Notes

to consolidated financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

ICICI Securities Limited ("the Company"), incorporated on March 09, 1995, is a public company engaged in the business of broking (institutional and retail), distribution of financial products, merchant banking and advisory services. The Company is incorporated and domiciled in India. The equity shares of the Company are listed. The address of the Registered Office is ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400020.

The Company was a wholly owned subsidiary of ICICI Bank Limited till March 30, 2018. During the year ended March 31, 2018, the Company completed its Initial Public Offering (IPO). The Equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018. ICICI Bank Limited, the holding company, owns 79.22% of the Company's equity share capital as on March 31, 2020.

The consolidated financial statements of the Group include results of ICICI Securities Limited and its subsidiaries ICICI Securities Holdings Inc. and ICICI Securities Inc incorporated in USA.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

The consolidated financial statements relate to ICICI Securities Limited ('the Company') and its subsidiaries (together 'the Group'). These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

The Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

The consolidated financial statements for the year ended March 31, 2020 are being authorised for issue in accordance with a resolution of the Board of Directors on May 07, 2020.

(ii) Presentation of financial statements

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. 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 43.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Group and/or its counterparties

(iii) Basis of consolidation

The subsidiaries are entities controlled by the Holding company. The Holding company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group

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are eliminated. Similarly, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. However, no subsidiaries have followed different accounting policies than those followed by the Group for the preparation of these consolidated financial statements.

Details of Subsidiaries

The subsidiaries considered in the consolidated financial statements are:

(i) Direct Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2020	% of Holding as on 31.03.2019
ICICI Securities Holdings, Inc	United States of America	100%	100%

(ii) Step-down Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2020	% of Holding as on 31.03.2019
ICICI Securities, Inc	United States of America	100%	100%

The principal place of business of the entities mentioned above is the same as the respective country of incorporation.

(iv) Use of estimates and judgements

The preparation of the 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 amounts 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.

The Group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, incentive plans, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

a) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they

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to consolidated financial statements for the year ended March 31, 2020

are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 40.

c) **Recognition of deferred tax assets / liabilities:** Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Further details are disclosed in note 39.

d) **Recognition and measurement of provision and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

e) **Fair valuation of employee share options:** The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Further details are discussed in note 37.

f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

g) **Impairment of financial assets:** The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(v) Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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to consolidated financial statements for the year ended March 31, 2020

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue from the following sources:

a. Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

b. Fee income including investment banking, advisory fees, debt syndication, financial advisory services, etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.

c. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant.

d. Interest income is recognised using the effective interest rate method.

e. Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

f. Training fee income from financial education program is recognised on the basis of completion of training.

(vi) Property, Plant and Equipment (PPE)

Recognition and Measurement:

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

Items of property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalisation criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management.

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the lease period
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers and Networks	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these

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assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:

Capital work-in-progress are property, plant and equipment which are not yet ready for their intended use. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

(vii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation.

Development expenditure on software is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortisation in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

(viii) Financial instruments

The Group recognises all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset that are not at fair value through profit or loss are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

a. **Amortised cost:** The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

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b. **Fair value through other comprehensive income (FVOCI):** The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

c. **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable

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market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

d. **Impairment of financial assets:** In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses whether the loans have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Group recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Group considers outstanding overdue for more than 90 days for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ix) Employee benefits

a. **Short term employee benefits**

Short term employee benefits include salaries and short term cash bonus. A liability is under short-term cash bonus or target based incentives if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

b. **Gratuity**

The Group pays gratuity, a defined benefit plan, to its employees whose employment terminates after a minimum period of five years of continuous service on account of retirement or resignation. In the case of employees at overseas locations, same will be paid as per rules in force in the respective countries. The Group makes contributions to the ICICI Securities Employees Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields

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prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Group recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

With respect to Oman Branch, the Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

c. Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

With respect to Oman branch, for Omani national employees, the Group makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when incurred.

d. Compensated absence

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognised in the statement of profit and loss as and when they are incurred.

e. Long term incentive

The Group has a long term incentive plan which is paid in three annual tranches. The Group accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding prevailing market yields of Indian government securities and staff attrition as per the projected unit credit method made at the end of each reporting period. The actuarial losses/gains are recognised in the statement of profit and loss in the period in which they arise.

f. Share based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant

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date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

ICICI Bank Limited, the parent, also grants options to eligible employees of the Group under ICICI Bank Employee Stock Option Scheme. The options vest over a period of three years. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the parent.

g. Other defined contribution plans

The Defined contribution plans are the plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. The Group makes contributions towards National Pension Scheme ("NPS") which is a defined contribution retirement benefit plans for employees who have opted for the contribution towards NPS. The Group also makes contribution towards Employee State Insurance Scheme ("ESIC") which is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948 in respect of qualifying employees.

(x) Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The difference between the discounted amount mobilised and redemption value of commercial papers is recognised in the statement of profit and loss over the life of the instrument using the EIR.

(xi) Foreign exchange transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognised in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(xii) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.

The Group uses significant judgement in assessing the lease term (including anticipated renewals). The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain to not exercise that option. In assessing whether the Group is reasonably

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certain to exercise an option to extend a lease it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend or terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate of the Group, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(xiii) Income tax

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years. Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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, such reductions are reversed when the probability of future taxable profits improves.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Group are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

(xiv) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and demand deposits with bank with an original maturity of three months or less, and accrued interest thereon.

(xv) Impairment of non-financial assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present

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value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

(xvi) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) 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. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

(xvii) Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in note 32 to the financial statements.

Contingent assets are neither recognised nor disclosed.

(xviii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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3. (a) CASH AND CASH EQUIVALENTS

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand *	-	0.0
(b) Balances with banks (of the nature of cash and cash equivalents)		
In current accounts with banks		
- In India with scheduled banks	2,304.7	18,251.3
- Outside India	185.6	239.4
(c) Cheques, drafts on hand	-	0.3
(d) Others (specify nature)		
Fixed Deposit with original maturity less than 3 months	2,928.0	350.0
Interest accrued on Fixed Deposits	1.7	0.1
Total	**5,420.0**	**18,841.1**

3. (b) BANK BALANCE OTHER THAN (a) ABOVE

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks		
- Unclaimed dividend	1.1	-
(b) Fixed deposits with banks**		
- In India	18,106.4	12,107.9
- Outside India	9.8	78.8
	18,116.2	12,186.7
(c) Interest receivable	576.7	458.5
Total	**18,694.0**	**12,645.2**

** ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable*

*** Fixed deposits under lien with stock exchanges amounted to ₹ 16,584.7 million (March 31, 2019 : ₹ 10,604.3 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 12.2 million (March 31, 2019 : ₹ 393.9 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,115.1 million (March 31, 2019 : ₹ 1,115.0 million) and others ₹ 252.9 million (March 31, 2019 : ₹ 3.7 million)*

4. DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Equity linked derivatives	-	17.0
Total	**-**	**17.0**
Notional amounts	-	3,893.8
Fair value - assets	-	-
Fair value - liabilities	-	17.0

Note :

- *The derivatives are used for the purpose trading.*
- *Refer note 42 for management of risks arising from derivatives.*

Notes

to consolidated financial statements for the year ended March 31, 2020

5. SECURITIES FOR TRADE

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At Fair Value through profit or loss**		
	Securities for trade in India		
(i)	Mutual funds:		
-	Nippon India Liquid Fund Direct Growth Plan Growth Option	1,507.2	-
-	Invesco India Liquid Fund Direct Growth Plan	1,003.8	-
-	ICICI Prudential Liquid Fund Direct Growth Plan	716.6	-
-	ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	0.9	1.1
		3,228.5	**1.1**
(ii)	Debt securities:		
(a)	Non-convertible debentures:-		
-	8.75%, Edelweiss Retail Finance Limited (22-03-2021)	44.7	143.5
-	9.25%, Reliance Jio Infocommunication Limited (16-06-2024)	1.1	-
-	9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	-	143.8
		45.8	**287.3**
(b)	Bonds:		
-	8.58%, Housing Development Finance Corporation Limited (18-03-2022)	256.6	-
-	7.16%, Government Securities (20-05-2023)	52.6	-
-	8.55%, Cholamandalam Investment and Finance Company Limited (13-11-2026)	2.0	-
-	7.26%,Government Securities (14-01-2029)	262.2	-
-	8.85%,HDB Financial Services Limited (07-06-2029)	96.4	-
-	8.30%, Rural Electrification Corporation Limited (25-06-2029)	6.3	-
-	7.35%, Indian Railway Finance Corporation Limited (22-03-2031)	91.9	-
-	10.50%,INDUSIND Bank Limited (28-03-2099)	1.0	-
-	8.85%,HDFC Bank Limited (12-05-2099)	97.5	-
-	8.65%, Bank of Baroda (11-08-2099)	131.9	-
-	8.50%,State Bank of India (22-11-2099)	290.2	-
-	8.70%, Bank of Baroda (28-11-2099)	38.7	-
-	8.49%, Housing Development Finance Corporation Limited (27-04-2020)	-	501.1
-	7.50%, Housing Development Finance Corporation Limited (07-07-2020)	-	495.3
-	8.80 % LIC Housing Finance Limited (24-12-2020)	-	504.3
-	8.30 % LIC Housing Finance Limited (15-07-2021)	-	100.1
-	8.41 % Housing and Urban Development Corporation Limited (15-03-2029)	-	76.0
-	8.30%, Indian Railway Finance Corporation Limited (25-03-2029)	-	100.9
-	8.75 % Axis Bank (14-12-2099)	-	2.9
		1,327.3	**1,780.6**
(c)	Commercial paper:		
-	National Bank for Agriculture and Rural Development (03-04-2020)	1,999.5	-
-	Kotak Mahindra Investment Limited (17-01-2020)	-	469.3
		1,999.5	**469.3**

