies, manuals and guidelines, which includes core and centralised risk evaluation process related to security, rating, lending terms and conditions as appropriate to the borrower and risk profile of related transactions.

HFCs are 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. This risk may arise from the unexpected increases in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner at a reasonable price. HFCs are exposed to liquidity risk in view of the fact that the assets generated by HFCs are in atenor band of seven to eight years against liability tenor of three to five years.

The Company has an average tenor of seven to eight years on the asset book, while the liabilities contracted are of an average tenor of two to three years. The Company actively monitors liquidity position via a Liquidity Contingency Plan and stress testing to ensure that it can meet all the requirements of borrowers, lenders while being able to consider investment opportunities as they arise. Such risk management is monitored and reported to the Asset Liability Committee (ALCO) on an ongoing basis. The ALCO, comprising of Senior Management Team, lays down policies and quantitative limits. 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 treasury 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 help to control the market risk. It describes investment functions, incorporating various limits approved for investment, in line with regulations of National Housing Bank (NHB) Act, 1987 & Housing Finance Company (HFC) Directions, 2010.

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

The Operational Risk Management function identifies operational risks in various products as well as processes and monitors the operational losses incurred by the Company.

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.

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.

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 one complaint reported during the year under the Act, which has been resolved as per the requirement of 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 which aims to 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 management including Chairperson of the Audit 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 evaluate the performances of the independent 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 non-executive/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 non- executive/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.

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

Details of Board Meetings

During the year, six Board meetings were held on April 19, 2018, July 23, 2018, October 17, 2018, November 16, 2018, January 18, 2019 and March 20, 2019, the attendance details of Board members is given below.

Name	Number of Board meetings attended
Anup Bagchi	6
S. Santhanakrishnan[1]	6
Dileep Choksi[1]	5
CA S. Santhanakrishnan	5
Anita Pai	5
N. R. Narayanan	5
Anirudh Kamani	6
Vinod Kumar Dhall[2]	1
G. Gopalakrishna[2]	1

1. Retired as non-executive Independent Directors of the Company on March 31, 2019.
2. Appointed as non-executive Independent Directors of the Company effective January 18, 2019.

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

Sl. No.	Name	Chairman/ members	Number of meetings attended
1	CA S. Santhanakrishnan	Chairman	-
2	G. Gopalakrishna	Member	-
3	Anup Bagchi	Member	4

During the year, four meetings of the Committee were held on April 19, 2018, July 23, 2018, October 17, 2018 and January 18, 2019. The Committee was reconstituted on March 20, 2019 on account of retirement of existing non-executive Independent Directors.

b. Board Governance, Nomination & Remuneration Committee

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

During the year, three meetings of the Committee were held on April 19, 2018, July 23, 2018 and January 18, 2019. The Committee was reconstituted on March 20, 2019 on account of retirement of existing non-executive Independent Directors.

c. Corporate Social Responsibility Committee

Sl. No.	Name	Chairman/ members	Number of meetings attended
1	Anita Pai	Chairperson	2
2	CA S. Santhanakrishnan	Member	2
3	Vinod Kumar Dhall	Member	-
4	G. Gopalakrishna	Member	-

During the year, two meetings of the Committee were held on April 19, 2018 and July 23, 2018. The Committee was reconstituted on March 20, 2019 on account of retirement of existing non-executive Independent Directors.

The Company has partnered 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

Sl. No.	Name	Chairman/ members	Number of meetings attended
1	N R Narayanan	Chairperson	-
2	CA S. Santhanakrishnan	Member	-
3	Managing Director & CEO	Member	-

No Committee meeting held during fiscal 2019, as there were no complaints or pending grievances from the institutional lenders & bond holders of the Company.

e. IT Strategy Committee

Sl. No.	Name	Chairman/ members	Number of meetings attended
1	G.Gopalakrishna	Chairman	-
2	CA S. Santhanakrishnan	Member	-
3	Anita Pai	Member	2
4	Anirudh Kamani	Member	2

The Committee was constituted on July 23, 2018 and during the year, two meetings of the Committee were held on October 17, 2018 and March 20, 2019. The Committee was reconstituted on March 20, 2019 on account of retirement of existing non-executive Independent Directors.

SUBSIDIARIES

The Company does not have any existing subsidiary and no new subsidiaries were 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, 2019, 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: 987

ii. The total amounts due (including interest) under such accounts remaining unclaimed or unpaid beyond the dates referred to in clause (i) as aforesaid: ₹ 69.6 million

The total amount of interest due on such unclaimed or unpaid deposits amounted to ₹ 0.8 million at March 31, 2019.

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 ₹ 7,074.7 million during fiscal 2019. The Company's Fixed Deposits programme has received the highest credit ratings of 'MAAA' by ICRA, 'CARE AAA (FD)' by CARE and 'FAAA' by CIRSIL.

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: Nil

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

Pursuant to the provisions of the Companies Act, 2013, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. May 31, 2018) 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 ₹18.8 million for fiscal 2019 have been transferred to IEPF as required by 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

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.

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) The directors 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 2019 and of the profit and loss of the Company for that period;

(c) The directors 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) The directors had prepared the annual accounts on a going concern basis;

(e) The directors, 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) The directors 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 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

Anup Bagchi
Chairman
DIN: 00105962

Place : Mumbai
Date : May 10, 2019

Annexure 1

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 **31st March, 2019** 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 31st March, 2019, according to the provisions of:

(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, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable**;

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 **(Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review)**;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable** and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review**.

(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; and

(b) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, with respect to the Company's listing of Non-Convertible 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 in pursuance of the 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 ₹ 5000 Crores under Section 42 and 71 of the Companies Act, 2013 by passing Special Resolution at the Annual General Meeting held on 31st May, 2018.

2. Allotment of 3100 nos. of Unsecured Redeemable Senior Bonds in the nature of Debentures (NCDs) of face value of ₹ 5,00,000/- each aggregating to ₹ 1.55 billion on private placement basis issued under one option on 24th December, 2018.

3. The Company has obtained Loan through ECB route USD 2,00,00,000 from Canara Bank UK and Bank of Baroda UAE and USD 75,000,000 from Punjab National Bank Hongkong and UAE.

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

Place: Mumbai
Date: 20th April, 2019

Alwyn Jay & Co.
Company Secretaries

Sd/-
[Vijay Sonone FCS.7301]
(Partner)
[Certificate of Practice No.7991]

ICICI Home Finance

Annexure 2

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation / Nature of Duties	Gross Remuneration (Without ESOP) Received [₹]	Qualification	Experience in years	Age in years	Date of Commencement of Employment	Last Employment held
1	2	3	4	5	6	7	8	9
1	Anirudh Kamani	MD & CEO (w.e.f. November1, 2017)	29,853,471	CA	29	50	November 1, 2017	ICICI Bank
2	Vikrant Gandhi	CFO (w.e.f. February 5, 2018)	1,29,35,079	CA, ICWA, B.Com	22	46	February 5, 2018	ICICI Bank

Notes:

1 All appointments are/were non-contractual.

2 Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund.

The ratio of the remuneration of each director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure 2A

The ratio of the remuneration of each director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 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

The ratio of remuneration of the MD & CEO to the median remuneration of employees is around 48:1.

(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 1,272 at March 31, 2019.

(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 2019 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

Annexure 3

Related party transactions

The details of material related party transactions at arm's length principles for the year ended March 31, 2019 on an aggregate basis are given below.

Sr. no.	Nature of Contracts/ Transactions	Name of the Related Party	Nature of Relationship	Duration of Contracts	Salient terms of Contracts/ Transactions	₹ million
1.	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	22,953.3

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.

Sl. No.	Name	Chairman/members
1	Anita Pai	Chairperson
2	G. Gopalakrishna	Member
3	Vinod Kumar Dhall	Member
4	CA 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 ₹ 1,854.9 in million.

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

The prescribed CSR expenditure requirement for fiscal 2020 is ₹ 37.1 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 2019 was ₹ 45.4 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.Overheads:**	**Cumulative Spend upto 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.	₹ 45.4 million	₹ 45.4 million	₹ 288.2 million	Amount spent through ICICI Foundation for Inclusive Growth

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.

Anirudh Kamani
Managing Director & CEO
DIN: 07678378

Anita Pai
CSR Committee Chairman
DIN: 07651059

BUSINESS ENVIRONMENT

Over last few years, housing finance sector has shown strong growth of 15% CAGR for FY2015 to 9M-2019 and is expected to grow at a brisk pace for next few years. The long term prospects of the sector remain good and ICRA expects growth of 14-16% in FY2020.

The overall housing finance sector has grown from ₹ 16,600 billion at March 31, 2018 to ₹ 18,200 billion at December 31, 2018. Within the sector, housing finance companies (HFCs) total loan portfolio had grown at the rate of 15% during 9M-2019. While non-home loan portfolio (like loan against property, construction finance, loans to micro, small and medium enterprises (MSMEs) etc.) had grown at the rate of 21% over the same period. Further, the affordable housing segment, which is the primary growth driver for HFCs had grown by 32% from ₹ 259.6 billion at March 31, 2018 to ₹ 341.7 billion at December 31, 2018.

Government of India (GoI) has taken several steps like Pradhan Mantri Awas Yojana (PMAY) and the 'Housing for all by FY2022' plan, which have significantly benefited the housing finance sector. Under these schemes the GoI has specifically targeted affordable housing by providing subsidies under Credit Linked Subsidy Scheme (CLSS) and refinance (at subsidised rate) to HFCs and other lenders against home loans extended to individual home buyers by way of direct credits or reduction in rate of interest.

The introduction of Real Estate Regulatory Authority Act (RERA) helped the real estate industry getting more structured and institutionalised. This has also visibly changed the real estate players by bringing in professional approach, transparency and organised culture. This helped the buyers as fly by night operators have moved out of the market, which will in turn benefit the lenders (mainly HFCs) who fund these buyers.

The benefit of deduction for interest paid on housing loans (let-out properties) was capped to ₹ 200,000/- (including the aggregate cap for let-out as well as self-occupied house property) has resulted in reduction in demand of homes by investors. This and few other reasons like introduction of RERA, high Goods & Services Tax (GST) rates have impacted the growth of the real estate industry as a whole during last few years, with unsold inventory increasing consistently across the Metros and Tier I/Tier II cities. New launches have also reduced significantly, as developers are cautious to launch new projects.

Further, recent amendments to the GST levy for under construction residential properties is likely to reduce the cost of acquisition of property for home buyers. Similarly, amendment to the Income Tax Act, removing the provisions relating to 'deemed rental value' for second self-occupied property (house) and allowing the seller of a house property to invest the capital gains in two house properties (instead of earlier eligibility for only one house property) for availing tax benefits will benefit the end-users. This will help the real estate industry to grow, which will provide impetus to the growth of housing finance sector.

These and similar other incentives will lead to increase in the propensity to purchase homes, resulting into steady increase in demand for housing loans from different customer segments across the country.

CHALLENGING ENVIRONMENT FOR HOUSING FINANCE COMPANIES

HFCs faced a crisis due to failure of a large NBFC to honour its commitments in the last week of H1-2019, which led to significant liquidity issues with lenders becoming cautious and selective in lending funds to NBFCs and HFCs. This was aggravated by not so good asset-liabilities management practices at HFCs. This led to a partial closure of lending activities with certain section of HFCs due to shortage of funds which impacted the growth of most HFCs during H2-2019. Lots of HFCs relied on portfolio sell down of home loans to raise fresh funds, which also impacted growth in their aggregate loan book portfolio compared to pre-September 2018 levels.

As demand continued to remain robust, banks availed of this opportunity and increased their retail home loan portfolios by not only getting aggressively into funding customers but also by way of buying out portfolios from HFCs. Hence, their growth increased to 17% YoY during 9M-2019 as compared to 14% in 9M-2018. This trend could continue for few more quarters.

While the liquidity to an extent has come back in the capital markets and the HFCs have improved their asset-liabilities management practices, the liquidity challenge started to ease slowly during Q4-2019. However, cost of funds which remained at elevated levels during H1-2019 increased significantly during H2-2019 due to the above issues.

There is also skepticism in environment about governance practices within certain HFCs coupled with higher due diligence and enhanced regulatory focus amid rating downgrades of borrowing programs.

ICICI HFC, due to its better asset-liabilities management practices and its ICICI pedigree broadly, remained broadly unaffected by the liquidity crisis, but the cost of funds of the Company did increase significantly during H2-2019 leading to lower net interest margins.

REGULATORY DEVELOPMENTS

As a response to the above crisis, National Housing Bank (NHB) has proposed certain amendments in capital adequacy requirements and leverage norms for HFCs. These are proposed to be done in a staggered manner over the next 3 years up to FY2022. While these are steps in the right direction from a risk management perspective the cost of funds and higher capital requirement will have an impact on the growth of HFCs. Also, the HFCs will lose some competitiveness due to change in capital adequacy requirements as compared to scheduled commercial banks, which are currently required to maintain a 9% capital adequacy as against 12% applicable to HFCs, which is proposed to be increased to 15%.

In FY2019, NHB also issued guidelines that requires HFCs to have a suitable mechanism for receiving and addressing customer complaints with specific emphasis on resolving such complaints fairly and expeditiously regardless of source of the complaints. NHB has also issued guidelines advising HFCs to be registered as convergence partner with National Consumer Helpline (NCH), which has been handling consumer complaints and queries pan-India under a project of Department of Consumer Affairs, Govt. of India.

BUSINESS OVERVIEW

During FY2019, the Company has grown in terms of size, geographical presence, infrastructure and capabilities. It has 105 operational branches at different locations for customer acquisition (as compared to 6 operational branches at March 31, 2018). Simultaneously, the Company invested in hiring talent, both for frontline and enabling functions, growing from a total of 332 employees at March 31, 2018 to 1,272 employees at March 31, 2019. 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, growing from 140 to 720 and 500 to 847 respectively.

The Company also executed a well-planned liability strategy with focus on increasing liquidity, rationalising cost of funds and diversification of sources of funds. Accordingly, during the year it secured a refinance line from NHB amounting to ₹ 10.00 billion (including low cost funding for affordable housing refinance), grew its fixed deposit book to ₹ 10.49 billion and raised external commercial borrowings (ECBs) amounting to ₹ 19.66 billion.

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. Additionally, the Company endeavored to put in place a strong Operational Risk Management framework that comprises of Risk & Control Self-assessment (RCSA) process, operational risk incident identification and reporting process.

The Company 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.

MIGRATION TO IND-AS

Effective April 1, 2018, The Company has adopted all the Indian Accounting Standards (Ind AS), with April 1, 2017 being the transition date.

This change has mainly impacted impairment provision, interest income recognition on loans, loan origination cost and deferred taxes.

For regulatory and supervisory purposes, as per NHB instructions, the Company continues to follow the NHB guidelines.

CREDIT RATING

The Company has a standalone issuer credit rating of AAA/Stable by ICRA. In addition, different borrowing programs of the Company have secured highest credit rating from different rating agencies.

Credit instrument	CRISIL	ICRA	CARE
Fixed Deposit	FAAA/Stable	MAAA/Stable	CARE AAA (FD)/Stable
NCD Senior	CRISIL AAA/ Stable	[ICRA] AAA/Stable	CARE AAA/Stable & CARE AAA (SO)/Stable
NCD Subordinate	-	[ICRA] AAA/Stable	CARE AAA (Stable) & CARE AAA (SO)/Stable
Term Loan	-	[ICRA] AAA/Stable	-
Commercial Paper	-	[ICRA] A1+	CARE A1+

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 use multi-parameter model for customer segmentation and risk-based pricing to address growing demand across its lending products.

The Company also intends to leverage its liability franchise to bring cost competitiveness to its business operations. To this end, there is a clear strategy with focus on having significant share of retail fixed deposits in FY2020 in its total borrowings.

FINANCIAL HIGHLIGHTS

The Company’s infrastructure presence and staff count has grown multifold in FY2019, resulting in significant increase in the operating expenditure. Consequently, the operating profit is muted in FY2019. The performance highlights for fiscal 2019 are given below.

- Net interest income increased marginally from ₹ 3.01 billion in fiscal 2018 to ₹ 3.30 billion in fiscal 2019, primarily due to loan book growth. However, the growth in NII (at 9.4%) was muted as compared to loan book growth (at 37.5%), primarily due to increase in cost of funds by 60 basis points.
- Yield stayed flat at 10.47% in fiscal 2019 compared to 10.48% in fiscal 2018.
- Fee income primarily includes income from third party referrals, income from property search services and advisory business. Fee income decreased from ₹ 0.20 billion in fiscal 2018 to ₹ 0.19 billion in fiscal 2019, primarily due to a decrease in fees earned by property search services, offset, in part, by an increase in retail and referral fees.
- Operating expenses primarily includes employee benefits expenses and other administrative expenses. Employee cost and benefit expenses increased from ₹ 0.35 billion in fiscal 2018 to ₹ 0.80 billion in fiscal 2019. 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, professional fees, advertisement expenses, collection expenses and depreciation on assets. Other operating expenses increased from ₹ 0.72 billion in fiscal 2018 to ₹ 1.08 billion in fiscal 2019. 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 increased from ₹ 0.52 billion in fiscal 2018 to a provision of ₹ 1.06 billion in fiscal 2019, primarily due to an increase in provision on impaired construction realty and consumer finance loans.
- The Company transferred ₹ 0.10 billion to Special Reserve in fiscal 2019 in accordance with Section 29C of National Housing Bank Act, 1987. Transfer to Special Reserve amounted to ₹ 0.21 billion in fiscal 2018.
- The Company has not paid any interim dividend in fiscal 2019 (fiscal 2018: ₹ 0.35 billion, 3.15% on paid up share capital of ₹ 10.99 billion. Further, the Company has declared final dividend at 0.40% on paid up share capital of ₹ 10.99 billion in fiscal 2019 amounting to ₹ 0.04 billion.
- Total assets increased from ₹ 101.09 billion at March 31, 2018 to ₹ 139.29 billion at March 31, 2019. This is mainly due to increase in loan book, which grew at 37.5% from ₹ 96.99 billion at March 31, 2018 to ₹ 133.33 billion at March 31, 2019.
- Gross impaired loans increased from ₹ 7.41 billion at March 31, 2018 to ₹ 7.43 billion at March 31, 2019. Net impaired loans decreased from ₹ 4.73 billion at March 31, 2018 to ₹ 4.45 billion at March 31, 2019.
- Total borrowings increased from ₹ 81.78 billion at March 31, 2018 to ₹ 118.43 billion at March 31, 2019.
- The capital adequacy ratio was 17.98% at March 31, 2019 compared to 24.34% at March 31, 2018 against NHB requirement of 12.00% and Tier-1 capital adequacy ratio was 17.48% at March 31, 2019 compared to 23.29% at March 31, 2018.

