SHRIRAM FINANCE BALANCE SHEET

Based on 2024 Annual Report

BALANCE SHEET

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	6,013.37	9,505.30
(b) Bank balance other than (a) above	9	4,799.27	6,312.11
(c) Derivative financial instruments	10	330.48	668.81
(d) Receivables	11		
(I) Trade receivables		51.63	17.00
(II) Other receivables		332.96	260.12
(e) Loans	12	207,929.41	171,984.58
(f) Investments	13	10,656.64	8,565.06
(g) Other financial assets	14	68.24	72.70
Total financial assets		**230,182.00**	**197,385.68**
(2) Non-financial assets			
(a) Current tax assets (net)	15	572.51	716.97
(b) Deferred tax assets (net)	42	2,884.03	1,743.92
(c) Investment property	16	0.98	2.62
(d) Property, plant and equipment	17	845.77	699.70
(e) Intangible assets under development	18A	-	66.08
(f) Goodwill	18B	1,406.73	1,406.73
(g) Other intangible assets	18C	1,033.93	1,217.65
(h) Other non-financial assets	19	350.06	424.51
Total non-financial assets		**7,094.01**	**6,278.18**
Total assets		**237,276.01**	**203,663.86**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	20		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		211.76	293.24
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		2.25	0.36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.16	1.09
(b) Debt securities	21	44,948.61	43,652.59
(c) Borrowings (other than debt securities)	22	92,148.80	73,590.02
(d) Deposits	23	44,443.66	36,139.83
(e) Subordinated liabilities	24	4,300.07	4,523.85
(f) Other financial liabilities	25	1,847.99	1,584.12
Total financial liabilities		**187,906.32**	**159,785.10**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	26	237.79	160.89
(b) Provisions	27	296.21	211.48
(c) Other non-financial liabilities	28	267.30	199.75
Total non-financial liabilities		**801.30**	**572.12**
Total liabilities		**188,707.62**	**160,357.22**
(3) Equity			
(a) Equity share capital	29	375.79	374.43
(b) Other equity	30	48,192.60	42,932.21
Total equity		**48,568.39**	**43,306.64**
Total liabilities and equity		**237,276.01**	**203,663.86**

See accompanying notes forming an integral part of the Standalone Financial Statements.

NBFC balance sheet

Assets			Liabilities		
Financial Assets			**Financial Liability**		
Cash and cash eqv	6,013	3%	Trade Payables - Outstanding dues of MSME	0	0%
Bank balance other than above	4,799	2%	Trade Payables - Outstanding dues of creditors other than MSME	212	0%
Derivative financial instruments	330	0%	Other Payables - Outstanding dues of MSME	2	0%
Trade revivables	52	0%	Other Payables - Outstanding dues of creditors other than MSME	3	0%
Other revivables	333	0%	Debt securities	44,949	19%
Loans	2,07,929	88%	Borrowings	92,149	39%
Investments	10,656	4%	Deposits	44,444	19%
Other Financial Assets	68	0%	Subordinated liabilities	4,300	2%
Non Financial Assets			Other financial liabilities	1,848	1%
Current tax assets	572	0%	**Non Financial Liabilities**		
Deferred tax assets	2,884	1%	Curnet tax liabilities	238	0%
Investment property	1	0%	Provisions	296	0%
PPE	846	0%	Other non-financial liabilities	267	0%
Intangible assets under	-	0%	**Equity**	48,568	20%
Goodwill	1,407	1%			
Other tangible assets	1,034	0%			
Other non-financial assets	350	0%			
	2,37,274			**2,37,276**	

PROFIT AND LOSS

STANDALONE STATEMENT OF **PROFIT AND LOSS**
FOR THE YEAR ENDED MARCH 31, 2024

STANDALONE ACCOUNTS

(Rs. in crores)

	Particulars	**Note No.**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Revenue from operations			
	(i) Interest income	31	33,599.66	28,607.36
	(ii) Dividend income		1.45	6.52
	(iii) Rental income		0.13	0.17
	(iv) Fees and commission income	32	457.38	242.61
	(v) Net gain on fair value changes	33	95.65	340.07
	(vi) Net gain on derecognition of financial instruments under amortised cost category		324.65	224.46
	(vii) Other operating income	34	485.49	350.97
(I)	**Total Revenue from operations**		**34,964.41**	**29,772.16**
(II)	**Other Income**	35	33.20	30.73
(III)	**Total Income (I + II)**		**34,997.61**	**29,802.89**
	Expenses			
	(i) Finance cost	36	14,806.12	12,545.76
	(ii) Fees and commission expenses	37	422.77	304.44
	(iii) Impairment on financial instruments	38	4,518.34	4,159.17
	(iv) Employee benefits expenses	39	3,215.59	2,506.11
	(v) Depreciation, amortisation and impairment (Refer note 16, 17 and 18)	40	568.83	524.18
	(vi) Other expenses	41	1,782.32	1,578.34
(IV)	**Total Expenses**		**25,313.97**	**21,618.00**
(V)	**Profit before exceptional items and tax (III - IV)**		**9,683.64**	**8,184.89**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+ VI)**		**9,683.64**	**8,184.89**
(VIII)	**Tax expense:**	42		
	(1) Current tax		3,400.06	2,886.51
	(2) Deferred tax		(906.90)	(680.96)
(IX)	**Profit for the year from continuing operations (VII - VIII)**		**7,190.48**	**5,979.34**
(X)	**Profit for the year**		**7,190.48**	**5,979.34**
(XI)	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(78.09)	(8.02)
	Gain / (loss) on Fair valuation of quoted investments in equity shares		16.49	(11.80)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		15.50	4.99
	Subtotal (A)		**(46.10)**	**(14.83)**
	B (i) Items that will be reclassified to profit or loss			
	Cash flow hedge reserve			
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(56.12)	(14.68)
	(ii) Income tax relating to items that will be reclassified to profit or loss		14.12	3.69
	Subtotal (B)		**(42.00)**	**(10.99)**
	Other comprehensive income (A + B)		**(88.10)**	**(25.82)**
(XII)	**Total Comprehensive income for the year (X + XI)**		**7,102.38**	**5,953.52**
(XIII)	**Earnings per equity share (face value Rs. 10/- per equity share)**	43		
	(i) Basic (Rs.)		191.63	159.69
	(ii) Diluted (Rs.)		191.02	158.99

See accompanying notes forming an integral part of the Standalone Financial Statements.

CASH FLOW

CONSOLIDATED STATEMENT OF **CASH FLOWS**
FOR THE YEAR ENDED MARCH 31, 2024

CONSOLIDATED ACCOUNTS

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9,960.17	8,213.72
Adjustments for:		
Depreciation, amortisation and impairment	587.60	600.69
Interest on income tax refund	(8.22)	(14.66)
Share based payments to employees	10.47	168.03
Interest income on loans	(33,562.78)	(28,079.03)
Finance costs	15,536.26	12,938.04
Loss/(profit) on sale of property plant and equipments (net)	(1.25)	1.00
Fair value adjustments to investments	0.78	1.85
Impairment on loans	4,512.01	4,132.75
Impairment on investments	35.67	4.70
Impairment on undrawn loan commitment	(5.13)	(0.40)
Impairment on other assets	9.78	32.01
Net (gain)/loss on fair value changes on investment	(193.81)	(397.35)
Net (gain)/loss on fair value changes on direct assignment	49.11	33.55
Net gain on derecognition of financial instruments under amortised cost category	(504.80)	(279.51)
Cash inflow from interest on loans	32,121.39	26,902.11
Cash outflow towards finance costs	(13,633.81)	(11,555.67)
Mortgage guarantee fee written off	0.42	-
Interest income on fair valuation of security deposit & gain on lease concessions and remeasurements	(0.61)	-
Operating profit before working capital changes	**14,913.26**	**12,701.83**
Movements in Working capital:		
Decrease/(increase) in loans	(42,621.20)	(29,538.15)
Decrease/(increase) in investments	(1,859.35)	1,355.72
Decrease/(increase) in receivables	168.03	173.39
Decrease/(increase) in bank deposits	1,387.61	776.09
Decrease/(increase) in other financial assets	40.78	(45.65)
Decrease/(increase) in other non-financial assets	21.77	110.00
Increase/(decrease) in payables	(81.46)	66.16
Increase/(decrease) in other financial liabilities	269.15	(16.15)
Increase/(decrease) in non-financial liabilities	82.85	2.58
Increase/(decrease) other provision	19.65	55.50
Cash used in operations	**(27,658.90)**	**(14,358.68)**
Direct taxes paid (net of refunds)	(3,442.49)	(3,266.57)
Net cash flows from/(used in) operating activities (A)	**(31,101.39)**	**(17,625.25)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(185.41)	(122.94)
Proceeds from sale of property, plant and equipment and intangible assets	5.68	1.65
Purchase of intangible assets under development	-	(66.08)
Purchase of other intangible assets	(80.08)	(7.57)
Proceeds from sale of other intangible assets	-	1.90
Proceeds from sale of investment property	1.60	-
Net cash generated from/(used in) investing activities (B)	**(258.21)**	**(193.04)**

Particulars	Year ended March 31, 2024	(Rs. in crores) Year ended March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	30.46	12.93
Proceeds from Issue of Compulsory Convertible Debentures	397.41	-
Payment for employee stock option plan	-	-
Proceeds/(repayment) on settlement of derivative contracts	338.33	(467.41)
Proceeds from sale of security receipts	3.70	1.76
Increase / (decrease) in Fixed deposits (net)	7,747.81	6,778.56
Amounts received from debt securities	24,346.10	10,054.43
Repayments of debt securities	(23,234.59)	(14,134.87)
Proceeds/(repayment) of subordinated debts	(186.67)	(66.34)
Amounts received from borrowings other than debt securities	81,307.11	64,820.16
Repayments of borrowings other than debt securities	(61,033.62)	(54,415.28)
Payment principal portion of lease liabilities	(231.84)	(154.34)
Payment interest portion of lease liabilities	-	(47.29)
Dividend paid	(1,875.07)	(562.80)
Net cash flows from financing activities (C)	**27,609.12**	**11,819.51**
Net increase in cash and cash equivalents (A+B+C)	(3,750.48)	(5,998.78)
Cash and cash equivalents at the beginning of the year	9,932.84	10,662.44
Cash and bank balances taken over on account of amalgamation	-	5,269.18
Cash and cash equivalents at the end of the period	**6,182.36**	**9,932.84**

Components of cash and cash equivalents	Year ended March 31, 2024	(Rs. in crores) Year ended March 31, 2023
Cash and cash equivalents at the end of the period		
i) Cash on hand	182.95	153.43
ii) Cheques on hand	2.45	4.87
iii) Balances with banks (of the nature of cash and cash equivalents)	3,020.18	4,144.56
iv) Call Money (CBLO)	-	499.72
v) Bank deposit with original maturity upto three months or less	2,976.78	5,130.26
Total	**6,182.36**	**9,932.84**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
See accompanying notes forming an integral part of the Consolidated Financial Statements.