Notes

to consolidated financial statements for the year ended March 31, 2020

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(d)	Fixed Deposits:		
-	8.25%, Housing Development Finance Corporation Limited FD (03-06-2020)	500.0	-
-	8%, Housing Development Finance Corporation Limited FD (21-07-2020)	750.0	-
-	7.4% Bajaj Finance FD (25-03-2021)	500.0	-
		1,750.0	**-**
(iii)	Equity instruments		
-	IRB InvIT Fund-Equity	-	24.8
		-	**24.8**
	Total (A) - Gross	**8,351.1**	**2,563.1**
	Less: Impairment Loss Allowance	-	-
	Total (A) - Net	**8,351.1**	**2,563.1**

6. TRADE RECEIVABLES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Considered good - Secured	349.8	3,997.1
(b)	Considered good - Unsecured	538.1	772.7
(c)	Receivables - credit impaired	158.0	149.6
	Less: Impairment loss allowance	(158.0)	(149.6)
	Total	**887.9**	**4,769.8**

No trade or other receivable are due from directors of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. LOANS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	2,760.8	3,449.4
(ii)	ESOP funding	3,040.6	586.0
	Total (A) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance [refer note 42(a)]	(92.7)	(2.7)
	Total (A) - Net	**5,708.7**	**4,032.7**

Notes

to consolidated financial statements for the year ended March 31, 2020

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(I)	**Secured by :**		
(i)	Secured by tangible assets		
	- Collateral in the form of cash and securities in case of Margin trade funding	2,760.5	3,424.6
	- Shares under ESOP in case of ESOP funding	3,024.7	586.0
(ii)	Unsecured :		
	- in case of Margin trade funding	0.3	24.8
	- in case of ESOP funding	15.9	-
	Total (I) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance	(92.7)	(2.7)
	Total (I) - Net	**5,708.7**	**4,032.7**
(II)	**Loans in India**		
(i)	Margin trade funding & ESOP funding	5,801.4	4,035.4
	Total (II) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance	(92.7)	(2.7)
	Total (II) - Net	**5,708.7**	**4,032.7**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At fair value through profit or loss**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**5,708.7**	**4,032.7**

8. INVESTMENTS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments		
-	BSE Limited	3.4	7.0
-	Receivable Exchange of India Limited	19.2	18.8
-	Universal Trustees Private Limited	2.1	2.7
	Total - (A)	**24.7**	**28.5**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At amortised cost**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**24.7**	**28.5**

Notes

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9. OTHER FINANCIAL ASSETS

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Security deposits :		
Unsecured, considered good		
(a) Security deposit for leased premises and assets	195.5	199.7
(b) Security deposit with stock exchanges	35.1	65.4
(c) Other Security deposits	4.0	9.4
(d) Margin deposits with stock exchange	110.0	54.6
(e) Security deposit with related parties		
(a) ICICI Bank Limited	2.4	2.3
(b) ICICI Lombard General Insurance Company Limited	0.1	0.1
	347.1	**331.5**
(ii) Others :		
(a) Accrued income from services	286.8	358.4
(b) Accrued interest	133.9	96.3
(c) Others *	15.3	30.2
Less:Impairment loss allowance	(8.2)	-
	427.8	**484.9**
Total	**774.9**	**816.4**

**Others includes amounts due from ICICI Bank Ltd Nil (Previous year : ₹ 0.6 million) towards reimbursement of IPO expenses.*

10. CURRENT TAX ASSETS (NET)

(₹ million)

	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax (net)		
[net of provision for tax of ₹ 17,333.4 million (March 31, 2019 : ₹ 12,642.9)]	1,502.8	1,306.5
Total	**1,502.8**	**1,306.5**

Notes
to consolidated financial statements for the year ended March 31, 2020

11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ million)

	PROPERTY, PLANT AND EQUIPMENT						OTHER INTANGIBLE ASSETS			
	Computers	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Total (A)	Computer Software	CMA membership right	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)										
Balance at April 1, 2018	113.7	14.9	40.7	61.4	98.1	**328.8**	98.8	0.0	**98.8**	**427.6**
Additions	87.9	3.1	12.3	16.4	6.0	**125.7**	101.0	1.6	**102.6**	**228.3**
Disposal / Adjustment *	21.0	0.3	8.1	26.3	1.8	**57.5**	26.5	-	**26.5**	**84.0**
Balance at March 31, 2019	**180.6**	**17.7**	**44.9**	**51.5**	**102.3**	**397.0**	**173.3**	**1.6**	**174.9**	**571.9**
Additions	74.1	4.8	5.8	19.5	12.1	**116.3**	76.3	-	**76.3**	**192.6**
Disposal / Adjustment *	4.6	4.2	8.5	13.2	38.4	**68.9**	(0.1)	(2.4)	**(2.5)**	**66.4**
Balance at March 31, 2020	**250.1**	**18.3**	**42.2**	**57.8**	**76.0**	**444.4**	**249.7**	**4.0**	**253.7**	**698.1**
Accumulated depreciation/ amortisation										
Balance at April 1, 2018	7.2	6.3	6.1	(0.0)	12.2	**31.8**	13.4	0.0	13.4	**45.2**
Depreciation for the year	42.8	5.9	17.2	21.6	17.3	**104.8**	44.7	-	**44.7**	**149.5**
Disposal / Adjustment *	16.4	(0.0)	1.1	15.5	1.4	**34.4**	25.8	(1.6)	**24.2**	**58.6**
Balance at March 31, 2019	**33.6**	**12.2**	**22.2**	**6.1**	**28.1**	**102.2**	**32.3**	**1.6**	**33.9**	**136.1**
Depreciation for the year	51.7	3.8	8.9	19.7	16.2	**100.3**	61.8	-	**61.8**	**162.1**
Disposal / Adjustment *	1.2	2.7	7.2	11.0	31.2	**53.3**	(0.2)	(2.4)	**(2.6)**	**50.7**
Balance at March 31, 2020	**84.1**	**13.3**	**23.9**	**14.8**	**13.1**	**149.2**	**94.3**	**4.0**	**98.3**	**247.5**
Carrying amounts (net)										
Balance at March 31, 2019	**147.0**	**5.5**	**22.7**	**45.4**	**74.2**	**294.8**	**141.0**	**(0.0)**	**141.0**	**435.8**
Balance at March 31, 2020	**166.0**	**5.0**	**18.3**	**43.0**	**62.9**	**295.2**	**155.4**	**(0.0)**	**155.4**	**450.6**

Notes: (₹ in million)

*Balance at March 31, 2019 * Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 2.5 million (March 31, 2018 ₹ 0.0 million).*

Balance at March 31, 2020 *Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 0.3 million (March 31, 2019 ₹ 2.5 million).

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12. OTHER NON-FINANCIAL ASSETS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Advances other than capital advances:		
	- Prepaid expenses	70.6	167.9
	- Advance to suppliers	100.0	93.9
	- Others	237.0	167.7
	Total	**407.6**	**429.5**

13. PAYABLES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(I)	**Trade payables :**		
	(a) total outstanding dues of micro enterprises and small enterprises (Refer note 34 for details of dues to micro and small enterprises)	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,926.4	23,362.0
	Total	**6,926.4**	**23,362.0**

14. DEBT SECURITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
	Debt securities in India		
(i)	Commercial paper * (refer note 44)	14,975.3	4,473.0
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**14,975.3**	**4,473.0**
	*** Note:**		
	Commercial paper (unsecured)		
	Amount oustanding	14,975.3	4,473.0
	Tenure	71 days to 90 days	59 days to 88 days
	Rate of interest	5.73% to 6.40%	7.58% to 7.75%
	Repayment schedule	At maturity	At maturity

Notes

to consolidated financial statements for the year ended March 31, 2020

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
(i)	Secured loans		
	Bank overdraft	-	-
	(Secured against first charge on all receivables, book debts, cash flows and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Group's cash in hand both present and future)		
		-	**-**

16. DEPOSITS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	22.3	45.3
	Total	**22.3**	**45.3**

17. OTHER FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Margin money	2,681.8	2,283.5
(ii)	Unclaimed dividend	1.1	-
(iii)	Others	11.7	1.4
	Total	**2,694.6**	**2,284.9**

18. PROVISIONS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Provision for employee benefits		
	(a) Provision for gratuity (Refer Note 40)	706.0	563.2
	(b) Provision for compensated absence (refer note 40)	122.7	100.4
	Total	**828.7**	**663.6**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Revenue received in advance		
	- Income received in advance	264.6	81.3
(b)	Other advances		
	- Prepaid Brokerage	2,568.8	2,610.3
(c)	Other		
(i)	Statutory liabilities	710.5	556.9
(ii)	Employee related liabilities	1,761.3	2,019.1
(iii)	Other liabilities	5.9	18.3
		2,477.7	2,594.3
	Total	**5,311.1**	**5,285.9**

Notes

to consolidated financial statements for the year ended March 31, 2020

20. SHARE CAPITAL

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	**Authorised:**		
	400,000,000 equity shares of ₹ 5/- each (March 31, 2019 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	5,000,000 preference shares of ₹ 100/- each (March 31, 2019 : 5,000,000 of preference shares of ₹ 100/- each)	500.0	500.0
		2,500.0	**2,500.0**
(b)	**Issued, subscribed and fully paid-up shares:**		
	322,141,400 equity shares of ₹ 5/- each, fully paid (March 31, 2019 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,610.7	1,610.7
	Total issued, subscribed and fully paid-up share capital	**1,610.7**	**1,610.7**

(c) Reconciliation of the shares at the beginning and at the end of the reporting year

Equity shares	As at March 31, 2020		As at March 31, 2019	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	322,141,400	1,610.7	322,141,400.0	1,610.7
Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	**322,141,400**	**1,610.7**	322,141,400.0	1,610.7

(d) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended March 31, 2020, the Company has paid a final dividend for the year ended March 31, 2019 of ₹ 5.7 per equity share as approved by its members at the Annual General Meeting held on August 2, 2019. The Board of Directors at its meeting held on October 22, 2019 had approved and paid an interim dividend of ₹ 4.25 per equity share. The Board has recommended a final dividend of ₹ 6.75 per equity share for FY2020.

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.