KEY FINANCIAL INDICATORS

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

Particulars	*Fiscal 2018 (Ind AS)*	**Fiscal 2019 (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*	**3.05**
Fee/Income (%)	*6.32*	**5.23**
Cost/Income (%)[3]	*33.92*	**52.67**

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.

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 31 March 2019, 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 31 March 2019, 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.

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
Transition date accounting policies	
Refer to the accounting policies in the Financial Statements: Significant Accounting Policies - "Basis of preparation" and "Note 34 to the Financial Statements: First time adoption of Ind AS"	
Adoption of new accounting framework	Our audit procedures included:
Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas for the Company upon transition: • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for loan related fees and costs • Accounting for employee stock option plan The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, *First Time Adoption of Indian Accounting Standards,* prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	**Design / controls** • Assessed the design, implementation and operating effectiveness of key internal controls (financial reporting and entity level controls) over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101. **Substantive tests** • Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition. • Assessed the accuracy of the computations. • Assessed that the areas of significant estimates and management judgment are line with principles under Ind AS.
Impairment of loans and advances to customers	
Charge: INR 1,061.1 million for year ended 31 March 2019 Provision: INR 3,447.6 million as at 31 March 2019	
Refer to the accounting policies in "Note 3.9 to the Financial Statements: Impairment of financial assets", "Note 3.1 to the Financial Statements: Use of estimates and judgment" and "Note 10 to the Financial Statements: Loans "	
Subjective estimate Recognition and measurement of impairment of loans and advances involves significant management judgment. With the applicability of Ind AS 109, *Financial Instruments,* credit loss assessment is now 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 is a large increase in the 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.	Our audit procedures included: **Design / controls** • Gathered an understanding of management's new/ revised processes, systems and controls implemented in relation to impairment allowance process. • Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Engaged our modelling specialist to test the model methodology and reasonableness of assumptions used. • Tested management review controls over measurement of impairment allowances and disclosures in the financial statements. **Substantives tests** • Evaluated the appropriateness of application of accounting principles based on the requirements of Ind AS 109 and our business understanding. This also included validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • 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.

Key audit matter	How the matter was addressed in our audit
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 a risk that 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. A number of enhancements in the IT systems have been made by management during the year. 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 audit procedures included: • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

OTHER MATTER

The comparative financial information of the Company for the transition date opening balance sheet as at 1 April 2017 included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 18 April 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL & 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.

   (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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 31 March 2019 on its financial position in its financial statements - Refer Note 40 to the financial statements;

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   c) There was an instance of delay in transferring the amount that was 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 31 March 2019.

   (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 directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. 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

Mumbai
30 April 2019

of even date on the financial statements of ICICI Home Finance Company Limited

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. 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 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 31 March 2019 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 section 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 except few instances of delay in payment goods and service tax on login fees. 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 31 March 2019 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	547.6	550.0	FY 2009-2010	Commissioner of Income Tax (Appeals)
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 term loans were generally applied for the purpose for which those were raised, except in some instances, where the monies raised by the Company by way of term loans that were pooled in a common account, were used for business purposes including temporary investment in liquid assets and/or repayment of existing borrowings.

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 accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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
ICAI Firm Registration No: 101248 W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 April 2019

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 1 (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 31 March 2019 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 31 March 2019, 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
ICAI Firm Registration No: 101248 W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 April 2019

balance sheet

at march 31, 2019

(₹ in million)

Particulars	Note No.	At March 31, 2019	At March 31, 2018	At April 1, 2017
I ASSETS				
Financial assets				
Cash and cash equivalents	6	**98.4**	*60.8*	*405.4*
Bank balance other than above	7	**2.5**	*2.5*	-
Derivative Financial Instruments	8	**-**	*30.8*	*64.4*
Receivables	9			
(i) Trade receivables		**142.3**	*96.6*	*72.0*
(ii) Other receivables		**-**	-	-
Loans	10	**133,330.7**	*96,986.4*	*88,398.7*
Investments	11	**989.7**	*1,093.1*	*1,416.5*
Other financial assets	12	**1,731.2**	*911.7*	*806.2*
		136,294.8	*99,181.9*	*91,163.2*
Non-financial assets				
Current Tax assets (Net)		**544.9**	*460.0*	*360.2*
Deferred Tax assets		**1,145.5**	*596.6*	*495.9*
Property, plant and Equipment	13	**1,094.0**	*783.3*	*798.9*
Capital work-in-progress		**-**	-	-
Intangible assets	14	**34.8**	*5.0*	*1.1*
Other non-financial assets	15	**171.6**	*59.5*	*35.7*
		2,990.8	*1,904.4*	*1,691.8*
		139,285.6	*101,086.3*	*92,855.0*
II LIABILITIES AND EQUITIES				
LIABILITIES				
Financial Liabilities				
Derivative financial instruments		**1,718.3**	-	-
Payables	16			
(i) Micro, small and medium enterprises		**8.2**	*5.6*	*0.2*
(ii) Other payables		**522.1**	*196.3*	*155.2*
Debt securities	17	**25,320.3**	*42,822.4*	*42,480.9*
Borrowings (Other than debt securities)	18	**80,554.0**	*34,071.0*	*26,166.4*
Deposits	19	**10,490.3**	*2,313.9*	*2,909.9*
Subordinate liabilities	20	**2,070.0**	*2,573.0*	*2,573.0*
Other financial liabilities	21	**1,683.4**	*2,010.0*	*1,944.3*
		122,366.6	*83,992.2*	*76,229.9*
Non-financial liabilities				
Provisions	22	**53.8**	*33.8*	*46.3*
Other non-financial liabilities	23	**37.0**	*9.7*	*2.3*
		90.8	*43.5*	*48.6*
EQUITY				
Equity Share Capital	4	**10,987.5**	*10,987.5*	*10,987.5*
Other equity	5	**5,840.7**	*6,063.1*	*5,589.0*
		16,828.2	*17,050.6*	*16,576.5*
		139,285.6	*101,086.3*	*92,855.0*

The accompanying notes are an integral part of the financial statements

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: April 30, 2019

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

ICICI Home Finance

for the year ended March 31, 2019

(₹ in million)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
Interest Income	24	**11,196.3**	*9,263.8*
Dividend Income		**106.0**	*37.4*
Fees and commission Income	26	**187.0**	*199.9*
Net gain on fair value changes	25	**34.3**	-
Others	27	**19.9**	*6.4*
		11,543.5	*9,507.5*
Other income	28	**58.0**	*44.2*
Total income		**11,601.5**	*9,551.7*
Expenses			
Finance costs	29	**8,026.7**	*6,294.0*
Fees and commission expense	30	**47.9**	*74.7*
Net loss on fair value changes		**-**	*93.4*
Impairment on financial instruments/write-offs	32	**1,061.1**	*524.0*
Employee benefit expenses	31	**802.2**	*354.5*
Depreciation and amortisation expenses		**57.4**	*23.3*
Other expenses	33	**975.3**	*620.7*
Total expenses		**10,970.6**	*7,984.6*
Profit before exceptional items and tax		**630.9**	*1,567.1*
Exceptional items		**-**	-
Profit before tax		**630.9**	*1,567.1*
Tax expense	42		
Current tax		**353.1**	*610.0*
Deferred tax		**(163.1)**	*(101.3)*
Profit for the period/year		**440.9**	*1,058.4*
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of net defined benefit plan		**1.8**	*1.7*
Income tax impact		**(0.6)**	*(0.6)*
Items that will be reclassified to profit or loss			
Fair value change on derivatives designated as cash flow hedge		**(1,104.0)**	-
Income tax impact		**385.8**	-
Total other comprehensive income		**(717.0)**	*1.1*
Total comprehensive income		**(276.1)**	**1,059.5**
Earnings per equity share	38		
(1) Basic(₹)		**0.40**	*0.96*
(2) Diluted (₹)		**0.40**	*0.96*

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: April 30, 2019

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

cash flow statement

for the year ended March 31, 2019

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
			(₹ in million)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before taxation and exceptional items	**630.9**	*1,567.1*
	Adjustments for:		
	Depreciation/amortisation	**57.4**	*23.3*
	Loss on sale or write off of fixed assets	**0.4**	-
	Fair value change in investment	**(34.3)**	*93.4*
	Impairment on loans	**1,061.1**	*524.0*
	Provision for others	**16.9**	*(11.5)*
	Share based payment to employees	**55.0**	*10.3*
	Dividend Income	**(106.9)**	*(38.3)*
	Interest income on investments	**(35.2)**	*(34.1)*
	Profit on sale of mutual fund units	**(19.9)**	*(6.4)*
	Interest income on loans	**(11,161.1)**	*(9,229.7)*
	Interest expense on borrowings	**8,026.7**	*6,294.0*
	Operating profit before working capital changes	**(1,509.0)**	*(807.9)*
	Adjustments for increase or decrease in :		
	(Increase) / Decrease in Trade receivables	**(45.7)**	*(24.6)*
	(Increase) / Decrease in Other financial assets	**(819.5)**	*(105.5)*
	(Increase) / Decrease in Other non-financial assets	**(135.9)**	*(23.8)*
	(Decrease) / Increase in Trade payables	**328.4**	*46.5*
	(Decrease) / Increase in Other financial liabilities	**102.8**	*(73.5)*
	(Decrease) / Increase in Other non financial liabilities	**27.3**	*7.4*
	Loans given (net movement)	**(36,809.5)**	*(8,906.5)*
	Interest income received	**10,568.3**	*9,025.3*
	Interest expenses paid	**(9,572.9)**	*(6,049.3)*
	Cash generated from Operations	**(37,865.7)**	*(6,911.9)*
	Income taxes paid (net)	**(438.0)**	*(709.8)*
	Net cash used in operating activities - A	**(38,303.7)**	*(7,621.7)*
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	(Purchase)/sale of fixed assets	**(398.3)**	*(11.6)*
	(Purchase)/sale of investments	**188.4**	*267.5*
	Interest received on investments	**35.2**	*34.1*
	Dividend income	**106.9**	*38.3*
	Net cash (used in) / generated from investing activities - B	**(67.8)**	*328.3*
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from borrowings	**114,081.8**	*263,196.6*
	Repayment of borrowings	**(75,672.7)**	*(255,652.0)*
	Dividend and dividend distribution tax paid	**-**	*(595.8)*
	Net cash generated from / (used in) financing activities - C	**38,409.1**	*6,948.8*
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**37.6**	*(344.6)*
	Cash and cash equivalents at beginning of the year	**60.8**	*405.4*
	Cash and Cash equivalents at end of the year	**98.4**	*60.8*
	Notes :		
	Cash and cash equivalents consists of :		
	(i) Current accounts	**98.4**	*60.8*
	Total	**98.4**	*60.8*

The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows".

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: April 30, 2019

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

ICICI Home Finance

for the year ended March 31, 2018 and March 31, 2019

A. EQUITY SHARE CAPITAL

	(₹ in million)
Balance at April 1, 2017	10,987.5
Changes in equity share capital during the period	-
Balance at March 31, 2018	**10,987.5**
Changes in equity share capital during the period	-
Balance at March 31, 2019	**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, 2017	**4,391.6**	**249.3**	**935.1**	**13.0**	**-**	**-**	**5,589.0**
Total comprehensive income for the year	-	-	1,058.4	-	-	-	1,058.4
Dividend (including dividend distribution tax)	-	-	(595.7)	-	-	-	(595.7)
Transfer to retained earnings							-
Share based payments to employees	-	-	-	10.3	-	-	10.3
Cash flow hedge reserve - Derivative (net of tax)	-	-	-	-	-	-	-
Other comprehensive income - Actuarial gains/ (losses) (net of tax)	-	-	-	-	1.1	-	1.1
Transfer to/from reserves	206.0	-	(206.0)	-	-	-	-
Balance at March 31, 2018	**4,597.6**	**249.3**	**1,191.8**	**23.3**	**1.1**	**-**	**6,063.1**
Total comprehensive income 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 - Derivative (net of tax)	-	-	-	-	-	(718.2)	(718.2)
Other comprehensive income - Actuarial gains/ (losses) (net of tax)	-	-	-	-	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**

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: April 30, 2019

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

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. The Company is also engaged in providing advisory, consultancy and broking for residential and commercial properties, loan against securities and financing for purchase of consumer durables.

The financial statements were approved for issue by the Board of Directors on April 30, 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

Effective April 1, 2018, the Company has adopted all the Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with April 1, 2017 as the transition date. Previous period informations have been re-stated to conform to with Ind AS requirements. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP), the accounting standards notified under Section 133 of the Companies Act, 2013 (the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines/directions issued by the National Housing Bank, which was the previous GAAP. Reconciliations and description of the effect of transition from Indian GAAP to Ind AS on the Company's statement of financial positions and its financial performance and cash flows are provided in Note 34. 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 Act and guidance given by NHB through its circulars to follow notified Ind ASs. Further, the Company continues to follow the extant provision of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 including framework on Prudential Norms, and other related circulars for regulatory and supervisory purposes including various reportings to the NHB.

These financial statements are prepared under the historical cost convention except for certain financial instruments which are measured at fair values.

2.2 Functional and presentation currency

The financial statements are presented in Indian rupees (₹), the national currency of India. Except as otherwise indicated, financial information presented in Indian rupee has been rounded to the nearest million with one decimal.

2.3 Presentation and disclosure of financial statements

The Company prepares its financial statements as per Schedule III of the Act applicable for preparation and presentation of the financial statements. 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. 36.

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 reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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, 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.

3.2 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 method.

The effective interest rate 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 effective interest rate 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. When calculating the effective interest rate, 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 effective interest rate. The adjustment is recognised as interest income or expense in the period in which the revision is made.

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

3.3 Dividend

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

3.4 Fee and commission

Fee and commission income and expenses that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate. Other fee and commission income including conversion charges, foreclosure charges and referral fees, etc. 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. Mortgage valuation fees are recognised on accrual basis.

3.5 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. 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.

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.

3.6 Financial liabilities

The Company's borrowings include bonds, commercial paper, fixed deposits, borrowings from banks, etc.

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

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.

3.7 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.

3.8 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.

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

3.9 Impairment of financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense 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.

3.10 Property, plant and equipment

Property, plant and equipment 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.

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

3.11 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. Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is four years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.12 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
Improvements to leasehold property	Period of lease
Furniture and fixtures	5 to 10
Office Equipment	3 to 5
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 methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Advances paid towards acquisition of property, plant and equipment are disclosed as capital advances.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.13 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.

3.14 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, in which case it is recognised in 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.

3.15 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.

The actuarial gains or losses arising during the year are recognised in other comprehensive income.

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.

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 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

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. 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.

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.

3.16 Share-based payments

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.

3.17 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Lease rentals are recognised in the statement of profit and loss on accrual basis. Increase in operating lease payments of the Company are in line with the expected general inflationary increase, and therefore, are not recognised as an expense on a straight-line basis.

3.18 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.

3.19 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.

3.20 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.

3.21 Accounting for swaps

The Company enters into derivative contracts such as interest rate swaps, foreign exchange contracts and currency swaps. 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.

4. SHARE CAPITAL

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Authorised shares			
2,385,000,000 Equity shares of ₹ 10 each (March 2018: 2,385,000,000, April 1, 2017 : 2,385,000,000)	**23,850.0**	*23,850.0*	*23,850.0*
15,000,000 Preference shares of ₹ 10 each (March 2018: 15,000,000, April 1, 2017: 15,000,000)	**150.0**	*150.0*	*150.0*
Total authorised shares	**24,000.0**	*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 2018 - 1,098,750,000, April 1, 2017 – 1,098,750,000)	**10,987.5**	*10,987.5*	*10,987.5*
Total Issued, subscribed and paid-up Equity share capital	**10,987.5**	*10,987.5*	*10,987.5*

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting years is given below.

Particulars	At March 31, 2019		*At March 31, 2018*	
	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*

All equity shares are held by the holding company (ICICI Bank Limited) and its nominees at March 31, 2019 and at March 31, 2018.

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2019, the amount of per share dividend distributed to equity shareholder amounted to Nil (March 31, 2018 - ₹ 0.451, March 31, 2017 - ₹ 0.970 (excluding dividend distribution tax)).

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.

5. OTHER EQUITY

A. Summary of Other Equity balance

(₹ in million)

Particulars		At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
(i)	General reserve	**249.3**	*249.3*	*249.3*
(ii)	Statutory reserve (As per Section 29C of National Housing Bank Act,1987) (refer note (b) below)	**4,699.6**	*4,597.6*	*4,391.6*
(iii)	Retained earnings	**1,530.5**	*1,191.8*	*935.1*
(iv)	Capital contribution (Share based compensation to employees)	**78.3**	*23.3*	*13.0*
(v)	Items of Other Comprehensive Income			
	- Re-measurements of net defined benefit plan	**1.2**	*1.1*	-
	- Fair value change on derivatives designated as cash flow hedge	**(718.2)**	-	-
	Total Other Equity	**5,840.7**	*6,063.1*	*5,589.0*

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

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.