DETAILS

CASH AND CASH EQV

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
9	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	182.95	153.43
	Balances with banks (of the nature of cash and cash equivalents)	3,020.18	4,144.56
	Cheques on hand	2.45	4.87
	Others		
	- Call money (CBLO)	-	499.72
	- Bank deposit with original maturity upto three months or less	2,976.78	5,130.26
	Total	**6,182.36**	**9,932.84**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The Group has not taken bank overdraft, therefore the cash and cash equivalents for cash flow statement is same as cash and for cash equivalents given above.

There is no restriction with regard to cash and cash equivalents as at the end of the financial years March 31, 2024 and March 31, 2023.

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
10	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Unclaimed dividend accounts	10.60	8.63
	Bank deposit with original maturity for more than three months	6.38	481.03
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments*	4,973.46	5,884.45
	Total	**4,990.44**	**6,374.11**

Fixed deposit and other balances with banks earns interest at fixed rate.

DERIVATIVE FINANCIAL INSTRUMENTS

(Rs. in crores)

		As at March 31, 2024				As at March 31, 2023			
Particulars		**Notional Amounts**	**Fair Value - Assets**	**Notional Amounts**	**Fair Value - Liabilities**	**Notional Amounts**	**Fair Value - Assets**	**Notional Amounts**	**Fair Value - Liabilities**
Part I									
(i)	**Currency derivatives:**								
	Spots and forwards	19,632.83	(419.00)	-	-	16,909.59	(193.01)	-	-
	Currency swaps	6,514.26	162.27	-	-	2,715.93	121.65	-	-
	Cross currency interest rate swaps	981.02	269.89	-	-	3,229.67	588.33	-	-
	Sub total (i)	**27,128.11**	**13.16**	**-**	**-**	**22,855.19**	**516.97**	**-**	**-**

(Rs. in crores)

		As at March 31, 2024				As at March 31, 2023			
Particulars		**Notional Amounts**	**Fair Value - Assets**	**Notional Amounts**	**Fair Value - Liabilities**	**Notional Amounts**	**Fair Value - Assets**	**Notional Amounts**	**Fair Value - Liabilities**
(ii)	**Interest rate derivatives:**								
	Interest rate swaps	25,284.06	288.05	-	-	17,230.41	116.65	-	-
	Interest rate caps	700.00	25.27	-	-	-	35.75	-	-
	Sub total (ii)	**25,984.06**	**313.32**	**-**	**-**	**17,230.41**	**152.40**	**-**	**-**
Total Derivative financial instruments (i)+(ii)		**53,112.17**	**326.48**	**-**	**-**	**40,085.60**	**669.37**	**-**	**-**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Cash flow hedging:								
	Currency derivatives	27,128.11	13.16	-	-	22,855.19	516.97	-	-
	Interest rate derivatives	25,984.06	313.32	-	-	17,230.41	152.40	-	-
Total Derivative financial instruments		**53,112.17**	**326.48**	**-**	**-**	**40,085.60**	**669.37**	**-**	**-**

DETAILS

1. Currency Derivatives (Part I - i)

Currency derivatives are financial instruments that derive their value from an underlying currency pair. These are typically used to hedge against foreign exchange risks or speculate on currency movements.

Subcategories:

- **Spots and Forwards:**
  - **Spots** are agreements to exchange currencies at the current exchange rate, settled immediately (typically within two business days).
  - **Forwards** are contracts to exchange currencies at a predetermined rate on a future date, often used to lock in exchange rates for future payments.
  - **Example:** If Shriram Finance expects a future payment in USD but operates in INR, it may enter a forward contract to lock in a specific exchange rate to avoid currency fluctuation risk.
- **Currency Swaps:**
  - Agreements to exchange principal and interest payments in one currency for principal and interest in another currency over a set period.
  - **Example:** Shriram Finance may borrow USD at a lower interest rate, then use a currency swap to pay in INR, effectively reducing borrowing costs.
- **Cross-Currency Interest Rate Swaps:**
  - Combines currency swaps with interest rate swaps, allowing the exchange of principal and interest payments in different currencies.
  - **Example:** If Shriram Finance borrows in USD at a fixed rate but prefers INR at a floating rate, it can use this instrument.

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2. Interest Rate Derivatives (Part I - ii)

Interest rate derivatives are contracts based on interest rate movements. They help manage risks related to changes in interest rates, which can affect borrowing costs or investment returns.

Subcategories:

- **Interest Rate Swaps:**
  - Contracts where two parties exchange interest rate payments, typically swapping a fixed rate for a floating rate (or vice versa).
  - **Example:** If Shriram Finance has a loan with a floating interest rate, it can swap it for a fixed rate to avoid uncertainty from rate fluctuations.

- **Interest Rate Caps:**
    - These set a maximum limit on the interest rate payable on a loan, protecting against rate increases.
    - **Example:** Shriram Finance may use an interest rate cap to ensure its borrowing costs don't exceed a certain level, even if market rates rise.

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3. Total Derivative Financial Instruments (i + ii)

This is the sum of currency and interest rate derivatives, representing the total exposure or hedging activity through derivatives.

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4. Cash Flow Hedging (Part II)

This section highlights derivatives used specifically for hedging cash flow risks.

- **Currency Derivatives:**
  Used to hedge against variability in cash flows due to currency exchange rate changes.
    - **Example:** Protecting future revenue from exports or payments for imports in foreign currency.
- **Interest Rate Derivatives:**
  Used to stabilize cash flows from interest payments on loans or investments.
    - **Example:** Locking in predictable interest payments on floating-rate loans through swaps.

Importance of These Derivatives in NBFCs:

1. **Risk Management:**
   These derivatives allow NBFCs to mitigate risks from fluctuating exchange rates and interest rates, which could impact their profitability.
2. **Cost Efficiency:**
   Derivatives like swaps can lower borrowing costs or provide predictable payment structures, improving financial stability.
3. **Compliance:**
   Regulatory bodies often require NBFCs to manage financial risks prudently. Derivatives play a crucial role in meeting these standards.

RECEIVABLES

12 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	51.63	17.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Gross carrying amount	**51.63**	**17.00**
Less: Allowances for impairment loss on trade receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on trade receivables which have significant increase in credit risk	-	-
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	**51.63**	**17.00**

The Group's impairment assessment and measurement approach for trade receivables is mentioned at Note 7.1.(ix) of material accounting policies.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

There are no dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member.

DETAILS

I. Statutory Reserve

- **What It Is:** A reserve mandated by the Reserve Bank of India (RBI) under Section 17(1) of the Banking Regulation Act. A fixed percentage of the bank's net profit (e.g., 25%) is transferred here annually.
- **Purpose:** Strengthens the financial stability of the bank and ensures compliance with RBI regulations.
- **Example:** If ICICI Bank's profit is ₹10,000 crores, ₹2,500 crores might be added to the statutory reserve.

II. Special Reserve

- **What It Is:** A reserve created to fulfill specific statutory or tax-related obligations under the Income Tax Act or other laws.
- **Purpose:** Helps the bank claim certain tax benefits or manage risk.
- **Example:** A special reserve might be set up for deferred tax liabilities or provisioning for unexpected losses.

III. Securities Premium

- **What It Is:** The amount received over and above the face value of shares issued by the bank.

- **Purpose:** Used for specific purposes like issuing bonus shares, writing off preliminary expenses, or redemption of preference shares.
- **Example:** If ICICI issues shares with a face value of ₹10 at ₹15, the ₹5 premium per share is added to this account

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IV. Investment Reserve Account

- **What It Is:** A reserve created to account for unrealized gains on investments.
- **Purpose:** Ensures that the bank maintains financial stability despite market fluctuations.
- **Example:** If ICICI Bank earns unrealized gains on government securities, they are added to this reserve.

V. Investment Fluctuation Reserve

- **What It Is:** A reserve created to absorb potential losses due to fluctuations in investment values.
- **Purpose:** Protects the bank from adverse market movements in investments.
- **Example:** If bond yields rise and ICICI faces unrealized losses, this reserve cushions the impact.