(e) Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Shareholder	As at March 31, 2020		As at March 31, 2019	
	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited (Parent)*	255,216,095	79.22%	255,216,095	79.22%
Total	**255,216,095**	**79.22%**	**255,216,095**	**79.22%**

**Including its nominees as at March 31, 2019*

Notes

to consolidated financial statements for the year ended March 31, 2020

(f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

(g) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(h) Capital management:

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Group is not subject to any externally imposed capital requirements.

21. OTHER EQUITY

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	244.0	244.0
Add : Additions during the year (net)	-	-
Closing balance	**244.0**	**244.0**
(b) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	-	-
Closing balance	**666.8**	**666.8**
(c) Equity-settled share-based payment reserve		
(refer note 37 for details on share based payment)		
Opening balance	4.1	-
Add : Additions during the year (net)	52.9	4.1
Closing balance	**57.0**	**4.1**
(d) Retained earnings		
Opening balance	7,613.3	5,683.0
Add: Other comprehensive income for the year	(59.1)	(25.9)
Add: Profit after tax for the year	5,420.0	4,907.3
	12,974.2	**10,564.4**
Less: Appropriations		
- Dividend on equity shares	3,205.8	2,447.8
- Dividend distribution tax on equity dividend	658.9	503.3
Closing balance	**9,109.5**	**7,613.3**

Notes

to consolidated financial statements for the year ended March 31, 2020

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(ii)	Exchange difference on translating the financial statements of a foreign operation		
	Opening balance	67.8	67.3
	Add : Additions during the year (net)	-	0.5
	Closing balance	**67.8**	**67.8**
(iii)	Deemed equity contribution from the parent		
	(refer note 37 for details on share based payment)		
	Opening balance	266.0	205.3
	Add : Additions during the year (net)	73.6	60.7
	Closing balance	**339.6**	**266.0**
	Total	**10,484.7**	**8,862.0**

Nature and purpose of reserve

(A) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(C) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.

(D) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

(E) Exchange difference on translating the financial statements of a foreign operation

Where the functional currency of the foreign operation is different from the functional currency of the reporting entity, the translation differences are accounted in the other comprehensive income and disclosed under Other Equity.

(F) Deemed equity contribution from the parent

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by ICICI Bank Ltd ("parent"). This reserve is in the nature of an equity contribution by the parent in respect of options granted and not available for distribution to shareholders as dividend.

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to consolidated financial statements for the year ended March 31, 2020

22. INTEREST INCOME

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Interest income on financial assets measured at amortised cost :**		
	(i) Fixed deposits with Banks	1,087.0	969.9
	(ii) Funding and late payments	970.5	769.6
	(iii) Other deposits	0.2	0.2
(B)	**Interest income on financial assets measured at fair value through profit or loss :**		
	(i) Securities held for trade	292.3	52.3
(C)	**Interest income on financial assets measured at fair value through OCI :**	-	-
	Total	**2,350.0**	**1,792.0**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Net gain/(loss) on financial instruments at fair value through profit or loss**		
	(i) Profit/(loss) on sale of derivatives held for trade (net)	(160.8)	73.0
	(ii) Profit/(loss) on other securities held for trade	128.6	103.8
(B)	**Others**		
	- Profit/(loss) on sale of investments (net) at fair value through profit or loss	(3.9)	(10.8)
(C)	**Total net gain/(loss) on fair value changes**	**(36.1)**	**166.0**
(D)	**Fair value changes:**		
	- Realised	118.9	161.4
	- Unrealised	(155.0)	4.6
	Total	**(36.1)**	**166.0**

24. OTHER INCOME

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(i)	Net gain on foreign currency transaction and translation	21.7	17.4
(ii)	Interest on income tax refund	147.5	207.1
(iii)	Income from sub-lease	18.0	-
	Total	**187.2**	**224.5**

Notes

to consolidated financial statements for the year ended March 31, 2020

25. FINANCE COSTS

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Net gain/ (loss) on financial liabilities measured at fair value through profit or loss**	-	-
(B)	**On financial liabilities measured at amortised cost :**		
(a)	Interest on borrowings	3.6	-
(b)	Interest on lease liabilities	141.4	-
(c)	Interest on debt securities	703.8	412.6
(d)	Other borrowing cost	15.1	10.8
	Total	**863.9**	**423.4**

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	90.0	(1.9)
(b)	Others		
	- On trade receivables	8.5	28.8
	- On accrued interest	8.2	-
	Total	**106.7**	**26.9**

27. OPERATING EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Bad and doubtful debts	0.2	22.3
(b)	Transaction charges	125.2	104.4
(c)	Turnover fees and stamp duty	43.6	38.1
(d)	Custodial and depository charges	121.7	342.3
(e)	Call centre charges	100.2	122.0
(f)	Franking charges	164.8	152.5
(g)	Scanning expenses	39.7	25.4
(h)	Customer loss compensation	(29.4)	5.4
(i)	Other operating expenses	20.8	38.5
	Total	**586.8**	**850.9**

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28. EMPLOYEE BENEFITS EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Salaries and wages	4,647.2	4,930.7
(b)	Contribution to gratuity / provident and other funds (refer note 40)	317.1	280.4
(c)	Share based payments to employees (refer note 37)	126.5	64.8
(d)	Staff welfare expenses	246.9	269.0
	Total	**5,337.7**	**5,544.9**

29. OTHER EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Rent and amenities	137.7	670.6
(b)	Insurance	3.5	4.4
(c)	Travelling and conveyance expenses	196.3	253.8
(d)	Business promotion expenses	87.6	97.3
(e)	Repairs, maintenance, upkeep and others	426.3	433.9
(f)	Rates and taxes	27.5	52.2
(g)	Electricity expenses	83.9	77.5
(h)	Communication expenses	171.6	168.8
(i)	Net loss on derecognition of property, plant and equipment	8.1	4.6
(j)	Advertisement and publicity	100.6	83.4
(k)	Printing and stationery	26.1	33.0
(l)	Subscription and periodicals	95.2	98.2
(m)	Legal and professional charges	121.0	120.0
(n)	Director's fees, allowances and expenses	9.4	6.5
(o)	Auditor's fees and expenses	18.1	12.6
(p)	Corporate Social Responsibility (CSR) expenses	144.4	118.4
(q)	Recruitment expenses	22.2	27.8
(r)	Royalty expenses	49.1	55.8
(s)	Miscellaneous Expenses	9.3	8.5
	Total	**1,737.9**	**2,327.3**

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30. EARNINGS PER SHARE

The computation of basic and diluted earnings per share is given below:

(₹ million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax (₹ million) (A)	5,420.0	4,907.3
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.1	322.1
Basic earnings per share for continuing operations (₹) (A) / (B)	16.83	15.23
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.3	0.1
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	322.4	322.2
Diluted earnings per share for continuing operations (₹) (A) / (D)	16.81	15.23
Nominal value per share (₹)	5.00	5.00

31. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Group are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Holding Company : ICICI Bank Limited

B. Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries:

ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited.

b. Post-employment benefit plan - ICICI Securities Employees Group Gratuity Fund

c. Key Management Personnel of the Group

i) Vinod Kumar Dhall – Chairman & Independent Director
ii) Ashvin Parekh – Independent Director
iii) Subrata Mukherji – Independent Director
iv) Vijayalakshmi Iyer – Independent Director
v) Anup Bagchi – Non Executive Director
vi) Pramod Rao – Non Executive Director
vii) Vijay Chandok – Managing Director and CEO (w.e.f May 7, 2019)
viii) Shilpa Kumar – Managing Director and CEO (till May 6, 2019)
ix) Ajay Saraf – Executive Director

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d. Key Management Personnel of Parent

i) Sandeep Bakhshi – Managing Director and CEO of ICICI Bank Limited

ii) Vijay Chandok – Executive Director of ICICI Bank Limited (till May 6, 2019)

iii) Anup Bagchi – Executive Director of ICICI Bank Limited

iv) Uday Chitale – Independent Director of ICICI Bank Limited

v) Subramanian Madhavan – Independent Director of ICICI Bank Limited

vi) Vishakha Mulye – Executive Director of ICICI Bank Limited

vii) Girish Chandra Chaturvedi – Non-Executive (part-time) Chairman of ICICI Bank Limited

e. Relatives of Key Management Personnel

i) Sarika Saraf – Spouse of Mr. Ajay Saraf

ii) Ayuj Saraf – Son of Mr. Ajay Saraf

iii) Prafulla Shirgaokar – Father of Ms. Shilpa Kumar

iv) Animesh Bagchi – Father of Mr. Anup Bagchi

v) Shishir Bagchi – Brother of Mr. Anup Bagchi

vi) Vignesh Mulye – Son of Ms. Vishakha Mulye

vii) Vivek Mulye – Spouse of Ms. Vishakha Mulye

viii) Ashvin Pradhan – Son-in-law of Mr. Sandeep Bakhshi

ix) Shivam Bakhshi – Son of Mr. Sandeep Bakhshi

x) Mona Bakshi – Spouse of Mr. Sandeep Bakhshi

xi) Minal Bakshi – Daughter of Mr. Sandeep Bakhshi

xii) Esha Bakshi – Daughter of Mr. Sandeep Bakhshi

xiii) Neena Kumar – Sister of Mr. Lalit Kumar Chandel

xiv) Rajani Chaturvedi – Spouse of Mr. Girish Chandra Chaturvedi

f. Entity controlled or jointly controlled by KMP of ICICI Bank Limited: ICICI Foundation for Inclusive Growth

The following transactions were carried out with the related parties in the ordinary course of business.