(₹ in million)

Particulars		At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Balance at the beginning of the year				
a)	Statutory Reserve u/s 29C of National Housing Bank, Act 1987	**1,682.9**	*1,682.8*	*1,550.4*
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	**2,914.7**	*2,708.8*	*2,474.2*
c)	**Total**	**4,597.6**	*4,391.6*	*4,024.6*
Addition/Appropriation/Withdrawal during the year				
Add:	a) Amount transferred u/s 29C of the NHB Act, 1987	**0.9**	*0.1*	*132.4*
	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	**101.1**	*205.9*	*234.6*
Balance at the end of the year				
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**1,683.8**	*1,682.9*	*1,682.8*
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	**3,015.8**	*2,914.7*	*2,708.8*
c)	**Total**	**4,699.6**	*4,597.6*	*4,391.6*

1. There has been no draw down from reserves during the year ended March 31, 2019 (March 2018 - Nil).

6. CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Balances with banks	**98.4**	*60.8*	*405.4*
Total	**98.4**	*60.8*	*405.4*

7. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Balances with banks to the extent held as margin money or security against borrowings, guarantees, other commitments	**2.5**	*2.5*	-
Total	**2.5**	*2.5*	-

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. 50 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, 2019			
	Notional amounts	Fair value - assets	Notional amounts	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
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

(₹ in million)

Particulars	*At March 31, 2018*			
	Notional amounts	*Fair value - assets*	*Notional amounts*	*Fair value – liabilities*
Part I				
(i) Currency derivatives				
- Forwards	-	-	-	-
- Currency swaps	-	-	-	-
Sub-total (i)	-	-	-	-
(ii) Interest rate derivatives				
- Forward rate agreements and interest rate swaps	*5,500.0*	*30.8*	-	-
Sub-total (ii)	*5,500.0*	*30.8*	-	-
Total derivative financial instruments (i) + (ii)	*5,500.0*	*30.8*	-	-
Part II				
Included in above (part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Cash flow hedging				
- Currency derivatives	-	-	-	-
- Interest rate derivatives	-	-	-	-
Sub-total (i)	-	-	-	-
(ii) Undesignated derivatives	*5,500.0*	*30.8*	-	-
Total derivative financial instruments (i) + (ii)	*5,500.0*	*30.8*	-	-

(₹ in million)

Particulars	*At April 1, 2017*			
	Notional amounts	*Fair value - assets*	*Notional amounts*	*Fair value – liabilities*
Part I				
(i) Currency derivatives				
- Forwards	-	-	-	-
- Currency swaps	-	-	-	-
Sub-total (i)	-	-	-	-
(ii) Interest rate derivatives				
- Forward rate agreements and interest rate swaps	*5,500.0*	*64.4*	-	-
Sub-total (ii)	*5,500.0*	*64.4*	-	-
Total derivative financial instruments (i) + (ii)	*5,500.0*	*64.4*	-	-
Part II				
Included in above (part I) are derivatives held for hedging and risk management purposes as follows:				
(i) Cash flow hedging				
- Currency derivatives	-	-	-	-
- Interest rate derivatives	-	-	-	-
Sub-total (i)	-	-	-	-
(ii) Undesignated derivatives	*5,500.0*	*64.4*	-	-
Total derivative financial instruments (i) + (ii)	*5,500.0*	*64.4*	-	-

9. RECEIVABLES

(₹ in million)

Particulars	At March 31, 2019		
	Gross value	Expected credit loss	Net value
Trade receivables			
Receivables considered good – secured	-	-	-
Receivables considered good – unsecured	142.3	-	142.3
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	-	-	-
Total	142.3	-	142.3
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. Include ₹ 71.1 million from related parties.

(₹ in million)

Particulars	*At March 31, 2018*		
	Gross value	*Expected credit loss*	*Net value*
Trade receivables			
Receivables considered good – secured	-	-	-
Receivables considered good – unsecured	*96.6*	-	*96.6*
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	-	-	-
Total	*96.6*	-	*96.6*
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 ₹ 85.1 million from related parties.

(₹ in million)

Particulars	*At April 1, 2017*		
	Gross value	*Expected credit loss*	*Net value*
Trade receivables			
Receivables considered good – secured	-	-	-
Receivables considered good – unsecured	*72.0*	-	*72.0*
Receivables which have significant increase in credit risk	-	-	-
Receivables - credit impaired	-	-	-
Total	*72.0*	-	*72.0*
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 ₹ 69.7 million from related parties.

10. LOANS

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
At amortised cost			
(A) (i) Loans repayable on demand	3,551.8	*823.4*	-
(ii) Term loans[1]	133,226.5	*99,160.2*	*90,889.0*
Total – Gross	136,778.3	*99,983.6*	*90,889.0*
Impairment loss allowance	(3,447.6)	*(2,997.2)*	*(2,490.3)*
Total – Net	133,330.7	*96,986.4*	*88,398.7*
(B) (i) Secured by tangible assets	135,175.0	*99,972.2*	*90,889.0*
(ii) Unsecured	1,603.3	*11.4*	-
Total – Gross	136,778.3	*99,983.6*	*90,889.0*
Impairment loss allowance	(3,447.6)	*(2,997.2)*	*(2,490.3)*
Total – Net	133,330.7	*96,986.4*	*88,398.7*
(C) Loans in India			
(i) Public sector	-	-	-
(ii) Others	136,778.3	*99,983.6*	*90,889.0*
Total –Gross	136,778.3	*99,983.6*	*90,889.0*
Impairment loss allowance	(3,447.6)	*(2,997.2)*	*(2,490.3)*
Total –Net	133,330.7	*96,986.4*	*88,398.7*

1. Includes initial funding towards insurance amounting to ₹ 2,429.9 million at March 31, 2019 (March 31, 2018: 1,315.7 million; April 1, 2017: 1,112.6 million).

11. INVESTMENTS

(₹ in million)

Particulars	At March 31, 2019						
	Amorti-sed 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	620.7	-	-	-	-	-	620.7
Equity instruments	-	-	369.0	-	369.0	-	369.0
Total Gross	620.7	-	369.0	-	369.0	-	989.7
Allowances for impair-ment loss	-	-	-	-	-	-	-
Total Net	620.7	-	369.0	-	369.0	-	989.7

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

(₹ in million)

Particulars	*At March 31, 2018*						
	Amorti-sed 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	-	-	210.4	-	210.4	-	210.4
Government securities	468.4	-	-	-	-	-	468.4
Equity instruments	-	-	414.3	-	414.3	-	414.3
Total Gross	468.4	-	624.7	-	624.7	-	1,093.1
Allowances for impair-ment loss	-	-	-	-	-	-	-
Total Net	468.4	-	624.7	-	624.7	-	1,093.1

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

(₹ in million)

Particulars	*At April 1, 2017*						
	Amorti-sed 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	-	-	420.2	-	420.2	-	420.2
Government securities	522.2	-	-	-	-	-	522.2
Equity instruments	-	-	474.1	-	474.1	-	474.1
Total Gross	522.2	-	894.3	-	894.3	-	1,416.5
Allowances for impair-ment loss	-	-	-	-	-	-	-
Total Net	522.2	-	894.3	-	894.3	-	1,416.5

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

12. OTHER FINANCIAL ASSETS

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
At amortised cost			
Interest receivable on swaps	4.9	*24.0*	*10.3*
Security deposits	43.9	*3.8*	*4.3*
Mutual fund redemption receivable	1,680.0	*880.0*	*790.0*
Advances recoverable	2.4	*2.2*	*1.5*
Other financial assets	-	*1.7*	*0.1*
Total	1,731.2	*911.7*	*806.2*

13. PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	*At April 1, 2018*	Additions	Disposals/ adjustments	At March 31, 2019	*At April 1, 2018*	For the period	Adjustments/ deductions	At March 31, 2019	*At April 1, 2018*	At March 31, 2019
Free hold land	*0.4*	-	-	**0.4**	-	-	-	**-**	*0.4*	**0.4**
	(0.4)	(-)	(-)	**(0.4)**	*(-)*	(-)	(-)	**(-)**	*(0.4)*	**(0.4)**
Buildings	*778.1*	-	-	**778.1**	*14.8*	14.8	-	**29.6**	*763.3*	**748.5**
	(778.1)	(-)	(-)	**(778.1)**	*(-)*	(14.8)	(-)	**(14.8)**	*(778.1)*	**(763.3)**
Improvements to leasehold property	*0.9*	156.5	-	**157.4**	*0.7*	6.2	-	**6.9**	*0.2*	**150.5**
	(0.9)	(-)	(-)	**(0.9)**	*(-)*	(0.7)	(-)	**(0.7)**	*(0.9)*	**(0.2)**
Computers	*7.7*	41.0	-	**48.7**	*2.7*	10.8	-	**13.5**	*5.0*	**35.2**
	(4.1)	(4.5)	(0.9)	**(7.7)**	*(-)*	(2.7)	(-)	**(2.7)**	*(4.1)*	**(5.0)**
Office equipment	*14.9*	69.6	0.2	**84.3**	*3.6*	9.2	-	**12.8**	*11.3*	**71.5**
	(12.4)	(2.5)	(0.0)	**(14.9)**	*(-)*	(3.6)	(-)	**(3.6)**	*(12.4)*	**(11.3)**
Furniture & fixtures	*3.5*	50.2	0.2	**53.5**	*0.4*	5.3	-	**5.7**	*3.1*	**47.8**
	(3.0)	(0.5)	(0.0)	**(3.5)**	*(-)*	(0.4)	(-)	**(0.4)**	*(3.0)*	**(3.1)**
Electric Installation & Equipments	-	30.5	-	**30.5**	-	0.8	-	**0.8**	-	**29.7**
	(-)	(-)	(-)	**(-)**	*(-)*	(-)	(-)	**(-)**	*(-)*	**(-)**
Server & Network	-	8.1	-	**8.1**	-	0.7	-	**0.7**	-	**7.4**
	(-)	(-)	(-)	**(-)**	*(-)*	(-)	(-)	**(-)**	*(-)*	**(-)**
Vehicles	-	3.8	-	**3.8**	-	0.8	-	**0.8**	-	**3.0**
	(-)	(-)	(-)	**(-)**	*(-)*	(-)	(-)	**(-)**	*(-)*	**(-)**
Total	*805.5*	359.7	0.4	**1,164.8**	*22.2*	48.6	-	**70.8**	*783.3*	**1,094.0**
Previous year (March 31, 2018)	*(798.9)*	(7.5)	(0.9)	**(805.5)**	*(-)*	(22.2)	(-)	**(22.2)**	*(798.9)*	**(783.3)**

1. A negative charge on building amounting to ₹ 23.8 million (March 2018 - ₹ 23.8 million, April 1, 2017 - ₹ 23.8 million) and pari passu charge on Free Hold land has been created towards secured bond borrowings.
2. Amounts in brackets pertain to previous financial year.

14. INTANGIBLE ASSETS

(₹ in million)

Particulars	Gross block				Depreciations / amortisation				Net block	
	At April 1, 2018	Additions	Disposals/ adjustments	At March 31, 2019	*At April 1, 2018*	For the perod	Adjustments/ deductions	At March 31, 2019	*At April 1, 2018*	At March 31, 2019
Computer software	*6.1*	38.6	-	**44.7**	*1.1*	8.8	-	**9.9**	*5.0*	**34.8**
	(1.1)	(5.0)	-	**(6.1)**	-	(1.1)	-	**(1.1)**	*(1.1)*	**(5.0)**
Total	*6.1*	38.6	-	**44.7**	*1.1*	8.8	-	**9.9**	*5.0*	**34.8**
Previous year (March 31, 2018)	*(1.1)*	(5.0)	(-)	**(6.1)**	*(-)*	(1.1)	(-)	**(1.1)**	*(1.1)*	**(5.0)**

15. OTHER NON-FINANCIAL ASSETS

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Input tax credit - GST	**76.9**	*43.8*	*25.0*
Other non-financial assets[1]	**94.7**	*15.7*	*10.7*
Total	**171.6**	*59.5*	*35.7*

1. Includes prepaid expenses, capital advances etc.

16. PAYABLES

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
(a) Total outstanding dues of micro, small and medium enterprises (refer note below)	**8.2**	*5.6*	*0.2*
(b) Total outstanding dues to creditors other than micro and small enterprises	**522.1**	*196.3*	*155.2*
Total	**530.3**	*201.9*	*155.4*

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 amount of principal and interest outstanding during the year is given below.

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
The principal amount and the interest due thereon (Interest - March 31, 2019 : Nil, March 31, 2018 : Nil and April 1, 2017 : Nil) remaining unpaid to any supplier as at the end of each accounting year	**8.2**	*5.6*	*0.2*
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; and	**-**	-	-
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

(₹ 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	**25,320.3**	**-**	**-**	**25,320.3**

(₹ in million)

Particulars	*At March 31, 2018*			
	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	*8,800.0*	-	-	*8,800.0*
- Unsecured	*25,040.0*	-	-	*25,040.0*
Zero coupon bonds	*5,771.2*	-	-	*5,771.2*
Commercial papers	*3,211.2*	-	-	*3,211.2*
Total	*42,822.4*	-	-	*42,822.4*

(₹ in million)

Particulars	*At April 1, 2017*			
	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	*10,280.0*	-	-	*10,280.0*
- Unsecured	*17,190.0*	-	-	*17,190.0*
Zero coupon bonds	*7,896.1*	-	-	*7,896.1*
Commercial papers	*7,114.8*	-	-	*7,114.8*
Total	*42,480.9*	-	-	*42,480.9*

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, 2019	*At March 31, 2018*	*At April 1, 2017*
4,000 NCDs of ₹ 1,000,000 each	November 25, 2009	November 25, 2019	9.29%	**4,000.0**	*4,000.0*	*4,000.0*
3,000 NCDs of ₹ 1,000,000 each	March 18, 2009	March 18, 2019	10.75%	-	*3,000.0*	*3,000.0*
1,800 NCDs of ₹ 1,000,000 each	September 23, 2008	September 23, 2018	11.35%	-	*1,800.0*	*1,800.0*
1,000 NCDs of ₹ 5,000,000 each	November 13, 2014	November 15, 2017	8.80%	-	-	*500.0*
1,600 NCDs of ₹ 5,000,000 each	October 31, 2014	October 30, 2017	9.05%	-	-	*800.0*
360 NCDs of ₹ 5,000,000 each	October 31, 2014	October 3, 2017	9.05%	-	-	*180.0*
Total				**4,000.0**	*8,800.0*	*10,280.0*

1. The Non-convertible debentures (NCD)/Bonds are issued with fixed coupon rate and redeemable at par. The NCD/Bonds to the extent of ₹4,000.0 million (March 2018 - ₹ 8,800.0 million, March 2017 - ₹ 8,800.0 million) are secured by charge on the immovable property and negative lien on the assets of the Company. The NCD/Bonds to the extent Nil (March 2018 – Nil, March 2017 - ₹ 3,263.7 million) are secured by a pari pasu charge on immovable property and hypothecation of loan receivable for upto 1.05 times the value of NCD/Bonds outstanding.

   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, 2019	*At March 31, 2018*	*At April 1, 2017*
3,100 NCDs of ₹ 500,000 each	December 24, 2018	December 24, 2021	9.10%	**1,550.0**	-	-
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*	-
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*	*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*	*500.0*
1,000 NCDs of ₹ 500,000 each	February 26, 2018	February 26, 2020	8.10%	**500.0**	*500.0*	-
990 NCDs of ₹ 1,000,000 each	November 25, 2009	November 25, 2019	9.29%	**990.0**	*990.0*	*990.0*
3,000 NCDs of ₹ 500,000 each	February 12, 2018	August 12, 2019	8.05%	**1,500.0**	*1,500.0*	-
2,000 NCDs of ₹ 500,000 each	February 1, 2018	June 25, 2019	8.00%	**1,000.0**	*1,000.0*	-
1,000 NCDs of ₹ 500,000 each	March 23, 2016	May 23, 2019	8.77%	**500.0**	*500.0*	*500.0*
7,000 NCDs of ₹ 500,000 each	June 24, 2015	March 15, 2019	8.69%	-	*3,500.0*	*3,500.0*
500 NCDs of ₹ 500,000 each	March 23, 2016	December 21, 2018	8.77%	-	*250.0*	*250.0*
3,500 NCDs of ₹ 500,000 each	July 31, 2017	December 21, 2018	7.17%	-	*1,750.0*	-
5,200 NCDs of ₹ 500,000 each	February 23, 2017	October 23, 2018	7.65%	-	*2,600.0*	*2,600.0*
2,000 NCD's of ₹ 500,000 each	March 14, 2017	September 14, 2018	7.48%	-	*1,000.0*	*1,000.0*
5,500 NCDs of ₹ 500,000 each	August 16, 2016	August 16, 2018	8.00%	-	*2,750.0*	*2750.0*
2,500 NCDs of ₹ 500,000 each	July 27, 2016	July 27, 2018	8.25%	-	*1,250.0*	*1,250.0*
300 NCDs of ₹ 500,000 each	June 20, 2016	June 20, 2018	8.53%	-	*150.0*	*150.0*
1,000 NCDs of ₹ 500,000 each	December 23, 2015	December 22, 2017	8.38%	-	-	*500.0*
2,000 NCDs of ₹ 500,000 each	November 6, 2015	September 7, 2017	8.33%	-	-	*1,000.0*
3,400 NCDs of ₹ 500,000 each	November 6, 2015	June 9, 2017	8.33%	-	-	*1,700.0*
Total				**13,340.0**	*25,040.0*	*17,190.0*

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, 2019	*At March 31, 2018*	*At April 1, 2017*
(a) Secured						
1,580 ZCB of ₹ 500,000 each	February 27, 2015	March 5, 2018	8.68%	-	-	*940.0*
1,000 ZCB of ₹ 500,000 each	February 27, 2015	February 26, 2018	8.68%	-	-	*595.0*
400 ZCB of ₹ 500,000 each	February 27, 2015	April 18, 2017	8.70%	-	-	*238.1*
Total (a)				-	-	*1,773.1*
(b) Unsecured						
520 ZCB of ₹ 500,000 each	March 23, 2016	April 15, 2019	8.77%	**335.2**	*307.9*	*282.9*
1,500 ZCB of ₹ 500,000 each	March 23, 2016	May 15, 2019	8.77%	**966.9**	*888.5*	*816.5*
2,000 ZCB of ₹ 500,000 each	June 24, 2015	June 22, 2018	8.69%	-	*1,259.6*	*1,158.7*
820 ZCB of ₹ 500,000 each	September 28, 2015	September 13, 2018	8.65%	-	*504.6*	*464.2*
1,140 ZCB of ₹ 500,000 each	September 28, 2015	September 27, 2018	8.65%	-	*701.6*	*645.4*
500 ZCB of ₹ 500,000 each	November 6, 2015	October 15, 2018	8.33%	-	*302.8*	*279.4*
420 ZCB of ₹ 500,000 each	November 27, 2015	December 7, 2018	8.35%	-	*253.3*	*233.6*
700 ZCB of ₹ 500,000 each	December 8, 2015	November 30, 2018	8.35%	-	*421.1*	*388.4*
200 ZCB of ₹ 500,000 each	December 8, 2015	December 7, 2018	8.35%	-	*120.3*	*111.0*
720 ZCB of ₹ 500,000 each	December 8, 2015	December 17, 2018	8.35%	-	*433.2*	*399.6*
1,000 ZCB of ₹ 500,000 each	June 20, 2016	June 20, 2018	8.53%	-	*578.2*	*532.4*
900 ZCB of ₹ 500,000 each	June 24, 2015	July 24, 2017	8.69%	-	-	*521.4*
500 ZCB of ₹ 500,000 each	June 24, 2015	Jun 23, 2017	8.69%	-	-	*289.7*
Total (b)				**1,302.1**	*5,771.1*	*6,123.2*
Total (a) + (b)				**1,302.1**	*5,771.1*	*7,896.3*

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

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

March 31, 2018 (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	1,000.0	1,000.0	750.0	500.0	-	3,250.0
Carrying value	997.3	990.7	739.7	483.5	-	3,211.2

April 1, 2017 (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	-	3,750.0	-	2,500.0	1,000.0	7,250.0
Carrying value	-	3,717.5	-	2,449.1	948.2	7,114.8

The following table sets forth, ratings assigned by credit rating agencies at March 31, 2019.