Aspect	Investment Reserve Account	Investment Fluctuation Reserve
Nature	Accounts for unrealized gains	Protects against unrealized losses
Source	Gains from investments	Profits retained to buffer against future losses
Regulatory Mandate	May or may not be mandated by regulatory bodies	Usually mandated by regulatory bodies like RBI
Usage	Captures gains but is not intended for absorbing losses	Specifically earmarked to absorb losses from market fluctuations
Example Scenario	Unrealized gain of ₹500 crores from government bonds	Loss of ₹300 crores from rising bond yields

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VI. Capital Reserve

- **What It Is:** A reserve created out of non-operating income, such as profits from the sale of fixed assets or investments.
- **Purpose:** Used for purposes like issuing bonus shares or writing off capital expenses.
- **Example:** If ICICI sells an old branch property and earns a profit, the amount is transferred to this reserve.

VII. Capital Redemption Reserve

- **What It Is:** A reserve created when the bank redeems its preference shares.
- **Purpose:** Ensures funds are set aside for redeeming preference shares.
- **Example:** If ICICI redeems ₹100 crores worth of preference shares, an equivalent amount is added to this reserve.

VIII. Foreign Currency Translation Reserve

- **What It Is:** A reserve created to account for changes in the value of foreign currency-denominated assets and liabilities due to exchange rate fluctuations.
- **Purpose:** Helps manage currency risk.
- **Example:** If ICICI holds a loan denominated in USD and the exchange rate fluctuates, the impact is recorded here.

IX. Revaluation Reserve

- **What It Is:** A reserve created when the bank revalues its fixed assets or investments.
- **Purpose:** Reflects an increase in the value of the bank's assets without realizing a gain.
- **Example:** If ICICI revalues a property it owns, the upward revision in its value is added here.

X. Revenue and Other Reserves

- **What It Is:** General reserves for future contingencies or business expansion.
- **Purpose:** Serves as a buffer for unforeseen circumstances or reinvestment in the business.
- **Example:** A portion of profits not specifically allocated to other reserves may be added here.

XI. Balance in Profit and Loss Account

- **What It Is:** Retained earnings or profits carried forward from previous years and the current year's surplus after dividend payouts.
- **Purpose:** Reflects the amount available for reinvestment or distribution to shareholders.
- **Example:** If ICICI earns ₹10,000 crores in profit and distributes ₹2,000 crores as dividends, ₹8,000 crores may remain in this account.

SCHEDULE 3 AND 4

₹ in '000s

			At 31.03.2024	At 31.03.2023
SCHEDULE 3 - DEPOSITS				
A.	**I.**	Demand deposits		
		i) From banks	**47,943,206**	49,917,686
		ii) From others	**1,887,779,486**	1,564,941,951
	II.	Savings bank deposits	**4,022,998,921**	3,797,758,853
	III.	Term deposits		
		i) From banks	**208,627,693**	113,475,314
		ii) From others	**7,960,900,207**	6,282,313,168
TOTAL DEPOSITS			**14,128,249,513**	**11,808,406,972**
B.	**I.**	Deposits of branches in India	**13,976,772,353**	11,660,582,193
	II.	Deposits of branches outside India	**151,477,160**	147,824,779
TOTAL DEPOSITS			**14,128,249,513**	**11,808,406,972**

₹ in '000s

			At 31.03.2024	At 31.03.2023
SCHEDULE 4 - BORROWINGS				
I.	**Borrowings in India**			
	i)	Reserve Bank of India[1]	**-**	-
	ii)	Other banks	**20,851,250**	-
	iii)	Financial institutions[2]	**387,143,200**	355,946,900
	iv)	Borrowings in the form of bonds and debentures (excluding subordinated debt)	**461,120,224**	460,418,579
	v)	Capital instruments		
		a) Innovative Perpetual Debt Instruments (IPDI) (qualifying as additional Tier 1 capital)	**-**	51,400,000
		b) Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**28,497,430**	31,409,320
TOTAL BORROWINGS IN INDIA			**897,612,104**	**899,174,799**
II.	**Borrowings outside India**			
	i)	Bonds and notes	**133,372,570**	131,367,581
	ii)	Other borrowings	**218,691,105**	162,712,556
TOTAL BORROWINGS OUTSIDE INDIA			**352,063,675**	**294,080,137**
TOTAL BORROWINGS			**1,249,675,779**	**1,193,254,936**

1. *Represents borrowings made under Liquidity Adjustment Facility (LAF).*
2. *Includes borrowings made under repo and refinance.*
3. *Secured borrowings in I and II above amount to Nil (March 31, 2023: Nil) and no borrowings made under market repurchase transactions (including tri-party repo) with banks and financial institutions and transactions under liquidity adjustment facility and marginal standing facility (March 31, 2023: Nil)*

DETAILS

Schedule 3 - Deposits

Deposits are the primary source of funding for a bank and form a significant liability on the balance sheet. They are classified into different categories based on their nature and source.

A. Types of Deposits

I. Demand Deposits

- **What It Is:** Deposits that can be withdrawn on demand without prior notice.
- **Examples:** Current accounts, balances in accounts without fixed tenure.
- **Subcategories:**
    1. **From Banks:** Deposits received from other banks.
        - **Example:** ICICI receives ₹500 crores in interbank deposits as part of its daily operations.
    2. **From Others:** Deposits from non-banking customers (individuals or corporates).
        - **Example:** ₹10,000 crores in current account balances from businesses.

II. Savings Bank Deposits

- **What It Is:** Deposits in savings accounts, which earn interest at a regulated or market rate.
- **Purpose:** Encourage savings from retail customers and provide a stable source of funds for the bank.
- **Example:** ₹15,000 crores in savings account balances from individuals earning 3.5% interest annually.

III. Term Deposits

- **What It Is:** Deposits held for a fixed term and cannot be withdrawn before maturity without a penalty.
- **Subcategories:**
    1. **From Banks:** Fixed deposits placed by other banks.
        - **Example:** ICICI receives ₹1,000 crores as fixed deposits from smaller cooperative banks.
    2. **From Others:** Fixed deposits from retail and corporate customers.
        - **Example:** ₹25,000 crores in fixed deposits from individuals and companies.

B. Geographic Distribution of Deposits

I. Deposits of Branches in India

- **What It Is:** Deposits collected by ICICI's domestic branches within India.
- **Example:** ₹30,000 crores collected from customers across its branches nationwide.

II. Deposits of Branches Outside India

- **What It Is:** Deposits collected by ICICI's international branches or operations.
- **Example:** ₹5,000 crores collected by ICICI's branches in Dubai, London, or Singapore.

Schedule 4 - Borrowings

Borrowings represent the funds a bank raises from external sources, such as the Reserve Bank of India (RBI), other banks, financial institutions, or through instruments like bonds and debentures. Borrowings are used to manage liquidity, fund operations, or meet regulatory capital requirements.

I. Borrowings in India

i) Reserve Bank of India (RBI):

- **What It Is:** Funds borrowed from the RBI, often through repo transactions or standing liquidity facilities.
- **Purpose:** Used for short-term liquidity needs or regulatory adjustments.
- **Example:** ICICI borrows ₹10,000 crores from the RBI using government securities as collateral in a repo transaction.

ii) Other Banks:

- **What It Is:** Borrowings from other commercial or cooperative banks.
- **Purpose:** Short-term interbank borrowings to meet operational liquidity needs.
- **Example:** ICICI borrows ₹5,000 crores from a smaller private bank for daily settlement requirements.

iii) Financial Institutions:

- **What It Is:** Borrowings from development financial institutions (DFIs) or non-banking financial institutions (NBFCs).
- **Purpose:** Long-term financing for specific purposes, such as project loans.

- **Example:** ICICI raises funds from NABARD to finance agricultural projects.

iv) Borrowings in the Form of Bonds and Debentures (Excluding Subordinated Debt):

- **What It Is:** Funds raised by issuing bonds and debentures to institutional investors or the public.
- **Purpose:** Long-term borrowing for capital and asset funding.
- **Example:** ICICI issues ₹15,000 crores in non-convertible debentures (NCDs) for infrastructure funding.

v) Capital Instruments:

- **a) Innovative Perpetual Debt Instruments (IPDI):**
  - **What It Is:** Instruments qualifying as Tier 1 capital under Basel norms.
  - **Purpose:** Strengthens core capital while allowing flexibility in repayments.
  - **Example:** ICICI raises ₹3,000 crores through IPDI, which doesn't require mandatory repayment.
- **b) Unsecured Redeemable Debentures/Bonds (Subordinated Debt):**
  - **What It Is:** Subordinated debt included in Tier 2 capital.
  - **Purpose:** Enhances overall capital adequacy while being subordinate to senior obligations.
  - **Example:** ICICI raises ₹2,000 crores in subordinated bonds qualifying as Tier 2 capital.

II. Borrowings Outside India

i) Bonds and Notes:

- **What It Is:** Funds raised by issuing bonds and notes in foreign markets.
- **Purpose:** Long-term borrowing to diversify funding sources and access international markets.
- **Example:** ICICI issues $500 million bonds in the international market.

ii) Other Borrowings:

- **What It Is:** Loans or other credit facilities availed from foreign banks or institutions.
- **Purpose:** Short-term or long-term borrowings for foreign operations or trade financing.
- **Example:** ICICI secures a loan of $200 million from a foreign financial institution.

Significance of Deposits

1. **Funding Loans:** Deposits are the primary source of funds for the bank to issue loans and generate interest income.

2. **Stability:** A higher proportion of savings and term deposits ensures stability and reduces liquidity risk.

3. **Cost of Funds:** The interest rate paid on deposits determines the bank's overall cost of funds.

Significance of Borrowings

1. **Liquidity Management:** Provides funds to meet short-term and long-term needs.

2. **Capital Adequacy:** Helps the bank comply with Basel III norms by raising Tier 1 and Tier 2 capital.