Income and Expense items:
(For the year ended)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Income from services and brokerage (commission and fees)	109.8	254.3	-	-
ICICI Home Finance Company Limited	-	-	20.2	9.6
ICICI Prudential Life Insurance Company Limited	-	-	525.1	549.9
ICICI Securities Primary Dealership Limited	-	-	3.2	3.6
ICICI Lombard General Insurance Company Limited	-	-	9.1	10.8
ICICI Prudential Asset Management Company Limited	-	-	116.3	142.2
ICICI Venture Funds Management Company Limited	-	-	17.7	0.5

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(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest income	95.5	107.9	-	-
Staff expenses	12.3	25.1	-	-
ICICI Securities Primary Dealership Limited	-	-	(0.4)	(0.4)
ICICI Prudential Life Insurance Company Limited [1]	-	-	3.5	0.7
ICICI Lombard General Insurance Company Limited [2]	-	-	106.5	94.5
ICICI Prudential Asset Management Company Limited	-	-	-	3.9
Operating expenses	334.8	469.3	-	-
Other expenses	262.6	249.7	-	-
ICICI Lombard General Insurance Company Limited	-	-	1.8	3.0
ICICI Securities Primary Dealership Limited	-	-	1.9	1.5
ICICI Prudential Life Insurance Company Limited	-	-	2.0	1.9
ICICI Venture Funds Management Company Limited	-	-	0.0	-
Finance cost [3]	12.3	2.4	-	-
Dividend paid	2,539.4[4]	1,939.6	-	-
Purchase of bond	680.1	-	-	-
ICICI Securities Primary Dealership Limited	-	-	972.7	-
Sale of bond	311.4	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	250.6

[1] Excludes an amount of Nil (March 31, 2019: ₹ 4.1 million), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Group under the Company Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

Also excludes an amount of ₹ 0.6 million (March 31, 2019: Nil) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.

[2] Excludes an amount of ₹ 31.4 million (March 31, 2019: ₹ 34.4 million) received towards reimbursement of claims submitted by the employees under Company health insurance policy.

[3] The Company has a credit facility of ₹ 6,000.0 million (March 31, 2019: ₹ 5,900.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2020 is Nil (March 31, 2019: Nil).

[4] Includes final dividend for Financial year 2019 and interim dividend for Financial Year 2020.

The Group has contributed ₹ 25.0 million (March 31, 2019: ₹ 35.0 million) to ICICI Securities Company Gratuity Fund during the year.

The Company has contributed ₹ 109.1 million (March 31, 2019: ₹ 88.8 million) to ICICI Foundation for contribution towards CSR.

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Balance Sheet Items:
(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Share capital	1,276.1	1,276.1	-	-
Payables	263.4	113.6	-	-
ICICI Lombard General Insurance Company Limited	-	-	0.2	0.6
ICICI Prudential Life Insurance Company Limited	-		0.0	0.4
ICICI Securities Primary Dealership Limited	-	-	1.0	-
ICICI Venture Funds Management Company Limited	-	-	0.0	-
Other liabilities	40.6	-	-	-
Fixed assets purchases	4.6	0.8	-	-
Fixed assets sold	0.7	-	-	-
Fixed deposits (₹ 2.5 kept as collateral security towards bank guarantees. (Previous year ₹ 374.2))	1,148.4	1,492.9	-	-
Accrued interest Income	44.8	64.0	-	-
Bank balance (Net of current liabilities of ₹ 0.0 (Previous year ₹ 0.8))	2,291.5	18,226.0	-	-
Deposit	2.4	2.3	-	-
ICICI Lombard General Insurance Company Limited	-		0.1	0.1
Loans & advances (including prepaid expenses)	3.5	0.6	-	
ICICI Lombard General Insurance Company Limited	-	-	2.7	3.7
ICICI Prudential Life Insurance Company Limited	-	-	2.4	2.8
ICICI Securities Primary Dealership Limited	-	-	0.2	0.1
Other assets	39.2	0.6	-	-
Receivables	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	18.6	72.3
ICICI Lombard General Insurance Company Limited	-	-	0.6	0.5
ICICI Prudential Asset Management Company Limited	-	-	39.5	10.1
ICICI Home Finance Company Limited	-	-	2.1	3.9
ICICI Securities Primary Dealership Limited	-	-	1.7	3.7
ICICI Venture Funds Management Company Limited	-	-	-	0.6
Accrued income	4.7	13.1	-	-

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(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
ICICI Lombard General Insurance Company Limited	-	-	0.4	0.5
ICICI Prudential Asset Management Company Limited	-	-	12.7	34.5
ICICI Home Finance Company Limited	-	-	0.3	0.8
ICICI Venture Funds Management Company Limited	-	-	17.7	-

Key Management Personnel

The details of compensation paid for the year ended March 31, 2020 as below –

(₹ million)

Particulars	Vijay Chandok		Shilpa Kumar		Ajay Saraf		Anup Bagchi	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short-term employee benefits	42.0	-	15.6	40.2	34.7	31.3	1.5	3.2
Post-employment benefits*	6.7	-	0.2	2.6	2.1	2.0	-	-
Total	**48.7**	**-**	**15.8**	**42.8**	**36.8**	**33.3**	**1.5**	**3.2**

**As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel is not included above.*

The compensation paid includes bonus paid, long term incentives paid and contribution to provident fund.

The Directors have received share options of ICICI Bank Limited and ICICI Securities Limited. The cost of the options granted to the Directors for the year ended March 31, 2020 is ₹ 96.8 million (March 31, 2019: ₹ 53.0 million)

The Group has paid ₹ 1.0 million (March 31, 2019: ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. Also the Group has received brokerage amounting to ₹ 1.4 million (March 31, 2019: ₹ 2.1 million) from the key management personnel and ₹ 0.2 million (March 31, 2019: ₹ 0.1 million) from relatives of the key management personnel.

During the year ended March 31, 2020, the Company paid dividend amounting to ₹ 0.1 million (March 31, 2019: ₹ 0.2 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2020, the Company has paid ₹ 4.4 million (March 31, 2019: ₹ 3.5 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2020 amounting to ₹ 4.0 million (March 31, 2019: ₹ 3.0 million) to the Independent Directors of the Company.

32. CONTINGENT LIABILITIES

A. Contingent Liabilities shall be classified as (to the extent not provided for):

(₹ million)

		As at March 31, 2020	As at March 31, 2019
a)	**Claims against the Group not acknowledged as debt :**	3.3	-
b)	**In respect of Tax matters:**		
	- Disputed direct tax matters under appeal	658.8	960.6
	- Disputed indirect tax matters under appeal	624.4	484.0

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B. 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 EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note:

i. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

ii. The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

iii. The Group does not expect any reimbursements in respect of the above contingent liabilities.

33. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 44.1 million (March 31, 2019: ₹ 45.8 million).

34. MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which Group owes dues, as at March 31, 2020. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) that has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Particulars	As at March 31, 2020	As at March 31, 2019
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	-
2. Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers 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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

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to consolidated financial statements for the year ended March 31, 2020

35. LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset classes primarily consist of leases for premises and leasehold improvements. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹ 1,50,000). For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹ 26.6 million towards short term lease and ₹ 4.4 million towards low value assets during the year ended March 31, 2020.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Group. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹ 483.3 million have been classified as financing cash flows.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. The Group has recognised ₹ 18.0 million towards income from sub-lease.

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and right of use asset equal to lease liability adjusted by the prepaid rent component. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The weighted average incremental borrowing rate of 7.94% determined by calculating the expense of each quarter on the opening liability for the respective quarter, has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Therefore, contracts that were not identified as lease under Ind AS 17 were not re-assessed.
4. Used a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
5. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The details of Right to use Asset of the Group are as follows:

(₹ million)

Asset Class	Carrying values		
	Premises	Leasehold improvements	Total
Balance as of April 1, 2019	1,917.5	67.0	1,984.5
Reclassified on account of adoption of Ind AS 116	65.0	2.2	67.2
Additions during the period	170.1	-	170.1
Deductions during the period	240.8	-	240.8
Less: Depreciation	425.1	26.8	451.9
Total	**1,486.7**	**42.4**	**1,529.1**

Following is the movement in lease liabilities for the year:

(₹ million)

	For the year ended March 31, 2020		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2019	1,917.5	67.0	1,984.5
Additions during the period	170.9	-	170.9
Deductions during the period	238.9	-	238.9
Interest Expense	136.9	4.3	141.2
Less: Lease Payments	454.9	28.4	483.3
Total	**1,531.5**	**42.9**	**1,574.4**

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36. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2019	Cash flows	Changes in fair values	Others*	March 31, 2020
Debt securities	4,473.0	10,421.1	-	81.2	14,975.3

Particulars	April 1, 2018	Cash flows	Changes in fair values	Others*	March 31, 2019
Debt securities	6,724.2	(2,263.5)	-	12.3	4,473.0

Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

37. SHARE BASED PAYMENTS

A. Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Group has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Group and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Group had, at the Extra-ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12 of the SEBI Regulations, the Group could not make any fresh grant which involved allotment or transfer of shares to its employees under any scheme formulated prior to its initial public offer and listing of its equity shares, unless such scheme is ratified by the shareholders of the Group. The equity shares of the Group were listed on National Stock Exchange of India Limited and BSE Limited with effect from April 4, 2018 and accordingly, the Scheme alongwith some amendments, was ratified by the shareholders of the Group at the Annual General Meeting held on August 30, 2018. The amendments were done to align the Scheme to ICICI Group norms and market practice. No grants had been made under the Scheme before its ratification.

The scheme is compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and approved by the Board.