Instrument	CARE	ICRA	CRISIL
Senior bonds	CARE AAA CARE AAA (SO)	ICRA AAA	CRISIL AAA
Subordinate bonds	CARE AAA CARE AAA (SO)	ICRA AAA	-
Fixed deposits	CARE AAA(FD)	MAAA	FAAA
Commercial Paper	CARE A1+	ICRA A1+	-
Long term fund based facilities	-	ICRA AAA	-

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.

18. BORROWINGS

(₹ 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	**67,771.4**	**-**	**-**	**67,771.4**
(ii) from National Housing Bank	**8,030.7**	**-**	**-**	**8,030.7**
(iii) from related parties	**1,000.0**	**-**	**-**	**1,000.0**
(b) Loans repayable on demand				
(i) from banks	**499.7**	**-**	**-**	**499.7**
(ii) from related parties	**3,252.2**	**-**	**-**	**3,252.2**
Total (A)	**80,554.0**	**-**	**-**	**80,554.0**
Borrowings in India	**61,856.4**	**-**	**-**	**61,856.4**
Borrowings outside India	**18,697.6**	**-**	**-**	**18,697.6**
Total (B)	**80,554.0**	**-**	**-**	**80,554.0**

(₹ in million)

Particulars	*At March 31, 2018*			
	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	*28,534.5*	-	-	*28,534.5*
(ii) from National Housing Bank	*888.0*	-	-	*888.0*
(iii) from related parties	*3,096.0*	-	-	*3,096.0*
(b) Loans repayable on demand				
(i) from banks	*350.4*	-	-	*350.4*
(ii) from related parties	*1,202.1*	-	-	*1,202.1*
Total (A)	*34,071.0*	-	-	*34,071.0*
Borrowings in India	*34,071.0*	-	-	
Borrowings outside India	-	-	-	*34,071.0*
Total (B)	*34,071.0*	-	-	*34,071.0*

(₹ in million)

Particulars	At April 1, 2017			
	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	*18,386.1*	-	-	*18,386.1*
(ii) from National Housing Bank	*1,008.8*	-	-	*1,008.8*
(iii) from related parties	*4,472.0*	-	-	*4,472.0*
(b) Loans repayable on demand				
(i) from banks	*500.0*	-	-	*500.0*
(ii) from related parties	*1,799.5*	-	-	*1,799.5*
Total (A)	*26,166.4*	-	-	*26,166.4*
Borrowings in India	*26,166.4*	-	-	
Borrowings outside India	-	-	-	*26,166.4*
Total (B)	*26,166.4*	-	-	***26,166.4***
		-	-	

The following table sets forth, the repayment terms of term loans at March 31, 2019.

(₹ in million)

Maturities	0-1 year	1-3 years	3-5 years	5 years	Total
< 6.50%	**303.3**	**808.9**	**808.9**	**808.9**	**2,730.0**
6.50% to 7.99%	**-**	**-**	**-**	**-**	**-**
8.00% to 9.50%	**7,480.0**	**31,115.7**	**30,222.5**	**464.5**	**69,282.7**
9.51% to 11.00%	**232.9**	**621.0**	**908.1**	**3,027.4**	**4,789.4**
Total	**8,016.2**	**32,545.6**	**31,939.5**	**4,300.8**	**76,802.1**

The following table sets forth, the repayment terms of term loans at March 31, 2018.

(₹ in million)

Maturities	*0-1 year*	*1-3 years*	*3-5 years*	*5 years*	*Total*
6.50% to 7.99%	*1,684.1*	*3,508.5*	*1,413.2*	*263.6*	*6,869.4*
8.00% to 9.50%	*6,623.4*	*13,008.0*	*5,746.5*	*271.2*	*25,649.1*
Total	*8,307.5*	*16,516.5*	*7,159.7*	*534.8*	*32,518.5*

The following table sets forth, the repayment terms of term loans at April 1, 2017.

(₹ in million)

Maturities	*0-1 year*	*1-3 years*	*3-5 years*	*5 years*	*Total*
6.50% to 7.99%	*33.9*	*67.8*	*67.8*	*305.1*	*474.6*
8.00% to 9.50%	*7,631.0*	*10,341.4*	*3,619.9*	*300.0*	*21,892.3*
9.51% to 11.00%	*750.0*	*750.0*	-	-	*1,500.0*
Total	*8,414.9*	*11,159.2*	*3,687.7*	*605.1*	*23,866.9*

19. DEPOSITS

(₹ 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**
(i) Public deposits	**7,074.8**			**7,074.8**
(ii) From banks	**1,226.2**	**-**	**-**	**1,226.2**
(iii) From others	**2,189.3**	**-**	**-**	**2,189.3**
Total	**10,490.3**	**-**	**-**	**10,490.3**

(₹ in million)

Particulars	At March 31, 2018			
	At amortised cost	*At fair value through profit or loss*	*Designated at fair value through profit or loss*	*Total*
(i) Public deposits	*2,051.3*	-	-	*2,051.3*
(ii) From banks	-	-	-	-
(iii) From others	*262.6*	-	-	*262.6*
Total	*2,313.9*	-	-	*2,313.9*

(₹ in million)

Particulars	At April 1, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(i) Public deposits	2,566.8	-	-	2,566.8
(ii) From banks	-	-	-	-
(iii) From others	343.1	-	-	343.1
Total	2,909.9	-	-	2,909.9

20. SUBORDINATE LIABILITIES

(₹ 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**
Subordinate liabilities in India				
Non-convertible debentures	**2,070.0**	**-**	**-**	**2,070.0**
Total	**2,070.0**	**-**	**-**	**2,070.0**

(₹ in million)

Particulars	At March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinate liabilities in India				
Non-convertible debentures (Qualifying for Tier II capital)	2,573.0	-	-	2,573.0
Total	2,573.0	-	-	2,573.0

(₹ in million)

Particulars	At April 1, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinate liabilities in India				
Non-convertible debentures (Qualifying for Tier II capital)	2,573.0	-	-	2,573.0
Total	2,573.0	-	-	2,573.0

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, 2019	At March 31, 2018	At April 1, 2017
2,070 NCDs of ₹ 1,000,000 each	April 24, 2009	April 24, 2019	9.75%	**2,070.0**	2,070.0	2,070.0
503 NCDs of ₹ 1,000,000 each	May 23, 2008	May 23, 2018	9.90%	**-**	503.0	503.0
Total				**2,070.0**	2,573.0	2,573.0

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, 2019	At March 31, 2018	At April 1, 2017
Interest accrued	**1,126.3**	1,555.7	1,416.5
Unpaid matured deposits and interest accrued thereon	**108.8**	141.5	185.7
Others[1]	**448.3**	312.8	342.1
Total	**1,683.4**	2,010.0	1,944.3

1. Includes unappropriated credits, expense provisions etc.

22. PROVISIONS

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

(₹ in million)

Particulars	At March 31, 2019	At March 31, 2018	At April 1, 2017
(a) Provision for employee benefits			
Leave encashment	**18.6**	15.0	13.0
Gratuity	**1.7**	-	1.2
Others	**-**	-	-
(b) Other provisions			
Provision for others	**33.5**	18.8	32.1
Total	**53.8**	33.8	46.3

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, 2019	At March 31, 2018	At April 1, 2017
Undisputed statutory dues	37.0	8.8	2.3
Others	-	0.9	-
Total	37.0	9.7	2.3

24. INTEREST INCOME

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

(₹ in million)

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	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	-	11,160.0	-	-	9,229.6	-
Interest income from investments	-	35.2	-	-	34.1	-
Interest on deposits with banks	-	1.1	-	-	0.1	-
Total	-	11,196.3	-	-	9,263.8	-

25. 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, 2019	Year ended March 31, 2018
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments	65.1	(59.8)
- Derivatives	(30.8)	(33.6)
Total	34.3	(93.4)
(B) Others	-	-
Total	-	-
(C) Total net gain/(loss) on fair value changes	34.3	(93.4)
Fair value changes		
- realized	75.5	-
- unrealized	(41.2)	(93.4)
(D) Total net gain/(loss) on fair value changes	34.3	(93.4)

26. 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, 2019	Year ended March 31, 2018
Property service fees	81.1	108.4
Referral fees	44.1	36.1
Other fee income	61.8	55.4
Total	187.0	199.9

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, 2019	Year ended March 31, 2018
Profit on sale of mutual fund units	19.9	6.4
Profit on sale of government securities	-	-
Total	19.9	6.4

28. OTHER INCOME

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

(₹ in million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net gain/(loss) on ineffective portion of hedges	-	-
Net gain/(loss) on derecognition of property, plant and equipment	-	-
Dividend income (Equity shares)	0.9	0.9
Rent income	44.7	43.2
Profit on sale of investments	-	-
Others (including interest on income tax refund)	12.4	0.1
Total	58.0	44.1

29. FINANCE COST

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

(₹ in million)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	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	-	411.7	-	232.8
Interest on borrowings	-	4,291.2	-	2,182.2
Interest on debt securities	-	3,115.0	-	3,627.3
Interest on subordinate liabilities	-	208.8	-	251.7
Total	-	8,026.7	-	6,294.0

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, 2019	*Year ended March 31, 2018*
Property services fee	**12.6**	*16.6*
Legal and technical fee	**15.1**	*8.7*
Brokerage and commission expenses	**20.2**	*49.4*
Total	**47.9**	*74.7*

31. EMPLOYEE BENEFIT EXPENSES

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

(₹ in million)

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Salaries and wages	**686.7**	*315.9*
Contribution to provident and other funds	**34.8**	*22.2*
Share based payment to employees	**55.0**	*10.3*
Staff welfare expenses	**25.7**	*6.1*
Total	**802.2**	*354.5*

32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

The following table sets forth, for the periods indicated, details of impairment on financial instruments.

(₹ in million)

Particulars	Year ended March 31, 2019		*Year ended March 31, 2018*	
	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	**-**	**1,061.1**	*-*	*524.0*
Investments	**-**	**-**	*-*	*-*
Others	**-**	**-**	*-*	*-*
Total	**-**	**1,061.1**	*-*	*524.0*

33. OTHER EXPENSES

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

(₹ in million)

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Rent, rates and taxes	**70.5**	*98.1*
Electricity expenses	**8.5**	*6.7*
Repairs and maintenance	**56.2**	*55.8*
Communication costs	**15.4**	*5.2*
Printing and stationery	**19.7**	*6.4*
Advertisement and publicity	**94.2**	*11.5*
Director's fees, allowances and expenses	**5.0**	*4.1*
Auditor's fees and expenses (refer note below)	**11.8**	*6.8*
Legal and professional charges	**293.4**	*95.3*
Collection expenses	**233.2**	*233.3*
Insurance	**7.4**	*9.3*
Travelling and conveyance	**51.2**	*20.6*
Office expenses	**29.7**	*8.3*
CSR expenditure	**45.4**	*57.7*
Computer consumables	**6.1**	*2.2*
Customer Acquisition	**2.7**	*-*
Provisions and other write offs	**16.9**	*(11.5)*
Miscellaneous expenses	**8.0**	*10.9*
Total	**975.3**	*620.7*

Remuneration to auditors

(₹ in million)

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Statutory audit fees	**5.5**	*4.3*
Tax audit fees	**0.5**	*0.4*
Certification and other fees	**5.8**	*2.1*
Total	**11.8**	*6.8*

The following disclosures have been made taking into account the requirements of Indian Accounting Standards (Ind ASs).

34. FIRST TIME ADOPTION OF IND AS

For reporting periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Indian GAAP. The Company has prepared its financial statements in accordance with Ind AS issued by the Institute of Chartered Accountants of India (ICAI) for financial year ended March 31, 2019. Previous period information has been restated as per the requirement of Ind AS. The Company has prepared the opening balance sheet as per Ind AS at April 1, 2017 (the transition date). In preparing these financial statements, the Company has opted to avail the choices available for certain transitional provisions within Ind AS 101, 'First time adoption of Indian Accounting Standards', which offers exemption from applying specified Ind ASs retrospectively. The most significant of these exemptions are in the following areas:

a) **Fair value or revaluation as deemed costs**

The Company has elected to measure property, plant and equipment (PPE) at revalued amounts of previous GAAP in case of premises as deemed cost and cost less accumulated depreciation for other PPEs in accordance with Ind AS 16 'Property, Plant and Equipment'.

b) **Financial instruments**

At the transition date, the Company assessed the conditions for classification of financial assets and accordingly, classified its financial assets at either amortised cost or fair value through statement of profit and loss, as appropriate, under the provisions of Ind AS 109, 'Financial Instruments'.

Further, the Company has elected not to reassess any de-recognised financial instrument under previous GAAP for the transactions that occurred before the transition date.

c) **Share-based payment transactions**

The Company has elected not to apply recognition and measurement requirements for share based payments for the options (granted by ICICI Bank, its parent) vested before the transition date.

Impact of transition from Indian GAAP to Ind AS on the balance sheet

The following tables set forth, for the periods indicated, the adjustments to balance sheet under Indian GAAP (IGAAP), which result from the application of Ind AS.

(₹ in million)

Particulars	At April 1, 2017			
	IGAAP	Reclass	Adjust-ment	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents	405.4	-	-	405.4
Bank balance other than above	-	-	-	-
Derivative financial instruments	-	-	64.4	64.4
Receivables				
(i) Trade receivables	4.1	67.9	-	72.0
(ii) Other receivables	-	-	-	-
Loans	89,726.3	(775.8)	(551.8)	88,398.7
Investments	1,480.2	12.3	(76.0)	1,416.5
Other financial assets	1,412.7	(606.1)	(0.4)	806.2
	93,028.7	(1,301.7)	(563.8)	91,163.2
Non-financial assets				
Current tax assets (net)	360.2	-	-	360.2
Deferred tax assets	-	(511.7)	1,007.6	495.9
Property, plant and equipment	798.9	-	-	798.9
Capital work-in-progress	-	-	-	-
Other intangible assets	1.1	-	-	1.1
Other non-financial assets	35.3	-	0.4	35.7
	1,195.5	(511.7)	1,008.0	1,691.8
Total	94,224.2	(1,813.4)	444.2	92,855.0
LIABILITIES AND EQUITIES				
Liabilities				
Financial liabilities				
Derivative financial instruments	-	-	-	-
Payables				
(i) Micro and Small Enterprises	0.2	-	-	0.2
(ii) Other payables	87.3	67.9	-	155.2
Debt securities	42,540.8	-	(59.9)	42,480.9
Borrowings (Other than debt securities)	26,166.4	-	-	26,166.4
Deposits	2,909.9	-	-	2,909.9
Subordinate liabilities	2,573.0	-	-	2,573.0
Other financial liabilities	1,944.3	-	-	1,944.3
	76,221.9	67.9	(59.9)	76,229.9
Non-financial liabilities				
Current tax liabilities (net)	-	-	-	-
Deferred tax liabilities	511.7	(511.7)	-	-
Provisions	1,416.6	(1,369.6)	(0.7)	46.3
Other non-financial liabilities	2.3	-	-	2.3
	1,930.6	(1,881.3)	(0.7)	48.6
EQUITIES				
Equity Share Capital	10,987.5	-	-	10,987.5
Other equity	5,084.2	-	504.8	5,589.0
	16,071.7	-	504.8	16,576.5
Total	94,224.2	(1,813.4)	444.2	92,855.0

(₹ in million)

Particulars	At March 31, 2018			
	As per IGAAP financials	Reclass	Adjust-ment	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents	60.8	-	-	60.8
Bank balance other than above	2.5	-	-	2.5
Derivative financial instruments	30.8	-	-	30.8
Receivables				
(i) Trade receivables	27.1	69.5	-	96.6
(ii) Other receivables	-	-	-	-
Loans	96,458.1	698.4	(170.1)	96,986.4
Investments	2,820.6	(1,824.5)	97.0	1,093.1
Other financial assets	1,530.7	(618.5)	(0.5)	911.7
	100,930.6	(1,675.1)	(73.6)	99,181.9
Non-financial assets	-	-	-	-
Current tax assets (net)	460.0	-	-	460.0
Deferred tax assets	-	(378.5)	975.1	596.6

(₹ in million)

Particulars	At March 31, 2018			
	As per IGAAP financials	*Reclass*	*Adjust-ment*	*Ind AS*
Property, plant and equipment	*798.0*	-	*(14.7)*	*783.3*
Capital work-in-progress	-	-	-	-
Other intangible assets	*5.0*	-	-	*5.0*
Other non-financial assets	*58.9*	-	*0.6*	*59.5*
	1,321.9	*(378.5)*	*961.0*	*1,904.4*
Total	*102,252.5*	*(2,053.6)*	*887.4*	*101,086.3*
LIABILITIES AND EQUITIES				
Liabilities				
Financial liabilities				
Derivative financial instruments	-	-	-	-
Payables				
(i) Micro and Small Enterprises	*5.6*	-	-	*5.6*
(ii) Other payables	*126.8*	*69.5*	-	*196.3*
Debt securities	*42,851.4*	-	*(29.0)*	*42,822.4*
Borrowings (Other than debt securities)	*34,071.0*	-	-	*34,071.0*
Deposits	*2,313.9*	-	-	*2,313.9*
Subordinate liabilities	*2,573.0*	-	-	*2,573.0*
Other financial liabilities	*2,011.1*	*(1.1)*	-	*2,010.0*
	83,952.8	*68.4*	*(29.0)*	*83,992.2*
Non-financial liabilities				
Current tax liabilities (net)	-	-	-	-
Deferred tax liabilities	*378.5*	*(378.5)*	-	-
Provisions	*1,778.3*	*(1,743.5)*	*(1.0)*	*33.8*
Other non-financial liabilities	*9.7*	-	-	*9.7*
	2,166.5	*(2,122.0)*	*(1.0)*	*43.5*
EQUITIES				
Equity Share Capital	*10,987.5*	-	-	*10,987.5*
Other equity	5,145.7	-	*917.4*	6,063.1
	16,133.2	-	*917.4*	*17,050.6*
Total	*102,252.5*	*(2,053.6)*	*887.4*	*101,086.3*

The following table sets forth, for the periods indicated, net worth reconciliation between Indian GAAP and Ind AS financial statements.