3. **Cost of Funds:** Borrowings typically incur a cost, impacting the net interest margin (NIM)

₹ in '000s

	At 31.03.2024	At 31.03.2023
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**126,731,523**	134,783,012
II. Inter-office adjustments (net)	**420,905**	3,228,016
III. Interest accrued	**34,150,501**	30,423,631
IV. Sundry creditors	**197,250,382**	167,703,280
V. General provision for standard assets (refer note 18.20)	**58,631,606**	47,022,362
VI. Unrealised loss on foreign exchange and derivative contracts[1]	**173,575,855**	178,698,973
VII. Others (including provisions)[2]	**362,466,486**	271,391,562
TOTAL OTHER LIABILITIES AND PROVISIONS	**953,227,258**	**833,250,836**

1. *Gross unrealised gain on foreign exchange and derivative contracts is disclosed under Schedule 11 - Other assets.*

2. *Includes contingency provision amounting to ₹ 131,000.0 million (March 31, 2023: ₹ 131,000.0 million) and specific provision for standard loans amounting to ₹ 9,795.3 million (March 31, 2023: ₹ 14,946.9 million).*

₹ in '000s

	At 31.03.2024	At 31.03.2023
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	**87,516,682**	85,594,376
II. Balances with Reserve Bank of India		
(a) in current account	**625,010,278**	480,247,345
(b) in other accounts[1]	**184,590,000**	119,420,000
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA	**897,116,960**	**685,261,721**

1. *Represents lending under Liquidity Adjustment Facility (LAF) and Standing Deposit Facility (SDF).*

₹ in '000s

	At 31.03.2024	At 31.03.2023
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In current accounts	**84,825**	1,161,580
b) In other deposit accounts	**1,185,000**	39,768,173
ii) Money at call and short notice		
a) With banks	**4,170,250**	8,217,000
b) With other institutions[1]	**122,517,010**	6,000,000
TOTAL	**127,957,085**	**55,146,753**
II. Outside India		
i) In current accounts	**200,907,593**	283,001,318
ii) In other deposit accounts	**80,071,639**	26,708,047
iii) Money at call and short notice	**93,206,803**	144,264,884
TOTAL	**374,186,035**	**453,974,249**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**502,143,120**	**509,121,002**

1. *Includes lending under reverse repo.*

DETAILS

SCHEDULE 5 – Other liabilities and Provisions

This schedule includes miscellaneous liabilities and provisions the bank maintains for its operational, regulatory, and financial obligations.

I. Bills Payable

- **What It Is:** Amounts payable on demand to customers or counterparties for bills of exchange, demand drafts, or other negotiable instruments issued by the bank.
- **Purpose:** Represents liabilities until the customer or payee collects the amount.
- **Example:** ICICI issues a demand draft for ₹1,000, and the payee has yet to encash it.

II. Inter-Office Adjustments (Net)

- **What It Is:** Amounts due between various branches of the bank that are yet to be settled.
- **Purpose:** Tracks intra-bank transactions until reconciled.
- **Example:** A fund transfer initiated at one branch but not yet recorded at the receiving branch.

III. Interest Accrued

- **What It Is:** Interest payable on deposits, borrowings, or other liabilities that has accrued but not yet been paid.
- **Purpose:** Ensures accurate reporting of liabilities for financial expenses.
- **Example:** ICICI accrues ₹500 crores in interest payable on term deposits but has not yet disbursed it.

IV. Sundry Creditors

- **What It Is:** Liabilities for payments due to suppliers, contractors, or other entities for goods or services.
- **Purpose:** Manages operational payables.
- **Example:** ₹100 crores payable to a vendor for IT infrastructure services.

V. General Provision for Standard Assets

- **What It Is:** Provisions set aside as a percentage of performing (standard) loans to cover unforeseen risks, as mandated by RBI.
- **Purpose:** Ensures financial resilience against future loan defaults.

- **Example:** ICICI creates a provision of 0.4% on its ₹1,00,000 crores standard loan portfolio, amounting to ₹400 crores.

VI. Unrealized Loss on Foreign Exchange and Derivative Contracts

- **What It Is:** Mark-to-market (MTM) losses on outstanding foreign exchange or derivative contracts that have not been settled.
- **Purpose:** Reflects potential losses due to currency or market fluctuations.
- **Example:** ICICI has an unrealized loss of ₹200 crores due to a weakening rupee affecting its foreign exchange forward contracts.

VII. Others (Including Provisions)

- **What It Is:** Miscellaneous liabilities and provisions not categorized elsewhere, including litigation reserves, employee benefits, or tax-related provisions.
- **Purpose:** Covers additional liabilities or contingencies.
- **Example:** ICICI sets aside ₹150 crores for pending legal disputes.

Significance

1. **Operational Obligations:** Ensures the bank meets its commitments to stakeholders.
2. **Risk Management:** Provisions strengthen the bank's ability to absorb potential losses.
3. **Regulatory Compliance:** Maintains required reserves and provisions as per RBI norms.

SCHEDULE 6 – Cash and Balances with Reserve Bank

This schedule captures the most liquid assets held by the bank to ensure daily operational liquidity and compliance with regulatory requirements

I. Cash in Hand (Including Foreign Currency Notes)

- **What It Is:** The physical cash held by the bank at its branches and ATMs, including foreign currency notes.
- **Purpose:** Provides immediate liquidity for customer withdrawals and day-to-day operations.
- **Example:** ICICI Bank holds ₹500 crores in cash at its branches and ₹100 crores in foreign currency notes.

II. Balances with Reserve Bank of India (RBI)

a) In Current Account

- **What It Is:** Balances maintained with the RBI in current accounts.
- **Purpose:** Ensures liquidity for interbank settlements and regulatory compliance, such as maintaining the **Cash Reserve Ratio (CRR)**.
- **Example:** ICICI maintains ₹10,000 crores in its RBI current account to fulfill CRR requirements.

b) In Other Accounts

- **What It Is:** Other balances held with the RBI, such as special accounts or additional reserves.
- **Purpose:** May include excess funds held beyond the CRR to manage unforeseen liquidity needs.
- **Example:** ₹2,000 crores are held by ICICI in a surplus liquidity account with the RBI.

<u>SCHEDULE 7</u> – Balances with Bank and money at call

This schedule highlights the bank's short-term liquid funds, including balances with other banks and funds lent in the interbank money market. These assets are critical for liquidity management and regulatory compliance.

I. In India

1. **i) Balances with Banks**
   - **a) In Current Accounts:**
     - **What It Is:** Funds held by ICICI Bank in current accounts with other banks.
     - **Purpose:** Used for operational transactions and short-term liquidity.
     - **Example:** ICICI holds ₹1,000 crores in its current account with a corresponding bank.
   - **b) In Other Deposit Accounts:**
     - **What It Is:** Deposits held with banks that are not current accounts, like fixed or recurring deposits.
     - **Purpose:** Earns interest while maintaining short-term liquidity.
     - **Example:** ICICI places ₹500 crores in a fixed deposit with another bank.
2. **ii) Money at Call and Short Notice**
   - **a) With Banks:**
     - **What It Is:** Very short-term loans (call money) given to other banks, typically repayable on demand or within 14 days.

        - **Purpose:** Provides liquidity to the borrowing bank while earning interest for ICICI.
        - **Example:** ICICI lends ₹2,000 crores to a smaller private bank in the call money market.
    - **b) With Other Institutions:**
        - **What It Is:** Short-term loans to non-banking institutions or financial institutions.
        - **Purpose:** Diversifies short-term lending while earning interest.
        - **Example:** ICICI lends ₹1,000 crores to an NBFC for 7 days.

II. Outside India

1. **i) In Current Accounts:**
    - **What It Is:** Funds held by ICICI Bank in current accounts with foreign banks.
    - **Purpose:** Facilitates international operations and settlements.
    - **Example:** ICICI holds $50 million in a current account with a U.S.-based bank.
2. **ii) In Other Deposit Accounts:**
    - **What It Is:** Deposits placed with foreign banks in fixed or other accounts.
    - **Purpose:** Earns interest on surplus foreign currency balances.
    - **Example:** ICICI places $20 million in a time deposit with a European bank.
3. **iii) Money at Call and Short Notice:**
    - **What It Is:** Short-term funds lent to foreign banks or institutions.
    - **Purpose:** Enhances liquidity management in international markets.
    - **Example:** ICICI lends $10 million to an overseas bank for 3 days.

Significance

1. **Liquidity Management:** Ensures funds are available for immediate needs or short-term lending opportunities. Provides immediate access to funds for withdrawals, settlements, and cash management.
2. **Interest Income:** Short-term placements and call loans earn interest, contributing to profitability.
3. **Regulatory Compliance:** Helps meet liquidity coverage ratio (LCR) and other regulatory requirements. Banks are mandated by the RBI to maintain a percentage of their deposits as CRR.
4. **Risk Mitigation:** Ensures the bank has sufficient liquid assets to handle unexpected demands or shocks.

₹ in '000s	At 31.03.2024	At 31.03.2023
SCHEDULE 8 - INVESTMENTS		
I. Investments in India [net of provisions]		
i) Government securities	**3,755,955,316**	3,057,772,845
ii) Other approved securities	**-**	-
iii) Shares (includes equity and preference shares)	**26,796,577**	21,711,915
iv) Debentures and bonds (including commercial paper and certificate of deposits)	**472,649,378**	288,094,031
v) Subsidiaries and/or joint ventures	**97,153,369**	68,914,088
vi) Others (mutual fund units, pass through certificates, security receipts, and other related investments)	**190,131,026**	105,787,007
TOTAL INVESTMENTS IN INDIA	**4,542,685,666**	**3,542,279,886**
II. Investments outside India [net of provisions]		
i) Government securities	**39,849,260**	42,389,373
ii) Subsidiaries and/or joint ventures abroad (includes equity and preference shares)	**19,698,901**	19,698,901
iii) Others (equity shares, bonds and certificate of deposits)	**17,188,895**	18,929,195
TOTAL INVESTMENTS OUTSIDE INDIA	**76,737,056**	**81,017,469**
TOTAL INVESTMENTS	**4,619,422,722**	**3,623,297,355**
A. Investments in India		
Gross value of investments	**4,602,653,199**	3,599,811,662
Less: Aggregate of provision/depreciation/(appreciation)	**59,967,533**	57,531,776
Net investments	**4,542,685,666**	**3,542,279,886**
B. Investments outside India		
Gross value of investments	**80,601,949**	85,062,773
Less: Aggregate of provision/depreciation/(appreciation)	**3,864,893**	4,045,304
Net investments	**76,737,056**	**81,017,469**
TOTAL INVESTMENTS	**4,619,422,722**	**3,623,297,355**

DETAILS

Schedule 8 - Investments

This schedule highlights the bank's investments in various securities, both in India and abroad. Investments are a key component of a bank's asset portfolio, generating income and fulfilling statutory requirements.

I. Investments in India [Net of Provisions]

i) Government Securities:

- **What It Is:** Investments in government bonds or treasury bills, which are considered risk-free.
- **Purpose:** Ensures compliance with the Statutory Liquidity Ratio (SLR) requirement and earns interest.

- **Example:** ICICI invests ₹50,000 crores in G-Secs to meet regulatory SLR obligations.

ii) Other Approved Securities:

- **What It Is:** Investments in securities approved by regulators, apart from government securities.
- **Purpose:** Diversifies the portfolio while adhering to regulatory standards.
- **Example:** Approved securities like state government bonds.

iii) Shares (Includes Equity and Preference Shares):

- **What It Is:** Investments in shares of companies, either for strategic purposes or to earn returns.
- **Purpose:** Generates capital gains or dividend income.
- **Example:** ICICI holds equity shares in a blue-chip company worth ₹5,000 crores.

iv) Debentures and Bonds (Including Commercial Paper and Certificates of Deposit):

- **What It Is:** Fixed-income investments issued by corporates, financial institutions, or banks.
- **Purpose:** Provides stable income through interest.
- **Example:** ₹10,000 crores invested in corporate bonds and ₹2,000 crores in certificates of deposit.

v) Subsidiaries and/or Joint Ventures:

- **What It Is:** Investments in companies or projects where the bank holds a stake.
- **Purpose:** Supports strategic business growth.
- **Example:** ICICI invests in its subsidiaries or joint ventures, such as ICICI Prudential.

vi) Others (Mutual Fund Units, Pass-Through Certificates, Security Receipts, and Other Related Investments):

- **What It Is:** Investments in mutual funds, securitized assets, or other financial instruments.
- **Purpose:** Diversifies income sources.
- **Example:** ₹3,000 crores invested in mutual fund units.

II. Investments Outside India [Net of Provisions]

i) Government Securities:

- **What It Is:** Investments in foreign government securities.
- **Purpose:** Maintains liquidity and earns returns in international markets.

- **Example:** ICICI invests $100 million in U.S. treasury bonds.

ii) Subsidiaries and/or Joint Ventures Abroad:

- **What It Is:** Investments in entities outside India, either wholly owned or through partnerships.
- **Purpose:** Expands global operations.
- **Example:** ICICI invests in its international subsidiary in Singapore.

iii) Others (Equity Shares, Bonds, and Certificates of Deposits):

- **What It Is:** Investments in foreign corporate bonds, equities, or deposit instruments.
- **Purpose:** Diversifies international portfolio.
- **Example:** ICICI holds $50 million in bonds issued by a multinational corporation.

TOTAL INVESTMENTS

A. Investments in India

1. **Gross Value of Investments:**
    - The total amount invested in securities before any provisions or depreciation.
2. **Less: Aggregate of Provisions/Depreciation/(Appreciation):**
    - Provisions for impaired investments or adjustments for depreciation.
3. **Net Investments:**
    - The value of investments after deducting provisions or adjustments.

B. Investments Outside India

1. **Gross Value of Investments:**
    - Total investments in international securities before provisions.
2. **Less: Aggregate of Provisions/Depreciation/(Appreciation):**
    - Adjustments for international investments.
3. **Net Investments:**
    - The final value of investments outside India after accounting for adjustments.

Significance

1. **Income Generation:** Investments provide stable returns through interest, dividends, and capital gains.
2. **Regulatory Compliance:** Investments in government securities ensure adherence to SLR and other requirements.
3. **Portfolio Diversification:** Investments across geographies and asset classes reduce risk.
4. **Capital Allocation:** Strategic investments in subsidiaries and joint ventures support business

₹ in 000s

			At 31.03.2024	At 31.03.2023
SCHEDULE 9 - ADVANCES [net of provisions]				
A.	i)	Bills purchased and discounted[1]	**495,231,226**	495,756,534
	ii)	Cash credits, overdrafts and loans repayable on demand	**3,438,535,695**	2,799,818,550
	iii)	Term loans	**7,910,296,973**	6,900,807,969
TOTAL ADVANCES			**11,844,063,894**	**10,196,383,053**
B.	i)	Secured by tangible assets (includes advances against book debts)	**8,309,588,182**	7,123,779,285
	ii)	Covered by bank/government guarantees	**85,833,280**	153,940,219
	iii)	Unsecured	**3,448,642,432**	2,918,663,549
TOTAL ADVANCES			**11,844,063,894**	**10,196,383,053**
C.	**I.**	**Advances in India**		
	i)	Priority sector	**3,739,060,521**	2,807,812,582
	ii)	Public sector	**510,801,139**	516,152,443
	iii)	Banks	**16,359,843**	7,698,171
	iv)	Others	**7,243,335,298**	6,523,615,093
TOTAL ADVANCES IN INDIA			**11,509,556,801**	**9,855,278,289**
	II.	**Advances outside India**		
		i) Due from banks	**-**	-
		ii) Due from others		
		a) Bills purchased and discounted	**112,888,198**	151,133,779
		b) Syndicated and term loans	**107,091,606**	101,434,591
		c) Others	**114,527,289**	88,536,394
TOTAL ADVANCES OUTSIDE INDIA			**334,507,093**	**341,104,764**
TOTAL ADVANCES			**11,844,063,894**	**10,196,383,053**

1. Net of bills re-discounted amounting to ₹ 5,000.0 million (March 31, 2023: ₹ 10,000.0 million).

DETAILS

Schedule 9 - Advances

This schedule represents the loans and advances extended by the bank to customers, banks, and other institutions, net of provisions for doubtful debts. Advances are a major component of a bank's assets and a significant source of income.

A. Types of Advances

i) Bills Purchased and Discounted:

- **What It Is:** Loans provided by purchasing or discounting bills of exchange or promissory notes before their maturity.
- **Purpose:** Provides liquidity to businesses by advancing funds against trade receivables.
- **Example:** ICICI purchases a ₹500 crore bill of exchange from a corporate client and discounts it for immediate cash.

ii) Cash Credits, Overdrafts, and Loans Repayable on Demand:

- **What It Is:** Short-term credit facilities provided to businesses and individuals, allowing them to overdraw their accounts up to a sanctioned limit.
- **Purpose:** Helps meet working capital needs.
- **Example:** ICICI provides an overdraft limit of ₹1,000 crores to a corporate client.

iii) Term Loans:

- **What It Is:** Loans provided for a fixed period, often for capital expenditures or long-term needs.
- **Purpose:** Funds large investments like machinery, real estate, or infrastructure.
- **Example:** ICICI lends ₹10,000 crores as a term loan to finance a power project.

B. Secured and Unsecured Advances

i) Secured by Tangible Assets:

- **What It Is:** Advances backed by collateral, such as real estate, machinery, or inventory.
- **Purpose:** Reduces risk for the bank in case of default.
- **Example:** ICICI provides a ₹2,000 crore loan secured by a factory building.

ii) Covered by Bank/Government Guarantees:

- **What It Is:** Advances backed by guarantees from banks or the government.
- **Purpose:** Ensures repayment even if the borrower defaults.
- **Example:** A ₹500 crore loan to an MSME covered under a government credit guarantee scheme.

iii) Unsecured:

- **What It Is:** Advances without any collateral.

- **Purpose:** Higher risk loans given based on the borrower's creditworthiness.
- **Example:** ICICI provides a ₹1,000 crore personal loan to salaried individuals.

C. Geographic Distribution of Advances

I. Advances in India

1. **i) Priority Sector:**
    - **What It Is:** Advances to sectors identified as priorities by the RBI, such as agriculture, MSMEs, and education.
    - **Purpose:** Ensures financial inclusion and economic development.
    - **Example:** ICICI provides ₹1,000 crores in loans to farmers under the Kisan Credit Card scheme.
2. **ii) Public Sector:**
    - **What It Is:** Loans to government-owned entities or public sector undertakings (PSUs).
    - **Purpose:** Funds large infrastructure or development projects.
    - **Example:** ICICI lends ₹5,000 crores to a PSU for building highways.
3. **iii) Banks:**
    - **What It Is:** Loans or advances to other banks.
    - **Purpose:** Interbank lending for liquidity management.
    - **Example:** ICICI lends ₹2,000 crores to a smaller bank.
4. **iv) Others:**
    - **What It Is:** Advances to entities not covered under the above categories.
    - **Example:** ₹3,000 crores in loans to retail borrowers for home loans and car loans.

II. Advances Outside India

1. **i) Due from Banks:**
    - **What It Is:** Loans or advances provided to foreign banks.
    - **Purpose:** Supports international liquidity needs.
    - **Example:** ICICI lends $50 million to a foreign bank for short-term financing.

2. **ii) Due from Others:**
    - **a) Bills Purchased and Discounted:** Similar to domestic bills but for foreign trade.
        - **Example:** ICICI discounts a $10 million export bill for a corporate client.
    - **b) Syndicated and Term Loans:** Loans jointly financed by multiple banks.
        - **Example:** ICICI participates in a $500 million syndicated loan for a multinational corporation.
    - **c) Others:** Other advances to entities abroad.
        - **Example:** $20 million loan to an overseas retail client.

Significance

1. **Revenue Generation:** Advances are the primary source of interest income for banks.
2. **Risk Management:** Categorization into secured, unsecured, and guaranteed loans helps manage credit risk.
3. **Regulatory Compliance:** Priority sector lending ensures adherence to RBI guidelines.
4. **Economic Growth:** Loans and advances drive business and infrastructure development.

		₹ in '000s
	At 31.03.2024	**At 31.03.2023**
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
Gross block		
At cost at March 31 of preceding year	**81,224,390**	81,486,941
Additions during the year[1]	**4,367,362**	2,401,505
Deductions during the year	**(805,718)**	(2,664,056)
Closing balance	**84,786,034**	**81,224,390**
Depreciation		
At March 31 of preceding year	**21,887,776**	20,180,009
Charge during the year[2]	**2,569,852**	2,154,851
Deductions during the year	**(500,864)**	(447,084)
Total depreciation	**23,956,764**	**21,887,776**
Net block[3]	**60,829,270**	**59,336,614**
II. Other fixed assets (including furniture and fixtures)		
Gross block		
At cost at March 31 of preceding year	**98,422,944**	88,772,438
Additions during the year	**25,274,036**	15,409,102
Deductions during the year	**(3,554,179)**	(5,758,596)
Closing balance	**120,142,801**	**98,422,944**
Depreciation		
At March 31 of preceding year	**64,827,902**	59,595,871
Charge during the year	**13,857,226**	10,893,499
Deductions during the year	**(3,445,233)**	(5,661,468)
Total depreciation	**75,239,895**	**64,827,902**
Net block	**44,902,906**	**33,595,042**
III. Lease assets		
Gross block		
At cost at March 31 of preceding year	**17,902,406**	17,890,746
Additions during the year	**531**	11,660
Deductions during the year	**(2,650)**	-
Closing balance[4]	**17,900,287**	**17,902,406**
Depreciation		
At March 31 of preceding year	**14,835,650**	14,636,086
Charge during the year	**199,375**	199,564
Deductions during the year	**(965)**	-
Total depreciation, accumulated lease adjustment and provisions	**15,034,060**	**14,835,650**
Net block	**2,866,227**	**3,066,756**
TOTAL FIXED ASSETS	**108,598,403**	**95,998,412**

1. *Includes revaluation gain amounting to ₹ 1,174.5 million (March 31, 2023: ₹ 839.5 million) on account of revaluation carried out by the Bank.*
2. *Includes depreciation charge on account of revaluation amounting to ₹ 806.9 million for the year ended March 31, 2024 (year ended March 31, 2023: ₹ 748.4 million).*
3. *Includes assets amounting to ₹ 8.8 million (March 31, 2023: ₹ 428.8 million) which are held for sale.*
4. *Includes assets taken on lease amounting to ₹ 1,185.7 million (March 31, 2023: ₹ 1,187.8 million).*

DETAILS

<u>Schedule 10</u> – Fixed Assets

This schedule provides details of the bank's tangible and intangible fixed assets, such as premises, furniture, fixtures, and lease assets. Fixed assets are essential for a bank's operational infrastructure and are recorded net of depreciation.

I. Premises

1. Gross Block

- **What It Is:** The total cost of the premises owned by the bank, including improvements, recorded at historical cost.
- **Components:**
  - **At Cost at March 31 of Preceding Year:** The opening balance of the gross block at the start of the financial year.
  - **Additions During the Year:** New purchases, construction, or improvements made to premises.
  - **Deductions During the Year:** Sales or disposals of premises during the year.
- **Closing Balance Formula:** Closing Balance=Opening Balance+Additions−Deductions
- **Example:** If ICICI's premises cost ₹1,000 crores, and ₹200 crores were added while ₹100 crores were sold, the closing balance would be ₹1,100 crores.

2. Depreciation

- **What It Is:** The reduction in the value of premises due to usage and wear and tear.
- **Components:**
  - **At March 31 of Preceding Year:** The accumulated depreciation at the start of the financial year.
  - **Charge During the Year:** Depreciation expense recorded for the year.
  - **Deductions During the Year:** Depreciation adjustments for assets sold or disposed of.
- **Total Depreciation Formula:** Total Depreciation=Opening Depreciation+Charge−Deductions

3. Net Block

- **What It Is:** The net book value of the premises after deducting accumulated depreciation from the gross block.
- **Formula:** Net Block=Gross Block (Closing Balance)−Total Depreciation

II. Other Fixed Assets (Including Furniture and Fixtures)

1. Gross Block

- **What It Is:** The total cost of other fixed assets like furniture, fixtures, computers, and equipment.
- **Components:**
    - **At Cost at March 31 of Preceding Year:** Opening balance for fixed assets.
    - **Additions During the Year:** Purchases of new equipment or furniture.
    - **Deductions During the Year:** Disposal or sale of old assets.
- **Example:** ICICI adds ₹100 crores in new ATMs and sells ₹50 crores of old equipment.

2. Depreciation

- Similar to the premises section, it records the wear and tear of other fixed assets.

3. Net Block

- The remaining value of other fixed assets after accounting for depreciation.

III. Lease Assets

1. Gross Block

- **What It Is:** The total cost of leasehold improvements or leased premises.
- **Example:** ICICI renovates a leased branch at a cost of ₹10 crores, adding it to the gross block.

2. Depreciation

- **What It Is:** Depreciation includes adjustments for lease-related assets to reflect usage over the lease term.

3. Net Block

- **What It Is:** The remaining value of leasehold assets after accounting for depreciation and lease adjustments.

Significance

1. **Operational Infrastructure:** Fixed assets form the physical foundation of the bank's operations, such as branches, ATMs, and data centers.
2. **Depreciation Management:** Depreciation affects profitability and tax liability.

3. **Asset Turnover:** Understanding fixed assets helps assess the bank's operational efficiency.

₹ in '000s

		At 31.03.2024	At 31.03.2023
SCHEDULE 11 - OTHER ASSETS			
I.	Inter-office adjustments (net)	**-**	-
II.	Interest accrued	**158,626,876**	123,894,716
III.	Tax paid in advance/tax deducted at source (net)	**6,426,448**	16,081,826
IV.	Stationery and stamps	**3,230**	3,181
V.	Non-banking assets acquired in satisfaction of claims[1,2]	**-**	-
VI.	Advances for capital assets	**6,960,309**	7,393,764
VII.	Deposits	**63,455,018**	48,012,567
VIII.	Deferred tax assets (net) (refer note 18.44)	**59,546,321**	75,034,537
IX.	Deposits in Rural Infrastructure and Development Fund	**200,918,559**	216,216,187
X.	Unrealised gain on foreign exchange and derivative contracts[3]	**160,771,101**	172,562,634
XI.	Others	**87,092,805**	72,805,568
TOTAL OTHER ASSETS		**743,800,667**	**732,004,980**

1. Assets amounting to ₹ 2.6 million were transferred from banking assets to non-banking asset during the year ended March 31, 2024 (year ended March 31, 2023: Nil). Assets amounting to ₹ 827.7 million were sold during year ended March 31, 2024 (year ended March 31, 2023: Nil).

2. Net of provision of ₹ 28,189.9 million (March 31, 2023: ₹ 29,011.8 million).

3. Gross unrealised loss on foreign exchange and derivative contracts is disclosed under Schedule 5 - Other liabilities.

₹ in '000s

		At 31.03.2024	At 31.03.2023
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Bank not acknowledged as debts	**93,293,080**	81,963,017
II.	Liability for partly paid investments	**93,095**	12,455
III.	Liability on account of outstanding forward exchange contracts[1]	**15,600,221,876**	15,330,218,103
IV.	Guarantees given on behalf of constituents		
	a) In India	**1,374,917,331**	1,107,502,893
	b) Outside India	**118,731,736**	130,675,436
V.	Acceptances, endorsements and other obligations	**520,724,381**	441,907,720
VI.	Currency swaps[1]	**541,254,033**	564,629,994
VII.	Interest rate swaps, currency options and interest rate futures[1]	**28,197,214,343**	25,089,176,610
VIII.	Other items for which the Bank is contingently liable	**111,167,877**	85,568,259
TOTAL CONTINGENT LIABILITIES		**46,557,617,752**	**42,831,654,487**

1. Represents notional amount.

DETAILS

Schedule 11 – Other Assets

This schedule provides details of the bank's miscellaneous assets that are not covered under other specific asset categories. These assets may include receivables, deferred tax assets, unrealized gains, and operational assets.

I. Inter-Office Adjustments (Net)

- **What It Is:** Represents outstanding amounts due between the bank's branches or offices.
- **Purpose:** Tracks intra-bank transactions until they are reconciled.
- **Example:** ₹200 crores in pending inter-office settlements due to timing differences.

II. Interest Accrued

- **What It Is:** Interest earned but not yet received on loans, investments, or deposits.
- **Purpose:** Ensures accurate reporting of expected income.
- **Example:** ₹500 crores accrued as interest on government securities.

III. Tax Paid in Advance/Tax Deducted at Source (Net)

- **What It Is:** Advance tax payments made or tax deducted at source (TDS) recoverable by the bank.
- **Purpose:** Represents pre-paid taxes that will be adjusted against future tax liabilities.
- **Example:** ₹1,000 crores paid as advance tax, pending reconciliation with final tax liability.

IV. Stationery and Stamps

- **What It Is:** The inventory of stationery, stamps, and other consumables used by the bank.
- **Purpose:** Tracks operational items required for day-to-day activities.
- **Example:** ₹10 crores worth of stationery inventory at branches.

V. Non-Banking Assets Acquired in Satisfaction of Claims

- **What It Is:** Assets acquired due to loan defaults, such as real estate or collateralized assets.
- **Purpose:** Recovers dues by liquidating these non-banking assets.
- **Example:** ICICI takes possession of a factory worth ₹50 crores after a corporate loan default.

VI. Advances for Capital Assets

- **What It Is:** Payments made in advance for purchasing fixed assets like premises or equipment.
- **Purpose:** Represents funds advanced for acquiring long-term assets.
- **Example:** ₹200 crores advanced for constructing a new data center.

VII. Deposits

- **What It Is:** Security deposits made by the bank, such as rent or utilities.
- **Purpose:** Tracks recoverable deposits.
- **Example:** ₹50 crores deposited as security for leased office spaces.

VIII. Deferred Tax Assets (Net)

- **What It Is:** The future tax benefits arising from timing differences between accounting and taxable income.
- **Purpose:** Reduces the bank's future tax liabilities.
- **Example:** ₹300 crores in deferred tax assets due to provisioning for bad loans.

IX. Deposits in Rural Infrastructure and Development Fund

- **What It Is:** Statutory deposits made in compliance with RBI regulations to support rural development.
- **Purpose:** Facilitates investments in agriculture and rural infrastructure.
- **Example:** ₹1,500 crores deposited under RBI's priority sector lending requirements.

X. Unrealized Gain on Foreign Exchange and Derivative Contracts

- **What It Is:** Gains from mark-to-market valuation of foreign exchange or derivative contracts that are yet to be realized.
- **Purpose:** Reflects potential profits from market movements.
- **Example:** ₹100 crores in unrealized gains due to favorable exchange rate movements.

XI. Others

- **What It Is:** Miscellaneous assets that don't fall into the above categories, such as receivables, pending settlements, or prepaid expenses.
- **Example:** ₹50 crores in receivables from correspondent banks.

Significance

1. **Income Tracking:** Accurate reflection of accrued income and unrealized gains improves financial transparency.
2. **Regulatory Compliance:** Adherence to statutory requirements like rural development fund deposits.
3. **Recovery Management:** Assets acquired through defaulted loans provide a means to mitigate credit losses.

<u>**Schedule 12**</u> **– Contingent Liabilities**

Contingent liabilities are potential liabilities that may arise based on future events. These are not recognized as actual liabilities in the balance sheet but are disclosed in the notes to accounts for transparency.

I. Claims Against the Bank Not Acknowledged as Debts

- **What It Is:** Legal claims or disputes against the bank that are not accepted as liabilities because they are contested or under litigation.
- **Purpose:** Discloses potential financial impact if the claims are settled unfavorably.
- **Example:** A legal dispute where ICICI faces a claim of ₹500 crores.

II. Liability for Partly Paid Investments

- **What It Is:** Obligations to pay the remaining amounts on partly paid shares or investments.
- **Purpose:** Ensures future payment commitments for investments are disclosed.
- **Example:** ICICI holds shares with ₹50 crores of unpaid installments.

III. Liability on Account of Outstanding Forward Exchange Contracts

- **What It Is:** The bank's obligation arising from foreign exchange contracts that have not yet matured.
- **Purpose:** Reflects potential liabilities from forex operations if exchange rates move unfavorably.
- **Example:** ICICI has forward contracts worth $1 billion, and the liability is contingent on exchange rate fluctuations.

IV. Guarantees Given on Behalf of Constituents

a) In India

- **What It Is:** Guarantees issued by the bank for customers within India, such as performance or financial guarantees.
- **Purpose:** Supports clients' business operations by guaranteeing payment or performance obligations.
- **Example:** ICICI guarantees ₹1,000 crores for a client bidding on a government project.

b) Outside India

- **What It Is:** Similar guarantees issued for clients operating internationally.
- **Example:** ₹500 crores guarantee provided for a client's overseas subsidiary.

V. Acceptances, Endorsements, and Other Obligations

- **What It Is:** Commitments arising from trade finance instruments like bills of exchange and letters of credit.
- **Purpose:** Facilitates international trade for clients while managing the bank's exposure.
- **Example:** ICICI has ₹2,000 crores in letters of credit issued for importers.

VI. Currency Swaps

- **What It Is:** Liabilities arising from currency swap agreements where the bank exchanges principal and interest payments in different currencies.
- **Purpose:** Hedging foreign exchange exposure or managing currency risks.
- **Example:** ICICI enters into a $100 million currency swap agreement.

VII. Interest Rate Swaps, Currency Options, and Interest Rate Futures

- **What It Is:** Potential liabilities from derivative contracts used for managing interest rate or currency risks.
- **Purpose:** Provides tools for risk management while reflecting contingent exposure.
- **Example:** ICICI holds interest rate swaps worth ₹500 crores to hedge interest rate fluctuations.

VIII. Other Items for Which the Bank Is Contingently Liable

- **What It Is:** Miscellaneous contingent liabilities not covered in the above categories.
- **Example:** ₹200 crores in liability due to indemnity clauses in contracts or pending commitments.

Significance

1. **Transparency:** Ensures full disclosure of potential financial risks that may not yet be actual liabilities.
2. **Risk Assessment:** Helps stakeholders understand the bank's exposure to legal, financial, or market risks.
3. **Regulatory Compliance:** Disclosures are mandated by regulations to ensure transparency in financial reporting.

₹ in '000s

	Year ended 31.03.2024	Year ended 31.03.2023
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	**1,109,439,334**	839,429,657
II. Income on investments	**286,309,911**	208,884,565
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**17,913,925**	18,505,130
IV. Others[1,2]	**15,246,250**	25,494,028
TOTAL INTEREST EARNED	**1,428,909,420**	**1,092,313,380**

1. Includes interest on income tax refunds amounting to ₹ 2,650.1 million (March 31, 2023: ₹ 1,144.8 million).

2. Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.

₹ in '000s

	At 31.03.2024	At 31.03.2023
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	**168,752,999**	147,765,850
II. Profit/(loss) on sale of investments (net)	**7,079,897**	1,737,270
III. Profit/(loss) on revaluation of investments (net)	**1,049,387**	(1,296,397)
IV. Profit/(loss) on sale of land, buildings and other assets (net)[1]	**143,368**	534,906
V. Profit/(loss) on exchange/derivative transactions (net)	**29,988,645**	30,278,524
VI. Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India	**20,729,074**	17,845,592
VII. Miscellaneous income (including lease income)	**1,834,319**	1,448,734
TOTAL OTHER INCOME	**229,577,689**	**198,314,479**

1. Includes profit/(loss) on sale of assets given on lease.

₹ in '000s

	At 31.03.2024	At 31.03.2023
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	**578,574,729**	389,680,668
II. Interest on Reserve Bank of India/inter-bank borrowings	**25,256,684**	9,335,421
III. Others (including interest on borrowings of erstwhile ICICI Limited)	**82,020,823**	72,011,271
TOTAL INTEREST EXPENDED	**685,852,236**	**471,027,360**

DETAILS

Schedule 13 - Interest Earned

This schedule provides a breakdown of the bank's primary source of income, which is interest earned from various activities like lending, investments, and interbank balances.

I. Interest/Discount on Advances/Bills

- **What It Is:** Income earned from loans, advances, and discounted bills.
- **Purpose:** Represents the interest and discount earned on lending to customers and businesses.
- **Example:** If ICICI Bank earns ₹20,000 crores in interest from home loans, business loans, and discounted bills, this is recorded here.

II. Income on Investments

- **What It Is:** Income generated from investments in government securities, bonds, debentures, and equity shares.
- **Purpose:** Reflects returns from the bank's investment portfolio.
- **Example:** ICICI earns ₹5,000 crores as interest from government securities and ₹1,000 crores from corporate bonds.

III. Interest on Balances with Reserve Bank of India and Other Inter-Bank Funds

- **What It Is:** Interest earned on balances maintained with the RBI, deposits with other banks, and call money lent to other banks.
- **Purpose:** Captures returns from surplus funds temporarily placed with the RBI or other banks.
- **Example:** ICICI earns ₹500 crores on its CRR balances with the RBI and interbank placements.

IV. Others

- **What It Is:** Miscellaneous interest income not covered under the above categories, such as penalties on overdue loans or fees linked to interest rates.
- **Purpose:** Accounts for additional interest income sources.
- **Example:** ICICI earns ₹200 crores in late payment penalties on loans.

Significance

1. **Core Revenue Source:** Interest earned is the primary income stream for a bank, directly contributing to profitability.
2. **Business Model Insights:** The breakdown highlights income from lending (advances) versus passive income (investments).

3. **Efficiency Metrics:** Helps calculate key metrics like **Net Interest Income (NII)** and **Net Interest Margin (NIM)**, which measure a bank's earning efficiency.

Schedule 14 - Other Income

This schedule provides details of the bank's non-interest income, which complements its interest-based revenue. Other income comes from fees, commissions, and profits from various transactions.

I. Commission, Exchange, and Brokerage

- **What It Is:** Income earned from fees, commissions, and brokerage on banking transactions and services.
- **Purpose:** Reflects the bank's fee-based revenue stream.
- **Example:** ICICI earns ₹1,000 crores in fees for services like issuing letters of credit, managing forex transactions, and ATM charges.

II. Profit/(Loss) on Sale of Investments (Net)

- **What It Is:** Net profit or loss realized from selling investments like government securities, bonds, or equity shares.
- **Purpose:** Captures gains or losses from managing the investment portfolio.
- **Example:** ICICI sells government bonds worth ₹5,000 crores at a profit of ₹200 crores.

III. Profit/(Loss) on Revaluation of Investments (Net)

- **What It Is:** Gains or losses from marking investments to their fair market value.
- **Purpose:** Reflects unrealized gains or losses due to changes in investment valuations.
- **Example:** A revaluation of ICICI's bond portfolio leads to a ₹150 crore gain due to a fall in interest rates.

IV. Profit/(Loss) on Sale of Land, Buildings, and Other Assets (Net)

- **What It Is:** Gains or losses from selling fixed assets like premises or equipment.
- **Purpose:** Captures income from asset sales.
- **Example:** ICICI sells a branch building, realizing a profit of ₹50 crores.

V. Profit/(Loss) on Exchange/Derivative Transactions (Net)

- **What It Is:** Net gains or losses from forex trading, currency swaps, or other derivative transactions.
- **Purpose:** Reflects income from managing foreign exchange and market risks.
- **Example:** ICICI earns ₹300 crores from trading foreign exchange derivatives.

VI. Income Earned by Way of Dividends, etc., from Subsidiary Companies and/or Joint Ventures Abroad/In India

- **What It Is:** Dividends received from investments in subsidiaries, joint ventures, or associated companies.
- **Purpose:** Reflects returns from equity investments in related entities.
- **Example:** ICICI receives ₹100 crores as a dividend from ICICI Prudential.

VII. Miscellaneous Income (Including Lease Income)

- **What It Is:** Other sources of income not categorized above, such as lease rentals, recoveries from written-off loans, or penalties.
- **Purpose:** Ensures all additional revenue streams are captured.
- **Example:** ICICI earns ₹200 crores from lease income on properties and penalties for loan defaults.

Significance

1. **Diversified Revenue:** Other income reduces dependency on interest income and provides stability.
2. **Risk Management:** Gains from forex or derivatives reflect effective risk hedging strategies.
3. **Profitability:** High other income indicates strong fee-based services and investment management.

Schedule 15 - Interest Expended

This schedule provides a breakdown of the bank's interest expenses, which are incurred to fund its operations. Interest expended includes costs related to deposits, borrowings, and other liabilities.

I. Interest on Deposits

- **What It Is:** Interest paid to customers on their deposits, including savings accounts, fixed deposits, and term deposits.
- **Purpose:** Represents the primary cost of funds for the bank.
- **Example:** ICICI pays ₹10,000 crores in interest on customer deposits during the year.

II. Interest on Reserve Bank of India/Inter-Bank Borrowings

- **What It Is:** Interest paid on funds borrowed from the Reserve Bank of India (RBI) or other banks, including repo transactions and interbank call money.
- **Purpose:** Reflects the cost of short-term liquidity or borrowing to meet funding requirements.
- **Example:** ICICI incurs ₹2,000 crores in interest payments for repo borrowings from the RBI.

III. Others (Including Interest on Borrowings of Erstwhile ICICI Limited)

- **What It Is:** Interest paid on other borrowings, such as bonds, debentures, or legacy liabilities.
- **Purpose:** Captures miscellaneous interest expenses that are not categorized under deposits or interbank borrowings.
- **Example:** ICICI pays ₹500 crores in interest on subordinated bonds and ₹300 crores on legacy borrowings.

Significance

1. **Cost of Funds:** Interest expended directly impacts the bank's **Net Interest Margin (NIM)**, which is a critical profitability metric.
2. **Operational Efficiency:** Lower interest costs relative to income indicate effective funding strategies.
3. **Liquidity Management:** Reflects the cost of maintaining liquidity through borrowings or deposits.

₹ in '000s

	Year ended 31.03.2024	Year ended 31.03.2023
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	**151,419,918**	120,599,320
II. Rent, taxes and lighting[1]	**15,335,067**	13,789,914
III. Printing and stationery	**3,332,210**	2,471,090
IV. Advertisement and publicity	**17,040,002**	14,773,598
V. Depreciation on Bank's property	**16,427,078**	13,048,350
VI. Depreciation (including lease equalisation) on leased assets	**199,361**	199,538
VII. Directors' fees, allowances and expenses	**53,543**	47,851
VIII. Auditors' fees and expenses	**67,219**	60,199
IX. Law charges	**739,739**	1,277,541
X. Postages, courier, telephones, etc.	**7,344,706**	5,896,242
XI. Repairs and maintenance	**31,625,309**	31,251,038
XII. Insurance	**17,004,634**	14,789,240
XIII. Direct marketing agency expenses	**32,998,191**	28,901,240
XIV. Other expenditure[2,3]	**97,740,359**	81,627,230
TOTAL OPERATING EXPENSES	**391,327,336**	**328,732,391**

1. *Includes lease expense amounting to ₹ 11,924.3 million (March 31, 2023: ₹ 10,784.1 million).*
2. *Includes expenses on purchase of Priority Sector Lending Certificates (PSLC) amounting to ₹ 16,428.5 million (March 31, 2023: ₹ 15,035.2 million).*
3. *Includes expenses on reward program amounting to ₹ 18,414.8 million (March 31, 2023: ₹ 12,764.2 million).*
4. *Net of recoveries from group companies towards shared services.*

DETAILS

Schedule 16 - Operating Expenses

Operating expenses represent the day-to-day costs incurred by the bank to run its operations effectively. These expenses include employee payments, maintenance, and other administrative costs.

I. Payments to and Provisions for Employees

- **What It Is:** Salaries, bonuses, pensions, and provisions for employee benefits.
- **Purpose:** Reflects the cost of compensating and retaining staff.
- **Example:** ICICI pays ₹10,000 crores in salaries and sets aside ₹2,000 crores for retirement benefits.

II. Rent, Taxes, and Lighting

- **What It Is:** Expenses related to branch and office space rentals, property taxes, and utility bills.
- **Purpose:** Ensures operational infrastructure.
- **Example:** ₹1,000 crores spent on branch rentals and electricity bills.

III. Printing and Stationery

- **What It Is:** Costs for paper, forms, and other office supplies.
- **Purpose:** Supports operational processes like account opening and communication.
- **Example:** ₹50 crores spent on printing customer forms and account statements.

IV. Advertisement and Publicity

- **What It Is:** Expenses on marketing and brand-building activities.
- **Purpose:** Promotes bank services and improves customer acquisition.
- **Example:** ₹500 crores spent on digital marketing campaigns and sponsorships.

V. Depreciation on Bank's Property

- **What It Is:** Depreciation expense for premises, buildings, and owned assets.
- **Purpose:** Reflects the wear and tear of fixed assets over time.
- **Example:** ₹200 crores recorded as depreciation for bank branches.

VI. Depreciation (Including Lease Equalisation) on Leased Assets

- **What It Is:** Depreciation on assets taken on lease, including lease adjustments.
- **Purpose:** Accounts for the reduction in value of leased property or equipment.
- **Example:** ₹50 crores recorded for leased ATM spaces.

VII. Directors' Fees, Allowances, and Expenses

- **What It Is:** Payments to directors for attending board meetings and other responsibilities.
- **Purpose:** Reflects governance and management costs.

- **Example:** ₹5 crores paid as meeting fees and travel reimbursements.

VIII. Auditors' Fees and Expenses

- **What It Is:** Payments to statutory and internal auditors for auditing services.
- **Purpose:** Ensures regulatory compliance and financial transparency.
- **Example:** ₹10 crores spent on statutory audit and compliance reviews.

IX. Law Charges

- **What It Is:** Legal expenses incurred for handling litigation, drafting contracts, or regulatory matters.
- **Purpose:** Manages legal risks.
- **Example:** ₹20 crores spent on legal services for loan recovery cases.

X. Postages, Courier, Telephones, etc.

- **What It Is:** Communication costs, including courier services, telephone bills, and postal expenses.
- **Purpose:** Facilitates internal and external communication.
- **Example:** ₹30 crores spent on mobile and internet connections for branches.

XI. Repairs and Maintenance

- **What It Is:** Expenses on maintaining premises, ATMs, and IT infrastructure.
- **Purpose:** Ensures smooth operations.
- **Example:** ₹200 crores spent on repairing branches and IT systems.

XII. Insurance

- **What It Is:** Premiums paid for insuring bank assets and liabilities.
- **Purpose:** Covers risks related to physical assets or third-party claims.
- **Example:** ₹100 crores spent on insuring branch properties and loan portfolios.

XIII. Direct Marketing Agency Expenses

- **What It Is:** Costs incurred for engaging third-party agencies to promote products.
- **Purpose:** Expands customer base through targeted marketing.
- **Example:** ₹50 crores spent on agency fees for home loan promotions.

XIV. Other Expenditure

- **What It Is:** Miscellaneous operational costs that do not fall into the above categories.
- **Purpose:** Captures any additional expenses.
- **Example:** ₹500 crores spent on IT security upgrades and consultancy services.

Significance

1. **Efficiency Tracking:** Operating expenses are closely monitored to ensure profitability.
2. **Cost Management:** Helps identify areas where cost-cutting measures can improve margins.
3. **Customer Experience:** Higher advertising and maintenance costs often indicate investments in customer satisfaction.