Eligibility as defined in the scheme "ESOS – 2017" means (i) permanent employee of the Group who has been working in India or outside India, or (ii) a director of the Group whether a whole time director or not but excluding an independent director, or (iii) employees of the Subsidiaries of the Group (the 'Subsidiaries'), or (iv) employees of the Holding Group of the Group (the 'Holding Group'). Under this scheme, the maximum number of options granted to any eligible employee/director in a financial year shall not, except with the approval of the Board of Directors of ICICI Securities Limited, exceed 0.10% of the issued shares of the Group at the time of grant of options and the aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate of the number of issued shares of the Group, from time to time, on the date(s) of grant of option(s). The options granted but not vested and the options vested but not exercised in accordance with this Scheme or the Award Confirmation or the Vesting Confirmation shall terminate and the shares covered by such terminated options shall become available for future grant under this Scheme. The options granted represents an European call option that provides a right but not an obligation to the employees of the group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

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Details in respect of options granted to its eligible employees is as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2019	October 19, 2018	1,76,700	30% of the options would vest on October 19, 2019, 30% of the options would vest on October 19, 2020 and the balance 40% of the options would vest on October 19, 2021.	5 years from date of vesting.	256.55
ESOS -2017	2020	April 23, 2019	11,52,600	30% of the options would vest on April 23, 2020, 30% of the options would vest on April 23, 2021 and the balance 40% of the options would vest on April 23, 2022.	5 years from date of vesting.	221.45

The activity in the stock option plan is summarised below:

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOS -2017	FY 2020	176,700	11,52,600	Nil	Nil	Nil	13,29,300	53,010
ESOS -2017	FY 2019	Nil	176,700	Nil	Nil	Nil	176,700	Nil

The fair value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with the Black-Scholes options pricing model. The fair value of the options granted in Financial Year 2020 is ₹ 72.32 (Financial Year 2019 is ₹ 90.08).

	Year ended March 31, 2020	Year ended March 31, 2019
Risk free interest rate	7.00% to 7.27%	7.74% to 7.89%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	42.64% to 43.44%	41.94% to 43.71%
Expected dividend yield	4.24%	3.66%

The period for volatility has to be adequate to represent a consistent trend in price movements. The Company was listed on April 4, 2018. Hence, due to insufficiency of data, the Company has considered market prices of peer companies for calculating volatility.

During the year, ₹ 39.0 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2019: ₹ 4.1 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 87.5 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2019: ₹ 60.7 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

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The details of the options granted to eligible employees of the Group by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, 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 aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of 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 grant 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.

38. SEGMENT INFORMATION

The Group is presenting consolidated financial statements and hence in accordance with Indian Accounting Standard 108 – Segment Reporting, segment information is disclosed in the consolidated financial statements

(a) Description of segment and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's business is organised into three segments as mentioned below. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and internal financial reporting. The Group has determined the following reporting segments based on information reviewed by the Chief Operating Decision Maker (CODM). The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chief Operating Decision-Maker.

Identified business Segments	The business segments comprises
Investment & Trading	Income from treasury, investment income
Broking & Commission	Broking and other related activities, Distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business
Advisory Services	Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities.

Broking and other related activities, distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business are aggregated into one reportable segment being agency nature of business under "Broking & Commission" in accordance with aggregation criteria. Aggregation is done due to the similarities of the products and services provided to the customers, similarities in method used to provide services and regulatory environment.

The Accounting principles and policies adopted in the preparation of the financial statements are also consistently applied to record income/ expenditure and assets/ liabilities in individual segments.

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Revenue and expenses directly attributable to segments are reported under each reportable operating segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Revenue and expenses, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated expenses/income". Similarly, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to specific reporting segments. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Assets and liabilities, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated assets/liabilities".

(b) Details of operating segments

Following are the disclosures for the three identified segments

(For the year ended)

(₹ million)

Particulars	Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Segment Revenue	398.5	265.1	15,939.5	15,807.4	763.9	990.6	147.5	207.1	17,249.4	17,270.2
• Inter Segment Revenue	-	-		-	-	-	-	-	-	-
2. Segment Results	(149.6)	136.7	7,354.8	6,976.0	176.6	252.5	147.5	207.1	7,529.3	7,572.3
Segment results before income tax include										
• Interest revenue	395.5	128.1	1,954.5	1,663.9	-	-	-	-	2,350.0	1,792.0
• Interest expense	297.8	71.3	549.2	341.3	1.8	-	-	-	848.8	412.6
• Depreciation and amortisation	1.8	0.4	589.5	144.4	22.7	4.7	-	-	614.0	149.5
Other material non-cash items - Impairment losses on non-financial assets - Reversal of impairment losses on non-financial assets	-	-	-	-	-	-	-	-	-	-
3. Income Tax expenses (net of deferred tax credit)	-	-	-	-	-	-	2,109.3	2,665.0	2,109.3	2,665.0
4. Net profit after tax (2-3)	-	-	-	-	-	-	-	-	5,420.0	4,907.3

(₹ million)

Particulars	Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	March 31, 2019	As at March 31, 2020	March 31, 2019
5 Segment Assets	6,527.2	3,665.4	35,598.5	40,703.1	204.2	233.4	2,098.3	2,044.0	44,428.2	46,645.9
6. Segment Liabilities	2,582.0	2,541.8	29,239.2	32,996.9	511.6	593.0	-	41.5	32,332.8	36,173.2
7. Cost of Acquisition of segment assets	0.8	2.1	182.8	226.1	8.9	0.1	-	-	192.5	228.3

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a. Additional information by Geographies

Although the group's operations are managed by products and services, we provide additional information based on geographies.

(₹ million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue by Geographical Market		
India	16,088.0	16,148.0
Outside India	1,161.4	1,122.2
Total	**17,249.4**	**17,270.2**

	As at March 31, 2020	As at March 31, 2019
Carrying Amount of Segment Assets		
India	3,828.8	1,872.2
Outside India	1.7	2.1
Total	**3,830.5**	**1,874.3**

(b) Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of group's total revenue revenues from transactions with any single external customer for the year ended March 31, 2020 and March 31, 2019.

39. INCOME TAXES

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the period ended September 30, 2019 and re-measured its Deferred Tax Assets. The full impact of this change arising out of revaluation of Deferred Tax Assets as at March 31, 2019, aggregating to ₹ 201.4 million has been recognised in the quarter and period ended September 30, 2019.

A. The major components of income tax expense for the year are as under:

(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax		
In respect of current year	1,961.5	2,722.2
In respect of changes in estimates of previous year	(0.5)	-
Total (A)	**1,961.0**	**2,722.2**
Deferred Tax		
Origination and reversal of temporary differences	(42.5)	(51.0)
Impact of change in tax rate	190.8	(6.2)
Total (B)	**148.3**	**(57.2)**
Income Tax recognised in the statement of Profit and Loss (A+B)	**2,109.3**	**2,665.0**
Income tax expenses recognised in OCI		
Re-measurement of defined employee benefit plans	(63.8)	(40.2)
Income tax relating to items that will not be classified to profit or loss	4.7	14.3
Total	**(59.1)**	**(25.9)**

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B. Reconciliation of tax expenses and the accounting profit for the year is as under:

(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit before tax	**7,529.3**	**7,572.3**
Enacted tax rate in India	25.17%	34.944%
Income tax expenses calculated (Refer Note below)	1,895.1	2,646.1
Decrease / Increase in tax rate	190.8	(6.2)
Tax effect of non-deductible expenses	36.8	51.2
Effect of income that is exempt	(0.1)	(1.7)
Effect on different tax rates in the components	(13.3)	(24.4)
Total tax expenses as per profit and loss	**2,109.3**	**2,665.0**

The effective income tax rate for the year ended March 31, 2020 is 28.01% (March 31, 2019 is 35.19%)

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.17% and 34.944% respectively. The decrease in corporate statutory tax rate to 25.17% is consequent to changes made in the Taxation Laws (Amendment) Ordinance, 2019. Amount reflecting in the foreign jurisdiction represents state and city taxes paid by the company. In case of foreign subsidiaries, current year's profit has been set off against brought forward losses and hence there is no federal tax expense for year under consideration.

C. Movement of deferred tax assets and liabilities

As at March 31, 2020

(₹ million)

Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2020
Property, Plant and Equipment and Intangible assets	56.9	(18.2)	-	-	38.7
Provision for expected credit losses	56.4	10.3	-	-	66.7
Employee benefits obligations	400.8	(106.0)	-	-	294.8
Fair value gain/(loss) on investments	(2.4)	1.9	-	-	(0.5)
Provision for post-retirement benefit	196.8	(23.9)	4.7	-	177.6
Other temporary differences	11.6	(11.8)	-	-	(0.2)
Unused tax losses of Subsidiary	17.4	(0.6)	-	1.6	18.4
Net deferred tax assets/ (liabilities)	**737.5**	**(148.3)**	**4.7**	**1.6**	**595.5**

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As at March 31, 2019

(₹ million)

Movement during the year ended March 31, 2019	As at April 1, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2019
Property, Plant and Equipment and Intangible assets	58.6	(1.7)	-	-	56.9
Provision for expected credit losses	46.5	9.9	-	-	56.4
Employee benefits obligations	385.6	15.2	-	-	400.8
Fair value gain/(loss) on investments	(3.6)	1.2	-	-	(2.4)
Provision for post-retirement benefit	161.5	21.0	14.3	-	196.8
Other temporary differences	17.5	(5.9)	-	-	11.6
Unused tax losses of Subsidiary	-	17.5	-	(0.1)	17.4
Net deferred tax assets/ (liabilities)	**666.1**	**57.2**	**14.3**	**(0.1)**	**737.5**

D. The Group has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet.

(₹ million)

Particulars	Financial Year	As at March 31, 2020	Expiry Date	As at March 31, 2019	Expiry Date
Business Loss	2007-2008	112.9	March 31, 2028	115.8	March 31, 2028
Business Loss	2008-2009	222.7	March 31, 2029	203.5	March 31, 2029
Business Loss	2009-2010	51.9	March 31, 2030	47.4	March 31, 2030
Business Loss	2010-2011	44.7	March 31, 2031	40.9	March 31, 2031
Business Loss	2012-2013	59.0	March 31, 2033	53.9	March 31, 2033
Capital Loss	2012-2013	0.7*	March 31, 2021	0.7*	March 31, 2021
Business Loss	2016-2017	24.2	March 31, 2037	22.1	March 31, 2037
Capital Loss	2017-2018	67.8*	March 31, 2026	67.8*	March 31, 2026
TOTAL		**583.9**		**552.1**	

Note: - The increase in business loss for FY 2008-09 and subsequent years is due to increase in closing exchange rate in March 2020 as compared to March 2019.