(₹ in million)

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Net worth as per Indian GAAP	**16,133.2**	*16,071.7*
Allowance for loan losses	**(929.7)**	*(1,120.7)*
Valuation of investments	**97.1**	*(76.0)*
Amortisation of fees and costs (on financial assets) and interest on credit impaired loans	**759.6**	*568.9*
Amortisation of fees and costs on borrowings	**29.0**	*59.9*
Deferred tax on GAAP differences[1]	**975.1**	*1,007.6*
Others[2]	**(13.7)**	*65.1*
Net worth as per Ind AS financial statements	**17,050.6**	*16,576.5*

1. Includes reversal of deferred tax liability of ₹ 1,018.5 million (April 1, 2017: ₹ 940.7 million) on special reserve recognised under Indian GAAP.
2. Includes prior period income of ₹ 64.4 million at April 1, 2017.

The following table sets forth, for the period indicated, net income reconciliation between Indian GAAP and Ind AS financial statements.

(₹ in million, except per share data)

Particulars	*Year ended March 31, 2018*
Net profit after tax as per Indian GAAP (a)	*642.5*
Adjustments on account of:	
Allowance for loan losses	*191.0*
Valuation of debt and equities securities	*173.1*
Amortisation of fees and costs (on financial assets) and interest on credit impaired loans	*190.7*
Amortisation of fees and costs on borrowings	*(30.9)*
Accounting for employee compensation costs	*(12.0)*
Deferred tax on GAAP differences1	*(31.8)*
Others	*(64.2)*
Total impact of all adjustments (b)	*415.9*
Profit after tax as per Ind AS (a) + (b)	*1,058.4*
Other comprehensive income (net of deferred tax impact)	*1.1*
Total comprehensive income as per Ind AS	*1,059.5*
Basic earnings per share	
Indian GAAP	*0.58*
Ind AS	*0.96*
Diluted earnings per share	
Indian GAAP	*0.58*
Ind AS	*0.96*

1. Includes reversal of deferred tax liability of ₹ 77.8 million on special reserve recognised under Indian GAAP.

Changes in the accounting policies
At the transition date and in the accounting periods thereafter, as presented in these financial statements, the Company has followed some accounting policies which are different from those used under previous GAAP. The significant areas of differences have been described below. The adjustments arising from the application of these different accounting policies at the transition date have been recognised directly in retained earnings.

Allowance for loan losses
Under Indian GAAP, the allowances on the performing portfolios were based on guidelines issued by the National Housing Bank. The provisioning requirement was a uniform rate of 0.4% for all standard assets except advances to commercial real estate which attracted higher provisioning.

Under Indian GAAP, non-performing loans were classified into three categories: sub-standard assets, doubtful assets and loss assets. A loan was classified as sub-standard if interest payments or installments remained overdue for more than 90 days. A provision of 15.0% was required for all sub-standard loans. A loan was classified as a doubtful loan if it has remained sub-standard for more than twelve months. A 100% provision was required with respect to the unsecured portion of the doubtful loans. A 100% provision was required for the secured portion of loans classified as doubtful for more than two years. A loan was classified as a loss asset if the losses on it were identified or the loan was considered uncollectible. For loans classified as a loss, the entire amount was written off or provided for.

Under Ind AS, impairment for loans is measured at an amount equal to 12-months Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The Company determines credit loss allowances in accordance with Ind AS 109 'Financial Instruments' 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.

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 distinguishes the loan portfolio into homogeneous and non-homogenous.

Fair valuation of investment
Under Indian GAAP, current investments were carried at the lower of cost or market value where in only depreciation was accounted and gains were ignored, while long term investments were carried at cost less provision for impairment that is other than temporary. Under Ind AS, investments in equity and mutual funds have been classified as fair value through profit and loss. Changes in fair value whether gain or loss are recognised in statement of profit and loss.

Amortisation of fees and costs on loans
Under Indian GAAP, loan origination fee income and cost of loan origination were recognised as income and expense respectively upfront on accrual basis. Under Ind AS, loan origination cost and loan origination fee income are amortised as per Effective Interest Rate method over the period of related financial instruments.

Interest income on impaired loans
Under Indian GAAP, interest income on non-performing assets was recognised as income only on realisation basis. As per requirement of Ind AS 109 'Financial Instruments', interest on impaired loans is recognised on accrual basis on net carrying amount (gross outstanding less provision for impairment).

Amortisation of fees and cost on borrowings
Under Indian GAAP, expenses associated with issue of debt securities or any other form of borrowings were recognised as expenses upfront on accrual basis.

Under Ind AS, direct expenses associated with issue of debt securities and other forms of borrowings are amortised as per Effective Interest Rate method over the period of related financial instruments.

Employee compensation cost
Certain employees of the Company have been granted options under Employee Stock Options Schemes (ESOS) of the parent company, ICICI Bank Limited. Under Ind AS, options are fair valued and cost is debited in statement of profit and loss over the vesting period of the option with a corresponding credit to contribution from the parent company.

Under Indian GAAP, all actuarial gains/losses were recognised in the profit and loss account of the year. Under Ind AS, actuarial gains/losses are accounted in Other Comprehensive Income. The amount lying in the Other Comprehensive Income is not recycled back to statement of profit and loss.

Deferred tax on GAAP differences
Under Indian GAAP, deferred tax liability was created on tax deductions considered for Special Reserve. Under Ind AS, considering the nature of appropriation to Special Reserve for claiming tax deduction and intent of non-utilisation in future, this is considered as permanent difference. Accordingly, deferred tax liability is not created in respect of such Special Reserve.

Others
Under Indian GAAP, the Company followed revaluation model of accounting for its premises. Under Ind AS, the revalued amounts of the premises were accounted as deemed cost on transition date. Subsequently, the Company is following cost model of accounting for its premises. Other items of property, plant and equipment have been measured at earlier GAAP values.

Impact of transition from Indian GAAP to Ind AS on the cash flow statement

There are no significant impact on the cash flow statement on transition from previous GAAP to Ind AS.

35. STANDARDS ISSUED BUT NOT YET EFFECTIVE
Ind AS 116: Leases
It replaces Ind AS 17 'Leases'. Ind AS 116 'Leases' is effective for annual periods beginning April 1, 2019 or thereafter and has not been applied in preparing these financial statements. The Company will apply Ind AS 116 from annual period beginning April 1, 2019. Ind AS 116 'Leases' sets out the principles for the recognition, measurement, presentation and disclosure of leases and require lessee to account for all lease under a single on-balance sheet model similar to accounting for finance lease. Lessee will be required to recognise a liability for lease payments and an asset representing the right to use the underlying asset during the lease term. Lessee will be required to separately recognise the interest expenses on the lease liability and the depreciation on the right to use the assets. The Company is evaluating the impact of these on the financial statements. However, as the Company does not have any material leases, therefore the adoption of this standard is not likely to have material impact on its financial statements.

36. CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

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

(₹ in million)

Particulars	At March 31, 2019		
	Amounts expected to be recovered or settled		Total
	Within twelve months	After twelve months	
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	142.3	-	142.3
(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
	26,606.8	109,688.0	136,294.8
Non-financial assets			
Current tax assets (net)	-	544.9	544.9
Deferred tax assets	-	1,145.5	1,145.5
Property, plant and equipment	-	1,094.0	1,094.0
Capital work-in-progress	-	-	-

(₹ in million)

Particulars	At March 31, 2019		
	Amounts expected to be recovered or settled		Total
	Within twelve months	After twelve months	
Other intangible assets	-	34.8	34.8
Other non-financial assets	115.0	56.6	171.6
	115.0	2,875.8	2,990.8
Total	26,721.8	112,563.8	139,285.6
LIABILITIES AND EQUITIES			
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)	-	-	-
Provisions	38.3	15.5	53.8
Other non-financial liabilities	-	37.0	37.0
	38.3	52.5	90.8
EQUITIES			
Equity Share Capital	-	10,987.5	10,987.5
Other equity	-	5,840.7	5,840.7
	-	16,828.2	16,828.2
Total	38,866.2	100,419.4	139,285.6

(₹ in million)

Particulars	*At March 31, 2018*		
	Amounts expected to be recovered or settled		*Total*
	Within twelve months	*After twelve months*	
ASSETS			
Financial assets			
Cash and cash equivalents	*60.8*	*-*	*60.8*
Bank balance other than above	*-*	*2.5*	*2.5*
Derivative financial instruments	*4.1*	*26.7*	*30.8*
Receivables			
(i) Trade receivables	*96.6*	*-*	*96.6*
(ii) Other receivables	*-*	*-*	*-*
Loans	*9,423.6*	*87,562.8*	*96,986.4*
Investments	*321.9*	*771.2*	*1,093.1*
Other financial assets	*796.6*	*115.1*	*911.7*
	10,703.6	*88,478.3*	*99,181.9*
Non-financial assets			
Current tax assets (net)	*-*	*460.0*	*460.0*
Deferred tax assets	*-*	*596.6*	*596.6*
Property, plant and equipment	*-*	*783.3*	*783.3*
Capital work-in-progress	*-*	*-*	*-*
Other intangible assets	*-*	*5.0*	*5.0*
Other non-financial assets	*3.3*	*56.2*	*59.5*
	3.3	*1,901.1*	*1,904.4*
Total	*10,706.9*	*90,379.4*	*101,086.3*

(₹ in million)

Particulars	At March 31, 2018 Amounts expected to be recovered or settled		Total
	Within twelve months	After twelve months	
LIABILITIES AND EQUITIES			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	-	-
Payables			
(i) Micro and Small Enterprises	5.6	-	5.6
(ii) Other payables	196.3	-	196.3
Debt securities	25,837.4	16,985.0	42,822.4
Borrowings (Other than debt securities)	9,860.0	24,211.0	34,071.0
Deposits	990.3	1,323.6	2,313.9
Subordinate liabilities	503.0	2,070.0	2,573.0
Other financial liabilities	2,010.0	-	2,010.0
	39,402.6	44,589.6	83,992.2
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	22.5	11.3	33.8
Other non-financial liabilities	9.7	-	9.7
	32.2	11.3	43.5
EQUITIES			
Equity Share Capital	-	10,987.5	10,987.5
Other equity	-	6,063.1	6,063.1
	-	17,050.6	17,050.6
Total	39,434.8	61,651.5	101,086.3

(₹ in million)

Particulars	At April 1, 2017 Amounts expected to be recovered or settled		Total
	Within twelve months	After twelve months	
ASSETS			
Financial assets			
Cash and cash equivalents	405.4	-	405.4
Bank balance other than above	-	-	-
Derivative financial instruments	-	64.4	64.4
Receivables		-	
(i) Trade receivables	72.0	-	72.0
(ii) Other receivables	-	-	-
Loans	9,801.5	78,597.2	88,398.7
Investments	683.0	733.5	1,416.5
Other financial assets	801.8	4.4	806.2
	11,763.7	79,399.5	91,163.2
Non-financial assets			
Current tax assets (net)	-	360.2	360.2
Deferred tax assets	-	495.9	495.9
Property, plant and equipment	-	798.9	798.9
Capital work-in-progress	-	-	-
Other intangible assets	-	1.1	1.1
Other non-financial assets	7.0	28.7	35.7
	7.0	1,684.8	1,691.8
Total	11,770.7	81,084.3	92,855.0
LIABILITIES AND EQUITIES			
Liabilities			
Financial liabilities			
Derivative financial instruments		-	-
Payables			
(i) Micro and Small Enterprises	0.2	-	0.2
(ii) Other payables	155.2	-	155.2
Debt securities	14,373.5	28,107.4	42,480.9
Borrowings (Other than debt securities)	10,714.4	15,452.0	26,166.4
Deposits	908.7	2,001.2	2,909.9
Subordinate liabilities	-	2,573.0	2,573.0
Other financial liabilities	1,944.3	-	1,944.3
	28,096.3	48,133.6	76,229.9

(₹ in million)

Particulars	At April 1, 2017		
	Amounts expected to be recovered or settled		Total
	Within twelve months	After twelve months	
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	37.2	9.1	46.3
Other non-financial liabilities	2.3	-	2.3
	39.5	9.1	48.6
EQUITIES			
Equity Share Capital	-	10,987.5	10,987.5
Other equity	-	5,589.0	5,589.0
	-	16,576.5	16,576.5
Total	28,135.8	64,719.2	92,855.0

37. 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 is subject to the capital adequacy norms stipulated by the NHB guidelines on Capital Adequacy. These guidelines require the Company to maintain a minimum ratio of total capital to risk weighted assets of 12%. The total Tier-II capital should not exceed Tier-I capital. The total capital adequacy ratio of the Company as per the NHB guidelines are 17.98%, 23.84% and 26.96% at March 31, 2019, March 31, 2018 and March 31, 2017 respectively. The Company has complied in full, with the guidelines on capital adequacy issued by NHB.

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.

38. 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, 2019	Year ended March 31, 2018
Earnings		
Net Profit attributable shareholders (before dilution)	**440.9**	1,058.4
Dilution impact (If any)	**-**	-
Net Profit attributable shareholders (after dilution)	**440.9**	1,058.4
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 (₹)	**0.40**	0.96
Diluted earnings per share (₹)	**0.40**	0.96

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.

39. OPERATING SEGMENT

The Company is engaged in lending business. The Company provides mortgages loans (home loan, loan against properties, construction reality), consumer loans, loans against securities. The Company is also engaged in mortgage business related other services such as property search services. 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 segment is not applicable.

Further, no clients individually accounted for more than 10% of the revenue in financial year ended March 31, 2019 and March 31, 2018.

40. PROVISIONS, COMMITMENTS AND CONTINGENCIES

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, 2019	Year ended March 31, 2018
Impairment on financial instruments/ write-offs	**1,061.1**	524.0
Total	**1,061.1**	524.0

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. For cases where unfavorable outcome is deemed to be reasonably possible, it is not possible to make an estimate of the possible loss or range of possible losses due to the nature of the cases as explained above. The total amount of provision made was ₹ 6.4 million at March 31, 2019 (March 31, 2018: ₹ 6.4 million, April 1, 2017: ₹ 5.5 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, 2019	*Year ended March 31, 2018*
Opening provision	**6.4**	*5.5*
Provision made during the year	**0.1**	*0.9*
Utilisation	**(0.1)**	-
Reversal of unused amount	**-**	-
Closing provision	**6.4**	*6.4*

Claims filed against the Company not acknowledged as debt amounted to ₹ 11.2 million at March 31, 2019 (March 2018: ₹ 8.8 million, April 1, 2017: ₹ 11.2 million).

Loan commitments

The Company has outstanding undrawn commitments to provide loans to customers. These loan commitments aggregated ₹ 4,597.2 million at March 31, 2019 (March 31, 2018: ₹ 4,296.1 million, April 1, 2017: ₹ 2,850.5 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 ₹ 123.1 million (net of advances - ₹ 110.1 million) at March 31, 2019 (March 31, 2018: Gross – ₹ 9.0 million, Net of advances – ₹ 8.9, April 1, 2017: Gross – ₹ 1.9 million, Net of advances – ₹ 1.8 million).

Estimated amounts of contracts remaining to be executed on intangible assets aggregated ₹ 70.6 million ((net of advances - ₹ 52.4 million) at March 31, 2019 (March 31, 2018: Gross – ₹ 2.1 million, Net of advances – ₹ 2.1 million, April 1, 2017: Gross – Nil, Net of advances – 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 Indian courts. Where after considering all available information in the opinion of management a liability requires accrual, the Company accrues 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, 2019, 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, 2018: ₹ 416.3 million, April 1, 2017: ₹ 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, 2019. 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. Special tax deductions 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.

Other

There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

41. PROPOSED DIVIDEND

The Board of Directors at its meeting held on April 30, 2019 recommended a dividend of ₹ 44.09 million, ₹ 0.04 per equity share (March 31, 2018: nil) in respect of year ended March 31, 2019, excluding dividend distribution tax of ₹ 9.1 million (March 31, 2018: nil). The declaration and payment of dividend is subject to requisite approvals by the shareholders in the forthcoming Annual General Meeting (AGM). The dividend and dividend distribution tax has not been provided for in the books at March 31, 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, 2019	*Year ended March 31, 2018*
Current tax expense/(benefit)		
Tax expense/(benefit) for current year	**351.5**	*610.0*
Adjustments for prior years	**1.6**	-
Recognition of previously un-recognised tax loss/credit/temporary difference	**-**	-
Total current tax expense/(benefit)	**353.1**	*610.0*
Deferred tax expense/(benefit)		
Origination and reversal of temporary difference	**(163.1)**	*(107.3)*
Change in tax rates or imposition of new taxes	**-**	*6.0*
Recognition of previously un-recognised tax loss/credit/temporary difference	**-**	
Total deferred tax expense/(benefit)	**(163.1)**	*(101.3)*
Total income tax expense/(benefit)	**190.0**	**508.7**

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, 2019	*Year ended March 31, 2018*
Items that will not be reclassified to the profit or loss		
Defined benefit plan actuarial gains/(losses)	**(0.6)**	*(0.6)*
Items that will be reclassified to the profit or loss		
Impact due to cash flow hedge reserve and cost of hedge reserve	**385.8**	-
Income tax charged/(credited) to other comprehensive income	**385.2**	*(0.6)*

Reconciliation of tax rates

The Indian statutory tax rate (including surcharge and education cess) was 34.944% for the year ended March 31, 2019 (March 31, 2018: 34.608%).

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, 2019	*Year ended March 31, 2018*
Profit/(loss) before income taxes	**630.9**	*1,567.0*
Total		
Enacted statutory tax rate	**34.944%**	*34.608%*
Income tax expense/(benefit) at the statutory tax rate	**220.5**	*542.3*
Increases/(reductions) in taxes on account of:		
Special tax deductions available to financial institutions	**(35.4)**	*(77.8)*
Exempt income (Dividend)	**(35.5)**	*(11.4)*
Income charged at rates other than statutory tax rate	**(23.6)**	*(11.0)*
Changes in the statutory tax rate	**-**	*13.7*
Deferred tax not recognised	**-**	*(47.9)*
Expenses disallowed for tax purposes	**64.0**	*100.8*
Income tax expense/(benefit) reported	**190.0**	*508.7*

The effective income tax rate for year ended March 31, 2019 was 30.12% (March 31, 2018: 32.46%).

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, 2019	*At March 31, 2018*	*At April 1, 2017*
Deferred tax assets:			
Allowance for loan losses	**1,186.0**	*1,014.6*	*654.8*
Cash flow hedge reserve and cost of hedge reserve	**385.8**	-	-
Others	**101.8**	*53.1*	*41.9*
Total	**1,673.6**	*1,067.7*	*696.7*
Total deferred tax asset			
Deferred tax liabilities:			
Depreciation on property, plant and equipment	**169.9**	*172.7*	*166.6*
Deferred loan origination expenses (net) and borrowing cost (EIR method of accounting) and interest on stage 3 loans	**355.3**	*265.0*	*(10.1)*
Fair value changes in investments and derivative	**3.5**	*33.4*	*44.3*
Total deferred tax liability	**528.7**	*471.1*	*200.8*
Net deferred tax asset/(liability)	**1,144.9**	*596.6*	*495.9*

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, 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, plant and equipment	*(172.7)*	2.8	-	**(169.9)**
Fair value changes in investments and derivative	*(33.4)*	29.9	-	**(3.5)**
Cash flow hedge	-	-	385.8	**385.8**
Others	*53.1*	49.3	(0.6)	**101.8**
Total	*596.6*	**163.1**	**385.2**	**1,144.9**

(₹ in million)

Particulars	*Balance at April 1, 2017*	Recognised in profit and loss account	Recognised in other comprehensive income	*Balance at March 31, 2018*
Allowance for loan losses	*654.8*	359.8	-	*1,014.6*
Deferred loan origination expenses (net) and interest on stage 3 loans	*10.1*	(275.1)	-	*(265.0)*
Depreciation on Property and equipment	*(166.6)*	(6.1)	-	*(172.7)*
Fair value changes in investments and derivative	*(44.3)*	10.9	-	*(33.4)*
Others	*41.9*	11.8	(0.6)	*53.1*
Total	*495.9*	**101.3**	**(0.6)**	*596.6*

43. 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, 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**	-	-	-	-	-

At March 31, 2018

(₹ 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	245.9	221.9	24.0	-	-	-	-
Financial liabilities							
Other financial liabilities	221.9	221.9	-	-	-	-	-

At April 1, 2017

(₹ 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	246.8	236.5	10.3	-	-	-	-
Financial liabilities							
Other financial liabilities	236.5	236.5	-	-	-	-	-

44. TRANSFER OF FINANCIAL ASSETS

Sale of impaired loans to asset reconstruction companies (ARC)

During the year ended March 31, 2019, there has been no transfer of financial assets to assets reconstruction companies (March 31, 2018: ₹ 2,278.9 million). During FY2018, The Company has transferred certain impaired loans to a specific fund/trust (SPV) managed by a asset reconstruction company. The trust/fund have been set up by the asset reconstruction company under debt recovery legislation in India and aim to improve the recoveries from impaired assets by aggregating lender interests and speeding up enforcement of security interest by lenders. The trust/fund (which is a separate legal entity) issued security receipts to the Company as consideration for the transactions with underlying cash flows dependent on the recovery from the transferred assets.

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 Risk and 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 Director 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 reality finance and other funding to corporates are rated by risk management team or external rating agency 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.

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.

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 consider an exposure in Construction Reality to have significant increase in credit risk on moving a customer to watch list.

Basis of inputs and 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).

The estimation techniques for the input factors for retail portfolio of the Company are described in more detail below. There have not been any significant change in the estimation techniques and significant assumptions as compared to previous financial year.

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 – 12 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 12 year, a chain ladder approach has been used to project defaults rates over 12 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 %.

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.

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.

Grouping financial assets measured on a collective basis
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.

For Construction Reality, the Company calculates ECL on an individual basis.

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, 2019	*At March 31, 2018*	*At April 1, 2017*
Balances with banks	**98.4**	*60.8*	*405.4*
Deposits with banks	**2.5**	*2.5*	*-*
Derivative financial instruments	**-**	*30.8*	*64.4*
Trade receivables	**142.3**	*96.6*	*72.0*
Advances[1]	**133,330.7**	*96,986.4*	*88,398.7*
Other assets	**1,731.2**	*911.7*	*806.2*
Undrawn commitments[2]	**4,597.2**	*4,296.1*	*2,850.5*
Total	**139,902.3**	*102,384.9*	*92,597.2*

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.

2. Undrawn commitments are credit commitments to lend to a customer provided there is no breach of any condition established in the contract.

Reconciliation of gross carrying amount of loans and advances
The following tables 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**

(₹ in million)

Particulars	*Year ended March 31, 2018*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*
Balance at April 1, 2018	*82,045.3*	*2,784.9*	*6,058.8*	*90,889.0*
Loans and advances originated	*32,784.1*	*-*	*-*	*32,784.1*
Loans and advances purchased	*-*	*-*	*-*	*-*
Assets derecognised (on repayment excluding write-offs)	*(22,953.5)*	*(472.5)*	*(248.8)*	*(23,674.8)*
Transfer to Stage 1	*2,721.8*	*(2,475.7)*	*(246.1)*	*-*
Transfer to Stage 2	*(2,500.6)*	*2,741.3*	*(240.7)*	*-*
Transfer to Stage 3	*(1,225.6)*	*(771.3)*	*1,996.9*	*-*
Amount written off	*-*	*-*	*(14.7)*	*(14.7)*
Balance at March 31, 2019	*90,871.5*	*1,806.7*	*7,305.4*	*99,983.6*

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, 2018	206.5	118.0	2,672.7	-	2,997.2
New assets originated	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 – credit 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
Impairment allowance at April 1, 2017	190.5	198.3	2,101.5	-	2,490.3
New assets originated or purchased	84.0	-	-	-	84.0
Transfer to 12-month credit losses	255.3	(180.4)	(74.9)	-	-
Transfer to life-time credit losses –not credit impaired	(10.2)	56.6	(46.4)	-	-
Transfer to life-time credit losses impaired	(68.6)	(49.1)	117.7	-	-
Reversal on write-off	-	-	(4.1)	-	(4.1)
Reversal on recovery	(27.9)	(15.5)	(39.9)	-	(83.3)
Changes in provision on account of migration between stages and in same stage due to change in buckets	(216.6)	108.1	618.8	-	510.3
Impairment allowance at March 31, 2018	206.5	118.0	2,672.7	-	2,997.2

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

(₹ in million)

Category	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Impairment allowances measured at an amount equal to 12- month credit losses	273.7	*206.5*	*190.5*
Impairment allowances measured at an amount equal to life time expected credit losses on non-credit impaired financial instruments	190.5	*118.0*	*198.3*
Impairment allowances measured at an amount equal to life time expected credit losses on credit impaired financial instruments	2,983.4	*2,672.7*	*2,101.5*
Total	3,447.6	*2,997.2*	*2,490.3*

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, 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
Investments	-	-	-
Total	3,447.6	-	3,447.6

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

(₹ in million)

Particulars	*At March 31, 2018*		
	On financial instruments measured at amortised cost	*On financial instruments measured as fair value through other comprehensive income*	*Total*
Loan and advances	2,997.2	-	2,997.2
Investments	-	-	-
Total	2,997.2	-	2,997.2

(₹ in million)

Particulars	*At March 31, 2017*		
	On financial instruments measured at amortised cost	*On financial instruments measured as fair value through other comprehensive income*	*Total*
Loan and advances	2,490.3	-	2,490.3
Investments	-	-	-
Total	2,490.3	-	2,490.3

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, 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.

(₹ in million)

Particulars	*At March 31, 2018*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*
Not due	*90,848.7*	*1,743.7*	*1,114.9*	*93,707.3*
Overdue up to 30 days	*22.8*	*-*	*-*	*22.8*
Overdue 31 – 60 days	*-*	*25.6*	*-*	*25.6*
Overdue 61 – 90 days	*-*	*37.4*	*30.2*	*67.6*
Overdue More than 90 days[1]	*-*	*-*	*6,160.3*	*6,160.3*
Total	*90,871.5*	*1,806.7*	*7,305.4*	*99,983.6*

1. Includes installments which are not due.

(₹ in million)

Particulars	*At March 31, 2017*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*
Not due	*82,024.2*	*2,666.1*	*3,780.2*	*88,470.5*
Overdue up to 30 days	*21.1*	*-*	*2.4*	*23.5*
Overdue 31 – 60 days	*-*	*26.0*	*18.0*	*44.0*
Overdue 61 – 90 days	*-*	*92.8*	*402.5*	*495.3*
Overdue More than 90 days[1]	*-*	*-*	*1,855.7*	*1,855.7*
Total	*82,045.3*	*2,784.9*	*6,058.8*	*90,889.0*

1. Includes installments which are not due.

The increase in ECL was driven by an increase in the gross amount of the portfolio and movements between stages as a result of increase in credit risk. The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was Nil at March 31, 2019 (March 31, 2018: 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, 2019.

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

(₹ in million)

Particulars	**At March 31, 2019**	*At March 31, 2018*
Mortgage loans	**126,274.9**	*88,109.2*
Construction realty loans	**6,943.8**	*11,049.7*
Consumer durable loans	**1,606.5**	*11.4*
Loan against securities	**1,953.1**	*813.3*
Grand Total	**136,778.3**	*99,983.6*

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 Committee (ALCO) which reviews the Asset Liability Management (ALM) profile and interest rates on regular basis. The Company has Board approved ALM Policy which prescribes broad overview on liquidity risk. The tools used by the Company in liquidity risk management include gap analysis (ALM statement) 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 Liquid Ratio (SLR) requirement, 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.

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, 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	**335.2**	**9,145.1**	**6,990.0**	**8,850.0**	**-**	**25,320.3**
Borrowings	**4,024.3**	**1,190.1**	**6,553.8**	**64,485.1**	**4,300.7**	**80,554.0**
Deposits	**34.1**	**697.9**	**5,365.5**	**4,392.8**	**-**	**10,490.3**
Subordinate liabilities	**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	**1,683.4**	**-**	**-**	**-**	**-**	**1,683.4**

(₹ in million)

March 31, 2018	*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	*201.9*	*-*	*-*	*-*	*-*	*201.9*
Debt securities	*996.7*	*4,222.3*	*20,618.4*	*16,985.0*	*-*	*42,822.4*
Borrowings	*1,836.1*	*1,024.1*	*6,999.8*	*23,676.1*	*534.9*	*34,071.0*
Deposits	*123.5*	*408.2*	*458.6*	*1,323.6*	*-*	*2,313.9*
Subordinate liabilities	*-*	*-*	*503.0*	*2,070.0*	*-*	*2,573.0*
Loan commitments	*213.6*	*649.1*	*483.2*	*493.6*	*-*	*1,839.5*
Derivative financial liabilities	*-*	*-*	*-*	*-*	*-*	*-*
Other financial liabilities	*2,010.0*	*-*	*-*	*-*	*-*	*2,010.0*

(₹ in million)

April 1, 2017	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	155.4	-	-	-	-	155.4
Debt securities	236.5	5,700.1	8,437.0	28,107.3	-	42,480.9
Borrowings	2,490.3	1,430.6	6,793.5	14,847.0	605.0	26,166.4
Deposits	101.8	179.2	627.7	2,001.2	-	2,909.9
Subordinate liabilities	-	-	-	2,573.0	-	2,573.0
Loan commitments	132.0	491.9	458.8	446.8	-	1,529.5
Derivative financial liabilities	-	-	-	-	-	-
Other financial liabilities	1,944.3	-	-	-	-	1,944.3

For non-derivative financial liabilities, amounts represents 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 ECBs. The Company entered into derivative transactions to hedge the risk towards adverse movement in foreign exchange and interest rate. Currently, the Company is exposed to rollover risk due to changes in forward premium for coupon payouts beyond one year.

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 (eg. debt instruments acquired or issued) and on some financial instruments not recognised in the balance sheet (eg. loan commitments). The Company uses various tools including gap analysis and duration of equity (DoE) for interest risk management.

   At March 31, 2019, the Company has Earnings (Profit) at Risk (EaR) impact of ₹ 168.9 million (March 31, 2018: ₹ 9.0 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.

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'.

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 defence approach:

1. First line of defense is business line management –They are responsible for identifying and managing operational risks inherent in the products & 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.

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.

The valuation methodologies adopted by us for valuing our investments and derivatives portfolio are summarised below.

Derivatives are valued using mark-to-market receivable/payable indicated by the counterparties.

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, 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	-	-	-	142.3	142.3	142.3
Loans	-	-	-	133,330.7	133,330.7	134,977.2
Investments	369.0	-	-	620.7	989.7	989.7
Other financial assets	-	-	-	1,731.2	1,731.2	1,731.2
Total	**369.0**	**-**	**-**	**135,925.8**	**136,294.8**	**137,941.3**
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	-	-	-	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]**	**120,648.4**	**122,366.7**	**123,840.8**

1. Insignificant amount.

The following table sets forth, carrying value and fair value of financial instruments by categories at March 31, 2018.

(₹ in million)

Particulars	*Fair value through P&L*	*Derivative instruments not in hedging relationship*	*Amortised cost*	*Total carrying value*	*Total fair value*
Assets					
Cash and cash equivalents	*-*	*-*	*60.8*	*60.8*	*60.8*
Bank deposits	*-*	*-*	*2.5*	*2.5*	*2.5*
Trade receivables	*-*	*-*	*96.6*	*96.6*	*96.6*
Loans	*624.7*	*-*	*468.4*	*1,093.1*	*1,093.1*
Investments	*-*	*-*	*96,986.4*	*96,986.4*	*95,693.4*
Other financial assets	*-*	*30.8*	*-*	*30.8*	*30.8*
Total	*-*	*-*	*911.7*	*911.7*	*911.7*
Liabilities	*624.7*	*30.8*	*98,526.4*	*99,181.9*	*97,888.9*
Derivative financial instruments					
Trade and other payables	*-*	*-*	*201.9*	*201.9*	*201.9*
Borrowings	*-*	*-*	*81,780.3*	*81,780.3*	*82,583.1*
Other financial liabilities	*-*	*-*	*2,010.0*	*2,010.0*	*2,010.0*
Total	*-*	*-*	*83,992.2*	*83,992.2*	*84,795.0*

The following tables sets forth, carrying value and fair value of financial instruments by categories at April 1, 2017.

(₹ in million)

Particulars	*Fair value through P&L*	*Derivative instruments not in hedging relationship*	*Amortised cost*	*Total carrying value*	*Total fair value*
Assets					
Cash and cash equivalents	*-*	*-*	*405.4*	*405.4*	*405.4*
Bank deposits	*-*	*-*	*-*	*-*	*-*
Trade receivables	*-*	*-*	*72.0*	*72.0*	*72.0*
Investments	*894.3*	*-*	*522.2*	*1,416.5*	*1,416.5*
Loans	*-*	*-*	*88,398.7*	*88,398.7*	*89,350.0*
Derivative financial instruments	*-*	*64.4*	*-*	*64.4*	*64.4*
Other financial assets	*-*		*806.2*	*806.2*	*806.2*
Total	*894.3*	*64.4*	*90,204.5*	*91,163.2*	*92,114.5*
Liabilities					
Trade and other payables	*-*	*-*	*155.4*	*155.4*	*155.4*
Borrowings	*-*	*-*	*74,130.2*	*74,130.2*	*77,051.2*
Other financial liabilities	*-*	*-*	*1,944.3*	*1,944.3*	*1,944.3*
Total	*-*	*-*	*76,229.9*	*76,229.9*	*79,150.9*

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, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	369.0	369.0
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

(₹ in million)

At March 31, 2018	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets				
Investments	210.4	-	414.3	624.7
Derivative financial assets	-	30.8	-	30.8
Total	210.4	30.8	414.3	655.5
Financial liabilities				
Derivative financial liabilities	-	-	-	-
Total	-	-	-	-

(₹ in million)

At April 1, 2017	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets				
Investments	420.2	-	474.1	894.3
Derivative financial assets	-	64.4	-	64.4
Total	420.2	64.4	474.1	958.7
Financial liabilities				
Derivative financial liabilities	-	-	-	-
Total	-	-	-	-

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

The fair values of mortgage and construction finance loans are estimated by discounting the contractual cash flows using interest rates currently offered on identical loan products. The carrying value of certain other loans (loan against securities and consumer durable finance) approximate fair value due to the short-term nature of these loans. For impaired loans, the carrying value is considered as 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. 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, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	134,977.2	134,977.2
Investments	620.7	-	-	620.7
Total	620.7	-	134,977.2	135,597.9
Financial liabilities				
Borrowings	-	-	119,908.8	119,908.8
Total	-	-	119,908.8	119,908.8

(₹ in million)

At March 31, 2018	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets				
Loans	-	-	95,693.4	95,693.4
Investments	468.4	-	-	468.4
Total	468.4	-	95,693.4	96,161.8
Financial liabilities				
Borrowings	-	-	81,780.4	81,780.4
Total	-	-	81,780.4	81,780.4

(₹ in million)

At March 31, 2017	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets				
Loans	-	-	89,350.0	89,350.0
Investments	522.2	-	-	522.2
Total	522.2	-	89,350.0	89,872.2
Financial liabilities				
Borrowings	-	-	74,130.2	74,130.2
Total	-	-	74,130.2	74,130.2

c) Transfers between levels of the fair value hierarchy

During financial year ended March 31, 2019 and March 31, 2018, there have been no transfer between levels.

d) Reclassification of financial assets

During financial year ended March 31, 2019 and March 31, 2018, the Company has not re-classified any of financial assets from one category to another category.

e) 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, 2017	324.3	90.0	414.3
Total gains or losses included in statement of profit or 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

(₹ in million)

Description	**Equity instruments**	**Units of Venture capital fund**	**Total**
Opening balance at April 1, 2018	385.7	88.4	474.1
Total gains or losses included in statement of profit or loss	(61.4)	1.6	(59.8)
Purchases	-	-	-
Sales (including realised gains/ (losses)	-	-	-
Closing balance at March 31, 2019	324.3	90.0	414.3
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	(61.4)	1.6	(59.8)

f) 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, 2019	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Unlisted equity	352.3	Valuation per recent market transactions	A significant increase/decrease in the price would result in a higher/ lower fair value
Venture funds	16.7	Net Assets Value (NAV) provided by the VCF	A significant increase/decrease in the NAV would result in a higher/lower fair value
Total	369.0		

(₹ in million)

Type of financial instruments	Fair value at March 31, 2018	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Unlisted equity	324.3	Price/value provided by external valuer	A significant increase/decrease in the price would result in a higher/ lower fair value
Venture funds	90.0	NAV provided by the VCF	A significant increase/decrease in the NAV would result in a higher/lower fair value
Total	414.3		

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, 2019 was ₹ 369.0 million (At March 31, 2018: 414.3 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 1% change in price would result in an impact of ₹ 3.7 million (At March 31, 2018 ₹ 4.1 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 Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company. The gratuity benefit provided by the Company to its employees is equal to or greater than the statutory minimum requirement.

The gratuity benefit is provided through annual contributions to a fund administered and managed by Life Insurance Corporation of India (LIC) and ICICI Prudential Life Insurance Company Limited (ICICI Prudential). Under this scheme, the settlement obligation remains with the Company, although LIC and ICICI Prudential administer the scheme.

Actuarial valuation of the gratuity liability for all the above funds is determined by an independent actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding discount rate, salary growth, mortality and staff attrition as per the projected unit credit method.

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, 2019	*Year ended March 31, 2018*
Change in benefit obligations		
Opening obligations	53.6	*40.9*
Service cost	7.1	*5.7*
Interest cost	3.9	*2.6*
Remeasurements gains/(losses)		
Actuarial gain/(loss) from changes in demographic assumptions	(2.4)	*0.7*
Actuarial gain/(loss) from changes in financial assumptions	0.8	*(3.9)*
Actuarial gain/(loss) from changes in experience adjustments	5.4	*2.3*
Past service cost	-	*-*
Transfer in/(out) of liability	10.7	*13.6*
Benefits paid	(8.5)	*(8.3)*
Benefit obligations at the end of the year	70.6	*53.6*
Change in plan assets		
Fair value of plan assets at beginning of the year	58.5	*39.7*
Interest on plan assets	4.3	*2.5*
Actual return on plan assets less interest on plan assets	1.6	*0.8*
Actuarial gain/(loss) from changes in demographic assumptions	-	*-*
Actuarial gain/(loss) from changes in financial assumptions	-	*-*
Employer contributions	2.3	*10.2*
Transfer in/(out) of liability	10.7	*13.6*
Benefits paid	(8.5)	*(8.3)*
Plan assets at the end of the year	68.9	*58.5*
Expected employer's contribution next year	2.0	*-*
Fair value of plan assets at the end of the year	68.9	*58.5*
Present value of the defined benefit obligations at the year	70.6	*53.6*
Unrecognised prior service cost	-	*-*
Amount not recognised as an Asset	-	*-*
Asset/(liability)	(1.7)	*4.9*

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, 2019	*Year ended March 31, 2018*
Opening balance of actuarial (gains)/ losses recognised in other comprehensive income	(4.0)	*(2.3)*
Remeasurements loss/(gains)		
Actuarial loss or gain arising from:		
Demographic assumptions	(2.4)	*0.7*
Financial assumptions	0.8	*(3.9)*
Experience adjustment	5.4	*2.3*
Return on plan assets excluding interest income	(1.6)	*(0.8)*
Effects of movements in exchange rates	-	*-*
Closing balance of actuarial (gains)/losses recognised in other comprehensive income	(1.8)	*(4.0)*

The following table sets forth, for the periods indicated, the components of the net gratuity cost recognised in statement of profit and loss.

Service cost	7.1	*5.8*
Interest cost/(income)	(0.3)	*0.1*
Amortisation of prior service cost		*-*
Net gratuity cost	6.8	*5.9*

Weighted average duration of defined benefit obligation is 5.9 years (March 31, 2018: 8.4 years).

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, 2019	*Year ended March 31, 2018*
Discount rate	**7.4%**	*7.6%*
Rate of increase in compensation levels	**7.0%**	*7.0%*

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, 2019	*Year ended March 31, 2018*
21-24	**41%**	*39%*
25-29	**36%**	*24%*
30-34	**30%**	*14%*
35-44	**20%**	*10%*
45 & above	**9%**	*5%*

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)	Year ended March 31, 2019	*Year ended March 31, 2018*
Discount rate (0.5% movement)		
On increase	**(3.8)**	*(4.2)*
On decrease	**4.2**	*4.7*
Future salary growth (0.5% movement)		
On increase	**4.2**	*4.7*
On decrease	**(3.8)**	*(4.2)*

There is no change in the methods and assumptions used in preparing the sensitivity analysis.

Plan assets

The Company determines its assumptions for the expected rate of return on plan assets based on the expected average long-term rate of return over the next 7 to 8 years on the type of investments prescribed as per statutory pattern of investment.

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, 2019		*At March 31, 2018*	
	Amount	As percentage of total	*Amount*	*As percentage of total*
Insurer managed funds	**68.9**	**100%**	*58.5*	*100%*

The plan assets primarily consist of investments made in funds managed by external entities, which invest primarily in equity, money market instruments and debt instruments in different proportions depending on the objective of scheme.

LIC and ICICI Prudential administers the plan fund and they independently determine the target allocation by asset category. The selection of investments and the asset category is determined by LIC and ICICI Prudential. LIC's and ICICI Prudential's strategy is to invest in a prudent manner to produce a return that will enable the fund to meet the required benefit obligations.

Plan assets are invested by fund managers as per regulatory limits. Insurers managing the plan assets of the Company consider operational risk, performance risk, credit risk and equity risk in their investment policy as part of their risk management practices.

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 Company has contributed ₹ 23.2 million (March 31, 2018: ₹ 6.9 million) to the employees' provident fund for the year ended March 31, 2019, which includes compulsory contribution made towards employee pension scheme under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

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)

Age (years)	Year ended March 31, 2019	*Year ended March 31, 2018*
Change in benefit obligations		
Opening obligations	**225.0**	*187.1*
Service cost	**16.4**	*8.9*
Interest cost	**17.6**	*11.6*
Remeasurements gains/(losses)	**2.3**	*4.5*
Employee's contribution	**29.4**	*13.2*
Transfer in/(out) of liability	**5.1**	*47.1*
Benefits paid	**(20.2)**	*(47.4)*
Benefit obligations at the end of the year	**275.6**	*225.0*
Change in plan assets		
Fair value of plan assets at beginning of the year	**225.0**	*187.1*
Expected return on plan assets	**19.4**	*13.8*
Actuarial gain/(loss)	**0.5**	*2.3*
Employer contributions	**16.4**	*8.9*
Employee contributions	**29.4**	*13.2*
Transfer in/(out) of liability	**5.1**	*47.1*
Benefits paid	**(20.2)**	*(47.4)*
Plan assets at the end of the year	**275.6**	*225.0*
Expected employer's contribution next year	**17.6**	*9.5*

The following table sets forth, for the periods indicated, the Company's asset allocation for provident fund by asset category based on fair values.

(₹ in million)

Asset category	At March 31, 2019		*At March 31, 2018*	
	Amount	As percentage of total	*Amount*	*As percentage of total*
Government of India securities	**171.4**	**62%**	*145.3*	*65%*
Corporate bonds	**65.1**	**24%**	*48.0*	*21%*
Equity shares of listed companies/ Exchange traded funds	**23.3**	**8%**	*13.3*	*6%*
Others	**15.9**	**6%**	*18.4*	*8%*
Total	**275.6**	**100%**	*225.0*	*100%*

The following table sets forth, for the periods indicated, assumptions used to determine benefit obligations.

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Discount rate	**7.40%**	*7.60%*
Expected rate of return on assets	**8.57%**	*8.18%*
Discount rate for the remaining term to maturity of investment	**7.60%**	*7.70%*
Average historic yield on investment	**8.77%**	*8.28%*
Guaranteed rate of return	**8.65%**	*8.55%*

Compensated absence

The following table sets forth, for the periods indicated, details for compensated absence.

(₹ in million)

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Cost	**7.1**	*5.1*
Assumptions		
Discount rate	**7.4%**	*7.6%*
Salary escalation rate	**7.0%**	*7.0%*

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, 2019	*Year ended March 31, 2018*
Employer's Contribution to Employee state insurance scheme[1]	1.3	*0.2*
Employer's Contribution to National Pension Scheme[2]	1.5	*1.1*
Total	**2.8**	*1.3*

1. For employees eligible as per Employee Employees' State Insurance Act, 1948.
2. For employees who have opted for the scheme.

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, 2019, ₹ 55.0 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (FY2018: ₹ 10.3 million).

The following table sets forth, for the period indicated, movement in share options during the year.

Particulars	At March 31, 2019		*At March 31, 2018*	
Outstanding at the beginning of the year	2,433,882	234.28	*523,435*	*216.34*
Add: Granted during the year[1]	552,015	278.42	*2,326,555*	*235.01*
Less: Exercised during the year	38,867	199.06	*289,504*	*203.88*
Less: Expired/lapsed during the year	20,820	257.20	*126,604*	*243.05*
Outstanding at the end of the year	2,926,210	242.91	*2,433,882*	*234.28*

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, 2019	*Year ended March 31, 2018*
Risk-free interest rate	7.91% to 8.06%	*7.06% to 7.10%*
Expected life	3.64 to 5.64 years	*3.90 to 5.90 years*
Expected volatility	31.31% to 31.47%	*31.71% to 32.92%*
Expected dividend yield	0.80%	*1.81%*

The weighted average fair value of options granted by the parent Bank during the year ended March 31, 2019 was ₹ 106.67 (year ended March 31, 2018: ₹ 85.94).

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/Fellow Entity
3	ICICI Securities Primary Dealership Limited	Fellow Subsidiary/Fellow Entity
4	ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary/Fellow Entity
5	ICICI Lombard General Insurance Company Limited	Fellow Subsidiary/Fellow Entity
6	ICICI Securities Inc.	Fellow Subsidiary/Fellow Entity
7	ICICI Securities Holdings Inc.	Fellow Subsidiary/Fellow Entity
8	ICICI Venture Funds Management Company Limited	Fellow Subsidiary/Fellow Entity
9	ICICI Trusteeship Services Limited	Fellow Subsidiary/Fellow Entity
10	ICICI Investment Management Company Limited	Fellow Subsidiary/Fellow Entity
11	ICICI International Limited	Fellow Subsidiary/Fellow Entity
12	ICICI Bank UK PLC	Fellow Subsidiary/Fellow Entity
13	ICICI Bank Canada	Fellow Subsidiary/Fellow Entity
14	ICICI Prudential Asset Management Company Limited	Fellow Subsidiary/Fellow Entity
15	ICICI Prudential Trust Limited	Fellow Subsidiary/Fellow Entity
16	ICICI Prudential Pension Funds Management Company Limited	Fellow Subsidiary/Fellow Entity
17	I-Process Services (India) Private Limited	Associates/joint ventures/other related entities of Holding Company
18	India Infradebt Limited	Associates/joint ventures/other related entities of Holding Company
19	ICICI Foundation for Inclusive Growth	Associates/joint ventures/other related entities of Holding Company
20	Sandeep Bakhshi[1] (Relatives - Shivam Bakshi, Esha Bakshi and Minal Bakshi)	Key Managerial Personnel of Holding Company
21	Anup Bagchi	Key Managerial Personnel
22	Sankaran Santhanakrishnan	Key Managerial Personnel
23	Dileep Choksi	Key Managerial Personnel
24	S. Santhanakrishnan	Key Managerial Personnel
25	Vinod Kumar Dhall[2]	Key Managerial Personnel
26	G. Gopala Krishna[2]	Key Managerial Personnel
27	N. R. Narayanan	Key Managerial Personnel
28	Anita Pai	Key Managerial Personnel
29	Anirudh Kamani, Managing Director and CEO[3]	Key Managerial Personnel
30	Rohit Salhotra, Managing Director and CEO[4]	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. Included as related party effective January 18, 2019.
3. Included as related party effective November 1, 2017.
4. Ceased to be related party effective close of business hours on October 31, 2017.

Details of outstanding balance with related parties

(₹ in million)

Particulars	Name of the related party	Nature of relationship	At March 31, 2019	*At March 31, 2018*	*At April 1, 2017*
Assets					
Bank balances (including fixed deposits and interest accrued thereon)	ICICI Bank Limited	Holding company	**83.7**	*47.6*	*402.5*
Interest receivable	ICICI Bank Limited	Holding company	**-**	*30.8*	*-*
Other receivables	ICICI Bank Limited	Holding company	**135.6**	*50.7*	*26.4*
Investment in equity shares (at cost)	India Infradebt Limited	Associate of holding company	**-**	*30.0*	*30.0*
Fee receivable	ICICI Bank Limited	Holding company	**-**	*-*	*1.4*
	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**11.9**	*14.6*	*1.6*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**2.8**	*1.0*	*0.1*
Loan receivable from KMP (staff loan and home loan) and their relatives	Anirudh Kamani	KMP	**31.7**	*-*	*-*
Liabilities					
Equity share capital	ICICI Bank Limited	Holding company	**10,987.5**	*10,987.5*	*10,987.5*
Loans	ICICI Bank Limited	Holding company	**1,000.0**	*3,096.0*	*4,472.0*
Bank/Book overdraft in current accounts	ICICI Bank Limited	Holding company	**3,272.3**	*1,272.3*	*1,818.4*
MTM payable	ICICI Bank Limited	Holding company	**964.6**	*-*	*-*
Bonds	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**-**	*1,000.0*	*1,000.0*
Accrued interest on bonds	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**-**	*40.8*	*3.7*
Fee payable	ICICI Bank Limited	Holding company	**6.2**	*5.7*	*6.9*
	ICICI Securities Limited	Fellow subsidiary	**1.6**	*0.3*	*5.9*
Other payables (Including on account of expenses)	ICICI Bank Limited	Holding company	**172.0**	*37.9*	*27.3*
	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**1.3**	*5.8*	*5.5*
	ICICI Securities Limited	Fellow subsidiary	**3.4**	*0.1*	*0.3*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**2.4**	*-*	*0.1*
	I Process service (I) Private Limited	Associate of holding company	**7.3**	*8.6*	*-*
Fixed deposits	Shivam Bakhshi	Relatives of KMP of holding Company	**1.5**	*-*	*-*
	Esha Bakhshi		**1.0**	*-*	*-*
	Minal Bakhshi		*****	*-*	*-*
Other					
Swap (notional principal)	ICICI Bank Limited	Holding company	**26,843.8**	*5,500.0*	*5,500.0*
Letter of comfort (utilised)	ICICI Bank Limited	Holding company	**7,060.0**	*12,363.0*	*12,363.0*
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.
3. Amounts in bracket pertain to March 31, 2018.

Details of outstanding balance with related parties

(₹ in million)

Particulars	Name of the related party	Nature of relationship	FY 2019	*FY 2018*
Income				
Rent Income	ICICI Bank Limited	Holding company	**44.7**	*43.2*
MTM gain on swap deals	ICICI Bank Limited	Holding company	**-**	*30.8*
Expense recovery	ICICI Bank Limited	Holding company	**21.5**	*19.5*
Servicing fee	ICICI Bank Limited	Holding company	**0.1**	*0.1*
Property service fee	ICICI Bank Limited	Holding company	**-**	*3.5*
Valuation fee	ICICI Bank Limited	Holding company	**-**	*0.2*
Interest income on fixed deposits	ICICI Bank Limited	Holding company	**0.2**	*-*
Interest income on loans	Anirudh Kamani	KMP	0.8	*-*
Referral fees	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**24.3**	*24.5*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**19.8**	*11.6*
Dividend Income	India Infradebt Limited	Associate of holding company	**0.9**	*0.9*
Property service fee	Anup Bagchi	Director of the Company	**0.2**	*-*
Expenses				
Servicing fee	ICICI Bank Limited	Holding company	**4.0**	*4.8*
Collection cost	ICICI Bank Limited	Holding company	**233.2**	*233.3*

(₹ in million)

Particulars	Name of the related party	Nature of relationship	FY 2019	FY 2018
Travel cost	ICICI Bank Limited	Holding company	**8.0**	*20.4*
IT infrastructure cost (shared expenses)	ICICI Bank Limited	Holding company	**42.6**	*48.0*
Interest & other finance expenses (including hedging cost)	ICICI Bank Limited	Holding company	**383.3**	*328.0*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**34.0**	*74.8*
Direct Marketing Agent commission	ICICI Bank Limited	Holding company	**23.6**	*20.1*
	ICICI Securities Limited	Fellow subsidiary	**7.7**	*1.9*
Fee expenses –Property Service	ICICI Bank Limited	Holding company	**8.8**	*18.2*
	ICICI Securities Limited	Fellow subsidiary	**1.1**	*0.3*
Donation paid	ICICI Foundation for Inclusive Growth	Associate of holding company	**45.4**	*57.7*
Rent expenses	ICICI Bank Limited	Holding company	**13.7**	*4.3*
	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**19.1**	*17.2*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**2.4**	*2.4*
Miscellaneous (Commercial paper arranger fee, LAS sourcing cost, operation cost, common corporate expenses and man power services.)	ICICI Bank Limited	Holding company	**206.0**	*75.5*
	I Process service (I) Private Limited	Associate of holding company	**136.3**	*83.6*
	ICICI Securities Primary Dealership Limited	Fellow subsidiary	**0.2**	*0.2*
	ICICI Securities Limited	Fellow subsidiary	**1.5**	-
Insurance premium	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	**20.0**	*9.3*
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**1.5**	-
Remuneration	Anirudh Kamani (w.e.f. November 1, 2017)	KMP	**29.9**	*9.6*
	Rohit Salhotra (Upto October 31, 2017)	KMP	**-**	*8.9*
Interest expenses on deposits	Shivam Bakhshi	Relatives of KMP of holding company	*****	-
	Esha Bakhshi		*****	-
	Minal Bakhshi		*****	-
Sitting fees	Dileep C Choksi	Directors	**1.4**	*1.4*
	S Santhanakrishnan		**1.6**	*1.4*
	Sankaran Santhanakrishnan		**1.3**	*1.2*
	G Gopala Krishna1		**0.1**	-
	Vinod Kumar Dhall1		**0.1**	-
Others				
Dividend on equity shares	ICICI Bank Limited	Holding company	**-**	*495.0*
Sale of fixed assets	ICICI Bank Limited	Holding company	**-**	*1.1*
Purchase of fixed assets	ICICI Bank Limited	Holding company	**4.1**	-
	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	**0.1**	
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**	-
Sale of Government securities /bonds	ICICI Securities Primary Dealership Limited	Fellow subsidiary	**-**	*250.0*
Transfer of staff loans	ICICI Bank Limited	Holding company	**88.0**	-
Recovery of principal amounts of loans from KMPs and their relatives	Anirudh Kamani	KMPs	**1.3**	-
Bank loans taken earlier, repaid during the year	ICICI Bank Limited	Holding company	**3,096.0**	*1,376.0*
Derivatives deals undertaken	ICICI Bank Limited	Holding company	**22,953.9**	-

*Insignificant amount.

1. Appointed on January 18, 2019.

Compensation to Key Managerial Personnel

The following table sets forth, for the periods indicated, the details of compensation paid to the key Managerial personnel of the Company.

(₹ in million)

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits (including salaries)	**28.0**	*17.8*
Post-employment benefits	**1.9**	*0.7*
Other long-term benefits	**-**	-
Total	**29.9**	*18.5*

Refer note 47 on employee benefits for information on transactions with post-employment benefit plans.

50. 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 derivatives 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, 2019	Interest rate swaps	4,000.0	-	-	-
At March 31, 2018	Interest rate swaps	5,500.0	**30.8**	-	-
At March 31, 2017	Interest rate swaps	5,500.0	**64.4**	-	-

Derivative qualifying for hedge accounting

As a financial intermediary, the Company is exposed to various types of risks like interest rate risk and liquidity risk amongst others. 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.

The Company has borrowed aggregate to USD 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 USD Interest Rate Swap (IRS) and Currency Forwards up to 1 year for all its coupon cash flows. These swaps hedges any adverse movement in the USDINR 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.).

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, the carrying values of derivatives financial instruments recorded as assets or liabilities together with their notional amounts at March 31, 2019.

(₹ in million)

	Notional amounts	Fair value assets	Notional amounts	Fair value liabilities
Forward contracts	-	-	3,706.7 (USD 53.4 million)	208.2
Currency swaps	-	-	19,079.0 (USD 275.0 million)	919.9
Interest rate swaps	-		19,079.0 (USD 275.0 million)	590.2
Total derivatives	**-**	**-**	**41,864.7 (USD 606.4 million)**	**1,718.3**

The following table sets forth, the details of the hedged items at March 31, 2019.

(₹ in million)

	Carrying amount	Accumulated amount of fair value adjustment	Balance in cash flow hedge reserve
Cash flow hedging			
Borrowings	**19,079.0**	**(581.6)**	**1,104.0**

Hedging instruments are disclosed in line item derivative financial instruments (under financial assets/liabilities).

51. EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting date that require disclosure in these financial statements.

52. 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, 2019 was ₹ 45.4 million (March 31, 2018 : ₹ 57.7 million)

(₹ in million)

		Year ended March 31, 2019			*Year ended March 31, 2018*		
		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[1]	**45.4**	**-**	**45.4**	*57.7*	-	*57.7*

1. The Company has partnered with ICICI Foundation for Inclusive Growth to support the cause of elementary education, primary health, sustainable livelihood and skill development.

53. Previous year's information have been regrouped/reclassified wherever necessary to correspond with current period's classification/disclosure.

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
Dated: April 30, 2019

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

independent auditor's certificate on 'statement of additional disclosures for the year ended March 31, 2019'

Private and confidential

The Board of Directors
ICICI Home Finance Company Limited
ICICI Bank Towers
Bandra-Kurla Complex
Bandra (East)
MUMBAI 400 051
INDIA

23 May 2019

Dear Sirs

Independent auditor's certificate on the 'Statement of Additional Disclosures for the year ended 31 March 2019'

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 May 2018 and addendum thereto dated 21 May 2019 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 31 March 2019' (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 9 February 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 31 March 2019. The Statement has been initialed by us for identification purpose only.

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 the NHB.

Auditor's responsibility

5. For the purpose of this certificate, we have planned and performed the following procedures:

   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 figures and information 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 presented in the accompanying Statement has not been correctly extracted from the unaudited financial information / management workings and other records maintained by the Company for the year ended 31 March 2019.

Other matter

10. With effect from 1 April 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 30 March 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 14 June 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 conclusion is not modified in respect of this matter.

Restriction of use

11. This certificate is addressed to and provided to the Board of Directors solely in accordance with the purpose mentioned in the engagement letter dated 10 May 2018 and addendum thereto dated 21 May 2019 and should not be used by any other person or for any other purpose. Accordingly, our certificate 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 certificate 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

Sameer Mota
Partner
Membership No: 109928
UDIN: 19109928AAAAAM1659

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".

1. Capital to Risk Assets Ratio (CRAR)

Particulars	At March 31, 2019	*At March 31, 2018*
(i) CRAR%	**17.98%**	*23.84%*
(ii) CRAR – Tier I capital %	**17.21%**	*22.44%*
(iii) CRAR – Tier II capital %	**0.77%**	*1.40%*
(iv) Amount of subordinated debt raised as Tier II capital	**-**	*-*
(v) Amount raised by issue of Perpetual debt instruments	**-**	*-*

1. Unamortised borrowing cost amounting to ₹ 405.0 million has not been considered for computing Tier I capital.
2. 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.

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of National Housing Bank, Act 1987	**1,682.9**	*1,682.8*
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	**2,914.7**	*2,708.8*
c) Total	**4,597.6**	*4,391.6*
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	**0.9**	*0.1*
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	**101.1**	*205.9*
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the 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*

1. There has been no draw down from reserves during the year ended March 31, 2019 (March 2018 - Nil).

3. Investments

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Value of investments		
(i) Gross value of investments	**3,405.1**	*3,496.2*
(a) (a) In India (includes investment in mutual funds of Nil) (March – 2018 ₹ 210.0 million)	**3,405.1**	*3,496.2*
(b) Outside India	**-**	*-*
(ii) Provision for Depreciation	**(604.5)**	*(675.6)*
(a) In India	**(604.5)**	*(675.6)*
(b) Outside India	**-**	*-*
(iii) Net value of Investments	**2,800.6**	*2,820.6*
(a) In India	**2,800.6**	*2,820.6*
(b) Outside India	**-**	*-*
Movement of provisions held towards depreciation on investments		
(i) Opening balance	**675.6**	*-*
(ii) Add: Provisions made during the year	**-**	*675.6*
(iii) Less: Write-off / Written-back of excess provisions during the year	**(71.1)**	*-*
(iv) Closing balance	**604.5**	*675.6*

4. Disclosure on risk exposure in interest rate swaps

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
(i) The notional principal of swap agreements	**23,079.0**	*5,500.0*
(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	**(590.3)**	*30.8*

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
(i) Derivatives (notional principal amount)	**23,079.0**	*5,500.0*
(ii) Marked to market positions	**(590.3)**	*30.8*
(iii) Assets (+)	**-**	*30.8*
(iv) Liability (-)	**(590.3)**	*-*
(v) Credit exposure	**-**	*-*
(vi) Unhedged exposures	**-**	*-*

Forward Rate Agreement (FRA)

The Company does not have any forward rate agreement in the current and previous years.

Currency and forward derivatives

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
The notional principal of currency swap/ forward	**22,785.7**	*-*
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**-**	*-*
Collateral required by the Company upon entering into swaps	**-**	*-*
Concentration of credit risk arising from the swap	**-**	*-*
The fair value of the swap book	**(1,128.0)**	*-*

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Derivatives (notional principal amount)	**22,785.7**	-
Marked to market positions	**(1,128.0)**	-
Assets (+)	**-**	-
Liability (-)	**(1,128.0)**	-
Credit exposure	**-**	-
Unhedged exposures	**-**	-

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 financial assets sold to asset reconstruction company (ARC)**

During the year ended March 31, 2019, there have not been any sale of financial assets to Asset Reconstruction Company (ARC). During the year ended 2018, certain assets were sold to an Asset Reconstruction Company (ARC) by the Company. The trusts/funds (which are separate legal entities and managed by ARCs) issued security receipts to the Company as consideration for the transactions with underlying cash flows dependent on the recovery from the transferred assets. The Security Receipts were valued in accordance with Reserve Bank of India (RBI) Circular July 1, 2015. Accordingly, the Company recorded an investment in Security Receipts at ₹ 2,159.9 million (net of cash received ₹ 380.2 million), being lower of net book value (₹ 2,159.9 million) and redemption value of the Security Receipts (₹ 2,278.9 million) at the balance sheet date. A provision of ₹ 324.0 million on the above was also recognised by the Company, in accordance with RBI circular dated September 1, 2016.

(₹ in million)

	Particulars	At March 31, 2019	*At March 31, 2018*
(i)	No. of accounts	**-**	*3*
(ii)	Aggregate value (net of provisions) of accounts sold to ARC	**-**	
(iii)	Aggregate consideration	**-**	*2,680.1*
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	**-**	*2,680.1*
(v)	Aggregate gain / (loss) over net book value	**-**	-

6. **Exposure to real estate sector**

(₹ in million)

	Particulars	At March 31, 2019	*At March 31, 2018*
(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 2019 - ₹ 13,749.1 million, March 2018 - ₹ 12,373.7 million)	**1,13,403.0**	*78,967.9*
(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.	**16,171.6**	*16,666.8*
(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)	**-**	-

7. **Exposure to Capital Market**

(₹ in million)

	Particulars	At March 31, 2019	*At March 31, 2018*
(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;	**513.8**	*543.8*
(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;	**2,749.9**	*1,104.2*
(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;	**-**	-
(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)	**1.5**	*6.5*
	Total exposure to Capital Market	**3,265.2**	*1,654.5*

8. **Provisions and contingencies**

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Provision towards investments in security receipts	**-**	*324.0*
Provision towards non-performing assets	**822.4**	*386.5*
- HL to individuals	**144.4**	*(12.6)*
- HL to others	**100.2**	*16.1*
- Teaser Loans	**0.2**	*(0.3)*
- CRE-RH Loans	**-**	*(1.1)*
- CRE- Other Loans	**(31.5)**	*(117.9)*
- Other Loans	**14.9**	*65.2*
Provision for standard assets	**60.6**	*25.4*
Other provisions[1]	**(29.5)**	*238.3*
Total	**937.3**	*936.2*
	353.1	*610.0*

1. Includes reversal of provision for investments ₹ 71.1 million (March 31, 2018: Provision made ₹ 232.7 million) and write-offs and other provisions of ₹ 41.6 million (March 31, 2018: ₹ 5.6 million).

9. Break up of loans & advances and provision thereon

(₹ in million)

Particulars	Housing		Non Housing	
	At March 31, 2019	*At March 31, 2018*	**At March 31, 2019**	*At March 31, 2018*
Standard				
Total Outstanding	**75,887.5**	*54,519.7*	**53,390.6**	*39,228.6*
Provision	**309.4**	*242.9*	**300.5**	*222.6*
Sub- Standard	-		-	
Total Outstanding	**337.1**	*1728.0*	**1,711.3**	*369.9*
Provision	**50.6**	*261.0*	**257.3**	*55.8*
Doubtful- 1	-		-	
Total Outstanding	**965.7**	*170.9*	**184.0**	*144.6*
Provision	**462.8**	*63.2*	**63.0**	*50.5*
Doubtful- 2	-		-	
Total Outstanding	**595.4**	*70.3*	**108.9**	*60.4*
Provision	**294.4**	*41.2*	**63.8**	*32.4*
Doubtful- 3	-		-	
Total Outstanding	-	-	-	-
Provision	-	-	-	-
Loss	-		-	
Total Outstanding	**325.9**	*259.4*	**582.7**	*514.4*
Provision	**325.9**	*259.4*	**582.7**	*514.4*
Total[1]	-		-	
Total Outstanding	**78,111.6**	*56,748.3*	**55,977.5**	*40,317.9*
Provision	**1,443.1**	*867.7*	**1,267.3**	*875.7*

1. The total outstanding amount above includes interest accrued but not due on loans amounting to ₹ 804.7 million at March 31, 2019 (March 31, 2018 - ₹ 607.1 million)

10. Concentration of loans and advances

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Total Loans & Advances to twenty largest borrowers	**6,956.3**	*8,998.5*
Percentage of Loans & Advances of twenty largest borrowers to total advances	**5.2%**	*9.3%*

11. Concentration of all exposure (including off-balance sheet exposure)

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Total exposure to twenty largest borrowers/customers	**9,686.2**	*12,187.8*
Percentage of exposures of twenty largest borrowers/ customers to total exposure on borrowers/customers	**6.9%**	*11.7%*

12. Concentration of NPAs

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Total exposure to top ten NPA accounts	**2,712.2**	*1,666.2*

13. Concentration of public deposits

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
Total Deposits of twenty largest depositors	**3,730.3**	*1,162.7*
Percentage of Deposits of twenty largest depositors to total Depositors	**48.4%**	*43.4%*

14. Sector-wise NPAs

Particulars	At March 31, 2019	*At March 31, 2018*
Sector (percentage of NPAs to Total Advances in that sector)		
A. Housing Loans:		
1. Individuals	**1.2%**	*1.4%*
2. Builders/Project Loans	**59.9%**	*27.0%*
3. Corporates	**7.4%**	*6.8%*
4. Others	-	-
B. Non-Housing Loans:		
1. Individuals	**2.7%**	*3.0%*
2. Builders/Project Loans	**33.6%**	-
3. Corporates	**2.6%**	*3.1%*
4. Others	**2.6%**	-

15. Movement of Non-performing assets (NPAs)

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
(I) Net NPAs to Advances (%)	**2.1%**	*2.1%*
(II) Movement of NPAs (Gross)		
a) Opening balance	**3,317.8**	*1,553.3*
b) Addition during the year	**2,726.7**	*5,116.7*
c) Reduction during the year	**(1,234.2)**	*(3,352.1)*
d) Closing balance	**4,810.3**	*3,317.8*
(III) Movement of Net NPAs		
a) Opening balance	**2,039.9**	*661.9*
b) Addition during the year	**1,576.1**	*4,165.7*
c) Reduction during the year	**(906.0)**	*(2,787.6)*
d) Closing balance	**2,710.0**	*2,039.9*
(IV) Movement of provision for NPAs (excluding provision on standard assets)		
a) Opening balance	**1,277.9**	*891.4*
b) Provisions made during the year	**1,150.6**	*951.0*
c) Write off/ write back of excess provisions	**(328.2)**	*(564.5)*
d) Closing balance	**2,100.3**	*1,277.9*

16. Credit rating

The following table sets forth, ratings assigned by credit rating agencies at March 31, 2019.

Instrument	CARE	ICRA	CRISIL
Senior bonds	CARE AAA CARE AAA (SO)	ICRA AAA	CRISIL AAA
Subordinate bonds	CARE AAA CARE AAA (SO)	ICRA AAA	-
Fixed deposits	CARE AAA(FD)	MAAA	FAAA
Commercial Paper	CARE A1+	ICRA A1+	-
Long term fund based facilities	-	ICRA AAA	-

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.

17. 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.

18. The Company has not entered into any Assignment transactions in the current and previous year.

19. The Company has not purchased/sold non-performing financial assets from other Housing Finance Companies in the current and previous year. During the year, the Company purchased performing mortgage loans amounting to ₹ 17,242.9 million (March 31, 2018: Nil) from other housing finance companies.

20. There is no financing of the parent company's products during the current year and previous year.

21. The Company has not exceeded the Single Borrower Limit and Group Borrower Limit as set by NHB.

22. 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 ₹ 73.6 million during year ended March 31, 2019 (March 31, 2018: ₹ 10.1 million).

23. ASSET LIABILITY MANAGEMENT

Maturity pattern of certain types of items of Assets and Liabilities.

March 2019

(₹ in million)

Particulars	1 Day to 30-31 Days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 Year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	**3,961.0**	**413.5**	**791.0**	**1,851.0**	**4,767.9**	**32,719.1**	**32,084.5**	**1,570.4**	**1,142.4**	**1,658.4**	**80,959.0**
Market borrowings	**2,405.2**	**6,171.6**	**2,973.5**	**1,500.0**	**5,490.0**	**8,850.0**	**-**	**-**	**-**	**-**	**27,390.3**
Fixed deposits	**34.1**	**445.4**	**253.6**	**684.4**	**4,689.4**	**3,076.2**	**1,323.4**	**-**	**-**	**-**	**10,506.4**
Total borrowings	**6,400.2**	**7,030.5**	**4,018.0**	**4,035.4**	**14,947.2**	**44,645.3**	**33,407.9**	**1,570.4**	**1,142.4**	**1,658.4**	**1,18,855.7**
Assets											
Advances	**1,788.0**	**1,633.0**	**1,746.5**	**5,508.8**	**13,257.5**	**16,025.5**	**17,158.3**	**15,912.7**	**19,226.9**	**41,027.2**	**1,33,284.4**
Investments	**200.0**	**-**	**-**	**1.5**	**-**	**-**	**260.7**	**1,835.9**	**150.2**	**352.3**	**2,800.6**
Total assets	**1,988.0**	**1,633.0**	**1,746.5**	**5,510.4**	**13,257.5**	**16,025.5**	**17,419.0**	**17,748.6**	**19,377.1**	**41,379.5**	**1,36,085.0**

March 2018

(₹ in million)

	1 Day to 30-31 Days (one month)	*Over 1 month to 2 months*	*Over 2 months to 3 months*	*Over 3 months to 6 months*	*Over 6 months to 1 Year*	*Over 1 year to 3 years*	*Over 3 years to 5 years*	*Over 5 years to 7 years*	*Over 7 years to 10 years*	*Over 10 years*	*Total*
Liabilities											
Borrowings from Banks	*1,836.1*	*284.3*	*739.9*	*1,419.4*	*5,580.3*	*16,516.5*	*7,159.6*	*140.5*	*210.8*	*183.5*	*34,070.9*
Market borrowings	*997.8*	*1,494.1*	*2,731.7*	*8,495.2*	*12,638.9*	*15,416.6*	*3,650.0*	*-*	*-*	*-*	*45,424.3*
Fixed deposits	*123.5*	*164.4*	*243.8*	*301.2*	*157.4*	*1,128.6*	*195.1*	*-*	*-*	*-*	*2,314.0*
Total borrowings	*2,957.4*	*1,942.8*	*3,715.4*	*10,215.8*	*18,376.6*	*33,061.7*	*11,004.7*	*140.5*	*210.8*	*183.5*	*81,809.2*
Assets											
Advances	*1,274.5*	*1,255.3*	*1,140.8*	*4,281.9*	*12,537.5*	*16,850.5*	*15,261.1*	*13,323.5*	*13,529.8*	*17,004.2*	*96,459.1*
Investments	*262.1*	*100.1*	*-*	*-*	*-*	*206.5*	*104.8*	*1,835.9*	*-*	*311.1*	*2,820.5*
Total assets	*1,536.6*	*1,355.4*	*1,140.8*	*4,281.9*	*12,537.5*	*17,057.0*	*15,365.9*	*15,159.4*	*13,529.8*	*17,315.3*	*99,279.6*

24. Customers Complaints

(₹ in million)

Particulars	At March 31, 2019	*At March 31, 2018*
(a) No. of complaints pending at the beginning of the year	**13**	*-*
(b) No. of complaints received during the year	**535**	*318*
(c) No. of complaints redressed during the year	**547**	*305*
(d) No. of complaints pending at the end of the year	**1**	*13*

The Company has Customer Grievance Redressal Mechanism (CGRM) for convenience of customers to register their complaints and for the Company to monitor and redress them.

25. The Company has not paid any penalty to National Housing Bank and other regulators during the year ended March 31, 2019 (March 31, 2018 - Nil).

26. The Company does not have any overseas assets.

27. The Company is registered with the following other financial sector regulators:

(a) National Housing Bank

(b) Insurance Regulatory & Development Authority of India

Anirudh Kamani
Managing Director & CEO

Vikrant Gandhi
Chief Financial Officer