** ₹ 0.7 and ₹ 67.8 are capital losses as per Indian Income Tax Act. Rest all the losses are as per US Federal Tax Law which can be carried forward for 20 years.*

40. EMPLOYEE BENEFITS

Defined Contribution Plan

The Group makes contributions towards Provident Fund, Family Pension Fund, National Pension Scheme, and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 198.8 million (Previous Year ₹ 175.9 million) is recognised as expenses, which is classified as a part of "Contribution to gratuity / provident and other funds". (Refer Note No. 28)

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Defined Benefit Plan

Gratuity

Governance of the Plan:

The Group has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangements and Policy:

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The insurance Group in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Group to fully pre fund the liability of the Plan. Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan. The expected contribution payable to the plan next year is ₹ 40.0 million

The following table summarises the components of net expenses for gratuity benefits recognised in the statement of profit and loss, other comprehensive income and the amounts recognised in the balance sheet.

(₹ million)

Sr. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	569.0	468.3
(ii)	Current Service cost	70.5	61.6
(iii)	Past service cost	-	-
(iv)	Interest cost	36.6	31.1
(v)	Actuarial (gain) / loss from changes in financial assumptions	37.6	10.0
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	4.7	5.4
(vii)	Actuarial (gain) / loss on account of experience changes	22.2	25.7
(viii)	Benefits paid	(60.5)	(34.2)
(ix)	Liabilities assumed on inter group transfer	48.7	1.1
(x)	**Closing defined benefit obligation**	**728.8**	**569.0**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	9.2	6.3
(ii)	Interest on plan assets	0.0	0.0
(iii)	Actual return on plan assets less interest on plan assets	0.7	0.9
(iv)	Contributions by employer	25.0	35.0
(v)	Assets acquired / (settled)	48.7	1.2
(vi)	Benefits paid	(60.5)	(34.2)
	Closing fair value of plan assets	**23.1**	**9.2**
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	728.8	569.0
(ii)	Fair value of plan assets at the end of the year	23.1	9.2
	Liability recognised in the balance sheet (i-ii)	**705.7**	**559.8**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	70.5	61.6
(ii)	Interest on net defined benefit obligation	36.6	31.1
(iii)	Past Service Cost	-	-
	Total included in 'Employee benefits expense (i+ii+iii)	**107.1**	**92.7**

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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	116.0	75.8
Remeasurements during the period due to		
- changes in financial assumptions	37.6	10.0
- changes in demographic assumptions	4.7	5.4
- Experience adjustment	22.2	25.7
- Annual return on plan assets less interest on plan assets	(0.7)	(0.9)
Closing amount recognised in OCI outside statement of profit and loss	**179.8**	**116.0**
Assumptions used for Gratuity		
Interest rate (p.a.)	6.20%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Discount Rate	Salary Escalation rate
Defined Benefit obligation on increase in 50 bps	704.9	753.8
Impact of increase in 50 bps on DBO	-3.28%	3.42%
Defined Benefit obligation on decrease in 50 bps	754.2	705.1
Impact of decrease in 50 bps on DBO	3.48%	-3.26%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Insurer managed funds	22.4	8.7
Others	0.7	0.5
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	9.2	6.3
Employer contributions	25.0	35.0
Settlements from the Fund	(60.5)	(34.2)
Interest accrued to the Fund	0.7	0.9
Actual return on plan assets less interest on plan assets	-	-
Assets acquired / (settled)	48.7	1.2
Closing fair value of plan assets	**23.1**	**9.2**

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Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	₹
Expected benefits for year 1	93,960,720
Expected benefits for year 2	80,320,730
Expected benefits for year 3	75,748,272
Expected benefits for year 4	72,761,567
Expected benefits for year 5	71,426,821
Expected benefits for year 6	110,861,867
Expected benefits for year 7	62,372,428
Expected benefits for year 8	79,745,904
Expected benefits for year 9	49,673,164
Expected benefits for year 10 and above	492,355,128

The weighted average duration to the payment of these cash flows is 6.75 years.

The Group has made a provision towards gratuity for its employees of the Oman Branch amounting to Nil (March 2019: ₹ 3.1 million)

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2020 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Interest rate (p.a.)	6.20%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%

Long Term Incentive Plan

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected unit credit method.

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Interest rate (p.a.)	5.05%	6.65%

Interest rate assumption in case of subsidiary is 0.23% (March 31, 2019: 2.25%)

41. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged in the business of retail and institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

A) Brokerage income:

The Group is providing trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

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B) Income from service:

Income from service consists of income from distribution of financial products and income from investment banking activities (advisory income).

i Distribution of financial products:

The Group distributes various financial products and other services to the customers on behalf of third party i.e. the Group acts as an intermediary for distribution of financial products and services. The Group executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Group etc. to procure customers for its products. As a consideration, the Group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied. In case of continuing services, the same are recognised over a period of time.

The Group also conducts

a. Education training programs

b. Provide financial planning services to its customers.

The Group recognises the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

The distribution fee earned from the following products contributed to a major proportion of overall fee earned from distribution of financial products in Financial Year 2019.

a. Mutual funds
b. Life insurance policies
c. Portfolio management products

ii Advisory income:

The Group provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Group may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognised until the outcome of those events or values are known. The right to receive the fees is based on the milestones defined in accordance with the terms of the contracts entered into between the company and the counterparty which also defines its performance obligation. In case of contracts, which have a component of success fee or variable fee the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

The Group has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognised as revenue on completing the performance obligation.

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Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

(₹ million)

Nature of contract	Opening Balance		Revenue recognised during the year		Closing Balance	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Financial Planning Services	50.8	3.8	81.5	77.8	5.2	50.8
Training Fees	25.2	10.0	42.8	49.9	-	25.2
Signing Fee	13.3	5.0	18.5	5.0	23.1	13.3
Prime Subscription	-	-	155.0	-	221.5	-
Prepaid Brokerage	2,610.3	2,320.5	980.6	1,064.5	2,568.8	2,610.3

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	2019-20	2018-19
Revenue from the Contracts (as per Contract)	15,114.0	15,790.4
Less : - Discounts/Incentive to Customers	420.9	729.3
Revenue from the Contracts (as per Statement of Profit and Loss)	**14,693.1**	**15,061.1**

42. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The following table shows the carrying amounts of financial instruments as at March 31, 2020 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	5,420.0	-	-	5,420.0	5,420.0
Other balances with banks	18,694.0	-	-	18,694.0	18,694.0
Securities for trade	-	8,351.1	-	8,351.1	8,351.1
Trade receivables	887.9	-	-	887.9	887.9
Loans	5,708.7	-	-	5,708.7	5,708.7
Investments	-	24.7	-	24.7	24.7
Other financial assets	774.9	-	-	774.9	774.9
Total	**31,485.5**	**8,375.8**	-	**39,861.3**	**39,861.3**
Liabilities:					
Derivative financial instruments	-	-	-	-	-
Trade payables	6,926.4	-	-	6,926.4	6,926.4
Debt Securities	14,975.3	-	-	14,975.3	14,975.3
Deposits	22.3	-	-	22.3	22.3
Lease Liabilities	1,574.4	-	-	1,574.4	1,574.4
Other financial liabilities	2,694.6	-	-	2,694.6	2,694.6
Total	**26,193.0**	-	-	**26,193.0**	**26,193.0**

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The following table shows the carrying amounts of financial instruments as at March 31, 2019 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	18,841.1	-	-	18,841.1	18,841.1
Other balances with banks	12,645.2	-	-	12,645.2	12,645.2
Securities for trade	-	2,563.1	-	2,563.1	2,563.1
Trade receivables	4,769.8	-	-	4,769.8	4,769.8
Loans	4,032.7	-	-	4,032.7	4,032.7
Investments	-	28.5	-	28.5	28.5
Other financial assets	816.4	-	-	816.4	816.4
Total	**41,105.2**	**2,591.6**	**-**	**43,696.8**	**43,696.8**
Liabilities:					
Derivative financial instruments	-	17.0	-	17.0	17.0
Trade payables	23,362.0	-	-	23,362.0	23,362.0
Debt Securities	4,473.0	-	-	4,473.0	4,473.0
Deposits	45.3	-	-	45.3	45.3
Other financial liabilities	2,284.9	-	-	2,284.9	2,284.9
Total	**30,165.2**	**17.0**	**-**	**30,182.2**	**30,182.2**

Fair value hierarchy:

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

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for identical instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

(₹ million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	-	-	-	-
Mutual fund units	-	3,228.6	-	3,228.6
Equity shares	3.4	-	21.3	24.7
Debt Instruments	2,814.0	2,308.5	-	5,122.5
Total	**2,817.4**	**5,537.1**	**21.3**	**8,375.8**

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(₹ million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	17.0	-	-	17.0
Mutual fund units	-	1.1	-	1.1
Equity shares	31.7	-	21.5	53.2
Debt Instruments	818.6	1,718.7	-	2,537.3
Total	**867.3**	**1,719.8**	**21.5**	**2,608.6**

Movements in Level 3 financial instruments measured at fair value.

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	March 31, 2020	March 31, 2019
Opening Balance	21.5	30.6
Purchase	-	-
Less: Sales	-	-
Add: Gain / (Loss)	(0.2)	(9.1)
Transfer in Level 3	-	-
Les: Transfer from Level 3	-	-
Closing Balance	21.3	21.5

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at March 31, 2020

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	₹ 6.71 per share	5%	₹ 0.1 million	5%	₹ (0.1) million
	Discounted projected cash flow	WACC%	22.67%	100 basis points	₹ (1.3) million	100 basis points	₹ 1.4 million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.7 million	100 basis points	₹ (0.6) million

As at March 31, 2019

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	₹ 8.88 per share	5%	₹ 0.1 million	5%	₹ (0.1) million
	Discounted projected cash flow	WACC%	21.29%	100 basis points	₹ (1.4) million	100 basis points	₹ 1.6 million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.9 million	100 basis points	₹ (0.8) million

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Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of trade receivable) are subject to netting as the Group intends to settle it on a net basis. The table below presents the gross balances of asset and liability.

(₹ million)

Particulars	Effects on Balance sheet		
	Gross Amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange Settlement Obligations			
At March 31,2020	12.5	2,277.1	(2,264.6)
At March 31, 2019	3,391.3	79.7	3,311.6

There are no instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Group has exposure to the following risk arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

The Group has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Group's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.

2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.

3. The third line of defense comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

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a) Credit risk:

It is risk of financial loss that the Group will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The consolidated financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivable and loans.

Following is the exposure to the credit risk for trade receivables and loans:

(₹ million)

	March, 31 2020	March, 31 2019
Trade and Other Debtors(net of impairment)	887.9	4,769.8
Loans (net of impairment)	5,708.7	4,032.7
Total	**6,596.6**	**8,802.5**

Trade Receivables: The Group has followed simplified method of ECL in case of Trade receivables and the Group recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is more than 90 days overdue. Out of the total trade receivables of ₹ 1,045.9 million (March 31, 2019: ₹ 4,919.4 million) ₹ 158.0 million (March 31, 2019: ₹ 149.6 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Based on historical data, the Group assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%.

Following table provides information about exposure to credit risk and ECL on Loan:

(₹ million)

Bucketing (Stage)	March 31, 2020		March 31, 2019	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	5,791.0	87.7	4,029.1	0.1
Stage 2	8.9	3.5	4.4	0.7
Stage 3	1.5	1.5	1.9	1.9
Total	**5,801.4**	**92.7**	**4,035.4**	**2.7**

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Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2020	March 31, 2019
Opening Balance	152.3	125.3
Amount written off	(0.3)	(22.3)
Net remeasurement of loss allowance	7.9	49.3
Additional provision	90.8	-
Closing Balance	250.7	152.3

Collaterals held:

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following tables sets out the principal types of collateral held against different types of financial assets.

Instrument Type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2020	As at March 31, 2019	
Trade Receivables and Loans	93.0%	91.0%	Collateral in the form of: - Cash, Securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding. - Equity Shares under ESOP in case of ESOP Funding. - Equity shares in case of trade receivables.

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and Commercial papers which are traded actively in the market. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b) Liquidity risk

Liquidity represents the ability of the Group to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through issuing commercial paper and utilising overdraft facility from ICICI Bank.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2020.

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(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	14,548.3	8,634.2	918.4	13.1	24,114.0
Securities for Trade	8,351.1	-	-	-	8,351.1
Trade receivables	887.9	-	-	-	887.9
Loans	3,541.9	2,166.8	-	-	5,708.7
Investments	-	-	-	24.7	24.7
Other financial assets	522.6	46.0	10.1	196.2	774.9
Total	**27,851.8**	**10,847.0**	**928.5**	**234.0**	**39,861.3**
Liabilities					
Derivative financial instruments	-	-	-	-	-
Trade Payables	6,926.4	-	-	-	6,926.4
Debt Securities	14,975.3	-	-	-	14,975.3
Deposits	-	-	22.3	-	22.3
Lease Liabilities	7.8	47.3	1,154.9	364.4	1,574.4
Other Financial Liabilities	2,694.6	-	-	-	2,694.6
Total	**24,604.1**	**47.3**	**1,177.2**	**364.4**	**26,193.0**
Net excess / (shortfall)	**3,247.7**	**10,799.7**	**(248.7)**	**(130.4)**	**13,668.3**

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2019.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	26,420.0	4,617.8	436.7	11.8	31,486.3
Securities for Trade	2,563.1	-	-	-	2,563.1
Trade receivables	4,769.8	-	-	-	4,769.8
Loans	3,626.4	228.3	178.0		4,032.7
Investments	-	-	-	28.5	28.5
Other financial assets	485.2	15.8	61.1	254.3	816.4
Total	**37,864.5**	**4,861.9**	**675.8**	**294.6**	**43,696.8**
Liabilities					
Derivative financial instruments	17.0	-	-	-	17.0
Trade Payables	23,362.0	-	-	-	23,362.0
Debt Securities	4,473.0	-	-	-	4,473.0
Deposits	-	-	45.3	-	45.3
Other Financial Liabilities	2,284.9	-	-	-	2,284.9
Total	**30,136.9**	**-**	**45.3**	-	**30,182.2**
Net excess / (shortfall)	**7,727.6**	**4,861.9**	**630.5**	**294.6**	**13,514.6**

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c) Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Group's income or the market value of its portfolios. The Group, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Group classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Equity Price Risk

ii) Interest Rate Risk

iii) Currency Risk

Total market risk exposure:

(₹ million)

	March 31, 2020			
	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	24,114.0	-	24,114.0	
Financial assets at FVTPL	8,375.8	8,351.1	24.7	Interest rate, Equity Price and Currency
Trade Receivables	887.9	-	887.9	Currency and Equity Price
Loans	5,708.7	-	5,708.7	Equity Price
Other Financial assets at amortised cost	774.9	-	774.9	
Total	**39,861.3**	**8,351.1**	**31,510.2**	
Liabilities				
Derivative financial instruments	-	-	-	Currency and Equity Price
Trade payable	6,926.4	-	6,926.4	Currency and Equity Price
Debt Securities	14,975.3	-	14,975.3	
Deposits	22.3	-	22.3	
Lease Liabilities	1,574.4	-	1,574.4	
Other financial liabilities	2,694.6	-	2,694.6	
Total	**26,193.0**	**-**	**26,193.0**	

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(₹ million)

	March 31, 2019			
	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	31,486.3	-	31,486.3	
Financial assets at FVTPL	2,591.6	2,563.1	28.5	Interest rate, Equity Price and Currency
Trade Receivables	4,769.8	-	4,769.8	Currency and Equity Price
Loans	4,032.7	-	4,032.7	Equity Price
Other Financial assets at amortised cost	816.4	-	816.4	
Total	**43,696.8**	**2,563.1**	**41,133.7**	
Liabilities				
Derivative financial instruments	17.0	17.0	-	Currency and Equity Price
Trade payable	23,362.0	-	23,362.0	Currency and Equity Price
Debt Securities	4,473.0	-	4,473.0	
Deposits	45.3	-	45.3	
Other financial liabilities	2,284.9	-	2,284.9	
Total	**30,182.2**	**17.0**	**30,165.2**	

i) Equity Price Risk

The Group's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Group's equity price risk is managed in accordance with its Corporate Risk and Investment Policy (CRIP) approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a 10% movement in equity prices, everything else remaining constant, would result in an exchange obligation for both Traded and Non-traded (client) positions and their impact on statement of profit and loss account considering that the entire shortfall would be made good by the Group.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Prices up by 10%	0.3	(5.7)
Equity Prices down by 10%	(0.4)	(104.5)

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ii) Interest Rate Risk

The Group's exposure to interest rate risk arises primarily on account of its proprietary positions (refer note no. 5 on securities for trade) and on account of margin based positions of its clients in exchange traded interest rate derivatives on government securities.

The Group's interest rate risk is managed in accordance with its CRIP approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin based trading in interest rate derivatives by its clients.

As at March 31, 2020 and March 31, 2019 a parallel shift of 2.5% in the yield curve would result in the following impact on the statement of profit and loss.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Parallel upward shift of 2.50%	(152.6)	(113.5)
Parallel downward shift of 2.50%	182.0	128.3

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Group's statement of profit and loss.

iii) Foreign Exchange Risk/Currency Risk

The Group's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The fluctuations in foreign currency may also affect statement of profit and loss, other comprehensive income and equity as the Group also operates in US and Singapore through its subsidiaries.

The Group's currency risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP specifies gross open position limit and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin based trading in currency derivatives by its clients.

As at March 31, 2020 and March 31, 2019, an appreciation/depreciation of 15% of Indian Rupee against all the currencies would result in the following impact on the statement of profit and loss.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
₹ Depreciation of 15%	(116.1)	(27.4)
₹ Appreciation of 15%	(19.0)	(55.4)

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss.

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(₹ million)

Currency	Change in currency rate in %	For the year ended March 31, 2020	For the year ended March 31, 2019
USD	Depreciation of 15%	(1.5)	1.0
	Appreciation of 15%	1.5	(1.0)
SGD	Depreciation of 15%	0.1	-
	Appreciation of 15%	(0.1)	-
GBP	Depreciation of 15%	(0.0)	-
	Appreciation of 15%	0.0	-
JPY	Depreciation of 15%	-	1.1
	Appreciation of 15%	-	(1.1)

43. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ million)

	As at March 31, 2020	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	5,420.0	5,420.0	-
Bank balance other than (a) above	18,694.0	17,762.5	931.5
Securities for trade	8,351.1	8,351.1	-
Receivables			
(I) Trade receivables	887.9	887.9	-
Loans	5,708.7	5,708.7	-
Investments	24.7	-	24.7
Other financial assets	774.9	568.6	206.3
	39,861.3	**38,698.8**	**1,162.5**
Non-financial Assets			
Current tax assets (net)	1,502.8	-	1,502.8
Deferred tax assets (net)	595.5	-	595.5
Property, plant and equipment	295.2	-	295.2
Right-of-use of assets	1,529.1	53.6	1,475.5
Capital work-in-progress	32.9	-	32.9
Intangible assets under development	48.4	-	48.4
Other intangible assets	155.4	-	155.4
Other non-financial assets	407.6	368.8	38.8
	4,566.9	**422.4**	**4,144.5**
Total Assets	**44,428.2**	**39,121.2**	**5,307.0**

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(₹ million)

	As at March 31, 2020	Within 12 months	After 12 months
LIABILITIES			
Financial liabilities			
Derivative financial instruments			-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,926.4	6,926.4	-
Debt securities	14,975.3	14,975.3	-
Borrowings (Other than debt securities)	-	-	-
Deposits	22.3	-	22.3
Lease Liabilities	1,574.4	55.1	1,519.3
Other financial liabilities	2,694.6	2,694.6	-
	26,193.0	**24,651.4**	**1,541.6**
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	828.7	100.7	728.0
Other non-financial liabilities	5,311.1	4,271.8	1,039.3
	6,139.8	**4,372.5**	**1,767.3**
Total Liabilities	**32,332.8**	**29,023.9**	**3,308.9**
Net	**12,095.4**	**10,097.3**	**1,998.1**

(₹ million)

	As at March 31, 2019	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	18,841.1	18,841.1	-
Bank balance other than (a) above	12,645.2	12,196.7	448.5
Securities for trade	2,563.1	2,563.1	-
Receivables			-
(I) Trade receivables	4,769.8	4,769.8	-
Loans	4,032.7	3,854.7	178.0
Investments	28.5	-	28.5
Other financial assets	816.4	501.0	315.4
	43,696.8	**42,726.4**	**970.4**
Non-financial Assets			
Current tax assets (net)	1,306.5	-	1,306.5
Deferred tax assets (net)	737.5	-	737.5
Property, plant and equipment	294.8	-	294.8
Capital work-in-progress	12.4	-	12.4
Intangible assets under development	27.4	-	27.4

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(₹ million)

	As at March 31, 2019	Within 12 months	After 12 months
Other intangible assets	141.0	-	141.0
Other non-financial assets	429.5	429.5	-
	2,949.1	**429.5**	**2,519.6**
Total Assets	**46,645.9**	**43,155.9**	**3,490.0**
LIABILITIES			
Financial liabilities			
Derivative financial instruments	17.0	17.0	-
Payables			-
(I) Trade payables			-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,362.0	23,362.0	-
Debt securities	4,473.0	4,473.0	-
Borrowings (Other than debt securities)	-	-	-
Deposits	45.3	-	45.3
Other financial liabilities	2,284.9	2,284.9	-
	30,182.2	**30,136.9**	**45.3**
Non-financial Liabilities			
Current tax liabilities (net)	41.5	41.5	-
Provisions	663.6	115.4	548.2
Other non-financial liabilities	5,285.9	4,626.9	659.0
	5,991.0	**4,783.8**	**1,207.2**
Total Liabilities	**36,173.2**	**34,920.7**	**1,252.5**
Net	**10,472.7**	**8,235.2**	**2,237.5**

44. INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

a. Details of Credit Rating:

Instrument Category	CRISIL	ICRA
i) Non-Convertible Debenture Programme		
Ratings	CRISIL AAA/Stable	ICRA AAA/Stable
Amount in ₹ million	₹ 500.0	₹ 500.0
ii) Commercial Paper Programme		
Ratings	CRISIL A1+	ICRA A1+
Amount in ₹ million	₹ 25,000.0	₹ 25,000.0

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b. Key Financial Information

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Debt Equity Ratio *	1.24 Times	0.43 Times
Debt Service Coverage Ratio **	0.53 Times	1.63 Times
Interest Services Coverage Ratio ***	11.42 Times	18.88 Times
Net Worth ****	₹ 12,095.4 million	₹ 10,472.7 million
Net Profit after tax	₹ 5,420.0 million	₹ 4,907.3 million
Earnings per share (Diluted) (Face Value ₹ 5/- per share)	₹ 16.81	₹ 15.23
Asset cover available, in case of non-convertible debt securities	Not Applicable	Not Applicable
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable

** Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)*

*** Debt Service Coverage Ratio = Profit before interest and tax / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) + Principal Repayments)*

**** Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)*

***** Net Worth = Equity + Other Equity*

c. Details of previous due date, next due date for the payment of interest and repayment of commercial papers:

Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ million)	Previous due date (from April 01, 2019 to March 31, 2020) Principal & Interest	Whether paid or not	Next due date Principal & Interest
1	01-Feb-19	500.0	30-Apr-19	Yes	NA
2	01-Feb-19	1,000.0	30-Apr-19	Yes	NA
3	12-Feb-19	500.0	12-Apr-19	Yes	NA
4	20-Feb-19	500.0	23-Apr-19	Yes	NA
5	20-Feb-19	1,000.0	23-Apr-19	Yes	NA
6	18-Mar-19	500.0	17-May-19	Yes	NA
7	18-Mar-19	500.0	17-May-19	Yes	NA
8	04-Apr-19	500.0	03-Jun-19	Yes	NA
9	04-Apr-19	1,000.0	03-Jun-19	Yes	NA
10	12-Apr-19	1,000.0	11-Jun-19	Yes	NA
11	18-Apr-19	1,000.0	17-Jun-19	Yes	NA
12	18-Apr-19	1,500.0	17-Jun-19	Yes	NA
13	30-Apr-19	750.0	28-Jun-19	Yes	NA
14	30-Apr-19	750.0	28-Jun-19	Yes	NA
15	13-May-19	500.0	28-Jun-19	Yes	NA
16	27-May-19	500.0	19-Jul-19	Yes	NA
17	27-May-19	500.0	19-Jul-19	Yes	NA
18	31-May-19	1,000.0	30-Jul-19	Yes	NA
19	13-Jun-19	3,000.0	02-Aug-19	Yes	NA
20	13-Jun-19	500.0	02-Aug-19	Yes	NA
21	13-Jun-19	500.0	02-Aug-19	Yes	NA
22	14-Jun-19	1,000.0	02-Aug-19	Yes	NA
23	27-Jun-19	500.0	25-Sep-19	Yes	NA
24	15-Jul-19	500.0	25-Sep-19	Yes	NA
25	15-Jul-19	500.0	25-Sep-19	Yes	NA
26	29-Jul-19	1,000.0	27-Sep-19	Yes	NA
27	29-Jul-19	1,000.0	27-Sep-19	Yes	NA
28	02-Aug-19	2,000.0	03-Oct-19	Yes	NA

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Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ million)	Previous due date (from April 01, 2019 to March 31, 2020) Principal & Interest	Whether paid or not	Next due date Principal & Interest
29	02-Aug-19	2,000.0	17-Sep-19	Yes	NA
30	06-Aug-19	1,000.0	31-Oct-19	Yes	NA
31	29-Aug-19	1,000.0	25-Oct-19	Yes	NA
32	29-Aug-19	250.0	25-Oct-19	Yes	NA
33	17-Sep-19	1,500.0	15-Nov-19	Yes	NA
34	17-Sep-19	500.0	15-Nov-19	Yes	NA
35	17-Sep-19	500.0	15-Nov-19	Yes	NA
36	19-Sep-19	2,500.0	19-Nov-19	Yes	NA
37	27-Sep-19	450.0	28-Nov-19	Yes	NA
38	27-Sep-19	500.0	28-Nov-19	Yes	NA
39	03-Oct-19	1,500.0	03-Dec-19	Yes	NA
40	14-Oct-19	1,000.0	13-Dec-19	Yes	NA
41	25-Oct-19	2,000.0	19-Dec-19	Yes	NA
42	29-Oct-19	2,000.0	27-Dec-19	Yes	NA
43	04-Dec-19	400.0	13-Dec-19	Yes	NA
44	04-Dec-19	500.0	13-Dec-19	Yes	NA
45	04-Dec-19	100.0	13-Dec-19	Yes	NA
46	04-Dec-19	250.0	13-Dec-19	Yes	NA
47	04-Dec-19	250.0	13-Dec-19	Yes	NA
48	15-Nov-19	1,500.0	14-Jan-20	Yes	NA
49	15-Nov-19	1,000.0	14-Jan-20	Yes	NA
50	15-Nov-19	750.0	14-Jan-20	Yes	NA
51	19-Nov-19	1,000.0	17-Jan-20	Yes	NA
52	19-Nov-19	1,500.0	17-Jan-20	Yes	NA
53	19-Nov-19	500.0	17-Jan-20	Yes	NA
54	19-Nov-19	500.0	17-Jan-20	Yes	NA
55	28-Nov-19	1,750.0	28-Jan-20	Yes	NA
56	13-Dec-19	1,000.0	12-Mar-20	Yes	NA
57	13-Dec-19	500.0	12-Mar-20	Yes	NA
58	19-Dec-19	2,000.0	17-Feb-20	Yes	NA
59	26-Dec-19	2,500.0	24-Feb-20	Yes	NA
60	26-Dec-19	500.0	24-Feb-20	Yes	NA
61	17-Jan-20	450.0	24-Mar-20	Yes	NA
62	17-Jan-20	1,500.0	24-Mar-20	Yes	NA
63	17-Jan-20	1,500.0	23-Mar-20	Yes	NA
64	17-Jan-20	1,500.0	23-Mar-20	Yes	NA
65	14-Jan-20	1,000.0	NA	Yes*	03-Apr-20
66	14-Jan-20	2,000.0	NA	Yes*	03-Apr-20
67	17-Jan-20	50.0	NA	Yes*	09-Apr-20
68	27-Jan-20	2,000.0	NA	Yes*	16-Apr-20
69	29-Jan-20	1,500.0	NA	Yes*	15-Apr-20
70	17-Feb-20	1,750.0	NA	-	15-May-20
71	17-Feb-20	250.0	NA	-	15-May-20
72	24-Feb-20	2,500.0	NA	-	22-May-20
73	26-Feb-20	500.0	NA	-	26-May-20
74	05-Mar-20	3,000.0	NA	-	15-May-20
75	05-Mar-20	500.0	NA	-	15-May-20

**Commercial papers stands redeemed on respective next due date as mentioned in the aforesaid table.*

Notes

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45. SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on May 07, 2020, have recommended a final dividend of ₹ 6.75 per equity share (on face value of ₹ 5 per equity share), subject to the approval of the members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the company has not recognised final dividend (including tax, if any) as a liability at the end of the reporting period.

46. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, notifies new standards or/and amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

47. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID-19

Covid-19 outbreak was declared as a global pandemic by World Health Organisation (WHO) on March 11, 2020. Indian authorities have followed an approach of complete lockdown since March 24, 2020 starting with three-week complete lockdown, during which only defined essential services were operating with limited capacity. The lockdown kept on getting extended with gradual and modest relaxations. Stock broking service has been declared as an essential service and accordingly, the Company has been in operation consistently with minimal permitted staff. Accordingly, as of March 31, 2020, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

48. EVENTS AFTER REPORTING DATE

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer