JUNE 20, 2020
Vol LV No 25
₹ 110
Economic&PoliticalWEEKLY
A SAMEEKSHA TRUST PUBLICATION
www.epw.in

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ECONOMIC & POLITICAL WEEKLY

Economic&PoliticalWEEKLY

Economic&PoliticalWEEKLY
ISSN 0012-9976
Ever since the first issue in 1966,
EPW has been India's premier journal for
comment on current affairs
and research in the social sciences.
It succeeded *Economic Weekly* (1949–1965),
which was launched and shepherded
by Sachin Chaudhuri,
who was also the founder-editor of EPW.
As editor for 35 years (1969–2004)
Krishna Raj
gave EPW the reputation it now enjoys.

EDITORIAL: edit@epw.in
CIRCULATION: circulation@epw.in
ADVERTISING: advertisement@epw.in
ECONOMIC & POLITICAL WEEKLY
320–322, A TO Z INDUSTRIAL ESTATE
GANPATRAO KADAM MARG, LOWER PAREL
MUMBAI 400 013
PHONE: (022) 4063 8282

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EPW Research Foundation, established in 1993, conducts research on financial and macro-economic issues in India.
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Printed and published by Gauraang Pradhan, for and on behalf of Sameeksha Trust and printed at Modern Arts and Industries, 151, A–Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai–400 013 and published at 320–322, A–Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai–400 013
Editor: Gopal Guru (Editor responsible for selection of news under the PRB Act)

Review of the EIA Notification 2020

The Steering Committee of the Forum for Policy Dialogues on Water Conflicts in India (Water Conflict Forum in short) has carried out a detailed and critical review of the extant Environmental Impact Assessment (EIA) governance system since 1994 in the country, with specific reference to the draft EIA 2020 notification, which is up for public comments.

Consequently, the Water Conflict Forum finds that:

(1) There have been systemic and institutional shortcomings in the EIA governance in the country dating to 1994 and which have continued since then.

(2) All subsequent amendments (first in 2006 and now proposed in 2020) to the EIA notification have not been based on any publicly available credible data or rigorous analysis of the pluses and minuses of the extant EIA notification and hence have carried forward the existing infirmities within the system.

(3) The Constitution places a specific duty (Article 48A) on the state that "the State shall endeavor to protect and improve the environment and to safeguard the forests and wildlife of the country." The Supreme Court has also held that a right to healthy environment is an integral part of Article 21 (fundamental right to life) of the Constitution. The draft EIA 2020 notification by its attempt to dilute even the existing provisions of EIA 2006 notification fails to uphold either the state's constitutional duty or the citizen's fundamental right to a healthy environment.

(4) The EIA notification, being a subordinate legislation under the Environment (Protection) Act, 1986 (EPA 1986), cannot promote any activity that is not specifically to protect and improve the natural environment, as has been mandated by the EPA 1986.

(5) Anything proposed in the manner of delegation, rationalisation or standardisation of process/es or inclusion/deletion/upgrading/downgrading of any entry in the schedule (list of projects/activities) must be specifically proved to be for the protection and improvement of environment and nothing else whatsoever.

(6) The EIA notification must be based on and uphold the demands of good science, specifically ecological science, and no other consideration, whatsoever, can be given ascendency over it.

(7) The EIA notification must also organically build in social impact assessment (SIA) into it to uphold citizen's fundamental rights guaranteed under the Constitution.

(8) The EIA notification must uphold the well-established principles of environmental jurisprudence, including doctrine of non-regression; polluter pays principle; principle of intergenerational equity, etc. Here, the judgment dated 8 December 2017 of the principal bench of the National Green Tribunal in OA No 677 of 2016 is relevant, which has held that:

> Under the International law, the doctrine of Nonregression is an accepted norm. It is founded on the idea that environmental law should not be modified to the detriment of environmental protection. This principle needs to be brought into play because today environmental law is facing a number of threats such as deregulation, a movement to simplify and at the same time diminish, environmental legislation perceived as too complex and an economic climate which favours development at the expense of protection of environment.

(9) The EIA notification cannot include in it any provision (like the paragraph 22 in the draft EIA 2020 notification) that has already been struck down as being unconstitutional by the Supreme Court. Paragraph 22 in the draft EIA 2020 notification deals with provisions to enable a post facto environmental clearance (EC) to projects that have been carried out by the project proponent without acquiring prior EC as provided by the provisions of the EIA notification. A recent judgment dated 1 April 2020 delivered at the Supreme Court by J Chandrachud in the Alembic Pharmaceutical case has held that:

> The concept of an ex post facto EC is in derogation of the fundamental principles of environmental jurisprudence and is an anathema to the EIA notification dated 27 January 1994. It is, as the judgment in Common Cause holds, detrimental to the environment and could lead to irreparable degradation. The reason why a retrospective EC or an ex post facto clearance is alien to environmental jurisprudence is

that before the issuance of an EC, the statutory notification warrants a careful application of mind, besides a study into the likely consequences of a proposed activity on the environment. An EC can be issued only after various stages of the decision-making process have been completed.

(10) The EIA notification must provide for not only cumulative environmental impacts of similar projects in an area or rivers and streams, but also assess the environmental impacts of entire sectors or even inter-sectors. Few examples of these sectors include energy, transportation, construction, mining, food production, recreation, pharmaceuticals, packaging, etc. There is also a case for conducting strategic and regional EIAs to offset the likely adverse impacts under the precautionary principle.

(11) There is a strong case for a full-fledged legislation to be passed by Parliament establishing EIA governance in the country on a firm and sustained footing and which does not remain subject to frequent amendments sometimes based even on extraneous considerations like the promotion of ease of doing business, etc.

Accordingly, the Water Conflict Forum calls for a total recall of the draft EIA 2020 notification and suggests that:

(1) The central government constitutes an expert committee headed preferably by a former judge of the Supreme Court with an eminent environmentalist as a co-chair and having representatives in it from various relevant sectors (including civil society) to deliberate in a scientific, transparent, participatory and time-bound manner on "what should be an appropriate (that also fulfils India's international commitments made at Rio Earth Summit, 1992) EIA governance legislation and institutional structure in the country to replace the existing one?"

The observations as made by the Water Conflict Forum in this statement (1–11) may be considered for inclusion in the terms of reference (ToR) of the said expert committee.

(2) Pending the results of the deliberations of the said expert committee, let the central government remove immediately through executive action the following infirmities that are present in the EIA 2006 notification:

(i) EIA reports on proposed projects not to be commissioned by the project proponent (PP) but by the central government itself through a transparent process utilising the money deposited by the PP into a central kitty held by the central government. This shall take away the inherent conflict of interest (master–servant relationship between the PP and the EIA consultant) existing in the current process.

(ii) Do away with the practice of entertaining any "rapid" EIA of projects.

(iii) Resolve the question of the non-inclusion of specific projects/activities like inland waterways transportation (IWT) projects; raising of embankments along rivers and streams, and raising of large-sized bridges/elevated roads across rivers and streams, etc, within the schedule.

Abraham Samuel, Chicu Lokgariwar, Eklavya Prasad, Gorky Chakraborty, S Janakarajan, Himanshu Kulkarni,
and 11 others

Post-secondary Enrolment in Higher Education

In an interesting article, "Measuring Access, Quality and Relevance in Higher Education" (*EPW*, 13 June 2020), Pankaj Mittal et al plead for the use of the eligibility enrolment ratio (EER) in place of the gross enrolment ratio (GER) and to include all post-secondary enrolment, including vocational training, etc, in the definition.

The GER—enrolment of youth in the age group 18–23 as a proportion of the population—has been the standard measure of enrolment in higher education, and this is being extensively used by researchers and policymakers at the national and global levels as well. This rose to 27% as per the latest statistics, which also marks a significant improvement over the years. Given the rapid and unbridled growth of private education, and given the gross nature of this indicator, one can expect this to rise further fast. Recent policy goals with respect to this set by, say, the Knowledge Commission, and later the Planning Commission and the University Grants Commission (UGC), are already achieved and/or likely to be achieved soon.

Unlike the GER or NER (net enrolment ratio), in elementary education, the GER in higher education is inherently defective in definition and measurement. While in elementary education, enrolment has no prerequisite and every child is eligible to go to elementary schools, and we expect every child to go to schools, in higher education, only those who complete senior secondary education are eligible. Hence, the EER in higher education—ratio of enrolments to the population who completed the senior secondary level—is certainly a better measure, at least until the entire school education, including the senior-secondary level, is effectively universalised. But we do not have the statistics on the EER of many countries for international comparisons and hence have no choice but to continue to use the GER.

The difference between the GER and NER will be minimum in countries where school education is nearly universal, like in the United States and United Kingdom, and it is very high in countries like India and China. The high difference also stresses the need to expand school education.

For international comparisons to be meaningful, it is necessary to ensure that all the parameters involved in estimating the GER (or the EER) are correctly, uniformly defined. Higher education according to the United Nations Educational, Scientific and Cultural Organization/World Bank refers to bachelor's degree and above, and this is used in estimating the GER. Hence, there is no justification to include all post-secondary programmes (not equal to degree level) in higher education in India.

Jandhyala B G Tilak
NEW DELHI

EPW Engage

The following articles have been published in the past week in the *EPW* Engage section (www.epw.in/engage).

(1) Barriers to Clean Fuel Use: A Photo Essay —*Lovey Pant*
(2) Life During an Infodemic: A Photo Essay —*Simpreet Singh*
(3) Fifty Days of Lockdown in India: A View from Two Villages in Tamil Nadu —*Grace Carswell, Geert De Neve, and S Yuvaraj*

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NEET Undermines Constitutional Provisions

OBC reservations for NEET are a constitutional necessity for ensuring social justice.

The Supreme Court was recently faced with petitions filed across party lines from the state of Tamil Nadu in the context of the National Eligibility cum Entrance Test (NEET). All the major political parties of the state filed petitions under Article 32 of the Constitution, demanding that 27% of the all-India allocation of medical seats in Tamil Nadu be reserved for Other Backward Classes (OBCs). While the demand is reasonable and justified, the manner was questionable since Article 32 is meant to be utilised by fundamental rights bearers to protect their rights or by public interest litigants on behalf of those who cannot approach the court. Having met with resistance in the Supreme Court, the parties have been permitted by the Court to approach the Madras High Court with the same petition, seeking the same relief.

Although the case made news in the context of a stray, oral observation of one judge on the Supreme Court bench about reservations not being a fundamental right, the focus should, however, be on the problems created by NEET itself.

From the start, NEET has subordinated state governments on the matter of medical education to the detriment of the students from such states. Being one central examination, NEET has tilted the balance against those who cannot structurally access the private coaching needed to clear the examination. It has also subordinated states' public health goals in the "national interest," though what that "national interest" is supposed to be has never been clearly articulated, apart from vague assertions of "corruption" in the system.

While there is provision for reservation of seats for Scheduled Castes (SCs) and Scheduled Tribes (STs) in the All India Quota under NEET, it does not provide the same to students belonging to OBCs. When the union government's own medical institutions (such as the All India Institute of Medical Sciences) provide for OBC reservations in undergraduate and postgraduate medical courses, why the same should not be applied to medical seats allocated to the union government under NEET has never been properly explained.

The only attempt at an "explanation" was given in December 2019 in a letter from the minister for health and family welfare to a question raised by Rajya Sabha member P Wilson. Here, the ministry expressed its inability to grant OBC reservations for two reasons: that the matter was *sub judice* in the Supreme Court in *Saloni Kumari v Department of Health Services,* and that each state had its own reservation policies qua OBCs. Both these reasons are absurd on their face.

On the issue of the matter being sub judice, the union health ministry's position makes no sense since petitions in the Saloni Kumari case ask *for* the implementation of OBC reservations. There is nothing in the rule of sub judice that prohibits the government from acting to implement a decision being asked for by the petitioner, and this objection is utterly unfounded.

The other reason is just as absurd. Having centralised the process of admission into the medical colleges, the centre is now suddenly mindful of federal concerns in order to deny reservations to OBCs. This stand is also inconsistent. There is variance between the states in the matter of SC/ST reservations as well (based as they are on the proportion of such groups in the population), but this has not prevented the union government from providing for reservations for SC and ST communities in the All India Quota.

The absence of an OBC quota in the all-India allocation for NEET, therefore, amounts to an unjustified transfer of seats from Bahujan communities to Savarnas. Where such seats would have been allocated by state governments to OBCs within the state in accordance with their rules, the seats have now been left open only to those who can afford the expensive tuitions that help them clear NEET.

Blame must also be laid at the feet of the courts for this loss. The Supreme Court's handling of the NEET litigation since 2012 has been mired in controversy as the initial judgment by the three-judge bench in 2013 was delivered without circulating it to the other judges on the bench. When a review was filed, the main judgment was recalled in 2016, requiring the matter to be heard afresh, giving NEET a fresh lease of life. The eight-year chequered history of the case finally came to an end in 2020, with the Supreme Court finally upholding the constitutional validity of NEET. At the same time, it has been four years since the Saloni Kumari case was filed, and no judgment is in sight yet on the issue of OBC reservations.

Reservation of seats is a way of ensuring representation for historically excluded classes in education and is a constitutional necessity for ensuring social justice. Legal nitpicking about its scope and applicability cannot come in the way of ensuring justice, and the union government must drop its indefensible positions and ensure reservations for students belonging to Bahujan communities in the All India Quota in NEET with immediate effect.

Sensitivity, Not Sensationalism

The media regurgitates learned biases when reporting on people with mental health disorders.

We have had media trials, and now we have media post-mortems. The death of a young Bollywood actor by suicide proved to be an opportunity for media houses driven by television rating point to treat the event like an all-access pass to unearth the actor's personal life and speculate on his state of mind. The Bollywood fraternity has largely aided this process by fanning the flames of sensationalism. There were platitudes aplenty, with several notable names expressing their shock and sympathy. The responses ranged from ill-informed, tone-deaf statements of condolence, to levelling allegations of "planned murder" abetted by nepotism, to online smear campaigns against the alleged "nepotism brokers."

These reactions betray our utter lack of awareness when it comes to mental health. We seem to be obsessed with the need to affix blame so we are able to treat suicides as isolated aberrations, and not as a damning symptom of a failed social system. It is in the interest of neo-liberal societies to make mental health a personal issue, because it preserves the status quo. We have been taught to think of mental health disorders as reactions to stimuli—the ups and downs in one's personal life. When someone dies by suicide, we try to establish a direct causal relationship drawing from their personal life. Nothing exemplifies this more than the patronising statements made about "giving up." This is a sentiment that is popularly echoed in India, and feeds into the "strong" versus "weak" binary. In this understanding, those who are able to overcome challenging circumstances by enduring immense hardship are "strong." Those who question the necessity of this hardship, or recognise the futility of fighting against it, are labelled "weak," because they have "given up."

But, if anything, this sentiment is an insult to the memory of Rohith Vemula and countless others who have raged against structures of oppression, only to be wilfully ignored. Vemula's death had held up a mirror and showed us the great personal suffering that systemic discrimination and inequality were causing. We should have been ashamed. Instead, we subjected his family to even more suffering as we questioned his Dalit identity, all in an effort to scale down Vemula's death to a personal level. That way, we could stuff all the societal ills back into the Pandora's box that he had opened.

Only in the last few decades have we begun to think about the relationship between mental health and social realities like caste discrimination, gender inequality, and other forms of disprivilege. Identities can often have a direct bearing on mental health, because one's identity is the vessel in which one inherits privilege or disprivilege. It is, therefore, unsurprising that in recent years, the loudest voices advocating for mental health have come from Dalit, queer, and feminist intersections. These activists have understood that one's mental health is a direct consequence of being forced to fight against one's own conditioning, in addition to struggling against various kinds of discrimination that directly affect the quality of one's life.

However, this understanding has not percolated to the rest of society. A few years ago, newspapers in Kolkata were full of reports about the "house of horrors." A man had been found living in his house with the corpses of his family members. Rather than treating this issue with sensitivity—and waiting for facts to emerge from a proper investigation—the press went ahead and printed unfounded speculations that fed into an almost romanticised fascination with derangement, and with all things macabre. This case shows that if one is suspected of suffering from a mental health disorder, they are likely to be divested of their humanity. And, once shorn of humanity, the internal life of the individual is appropriated into an object of public scrutiny. Here, we must turn to the media.

The media regurgitates learned biases when reporting on people with mental health disorders. Both in terms of images and language, stigma and prejudice are passed on to their readership. The use of the word "committed" for suicide was naturalised because it was seen as a criminal offence, and thereby, it has an association with "committing a crime." In terms of content, repeating tired platitudes and false binaries, often without clarification, is allowing prejudice more room to grow. The media has a responsibility to unlearn, relearn, and disseminate. Journalists, reporters, and editors, must all go out of their way to correct their biases, because they have a responsibility to the individual, as well as to society. Especially in a country like India, where stigma and silence still hang heavy, the media has to step up with cases that require empathy. They have to understand that when it comes to social issues, they are not simply reporting the news, but are also educating the masses and shaping perceptions. And, too often in the past decade, the media has forgotten its responsibility.

Critique Caught in a Deadlock

In democratic politics, the practice of critique mediated through the act of dissent plays an important role in controlling and rectifying the political tendencies that seek to undermine democratic values. The role of informed critique becomes absolutely crucial for saving democracy from degenerating into despotism. In despotism, there is the need to immunise political dominance from everyday threats of dissent and resistance from the margin and opposition from the political rivals.

Paradoxically, a democratically formed government, but with authoritarian intentions, usually deals with dissent not with the force of sound arguments, but by using against the dissenting voices resources such as contempt, ridicule and insult, which are trivial in their essence. Thus, the dignity of the argument is compromised with debasement that is regularly used to neutralise dissent. This moral element is starkly absent in contemporary Indian politics.

Alongside, the authoritarian government and its supporters seek to silence the dissent through the use of coercive methods, such as entangling the dissenting person into legal litigation. Finally, and most importantly, such a government seeks to separate people both from each other through planting communal dissension and also from argument through the overuse of ideologically self-serving rhetoric. In contemporary India, do we have governments that work only for representation rather than transcendence?

Critique coming particularly from radical elements, arguably involves the promise of seeking transcendence in the embattled common life through powerful argument and effective action. Radical critique, in the ideal sense, suggests the need to move away from representation that defines the existence of identity politics on the one hand and the politics of the majority community on the other. Right-wing political parties, in the event of a counterclaim forwarded by their rivals, do assert that they have an authentic claim over the representation of members belonging to a particular religious group. At the root of communal division is the parochial, ideological claim of representing a particular socio-religious group that tends to survive and reproduce itself in the stock ideology.

Such narrow claims of representation based on stock ideology are the hurdles in achieving transcendence or normative shift in people's settled consciousness.

The question that is much more important is: Does the argument from the radical achieve this transcendence or does it also remain stuck at the level of representation, rhetorically representing the interest of the identity groups?

The critique that is externally courageous against the authoritarian government, however, remains internally weak for the following reasons.

First, it fails to expand the social basis of the practice of critique so as to include those on whose behalf it claims to be active against the authoritative government. It makes the issue a specialised activity of a selective group of dissenters who claim to be politically correct.

Second, the radicals, at this level, tend to arrogate to themselves legislative authority to prescribe what is an adequate and inadequate degree of critique. Such radicals seem to use their requisite sense to suggest that launching the critique of tormenting forces worldwide from a particular standpoint is "so far so good" but not adequate. Thus, there is an element of temporality involved in this sense, which then tends to suggest that the critique is not yet complete as it leaves out from its gaze other tormenting forces. We often hear such grudges from the radicals who claim to represent the minorities and Dalits in India. It could be argued that the radical critique slides down from the transductal project of speaking for the universal to practically representing the identity groups. Their capacity to critique gets pragmatically confined to embattled groups, such as the Adivasis, Dalits and minorities. The validity of the critical practice of the radicals ironically depends on the reciprocal antagonism between the radical and the conservative forces. The critical energies of the radical thus enter a deadlock, with right-wing politics that works along the line of a block ideology. Since the communal ideology of the right-wing forces has to be continuously at work, the critique from the left has to be active, and it has been active since the origin of the stock ideology. But, the critical practice of the radical runs the risk of working only through the block or reified argument without any emancipatory opening. Critique acquires a therapeutic quality to rectify and purify the responses by freeing them from the deadlock. Critique, in such a sense, acquires a transcendental quality. Critique as reason has to be active at both ends, that is to say, embattled people have reasons to offer resistance at both levels.

Gopal Guru

FROM 50 YEARS AGO

ECONOMIC AND POLITICAL WEEKLY

VOL V, NO 25 JUNE 20, 1970

Send Them No Flowers

A Correspondent writes:

The CPI will no doubt want to pat itself on the back for having won a famous victory for democratic freedoms in West Bengal through its part, along with such other stout defenders of freedom as Congress (O), in securing the rejection of the draft legislation to revive the Preventive Detention Act in West Bengal at the last meeting of the Parliamentary Consultative Committee for the State. The Naxalites were to be the immediate targets of the proposed legislation. Yet it is unlikely that they will find much to be grateful for to the CPI or the CP(M), which too might want to claim part of the credit for having boycotted the Consultative Committee. Since the imposition of President's rule in West Bengal, the State police has organised a systematic crack-down on the Naxalites. The number of alleged Naxalites arrested, most of them 958 ECONOMIC AND POLITICAL WEEKLY June 20, 1970 on mere suspicion, runs into thousands by now. Evidently, in keeping them in custody for weeks and months the State Government has not been seriously hampered by the absence of legal powers of preventive detention. Very few prosecutions have been launched and, at the same time, not many of those arrested have been let off.

Lawless Lawmaking in a COVID-19 World

ALOK PRASANNA KUMAR

India's management of the covid-19 global pandemic has been marked by excessive centralisation, lawless lawmaking and non-consultative decision-making processes at the union government level. This has created an atmosphere of confusion in the management of the disease, leading to India becoming one of the global hotspots and cases fast spiralling out of the control of local authorities.

The present article was part of the remarks given by the author at the webinar on Human Rights and Democracy organised by the Social Sciences Department of Trinity College, Dublin on 27 May. The full talk may be viewed here: https://www.facebook.com/TRiSSTCD/videos/548326682522206.

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In June, a covid-19 comparison chart became popular on social media thanks in no small part to Congress leader Rahul Gandhi (2020) having tweeted it. In it, different countries' lockdown start and finish dates have been compared to the daily detection of new cases in each country. India stands out as the only country to have lifted its lockdown when new cases were still on the increase with no peak in sight.

As a criticism of the union government's strategy at preventing the spread of covid-19 goes, there could not be a more damning statistic—the union government imposed one of the harshest lockdowns in the world (*India Today* 2020) too soon, for too long, and lifted it chaotically, resulting in a widespread humanitarian crisis and poor control of the spread of covid-19. As of 14 June 2020, India has had 3,33,012 confirmed cases, with 1,57,330 active cases as on date and 9,519 deaths,[1] making it the country with the fourth highest incidence of the disease with the lowest testing rate among the 10 countries with the highest disease burden.[2] Though the mortality rate has been lower than other countries, the quality of record-keeping across the country does not inspire confidence in the veracity of these statistics (Sharma 2020).

While multiple factors may have contributed to this situation, in this column, I would like to focus on two aspects of the union government's handling of the covid-19 epidemic—one, the excessive centralisation of decision-making, and two, a certain lawlessness in the way in which rules and regulations have been set out, leading to a breakdown in rule of law.

There are more legal and constitutional aspects that one can point to in the context of covid-19, namely the Supreme Court's refusal to hold the union government to account for its failings, the manner in which the executive has usurped all law making powers, and the overt communalisation of the discourse over covid-19, but the present column will concern itself only with these two aspects. I propose to do this to highlight how it is the persistent governance failings of Prime Minister Narendra Modi-led National Democratic Alliance (nda) government that has also led it to its failings in tackling the covid-19 outbreak. The two failings outlined here are not the only ways in which the nda "model of governance" has been unable to deliver economic growth or social harmony, but illustrate the particular way in which the present government has adopted "legal" measures.

Lawless Lawmaking

On paper, the lockdown was imposed on 25 March, in exercise of the powers of the union government under the Disaster Management Act, 2005, whereas states had already begun imposing lockdowns prior to that using their powers under the Epidemic Diseases Act, 1897. Neither legislation was, however, fit for the purpose (Shanmughasundaram 2020). The former was never envisaged to deal with a nationwide outbreak of a pandemic and does not have the legal mechanisms that would enable the management of such an epidemic. The latter was passed during the colonial period and is a barebones legislation which leaves almost everything to be decided by the state government should the need arise.

Instead of filling the legislative gap with an ordinance or reconvening Parliament (as other countries have done) (Srinivasan 2020), the executive proceeded to usurp vast powers practically to run every nook and corner of the country. At the state level, the scope of the powers under Section 144 of the Code of Criminal Procedure was being used by executive magistrates and their equivalents in the police to impose all sorts of bizarre rules in enforcing the lockdown (*Financial Express* 2020).

The absurdity of this exercise has been revealed thanks to the Parliamentary Research Service's (PRS) tracker on notifications related to COVID-19 at the state and union level. As on 14 June 2020, over 316 notifications related to COVID-19, at least 240 since the lockdown, have been issued to citizens by the union government and 2,684 at the state level.[3] Even with a service such as PRS, it seems almost impossible for the average citizen to keep track of what is permitted, what is not permitted and what they are allowed to do according to the "law."

The obvious implication of this is that, far from being a rule of law country, India descended into a rule-by-law country with no one, not even the government, quite sure what the law said on what was permitted or prohibited during the lockdown. Stability and consistency are two key tenets of the rule of law (Waldron 2020) that are supposed to guide how the government enacts law in India, but were completely thrown to the winds as unfettered executive discretion ruled the day. Although "law" was being enacted, it was hardly law as our constitutional form of government understood it.

Centralisation

Centralisation in decision-making has occurred on two levels: first, states have been disempowered greatly, and second, within the union government, all decisions have been made within the Ministry of Home Affairs (MHA) with little input from other ministries or departments.

The power to legislate on matters of "public health and sanitation" is within the exclusive purview of the state governments[4] while the union has been given the power to prevent the spread of infectious diseases between states.[5] This division of legislative power reflects the fact that the states are going to be much "closer" to the citizens in delivering effective health and sanitation services than the union government which does not have a presence in every single village or city in the country. Attempts in the Constituent Assembly to place these powers in the concurrent list were resisted (Kumar 2020) and the constitutional framework was intended to empower the government closest to the people to respond to their needs as effectively as possible.

However, despite states taking the initiative to impose their own lockdowns prior to the nationwide lockdown on 25 March, the effect of the nationwide lockdown seems to have been to strip states of all powers under the relevant laws to manage the epidemic. "Guidelines" became mandatory under the threat of penal action and mystifyingly, for a public health crisis, most of the guidelines were being issued by the MHA rather than the Ministry of Health and Family Welfare. States have been reduced to being the implementing agencies of the union's whims with little room or flexibility to adopting the right strategy to manage COVID-19.

Even if one assumes that the power was validly delegated to the MHA, it is simply beyond comprehension how a department which concerns itself with internal security was considered the appropriate agency to deal with an issue of public health. That Amit Shah, the de facto deputy to Modi, is also the home minister is not a coincidence. Far from relying on expertise and taking advantage of technical inputs, the management of COVID-19 became one of consolidating and centralising power within the union government, with predictably disastrous consequences.

An ideal situation would have been the union government using its powers to focus on interstate spread of the disease by cutting down interstate travel. It could have focused its energies on doing the things that states could not do: assisting with foreign procurement of testing kits, personal protective equipment, and interstate coordination and assistance, among similar activities. Instead, we had the absurd sight of the union government telling states what shops could open (*Business Standard* 2020), what timings public parks should function on (*Economist* 2020), and other such trivial matters.

Conclusions

Is this, one may ask, the benefit of hindsight? After all, it is very well to be wise after the fact, but what real choices did the government have?

The failings of the NDA government in tackling the COVID-19 crisis are not unique to the way in which it handled it. Centralisation did not only fail in addressing the COVID-19 outbreak, but has also hobbled the goods and services tax (Sikander 2020). Lawless lawmaking has been a feature of not just the way the lockdown was managed, but also the way demonetisation unfolded and proved eventually to have failed at its intended aim, while harming the economy (Kumar 2016).

Any discussion in the handling of COVID-19 by the Indian government has to mention the humanitarian crisis it triggered for migrant workers, who were abruptly left without work and were forced to go back home to their villages, as the absent social security net portended only hunger and destitution for them. Having failed to foresee this disaster, the government firmly denied it was even a problem (*Scroll.in* 2020) until it was forced by circumstances to do so.

Having failed at controlling the epidemic at the national level, the strategy of the Modi government seems to be to leave it to the states to manage it on their own, leading to widely different outcomes from state to state. With the epidemic yet to peak in India, an ominous July awaits us all.

NOTES

1 Numbers as taken from https://www.covid19india.org/, viewed on 15 June 2020.
2 Numbers as taken from https://www.worldometers.info/coronavirus/, viewed on 15 June 2020.
3 Numbers as taken from Parliamentary Research Service, https://prsindia.org/covid-19/notifications, viewed on 15 June 2020.
4 Entry 6 of List II of the Seventh Schedule read with Articles 245 and 246.
5 Entry 29 of List III of the Seventh Schedule read with Articles 245 and 246.

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Procedural Rationality in the Time of COVID-19

Utteeyo Dasgupta, Chandan Kumar Jha, Sudipta Sarangi

Homo economicus, the typical economic man, is a rational agent whose goal is to find the optimal solution to any problem. However, this may not be feasible in complex situations like the current global pandemic. We argue that in such environments where Knightian uncertainty plays a big role, the behaviour of countries, sectors of the economy, and individuals may be characterised by procedural rationality. Instead of focusing on the outcome, it is argued that the decision-maker draws upon similar experiences and follows a consistent procedure.

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The ongoing COVID-19 pandemic is without a parallel in the last 100 years of human history. The closest comparison is probably the gargantuan calamity-ridden 1918 flu pandemic of which there are hardly any survivors remaining to tell tales of. The last few months have witnessed countries going from total denial about the impact of the severe acute respiratory syndrome-coronavirus-2 (SARS-CoV-2) to complete lockdown orders. Life has been at a standstill and economic activities have been frozen. We are now entering a transition phase where different countries, perhaps resigned to their fate, are contemplating reopening their economies partially, fully or in stages. India, for example, has introduced nationwide colour-coded activity zones, where red zones are extremely restrictive and green zones are attempting a return to normalcy. The United States (US) instead, keeping with its federalist foundation, has different states taking their own measures to restore economic activities without adhering to a single coordinated nationwide criterion. South Korea, relying on intrusive citizen monitoring policies, has voluntarily resorted to life as normal. However, without an antidote, or the promise of a vaccine in the immediate future, these steps are all analogous to driving through a dense fog to a necessary destination.

As with any global catastrophe, the pandemic has created systemic uncertainty. Idiosyncratic or individual-specific uncertainty that is always present is still there, but its magnitude has increased manifold. The policymakers currently face three levels of uncertainty. First, is the "biological uncertainty" stemming from the fact that we are unsure of treatment drugs and do not have a clear timespan for a vaccine. Moreover, our knowledge of SARS-CoV-2 and COVID-19 remain limited. Although social distancing has provided partial respite by "flattening the curve of new infections," reopening might trigger a relapse. Ultimately, most countries still do not have a systematic way of monitoring asymptomatic patients and lack adequate reserves of protection equipment for front-line workers, doctors and nurses, as well as medical necessities like hospital beds and ventilators for the sickly.

Keeping the economy frozen without a clear reopening date creates a second source of uncertainty and problems that we call "economic uncertainty." As of now, nobody can predict with any reasonable accuracy the end date for the pandemic, making planning and decision-making very difficult. For instance, without a termination point, it is simply not possible to do dynamic optimisation, that is, optimal decisions over multiple time periods are not feasible. This means businesses, large and small, will defer investment decisions no matter how cheap loans become (remember Keynes' liquidity trap). Production planning is also made difficult by the fact that supply chains are now global, subject to vulnerabilities outside a firm's control (see, for instance, Luo and Tsang 2020). Add to that the substantial uncertainty on the demand side, which is harder to predict even under normal circumstances. Job loss, falling wages and movement of labour across regions are going to affect demand on an unprecedented global scale. In the midst of all this, the US stock market has been behaving almost like a Foucault's pendulum, with little connection to happenings in the real economy where all economic activity is at a standstill (Krugman 2020).

Finally, a third source of uncertainty arises from the interaction between the biological and economic uncertainty. Coupled with idiosyncratic uncertainty, it will produce a variety of individual-level responses making it almost impossible to offer clear solutions.

Concept of Procedural Rationality

Economists as decision scientists play a vital role in providing a framework for dealing with uncertainty, the main weapon in their arsenal being the expected utility theory (EUT). In this approach, every uncertain situation is quantified by identifying all possible outcomes or things that can happen in an uncertain event, along with the probability of each outcome. Consider Savage's example of making an omelet with six eggs (1954: 13–15), five of them already cracked and poured into a bowl while the sixth one is yet to be cracked. If it were a good egg, cracking and pouring it into the bowl with the other eggs would save the hassle of cleaning a new bowl; however, if it turns out to be rotten, then you lose five fresh eggs. The outcomes in this decision problem are clear—an egg can either be fresh or rotten. Since we know how long each egg has been in our refrigerator, we can attach probabilities to each of the two outcomes. Then *Homo economicus* can step in and make an optimal decision about the sixth egg using some version of the EUT framework by taking into account the costs and benefits of cracking and not cracking. Following Frank Knight (1921), economists have called this "risk" and distinguished it from the notion of "uncertainty."

Knightian uncertainty describes situations where the odds for the event cannot be computed because we have no way of knowing the probabilities associated with each outcome (formally a situation of "ambiguity") and at times may not even know all the possible states (formally a situation of "unawareness"). The current coronavirus crisis is an excellent case in point. The difficulty lies in the fact that for the three sources of uncertainty mentioned above, it is not always possible to know what the different states of the world might be and/or their associated probability distribution. In other words, *Homo economicus* cannot do the cost–benefit calculus that was possible in the egg-breaking example. However, in this "fight against the gods," as Bernstein (1996) put it, not all hopes of a "rational" way forward might be lost.

Herbert Simon (1957) had in fact suggested a solution when he argued that finding the optimal outcome might not always be possible, especially when we have to contend with complex problems and/or situations involving Knightian uncertainty. He suggested that in such situations, "we should shift our focus from the outcome of the decision-making process to the process itself." In general, he observed that people follow heuristics and engage in practices like satisficing when they operate in complex environments. Thus, our goal should be to have a method for making decisions that satisfy consistency in a way that microeconomic theory typically suggests and leads to "reasonably good" outcomes. He termed this as "procedural rationality." We now have irrefutable experimental and empirical evidence that human beings do not always engage in "optimal behaviour" in the classical sense and might indeed be making choices in a boundedly rational way.

Decision-makers, whether they are heads of states or of households, are precisely in this situation in the current pandemic. Without adequate knowledge or information about myriad things, the best they can hope for is to follow some "rational" procedure in making decisions. One version of procedural rationality that seems to find support in current behaviour is the notion of "case-based decision theory" introduced by Gilboa and Schmeidler (1996). The basic idea goes back to Hume (1748) who argued that, "From causes which appear similar we expect similar effects. This is the sum of all our experimental conclusions." The intuition is that in situations of Knightian uncertainty, decision-makers draw on their experiences from "similar" problems in the past and imitate a successful solution and/or avoid choices that lead to unsuccessful outcomes. By its very nature, then, if a decision-maker ends up with the optimal solution for a problem it is pure coincidence.

Procedural Rationality at Work

To see how the evidence stacks up in favour of procedural rationality in the current crisis, let us start with the following question: Why has the response to COVID-19 been dramatically different across different countries? Ultimately, they all face the same level of virologic uncertainty. One possibility is to examine their pandemic responses in light of their exposure to other such phenomena in the past, particularly exposure to SARS.

Country-wise performance: SARS cases were first found in the Guangdong province of China in November 2002. The disease spread to 26 countries over the next several months causing 774 deaths. Countries with the highest deaths from SARS were: China (349), Hong Kong (299), Taiwan (37), Canada (43), and Singapore (33). With the exception of Canada and France (1 death each), the Western world did not suffer any causalities.

Consider Taiwan's response to the current pandemic. It established the National Health Command Center in 2004 with an objective to prevent the outbreak of infectious disease pandemics and started screening all passengers from Wuhan the same day it learned of the virus. Moreover, Taiwan integrated its national health insurance and immigration and customs databases, and used travel history and clinical symptoms to identify the cases of coronavirus infections (Wang et al 2020). Messaging services were used to disseminate information and mobile phones were used to monitor those in quarantine. Services like production and allocation of masks were centralised and important health-related information was communicated to the public through daily press briefings. Singapore placed travel restrictions on people coming from China, against the World Health Organization's advice, along with aggressive testing and tracking right away. Additionally, it provided free testing and treatment, as well as a quarantine allowance. Hong Kong sealed borders with mainland China almost immediately, made 14-day quarantines mandatory for people arriving from China, closed schools, universities, and other public facilities, such as museums, encouraged people to work from home, all in an effort to contain the spread.

This is in stark contrast to the happenings in the US and many European countries. It is obvious these countries did not take the pandemic seriously in the early stages. For instance, even though the US government was warned about the pandemic in January, no measures were taken until the third week of March when guidelines were finally issued urging people to stay at home to the extent possible, avoid discretionary travel and public places, including restaurants and bars and gatherings of more than 10 people. By comparison, Canada tested people more aggressively, emphasised social distancing more strongly, managed personal protective equipments (PPEs) more effectively, and due to the SARS experience, its health agencies at different levels were able to coordinate better.

In Europe, Italy, once the epicentre of COVID-19, refused to take strict measures until the situation got out of hand. Initially, the Italian government imposed partial lockdown only in certain "red zones." The United Kingdom's story is no different. Instead of taking serious measures after the first case of the coronavirus on 31 January, it was not until the third week of March that social-distancing measures were advised, and lockdown put in place prohibiting all non-essential businesses and travel. The late action has been true for most European nations and some countries have still not imposed a lockdown. One explanation for such a response could be that the Western world in general has not faced catastrophic events of such proportions since World War II. Barring Canada, the Western world cumulatively had fewer than 100 SARS cases. It is therefore not surprising that many developing countries like India, which are constantly facing some sort of threat or the other, have responded better, especially when one takes resources into account.

Sectoral performance: Next, let us consider different sectors of the economy and see why some of them may be able to fare better than others. At first cut, one may attribute this to exogenous factors, and to a certain extent this is true. But there does seem to be a pattern. Sectors of industry that are constantly innovating or face more competition and adversity seem to be doing better and preparing better. The hotel industry in the US, which survives to a large extent on business travel, cannot do anything about current predicament. Yet, it claim that its recovery is faster than airlines because the franchise model in the hotel industry relies on the experience of a diverse set of owners. Within the airline industry, it is generally believed that low-cost airlines in the US will do better than their counterparts in Europe because of tougher competition. The entertainment industry, which includes movies and concerts, has been quickly able to borrow from its technology expertise to offer online shows. The education sector, which has a significant proportion of people with higher education, was almost instantly able to adapt itself to online teaching, simply because it is constantly dealing with new forms of technology.

Agriculture is probably the sector that is always dealing with some type of uncertainty. It is subject to economic uncertainty because an individual farmer or country has little control over the global output or agricultural policies followed in other countries. Additionally, it has to contend with the vagaries of nature, and farmers have to carry out all their work in the narrow window of opportunity provided by nature regardless of the presence or absence of additional labour. The Indian agricultural sector is a wonderful case in point. In the recent years, this sector has weathered several adversarial situations akin to the current pandemic, ranging from demonetisation to several droughts to even anti-inflationary policies. Yet, thanks to the resilience of this sector, efficiency of our much-maligned public distribution system, and pro-poor food distribution related efforts in different states, India is witnessing hunger but not starvation deaths—at least not for the time being. In other words, its experience with adversity enables the agricultural sector to make decisions and adapt faster than other sectors of the economy.

Risk-taking behaviour: Finally, procedural rationality suggests that the experience of this pandemic is likely to influence future behaviour as well, and these changes could persist long after the pandemic is over. The occurrence of a major event—economic or non-economic—that leads to traumatic or catastrophic experience has long-lasting impact on the behaviours of those that experience it. The experience of a large macroeconomic shock, such as the Great Depression, exposure to war during childhood, and the experience of a natural disaster can cause people to become more risk averse. Malmendier and Nagel (2011), for example, find that individuals who experienced the Great Depression tend to be less active in the stock market. The opposite is true for those who had positive experiences with the stock market. Similar effects on risk-taking behaviour have been observed for individuals who were exposed to wars. For instance, adults who were exposed to World War II as children show greater risk aversion, are less likely to invest in stocks and more likely to have life insurance (Bellucci et al 2019). Likewise, exposure to the Korean War has been found to have a persistent negative effect on financial risk-taking (Kim and Lee 2014). And, those who have suffered a natural disaster, such as a flood or earthquake, exhibit a greater degree of risk aversion (Cameron and Shah 2015).

Possibly, exposure to the war might affect the preferences for risk-taking by increasing the subjective perception of risk in financial investments, and the experience of a natural disaster might alter the individual's beliefs about a recurrence. Ultimately, individual behaviour tends to encompass a wide variety of experiences and can therefore be more idiosyncratic. It would not be surprising to see people maintaining social distancing, washing hands, wearing masks in public places, and taking other precautionary measures long after this pandemic is over. Their risk attitudes and their beliefs about the recurrence of a pandemic are likely to reduce activities that might expose them to strangers, such as travelling by plane, eating out at restaurants, or shopping at malls, affecting such sectors more adversely than others.

We are neither soothsayers nor do we have a crystal ball with which to foretell the future. We do, however, believe in procedural rationality, and in keeping with that mode of boundedly rational behaviour without asserting more, we hope that things will get better sooner than later. In the meantime, the outcomes for countries, sectors of the economy and individuals will vary based on their experiences and decision criteria.

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Towards More Inclusive Water Management

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As much as it is a domestic, agricultural and industrial necessity, water is also a basic human right and should be managed as a public good. However, policy and practice related to water management have failed to create inclusive solutions due to blinkered disciplinary thinking about a resource that plays multiple sociocultural, environmental, economic and ecological roles. It is crucial for decision-makers to engage with interdisciplinary approaches to create truly democratic water systems.

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As a fundamentally interdisciplinary subject and realm, water needs to be analysed through multiple lenses and managed using a capacious toolbox. In order to understand it, comprehension of the hydrological cycle is a prerequisite. Also, decisions on water, land use, agriculture, and sanitation affect each other; these interactions must be appreciated. It is also important to realise that developmental actions are influenced by social, economic, and environmental factors and, in turn, shape these contexts. Finally, the interactions between actions taken at different scales—local, national, and international—also need to be understood. This makes it evident that an interdisciplinary systems thinking is needed to govern water resources. However, the sector is currently managed in silos by institutions that use reductionist approaches. Ideas of some critical sociological thinkers can contribute to the more inclusive management of our water resources and truly ensure water for all.

Critical Thinking

The first benefit of engaging with critical thinking is developing a questioning perspective on the systems at hand. Indeed, according to Antonio Gramsci, intellectuals must question the status quo (Crehan 2016). This challenges complacency and allows for analysis on how to improve prevailing practices. While it is projected that evolution is linear and that modern institutions surpass previous systems, many sociological thinkers have questioned this. Using such a critical approach, we can also recognise how problem-riddled current systems are.

Modern water management is dominated by a bias towards engineering and economic approaches. This domination of certain knowledge systems over others in a subject that is essentially interdisciplinary is reminiscent of Gramsci's concept of hegemony (Calhoun et al 2012). Water resource departments in most Indian states recruit only civil and mechanical engineers. Their decision-making tools are based on merely economic criteria such as cost–benefit analysis, and the few participatory processes like stakeholder consultations are reduced to box-ticking efforts. This also leads to the hegemony of certain powerful classes over others.

For example, the stakeholders of a hydropower project typically include panchayats, non-governmental organisations, community welfare groups (that include farmers, users of irrigation facilities, women welfare groups, self-help groups, and village youth welfare groups), hydropower developers and the state energy department. Despite the presence of welfare groups, communities on the ground remain sidelined by the latter two stakeholders that unilaterally drive decisions to serve their interests in earning revenues from energy generation.

Due to the domination of ideas of profit maximisation over considerations of equity or ecology, there is neither benefit-sharing with locals nor their inclusion in decision-making around sustainability concerns. For instance, locals often find out about a life-altering hydropower project only after the arrival of machinery and workers in the area (Buechler et al 2016). For communities displaced by these projects, it is indeed hegemonic that someone in the distant lands has the power to write their fates and drastically change their lives and livelihoods.

The emphasis on engineering and economic approaches and neglect of issues related to equity, power, and justice has been widely criticised. As the late Ramaswamy Iyer had stated,

> Rivers are not human artifacts; they are natural phenomena, integral components of ecological systems, and inextricable parts of the cultural, social, economic and spiritual lives of the communities concerned. They are not pipelines to be cut, turned around, welded and rejoined. (Umamaheshwari 2015)

Cullet et al (2012) also critique the popular reductionist perception of water as "a resource to be exploited for various water services, and not as a resource that has certain basic economic, social, environmental and cultural value." Taking water out of this holistic context leads to its current perception as a resource to be tapped, used, and consumed in ways that make only scientific and economic sense. This hegemonic "scientism" also serves political interests; dominant values can be "apoliticised" by hiding them behind a smokescreen of "science," preventing questions to protect the interests of the powerful.

Against Positivism

Jürgen Habermas, in addition to other sociologists, warned society against positivism that sought to explain social dynamics through formulation of universal laws, backed by data (Turner 2001). Positivism takes the physical sciences as the standard of certainty and exactness for all disciplines. It believes that knowledge is inherently neutral and that human values can be kept out of research and decision-making. Water resource planning implicitly advocates this approach. However, science and policy, and indeed, water management are laden with values. Even the cost–benefit analysis, a seemingly technical and apolitical tool for decision-making, is based on several value judgments. Deciding to maximise economic utility, placing a value on the well-being of future generations by choosing a certain discount factor, and putting a monetary value on the natural resources that do not inherently come with price tags are all highly subjective steps within the cost–benefit analysis, which often get couched behind a seemingly objective benefit-to-cost ratio.

While positivism believes in the presence of an irrefutable objective "truth," in applied settings, "truth" is in fact socially constructed. As Habermas illustrated through the consensus theory, truth or knowledge are not absolute but arrived at through a process that is socially negotiated (Ritzer 2010). Modern-day planning ignores the plurality of knowledge and realities. The domination of research and policy by powerful castes, classes, and gender recognises only their knowledge. Water projects based on colonial designs and heavy infrastructure reflect the masculine, centralisation-focused identities that designed these systems.

As demonstrated by Michel Foucault, modern societies privilege certain knowledge systems over others, creating an unequal distribution of power (Ritzer 2010). For instance, within agriculture are several cultivation techniques, which are varied in their resource requirements. The dominant agricultural paradigm established by the green revolution is characterised by high-yielding variety crops, intensive use of inputs, and market-oriented farming that requires high irrigation intensities. This has led to investments in large hydropower projects for irrigation at the cost of land that communities relied on for generations.

According to Chambers (2019), the mindset behind the green revolution was that the farmers are ignorant and that there is a need to provide them with a fixed package of practices. These ideas came from powerful personalities like Norman Borlaug and Daniel Benor, and fitted the interests of the World Bank, to issue big loans fast. In privileging certain knowledges of agriculture, development, and well-being, the development paradigm has exacerbated the vulnerabilities of the marginalised, deepening the pre-existing power divides.

Critical thinking is a helpful tool to examine problems within contemporary systems. While reflecting on dominant narratives and paradigms is fundamentally an intuitive process, critical theory is a means to apply knowledge from the social sciences and the humanities to reveal and challenge power structures, and ultimately improve society. Also, interdisciplinary researchers often invoke "Foucauldian discourse analysis" when enquiring on topics like caste- and gender-differentiated water availability and access.

Providing Solutions

In addition to highlighting shortcomings, sociological thinking can also point towards possible solutions in the water sector. Providing a practical solution to the problem of "whose knowledge counts," Gramsci has developed the idea of "praxis," setting the stage for participatory thinking and engagement with communities on the ground. He insists that knowledge can be produced outside the ivory tower and by the masses when they are able to organise productively. He further reasons that it is the responsibility of the powerful to facilitate this engagement (Calhoun et al 2012). Praxis, while mainly conceptualised for research, applies equally to policy and practice. Recent participatory methods operationalise this thinking. For instance, participatory rural appraisal (PRA) methods, when implemented in the true spirit of the term, can be used to integrate local people into development initiatives and enhance their control over the resource allocation and decision-making processes.

Habermas moves forward on this idea of coordinated action and speaks of the importance of recognising multiple goals and interests in any situation. His ideas of "strategic purposive action" and "communicative action" address the possibility of moving beyond egocentric calculations and acting in coordination with others. Habermas's work built up on Marx's critique of capitalist systems that aim at maximising utility at the cost of human well-being. He proposed the idea of communicative action, which encourages actors to not be blinkered by the pursuit of individual successes, but to harmonise actions under the given circumstances to reach mutual understanding (Ritzer 2010). This approach can be beneficial in water resource planning, particularly in conflict situations. Discord often arises when downstream water users repeatedly get the short end of the stick because of the inequitable and self-centred behaviour of those upstream. Sharing water based on mutual understanding and dialogue, that is, communicative action, can help maximise collective welfare and alleviate conflict.

Gramsci's praxis as a system of planning that is completely participatory is the ideal standard to work towards, and Habermas's communicative action is a useful tool to employ. However, including all stakeholders in every decision may not always be realistic. In applied settings, certain voices may sometimes be left out of decision-making despite best efforts to the contrary. Further, current governance regimes are weighed down by inertia and will take time to evolve into more inclusive systems.

In response to similar challenges, gender sociologist Dorothy Smith provides the "standpoint theory," a ready-to-deploy instrument at any stage of a system's evolution towards a transparent, inclusive ideal. Stating that "what one knows is affected by where one stands (one's subject position) in society," the standpoint theory highlights that knowledge is socially situated, and asserts that it is essential for decision-makers to recognise their own positionalities with respect to those of others, particularly the marginalised (Applerouth and Edles 2007). Advocating for those in power to stand in the shoes of the disadvantaged before they act, the standpoint theory can encourage engineers, planners, and policymakers to cultivate empathy towards the aspirations, hardships, knowledge and lived experiences of sidelined communities.

Ultimately, engaging with the social sciences can ground us to the contexts we live and work in, create a sense of humility in our abilities, and inculcate a consciousness towards those on whom we have an impact. It is of value to employ critical theories to constructively reflect on current water management practices and improve these systems. While this thinking may appear as common sense, such concepts provide a framework to recognise implicit values and evaluate our approaches against our aims. Interdisciplinarity is fundamentally inherent to policy. Expanding the range of approaches that inform water governance in India can go a long way in making the system more just, inclusive, and efficient.

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The Overseer of the Plague
Reading *Oedipus Rex* during COVID-19

MAAZ BIN BILAL

A critical reading of the Greek tragedy *Oedipus Rex* with a focus on the protagonist as a ruler overseeing a city under a plague, is illuminating for our times. The role and responsibility displayed by Oedipus can be compared and contrasted with the performance of the major political leaders of our own contemporary world during the COVID-19 pandemic. Civic duty and the sovereign's responsibility towards their people during the crisis are examined.

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"The Ancients are modern." This was G M Lowes Dickinson's conclusion about the ancient Greeks according to E M Forster, as expressed in his preface to Dickinson's book, *The Greek View of Life* (1909). The most well known of Greek tragic plays *Oedipus Rex* by Sophocles is certainly relevant for us today as we grapple with COVID-19 and look at government responses to the pandemic internationally. In the play, the main protagonist, Oedipus, rules over the city of Thebes that ails under a plague. His actions alert us to possible roles of responsibility during an epidemic, many of which seem to have been handled egregiously by many contemporary world leaders.

As the play opens, the citizens appeal to the king to help them as they are dying in large numbers. In accordance with the conventions, what may even be understood as the science of the time, there is an attempt to unravel the cause of the disease so as to find a cure by sending an emissary to the prophet at Delphi. But even before the appeal is made, Oedipus, the kind, concerned, and alert ruler has done what is required. An embassy to the oracle is already on its way.

In contrast, in our own post-enlightenment times, various governments meant to act for the people, took a long time to spring to action when faced by the emerging and rapidly spreading COVID-19. Local authorities in China censored the ophthalmologist Li Wenliang when he spoke about the dangers of the disease in its early phase, as early as 30 December 2019. The doctor's voice was suppressed, and he is now dead from COVID-19 at the young age of 34. Britain, freshly made purportedly greater on popular demand by Brexit, kept putting on a brave front till 23 March before imposing a lockdown, leaving the disease to unleash its mayhem to the point that its overseer, the Prime Minister Boris Johnson, was diagnosed with the disease on 27 March. More than 40,000 people have died due to COVID-19 in the United Kingdom (UK) alone, as for the longest time it continued to strive for herd immunity, without taking other concrete scientific measures.

In the bastion of the free world, the United States (US), over two million people are infected with the virus, and over a lakh are dead. Even as his own White House staff has been infected, President Donald Trump is busy blaming the pandemic on the Chinese, calling it the Chinese virus, and calling for reparations from China.

In India, the land of the Buddha, roughly a contemporary of Sophocles and for whom detachment from worldly possessions and greed was the ultimate goal, various critics had accused the central government of deferring the required lockdown so as to have time required to form the government in Madhya Pradesh (MP). The lockdown imposed on the next day of the swearing in of the MP chief minister meant that the state had one of the poorest responses in the country to the disease.

Lack of Self-scrutiny

In *Oedipus Rex*, the emissary, Creon, comes from Delphi bearing the message that the murderer of the previous king, Laius, must be brought to task to end the plague. It is this murder that has met no justice that has brought the plague to the city. Oedipus immediately sets out to find out who the murderer is, "I'll bring it all to light myself!" As conscientious ruler, he plays detective, researcher, observer, trying his best to do what is right for his people. He is a rationalist, and even an intellectual, who had previously saved the city by solving the nigh impossible riddle of the mythic monster Sphinx that had posed another big threat to the city.

Contrast this to the bluster of the aforementioned contemporary world leaders and their actions. Moreover, where Oedipus continuously sought to think and act for the people himself, in countries today, such as India, the emphasis has been to put the onus on the people, not just to isolate themselves, but also to contribute to the cause by making donations for which a new special fund has been set up. It is a different matter that in contrast to Oedipus's self-scrutiny, which ultimately led to finding himself guilty and punishing himself through exile, this new fund, PM–CARES is devoid of the conventional scrutiny afforded all such present and past funds in the country. Testing remains inadequate, public funding on health being a minuscule percentage of government spending.

Moreover, in the play, once Oedipus discovers that he is guilty of patricide he gives his all to atone for this murder that has brought on the pestilence to his society. In contrast, even as the first case of COVID-19 was already detected in India on 30 January, and in the US on 20 January, the two heads of state met in India amidst great celebrations and jubilation in February. The country had already been reeling under nation-wide protests against the controversial Citizenship (Amendement) Act (CAA) combined with the National Register of Citizens, which together give India's citizenship laws a non-secular or religious bias. During President Trump's visit to India, "riots" or "targeted violence," as they have been differently labelled, also emerged in the national capital of Delhi, while the heads of two states toured Delhi, Jaipur, and Agra. Some comparisons with Nero were made as large parts of the city burned. Unlike Oedipus, the leaders in this case made few attempts to directly stem the tide of violence, or to address the agony of millions of Indians who feel disenfranchised and affected by the CAA. Furthermore, the state has filed first information reports against and made arrests of various anti-CAA, anti-caste, and civil rights activists (including students, and women) during the lockdown, sometimes under the draconian Unlawful Activities (Prevention) Act which allows for individuals to be charged with terrorism and for month-long arrests without having to present the accused before a magistrate.

Oedipus, keeping in with Athenian notions of limited citizenship that could tend towards xeophobia, makes it a point to ask if the source of the plague is foreign, "if anyone knows the murderer is a stranger, a man from alien soil." COVID-19 has also resulted in increased xenophobia in all the countries so far discussed. China, where it all began, is now acting in a racist manner against people of African origin or other foreigners, as it believes that having contained the disease in its own country it will be outsiders who can spike the numbers again. In the UK and the US, people of Asian ancestry have been targets of increased racist attacks and abuse, particularly since the virus has been deemed "Chinese" by Trump. In India, since the disease spread at a religious event organised prior to the government lockdown by a Muslim organisation, the Tablighi Jamaat, national media propaganda has often labelled this as "Corona Jihad" and government statements have also provided a separate data set to the disease's spread from this particular event as opposed to others.

Unlike these xenophobic pursuits, Oedipus is far more dogged about the pursuit of truth and lucid in its recognition. He does not blame the citizens for the misery wreaked upon them by his own actions. India's lockdown in contrast has resulted in the death of purportedly 200 or more people due to the migration and starvation of the poorest of labour who had no work, money, or food to sustain them in their cities of work.

Civic Virtue

Oedipus in marked contrast freely admits, "And all these curses I—no one but I/brought down all these piling curses," and the messenger tells us that blinding himself upon finding out the horrible truth of his guilt, Oedipus addresses his eyes in a moment of righteous, blinding rage, "You'll see no more the pain I suffered, all the pain I caused!" The big men of the world today, on the other hand, show little repentance for the curses they bring to their lands through mismanagement that leads to death. In the absence of adequate testing or medical care, these leaders pamper the rich and damn the poor. Oedipus Rex, king, had instead damned himself to rid the city—state of its evil.

Civic virtue was indeed a top priority of the ancient Greek world. But this was foremost embodied in the ruler, and one finds it practised by Oedipus. In contrast, the world leaders of today continue to urge the citizens to be vigilant, to donate, to help their neighbours, to sacrifice for the nation, etc, but do little to alleviate the pain of the poorest themselves. Civic virtue seems to be only invoked for ordinary citizens today but members of democratically elected governments seem to be outside of the pale of such responsibility.

One of teh big quarters where the ancients were not modern, perhaps, is in their treatment of women. Let alone leadership roles, women were not full citizens of Athenian civic life. In drama they had no participation as playwrights, actors, or audience. Thankfully, in our world, many women are scripting its history as leaders of different democracies. Jacinda Ardern (Prime Minister of New Zealand), Angela Merkel (German Chancellor), Erna Solberg (Prime Minister of Norway), Katrín Jakobsdóttir (Prime Minister of Iceland), K K Shailaja (health minister of Kerala) and Jung Eun-kyeong (director of the Korea Centers for Disease Control and Prevention) are some of the women leaders who are showing the path forward to combat the pandemic and work appropriately for the people. They have utilised the best of scientific knowledge and practices through swift and timely action to contain the virus. Perhaps, Arisophanes's comedy Lysistrata provides the one vision of women's leadership that the tragedy lacks and the women leaders of our world have provided. One may conjecture that Oedipus, who was a foremost thinker among the Greeks, would have been proud of these women as leaders of their people amidst the pestilence.

Neo-liberal Restoration at the Barrel of a Gun

Dissecting the Racist Coup in Bolivia

TATHAGATAN RAVINDRAN

Some characteristics of the contemporary phase of global neo-liberalism in light of the recent coup organised by the extreme right-wing forces in Bolivia against the leftist President Evo Morales in 2019 are examined. Despite having minuscule popular support, the backing of the armed forces and United States imperialism emboldened the post-coup government to aggressively restore neo-liberal policies in an unabashedly dictatorial fashion. The coup in Bolivia becomes a paradigmatic case that highlights how neo-liberalism as a political–economic doctrine continues to articulate with racism and religious fundamentalism to establish and maintain its dominance.

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At the turn of the 21st century, when the hegemony of neo-liberal orthodoxy reigned supreme, Latin America was the place where its confident and seemingly invincible march was interrupted. Forcefully defying prophecies of the end of history and the end of ideology, new left governments were elected in Latin America that challenged the neo-liberal consensus of the era. This process not only rekindled hopes for a revival of the left, but also cleared the grounds to build new left alternatives that can learn from the shortcomings of its 20th century counterparts. However, the last five years have witnessed a weakening of the left in the region. Brazil, Chile and Ecuador turned to the right and Venezuela is reeling under a severe economic crisis. Even then, Bolivia still stood out as a beacon of hope for the Latin American left. Though it did not enjoy the same degree of popular support as it did earlier, the government of Evo Morales still remained the most powerful political force in the country, and Bolivia had the highest rate of economic growth in the region continuously for five years, ensured economic and political stability. For all these reasons, there was a lot at stake in the Bolivian presidential elections of 2019 for the Latin American (and global) left, the national oligarchic elites and United States (US) imperialist interests.

However, what eventually happened turned out to be worse than the worst nightmares. Through an analysis of the usurpation of power by the extreme right-wing forces in Bolivia, this article examines the characteristics of the contemporary phase of global neo-liberalism.

New Ways of Staging a Coup

After the electoral tribunal declared Morales as the winner in the 2019 elections, opposition candidate Carlos Mesa refused to accept the results, alleging fraud. Protests broke out in various Bolivian cities. The Bolivian government invited the Organization of American States (OAS) to conduct an audit of the elections. On 8 November, the OAS team recommended that new elections be held as they found irregularities in the vote count. There is still no consensus on the question of whether there were irregularities in the elections held on 20 October. Later, studies by the Center for Economic and Policy Research based in Washington, Centro Estratégico Latinoamericano de Geopolítica (CELAG) and a group of MIT researchers questioned the conclusions of the OAS.

Nevertheless, once the OAS team released its preliminary report, Morales immediately accepted its recommendation and asked the legislative assembly to form a new electoral tribunal and declare fresh elections. However, the opposition demanded the immediate resignation of Morales. With the chiefs of police and the armed forces also asking him to step down, Morales realised that he had no other option. He announced his resignation declaring that a coup has been consummated in Bolivia.

By then, Luis Fernando Camacho, a multimillionaire business tycoon and representative of extreme right-wing politics, had eclipsed Carlos Mesa as the major spokesperson of the opposition to Morales. Hours after the resignation of Morales, Camacho barged into the presidential palace with his ally Marco Pumari. Masked men removed the wiphala, the flag of indigenous self-determination from the top of the presidential palace and burnt it, with a mob cheering "Yes, we could! Yes, we could!" The wiphala was officially incorporated as a symbol of the fatherland along with the national tricolour flag by the new constitution promulgated by the constituent assembly convoked by Morales during his first term in office.

In the power vacuum that was created, senators from the opposition met in a session without the necessary quorum, and Jeanine Áñez, the second vice president of the senate proclaimed herself as the interim president. Senators from the Movimiento al Socialismo, the party of Morales, did not attend the session as most of them were underground due to the severe political persecution party members were subjected to after the resignation of Morales. Some of their houses had been burnt and their family members kidnapped and tortured.

The self-proclaimed President made repeated statements that her government was "transitional" and that its only objective was to conduct elections. Though Áñez and her party, which only won around 4% of the votes in the country in the 2019 elections, have no mandate to make radical changes in policies, they seem to be in a great hurry to reverse all the important initiatives of the Morales presidency. The following sections of this article discuss how a government with minuscule popular support, with the backing of the armed forces and US imperialism, went on to aggressively pursue neo-liberal policies in an unabashedly dictatorial fashion. It, once again, reveals the tendency of global right-wing forces and US imperialism of making a mockery of democracy whenever it does not suit their interests. The Bolivian experience thus reinforces the need to retheorise the relationship between neo-liberal capitalism and democracy, a task that holds immense relevance in the context of the upsurge of right-wing authoritarianism in various parts of the world.

Neo-liberal Restoration

Like the other new left governments that emerged in Latin America as part of the pink tide, the Morales administration adopted policies that went against the neo-liberal consensus that marked the economic policies of the last decades of the 20th century in the region. The election of Morales in 2005 was the product of a series of mass mobilisations against neo-liberal economic policies.

In 2006, Morales announced the nationalisation of gas. However, it was a partial nationalisation that only involved an increase in the royalties the transnational gas companies pay the state. Nevertheless, it enabled the government gain up to 70% of the revenue generated from hydrocarbons (Farthing and Kohl 2014). Subsequently, similar kinds of nationalisations were implemented in electricity, telecommunications, and mines, enabling a major increase in public investment. Public investment increased by about 250% from an average of $581 million in 1999–2005 to $2,046 million between 2006 and 2012.

The increased role of the government in the economy helped the redistribution of wealth, both in terms of race and class. Between 2007 and 2015, moderate and extreme poverty decreased by approximately 21% and the Gini coefficient went from 0.56 to 0.47, reflecting a decrease in income inequality (Beverinotti 2018). In 2005, the top 10% of the population had 128 times more income than the bottom 10% by 2012; this difference decreased to 46 times (Pozas 2017).

Direct cash transfers were made to the elderly, public school students and pregnant women. The government also increased the education budget significantly. School attendance increased. A massive literacy programme was implemented and 5,00,000 people graduated from literacy classes. Material benefits for the indigenous population were significant. The econometric study of Hicks et al (2018) points out that the indigenous population of Bolivia achieved a rapid catch-up in income and expenditure relative to the non-indigenous population, which enabled the former to approximately close one-quarter of the interracial gap in income in the pre-Morales era.

Morales also promised to carry out an "agrarian revolution" in the country. Farthing and Kohl (2014) point out that land surveying, titling, and distribution were done at three times the rate of previous administrations. Ten million acres were expropriated for redistribution from expiring logging concessions and big landowners who held lands over the limit of 25,000 acres set by the new agrarian law. By 2012, for the first time since the Spanish conquest, smallholders, who are predominantly indigenous, control 55% of the land.

The transformations initiated by the Morales government are more reformist than revolutionary when judged by the standards of the 20th-century left. For instance, the redistribution of land to peasants did not translate into equality in the ownership of lands of the best quality. The lands best suited for cultivation continue to be concentrated in the hands of the traditional landed oligarchy, and one-third of the land remains in the hands of large agro-industrial firms. This has led to disagreements on whether the policies of the Morales government represented post-neo-liberalism or reconstituted neo-liberalism (Fuentes 2010; Webber 2010). However, the fact that the policies of Morales marked a break with neo-liberal orthodoxy cannot be denied.

One of the priorities of the Áñez government has been the restoration of the older neo-liberal policies. The new government has no qualms in declaring that they intended to privatise public sector companies. Knowing that public opinion is against this position, the government tries to create an impression that the public sector companies are unviable and that they are running on huge deficits, which could then justify their privatisation. Some public sector companies were forced to turn bankrupt by the newly appointed executives by making unjustifiable exorbitant expenses.

For instance, the new chief executive officer (CEO) of the public sector airline Boliviana de Aviación (BoA) appointed by the Áñez government declared that the airline was running on severe deficit, with no audit to back up that claim. The workers' union called a press conference to inform that flights were arbitrarily reduced by 30% in the peak season. It is no coincidence that the new BoA manager was the chief financial officer of Amazonas, a private airline that is its main rival (*Los Tiempos* 2020; Eju TV 2019). Not content with bankrupting state companies, the new government reduced public investment by 32.5% (Bedregal 2020).

The issue of lithium occupied a central place in the coup. Bolivia is believed to possess approximately 70% of the world's lithium, the raw material for batteries in electronic equipment and electric cars. It is seen as one of the most valuable raw materials of the future. Morales planned to begin exploration and industrialisation of lithium through a collaboration between the public and private sectors in which the state-owned YLC would have 51% of the shares, a decision that is not favourable for multinational corporations. The plan to industrialise natural resources and add value to them was a significant shift made by the Morales government in Bolivia's economic policies. The Áñez government, however, gave a clear indication that she would move away from these policies by appointing Juan Carlos Zuleta, a staunch opponent of industrialisation, as the CEO of the public sector company created for the extraction of lithium.

Changes in economic policies were also matched by changes in foreign policy. Besides breaking diplomatic relations with Cuba, the government declared that Bolivia will withdraw from the Union of South American Nations (UNASUR) and Bolivarian Alliance for the Americas (ALBA), the alliance of countries governed by leftist governments in the region against the neo-liberal model. After a decade, Bolivia sent an ambassador to the US and the government declared support for brazenly imperialist policies such as the US's war threat to Venezuela.

Political Repression

The usurpation of power by the extreme right-wing forces led to the eruption of massive protests. The Áñez government let loose severe repression on the indigenous population that has been at the forefront of these mobilisations. According to official figures published by the National Ombudsman, 32 people have died and 770 have been injured in the repression of protests against the coup. The report of the Argentine delegation of human rights that visited the country reveals the violation of the rights of children, adolescents, senior citizens and people with disabilities (*Crónica* 2019). Sandra Carreño, part of the Argentine human rights delegation, declared in a television interview that there are about 1,000 forced disappearances in the country, and that the relatives of the victims are being threatened to not report them (Archivo de los medios 2019).

In the neighbourhood of Senkata in the city of El Alto, protestors, who blockaded a gas refinery to cut off fuel supply to the administrative capital La Paz, were brutally massacred by the armed forces on 19 November. The next day, residents of the city accompanied by thousands of protestors who arrived from other parts of the country marched to the centre of La Paz with the coffins. They were tear-gassed, forcing them to flee and leave the coffins abandoned on the streets for a while.

Press freedom has been severely restricted. Two days after coming to power, the minister of communication threatened journalists that they would be tried for sedition for reporting news unfavourable to the government. This immediately silenced the Bolivian mainstream media. Argentine journalists covering the protests were forced to leave the country and an *Al Jazeera* correspondent was tear-gassed when she was reporting on live television. International television channels *Telesur* and *Russia Today*, which began covering anti-government protests, were taken off the air.

The government also forcibly closed 53 community radio stations that were alternative sources of information, especially in the countryside. In many cases, the police and the military destroyed and burned some of them. Extreme right-wing mobs also occupied the office of the Unified Syndical Confederation of Rural Workers of Bolivia (CSUTCB), the biggest peasant confederation in the country, and its community radio station with firecrackers, dynamites and Molotov after tying the director of the radio to a tree (Chungara 2020).

Racist Backlash

Though the majority of Bolivians are of indigenous descent, the country had to wait for nearly two centuries since its foundation to have an indigenous president. As explained above, the redistributive policies of the government of Morales benefited many indigenous sectors. The government also appointed more people of indigenous origin, especially women wearing the *pollera,* skirt (which has historically been seen as an index of indigenous backwardness) as ministers, ambassadors and directors of institutions. Radical indigenous intellectuals dismissed these moves as mere tokenism as the number of indigenous people in positions of power was still highly disproportional to their share in the population. However, the presence of indigenous people, especially women wearing the *pollera,* in such positions had a tremendous symbolic impact on large sections of the indigenous population as it increased their self-esteem and optimism.

This process led to an intense racist backlash from the white-mestizo elites. The mobilisations for the ouster of Morales in 2019 witnessed the explosion of racial hatred that was brewing over the years. Extreme right-wing paramilitary organisations went around the streets, rounding up and physically attacking indigenous people. Racialisation of indigenous people also plays a major role in the Áñez government's repressive machinery as protestors complain of abuses by the police and the armed forces "just for being brown-skinned" (*Annur* TV 2019).

The political genealogy of the extreme right-wing forces in Bolivia is alarming. Camacho, the major organiser of the coup, began his political career as the leader of the paramilitary group Unión Juvenil Cruceñista (UJC), which was founded by Carlos Valverde who acted as a paramilitary in the military dictatorship of Hugo Banzer in the 1970s. He had a close relationship with Klaus Barbie, the Nazi general who is infamously called the "butcher of Lyon" for organising massacres and torture of several Jews and other activists of the French resistance to Nazi occupation. Barbie fled Germany after World War II and lived in Bolivia under a different name. Camacho, the major organiser of the coup against Morales, had led the UJC in Morales's first administration, when the paramilitaries of that organisation interrupted the marches of the indigenous organisations with whips and chains, went to indigenous neighbourhoods with sticks and bats to terrorise people, and surrounded the city in jeeps painted with the swastika (Fabricant 2008).

Áñez, the self-proclaimed President, is not far from Camacho in terms of her ideological leanings as she proudly claims to have "Aryan and Nordic features" (de Marval and Scelza 2019). Four of the ministers in her first cabinet were members of the UJC. The political discourse of Áñez is also marked by unconcealed racism. For instance, in one of her speeches, she said that the right-wing parties need to form a united front to prevent the "savages" from returning to power. "Savage" is a heavily loaded term in Bolivia as it has been historically deployed in reference to the supposed backwardness of indigenous people. Civilising the savage indigenous people to assimilate them into the dominant culture was an essential part of the Bolivian nation-building project in the 20th century. With such statements, the new right-wing government makes no pretensions of its racist agenda.

Religion and Politics

Religion is a new tool that neo-liberalism uses to re-establish its hegemony in Latin America. It was first used by extreme right-wing politician Jair Bolsonaro to win the Brazilian presidential elections in 2018 (Cruz 2019). Bolivian right-wing forces resorted to the same strategy during the coup.

The new constitution promulgated by the Morales government declared the state as secular for the first time in the country's history. Besides removing Catholicism from the status of the state's official religion, the government began to actively promote indigenous ritual practices. The declaration of the state as secular was a move that officially placed indigenous beliefs and Catholicism on an equal footing. Indigenous ritual specialists were present at many official government events.

During the coup, the reaction of the more conservative sectors of the Church to these policies was evident. After Morales's resignation, Camacho entered the presidential palace with the Bible and the priest who accompanied him declared that

> the Bible has entered the palace again and the Pachamama (*the indigenous deity representing Mother Earth*) will never return. Jeanine Añez also entered the Presidential palace with an oversized Bible in hand declaring "this Bible is very significant for us, our strength is God, power is God."

In Conclusion

The re-establishment of neo-liberalism has been the priority of the oligarchic elites and their imperialist allies since the turn to the left in the region in the 21st century. The route to the right was different in each country. However, common patterns can be identified, such as the instrumental use of religion in politics, racism and the rush to aggressively implement neo-liberal policies immediately after taking power.

Neo-liberalism as a political–economic doctrine established its hegemony in Europe and the US in the last decades of the 20th century by articulating with religious conservatism and anti-immigrant racism, as evidenced by studies of Reaganism and Thatcherism (Smith 1994; Harvey 2005). Contemporary neo-liberalism does not seem to be very different as illiberal discourses, such as racism and religious fundamentalism, continue to be its dearest bedfellows in Latin America, the US, Europe and India. The Bolivian experience reveals how the desperate quest to re-establish neo-liberal dominance leads national oligarchic elites and their imperialist allies to even abandon a formal commitment to liberal democracy and the rule of law. However, this should not be surprising, given that the first laboratory of neo-liberalism was Chile, where the military dictator Augusto Pinochet invited the *Chicago boys* to his country after overthrowing the democratically elected left-wing government of Salvador Allende in a coup. All of this makes one wonder: Is there anything liberal about neo-liberalism?

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Remembering A Vaidyanathan (1931–2020)

V K NATRAJ

A Vaidyanathan was a stalwart among social scientists. He has made distinguished contributions to several branches of economics. These include agriculture and irrigation, water management, data analysis and development policy. He has contributed to policymaking as an academic and an interlocutor. Decentralisation and participatory governance were his principal interests. He also played an important role as a mentor who encouraged and promoted young talent.

The author thanks Rama and Sanjaya Baru, K Nagaraj and G S Ganesh Prasad for helpful suggestions.

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Professor A Vaidyanathan (hereafter, AV) who passed away on 10 June was the quintessential social scientist. Although he will be remembered for his outstanding contributions to various branches of economics, AV was a true social scientist. Over the past year or so, he was engaged in writing his intellectual reminiscences. The text was practically ready and efforts were on to entrust it to a publisher. This will, hopefully, but most unfortunately, be published posthumously, and is sure to fascinate any serious social scientist. He has traced his intellectual evolution from his graduate student days in Cornell University through his early research work in India to his days in the Centre for Development Studies (CDS) and later the Madras Institute of Development Studies (MIDS). Not to be forgotten is the rich experience AV had in the Planning Commission. What stands out is his constant attempt to seek answers to the problematique of development unhindered by disciplinary boundaries. AV's reminiscences open a window to his personality of which a major component was a certain restless, untiring focus on seeking answers to new questions. Quite literally, he lived on his toes. Except for the last few weeks of his life when he was physically exhausted, AV thought, ate, slept and talked economics, policymaking, and development.

It should be made clear right at the start that what follows is not intended to be a summary, much less a discussion of the entire corpus of AV's work. It is selective and the thrust is more on presenting him in his multifaceted roles as a researcher, interlocutor, mentor and a critical but concerned student of society. This is an apology in advance for omissions.

In this context, what needs to be stated first is his catholicity of outlook and temperament. He held strong views on matters of policy and issues concerning the state, but that never prevented him from listening to the "other" point of view. And he was truly "liberal" (of course, not in the sense of liberalisation). It was therefore possible to have a stimulating intellectual dispute with him and not feel apprehensive that this would affect one's personal relationship.

AV should be thought of as a social scientist for two reasons. First, he had a live interest in all branches of social sciences, and as mentioned earlier, he was never afraid to cross borders. Second, he was willing to engage in a dialogue with fellow professionals from other disciplines, and in the process, enrich the discussion for both sides. A major worry for him was the state of social sciences in the country, and several times, along with a few others, he thought of ways in which this could be highlighted in the public domain. He mentions in his reminiscences that after he graduated with a doctorate from Cornell, he began experiencing some discontent because his training as an economist seemed unable to provide answers to questions that kept cropping up in his mind. In feeling this way, he was basing himself on the hands-on experience that he had while working on projects in India. There was always an urge to arrive at a better understanding of the state of society than was made possible by the conventional tools. What was available appeared to him to be incomplete, and therefore, he went on to explore further and widen the frontiers of the then somewhat new discipline of development economics. And that is a pursuit which AV never gave up. AV did not reach the stage where he felt he knew all that had to be known.

Research Interests

In a sense, his research interests all tie up to make a wholesome dish. Just sample the fare he has given—irrigation and water management, the institutions to perform this function, including, most importantly, those which are genuinely people-centric, with data collected efficiently and interpreted meaningfully, and finally, an abiding concern with the end result of policy intervention. In his last work, he has presented this as his quest, although, given his innate desire not to project himself, he has refrained from saying so openly. At the same time, AV had a great love for data while recognising the problems in collection, collation and interpretation. I recall a discussion relating to panchayats and local government in general, when he expressed this need for "numbers," as he put it in Tamil, he needed something to "bite into." But, he was no mere number cruncher; he was far too insightful for that role, though numbers did hold a fascination for him.

Coming back to the evolution of his research, his work in the Perspective Planning Division (PPD) of the Planning Commission was of great significance. The now much-discussed basic minimum income plan had its origin, in quite a different avatar, in the work of the PPD. But, as AV often said, that spell brought him in contact with some top minds and gained a wealth of experience. After a stint at the World Bank, he decided to change track and accepted an offer to move to the then newly founded CDS in Thiruvananthapuram. While his work at the World Bank gave him exposure to countries other than India, he also realised all too well the intrigues in that institution and the limitations of its approach to development. AV's work in the Planning Commission had another kind of impact on him. He began to see the importance of local conditions, and this brought home the realisation that nationally planned strategies may not always succeed in every region. As he has written in his reminiscences, he was quite convinced that

> improvements in techniques for preparing integrated plans at the national level are of limited practical value for preparation and harmonisation of regional plans. States have diverse needs, potentials and priorities. They are ill-equipped in terms of data, institutions and expertise to handle these tasks.

It is quite likely that the Planning Commission experience stimulated him to turn his attention to local institutions and how they could be harnessed for planning and development.

Over several years in the recent past, AV became a fervent advocate of decentralisation. While many of his arguments in support of this position were undoubtedly right, there was a niggling doubt in some of us who interacted with him frequently. We felt that, possibly, he seemed reluctant to appreciate the problems that the system had to contend with. More importantly, I felt he was not giving adequate recognition to the steps being taken to provide local institutions with resources, although it is nobody's case that devolution is wholly satisfactory. One could, of course, argue with him; he was never one to shy away from discussion and dissent; he could be quite aggressive on occasion and often could be tenacious in defending his view. This comment is made not least because AV would not ever like any hagiography, least of all about himself. As a firm believer in decentralisation, naturally he was interested in issues relating to governance and the role of institutions. One remark of his is of profound significance. He says:

> a proper understanding of the performance of public institutions therefore calls for studies in a wider evolutionary perspective sensitive to the complex and intricate ways in which they are shaped by material conditions, social and political configurations and the economic context. (*India's Evolving Economy: Puzzles and Perspectives, 2013*)

In personal discussions, invariably, he would return to this theme and speak of the interaction among processes, institutions and outcomes.

Another dimension of his work relates to India's bovine economy. He made interesting comparisons between China and India in respect of their bovine populations. He drew attention to the necessity of utilising animal power to get the land ready for cultivation in India because of its warmer summers and the resultant hardness of the soil. This, along with some other factors, such as varying food habits in the two countries, led to the differences in the utilisation of cattle. Again, what strikes one is the holistic perspective in which the analysis is framed.

It is in relation to irrigation and water use that AV's work is best known. He made out a persuasive case for exploring alternatives to the interlinking of rivers and emphasised the need to think seriously of exercising caution in the use of water. Since the environment's health was a matter of deep concern for him, here too, AV strongly argued for a proper environmental impact of any proposal to interlink rivers. In a paper published in the *Economic & Political Weekly* in 2003, he brings home the point that the transfer of water across basins is neither as simple, nor the outcomes as positive as made out to be. Advocates of this strategy would do well to read this and other related works of AV on this subject. His analysis of the transfer of water across basins should be a mandatory reading for anyone championing the cause of interlinking.

Data Collection and Analysis

A subject of everlasting concern for AV was the collection and use of data. In several papers, he has pointed out that the data available is in fact "impressively large." At the same time, he has bemoaned the lack of a really efficient national statistical system, which would collect data at various levels.

It is his view that the following problems require immediate remedial attention. First, costly and repetitive time-consuming surveys should be avoided. Second, the available data should be accessible in the public domain. AV has cited instances of data relating to rainfall and related issues that are yet to be publicly available. He has convincingly argued that if data is freely and publicly available, it will act as a deterrent to the tendency to utilise data for selective purposes. This will act as a system of internal checks and balances. AV was always critical of the tendency of researchers to accept uncritically whatever the data showed without subjecting it to rigorous scrutiny. What caused concern for him was that the validity of the inferences was not examined, while sophisticated techniques were used for empirical analysis. It was with reference to data collection and use that AV could be seen and heard at his passionate best. He loved numbers but was firm that all inferences should be evidence-based. It would never occur to him to accept any conclusion not supported by evidence.

As late as end May 2019, AV wrote a short but incisive piece on the proposal to merge the National Sample Survey Office (NSSO) into the Central Statistics Organisation (CSO) and analysed the pitfalls of this. Further, he also made use of the occasion to draw attention to the fault lines in the existing modes of data collection. Let us remember that he wrote this when he was not in the pink of health.

A most interesting contribution from AV is with respect to the relation between the weather and crops. This is one of the papers in his volume, *India's Evolving Economy: Puzzles and Perspectives* (2013). While agreeing that the work done by the India Meteorological Department is of good quality, his complaint is that much of the data has remained unpublished. As a result, there has been very little follow-up work, and a further missed opportunity is that the work has not been extended to more crops and regions. This paper is important since it focuses on the underutilisation of available data and the general complaint that AV has always had about data not being in the public domain.

As one would expect, AV made a significant contribution by analysing the census village directory studies with K Narayanan Nair at CDS. He felt rather disappointed that this major piece of work did not evoke the enthusiastic response that he expected.

It is quite obviously impossible to do justice to the achievements and contributions of A Vaidyanathan in a short piece. I realise that there are many omissions. There is the work he did while chairing the centre's Task Force on Revival of Rural Cooperative Credit Institutions. He was a member of the Planning Commission and worked for United Nations agencies at different points of time. For a short while, he was the director of MIDS. In a monograph (yet to be published), he has spoken of his stint as director and, with wry humour, said he was happy to be divested of the responsibility which happened when he was invited to join the Planning Commission. Probably not known to too many, AV had an almost puckish sense of humour. One of his favourite pieces of advice to me was this: "Natraj, remember, you cannot save people from themselves."

K Nagaraj, a member of the MIDS faculty, often recalls how AV, when he was director, would drop into Nagaraj's room, prop himself up against the table, and the two of them would discuss academic issues endlessly. And this was when Nagaraj was a junior faculty. He never stood on formality, and Nagaraj remembers fondly that, in spite of quite serious academic differences, their personal relationship never suffered. Hierarchy meant little to him. In the past few days, I have heard from younger colleagues from MIDS, some of whom have moved away from the institute, who all spoke of the warmth and interest that AV showed in their work. Another remarkable trait in AV was that he never hankered after having his papers published in foreign journals. His principal concern was that the publisher should be of repute and known for work of quality.

An incident in AV's life needs to be recounted. In 2008, when the Taj Mahal Palace Hotel, Mumbai was under siege, AV was a guest in the hotel. He was in Mumbai attending a meeting of the Board of the Reserve Bank of India. It was quite an adventure for him to get out of his room unscathed, but typically like him, chose not to publicise his heroism. And it was at my prodding that he let the media know of what he had gone through.

AV contributed immensely to MIDS. He and C T Kurien were a great combination, united by their devotion to academics and the institute, in some ways different from each other, and yet sharing an affectionate relationship.

A final anecdote: In the early years of this century, meetings were held to bring together farmers from Karnataka and Tamil Nadu. AV was present at the first meeting in Chennai, sitting quite unobtrusively. But, the moment the Karnataka farmers realised he was there, they flocked to him. It was obvious to all that they were in the presence of a stalwart. Karnataka has a claim on AV. He was born in Maddur, half way between Bengaluru and Mysuru, and famous for its Maddur vada, but I never found out if he was partial to this oily delight!

AV Sir, we shall all miss you; we salute you.

A New Framework for Social Science

BRUCE KAPFERER

BOOK REVIEWS

Experience, Caste and the Everyday Social by Gopal Guru and Sundar Sarukkai, *India: Oxford University Press, 2019; pp 224, ₹4,339 (hardcover).*

This volume extends from issues raised by the authors of *The Cracked Mirror: An Indian Debate on Experience and Theory* (2012) that addressed critical matters in the cultural and social world of contemporary India, not least the thorny issue of caste and its enduring inequities. The matter of caste continues as a vital concern, especially towards the end of this book. In *The Cracked Mirror,* the authors questioned whether the social sciences as currently constituted, largely in accordance with the terms of European and North American ("Western") philosophical and political hegemony, are adequate to the task of comprehending realities as complex as that of India. Their larger point is that the routine realities of India considered in *Experience, Caste, and the Everyday Social* expose the limitations of a hitherto dominant Western-derived social science.

The India context, and most specifically the multiplicity of traditions or ways of life (especially of a religio-moral-philosophical kind) vital in the tension of contemporary India, challenges accepted orientations and gives solid ground for rethinking the social in such a way that a social science as truly a science of the social with a stronger claim to general applicability may be achievable. The book offers an approach to the social that is both more comprehensive and more cross-culturally inclusive than hitherto.

Of central and overarching importance for the structuring of the argument in this volume is the non-dualism, or holism, of the perspective (driven particularly by the grounding of the authors in the India context) that counteracts as it productively modifies the dualism that underpins the Western scientific and social science practice.

While I will stress the significance of the holist stance of the authors, the book refreshingly overcomes the easy potential to oppose India to the West. That is, to simply reverse the terms of the discourse effectively persisting in a dualism and against the interests of a more inclusive understanding of social processes. Overall, this is a synthetic work in which the problematics of different orientations to the social are overcome through the other dualism in holism and vice versa.

Revisioning of Social Sciences

The result is a work that must be considered an important methodological contribution to a revisioning of the social sciences, which is virtually ontological in depth and aimed at a rethinking of fundamental assumptions that may both lift the social sciences out of their Eurocentrism and expand the value of their pragmatic intervention.

Gopal Guru and Sundar Sarukkai situate the establishment of the social sciences within the history and philosophy of the natural or so-called hard sciences, a history that has major effect on the emergence of a secularised rationalist culture, in the West and now globally. This culture found its initial exemplification in the European Enlightenment, an ideological grounding for the social sciences, and vital in their hegemony, that the holism that frames Guru and Sarukkai's approach contends. More immediately, here, the achievements and authority that the natural sciences gained resulted in a general value being attached to nature and to the natural that found its chief representation in the social sciences as well as, of course, effecting their strong commitment to positivist methodologies in their establishment that have persisted despite strong criticisms in the sciences and, indeed, in the social sciences (sometimes of holist orientation, for example, as in the social philosophy of Gilles Deleuze after the work of Henri Bergson).

Guru and Sarukkai discuss the natural sciences or hard sciences as having developed highly relativised and differentiating understandings of nature and the natural. Nature is an operational concept in practice that varies from one discipline to another and within disciplines. There is no necessary fixed agreement. This is less so, Guru and Sarukkai suggest, in the social sciences. Often the social has been defined against nature that is often given an abstract, overly generalised, stable value. Nature or the natural is treated as if it is apart from the social even if in some way determinant of the social or integrated with it.

The authors also critique the tendency in the social sciences to "naturalise" the social. That is, to ascribe natural value to elements or processes that are social. What is a social construction becomes a natural given or is presented as if it is a determinant force outside and/or underlying the social or society.

Distorting Dualism

Guru and Sarukkai argue that in the social sciences nature or the natural chiefly enters into the understanding of the social as a metaphor independently of the complexities of its understanding in the sciences. The process of nature is separated from the process of the social: a dualism that produces a distorting and restricted understanding of the social, which the authors avoid in this volume.

Aspects of what Guru and Sarukkai critique in the social sciences are evident in the work of the main founding fathers of the social sciences (for example, Émile Durkheim, Max Weber, Karl Marx and Sigmund Freud). This is definitely the case with Durkheim, for many the key figure in the disciplines of sociology and anthropology. Thus, for Durkheim the methods of social science are to be based on the physical sciences and applied to the study of society as if it is an organic system of functionally integrated parts. Alfred Radcliffe-Brown, a follower of Durkheim and highly influential in the formation of social anthropology, is more explicit on the matter in his *A Natural Science of Society* (1957), where he sets out his Durkheimian vision. It is radically contested in this book where the social is presented as continuously taking a different shape rather than being examined as an integrated systemic whole.

The major legacy of the natural sciences in the social sciences that Guru and Sarukkai address is reductionism that is compounded in a dualism of thought and practice. In the social sciences, the individual is frequently taken to be the basic unit of the social and often reduced out of the social, in fact, treated as a virtually natural irreducible atomic element underpinning the social.

Again Durkheim illustrates the point as do many others since then. Durkheim is conventionally conceived as creating a non-reductionist sociology. Thus, he describes the social and society as transcendent of the individual elements that are effectively units of nature that become social through processes of their relational collectivisation into a society (Durkheim 1912).

Part of Routine Practice

Guru and Sarukkai challenge the Durkheimian notion of society as a whole greater than the sum of its parts. Not only does such a notion reduce the natural out of the social, but it naturalises the individual failing to fully grasp the very notion of the individual as a social value and part of a process that is social as such. Important directions in the social sciences refuse the social as a dynamic in nature and focus on the individual as given to ego-driven self-interest as a natural impetus divorced from the social. The understanding of the social and of the natural in the social is diminished.

The powerful suggestion in the book under review is that individualist reductionism and social holism or transcendental abstraction of the Durkheimian kind (but far from limited to Durkheim) are countered in the holism of religio–moral philosophies of religions labelled in much social science as "traditional" but integral in various aspects to the everyday life of many in India. Traditional is a concept that is not used in this book. It smacks of a Eurocentric dualism with which the authors contend and supports rejection of philosophies that are no less modern or contemporaneous in the West and their potential import for a social science that is apart from Aristotelian and Kantian orientations.

The holist direction that Guru and Sarukkai develop is evident from the start of their empirical application. They begin with the five senses, crucial elements in the sensory (and humoural) schemes so much part of the religious philosophies of India, but manifest, if differently, in so many traditions past and present throughout the world (significantly among the Greek pre-Socratics and continuing into the Christian era, though marginalised or suppressed). That such philosophies are not simply abstractions but in various ways part of the very ground of routine practice, in the India context particularly, lends support to the more general comparative claims for the approach in this book; a perspective that is concerned primarily with lived practices, the everyday, with the aim of breaking away from the overtotalising and especially reductionist/transcendentalist approaches that maintain some dominance in the social sciences.

The holism of Guru and Sarukkai's orientation grasps the social, or processes integral to the social, as throughout every dimension of the life world or existence, regardless of such distinctions as animate or inanimate, organic or inorganic, etc. If human beings are centred in a social world, the forces of the social (at one with the natural) might be said to pre-exist them, as is explicit in some of the mythologies of the religious traditions to which they refer.[1] In such conception the social is highly fluid in process continually taking a diverse and changing shape, a feature of the multiplicities of being of Hindu cosmology, for example.

Guru and Sarukkai in no way valorise the religious in their holist perspective. They critique the abstract, atemporal, and non-authorial features of sacred textual traditions showing how these contribute to uncritical acceptance that contributes to the intransigence of caste and its humiliating inequities. That the ideas in the texts are part of routine everyday practice is a compounding factor of their already "naturalisation" or specific form of essentialism arising from the holist emphasis on the coextension of the natural and the social.

Gandhi and Ambedkar

Guru and Sarukkai pursue a secularised holism influenced by B R Ambedkar and M K Gandhi. The considerable differences and tensions between these two towering figures aside, the authors focus on Ambedkar and Gandhi's concern to effect a revaluation of key concepts within holist thought and practice in India that are critical for the reproduction of inequities, particularly with regard to caste, despite major efforts by governments and other agencies in India to address and overcome them. As the authors indicate, programmes that attempt redress through economic and other political and social policies (ones highly influenced by a European Enlightenment rationalist/reductionist social science) while having some success have also had negative effect. Guru and Sarukkai examine some of the double binds involved, whereby the disadvantages attaching to caste identity are intensified or achieve new discriminating effect despite liberalising intention. They stress the importance, for example, of Gandhi's orientation to achieve a revaluation of notions, such as karma or rebirth, key concepts in the reproduction of caste and its discriminations across space and through time. Gandhi's re-evaluation was intended to achieve a liberalising effect and address vital aspects of the caste system that a reductionist and dualist social science by and large do not meet.

Ambedkar's (influenced by Buddhism) notion of the social is more uncompromisingly directed against the institution of caste than is that of Gandhi (who as some of his recent critics claim sustains the religious/ritual frame of caste) and it is with Ambedkar that a stronger idea of the potential of the social within holism is developed. The authors stress Ambedkar's ethical direction in the concept of *maitri* and the notion of the social that avoids the reduction to ego-centred individualism and the kind of rationalist calculus that has found strong emphasis in the social sciences that the authors critique.

For Guru and Sarukkai, the social, as I read them and as indicated above, is the unifying but continually emerging, differentiating, heterogeneous force throughout existence and its ever-changing contexts. In the holism that they present, existence is social from the beginning. It does not evolve into the social (from an individual base nor is the social a transcendence of the non-social). Ambedkar is for the full realisation (implicit in the concept of belonging which the authors develop in this volume) of the social against the contradictions that are the lesser potential of the social and manifest in its many differentiations, for example, the restrictions and exclusions of caste. The full realisation of the social, for Ambedkar, is the overcoming of the inequities of caste in the impetus of the social to its full realisation.

Guru and Sarukkai's secularised holism certainly offers a new philosophical basis for a revisioning of the social sciences. Certain aspects of their direction have been attempted by others but from within the Western tradition who also are critical of the dualism discussed in this review. Significantly perhaps, they are anthropologists for whom the exploration of cultural value is of central value. The two scholars to whom I refer are Louis Dumont (1980, 1990) and McKim Marriott (1979), both students of social practices in India and highly consciousness of the philosophical ground as being outside the Aristotelian/Kantian understanding of dominant approaches to the social. The two disagreed on perspective, Marriott taking a broad position within India-based philosophical traditions along the lines of Guru and Sarukkai. Marriott is arguably more subjectivist and his position has had major import for critical discussion within the social sciences referred to by some these days as post-humanist orientations that are holist in direction recognising the social in the natural. I refer in particular to the anti-Durkheimian and to a degree anti-structuralist orientation of Bruno Latour with whom the authors recognise some affinity. However, the work of Dumont may be more pertinent to the underlying egalitarian mood of the volume and specifically regarding the inequities of caste.

With Guru and Sarukkai, Dumont is critically concerned with the forces (chiefly the values) that underpin the perpetuation of caste inequities. He develops his understanding into a radical critique of Western social science and some of its major philosophical currents, including what he identifies as its particular reductionist ethos of what he calls "egalitarian individualism" and rationalist economistic calculus. Some of the problematics of India (regarding caste and ethnic conflict) he puts down to a grossly inadequate hegemonic social science that if it fails for India also fails for the West. His holist sociological orientation abstracts its principles from that indicated by thought and practice in India (but removed from its religious/ritual integument that he takes to be integral to the perpetuation of inequities) to suggest a path towards a more comparative and valid social science. Guru and Sarukkai might be seen as travelling if not the same path, then the one that is parallel. Furthermore, they see in the India materials the possibility of inventing a social science that has egalitarian and liberating potentials that may overcome some of the pragmatic problems of dominant social science whether in India or elsewhere.

Recentring of Social Sciences

The social science that Guru and Sarukkai propose has resonance with many of the critical directions that have been taken in the West but are now largely global and these are acknowledged. They stress an approach that is attentive to everyday practice and are critical of abstractions that are not grounded in the life world. Guru and Sarukkai concentrate on process and the social as enduringly emergent under continuing varying circumstances. There are many socials and the authors are critical of writing about society as some homogeneous bounded totality. Much of what they have to say is asserted by critics within the Durkheimian tradition and without. Social science, particularly in the sociologies (sociology, social anthropology, cultural studies, perhaps political science, but less so in economics or psychology) are moving in the directions recommended in this book. There is an obvious social phenomenological turn in this volume, but more towards Martin Heidegger than Edmund Husserl, orientations that are certainly open to the kind of holist philosophies of the contexts from within which the authors write. Nonetheless, these lines of thought and practice largely remain in frames of understanding still bound to a particular Western Enlightenment history of the emergence of the social sciences, that may continue to impede general understanding across a vast array of difference that is integral to the vitality of humanity as a whole.

This short book packed with many insights has a subversive feel about it. In the opinion of this reviewer a new framework for social science is proffered in the holism that underlies and unites the various arguments. Gilles Deleuze, a social philosopher who maintains much currency in this world of globalised crisis, promoted the importance of what he labelled as minor discourses or those perspectives marginalised or suppressed in the reign of the dominant. Even so, Deleuze himself tended to champion the traditions of his European-centred world that he saw as truly philosophical surpassing the religious philosophies of the East. Guru and Sarukkai, mindful of the contributions of that philosophical world of science that gave rise to the social sciences, make an excellent case for the recentring of the social sciences within the potent world views of orientations that have been too easily neglected and dismissed as traditional.

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NOTE

1 The Agganna Sutta of the Buddhist Digha Nikaya about the origin of the world and presented in dramatic form in everyday ritual makes the point. It tells of an already social natural world into which humanity enters who are outside the orders of the social but who, seeing their own chaotic condition, constitute the order of such an already social existence. See Bruce Kapferer's *The Feast of the Sorcerer* (1997).

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Proscribing the 'Inconvenient'

DHAVAL KULKARNI

War over Words: Censorship in India, 1930–1960 by Devika Sethi, *Cambridge University Press, 2019; pp 325, ₹676 (hardcover).*

"To be or not to be" was the soliloquy of the Prince of Denmark. However, to ban or not to ban, or more pertinently, to censor or not to censor, was a similar existential, Hamletian dilemma faced by the colonial state and, later, independent India. The colonial state's record with free speech and censorship has been a rather chequered one as was indicated by the ban on books like *The Face of Mother India* (1935) by Katherine Mayo. However, underlining the truism inherent in French author Jean-Baptiste Alphonse Karr's famous statement, "The more things change, more they remain the same," books by Arthur Koestler (*The Lotus and the Robot*; 1960), Stanley Wolpert (*Nine Hours to Rama*; 1962) and Salman Rushdie (*The Satanic Verses*; 1988) were proscribed post-independence.

The desire of the government of the day to control the narrative and block "offending" points of view and the use of snoopware like Pegasus has given rise to fears that we may indeed be living out an Orwellian nightmare. In the battlefield of ideas, censorship is one part of the larger surveillance superstructure and the project to mould opinions. Hence, *War over Words: Censorship in India, 1930–1960* by Devika Sethi is a timely book. Underlining how censorship and the regulation on expression has to be analysed in the larger perspective of events and motivations that shaped them, the author notes that the content of banned material is less important to the story than the context of the ban. Sethi also analyses "the question of intent" and the larger, complex issues like truth as a defence, relevance of intent and the need for the government to establish an author's intent to hurt a community's sentiments before taking a decision on the ban.

Spanning the period on the cusp of India's transition from British rule to independence, the book covers hitherto little-known topics. Incidentally, while the Constitution granted freedom of expression, which was, however, subject to reasonable restrictions, the continuation of censorship in postcolonial India was justified as "being essential to the creation of a liberal, secular democracy."

The book includes the record of Congress governments in protecting or prosecuting free speech, publications by non-Indians that were banned between the 1920s and 1940s, the controversy they generated and critiques of India that were banned or a demand was made for their ban, like the four books by Mayo, one of which was criticised by M K Gandhi as the report of a drain inspector.

One section deals with censorship during World War II and another analyses press censorship during the partition riots. The book also examines the legal framework and instruments of the state to impose censorship and bans. It deals with a critical question. Does banning books remove them from circulation, or enhance their appeal for readers? In a eulogy to the power of the printed word, it records how "the pleasure of reading banned books was matched by the thrill of acquiring and reading newspapers with nationalist sympathies" and how censorship is indeed ineffective in many ways. Based on their biases, ignorance and ill-informed notions, the people on the ground, who enforce the writ of the state, often decide how the rules will be implemented.

For instance, the revolutionary Sher Jung, who spent 14 years in prison on charges of sedition, was allowed to access books sent by friends or libraries without delay or censor in return for praising the poems of the assistant jailor. However, there was only one condition, namely that the word "revolution" was not to appear in the title. As a result, the jailor-cum-censor allowed the prisoner to read works of Karl Marx, Vladimir Lenin, Mikhail Bakunin and Georges Sorel, while, however, not permitting books on the industrial revolution and those by H G Wells, as according to his (jailor's) information, Wells had written something derogatory about Prophet Muhammad! The jailor also did not like Freud as he was "told on authority by someone he knew" that his works consisted of nothing but pornography (pp 34–35).

Provincial Governments

But, one of the most interesting chapters in Sethi's book deals with the often fraught and paradoxical relationship of the Congress governments with free speech and issues of censorship. The Government of India Act, 1935, and the grant of provincial autonomy saw Congress ministries being formed in seven of the 11 provinces of British India in 1937. This was a "unique situation" as an opponent of the colonial state assumed power, albeit partial, under the colonial framework.

This assumption of power required the Congress ministries to strike a delicate balancing act of upholding their nationalist credentials, and combating political militants with the help of the Raj, while also seeking the support of the militants to challenge it.

The Pandit Parmanand case (pp 54–57) highlighted these paradoxes. Parmanand had been sentenced to death by the British in 1915 for participating in an anti-colonial conspiracy, and the sentence was later reduced to transportation for life. He was released in August 1937 after the Congress came to power in the United Provinces and began a tour of the province during which he delivered speeches that were termed incendiary. While the British governor was in favour of his prosecution, the Congress premier G B Pant, who was wary about the impact on public opinion and his core constituency, felt a warning should be given as a precursor to prosecution.

While the governor and the premier were working out a compromise, Parmanand was arrested in Delhi for a different offence. After consulting the Congress high command, the United

Provinces government decided not to agree to Parmanand's prosecution on charges of sedition, and suggested instead that he be imprisoned on the basis of the Delhi case. The United Provinces premier would then issue a warning for violent speeches but would not be directly blamed for his prosecution on another charge.

Conditions for a Ban

As Sethi notes, the subsequent years were to prove that it was easy for Indian nationalists to uphold the ideal of free speech when in opposition to the colonial state rather than when they themselves assumed state power (p 57). In the case of Mayo (her four books on India were controversial), it was her fourth book, cited at the beginning of this review, that was finally proscribed. Ironically, two-thirds of this book, which was on the subject of the Hindu–Muslim conflict, consisted of 406 photographs, with the introductory part covering just 41 pages. Of all her books, this was the one in which the Indian people at large had taken the least interest. The ban also gave it publicity, with the publishers marketing the book as being banned in India (pp 70–75).

Much like the situation even today, Sethi writes that in those days, a book was most likely to be banned if vociferous protests led to or threatened to lead to violence (p 89). In the chapter on publications by non-Indians that were offensive to Indian Muslims, the author argues that in the colonial times, communities had an interest in presenting a united face and lobbying the Indian state. It was controversies over books and publications that provided them with an opportunity to consolidate, something that is relevant even today. A recurring theme in such books that fell afoul of the community were the pictorial representations or illustrations of the prophet of Islam or his wives (like the Britannia and Eve case of 1930 and the Pearson's Weekly case of 1934). British journals also used to print controversial articles about the prophet, his wives and Islam in the 1930s, but these controversies were not necessarily responded to with a ban (for instance, the Every Woman's Case of 1935).

The book notes that in such cases, it was the quantum of offence as gauged by the number of complaints or the prominence of the complainant that determined the chances of a ban. The colonial state was most responsive to demands for censorship of publications when these took the form of lobbying by groups threatening violence. With *The Outline of History* by H G Wells (1920), factors like the time that had lapsed since the publication of the book, reputation of the author as a "serious" writer and the short-lived duration of the protests, also led to a ban not being imposed. Eventually, in 1936, the India office wrote to British editors warning them of "the main dangers to be avoided when writing any article dealing with Islam" to prevent any objectionable references from appearing in print. However, publications continued to offend, indicating the limitations of this "censorship by diktat."

Important Misses

However, while the "Rangila Rasul" controversy (in the 1920s) falls out of the ambit of this book, a discerning reader cannot help but feel that the author should have touched upon the case in some detail, considering the churn it caused in society. Similarly, the ban on *Angaaray* (1932), a collection of short stories in Urdu, which catalysed the formation of the All India Progressive Writers' Association, which included stalwarts like Faiz Ahmed Faiz, should also have been dealt with. The book also covers cases of works like *The Last Home of Mystery* (1929) by E Alexander Powell (1929: 78–80) and *Dust of India* (1937) by Frank Harrison Beckmann (1938: 87–88), which were not banned despite vociferous campaigns.

A common strand that runs through controversial and banned books by Western writers was the neglect of nuance and the tone-deaf, blatant stereotyping of India, its people, their customs and social mores, something that the West is guilty of even today.

In her introduction, the author makes an interesting point: the term "censorship" is derived from the Latin word "censure"—to estimate or reckon—from which the term "census" is also derived. "Since censorship, like the census, is a form of surveillance, in ancient Rome census takers and censors had closely aligned responsibilities," she says. Here, the parallels with controversial legislations like the Citizenship (Amendment) Act, National Population Register and National Register of Citizens are unmissable.

Need for a Sequel

Another observation of the colonials that low literacy levels gave educated Indians disproportionate influence and force to the spoken word in opinion formation and rumours holds true even today. Though, this is so in changed circumstances with the rise of social media and the phenomenon of fake news. Sethi's book is a tour de force covering a wide swathe from 1930 to 1960, but the changing nature of expression and the difficulty in proscribing views on these platforms may require a sequel.

Apart from print and electronic media, the mediums of expression also include digital and social media platforms. But, while newspapers, print publications, and news channels are covered under extant laws and regulations, the proliferating Facebook and WhatsApp groups, Twitter and TikTok handles, and YouTube channels have posed a challenge to the authority of the Indian state's blue pencils. While books can be banned, newspapers can be forced to cease publication, and news channels can be taken off air, the very nature of expression on these social media platforms makes it difficult to proscribe "offending" or inconvenient views.

It will be interesting to see how things shape up on this frontier as a cat-and-mouse game is played out. A sequel covering acts of censorship from the 1960s onwards may also be necessary, considering the subsequent ban on books by authors like Rushdie and Koestler.

As Milan Kundera notes, "the struggle of man against power is the struggle of memory against forgetting" (*The Book of Laughter and Forgetting*; 1979).

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Gandhi and the Pandemic

THOMAS WEBER, DENNIS DALTON

Although the death toll of the 1918–19 Spanish flu in India was immense, it received little critical attention at the time by either the British authorities or Indian nationalists, or later by historians of Indian politics. Strangely, this was also the case with Mohandas Gandhi who had a penchant for making health-related statements and working as a carer of the sick. His reaction to the illness and death around him has been characterised as one of disinterest. His letters and utterances at this time give some clues as to why he may have been numb to what was transpiring around him.

The authors would like to thank David Arnold, Robin Jeffrey, Brian Martin and Tridip Suhrud for valuable comments on an earlier draft of this article.

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We know that the influenza pandemic of 1918–19, commonly referred to as the Spanish flu, caused tens of millions of deaths around the world and possibly close to 20 million in India, the worst hit country (Barry 2004: 365). Oddly, especially as so much has been written about the massacres around the partition of British India in which approximately half a million people died, the impact of the epidemic on the subcontinent has received relatively little attention from historians (Arnold 2019). And given that Mohandas Gandhi, by this time known as the Mahatma, was engaging in major political and social activities, it is also strange that he seems to only refer to the epidemic in passing and even, as South Asia scholar David Arnold suggests, with indifference. As we are currently in the grip of the COVID-19 pandemic, this may warrant some further investigation. Why did Gandhi show such indifference to the disease when, given what we know about him, we would have expected the opposite?

Gandhi and the Influenza Epidemic

Of course, Gandhi was well aware of the epidemic. As Arnold points out, in a 23 November 1918 letter to his eldest son, who had just lost his wife and a child to influenza, Gandhi noted that

> I felt sad for a moment when I learnt that your family were afflicted with Influenza and there was even a death. But such news is pouring in from everywhere so that now the mind is hardly affected. (Gandhi to Harilal Gandhi, 23 November 1918; see also Gandhi to Harilal Gandhi, 20 January 1919)[1]

Early in the following year he wrote to his good friend the Reverend Charles Freer Andrews:

> My Dear Charlie, So you have been suffering from influenza. To me the marvel is that you can keep so well in spite of incessant wanderings. But I suppose God protects those whom He wants to use as His instruments, especially when they let Him do the guiding without any opposition. I, therefore, entertain no anxiety on your behalf. (Gandhi to C F Andrews, 10 January 1919)

And not long after, in a letter to a lawyer acquaintance seemingly referring to the epidemic and closely echoing the one to his son three months earlier, Gandhi notes that

> There is hardly a family left in India that has not lost some dear ones. One's feelings almost become blunt when the same news comes from anywhere with merciless regularity. (Gandhi to O S Ghate, 16 February 1919)

He also pointed out that the members of his ashram at Sabarmati, across the river from Ahmedabad, "helped with [dispensing] medicine [to] the people of the surrounding villages during the influenza epidemic" (M K Gandhi 1919; Cohn 2018: 521–29).[2] Further, his personal secretary, Mahadev Desai, notes in his diary entry for 11 October 1918 that

> Influenza raging in the Ashram. Shankarlal Parikh is the worst affected. Though weak himself Bapu wrote ... to Gangabehn as soon as he came to know of the illness in her family. (1968: 259)

In the letter to his widowed friend, Gandhi pointed out that

> The bodies of those who have accepted the way of service should be as strong as steel. There was a time when our forefathers could thus harden their bodies. Today we have become pathetically weak and succumb to the innumerable poisonous germs in the atmosphere. The only way to escape from this, despite our fallen state, is self-control, moderation, call it what you will. It is the opinion of doctors, and they are right, that the body will run least risk if two things are attended to. Even after one feels that one has recovered from an illness, one should take only liquid and bland food easy to digest, and should continue to rest in bed. Many patients, deceived when the fever comes down on the second or third day, resume their work and start eating as usual. This brings on the attack again, and generally it proves fatal. I would, therefore, request you all to remain confined to bed. (Gandhi to Gangabehn Majmundar, 11 October 1918)

Given the severity of the epidemic and Gandhi's well-known history of serving the afflicted in various disease outbreaks, for example, his efforts during the outbreak of bubonic plague in South Africa in early 1904 (M K Gandhi 1940: 214–17, 1905a and b) and his messages on how to meet the danger of an eruption of the plague in Ahmedabad in July 1917 (Erikson 1969: 322), it is strange that he makes so little of this tragedy that he does no more than to mention it in letters to friends and family members. In his writings about these previous outbreaks, Gandhi urged Indians to take responsibility for contracting the disease by observing the rules of better hygiene, adding that whites were not susceptible because of their greater cleanliness. This raises the question of why he was not giving any of this advice publicly in 1918.

The influenza epidemic in India started in May–June 1918 and really took off in a second wave, its peak between September and December. It gradually petered out in early 1919. What was Gandhi up to during this time that this outbreak was not his primary concern? Until the commencement of his own debilitating illness, following successes of his campaigns assisting the indigo growers in Champaran, the mill-hands in Ahmedabad and peasants struggling with payments of the land tax in Kheda, much of his time over the next three months was taken up with the seemingly un-Gandhian task of conducting a recruitment drive to encourage Indians to enlist in the British army for the still raging world war. Then, in mid-August, exhausted from his tireless but unsuccessful campaigning, he was struck down with a severe attack of dysentery, and what had been labelled a nervous breakdown (Abrams 2020; Huizen 2018),[3] that lasted for several months and was clearly life-threatening at its worst (M K Gandhi 1940: 332–34).

Some writers have attempted to make more of Gandhi's condition, linking it to the epidemic, claiming that in fact he had been laid low by influenza. For example, Laura Spinney, author of *Pale Rider: The Spanish Flu of 1918 and How It Changed the World*, claims that "It wasn't dysentery, but Spanish flu," and further that due largely to popular distrust and discontent with the Raj over its inability to control the flu, Gandhi became "the undisputed head of the independence movement" (2017: 254, 260). This theme has been taken up by journalists keen to add something new to the burgeoning stories about pandemics. For example, Shyam A Krishna (2020), opinion editor for the online edition of *Gulf News*, recently stated that

> Mahatma Gandhi, the chief architect of India's independence, was one of the millions who contracted the Spanish flu. If he had not survived, India's struggle to shed the British colonial yoke would have taken a drastically different route. Gandhi went to spearheaded [sic] the movement that bought [sic] India independence.

In this account, not only did Gandhi come down with the flu, but the epidemic propelled him to a leadership position that allowed him to challenge the empire. As authority for this argument, Krishna cites Spinney who provides no evidence for these bold assertions. Arnold is content to accept the available evidence that Gandhi suffered from dysentery, not influenza, during the period of the epidemic. Flu symptoms do not last for months, Gandhi's condition did. Further, besides fever, he did not exhibit any of the other usual flu symptoms (sore throat, coughing, wheezing, headache, a darkening of the skin, nosebleeds and lung problems). This indicates things much more serious than a couple of days with influenza, which one either succumbs to or recovers from. Gandhi was an indefatigable correspondent and he had a great deal to say about his illness. If it had been influenza, he would have written about it. And, as Arnold points out, neither is there evidence for Spinney's inference of a link between the epidemic and Gandhi's leadership in the struggle for independence. In other words, Krishna and Spinney are wrong on both counts.

Gandhi's Illness

This still does not answer the central question of why Gandhi showed such indifference to the epidemic. He could not have, indeed did not, missed what was unfolding around him. His writings during this period give excruciating detail about his condition, from frequent visits to the lavatory to his surgery for piles that required morphine. Meanwhile, the disease rages throughout India, countless people are dying, and apart from his graphic descriptions of dysentery and piles, he offers only the briefest sympathy to Andrews and the Ali brothers through Ghate, the inexplicable response to Harilal's losses, and scant advice to Gangabehn.

There is the possibility that Gandhi made so little of the epidemic for the reasons Arnold provides as inhibiting the general bureaucracy, and indeed the general population, from giving it the consideration that one would think it obviously warranted: the disease was overshadowed by the ongoing encounters with the bubonic plague that had been raging in the country since 1896, by more recent epidemics of cholera and smallpox, by the war and the military recruitment campaign that accompanied it, by food shortages and price rises that led the country to the brink of famine, and growing political unrest (Arnold 2019; Masselos 2006: 171). Probably, however, Gandhi's disregard of the unfolding catastrophe had more to do with his own debilitating illness that had so depleted him both physically and mentally. This warrants further investigation.

On 11 August, during a religious festival at his ashram, at a quarter to six in the evening, Gandhi overindulged in eating and within an hour he had come down with acute dysentery:

> all a-tremble, I broke the fast and brought great trouble on myself. Nor did I exercise self-restraint in deciding what to eat; I ate *ghens* [a semi-liquid preparation of rice]. If I had taken vegetable soup only, the painful result would certainly not have followed. Today I am too weak to get up or walk. I have almost to crawl to reach the lavatory and I have such griping pain there that I feel like screaming. ... I am sure my pain will subside at a quarter to six. If I committed an error in eating, it is no excessive punishment to suffer for 24 hours. And the punishment will be so short because I have fasted today. Don't worry on my account. I believe by tomorrow I shall be completely free from the pain at any rate. If I am not careless in diet, I shall be my normal self in three or four days. (Gandhi to Fulchand Shah, 12 August 1918)

However, his condition did not improve. In his *Autobiography* he paints a picture of debilitation and humiliation. Later that evening he had to catch a train to the regional Kheda town of Nadiad. His short walk to station was completed in "unbearable pain;" at his Nadiad headquarters he needed an easily accessible commode (1940: 332) because he had "to go to the lavatory every fifteen minutes" (Gandhi 2018: 694).

A few days later he wrote hopefully to his relative, the manager of the Sabarmati Ashram, Maganlal Gandhi, that after three days of a partial fast his pain was getting less severe (Gandhi to Maganlal Gandhi, 14 August 1918). However, on 17 August, after a *Times of India* report of a speech he had made in Surat shortly before the onset of his illness, headed "He Can Still Do Recruitment Work", had been read to him (Desai 1968: 226, 232), in a series of dictated letters he reported to a correspondent that he was on his back and passing through the severest illness of his life (Gandhi to Robert Henderson, 17 August 1918); to his youngest son that while his health was "as good as it can be," he had "suffered much" and was confined to bed (Gandhi to Devdas Gandhi); and to a friend that he was still in severe pain (Gandhi to Jamnadas Dwarkadas, 17 August 1918). To the scholar and university administrator, Anandshankar Dhruva, he gave an "exact description" of what he had been through:

> On Monday and Tuesday, I suffered unbearable pain, even worse, if I could apply a stronger adjective still. I remained almost unconscious on those two days. I wanted to scream all the time, but controlled the urge with great effort. On Wednesday I felt better comparatively, and since then I have been improving day by day. Movement is still out of the question, thanks to extreme weakness. I shall have to be in bed for some days, but I am hopeful that everything will be all right in the end. (Gandhi to Anandshankar Dhruva, 17 August 1918; see also Gandhi to Manasukhlal Raojibhai Mehta, 17 August 1918)

On the same day, Mahadev Desai noted in his diary that Gandhi suffered from "Terrible illness from Monday to Saturday. Acute dysentery. Only on Saturday he seemed to feel some relief" (1968: 226).

Gandhi refused medicine, treating himself with nature cure techniques (Satyalakshmi 2019: 69–71). When the pain was extreme, he "longed to die and be free from it all" (Gandhi to Devdas Gandhi, 29 August 1918); however a week later he reported that he was "now well" but still could not leave his bed "for a few days" (Gandhi to B G Tilak, 25 August 1918; see also Gandhi to Jamnalal Bajaj, 28 August 1918). Towards the end of September he was still "too weak yet to move about beyond a few minutes' stroll on the verandah" (Gandhi to Sarojini Naidu, 20 September 1918).

On 23 August, Gandhi was driven from Nadiad to Ahmedabad by his industrialist friend Ambalal Sarabhai. He took up residence at the Sarabhai mansion. One night there, during this "protracted and first long illness" in his life, he felt he was at death's door and gave himself "up to despair." Balwantrai Narasinhprasad Kanuga was fetched. He noted that Gandhi's pulse was fine and that he was not in any danger. Gandhi's malady was the result of "a nervous breakdown due to extreme weakness." Gandhi was not reassured and spent the night without sleep (M K Gandhi 1940: 333–34).

He stayed with Sarabhai until 7 September when he decided that "If I am to die, it is best to be in my own home" (Dalal 1971: 20), and so he was taken back to his ashram. He declared that he could not stay at Sarabhai's place any longer:

> I find this atmosphere dry and suffocating. No prayers to God here to delight one's ears on waking up in the morning, as they do in the Ashram. Hymns and God's name are a music to my ears. I was missing it for many days past, but since 4 O'clock, when I got up today, my restlessness at this keenly felt want grew and grew till I could not help bursting into tears. (Desai 1968: 246)

In a later reminiscence, Rajendra Prasad, one of his assistants in Champaran (who would become the first President of the Republic of India), recalled Gandhi's state of mind when he returned to his ashram from the Sarabhai residence:

> What have I been doing up till now? Before I complete the task in hand I take up another, and then I pass on to a third before I have done with the second. I established this Ashram with great hopes and a great deal of enthusiasm. I wanted to make of it an ideal ashram and to make ideal workers of its inmates. But even before I gave it a proper start, I had to go away to Champaran and put the burden of its management on the shoulders of you all. I could not be here even on the day the Ashram was formally opened ...
> ... He was choked with emotion. Tears flowed from his eyes; and he began to cry like a child. We sat very still. We did not know what to say and how to comfort him. A little later, however, he himself became quiet and composed, and said: "These tears have brought some peace to my mind. What God wills will happen." And he fell quiet. (Prasad 1961: 79, 80)

Andrews, who was with Gandhi "day and night while he was very near to death," noted that during his convalescence

> the pressure of ordinary daily routine was diminished and talks of a personal character were more frequent than could be expected at other times, when he was in the midst of his public engagements. (1929: 18)

Nevertheless, instead of broadcasting his feelings of personal inadequacy, Gandhi "clung to his own explanation of the onset of his illness—overeating" (Gandhi and Gandhi 1998: 224). A repetitive theme of the series of letters that he dictated at this time is that he deserved the punishment of the illness because of his overindulgences in quantities of tasty food when he was on a partial fast and had continued while he had minor symptoms. In a letter to the eminent chemist P C Ray, Gandhi explained his dietary problems:

> You may have heard of my illness. It was a very serious attack of dysentery. Though I seem to be convalescent, I am utterly prostrate with weakness. I can scarcely move out of my bed or even sit in it for any length of time. The great question is how to build up this broken-up body. I have abstained from milk and its products for a number of years and vowed to do so for life. I therefore need a substitute for milk and butter. Hitherto in my strength, I have found an excellent substitute in groundnuts, walnuts and such other nuts, but fats obtained from all these nuts are too strong for my delicate stomach. I need an exact vegetable substitute for ghee and milk. I have tried kopra milk and almond milk before now. The physiological action of these milks is totally different from that of cow's milk. Do you know any vegetable substitutes for ghee or butter and for milk? (Gandhi to P C Ray, 27 August 1918; see also Gandhi to Millie Polak, 31 August 1918)[4]

In another letter to a friend he added:

> Just when my health was returning to normal, I got fever for a few days and that increased the weakness. There is no fever now. I am ashamed of this illness of mine. I thought I would never get a disease like dysentery. I was myself to blame for it. Though I kept well enough, my skin had grown too soft and, though I did not feel handicapped, the calf-muscles were not as hard as they should be. Doctor friends have always told

> me that I should not go without salt. I thought it was better that the skin should be a little rough, in case I had to go to France or Mesopotamia, and with this idea I started taking salt. This brought on diarrhoea. I should have taken this as a warning that I should stop eating, but I fasted only partially. The result was acute dysentery. In this disease, food is like poison; despite that, I continued to eat. Thus I have had to pay for my lack of self-control. (Gandhi to Ranchhodlal Patwari, 9 September 1918; see also Gandhi to C F Andrews, 29 August 1918)

Although he "never felt better during all these days of illness" than he did on 29 August (Desai 1968: 239), and his secretary noted on 20 September that Gandhi's "health is now very satisfactory. He has begun to walk to the prayer-ground" (Desai 1968: 251), his condition did not continue to improve as expected. In fact, less than two weeks later, his illness suddenly deteriorated further—his heart was affected and heartbeats became irregular. He informed the ashram inmates that the end was near (Dalal 1971: 20). On 2 October, Gandhi's 49th birthday, Mahadev Desai wrote that there had been a "severe set-back in Bapu's health since early last night" (1968: 259). In a letter to Harilal, Gandhi confided that he felt that he was dying:

> I have a feeling that I am now going. I have very little time left. The body is becoming weaker and weaker. I am not able to eat anything. But my heart is at peace and so I do not find the going at all difficult. (Gandhi to Harilal Gandhi, 2 October 1918)

To his youngest son, Devdas, he wrote:

> I have sent you a telegram today. It must have scared you. I want you not to be scared. I cannot expect you to have that degree of equanimity. My health, instead of improving, is steadily declining. I am not able to take any cereals. Taking only fruit cannot sustain the body and hence it must necessarily succumb. .... My body has become like an old garment and that is why it is not at all difficult for me to discard it. I do not wish to acquire the burden of a new garment. But I do not think I have qualified myself to be freed of that burden. But the time is not past yet. That qualification can be acquired even in a moment. (Gandhi to Devdas Gandhi, 2 October 1918)

However, he did not die. By 11 November, when World War I ended, Gandhi's long bout with dysentery was over. Not long before, he had written to the leading politician Srinivasa Sastri:

> I assure you that I take the greatest possible care I can of my health. It is no joke for a man who has rarely been laid up in bed to have more than three months' experience of it. And if my sickness is still further prolonged, it will be due to my ignorance or folly, or both. I cannot ascribe any relapse to want of skill or attention of medical friends. They are helpless by reason of what to them are my crankisms. But they have become part of myself and give me the greatest comfort and joy even when I am suffering excruciating pain. (Gandhi to Srinivasa Sastri, 5 November 1918)

Gandhi as a Recruiting Agent

Years later, Gandhi recalled that

> While I was thus tossing on the bed of pain in the Ashram, Sjt Vallabhbhai [Patel] brought the news that Germany had been completely defeated and that the Commissioner had sent word that recruiting was no longer necessary. The news that I had no longer to worry myself about recruiting came as a very great relief. (1940: 333)

It was perhaps more than relief as, Andrews pointed out, the "recruiting campaign nearly cost him his life" (Andrews 1929: 222). On 20 January, he was operated on for piles in Bombay. Following a time of recuperation, he was soon back on his countrywide tours, no longer as a conflicted recruiting agent for the empire.

It would appear that his seeming indifference to the deadly epidemic raging around him is at least in part a result of not only his shattered physical condition but also because he was suffering from an emotional and spiritual existential crisis, a nervous breakdown that drained him in a way that he could not respond as may have been expected of him. As Rajendra Prasad noted, and Gandhi himself suggested, his condition was not merely the result of an overindulgence in tasty food. He was not only weak, but seemed to have lost the desire to live.

Sushila Nayar, sister of his later secretary and, following her graduation with a medical degree from Johns Hopkins University, eventually his doctor, notes that while Gandhi may in the first instance have put his attack of dysentery down to overeating, she concludes that "The illness was probably the result of physical and emotional overstrain and exhaustion which resulted in a physical and nervous breakdown" (1993: 234). In discussions with Sushila Nayar in Delhi in March 1975, when Dennis Dalton asked her why Gandhi did not come down with dysentery during his Champaran satyagraha campaign, she quipped that "Bapu got sick only when he was cooperating with the government, not resisting it."

His recruitment attempt engaged him in a morally questionable enterprise by trying to enlist peasants for the British war effort. This happened in places where not that long before he had the status of a popular hero for successfully challenging the authorities over tax issues affecting the local peasantry. Now they were shunning him and his recruitment drive, despite strenuous efforts on his part, came to practically nothing. He travelled and pleaded endlessly, his diet was minimal. Things were coming apart for him physically and mentally. Exhausted, he not only fell physically ill, but also sank into a period of spiritual lassitude and moral bafflement. In this condition his focus on outside matters was vastly diminished.

It is perhaps worthwhile here to trace in a little more depth why his mental and emotional states were at such low ebb. How much could this have been a result at least in part because of mental incongruence—a leading pacifist recruiting for the war effort in a morally tawdry conflict? (Brown 1972: 145–49; Tendulkar 1960: 226–34; Steger 2000: 146–55; M K Gandhi 1940: 327–31). Gandhi scholar Judith Brown observes that

> Gandhi's struggle with his conscience, with those near to him, and those who had flocked to him, combined with physical exhaustion to precipitate a radical collapse in his health from the second half of 1918, virtually remove[d] him from public life.

She adds that this "enforced rest" made

> Gandhi brood deeply on the nature of truth and truth force; he also experienced during it the outpouring of concern from friends, and thus, as he put it, the love of God to man. In response he felt he was called the more to serve humanity, and pondered long on how to purify his life for his role of service. (1989: 127).

At this stage he still had faith in the integrity of the empire—to be demolished following the massacre at Jallianwala Bagh half a year later—and believed that those equipped for violence could become non-violent, there being no hope for cowards. He wrote to a friend that "You must be watching my work of recruitment. Of all my activities, I regard this as the most difficult and the most important. If I succeed in it, genuine swaraj is assured" (Gandhi to Pranjivan Mehta, 2 July 1918). Nevertheless, Gandhi's participation in the war was an enigma to many of his friends and admirers and it is evident that during this time he was taxing his energies to the limit. A decade later, in an attempt to explain his actions, he admitted to mixed motives that prompted him to participate in the war: a difficult to understand argument about empowerment through service and the view that "to qualify for swaraj through the good offices of the statesmen of the empire" he had to serve the empire "in its life and death struggle." He noted that his opposition to war was as strong then as now but "we have to recognize that there are many things in the world which we do although we may be against doing them" and that if he had "been the non-violent rebel that I am today, I should certainly not have helped [in the war effort]" (M K Gandhi 1928).

His reasons for his recruitment efforts contradict or undermine what he had written in his seminal work, *Hind Swaraj* and later about the relationship of means and ends. With such contradictions, he isolated himself from national leaders like Annie Besant and Muhammad Ali Jinnah as well as the people who refused all of his appeals. It's not a stretch, therefore, to reason that he drove himself to a total emotional and physical breakdown as a consequence of not merely sanctioning the war but actively recruiting for it.

Charlie Andrews made a strong case against his efforts, suggesting that Gandhi was deluding himself and that his recruiting activity could injure his service "to the cause of ahimsa [nonviolence]." Gandhi summarised his position in a letter to a friend, insisting that his action was "taken up to serve that very cause." He was afraid that his followers were "unmanly," falsely believing that it was ahimsa: "We want to have the ability in the fullest measure to strike and then perceive the inability of brute force and renounce the power" (Gandhi to S K Rudra, 29 July 1918).

Gandhi's lengthy letter to Andrews reveals his tortured mind. It starts with an acknowledgement of Andrews' letters. He then relates his own condition in an agonised manner that suggests a person on the edge of an emotional breakdown: "This hard thinking [about recruitment] has told upon my physical system. I hardly want to talk to anybody. I do not want even to write anything, not even these thoughts of mine." He attempts to set forth in excruciating detail why he is supporting the war resorting to a perverse justification of violence that draws from examples of India's legendary wars, even the *Gita* (which he had claimed was merely allegorical), to make his convoluted case (Gandhi to C F Andrews, 6 July 1918). In a further reference to Gandhi's recruiting efforts, Andrews reflected that

> This was, and has always been, to me quite inexplicable on his part, because he himself is the strictest believer in moral force as contrasted with physical force. I have mentioned this inconsistency because it pained me very greatly at the time and led directly in his own case to another almost fatal illness and complete physical prostration. (David 1989: 55–56)

In a letter of 7 June 1918 to Florence Winterbottom, an old friend from his South Africa days, he confessed that he was going through perhaps

> the severest trials of my life ... I want to raise men to fight, to deal death to men who, for all they know, are as innocent as they. And I fancy that through this sea of blood I shall find my haven ... I find men who are incapable through cowardice of killing. How shall I preach to them the virtue of non-killing? And so I want them to learn the art of killing! This is all awful ... sometimes my heart sinks within me and I feel like throwing the whole thing overboard and seek solace in silence and retirement. (Green 1993: 14)

Conclusions

Gandhi's grandson and biographer, Rajmohan Gandhi notes that Gandhi's collapse was contributed to by

> The heat, his failure with the peasants and above all, the clash between the recruiting activity and the nonviolence that he and close associates felt to be the message of his life. ... Exhausted in body, mind and soul, he had reached extremity. (R Gandhi 2006: 215)

His friend and biographer, H N Brailsford calls Gandhi's recruiting activities "one of the most puzzling incidents of Gandhi's career," adding that "the inner conflict over his conduct in wartime may have been more deeply seated than he realised. It may be significant that he twice fell gravely ill while he was recruiting, in London in 1914 and at Khaira [Kheda] in 1918" (Polak et al 1949: 124, 125).

When David Arnold urged historians in his 2018 paper to study the 1918 flu pandemic, he could not have known that only two years later his admonition would prove so relevant to the COVID-19 catastrophe. Suddenly the media features lessons to be learned from this "forgotten" scourge of 1918 (Kolata 2020). Is there anything that can be learned from Gandhi's less than expected involvement with the Spanish flu either about him personally or about his position of leadership in the nationalist movement?

As we have shown, Gandhi left the pandemic unmentioned in his public discourse at the time as well as in his *Autobiography* a decade later. Yet Gandhi, who was dealing with his own illness, was not alone among India's foremost political leaders in this respect. Jawaharlal Nehru began his political career in 1916. When he recalled that crucial period after the war ended, he failed to note the 1918 pandemic in either his autobiography *Toward Freedom* (1958) or later in *Discovery of India* (1967).[5] The omission in the latter is particularly curious. Nehru did present this moment in graphic detail by relating first the economic and psychological deprivation that India endured as a result of British imperialism. He pointedly includes the suffering among all strata of society, "the quagmire and defeatism" directly caused by colonialism. Then, this enigmatic comment:

> And this process had eaten its way deep into the body and soul of India, poisoning every aspect of our corporate life, like that fell disease which consumes the tissues of the lungs and kills slowly but inevitably. Sometimes we thought that some swifter and more obvious process, resembling cholera or the bubonic plague, would have been better; but that was a passing thought… And then Gandhi came. (1967: 379)

A puzzling paradox—not only does Nehru miss reinforcing his case against the raj by referencing here the 1918 pandemic, but he implicitly wishes that the flu epidemic had happened without remembering that it did. The amnesia is total. And another irony worth noting is that like Nehru, Gandhi never associated the 1918 pandemic with the cost of colonialism.

Where does this leave us? Regardless of Spinney's assertions, it was not influenza but dysentery, exhaustion, what has been termed a "nervous breakdown," and surgery for piles that took Gandhi's mind off matters that would usually have been of fundamental importance to him, especially given that it had laid ashram members low and even lead to the death of close relatives. He more or less ignored the epidemic that was raging around him as Nehru, the British authorities in India, and historians of the Raj had done, but perhaps with more reason for doing so.

NOTES

1 While some of Gandhi's reactions to the news of the catastrophe that had befallen friends and relatives who lost loved ones to the influenza epidemic can seem heartless, he did later acknowledge the tragedy that had befallen his son Harilal and confessed that it had distressed him. All of Gandhi's correspondence, with the exception of his letter of 7 June 1918 to Florence Winterbottom, is in the *Collected Works of Mahatma Gandhi* at the appropriate date.

2 While the authorities were unresponsive to the illness, many voluntary charity organisations were involved in compassionate relief work.

3 The term is now dated. It was used to describe emotional and physical stress that prevented satisfactory functioning in day-to-day life. The usually stated symptoms appear to be in accord with Gandhi's reported symptoms.

4 These letters were written some months before the morally somewhat unsatisfactory decision to take goat's milk as he had the cow in mind when he made his vow to no longer consume dairy products.

5 In *Toward Freedom*, Nehru records his first meeting with Gandhi in December 1916, and then briefly refers to 1918. Contrast his passionate account of this year in *Discovery of India*, where he details the destructive forces of imperialism, followed by perhaps the most eloquent analysis of Gandhi's dynamic power by any Indian leader. There is no mention of the 1918 pandemic in either of these sources.

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ICICI Bank

ICICI BANK LIMITED

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Independent Auditor's Report

To the Members of ICICI Bank Limited

Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of ICICI Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2020, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. Incorporated in these standalone financial statements are the returns of the international branches for the year ended 31 March 2020. The branches in Dubai, South Africa, and New York have been audited by the respective local auditors.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the branch auditors as referred to in paragraph 16 below, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ('Act') and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2020, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the branch auditors, in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Schedule 18.57 of the accompanying standalone financial statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Bank's results is significantly dependent on future developments.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the branch auditors, as referred to in paragraph 16 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

a. Information Technology ('IT') systems and controls impacting financial reporting

Key Audit Matter	How our audit addressed the key audit matter
The IT environment of the Bank is complex and involves a large number of independent and inter-dependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: ➢ IT general controls over user access management and change management across applications, networks, database, and operating systems. ➢ IT application controls. Due to the importance of the impact of the IT systems and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	In assessing the integrity of the IT systems relevant for financial reporting, we involved our IT experts to obtain an understanding of the IT infrastructure and IT systems relevant to the Bank's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls. Access rights were tested over applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel. Other areas that were assessed under the IT control environment, included password policies, security configurations, business continuity and controls around change management. We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

b. Identification and provisioning for non-performing assets ('NPAs')

As at 31 March 2020, the Bank reported total loans and advances (net of provisions) of ₹ 6,452,900 million (2019: 5,866,466 million), gross NPAs of ₹ 408,291 million (2019: ₹ 456,760 million), and provision for non-performing assets of ₹ 309,058 million (2019: 322,263 million). The provision coverage ratio as at 31 March 2020 is 75.7% (2019: 70.6%). Further, the Bank has made COVID-19 related provisions of ₹ 27,250 million.

(Refer schedules 9, 17.3, 18.16, 18.19, and 18.26)

Key Audit Matter	How our audit addressed the key audit matter
The identification of NPAs and provisioning for advances is made in accordance with the extant RBI regulations or host country regulations, in the case of international branches. Based on our risk assessment, the following are significant in assessment of the NPA provisions: ➢ Recognition of defaults, in accordance with the criteria set out in the RBI Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRAC norms) or in accordance with the host country regulations, as applicable. Further, the Bank is also required to apply its judgement to determine the identification of NPAs by applying certain qualitative aspects; ➢ The measurement of provision under RBI guidelines is dependent on the ageing of overdue balances, secured/unsecured status of advances, stress and liquidity concerns in certain sectors and valuation of collateral. The provision on NPAs at certain overseas branches requires estimation of amounts and timing of expected future cash flows and exit values. Due to the ongoing COVID 19 pandemic, during our audit, we have also identified implementation of the COVID 19 Regulatory Package-Asset Classification and Provisioning ('Regulatory Package') announced by the RBI on 17 April 2020 as key in measurement of provisions for advances. Considering the significance of the above matter to the financial statements, the heightened regulatory inspections and significant auditor attention required, we have identified this as a key audit matter for the current year audit.	We understood the process and controls and tested the design and operating effectiveness of key controls, including IT based controls, focusing on the following: ➢ Identification and classification of NPAs in line with RBI IRAC norms and certain qualitative aspects; ➢ Periodic internal reviews of asset quality; ➢ Assessment of adequacy of NPA provisions; and ➢ Periodic valuation of collateral for NPAs. To test the identification of loans with default events and other triggers, we selected a sample of performing loans and independently assessed as to whether there was a need to classify such loans as NPAs. With respect to provisions recognised towards NPAs, we selected samples based on high risk industry sectors identified by the Bank, such as shipping, rigs, power, mining, and oil and gas exploration. For the samples selected, we re-performed the provision calculations, including valuation of collaterals, and compared our outcome to that prepared by the management and challenged various assumptions and judgements which were used by the management. We also held discussions with the management of the Bank on high risk industry sectors and measures taken by the management to monitor to such assets. We read the RBI Annual Financial Inspection report for the financial year ended 31 March 2019 and other communication with the regulators. With respect to those borrowers to whom a moratorium was granted in accordance with the Regulatory Package, on a sample basis, we tested that such moratorium was granted in accordance with the board approved policy. We re-performed the calculations for the additional general provision made in accordance with the requirements of the Regulatory Package, including the asset classification. We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs, including the additional disclosures required to be made in accordance with the Regulatory Package.

c. Provisions for litigation and taxation and contingent liabilities

As at 31 March 2020 the Bank has reported the following:

(₹ in millions)

Particulars	Included under contingent liabilities	
	At 31.03.2020	At 31.03.2019
Legal cases	3,300	1,096
Taxes	59,940	53,914
Total claims against the Bank not acknowledged as debts	**63,240**	**55,010**

(Refer schedules 12 and 18.38)

Key Audit Matter	How our audit addressed the key audit matter
As at 31 March 2020, the Bank has ongoing legal and tax cases with varied degrees of complexities. This indicates that a significant degree of management judgement is involved in determining the appropriateness of provisions and related disclosures. Significant management judgement is needed in determining whether an obligation exists and whether a provision should be recognised as at the reporting date, in accordance with the accounting criteria set under Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets ('AS 29'), or whether it needs to be disclosed as a contingent liability. Further, significant judgements are also involved in measuring such obligations, the most significant of which are: ➢ Assessment of liability: Judgement is involved in the determination of whether an outflow in respect of identified material matters are probable and can be estimated reliably; ➢ Adequacy of provisions: The appropriateness of assumptions and judgements used in the estimation of significant provisions; and ➢ Adequacy of disclosures of provision for liabilities and charges, and contingent liabilities. Considering the significance of the above matter to the financial statements, and significant auditor attention required to test such estimates, we have identified this as a key audit matter for the current year audit.	Our audit procedures included, but were not limited to, the following: We understood the Bank's processes and controls over the estimation, monitoring and disclosure of provisions and contingent liabilities. For significant legal matters, we sought external confirmations and also reviewed the confirmations obtained by the management from external legal counsels and corroborated with management's documented conclusions on the assessment of outstanding litigations against the Bank. In respect of taxation matters, we involved our tax specialists to gain an understanding of the current status of the outstanding tax litigations, including understanding of various orders / notices received by the Bank and the management's grounds of appeals before the relevant appellate authorities, and critically evaluated the management's assessment of the likelihood of the liability devolving upon the Bank, in accordance with the principles of AS 29. For the significant provisions made, we understood, assessed and challenged the adequacy of provisions recognised by the management. We also reviewed the historical accuracy of the provisions recognised to determine the efficacy of the process of estimation by the management. Further, we assessed whether the disclosures related to significant litigation and taxation matters were appropriate and adequate in terms of whether the potential liabilities and the significant uncertainties were fairly presented.

d. Valuation of derivatives

(₹ in millions)

Particulars	Including under	At 31.03.2020	At 31.03.2019
Notional value of derivatives	Contingent liabilities	23,649,552	17,566,162

(Refer schedule 12 and 18.13)

Key Audit Matter	How our audit addressed the key audit matter
Derivatives are valued through models with external inputs. The derivatives portfolio of the Bank primarily includes transactions which are carried out on behalf of its clients (and are covered on a back-to-back basis) and transactions to hedge the Bank's interest and foreign currency risk. A significant degree of management judgement is involved in the application of valuation techniques through which the valuation of the Bank's derivatives is determined. The financial statement risk arises particularly with respect to complex valuation models, parameters, and inputs that are used in determining fair values. Considering the significance of the above matter to the financial statements, significant management estimates and judgements, and auditor attention required to test such estimates and judgements, we have identified this as a key audit matter for the current year audit.	Our audit procedures included, but were not limited to, the following: We included our valuation experts as a part of our audit team to obtain an understanding, evaluate the design, and test the operating effectiveness of the key controls over the valuation processes, including: ➢ independent price verification performed by a management expert; and ➢ model governance and validation. On a sample basis, our valuation experts performed an independent reassessment of the valuation of derivatives to ensure compliance with the relevant RBI regulations, reasonableness of the valuation methodology and the inputs used. We also challenged the appropriateness of significant models and methodologies used in valuation.

Information other than the Standalone Financial Statements and Auditor's Report thereon

7 The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, Directors' Report, including annexures to the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Banks's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of 3 international branches included in the standalone financial statements of the Bank, whose financial statements reflects total assets of ₹ 518,398 million as at 31 March 2020, and total revenue, total net loss after tax, and net cash outflows of ₹ 19,506 million, ₹ 10,963 million, and ₹ 107,472 million, respectively, for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors, whose reports have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the reports of such branch auditors.

    Our opinion on the standalone financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

17. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act read with rule 7 of the Companies (Rules), 2014 (as amended).
18. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 16 above, we report that:
    a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
    b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
    c) since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally, as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit, we have visited 122 branches to examine the records maintained at such branches for the purpose of our audit.
19. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under Banking Regulation Act, 1949, the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section, is not applicable.
20. Further, as required by section 143 (3) of the Act, based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 16 above, we report, to the extent applicable, that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) in our opinion, proper books of account as required by law have been kept by the Bank, so far as it appears from our examination of those books and proper returns, adequate for the purposes of our audit, have been received from the international branches not audited by us;
    c) the reports on the accounts of the international branches of the Bank audited under section 143(8) of the Act by the branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;
    d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the international branches not audited by us;
    e) in our opinion, the aforesaid standalone financial statements comply with Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;
    f) on the basis of the written representations received from the directors as on 31 March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
    g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Bank as on 31 March 2020, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date and our report dated 09 May 2020 as per Annexure A expressed an unmodified opinion;
    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. the Bank, as detailed in schedules 12 and 18.42 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
        ii. the Bank, as detailed in schedule 18.42 to the standalone financial statements, has made provisions as at 31 March 2020, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts;
        iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2020;
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 20105782AAAACK4014

Place: Mumbai
Date: 09 May 2020

ICICI Bank

ICICI BANK LIMITED

Registered Office: ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390 007
Corporate Office: ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051

Annexure A to the Independent Auditor's Report of even date to the members of ICICI Bank Limited on the standalone financial statements for the year ended 31 March 2020

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

1. In conjunction with our audit of the standalone financial statements of ICICI Bank Limited ('the Bank') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Bank as at that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Bank, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

UDIN: 20105782AAAACK4014

Place: Mumbai
Date: 09 May 2020

ICICI Bank

ICICI BANK LIMITED

Registered Office: ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390 007

Corporate Office: ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051

Standalone Balance Sheet at March 31, 2020

(₹ in '000s)

	Schedule	At 31.03.2020	At 31.03.2019
CAPITAL AND LIABILITIES			
Capital	1	**12,947,649**	12,894,598
Employees stock options outstanding		**34,858**	46,755
Reserves and surplus	2	**1,152,061,563**	1,070,739,063
Deposits	3	**7,709,689,946**	6,529,196,711
Borrowings	4	**1,628,967,599**	1,653,199,742
Other liabilities and provisions	5	**479,949,877**	378,514,609
TOTAL CAPITAL AND LIABILITIES		**10,983,651,492**	**9,644,591,478**
ASSETS			
Cash and balances with Reserve Bank of India	6	**352,839,592**	378,580,118
Balances with banks and money at call and short notice	7	**838,717,797**	424,382,742
Investments	8	**2,495,314,805**	2,077,326,800
Advances	9	**6,452,899,697**	5,866,465,827
Fixed assets	10	**84,102,853**	79,314,287
Other assets	11	**759,776,748**	818,521,704
TOTAL ASSETS		**10,983,651,492**	**9,644,591,478**
Contingent liabilities	12	**25,238,257,975**	19,220,382,868
Bills for collection		**482,162,417**	493,919,862
Significant accounting policies and notes to accounts	17 & 18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

Standalone Profit and Loss Account for the year ended March 31, 2020

(₹ in '000s)

	Schedule	Year ended 31.03.2020	Year ended 31.03.2019
I. INCOME			
Interest earned	13	**747,983,166**	634,011,926
Other income	14	**164,486,220**	145,121,636
TOTAL INCOME		**912,469,386**	**779,133,562**
II. EXPENDITURE			
Interest expended	15	**415,312,517**	363,863,951
Operating expenses	16	**216,144,109**	180,890,620
Provisions and contingencies (refer note 18.42)		**201,704,636**	200,745,975
TOTAL EXPENDITURE		**833,161,262**	**745,500,546**
III. PROFIT/(LOSS)			
Net profit/(loss) for the year		**79,308,124**	33,633,016
Profit brought forward		**178,795,703**	184,952,554
TOTAL PROFIT/(LOSS)		**258,103,827**	**218,585,570**
IV. APPROPRIATIONS/ TRANSFERS			
Transfer to Statutory Reserve		**19,828,000**	8,409,000
Transfer to Reserve Fund		**3,670**	7,568
Transfer to Capital Reserve		**3,954,400**	280,000
Transfer to Capital Redemption Reserve		..	3,500,000
Transfer to/(from) Investment Reserve Account		..	..
Transfer to/(from) Investment Fluctuation Reserve		**6,690,000**	12,692,000
Transfer to Revenue and other reserves		..	..
Transfer to Special Reserve		**7,900,000**	5,250,000
Dividend paid during the year		**6,453,078**	9,651,292
Corporate dividend tax paid during the year		..	7
Balance carried over to balance sheet		**213,274,679**	178,795,703
TOTAL		**258,103,827**	**218,585,570**
Significant accounting policies and notes to accounts	17 & 18		
Earnings per share (refer note 18.1)			
Basic (₹)		**12.28**	5.23
Diluted (₹)		**12.08**	5.17
Face value per share (₹)		**2.00**	2.00

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account.

As per our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Sudhir N. Pillai
Partner
Membership no.: 105782

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Place : Mumbai
Date : May 9, 2020

ICICI Bank

ICICI BANK LIMITED

Registered Office: ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390 007
Corporate Office: ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051

Schedules forming part of the Standalone Balance Sheet

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 1 - CAPITAL		
Authorised capital 12,500,000,000 equity shares of ₹ 2 each (March 31, 2019: 12,500,000,000 equity shares of ₹ 2 each)	**25,000,000**	25,000,000
Equity share capital Issued, subscribed and paid-up capital 6,446,239,653 equity shares of ₹ 2 each (March 31, 2019: 6,427,990,776 equity shares)	**12,892,479**	12,855,981
Add: Add: 26,525,550 equity shares of ₹ 2 each (March 31, 2019: 18,248,877 equity shares) issued during the year pursuant to exercise of employee stock options	**53,051**	36,498
	12,945,530	12,892,479
Add: Forfeited equity shares[1]	**2,119**	2,119
TOTAL CAPITAL	**12,947,649**	**12,894,598**

1. On account of forfeiture of 266,089 equity shares of ₹ 10 each.

SCHEDULE 2 - RESERVES AND SURPLUS	At 31.03.2020	At 31.03.2019
I. Statutory reserve		
Opening balance	**237,377,519**	228,968,519
Additions during the year	**19,828,000**	8,409,000
Deductions during the year	**–**	–
Closing balance	**257,205,519**	237,377,519
II. Special reserve		
Opening balance	**95,040,000**	89,790,000
Additions during the year	**7,900,000**	5,250,000
Deductions during the year	**–**	–
Closing balance	**102,940,000**	95,040,000
III. Securities premium		
Opening balance	**329,160,858**	325,709,362
Additions during the year[1]	**5,452,060**	3,451,496
Deductions during the year	**–**	–
Closing balance	**334,612,918**	329,160,858
IV. Investment reserve account		
Opening balance	**–**	–
Additions during the year	**–**	–
Deductions during the year	**–**	–
Closing balance	**–**	–
V. Investment fluctuation reserve		
Opening balance	**12,692,000**	–
Additions during the year[2]	**6,690,000**	12,692,000
Deductions during the year	**–**	–
Closing balance	**19,382,000**	12,692,000
VI. Capital reserve		
Opening balance	**128,541,725**	128,261,725
Additions during the year[3]	**3,954,400**	280,000
Deductions during the year	**–**	–
Closing balance	**132,496,125**	128,541,725
VII. Capital redemption reserve		
Opening balance	**3,500,000**	–
Additions during the year	**–**	3,500,000
Deductions during the year	**–**	–
Closing balance[4]	**3,500,000**	3,500,000
VIII. Foreign currency translation reserve		
Opening balance	**14,908,515**	16,563,360
Additions during the year	**1,619,695**	–
Deductions during the year	**–**	(1,654,845)
Closing balance	**16,528,210**	14,908,515
IX. Revaluation reserve (refer note 18.34)		
Opening balance	**30,445,093**	30,031,905
Additions during the year[5]	**1,395,700**	1,023,923
Deductions during the year[6]	**(692,088)**	(610,735)
Closing balance	**31,148,705**	30,445,093
X. Reserve fund		
Opening balance	**73,968**	66,400
Additions during the year[7]	**3,670**	7,568
Deductions during the year	**–**	–
Closing balance	**77,638**	73,968
XI. Revenue and other reserves		
Opening balance	**40,203,682**	39,585,696
Additions during the year	**692,087**	617,986
Deductions during the year	**–**	–
Closing balance	**40,895,769**	40,203,682
XII. Balance in profit and loss account	**213,274,679**	178,795,703
TOTAL RESERVES AND SURPLUS	**1,152,061,563**	**1,070,739,063**

1. Represents amount on account of exercise of employee stock options.
2. Represents amount transferred to Investment Fluctuation Reserve (IFR) on net profit on sale of AFS and HFT investments during the year. As per the RBI circular, from the year ended March 31, 2019, an amount not less than the lower of net profit on sale of AFS and HFT category investments during the year or net profit for the year less mandatory appropriations is required to be transferred to IFR, until the amount of IFR is at least 2% of the HFT and AFS portfolio.
3. Represents appropriations made for profit on sale of investments in held-to-maturity category, net of taxes and transfer to Statutory Reserve and profit on sale of land and buildings, net of taxes and transfer to Statutory Reserve.
4. Represents amount transferred from accumulated profit on account of Redeemable Non-Cumulative Preference Shares (350 RNCPS) of ₹ 10.0 million each redeemed at par during the year ended March 31, 2019. The Bank created Capital redemption reserve, as required under the Companies Act, 2013, out of surplus profits available for previous years.
5. Represents gain on revaluation of premises carried out by the Bank.
6. Represents amount transferred from Revaluation Reserve to General Reserve on account of incremental depreciation charge on revaluation, revaluation surplus on premises sold or loss on revaluation on account of certain assets which were held for sale.
7. Represents appropriations made to Reserve Fund in accordance with regulations applicable to Sri Lanka branch.

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Schedules forming part of the Standalone Balance Sheet

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i) From banks	**65,212,698**	74,379,016
ii) From others	**957,063,014**	888,315,153
II. Savings bank deposits	**2,455,908,874**	2,276,709,040
III. Term deposits		
i) From banks	**202,585,695**	165,000,950
ii) From others	**4,028,919,665**	3,124,792,552
TOTAL DEPOSITS	**7,709,689,946**	**6,529,196,711**
B. I. Deposits of branches in India	**7,637,416,010**	6,474,983,663
II. Deposits of branches outside India	**72,273,936**	54,213,048
TOTAL DEPOSITS	**7,709,689,946**	**6,529,196,711**
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India[1]	**86,810,000**	35,000,000
ii) Other banks	**–**	8,644,375
iii) Other institutions and agencies		
a) Government of India	**–**	..
b) Financial institutions[2]	**493,020,910**	233,005,364
iv) Borrowings in the form of bonds and debentures (excluding subordinated debt)	**197,869,634**	197,590,424
v) Application money-bonds	**–**	–
vi) Capital instruments		
a) Innovative Perpetual Debt Instruments (IPDI) (qualifying as additional Tier 1 capital)	**101,200,000**	101,200,000
b) Hybrid debt capital instruments issued as bonds/debentures (qualifying as Tier 2 capital)	**–**	33,800,000
c) Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**116,974,946**	135,347,140
TOTAL BORROWINGS IN INDIA	**995,875,490**	**744,587,303**
II. Borrowings outside India		
i) Capital instruments	**–**	–
ii) Bonds and notes	**294,811,272**	428,236,204
iii) Other borrowings	**338,280,837**	480,376,235
TOTAL BORROWINGS OUTSIDE INDIA	**633,092,109**	**908,612,439**
TOTAL BORROWINGS	**1,628,967,599**	**1,653,199,742**

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, 2019: Nil) except borrowings of ₹ 340,756.8 million (March 31, 2019: ₹ 61,716.3 million) under collateralised borrowing and lending obligation, market repurchase transactions (including tri-party repo) with banks and financial institutions and transactions under liquidity adjustment facility and marginal standing facility.

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**53,443,331**	83,343,117
II. Inter-office adjustments (net)	**7,439,584**	717,556
III. Interest accrued	**26,959,112**	33,721,860
IV. Sundry creditors	**93,832,003**	92,952,935
V. General provision for standard assets (refer note 18.18)[1]	**60,995,182**	28,737,645
VI. Others (including provisions)[2]	**237,280,665**	139,041,496
TOTAL OTHER LIABILITIES AND PROVISIONS	**479,949,877**	**378,514,609**

1. At March 31, 2020, includes Covid-19 related provision amounting to ₹ 27,250.0 million.
2. Includes specific provision for standard loans amounting to ₹ 3,196.1 million (March 31, 2019: ₹ 4,769.0 million).

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA	**At 31.03.2020**	**At 31.03.2019**
I. Cash in hand (including foreign currency notes)	**99,437,514**	87,038,841
II. Balances with Reserve Bank of India in current accounts	**253,402,078**	291,541,277
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA	**352,839,592**	**378,580,118**
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In current accounts	**1,620,749**	2,626,426
b) In other deposit accounts	**66,791**	5,066,921
ii) Money at call and short notice		
a) With banks[1]	**594,212,800**	89,457,750
b) With other institutions[2]	**69,211,816**	13,410,213
TOTAL	**665,112,156**	**110,561,310**
II. Outside India		
i) In current accounts	**116,434,071**	143,207,910
ii) In other deposit accounts	**25,335,217**	48,901,848
iii) Money at call and short notice	**31,836,353**	121,711,674
TOTAL	**173,605,641**	**313,821,432**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**838,717,797**	**424,382,742**

1. Includes lending under Liquidity Adjustment Facility (LAF).
2. Includes lending under reverse repo.

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Schedules forming part of the Standalone Balance Sheet

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 8 - INVESTMENTS		
I. Investments in India [net of provisions]		
i) Government securities	**1,883,318,796**	1,479,230,542
ii) Other approved securities	**–**	–
iii) Shares (includes equity and preference shares)	**24,622,430**	18,840,258
iv) Debentures and bonds	**119,852,513**	142,328,392
v) Subsidiaries and/or joint ventures[1]	**61,201,686**	61,201,686
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits and other related investments)	**326,595,257**	312,175,395
TOTAL INVESTMENTS IN INDIA	**2,415,590,682**	**2,013,776,273**
II. Investments outside India [net of provisions]		
i) Government securities	**28,909,637**	20,026,853
ii) Subsidiaries and/or joint ventures abroad (includes equity and preference shares)	**36,826,862**	36,826,862
iii) Others (equity shares, bonds and certificate of deposits)	**13,987,624**	6,696,812
TOTAL INVESTMENTS OUTSIDE INDIA	**79,724,123**	**63,550,527**
TOTAL INVESTMENTS	**2,495,314,805**	**2,077,326,800**
A. Investments in India		
Gross value of investments	**2,472,213,814**	2,062,886,134
Less: Aggregate of provision/ depreciation/(appreciation)	**56,623,132**	49,109,861
Net investments	**2,415,590,682**	2,013,776,273
B. Investments outside India		
Gross value of investments	**81,130,342**	64,377,243
Less: Aggregate of provision/ depreciation/(appreciation)	**1,406,219**	826,716
Net investments	**79,724,123**	63,550,527
TOTAL INVESTMENTS	**2,495,314,805**	**2,077,326,800**

1. During the year ended March 31, 2019, the Bank sold a part of its equity investment in a subsidiary, ICICI Prudential Life Insurance Company Limited, through an offer for sale on stock exchanges.
2 Refer note 18.10 - Investments and note 18.11 - Non-SLR Investments.

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 9 - ADVANCES [net of provisions]		
A. i) Bills purchased and discounted[1]	**444,802,983**	346,315,071
ii) Cash credits, overdrafts and loans repayable on demand	**1,557,314,567**	1,458,967,622
iii) Term loans	**4,450,782,147**	4,061,183,134
TOTAL ADVANCES	**6,452,899,697**	**5,866,465,827**
B. i) Secured by tangible assets (includes advances against book debts)	**4,663,199,942**	4,139,796,885
ii) Covered by bank/ government guarantees	**98,100,926**	111,759,404
iii) Unsecured	**1,691,598,829**	1,614,909,538
TOTAL ADVANCES	**6,452,899,697**	**5,866,465,827**
C. I. Advances in India		
i) Priority sector	**1,909,002,118**	1,696,365,965
ii) Public sector	**159,541,485**	146,431,801
iii) Banks	**4,468,311**	3,253,967
iv) Others	**3,840,221,670**	3,390,090,132
TOTAL ADVANCES IN INDIA	**5,913,233,584**	**5,236,141,865**
II. Advances outside India		
i) Due from banks	**4,732,195**	18,471,145
ii) Due from others		
a) Bills purchased and discounted	**163,653,671**	149,622,161
b) Syndicated and term loans	**326,238,831**	308,156,810
c) Others	**45,041,416**	154,073,846
TOTAL ADVANCES OUTSIDE INDIA	**539,666,113**	**630,323,962**
TOTAL ADVANCES	**6,452,899,697**	**5,866,465,827**

1. Net of bills re-discounted amounting to Nil (March 31, 2019: Nil).

SCHEDULE 10 - FIXED ASSETS	At 31.03.2020	At 31.03.2019
I. Premises		
Gross block		
At cost at March 31 of preceding year	**75,541,590**	73,921,124
Additions during the year[1]	**2,542,536**	2,125,674
Deductions during the year	**(615,822)**	(505,208)
Closing balance	**77,468,304**	75,541,590
Less: Depreciation to date[2]	**(16,668,165)**	(15,309,915)
Net block[3]	**60,800,139**	**60,231,675**
II. Other fixed assets (including furniture and fixtures)		
Gross block		
At cost at March 31 of preceding year	**59,431,918**	59,585,000
Additions during the year	**11,591,192**	6,368,177
Deductions during the year	**(2,288,102)**	(6,521,259)
Closing balance	**68,735,008**	59,431,918
Less: Depreciation to date[4]	**(48,172,061)**	**(42,763,904)**
Net block	**20,562,947**	**16,668,014**

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Schedules forming part of the Standalone Balance Sheet

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 10 - *(Continued)*		
III. Lease assets		
Gross block		
At cost at March 31 of preceding year	**16,714,629**	16,714,629
Additions during the year	**339,420**	–
Deductions during the year	**–**	–
Closing balance[5]	**17,054,049**	16,714,629
Less: Depreciation to date, accumulated lease adjustment and provisions[6]	**(14,314,282)**	(14,300,031)
Net block	**2,739,767**	**2,414,598**
TOTAL FIXED ASSETS	**84,102,853**	**79,314,287**

1. Includes revaluation gain amounting to ₹ 1,395.7 million (March 31, 2019: ₹ 1,023.9 million) on account of revaluation carried out by the Bank.
2. Includes depreciation charge amounting to ₹ 1,887.8 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 1,789.2 million), including depreciation charge on account of revaluation of ₹ 649.9 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 584.8 million).
3. Includes assets of amounting to Nil (March 31, 2019: ₹ 22.2 million) which are held for sale.
4. Includes depreciation charge amounting to ₹ 7,583.4 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 5,979.9 million).
5. At March 31, 2020, includes assets taken on lease amounting to ₹ 339.4 million (March 31, 2019: Nil).
6. Includes depreciation charge/lease adjustment/provisions amounting to ₹ 14.2 million for the year ended March 31, 2020 (year ended March 31, 2019: insignificant amount).

SCHEDULE 11 - OTHER ASSETS	At 31.03.2020	At 31.03.2019
I. Inter-office adjustments (net)	**–**	–
II. Interest accrued	**86,517,207**	76,326,429
III. Tax paid in advance/ tax deducted at source (net)	**68,018,795**	95,268,761
IV. Stationery and stamps	**2,252**	973
V. Non-banking assets acquired in satisfaction of claims[1,2]	**–**	10,040,166
VI. Advances for capital assets	**2,917,965**	1,802,579
VII. Deposits	**24,315,002**	14,078,922
VIII. Deferred tax assets (net) (refer note 18.44)	**80,681,176**	104,365,701
IX. Deposits in Rural Infrastructure and Development Fund	**287,570,782**	292,545,621
X. Others	**209,753,569**	224,092,552
TOTAL OTHER ASSETS	**759,776,748**	**818,521,704**

1. During the year ended March 31, 2020, the Bank has not acquired any assets (year ended March 31, 2019: Nil) in satisfaction of claims under debt-asset swap transactions. Assets amounting to ₹ 1,317.4 million were sold during the year ended March 31, 2020 (year ended March 31, 2019: Nil).
2. Net of provision amounting to ₹ 30,517.8 million (March 31, 2019: ₹ 22,147.3 million).

(₹ in '000s)

	At 31.03.2020	At 31.03.2019
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	**63,240,222**	55,009,794
II. Liability for partly paid investments	**12,455**	12,455
III. Liability on account of outstanding forward exchange contracts[1]	**7,441,459,466**	4,701,000,557
IV. Guarantees given on behalf of constituents		
a) In India	**878,239,296**	855,465,382
b) Outside India	**209,893,394**	211,192,112
V. Acceptances, endorsements and other obligations	**347,118,775**	433,788,146
VI. Currency swaps[1]	**509,589,938**	423,344,515
VII. Interest rate swaps, currency options and interest rate futures[1]	**15,698,503,091**	12,441,817,000
VIII. Other items for which the Bank is contingently liable	**90,201,338**	98,752,907
TOTAL CONTINGENT LIABILITIES	**25,238,257,975**	**19,220,382,868**

1. Represents notional amount.

Schedules forming part of the Standalone Profit and Loss Account

(₹ in '000s)

	Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	**575,511,126**	479,426,244
II. Income on investments	**146,732,068**	127,968,772
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**6,821,500**	7,360,862
IV. Others[1,2]	**18,918,472**	19,256,048
TOTAL INTEREST EARNED	**747,983,166**	**634,011,926**

1. Includes interest on income tax refunds amounting to ₹ 2,699.8 million (March 31, 2019: ₹ 4,482.3 million).
2. Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.

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Schedules forming part of the Standalone Profit and Loss Account

(₹ in '000s)

	Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	**116,450,747**	102,318,773
II. Profit/(loss) on sale of investments (net)[1]	**19,010,897**	13,006,602
III. Profit/(loss) on revaluation of investments (net)	**(2,619,008)**	387,624
IV. Profit/(loss) on sale of land, buildings and other assets (net)[2]	**14,216**	1,919
V. Profit/(loss) on exchange/ derivative transactions (net)	**18,065,638**	17,711,181
VI. Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India	**12,730,298**	10,779,490
VII. Miscellaneous income (including lease income)	**833,432**	916,047
TOTAL OTHER INCOME	**164,486,220**	**145,121,636**

1. For the year ended March 31, 2019, includes gain on sale of a part of equity investment in a subsidiary, ICICI Prudential Life Insurance Company Limited, through an offer for sale on stock exchanges. Refer note 18.10 - Investments.
2. Includes profit/(loss) on sale of assets given on lease.

SCHEDULE 15 - INTEREST EXPENDED	**Year ended 31.03.2020**	**Year ended 31.03.2019**
I. Interest on deposits	**326,877,706**	265,246,797
II. Interest on Reserve Bank of India/inter-bank borrowings	**10,809,220**	15,907,990
III. Others (including interest on borrowings of erstwhile ICICI Limited)	**77,625,591**	82,709,164
TOTAL INTEREST EXPENDED	**415,312,517**	**363,863,951**

(₹ in '000s)

	Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	**82,712,407**	68,082,380
II. Rent, taxes and lighting[1]	**12,714,278**	11,988,705
III. Printing and stationery	**2,300,408**	2,056,233
IV. Advertisement and publicity	**8,886,382**	7,290,475
V. Depreciation on Bank's property	**9,471,163**	7,769,089
VI. Depreciation (including lease equalisation) on leased assets	**14,238**	13
VII. Directors' fees, allowances and expenses	**37,188**	36,766
VIII. Auditors' fees and expenses	**87,884**	89,675
IX. Law charges	**1,103,906**	1,077,091
X. Postages, courier, telephones, etc.	**4,229,716**	4,068,143
XI. Repairs and maintenance	**17,682,686**	15,384,867
XII. Insurance	**7,823,295**	6,504,334
XIII. Direct marketing agency expenses	**17,875,865**	15,971,240
XIV. Other expenditure[2]	**51,204,693**	40,571,609
TOTAL OPERATING EXPENSES	**216,144,109**	**180,890,620**

1. Includes lease expense amounting to ₹ 10,010.9 million (March 31, 2019: ₹ 9,236.7 million).
2. Net of recoveries from group companies towards shared services.

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

Overview

ICICI Bank Limited (ICICI Bank or the Bank), incorporated in Vadodara, India is a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. ICICI Bank is a banking company governed by the Banking Regulation Act, 1949. The Bank also has overseas branches in Bahrain, China, Dubai, Hong Kong, Singapore, South Africa, Sri Lanka, United States of America and Offshore Banking units.

Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of ICICI Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the historical cost convention and the accrual method of accounting, except in the case of interest and other income on non-performing assets (NPAs) where it is recognised upon realisation.

The preparation of financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

9. Market repurchase, reverse repurchase and transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as borrowing and lending transactions in accordance with the extant RBI guidelines.
10. Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/sale of instruments) on debt instruments is treated as a revenue item.
11. At the end of each reporting period, security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end. The security receipts which are outstanding and not redeemed as at the end of the resolution period are treated as loss assets and are fully provided for.
12. The Bank follows trade date method of accounting for purchase and sale of investments, except for government of India and state government securities where settlement date method of accounting is followed in accordance with RBI guidelines.
13. The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and are marked to market. The mark-to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

3. Provision/write-offs on loans and other credit facilities

The Bank classifies its loans and investments, including at overseas branches and overdues arising from crystallised derivative contracts, into performing and NPAs in accordance with RBI guidelines. Loans and advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the extant RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. In accordance with the RBI circular dated April 17, 2020, the moratorium granted to certain borrowers is excluded from the determination of number of days past-due/out-of-order status for the purpose of asset classification. The moratorium granted to the borrowers is not accounted as restructuring of loan.

In the case of corporate loans and advances, provisions are made for sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are provided/written-off as per the extant RBI guidelines. For loans and advances booked in overseas branches, which are standard as per the extant RBI guidelines but are classified as NPAs based on host country guidelines, provisions are made as per the host country regulations. For loans and advances booked in overseas branches, which are NPAs as per the extant RBI guidelines and as per host country guidelines, provisions are made at the higher of the provisions required under RBI regulations and host country regulations. Provisions on homogeneous retail loans and advances, subject to minimum provisioning requirements of RBI, are assessed on the basis of the ageing of the loan in the non-performing category. As per RBI guidelines, in respect of non-retail loans reported as fraud to RBI and classified in doubtful category, the entire amount, without considering the value of security, is provided for over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately. In case of fraud in retail accounts, the entire amount is provided immediately. In respect of borrowers classified as non-cooperative borrowers or willful defaulters, the Bank makes accelerated provisions as per extant RBI guidelines.

The Bank holds specific provisions against non-performing loans and advances and against certain performing loans and advances in accordance with RBI directions, including RBI direction for provision on accounts referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016. The assessment of incremental specific provisions is made after taking into consideration the existing specific provision held. The specific provisions on retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

Provision due to diminution in the fair value of restructured/rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines.

Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognised in the profit and loss account.

The Bank maintains general provision on performing loans and advances in accordance with the RBI guidelines, including provisions on loans to borrowers having unhedged foreign currency exposure, provisions on loans to specific borrowers in specific stressed sectors, provision on exposures to step-down subsidiaries of Indian companies and provision on incremental exposure to borrowers identified as per RBI's large exposure framework. For performing loans and advances in overseas branches, the general provision is made at higher of aggregate provision required as per host country regulations and RBI requirement.

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures including indirect country risk (other than for home country exposure). The countries are categorised into seven risk categories namely insignificant, low, moderately low, moderate, moderately high, high and very high, and provisioning is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 25%. For exposures with contractual maturity of less than 180 days, provision is required to be held at 25% of the rates applicable to exposures exceeding 180 days. The indirect exposure is reckoned at 50% of the exposure. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is required on such country exposure.

The Bank makes floating provision as per the Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, in case of contingencies which do not arise in the normal course of business and are exceptional and non-recurring in nature and for making specific provision for impaired loans as per the requirement if extant RBI guidelines or any regulatory guidance/instructions. The floating provision is netted-off from advances.

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The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within the timelines prescribed by the RBI, from the date of default. These additional provisions are written-back on satisfying the conditions for reversal as per RBI guidelines.

The Bank has granted moratorium towards the payment of principal and/or interest in case of certain borrowers in accordance with RBI circular dated March 27, 2020. The Bank makes general provision on such loans at rates equal or higher than requirements stipulated in RBI circular.

4. Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the Bank accounts for any loss arising from securitisation immediately at the time of sale and the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold. With effect from May 7, 2012, the RBI guidelines require the profit/premium arising from securitisation to be amortised over the life of the transaction based on the method prescribed in the guidelines.

In accordance with RBI guidelines, in case of non-performing/special mention account-2 loans sold to securitisation company (SC)/ reconstruction company (RC), the Bank reverses the excess provision in profit and loss account in the year in which amounts are received. Any shortfall of sale value over the net book value on sale of such assets is recognised by the Bank in the year in which the loan is sold.

5. Fixed assets

Fixed assets, other than premises, are carried at cost less accumulated depreciation and impairment, if any. Premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of fixed assets on a straight-line basis. The useful lives of the groups of fixed assets are given below.

Asset	Useful life
Premises owned by the Bank	60 years
Leased assets and improvements to leasehold premises	60 years or lease period whichever is lower
ATMs[1]	6–8 years[1]
Plant and machinery[1] (including office equipment)	5–10 years[1]
Electric installations and equipments	10–15 years
Computers	3 years
Servers and network equipment[1]	4–10 years[1]
Furniture and fixtures[1]	5–10 years[1]
Motor vehicles[1]	5 years[1]
Others (including software and system development expenses)[1]	3–4 years[1]

1. The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

a) Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been capitalised.

b) Items individually costing upto ₹ 5,000/- are depreciated fully in the year of acquisition.

c) Assets at residences of Bank's employees are depreciated over the estimated useful life of 5 years.

d) In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually.

e) The profit on sale of premises is appropriated to capital reserve, net of transfer to Statutory Reserve and taxes, in accordance with RBI guidelines.

Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are valued at the market value on a distress sale basis or value of loan, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

6. Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at daily closing rates, and income and expenditure items of non-integral foreign operations (foreign branches and offshore banking units) are translated at quarterly average closing rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India (FEDAI) relevant to the balance sheet date and the resulting gains/losses are included in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at relevant closing exchange rates notified by FEDAI at the balance sheet date and the resulting gains/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

Pursuant to RBI guideline, the Bank does not recognise the cumulative/proportionate amount of such exchange differences as income or expenses, which relate to repatriation of accumulated retained earnings from overseas operations.

The premium or discount arising on inception of forward exchange contracts that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction is amortised over the life of the contract. All other outstanding forward exchange contracts are revalued based on the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The contracts of longer maturities where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resultant gains or losses are recognised in the profit and loss account.

Contingent liabilities on account of guarantees, endorsements and other obligations denominated in foreign currencies are disclosed at the closing exchange rates notified by FEDAI relevant to the balance sheet date.

7. Accounting for derivative contracts

The Bank enters into derivative contracts such as interest rate options, currency options and bond options, interest rate and currency futures, interest rate and currency swaps, credit default swaps and cross currency interest rate swaps.

The swap contracts entered to hedge on-balance sheet assets and liabilities are structured such that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of underlying assets and liabilities and accounted pursuant to the principles of hedge accounting. Hedge swaps are accounted for on an accrual basis and are not marked to market unless their underlying transaction is marked to market.

Foreign currency and rupee derivative contracts entered into for trading purposes are marked to market and the resulting gain or loss is accounted for in the profit and loss account. Pursuant to RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on other derivative contracts with the same counter-parties are reversed through profit and loss account.

8. Employee Stock Option Scheme (ESOS)

The Employees Stock Option Scheme (the Scheme) provides for grant of options on the Bank's equity shares to wholetime directors and employees of the Bank and its subsidiaries. The Scheme provides that employees are granted an option to subscribe to equity shares of the Bank that vest in a graded manner. The options may be exercised within a specified period. The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period. The fair market price is the latest closing price, immediately prior to the grant date, which is generally the date of the meeting of the Board Governance, Remuneration & Nomination Committee in which the options are granted, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

9. Employee Benefits

Gratuity

The Bank pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service and in case of employees at overseas locations as per the rules in force in the respective countries. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Actuarial valuation of the gratuity liability is determined by an actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

Superannuation Fund and National Pension Scheme

The Bank contributes 15.0% of the total annual basic salary or an amount of ₹ 0.15 million for certain employees to superannuation funds, defined contribution plans, managed and administered by insurance companies. Further, the Bank contributes 10.0% of the total basic salary of certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The Bank also gives an option to its employees allowing them to receive the amount in lieu of such contributions along with their monthly salary during their employment.

The amounts so contributed/paid by the Bank to the superannuation fund and NPS or to employees during the year are recognised in the profit and loss account.

Pension

The Bank provides for pension, a defined benefit plan covering eligible employees of erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees on their retirement based on the respective employee's years of service with the Bank and applicable salary.

Actuarial valuation of the pension liability is determined by an actuary appointed by the Bank. Actuarial valuation of pension liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

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Provident Fund

The Bank is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Bank contributes an equal amount for eligible employees. The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The Bank makes balance contributions to a fund administered by trustees. The funds are invested according to the rules prescribed by the Government of India.

Actuarial valuation for the interest rate guarantee on the provident fund balances is determined by an actuary appointed by the Bank.

The actuarial gains or losses arising during the year are recognised in the profit and loss account.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in profit and loss account at the time of contribution.

Compensated absences

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary.

10. Income Taxes

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. However, in case of unabsorbed depreciation or carried forward loss, deferred tax assets will be recognised only if there is virtual certainty of realisation of such assets.

11. Impairment of Assets

The Bank follows revaluation model of accounting for its premises and the recoverable amount of the revalued assets is considered to be close to its revalued amount. Accordingly, separate assessment for impairment of premises is not required.

12. Provisions, contingent liabilities and contingent assets

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates of amounts required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Bank does not account for or disclose contingent assets, if any.

The Bank estimates the probability of redemption of customer loyalty reward points using an actuarial method by employing an independent actuary and accordingly makes provision for these reward points. Actuarial valuation is determined based on certain assumptions regarding mortality rate, discount rate, cancellation rate and redemption rate.

13. Earnings per share (EPS)

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

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

14. Lease transactions

Lease payments for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term on straight line basis. The leases of property, plant and equipment, where substantially all of the risks and rewards of ownership are transferred to the Bank are classified as finance leases. Minimum lease payments under finance lease are apportioned between the finance costs and reduction of the outstanding liability.

15. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

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SCHEDULE 18

NOTES FORMING PART OF THE ACCOUNTS

The following disclosures have been made taking into account the requirements of Accounting Standards (ASs) and Reserve Bank of India (RBI) guidelines.

1. Earnings per share

Basic and diluted earnings per equity share are computed in accordance with AS 20 – Earnings per share. Basic earnings per equity share is computed by dividing net profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year.

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

₹ in million, except per share data

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic		
Weighted average number of equity shares outstanding	**6,460,003,715**	6,435,966,473
Net profit/(loss) attributable to equity share holders	**79,308.1**	33,633.0
Basic earnings per share (₹)	**12.28**	5.23
Diluted		
Weighted average number of equity shares outstanding	**6,566,771,281**	6,509,276,099
Net profit/(loss) attributable to equity share holders	**79,308.1**	33,633.0
Diluted earnings per share (₹)[1]	**12.08**	5.17
Nominal value per share (₹)	**2.00**	2.00

1. The dilutive impact is due to options granted to employees by the Bank.

2. Business/information ratios

The following table sets forth, for the periods indicated, the business/information ratios.

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1.	Interest income to working funds[1]	**7.68%**	7.35%
2.	Non-interest income to working funds[1]	**1.69%**	1.68%
3.	Operating profit to working funds[1,2]	**2.88%**	2.72%
4.	Return on assets[3]	**0.81%**	0.39%
5.	Net profit/(loss) per employee[4] (₹ in million)	**0.8**	0.4
6.	Business (average deposits plus average advances) per employee[4,5] (₹ in million)	**127.5**	122.2

1. For the purpose of computing the ratio, working funds represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.
2. Operating profit is profit for the year before provisions and contingencies.
3. For the purpose of computing the ratio, assets represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.
4. Computed based on average number of employees which include sales executives, employees on fixed term contracts and interns.
5. The average deposits and the average advances represent the simple average of the figures reported in Form A to RBI under Section 42(2) of the Reserve Bank of India Act, 1934.

3. Capital adequacy ratio

The Bank is subject to the Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till March 31, 2020. As per the guidelines, the Tier-1 capital is made up of Common Equity Tier-1 (CET1) and Additional Tier-1.

At March 31, 2020, Basel III guidelines require the Bank to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 11.08% with minimum CET1 CRAR of 7.58% and minimum Tier-1 CRAR of 9.08%. The minimum total CRAR, Tier-1 CRAR and CET1 CRAR requirement include capital conservation buffer of 1.88% and additional capital requirement of 0.20% on account of the Bank being designated as Domestic Systemically Important Bank.

The following table sets forth, for the periods indicated, computation of capital adequacy as per Basel III framework.

₹ in million, except percentages

Particulars	At March 31, 2020	At March 31, 2019
CET1 CRAR (%)	**13.39%**	13.63%
Tier-1 CRAR (%)	**14.72%**	15.09%
Tier-2 CRAR (%)	**1.39%**	1.80%
Total CRAR (%)	**16.11%**	16.89%
Amount of equity capital raised	**–**	–
Amount of Additional Tier-1 capital raised; of which		
1. Perpetual Non-Cumulative Preference Shares	**–**	–
2. Perpetual Debt Instruments	**–**	11,400.0
Amount of Tier-2 capital raised; of which		
1. Debt Capital Instruments	**9,450.0**	–
2. Preference Share Capital Instruments [Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)]	**–**	–

4. **Liquidity coverage ratio**

The Basel Committee for Banking Supervision (BCBS) had introduced the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. At March 31, 2020, the applicable minimum LCR required to be maintained by banks is 100.0% (effective from January 1, 2019).

The following tables set forth, for the periods indicated, the quarterly average of unweighted and weighted values of the LCR of the Bank. The simple average has been computed based on daily values.

₹ in million

Sr. No.	Particulars	Three months ended March 31, 2020		Three months ended March 31, 2019	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	High quality liquid assets				
1.	Total high quality liquid assets	**N.A.**	**1,827,380.8**	N.A.	1,434,622.0
	Cash outflows				
2.	Retail deposits and deposits from small business customers, of which:	**4,287,871.7**	**369,466.7**	3,594,998.9	330,341.9
	(i) Stable deposits	**1,186,409.5**	**59,320.5**	583,159.0	29,157.9
	(ii) Less stable deposits	**3,101,462.2**	**310,146.2**	3,011,839.9	301,184.0
3.	Unsecured wholesale funding, of which:	**2,144,027.5**	**1,033,801.0**	1,618,174.0	807,596.3
	(i) Operational deposits (all counterparties)	**544,448.7**	**136,112.2**	441,904.0	110,476.0
	(ii) Non-operational deposits (all counterparties)	**1,505,459.5**	**803,569.5**	1,100,694.0	621,544.3
	(iii) Unsecured debt	**94,119.3**	**94,119.3**	75,576.0	75,576.0
4.	Secured wholesale funding	**N.A.**	**–**	N.A.	14.8
5.	Additional requirements, of which:	**304,367.8**	**105,629.7**	436,662.0	109,813.0
	(i) Outflows related to derivative exposures and other collateral requirements	**77,021.2**	**77,021.2**	60,355.4	60,355.4
	(ii) Outflows related to loss of funding on debt products	**188.0**	**188.0**	244.4	244.4
	(iii) Credit and liquidity Facilities	**227,158.6**	**28,420.5**	376,062.2	49,213.2
6.	Other contractual funding obligations	**158,059.6**	**158,059.6**	101,512.4	101,512.4
7.	Other contingent funding obligations	**2,766,693.1**	**111,727.6**	2,273,724.0	88,278.7
8.	**Total cash outflows**	**N.A.**	**1,778,684.6**	**N.A.**	**1,437,557.1**
9.	Secured lending (e.g. reverse repos)	**132,524.0**	**3.5**	71,815.3	–
10.	Inflows from fully performing exposures	**381,803.1**	**282,842.3**	390,191.0	310,120.9
11.	Other cash inflows	**63,038.4**	**38,416.1**	59,141.1	36,495.0
12.	**Total cash inflows**	**577,365.5**	**321,261.9**	**521,147.4**	**346,615.9**
13.	**Total HQLA**	**N.A.**	**1,827,380.8**	**N.A.**	**1,434,622.0**
14.	Total net cash outflows (8)-(12)	**N.A.**	**1,457,422.7**	N.A.	1,090,941.2
15.	**Liquidity coverage ratio (%)**	**N.A.**	**125.38%**	**N.A.**	**131.50%**

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₹ in million

Sr. No.	Particulars	Three months ended December 31, 2019		Three months ended September 30, 2019	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	High quality liquid assets				
1	Total high quality liquid assets	N.A.	1,719,258.3	N.A.	1,521,633.4
	Cash outflows				
2.	Retail deposits and deposits from small business customers, of which:	4,166,642.9	386,224.5	3,955,964.2	366,357.8
	(i) Stable deposits	608,796.2	30,439.8	584,773.4	29,238.7
	(ii) Less stable deposits	3,557,846.7	355,784.7	3,371,190.8	337,119.1
3.	Unsecured wholesale funding, of which:	1,972,023.8	946,274.7	1,845,754.7	900,859.6
	(i) Operational deposits (all counterparties)	545,648.5	136,412.1	518,822.4	129,705.6
	(ii) Non-operational deposits (all counterparties)	1,352,487.4	735,974.7	1,247,111.0	691,332.7
	(iii) Unsecured debt	73,887.9	73,887.9	79,821.3	79,821.3
4.	Secured wholesale funding	N.A.	–	N.A.	–
5.	Additional requirements, of which:	457,529.0	122,124.0	446,070.4	116,426.2
	(i) Outflows related to derivative exposures and other collateral requirements	72,234.2	72,234.2	66,171.7	66,171.7
	(ii) Outflows related to loss of funding on debt products	194.1	194.1	220.0	220.0
	(iii) Credit and liquidity facilities	385,100.7	49,695.7	379,678.7	50,034.5
6.	Other contractual funding obligations	129,860.6	129,860.6	103,527.5	103,527.5
7.	Other contingent funding obligations	2,447,134.3	95,340.2	2,361,939.4	91,612.7
8.	**Total cash outflows**	**N.A.**	**1,679,824.0**	**N.A.**	**1,578,783.8**
9.	Secured lending (e.g. reverse repos)	102,640.5	–	23,696.6	–
10.	Inflows from fully performing exposures	430,623.8	326,046.0	436,445.8	350,062.0
11.	Other cash inflows	61,485.5	36,355.4	57,244.9	33,636.6
12.	**Total cash inflows**	**594,749.8**	**362,401.4**	**517,387.3**	**383,698.6**
13.	**Total HQLA**	**N.A.**	**1,719,258.3**	**N.A**	**1,521,633.4**
14.	Total net cash outflows (8)-(12)	N.A.	1,317,422.6	N.A.	1,195,085.2
15.	**Liquidity coverage ratio (%)**	**N.A.**	**130.50%**	**N.A.**	**127.32%**

₹ in million

Sr. No.	Particulars	Three months ended June 30, 2019	
		Total unweighted value (average)	Total weighted value (average)
	High quality liquid assets		
1.	Total high quality liquid assets	N.A.	1,461,412.7
	Cash outflows		
2.	Retail deposits and deposits from small business customers, of which:	3,797,060.8	350,293.4
	(i) Stable deposits	588,252.5	29,412.6
	(ii) Less stable deposits	3,208,808.3	320,880.8
3.	Unsecured wholesale funding, of which:	1,749,556.0	859,454.4
	(i) Operational deposits (all counterparties)	493,832.4	123,458.1
	(ii) Non-operational deposits (all counterparties)	1,168,061.3	648,334.0
	(iii) Unsecured debt	87,662.3	87,662.3
4.	Secured wholesale funding	N.A.	–
5.	Additional requirements, of which:	435,826.7	112,052.9
	(i) Outflows related to derivative exposures and other collateral requirements	61,834.4	61,834.4
	(ii) Outflows related to loss of funding on debt products	230.9	230.9
	(iii) Credit and liquidity facilities	373,761.4	49,987.6
6.	Other contractual funding obligations	122,614.2	122,614.2
7.	Other contingent funding obligations	2,299,749.9	89,440.9
8.	**Total cash outflows**	**N.A.**	**1,533,855.8**
9.	Secured lending (e.g. reverse repos)	9,910.6	–
10.	Inflows from fully performing exposures	422,869.2	341,041.3
11.	Other cash inflows	55,832.2	32,836.1
12.	**Total cash inflows**	**488,612.0**	**373,877.4**
13.	**Total HQLA**	**N.A.**	**1,461,412.7**
14.	Total net cash outflows	N.A.	1,159,978.4
15.	**Liquidity coverage ratio (%)**	**N.A.**	**125.99%**

Liquidity of the Bank is managed by the Asset Liability Management Group (ALMG) under the central oversight of the Asset Liability Management Committee (ALCO). For the domestic operations of the Bank, ALMG-India is responsible for the overall management of liquidity. For the overseas branches of the Bank, a decentralised approach is followed for day-to-day liquidity management, while a centralised approach is followed for long-term funding in co-ordination with Head-Office. Liquidity in the overseas branches is maintained taking into consideration both host country and the RBI regulations.

The Bank during the three months ended March 31, 2020 maintained average HQLA (after haircut) of ₹ 1,827,380.8 million (March 31, 2019: ₹ 1,434,622.0 million) against the average HQLA requirement of ₹ 1,457,422.7 million (March 31, 2019: ₹ 1,090,941.2 million) at minimum LCR requirement of 100.0% (March 31, 2019: 100.0%). HQLA primarily includes government securities in excess of minimum statutory liquidity ratio (SLR) and to the extent allowed under marginal standing facility (MSF) and facility to avail liquidity for LCR (FALLCR) of ₹ 1,600,071.6 million (March 31, 2019: ₹ 1,189,674.2 million).

RBI increased the limit of Marginal Standing Facility (MSF) under which banks can borrow overnight at their discretion by dipping into their SLR from 2.0% to 3.0% with effect from March 27, 2020. This takes the total carve out from SLR available to banks at 17.5% of their NDTL including 14.5% of FALLCR. Additionally, cash, balance in excess of cash reserve requirement with RBI and balances with central banks of countries where the Bank's branches are located amounted to ₹ 135,769.6 million (March 31, 2019: ₹ 178,691.5 million). Further, average level 2 assets primarily consisting of AA- and above rated corporate bonds and commercial papers, amounted to ₹ 59,552.0 million (March 31, 2019: ₹ 47,040.3 million).

At March 31, 2020, top liability products/instruments and their percentage contribution to the total liabilities of the Bank were term deposits 38.53% (March 31, 2019: 34.11%), savings account deposits 22.36% (March 31, 2019: 23.61%), current account deposits 9.31% (March 31, 2019: 9.98%) and bond borrowings 6.47% (March 31, 2019: 9.29%). Top 20 depositors constituted 4.88% (March 31, 2019: 5.74%) of total deposits of the Bank at March 31, 2020. Further, the total borrowings mobilised from significant counterparties (from whom the funds borrowed were more than 1.00% of the Bank's total liabilities) were 5.78% (March 31, 2019: 7.04%) of the total liabilities of the Bank at March 31, 2020.

The weighted cash outflows are primarily driven by unsecured wholesale funding which includes operational deposits, non-operational deposits and unsecured debt. During the three months ended March 31, 2020, unsecured wholesale funding contributed 58.12% (March 31, 2019: 56.18%) of the total weighted cash outflows. The non-operational deposits include term deposits with premature withdrawal facility. Retail deposits including deposits from small business customers and other contingent funding obligations contributed 20.77% (March 31, 2019: 22.98%) and 6.28% (March 31, 2019: 6.14%) of the total weighted cash outflows, respectively. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Bank has extended the option of payment moratorium for all dues falling due between March 1, 2020 and May 31, 2020 to its borrowers. As the moratorium has been given effect in April 2020, inflows from advances are based on the original cash flows prevailing at March 31, 2020.

In view of the margin rules for non-centrally cleared derivative transactions issued by the Basel Committee on Banking Supervision and discussion paper issued by the RBI, certain derivative transactions would be subject to margin reset and consequent collateral exchange would be as governed by Credit Support Annex (CSA). The margin rules are applicable for both the domestic and overseas operations of the Bank. The Bank has entered into CSAs which would require maintenance of collateral due to valuation changes on transactions under the CSA framework. The Bank considers the increased liquidity requirement on account of valuation changes in the transactions settled through Qualified Central Counterparties (QCCP) in India including the Clearing Corporation of India (CCIL) and other exchange houses as well as for transactions covered under CSAs. The potential outflows on account of such transactions have been considered based on the look-back approach prescribed in the RBI guidelines.

The average LCR of the Bank for the three months ended March 31, 2020 was 125.38% (March 31, 2019: 131.50%). During the three months ended March 31, 2020, other than Indian Rupee, USD was the only significant foreign currency which constituted more than 5.00% of the balance sheet size of the Bank. The average LCR of the Bank for USD currency, computed based on daily LCR values, was 52.44% for the three months ended March 31, 2020 (March 31, 2019: 117.77%).

5. Information about business and geographical segments

Business Segments

Pursuant to the guidelines issued by RBI on AS 17 - Segment Reporting - Enhancement of Disclosures dated April 18, 2007, effective from year ended March 31, 2008, the following business segments have been reported.

- **Retail Banking** includes exposures which satisfy the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Basel Committee on Banking Supervision (BCBS) document 'International Convergence of Capital Measurement and Capital Standards: A Revised Framework'. This segment also includes income from credit cards, debit cards, third party product distribution and the associated costs.
- **Wholesale Banking** includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under Retail Banking.
- **Treasury** includes the entire investment and derivative portfolio of the Bank.
- **Other Banking** includes leasing operations and other items not attributable to any particular business segment.
- **Unallocated** includes items such as tax paid in advance net of provision, deferred tax and provisions to the extent reckoned at the entity level.

ICICI Bank

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Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

All liabilities are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirements.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined based on the transfer pricing mechanism prevailing for the respective reporting periods.

The following tables set forth, for the periods indicated, the business segment results on this basis.

₹ in million

Sr. No.	Particulars	For the year ended March 31, 2020				
		Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1.	Revenue	**725,542.4**	**399,423.4**	**619,292.6**	**16,710.1**	**1,760,968.5**
2.	Less: Inter-segment revenue					**848,499.1**
3.	Total revenue (1)–(2)					**912,469.4**
4.	**Segment results**	**89,930.2**	**9,272.3**	**50,550.9**	**5,831.9**	**155,585.3**
5.	Unallocated expenses					**15,104.9**
6.	Operating profit (4)-(5)					**140,480.4**
7.	Income tax expenses (including deferred tax credit)					**61,172.3**
8.	**Net profit/(loss) (6)-(7)**					**79,308.1**
9.	Segment assets	**3,513,412.1**	**3,073,070.6**	**4,131,058.3**	**117,410.5**	**10,834,951.5**
10.	Unallocated assets					**148,700.0**
11.	**Total assets (9)+(10)**					**10,983,651.5**
12.	Segment liabilities	**5,732,467.7**	**2,307,128.6**	**2,877,977.6**[1]	**50,972.7**	**10,968,546.6**
13.	Unallocated liabilities					**15,104.9**
14.	**Total liabilities (12)+(13)**					**10,983,651.5**
15.	Capital expenditure	**9,947.7**	**3,008.0**	**–**	**121.7**	**13,077.4**
16.	Depreciation	**6,865.4**	**2,515.8**	**0.4**	**103.8**	**9,485.4**

1. Includes share capital and reserves and surplus.

₹ in million

Sr. No.	Particulars	For the year ended March 31, 2019				
		Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1.	Revenue	591,723.3	341,685.1	539,240.6	15,621.1	1,488,270.1
2.	Less: Inter-segment revenue					709,136.5
3.	Total revenue (1)–(2)					779,133.6
4.	**Segment results**	**82,231.2**	**(102,423.5)**	**51,651.3**	**6,308.6**	**37,767.6**
5.	Unallocated expenses					–
6.	Operating profit (4)-(5)					37,767.6
7.	Income tax expenses (including deferred tax credit)					4,134.6
8.	**Net profit (6)-(7)**					**33,633.0**
9.	Segment assets	3,071,558.3	2,884,954.5	3,329,564.1	158,880.1	9,444,957.0
10.	Unallocated assets					199,634.5
11.	**Total assets (9)+(10)**					**9,644,591.5**
12.	Segment liabilities	4,889,760.0	1,874,784.2	2,800,228.1[1]	79,819.2	9,644,591.5
13.	Unallocated liabilities					–
14.	**Total liabilities (12)+(13)**					**9,644,591.5**
15.	Capital expenditure	5,436.5	1,966.4	–	67.0	7,469.9
16.	Depreciation	5,559.0	2,111.0	0.4	98.7	7,769.1

1. Includes share capital and reserves and surplus.

Geographical segments

The Bank reports its operations under the following geographical segments.

- **Domestic operations** comprise branches in India.
- **Foreign operations** comprise branches outside India and offshore banking units in India.

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The following tables set forth, for the periods indicated, geographical segment results.

₹ in million

Revenues	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Domestic operations	**879,210.2**	736,185.1
Foreign operations	**33,259.2**	42,948.5
Total	**912,469.4**	**779,133.6**

₹ in million

Assets	**At March 31, 2020**	**At March 31, 2019**
Domestic operations	**10,075,025.4**	8,554,413.9
Foreign operations	**759,926.1**	890,543.1
Total	**10,834,951.5**	**9,444,957.0**

1. Segment assets do not include tax paid in advance/tax deducted at source (net) and deferred tax assets (net).

The following table sets forth, for the periods indicated, capital expenditure and depreciation thereon for the geographical segments.

₹ in million

Particulars	**Capital expenditure incurred during**		**Depreciation provided during**	
	Year ended March 31, 2020	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Domestic operations	**12,929.2**	7,329.9	**9,390.5**	7,679.8
Foreign operations	**148.2**	140.0	**94.9**	89.3
Total	**13,077.4**	**7,469.9**	**9,485.4**	**7,769.1**

6. Maturity pattern

The following table sets forth, the maturity pattern of assets and liabilities of the Bank at March 31, 2020.

₹ in million

Maturity buckets	**Loans & Advances[1]**	**Investment securities[1]**	**Deposits[1]**	**Borrowings[1]**	**Total foreign currency assets[2]**	**Total foreign currency liabilities[2]**
Day 1	**11,545.6**	**424,201.1**	**104,112.9**	**23.3**	**148,734.4**	**2,869.5**
2 to 7 days	**62,304.8**	**364,822.8**	**495,047.4**	**293,297.2**	**71,886.0**	**11,566.8**
8 to 14 days	**55,447.1**	**68,372.1**	**171,058.4**	**6,109.9**	**27,543.7**	**14,014.4**
15 to 30 days	**164,151.7**	**119,448.9**	**181,814.1**	**23,223.8**	**62,847.9**	**30,543.9**
31 days to 2 months	**256,526.1**	**40,812.4**	**222,943.8**	**56,570.3**	**78,131.6**	**50,437.0**
2 to 3 months	**279,769.8**	**44,824.0**	**208,082.0**	**52,598.0**	**70,967.2**	**53,050.5**
3 to 6 months	**541,868.9**	**100,318.4**	**443,819.8**	**174,114.4**	**120,048.4**	**155,079.8**
6 months to 1 year	**759,712.7**	**206,105.1**	**650,135.3**	**183,247.6**	**108,463.0**	**160,314.7**
1 to 3 years	**1,774,409.2**	**309,197.7**	**852,551.4**	**400,043.9**	**160,364.5**	**251,961.6**
3 to 5 years	**1,065,080.9**	**330,213.0**	**2,192,221.7**	**237,212.0**	**64,548.6**	**68,037.8**
Above 5 years	**1,482,082.9**	**486,999.3**	**2,187,903.1**	**202,527.2**	**122,635.5**	**124,329.8**
Total	**6,452,899.7**	**2,495,314.8**	**7,709,689.9**	**1,628,967.6**	**1,036,170.8**	**922,205.8**

1. Includes foreign currency balances.
2. Excludes off-balance sheet assets and liabilities.

The following table sets forth, the maturity pattern of assets and liabilities of the Bank at March 31, 2019.

₹ in million

Maturity buckets	**Loans & Advances[1]**	**Investment securities[1]**	**Deposits[1]**	**Borrowings[1]**	**Total foreign currency assets[2]**	**Total foreign currency liabilities[2]**
Day 1	18,074.7	327,197.8	112,052.1	–	235,787.1	3,566.6
2 to 7 days	42,903.4	135,338.6	443,751.3	74,566.7	124,344.4	19,645.1
8 to 14 days	44,478.6	62,223.9	162,499.0	1,116.9	16,749.6	8,186.2
15 to 30 days	153,054.5	89,610.7	140,542.6	53,488.3	65,936.0	52,279.6
31 days to 2 months	215,897.3	51,194.8	210,081.1	130,147.6	89,126.2	142,897.9
2 to 3 months	229,534.3	48,940.1	171,189.6	45,880.0	81,016.6	54,264.0
3 to 6 months	476,884.4	100,862.9	335,622.8	164,802.0	136,678.8	177,512.8
6 months to 1 year	673,180.7	212,942.9	722,505.4	256,331.1	127,971.4	285,663.2
1 to 3 years	1,544,031.3	237,442.3	653,019.0	336,246.3	129,809.1	206,655.1
3 to 5 years	1,036,848.4	332,798.6	1,795,681.7	314,786.8	84,077.9	109,048.7
Above 5 years	1,431,578.2	478,774.2	1,782,252.1	275,834.0	140,159.2	115,570.4
Total	**5,866,465.8**	**2,077,326.8**	**6,529,196.7**	**1,653,199.7**	**1,231,656.3**	**1,175,289.6**

1. Includes foreign currency balances.
2. Excludes off-balance sheet assets and liabilities.

The estimates and assumptions used by the Bank for classification of assets and liabilities under the different maturity buckets are based on the returns submitted to RBI for the relevant periods.

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Bank has extended the option of payment moratorium for all dues falling due between March 1, 2020 and May 31, 2020 to its borrowers. As the moratorium has been given effect in April 2020, inflows from advances are based on the original cash flows prevailing at March 31, 2020 along with the effect of applicable behavioral studies.

7. Employee Stock Option Scheme (ESOS)

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 10% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options in line with SEBI Regulations. Under the stock option scheme, eligible employees are entitled to apply for equity shares. In April 2016, exercise period was modified 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, exercise period was further modified to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee to be applicable for future grants. In May 2018, exercise period was further modified to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee to be applicable for future grants.

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 other than certain options granted in April 2014 which vested to the extent of 50% on April 30, 2017 and the balance on April 30, 2018 and option granted in September 2015 which vested to the extent of 50% on April 30, 2018 and balance 50% vested on April 30, 2019. Options granted in January 2018 would vest at the end of four years from the date of grant. Certain options granted in May 2018, would vest to the extent of 50% on May 2021 and balance 50% would vest on May 2022.

Options granted prior to March 2014 except mentioned below, 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 in April 2009 vested in a graded manner over a five-year period with 20%, 20%, 30% and 30% of grant vesting each year, commencing from the end of 24 months from the date of grant. Options granted in September 2011 vested in a graded manner over a five-year period with 15%, 20%, 20% and 45% of grant vesting each year, commencing from the end of 24 months from the date of the grant.

The exercise price of the Bank's options, except mentioned below, is the last closing price on the stock exchange, which recorded highest trading volume preceding the date of grant of options. In February 2011, the Bank granted 16,692,500 options to eligible employees and whole-time Directors of the Bank and certain of its subsidiaries at an exercise price of ₹ 175.82. This exercise price was the average closing price on the stock exchange during the six months ended October 28, 2010. Of these options granted, 50% vested on April 30, 2014 and the balance 50% vested on April 30, 2015.

Based on intrinsic value of options, no compensation cost was recognised during the year ended March 31, 2020 (year ended March 31, 2019: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2020 would have been higher by ₹ 3,826.2 million (year ended March 31, 2019: ₹ 3,179.0 million) and proforma profit after tax would have been ₹ 75,481.9 million (year ended March 31, 2019: ₹ 30,454.0 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 11.68 (year ended March 31, 2019: ₹ 4.73) and ₹ 11.49 (year ended March 31, 2019: ₹ 4.68) respectively for the year ended March 31, 2020. The weighted average fair value of options granted during the year ended March 31, 2020 was ₹ 149.62 (year ended March 31, 2019: ₹ 107.22).

The following table sets forth, for the periods indicated, the key assumptions used to estimate the fair value of options granted.

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Risk-free interest rate	**6.18% to 7.62%**	7.32% to 8.31%
Expected life	**3.46 to 5.46 years**	3.64 to 6.64 years
Expected volatility	**29.06% to 31.17%**	30.79% to 32.22%
Expected dividend yield	**0.19% to 0.37%**	0.43% to 0.80%

Risk free interest rates over the expected term of the option are based on the government securities yield in effect at the time of the grant. The expected term of an option is estimated based on the vesting term as well as expected exercise behavior of the employees who receive the option. Expected exercise behavior is estimated based on the historical stock option exercise pattern of the Bank. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the Bank's publicly traded equity shares. Expected dividends during the estimated expected term of the option are based on recent dividend activity.

The following table sets forth, for the periods indicated, the summary of the status of the Bank's stock option plan.

₹ except number of options

Particulars	Stock options outstanding			
	Year ended ended March 31, 2020		Year ended ended March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**232,427,774**	**235.40**	235,672,250	224.19
Add: Granted during the year[1]	**34,288,400**[1]	**402.16**	35,419,900	283.91
Less: Lapsed during the year, net of re-issuance	**1,904,051**[2]	**316.72**	20,415,499	229.88
Less: Exercised during the year	**26,525,550**	**207.09**	18,248,877	191.04
Outstanding at the end of the year	**238,286,573**[1]	**261.89**	232,427,774	235.40
Options exercisable	**169,975,899**	**231.93**	152,151,329	222.84

1. Includes options pertaining to Whole-time Directors of ICICI Bank and its subsidiaries in May 2019, which are pending for regulatory approval.
2. Includes options pertaining to Whole-time Directors adjusted after the subsequent RBI approval for a revised number of options.

The following table sets forth, the summary of stock options outstanding at March 31, 2020.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
60-99	**1,173,325**	**79.11**	**2.86**
100-199	**24,177,234**	**166.55**	**3.58**
200-299	**178,395,914**	**249.22**	**7.15**
300-399	**901,900**	**329.89**	**7.90**
400-499	**33,582,200**	**401.96**	**6.20**
500-599	**56,000**	**527.70**	**6.92**

The following table sets forth, the summary of stock options outstanding at March 31, 2019.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
60-99	1,602,975	79.15	3.84
100-199	33,771,457	166.66	4.23
200-299	196,076,442	248.04	8.11
300-399	976,900	329.56	8.64

The options were exercised regularly throughout the period and weighted average share price as per National Stock Exchange price volume data during the year ended March 31, 2020 was ₹ 451.25 (year ended March 31, 2019: ₹ 326.37).

8. Subordinated debt

During the year ended March 31, 2020, the Bank has not raised subordinated debt bonds qualifying for Additional Tier-1 capital.

The following table sets forth, the details of subordinated debt bonds qualifying for Additional Tier-1 capital raised during the year ended March 31, 2019.

₹ in million

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Subordinate Additional Tier-1	December 28, 2018	9.90% (annually)	Perpetual[1]	11,400.0

1. Call option exercisable on December 28, 2023 and on every interest payment date thereafter (exercisable with RBI approval).

The following table sets forth, the details of subordinated debt bonds qualifying for Tier-2 capital raised during the year ended March 31, 2020.

₹ in million

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Subordinated Tier-2	February 17, 2020	7.70% (annually)	10 years[1]	**9,450.0**

1. Call option exercisable on February 17, 2025 and on every interest payment date thereafter (exercisable with RBI approval).

During the year ended March 31, 2019, the Bank did not raise any subordinated debt bonds qualifying for Tier-2 capital.

9. Repurchase transactions

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

₹ in million

Sr. No.	Particulars	Minimum outstanding balance during the	Maximum outstanding balance during the	Daily average outstanding balance during the	Outstanding balance at March 31, 2020
		Year ended March 31, 2020			
	Securities sold under Repo, LAF and MSF				
i)	Government Securities	**–**	**390,007.7**	**93,978.5**	**340,756.8**
ii)	Corporate Debt Securities	**–**	**–**	**–**	**–**
iii)	Any other securities	**–**	**–**	**–**	**–**
	Securities purchased under Reverse Repo and LAF				
i)	Government Securities	**–**	**797,051.8**	**71,637.8**	**638,951.8**
ii)	Corporate Debt Securities	**–**	**1,000.0**	**27.3**	**–**
iii)	Any other securities	**–**	**–**	**–**	**–**

1. Amounts reported are based on face value of securities under Repo and Reverse repo.
2. Amounts reported are based on lending/borrowing amount under LAF and MSF.
3. Includes tri-party repo transactions.

₹ in million

Sr. No.	Particulars	Minimum outstanding balance during the	Maximum outstanding balance during the	Daily average outstanding balance during the	Outstanding balance at March 31, 2019
		Year ended March 31, 2019			
	Securities sold under Repo, LAF and MSF				
i)	Government Securities	–	183,972.2	37,694.6	61,716.3
ii)	Corporate Debt Securities	–	1,000.0	2.7	–
iii)	Any other securities	–	–	–	–
	Securities purchased under Reverse Repo and LAF				
i)	Government Securities	–	293,919.6	59,525.3	99,000.0
ii)	Corporate Debt Securities	–	2,000.0	49.3	–
iii)	Any other securities	–	–	–	–

1. Amounts reported are based on face value of securities under Repo and Reverse repo.
2. Amounts reported are based on lending/borrowing amount under LAF and MSF.
3. Includes tri-party repo transactions.

10. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Bank.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Value of Investments		
i)	Gross value of investments		
	a) In India	**2,472,213.9**	2,062,886.2
	b) Outside India	**81,130.3**	64,377.2
ii)	Provision for depreciation		
	a) In India	**(56,623.2)**	(49,109.9)
	b) Outside India	**(1,406.2)**	(826.7)
iii)	Net value of investments		
	a) In India	**2,415,590.7**	2,013,776.3
	b) Outside India	**79,724.1**	63,550.5
2.	**Movement of provisions held towards depreciation on investments**		
i)	Opening balance	**49,936.6**	47,087.8
ii)	Add: Provisions made during the year	**13,244.4**	9,757.5
iii)	Less: Write-off/write-back of excess provisions during the year	**(5,151.6)**	(6,908.7)
iv)	Closing balance	**58,029.4**	49,936.6

During the year ended March 31, 2019, the Bank sold 2.00% of its shareholding in ICICI Prudential Life Insurance Limited and made a net gain of ₹ 11,095.9 million on this sale.

The following table sets forth, for the periods indicated, break-up of other investments in Schedule 8.

₹ in million

Investments	At March 31, 2020	At March 31, 2019
I. In India		
Pass through certificates	**130,774.8**	136,172.1
Commercial paper	**139,563.6**	105,614.9
Certificate of deposits	**23,431.1**	30,301.1
Security receipts	**19,253.3**	32,856.3
Venture funds	**3,229.7**	2,923.9
Others	**10,342.8**	4,307.1
Total	**326,595.3**	**312,175.4**
II. Outside India		
Certificate of deposits	**4,918.2**	4,493.9
Shares	**1,616.3**	310.1
Bonds	**5,311.0**	–
Venture funds	**2,142.1**	1,892.8
Total	**13,987.6**	**6,696.8**
Grand total	**340,582.9**	**318,872.2**

11. Investment in securities, other than government and other approved securities (Non-SLR investments)

i) Issuer composition of investments in securities, other than government and other approved securities

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2020.

₹ in million

Sr. No.	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities[2,3] (c)	Extent of 'unlisted' securities[2,3] (d)
1.	PSUs	**114,845.8**	**93,987.6**	**–**	**–**	**36,150.0**
2.	FIs	**93,478.8**	**36,287.0**	**797.0**	**187.2**	**–**
3.	Banks	**34,411.7**	**29,214.6**	**–**	**–**	**–**
4.	Private corporates	**128,894.2**	**117,726.5**	**350.0**	**4,060.6**	**8,024.9**
5.	Subsidiaries/Joint ventures	**98,028.5**	**–**	**–**	**–**	**–**
6.	Others[3,4]	**171,377.4**	**171,288.4**	**26,128.3**[5]	**20.0**	**2,001.4**
7.	Provision held towards depreciation	**(57,950.0)**	**N.A.**	**N.A.**	**N.A**	**N.A.**
	Total	**583,086.4**	**448,504.1**	**27,275.3**	**4,267.8**	**46,176.3**

1. Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.
2. Excludes equity shares, units of equity-oriented mutual fund, units of venture capital fund, pass through certificates, security receipts, commercial papers, certificates of deposit, non-convertible debentures (NCDs) with original or initial maturity up to one year issued by corporate (including NBFC), unlisted convertible debentures and securities acquired by way of conversion of debt.
3. Excludes investments in non-Indian government securities by overseas branches amounting to ₹ 28,909.6 million.
4. Excludes investments in non-SLR government of India securities amounting to ₹ 121.5 million.
5. Includes security receipts of ₹ 24,146.9 million and PTC's of ₹ 1,981.4 million.

The following table sets forth, the issuer composition of investments of the Bank in securities, other than governent and other approved securities at March 31, 2019.

₹ in million

Sr. No.	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities[2,3] (c)	Extent of 'unlisted' securities[2,3] (d)
1.	PSUs	56,242.6	48,032.5	–	–	–
2.	FIs	103,246.7	84,848.2	797.0	187.2	–
3.	Banks	39,093.3	29,358.1	–	–	–
4.	Private corporates	147,387.6	145,949.3	7,209.4	2,494.4	8,924.7
5.	Subsidiaries/ Joint ventures	98,028.5	–	–	–	–
6.	Others[3,4]	183,868.7	180,059.8	37,367.8	20.0	20.0
7.	Provision held towards depreciation	(49,798.0)	N.A.	N.A.	N.A.	N.A.
	Total	**578,069.4**	**488,247.9**	**45,374.2**	**2,701.6**	**8,944.7**

1. Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.
2. Excludes equity shares, units of equity-oriented mutual fund, units of venture capital fund, pass through certificates, security receipts, commercial papers, certificate of deposit, non-convertible debentures (NCDs) with original or initial maturity up to one year issued by corporate (including NBFC), unlisted convertible debentures and securities acquired by way of conversion of debt.
3. Excludes investments in non-Indian government securities by overseas branches amounting to ₹ 20,026.9 million.
4. Excludes investments in non-SLR government of India securities amounting to ₹ 135.0 million.

ii) Non-performing investments in securities, other than government and other approved securities

The following table sets forth, for the periods indicated, the movement in gross non-performing investments in securities, other than government and other approved securities.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**44,287.2**	**38,440.3**
Additions during the year	**15,838.1**	13,827.3
Reduction during the year	**(9,055.9)**	(7,980.4)
Closing balance	**51,069.4**	**44,287.2**
Total provision held	**46,722.8**	37,597.3

12. Sales and transfers of securities to/from Held to Maturity (HTM) category

During the three months ended June 30, 2019, with the approval of Board of Directors, the Bank transferred securities amounting to ₹ 109,963.8 million from held-to-maturity (HTM) category to available-for-sale (AFS) category, being transfer of securities at the beginning of the accounting year as permitted by RBI. During the year ended March 31, 2020, the Bank undertook 170 transactions for sale of securities with a net book value of ₹ 53,103.4 million, which was 4.32% of the HTM portfolio at April 1, 2019. During the year ended March 31, 2019, the Bank undertook one transaction for sale of securities with a net book value of ₹ 2,283.2 million, which was 0.20% of the HTM portfolio at April 1, 2018. The above sale was excluding sale to RBI under pre-announced open market operation auctions, repurchase of government securities by Government of India and repurchase of the state development loans (SDLs) by concerned state government, as permitted by RBI guidelines. The market value of investments held in the HTM category was ₹ 2,041,351.1 million at March 31, 2020 (March 31, 2019: ₹ 1,722,629.5 million). This includes investments in unlisted subsidiaries/joint ventures classified in the HTM category at cost.

13. Derivatives

The Bank is a major participant in the financial derivatives market. The Bank deals in derivatives for balance sheet management, proprietary trading and market making purposes whereby the Bank offers derivative products to its customers, enabling them to hedge their risks.

Dealing in derivatives is carried out by identified groups in the treasury of the Bank based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Treasury Control and Service Group (TCSG) conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting and ensures compliance with various internal and regulatory guidelines.

The market making and the proprietary trading activities in derivatives are governed by the Investment policy and Derivative policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. The Risk Management Group (RMG) lays down the methodology for computation and monitoring of risk. The Risk Committee of the Board (RCB) reviews the Bank's risk management policy in relation to various risks including credit and recovery policy, investment policy, derivative policy, asset liability management (ALM) policy and operational risk management policy. The RCB comprises independent directors and the Managing Director & CEO.

The Bank measures and monitors risk of its derivatives portfolio using such risk metrics as Value at Risk (VaR), stop loss limits and relevant greeks for options. Risk reporting on derivatives forms an integral part of the management information system.

The use of derivatives for hedging purposes is governed by the hedge policy approved by ALCO. Subject to prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate, floating rate or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the hedge itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting based on guidelines issued by RBI. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the profit and loss account. The premium on option contracts is accounted for as per Foreign Exchange Dealers Association of India (FEDAI) guidelines.

Over the counter (OTC) derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with the respective counter parties. The exposure on account of derivative transactions is computed as per RBI guidelines.

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

₹ in million

Sr. No.	Particulars	At March 31, 2020		At March 31, 2019	
		Currency derivatives[1]	Interest rate derivatives[2]	Currency derivatives[1]	Interest rate derivatives[2]
1.	**Derivatives (Notional principal amount)**				
	a) For hedging	**–**	**286,628.5**	–	405,113.5
	b) For trading	**1,153,447.5**	**14,768,017.0**	1,169,273.7	11,290,774.4
2.	**Marked to market positions**[3]				
	a) Asset (+)	**35,072.2**	**77,348.6**	21,822.9	28,898.7
	b) Liability (-)	**(29,087.5)**	**(88,278.3)**	(16,486.8)	(30,163.3)
3.	**Credit exposure**[4]	**99,270.5**	**219,115.7**	72,219.9	124,854.3
4.	**Likely impact of one percentage change in interest rate (100*PV01)**[5]				
	a) On hedging derivatives[6]	**–**	**8,875.3**	–	10,011.7
	b) On trading derivatives	**3,305.3**	**3,262.6**	423.5	62.7
5.	**Maximum and minimum of 100*PV01 observed during the period**				
	a) On hedging[6]				
	Maximum	**–**	**10,255.4**	1.3	12,807.0
	Minimum	**–**	**8,238.1**	–	9,779.7
	b) On trading				
	Maximum	**3,333.3**	**6,018.0**	1,482.1	2,210.6
	Minimum	**1.7**	**7.3**	423.1	10.7

1. Exchange traded and OTC options, cross currency interest rate swaps and currency futures are included in currency derivatives.
2. OTC Interest rate options, Interest rate swaps, forward rate agreements, swaptions and exchange traded interest rate derivatives are included in interest rate derivatives.
3. For trading portfolio including accrued interest.
4. Includes accrued interest and has been computed based on current exposure method.
5. Amounts given are absolute values on a net basis, excluding options.
6. The swap contracts entered into for hedging purpose would have an opposite and off-setting impact with the underlying on-balance sheet items.

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

₹ in million

Sr. No.	Particulars	At March 31, 2020		At March 31, 2019	
		Trading	Non-trading	Trading	Non-trading
1.	**Forex contracts (Notional principal amount)**	**7,017,268.9**	**424,190.6**	4,144,178.3	556,822.2
2.	**Marked to market positions**				
	a) Asset (+)	**30,575.3**	**1,776.5**	19,107.0	2,261.8
	b) Liability (-)	**(18,728.9)**	**(9,695.9)**	(17,799.0)	(6,000.7)
3.	**Credit exposure**[1]	**202,270.7**	**11,408.5**	132,225.8	16,396.5
4.	**Likely impact of one percentage change in interest rate (100*PV01)**[2]	**243.9**	**43.2**	53.6	15.2

1. Computed based on current exposure method.
2. Amounts given are absolute values on a net basis.

As per the Master circular on Basel III Capital Regulations issued by RBI on July 1, 2015 on capital adequacy computation, 'Banks in India shall adopt the comprehensive approach, which allows fuller offset of collateral against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral'. Therefore, MTM receivable has been fully offsetted against the collateral received from the counterparty and the excess collateral posted over the net MTM payable is reckoned as exposure. Since, the collateral received is counterparty wise and not product wise, the derivative exposure reported above has not been adjusted for the collateral received/ posted. At March 31, 2020, collateral utilized against MTM receivable is ₹ 15,185.9 million, excess collateral posted over net MTM payable is ₹ 348.6 million and the net credit exposure post collateral netting on forex and derivatives is ₹ 517,228.1 million.

The net overnight open position (NOOP) at March 31, 2020 (as per last NOOP value reported to RBI for the year ended March 31, 2020) was ₹ 4,620.9 million (March 31, 2019: ₹ 2,688.1 million).

The Bank has no exposure in credit derivative instruments (funded and non-funded) including credit default swaps (CDS) and principal protected structures at March 31, 2020 (March 31, 2019: Nil).

14. Exchange traded interest rate derivatives and currency derivatives

Exchange traded interest rate derivatives

The following table sets forth, for the periods indicated, the details of exchange traded interest rate derivatives.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year		
	– 10 year Government Security Notional Bond	**244,208.8**	23,272.8
2.	Notional principal amount of exchange traded interest rate derivatives outstanding		
	– 10 year Government Security Notional Bond	**1,080.0**	6,250.0
3.	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	**N.A.**	N.A.
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	**N.A.**	N.A.

Exchange traded currency derivatives

The following table sets forth, for the periods indicated, the details of exchange traded currency derivatives.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Notional principal amount of exchange traded currency derivatives undertaken during the year	**2,448,869.3**	1,965,113.3
2.	Notional principal amount of exchange traded currency derivatives outstanding	**88,225.0**	31,719.2
3.	Notional principal amount of exchange traded currency derivatives outstanding and not 'highly effective'	**N.A.**	N.A.
4.	Mark-to-market value of exchange traded currency derivatives outstanding and not 'highly effective'	**N.A.**	N.A.

15. Forward rate agreement (FRA)/Interest rate swaps (IRS)/Cross currency swaps (CCS)

The Bank enters into FRA, IRS and CCS contracts for balance sheet management and market making purposes whereby the Bank offers derivative products to its customers to enable them to hedge their interest rate risk and currency risk within the prevalent regulatory guidelines.

A FRA is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is London Inter-Bank Offered Rate (LIBOR) of various currencies.

An IRS is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR) and LIBOR of various currencies.

A CCS is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for interest payments and principal in another currency.

These contracts are subject to the risks of changes in market interest rates and currency rates as well as the settlement risk with the counterparties.

The following table sets forth, for the periods indicated, the details of the FRA/IRS.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Notional principal of FRA/IRS	**14,991,626.2**	11,628,471.9
2.	Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement[1]	**78,846.5**	31,039.6
3.	Collateral required by the Bank upon entering into FRA/IRS	**–**	–
4.	Concentration of credit risk[2]	**6,197.7**	2,496.6
5.	Fair value of FRA/IRS[3]	**4,321.4**	(1,623.4)

1. For trading portfolio both mark-to-market and accrued interest have been considered and for hedging portfolio only accrued interest has been considered.
2. Credit risk concentration is measured as the highest net receivable under these contracts from a particular counter party.
3. Fair value represents mark-to-market including accrued interest.

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

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Notional principal of CCS[1]	**510,277.6**	423,344.5
2.	Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement[2]	**31,241.5**	18,520.0
3.	Collateral required by the Bank upon entering into CCS	**–**	–
4.	Concentration of credit risk[3]	**12,003.5**	7,911.7
5.	Fair value of CCS[4]	**11,127.6**	8,116.3

1. CCS includes cross currency interest rate swaps and currency swaps.
2. For trading portfolio both mark-to-market and accrued interest have been considered and for hedging portfolio only accrued interest has been considered.
3. Credit risk concentration is measured as the highest net receivable under these contracts from a particular counter party.
4. Fair value represents mark-to-market including accrued interest.

The following tables set forth, for the periods indicated, the nature and terms of FRA and IRS.

Hedging

₹ in million

Benchmark	Type	At March 31, 2020		At March 31, 2019	
		Notional principal	No. of deals	Notional principal	No. of deals
AUD LIBOR	Fixed receivable v/s floating payable	**–**	**–**	7,353.0	3
CHF LIBOR	Fixed receivable v/s floating payable	**–**	**–**	6,934.9	2
JPY LIBOR	Fixed receivable v/s floating payable	**10,451.2**	**2**	9,362.9	2
SGD SOR	Fixed receivable v/s floating payable	**–**	**–**	11,483.4	5
USD LIBOR	Fixed receivable v/s floating payable	**276,177.3**	**40**	369,979.3	63
Total		**286,628.5**	**42**	**405,113.5**	**75**

Trading

₹ in million

Benchmark	Type	At March 31, 2020		At March 31, 2019	
		Notional principal	No. of deals	Notional principal	No. of deals
AUD LIBOR	Floating receivable v/s fixed payable	**414.7**	**1**	468.6	17
AUD LIBOR	Fixed receivable v/s floating payable	**440.5**	**17**	441.2	1
CAD CDOR	Fixed receivable v/s floating payable	**903.1**	**1**	–	–
CAD CDOR	Floating receivable v/s fixed payable	**927.0**	**3**	244.3	5
EURIBOR	Fixed receivable v/s floating payable	**17,175.4**	**48**	16,319.6	53
EURIBOR	Floating receivable v/s fixed payable	**17,156.8**	**30**	17,794.3	32
EURIBOR	Floating receivable v/s floating payable	**415.2**	**1**	388.3	1
GBP LIBOR	Fixed receivable v/s floating payable	**12,974.3**	**23**	12,194.8	22
GBP LIBOR	Floating receivable v/s fixed payable	**13,161.8**	**28**	13,469.7	30
INBMK	Floating receivable v/s fixed payable	**12,310.3**	**17**	21,431.0	29
INBMK	Fixed receivable v/s floating payable	**4,000.0**	**7**	10,000.0	15
JPY LIBOR	Fixed receivable v/s floating payable	**6,432.3**	**9**	5,628.2	13
JPY LIBOR	Floating receivable v/s fixed payable	**6,671.9**	**8**	5,043.3	7
JPY LIBOR	Floating receivable v/s floating payable	**–**	**–**	624.2	1
MIBOR	Floating receivable v/s fixed payable	**5,425,960.0**	**6,862**	4,082,550.5	4,522
MIBOR	Fixed receivable v/s floating payable	**5,287,644.4**	**7,891**	4,107,599.7	5,096
MIFOR	Floating receivable v/s fixed payable	**788,350.0**	**1,113**	459,260.0	829
MIFOR	Fixed receivable v/s floating payable	**854,735.0**	**1,435**	553,185.0	984
USD LIBOR	Fixed receivable v/s floating payable	**990,125.4**	**876**	855,667.1	849
USD LIBOR	Floating receivable v/s fixed payable	**1,152,420.8**	**854**	951,302.9	827
USD LIBOR	Floating receivable v/s floating payable	**108,722.9**	**61**	105,356.0	66
Other	Fixed receivable v/s fixed payable	**4,055.9**	**48**	4,389.7	69
Total		**14,704,997.7**	**19,333**	**11,223,358.4**	**13,468**

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The following tables set forth, for the periods indicated, the nature and terms of CCS.

Trading

₹ in million

Benchmark	Type	At March 31, 2020		At March 31, 2019	
		Notional principal	No. of deals	Notional principal	No. of deals
AUD BBSW V/s USD LIBOR	Floating receivable v/s floating payable	–	–	7,359.3	1
CHF LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	–	–	6,946.8	2
CAD CDOR	Floating receivable v/s fixed payable	**5,319.6**	**1**	–	–
EURIBOR	Fixed receivable v/s floating payable	**2,235.1**	**16**	110.5	2
EURIBOR V/s GBP LIBOR	floating payable v/s Floating receivable	–	–	2,703.5	2
EURIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**8,308.1**	**10**	8,223.5	19
EURIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**12,945.1**	**13**	4,970.8	9
GBP LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**4,376.6**	**7**	3,556.8	6
GBP LIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**3,907.3**	**8**	7,088.9	9
HIBOR v/s USD LIBOR	Floating receivable v/s floating payable	–	–	13,673.1	2
JPY LIBOR	Floating receivable v/s fixed payable	**331.1**	**1**	310.7	1
JPY LIBOR	Fixed receivable v/s floating payable	**361.9**	**4**	851.5	7
JPY LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**11,205.1**	**8**	12,785.5	12
JPY LIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**1,293.6**	**3**	2,765.3	4
MIFOR v/s USD LIBOR	Floating receivable v/s floating payable	**4,626.3**	**3**	–	–
SGD SOR V/s USD LIBOR	Floating receivable v/s floating payable	**454.0**	**1**	11,982.2	3
SGD SOR V/s USD LIBOR	Floating payable v/s floating receivable	**378.3**	**2**	345.8	2
USD LIBOR	Fixed receivable v/s floating payable	**162,255.6**	**174**	90,338.7	197
USD LIBOR	Floating receivable v/s fixed payable	**91,440.3**	**99**	95,754.7	110
Others	Fixed receivable v/s fixed payable	**200,839.7**	**205**	153,577.1	216
Total		**510,277.7**	**555**	**423,344.7**	**604**

1. Benchmark indicates floating leg of the fixed v/s floating CCS.

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16. Non-performing assets[1]

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions.

₹ in million

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1.	**Net NPAs (funded) to net advances (%)**	**1.54%**	**2.29%**
2.	**Movement of NPAs (Gross)**		
	a) Opening balance[2]	**456,760.4**	532,401.8
	b) Additions: Fresh NPAs during the year[3]	**138,020.0**	105,959.6
	Sub-total (1)	**594,780.4**	638,361.4
	c) Reductions during the year		
	1. Upgradations	**(11,542.1)**	(11,903.6)
	2. Recoveries (excluding recoveries made from upgraded accounts)	**(65,428.8)**	(54,126.1)
	3. Technical/prudential write-offs	**(102,697.1)**	(102,638.4)
	4. Write-offs other than technical/prudential write-offs	**(6,821.5)**	(12,932.9)
	Sub-total (2)	**(186,489.5)**	(181,601.0)
	d) Closing balance[2] (1)-(2)	**408,290.9**	456,760.4
3.	**Movement of net NPAs**		
	a) Opening balance[2]	**134,497.2**	278,235.6
	b) Additions during the year[3]	**67,049.0**	53,969.5
	c) Reductions during the year	**(102,313.8)**	(197,707.9)
	d) Closing balance[2]	**99,232.4**	134,497.2
4.	**Movement of provision for NPAs (excluding provision on standard assets)**		
	a) Opening balance[2]	**322,263.2**	254,166.2
	b) Addition during the year[3]	**141,862.4**	197,391.4
	Sub-total (1)	**464,125.6**	451,557.6
	c) Write-off/(write-back) of excess provisions		
	1. Write-back of excess provision on account of upgradations	**(2,500.0)**	(2,360.6)
	2. Write-back of excess provision on account of reduction in NPAs	**(43,393.5)**	(12,392.7)
	3. Provision utilised for write-offs	**(109,173.6)**	(114,541.1)
	Sub-total (2)	**(155,067.1)**	(129,294.4)
	d) Closing balance[2] (1)-(2)	**309,058.5**	322,263.2

1. Represents loans and advances.
2. Net of write-off.
3. Includes effect of exchange rate fluctuation on loans in foreign currency.

The following table sets forth, for the periods indicated, the details of movement in technical/prudential write-off.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**238,659.6**	172,128.4
Add: Technical/prudential write-offs during the year[1]	**115,925.6**	102,638.4
Sub-total (1)	**354,585.2**	274,766.8
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	**(3,395.6)**	(13,871.5)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year	**(9,811.1)**	(22,235.7)
Sub-total (2)	**(13,206.7)**	(36,107.2)
Closing balance (1)-(2)	**341,378.5**	238,659.6

1. Includes effect of exchange rate fluctuation on loans in foreign currency.

Further, in accordance with RBI guidelines, the loans and advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the extant RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. During the year ended March 31, 2020, the Bank classified certain loans as NPAs at overseas branches amounting to ₹ 19,795.3 million (year ended March 31, 2019: ₹ 3,244.1 million) as per the requirement of these guidelines and made a provision of ₹ 10,305.8 million (year ended March 31, 2019: ₹ 718.2 million) on these loans.

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Divergence in asset classification and provisioning for NPAs

In terms of the RBI circular no. //DBR.BP.BC.No.32/21.04.018/2019-19 dated April 1, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either (a) the additional provisioning requirements assessed by RBI exceed 10% of the reported net profits before provisions and contingencies or (b) the additional gross NPAs identified by RBI exceed 15% of the published incremental gross NPAs for the reference period, or both. Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2019 and for the year ended March 31, 2018.

17. Floating provision

During the year ended March 31, 2020, the Bank did not make any floating provision (March 31, 2019: Nil).

The following table sets forth, for the periods indicated, the movement in floating provision held by the Bank.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Opening balance[1]	**1.9**	1.9
Add: Provision made during the year	**–**	–
Less: Provision utilised during the year	**–**	–
Closing balance[1]	**1.9**	1.9

1. Represents amount taken over from erstwhile Bank of Rajasthan upon amalgamation.

18. General provision on standard assets

The general provision on standard assets (excluding Covid-19 related provision) held by the Bank at March 31, 2020 was ₹ 33,745.2 million (March 31, 2019: ₹ 28,737.6 million). General provision on standard assets (excluding Covid-19 related provision) amounting to ₹ 4,621.1 million was made during the year ended March 31, 2020 (year ended March 31, 2019: ₹ 2,553.7 million) as per applicable RBI guidelines. For Covid-19 related provision refer to Note no. 26 – 'Classification and provisioning under RBI Covid-19 Regulatory Package'.

RBI, through its circular dated January 15, 2014 had advised banks to create incremental provision on standard loans and advances to entities with unhedged foreign currency exposure (UFCE). The Bank assesses the UFCEs of the borrowers through its credit appraisal and internal ratings process. The Bank also undertakes reviews of such exposures through thematic reviews evaluating the impact of exchange rate fluctuations on the Bank's portfolio on an yearly basis.

The Bank held provision amounting to ₹ 2,500.0 million (March 31, 2019: ₹ 2,250.0 million) on advances to entities with UFCE at March 31, 2020. The Bank made provision amounting to ₹ 250.0 million during the year ended March 31, 2020 (year ended March 31, 2019: ₹ 350.0 million). The Bank held incremental capital of ₹ 7,752.5 million at March 31, 2020 on advances to borrowers with UFCE (March 31, 2019: ₹ 8,048.3 million).

The Bank makes additional general provision on stressed sectors of the economy, as per RBI guidelines and as per the Board approved policy. During the year ended March 31, 2020, Bank made provision amounting to ₹ 911.9 million (year ended March 31, 2019: write back of provision ₹ 483.4 million). At March 31, 2020, the Bank held provision of ₹ 2,340.0 million (March 31, 2019: ₹ 1,428.1 million).

RBI, through its circular dated August 25, 2016, required banks to make additional provision from the year ended March 31, 2019 on incremental exposure of the banking system in excess of normally permitted lending limit (NPLL) on borrowers classified as specified borrower. During the year ended March 31, 2020, there was a write-back of provision amounting to ₹ 42.7 million (year ended March 31, 2019: provision made of ₹ 124.2 million) on these specified borrowers. The Bank held provision amounting to ₹ 81.5 million at March 31, 2020 (March 31, 2019: ₹ 124.2 million).

19. Provision Coverage Ratio

The provision coverage ratio of the Bank at March 31, 2020 computed as per the extant RBI guidelines was 75.7% (March 31, 2019: 70.6%).

20. Priority Sector Lending Certificates (PSLCs)

The following table sets forth, for the periods indicated, details of PSLCs purchased and sold by the Bank.

₹ in million

Category	Year ended March 31, 2020		Year ended March 31, 2019	
	Bought	Sold	Bought	Sold
General	**48,500.0**	**167,980.0**	–	197,500.0
Agriculture	**333,480.0**	**–**	249,175.0	–
Micro enterprise	**–**	**223,462.5**	–	47,252.5
Total	**381,980.0**	**391,442.5**	**249,175.0**	**244,752.5**

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21. Securitisation

A. The Bank sells loans through securitisation and direct assignment. The following tables set forth, for the periods indicated, the information on securitisation and direct assignment activity of the Bank as an originator till May 7, 2012.

₹ in million, except number of loans securitised

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total number of loan assets securitised	**–**	–
Total book value of loan assets securitised	**–**	–
Sale consideration received for the securitised assets	**–**	–
Net gain/(loss) on account of securitisation[1]	**8.3**	24.2

1. Includes gain/(loss) on deal closures, gain amortised during the year and expenses relating to utilisation of credit enhancement.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Outstanding credit enhancement (funded)	**3,464.6**	3,468.8
Outstanding liquidity facility	**2.6**	0.7
Net outstanding servicing asset/(liability)	**(9.3)**	(12.1)
Outstanding subordinate contributions	**1,459.1**	1,462.2

Outstanding liquidity facility in the form of guarantees amounted to ₹ 263.2 million at March 31, 2020 (March 31, 2019: ₹ 265.1 million).

The outstanding credit enhancement in the form of guarantees for third party originated securitisation transactions amounted to ₹ 5,065.1 million at March 31, 2020 (March 31, 2019: ₹ 4,858.6 million).

The following table sets forth, for the periods indicated, the details of provision for securitisation and direct assignment transactions.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**831.9**	823.3
Additions during the year	**16.7**	12.0
Deductions during the year	**(3.0)**	(3.4)
Closing balance	**845.6**	831.9

B. The information on securitisation and direct assignment activity of the Bank as an originator as per RBI guidelines 'Revisions to the Guidelines on Securitisation Transactions' dated May 7, 2012 is given below.

a. The Bank, as an originator, has not sold any loan through securitisation during the year ended March 31, 2020 (March 31, 2019: Nil).

b. The following table sets forth, for the periods indicated, the information on the loans sold through direct assignment.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Number of SPVs sponsored by the bank for securitisation transactions	**–**	–
2.	Total amount of assets sold through direct assignment during the year	**–**	–
3.	Total amount of exposures retained by the Bank to comply with Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	• First loss	**–**	–
	• Others	**–**	–
	b) On-balance sheet exposures		
	• First loss	**–**	–
	• Others	**19.8**	19.8
4.	Amount of exposure to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisation		
	• First loss	**–**	–
	• Others	**–**	–
	ii) Exposure to third party securitisation		
	• First loss	**–**	–
	• Others	**–**	–
	b) On-balance sheet exposures		
	i) Exposure to own securitisation		
	• First loss	**–**	–
	• Others	**–**	–
	ii) Exposure to third party securitisation		
	• First loss	**–**	–
	• Others	**–**	–

The overseas branches of the Bank, as originators, sold six loans through direct assignment amounting to ₹ 6,886.3 million during the year ended March 31, 2020 (year ended March 31, 2019: seven loans amounting to ₹ 4,684.1 million).

22. Financial assets transferred during the year to securitisation company (SC)/reconstruction company (RC)

The Bank has transferred certain assets to Asset Reconstruction Companies (ARCs) in terms of the guidelines issued by RBI circular no. DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015. For the purpose of the valuation of the underlying security receipts issued by the underlying trusts managed by ARCs, the SRs are valued at their respective net asset values as advised by the ARCs.

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

₹ in million, except number of accounts

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of accounts	**5**	15
Aggregate value (net of provisions) of accounts sold to SC/RC	**7.8**	2,764.1
Aggregate consideration[3]	**310.9**	3,851.5
Additional consideration realised in respect of accounts transferred in earlier years	**–**	–
Aggregate gain/(loss) over net book value[1,2,3]	**303.1**	1,087.4

1. During the year ended March 31, 2020, the Bank made no loss on sale of financial assets to ARCs (year ended March 31, 2019: ₹ 1,024.0 million).
2. During the year ended March 31, 2020, the Bank made a gain of ₹ 303.1 million on sale of financial assets to ARCs (year ended March 31, 2019: gain of ₹ 2,111.4 million).

The following tables set forth, for the periods indicated, the details of investments in security receipts (SRs).

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Net book value of investments in SRs which are -		
– Backed by NPAs sold by the Bank as underlying[1]	**10,547.6**	22,450.4
– Backed by NPAs sold by other banks/financial institutions(FIs)/ non-banking financial companies (NBFCs) as underlying	**10.5**	10.5
Total	**10,558.1**	**22,460.9**

1. During the year ended March 31, 2020, the entire investment in security receipts of two trusts amounting to ₹ 1,138.7 million, which was fully provided, was redeemed at Nil consideration (year ended March 31, 2019: Nil) and there was no gain/loss to the Bank (year ended March 31, 2019: Nil).

₹ in million

Sr. No.	Particulars	At March 31, 2020			
		SRs issued within past five years	SRs issued more than five years ago but within past eight years	SRs issued more than eight years ago	Total
1.	Book value of SRs backed by NPAs sold by the Bank as underlying	**12,819.1**	**211.7**	**–**	**13,030.8**
	Provision held against above	**2,483.2**	**–**	**–**	**2,483.2**
2.	Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	**–**	**10.5**	**–**	**10.5**
	Provision held against above	**–**	**–**	**–**	**–**
	Gross book value	**12,819.1**	**222.2**	**–**	**13,041.3**
	Total provision held against above	**2,483.2**	**–**	**–**	**2,483.2**
	Net book value	**10,335.9**	**222.2**	**–**	**10,558.1**

₹ in million

Sr. No.	Particulars	At March 31, 2019			
		SRs issued within past five years	SRs issued more than five years ago but within past eight years	SRs issued more than eight years ago	Total
1.	Book value of SRs backed by NPAs sold by the Bank as underlying	24,933.6	1,138.7	–	**26,072.3**
	Provision held against above	2,483.2	1,138.7	–	**3,621.9**
2.	Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	–	10.5	–	**10.5**
	Provision held against above	–	–	–	**–**
	Gross book value	**24,933.6**	**1,149.2**	**–**	**26,082.8**
	Total provision held against above	2,483.2	1,138.7	–	3,621.9
	Net book value	**22,450.4**	**10.5**	**–**	**22,460.9**

23. Details of non-performing assets purchased/sold, excluding those sold to SC/RC

The Bank did not purchase any non-performing assets in terms of the guidelines issued by RBI circular no. DBR.No.BP. BC.2/21.04.048/2015-16 dated July 1, 2015 during the year ended March 31, 2020 (year ended March 31, 2019: Nil).

The following table sets forth, for the periods indicated, details of non-performing assets sold to banks, NBFCs and other financial institutions.

₹ in million, except number of accounts

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of accounts	**2**	–
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	**649.0**	–
Aggregate consideration	**995.9**	–
Aggregate gain/(loss) over net book value	**346.9**	–

The following table sets forth, for the periods indicated, details of non-performing assets sold to entities, other than banks, NBFCs and other financial institutions.

₹ in million, except number of accounts

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of accounts	**–**	2
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	**–**	–
Aggregate consideration	**–**	28,653.3
Aggregate gain/(loss) over net book value	**–**	28,653.3

24. Information in respect of restructured assets

The following table sets forth, for the year ended March 31, 2020, details of restructured loan assets under CDR mechanism.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Under CDR Mechanism				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2019					
	No. of borrowers	**5**	**–**	**23**	**8**	**36**
	Amount outstanding	**2,245.9**	**–**	**27,153.5**	**3,647.7**	**33,047.1**
	Provision thereon	**225.5**	**–**	**26,562.6**	**3,647.7**	**30,435.8**
2.	Fresh restructuring during the year ended March 31, 2020					
	No. of borrowers	**–**	**–**	**–**	**–**	**–**
	Amount outstanding	**–**	**–**	**–**	**–**	**–**
	Provision thereon	**–**	**–**	**–**	**–**	**–**
3.	Upgradations to restructured standard category during the year ended March 31, 2020					
	No. of borrowers	**–**	**–**	**–**	**–**	**–**
	Amount outstanding	**–**	**–**	**–**	**–**	**–**
	Provision thereon	**–**	**–**	**–**	**–**	**–**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2020[1]					
	No. of borrowers	–	–	–	–	–
	Amount outstanding	**1,163.9**	**–**	**(550.0)**	**(263.0)**	**350.9**
	Provision thereon	**2,681.8**	**–**	**40.9**	**(263.0)**	**2,459.7**
5.	Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020					
	No. of borrowers	**–**	**N.A.**	**N.A.**	**N.A.**	**–**
	Amount outstanding	**–**	**N.A.**	**N.A.**	**N.A.**	**–**
	Provision thereon	**–**	**N.A.**	**N.A.**	**N.A.**	**–**
6.	Downgradations of restructured accounts during the year ended March 31, 2020					
	No. of borrowers	**(1)**	**–**	**(9)**	**10**	**–**
	Amount outstanding	**(2,853.2)**	**–**	**(15,439.8)**	**17,846.1**	**(446.9)**
	Provision thereon	**(2,853.2)**	**–**	**(15,439.8)**	**17,846.1**	**(446.9)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2020					
	No. of borrowers	**–**	**–**	**(4)**	**–**	**(4)**
	Amount outstanding	**–**	**–**	**(4,521.0)**	**(6,092.1)**	**(10,613.1)**
	Provision thereon	**–**	**–**	**(4,521.0)**	**(6,092.1)**	**(10,613.1)**
8.	Restructured accounts at March 31, 2020					
	No. of borrowers	**4**	**–**	**10**	**18**	**32**
	Amount outstanding	**556.6**	**–**	**6,642.7**	**15,138.7**	**22,338.0**
	Provision thereon	**54.1**	**–**	**6,642.7**	**15,138.7**	**21,835.5**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.

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Sr. No.	Type of Restructuring	Others				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2020[1]					
	No. of borrowers	–	–	–	–	–
	Amount outstanding	**(412.3)**	**(147.7)**	**1,955.8**	**(58.9)**	**1,336.9**
	Provision thereon	**(32.4)**	**84.5**	**11,913.5**	**(58.9)**	**11,906.7**
5.	Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020					
	No. of borrowers	–	**N.A.**	**N.A.**	**N.A.**	–
	Amount outstanding	–	**N.A.**	**N.A.**	**N.A.**	–
	Provision thereon	–	**N.A.**	**N.A.**	**N.A.**	–
6.	Downgradations of restructured accounts during the year ended March 31, 2020					
	No. of borrowers	**(14)**	**(482)**	**481**	**15**	–
	Amount outstanding	**(11.8)**	**(126.1)**	**(145.5)**	**97.4**	**(186.0)**
	Provision thereon	**(1.1)**	**(68.7)**	**(166.6)**	**97.4**	**(139.0)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2020					
	No. of borrowers	**(185)**	**(518)**	**(1,316)**	**(17)**	**(2,036)**
	Amount outstanding	**(44.8)**	**(2,565.1)**	**(20,826.4)**	**(117.3)**	**(23,553.6)**
	Provision thereon	**(2.0)**	**(571.1)**	**(20,208.7)**	**(117.3)**	**(20,899.1)**
8.	Restructured Accounts at March 31, 2020					
	No. of borrowers	**5,296**	**1,390**	**2,043**	**103**	**8,832**
	Amount outstanding	**2,537.3**	**264.7**	**58,900.6**	**305.0**	**62,007.6**
	Provision thereon	**177.5**	**150.0**	**51,088.5**	**305.0**	**51,721.0**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application pending allotment) as part of restructuring scheme, etc.
2. 'Others' mechanism also include cases restructured under Joint Lender Forum (JLF) mechanism.

The following table sets forth, for the year ended March 31, 2020, details of total restructured loan assets.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Total				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2019					
	No. of borrowers	**241**	**1,005**	**2,046**	**100**	**3,392**
	Amount outstanding	**3,490.9**	**2,852.7**	**84,765.1**	**3,992.6**	**95,101.3**
	Provision thereon	**278.9**	**562.5**	**73,302.5**	**3,992.6**	**78,136.5**
2.	Fresh restructuring during the year ended March 31, 2020					
	No. of borrowers	**5,259**	**1,381**	**859**	**14**	**7,513**
	Amount outstanding	**2,040.5**	**250.8**	**20,305.2**	**39.3**	**22,635.8**
	Provision thereon	**159.6**	**142.7**	**12,810.5**	**39.3**	**13,152.1**
3.	Upgradations to restructured standard category during the year ended March 31, 2020					
	No. of borrowers	**1**	**4**	**(4)**	**(1)**	–
	Amount outstanding	**0.3**	**0.1**	**(0.1)**	**(0.4)**	**(0.1)**
	Provision thereon	–	**0.1**	**(0.1)**	**(0.4)**	**(0.4)**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2020[1]					
	No. of borrowers	–	–	–	–	–
	Amount outstanding	**751.6**	**(147.7)**	**1,405.8**	**(321.9)**	**1,687.8**
	Provision thereon	**2,649.4**	**84.5**	**11,954.4**	**(321.9)**	**14,366.4**
5.	Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020					
	No. of borrowers	–	**N.A.**	**N.A.**	**N.A.**	–
	Amount outstanding	–	**N.A.**	**N.A.**	**N.A.**	–
	Provision thereon	–	**N.A.**	**N.A.**	**N.A.**	–
6.	Downgradations of restructured accounts during the year ended March 31, 2020					
	No. of borrowers	**(15)**	**(482)**	**472**	**25**	–
	Amount outstanding	**(2,865.0)**	**(126.1)**	**(15,585.3)**	**17,943.5**	**(632.9)**
	Provision thereon	**(2,854.3)**	**(68.7)**	**(15,606.4)**	**17,943.5**	**(585.9)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2020					
	No. of borrowers	**(186)**	**(518)**	**(1,320)**	**(17)**	**(2,041)**
	Amount outstanding	**(324.4)**	**(2,565.1)**	**(25,347.4)**	**(6,209.4)**	**(34,446.3)**
	Provision thereon	**(2.0)**	**(571.1)**	**(24,729.7)**	**(6,209.4)**	**(31,512.2)**
8.	Restructured accounts at March 31, 2020					
	No. of borrowers	**5,300**	**1,390**	**2,053**	**121**	**8,864**
	Amount outstanding	**3,093.9**	**264.7**	**65,543.3**	**15,443.7**	**84,345.6**
	Provision thereon[2]	**231.6**	**150.0**	**57,731.2**	**15,443.7**	**73,556.5**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.
2. The Bank additionally holds provision amounting to ₹ 187.2 million on these accounts.

ECONOMIC & POLITICAL WEEKLY

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The following table sets forth, for the year ended March 31, 2019, details of restructured loan assets under CDR mechanism.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Under CDR Mechanism				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2018					
	No. of borrowers	8	–	30	5	**43**
	Amount outstanding	4,169.8	–	41,833.9	276.8	**46,280.5**
	Provision thereon	356.1	–	35,677.2	276.8	**36,310.1**
2.	Fresh restructuring during the year ended March 31, 2019					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	–	–	–	–	**–**
	Provision thereon	–	–	–	–	**–**
3.	Upgradations to restructured standard category during the year ended March 31, 2019					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	–	–	–	–	**–**
	Provision thereon	–	–	–	–	**–**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2019[1]					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	(213.1)	–	40.9	(1.3)	**(173.5)**
	Provision thereon	1,580.2	–	4,525.2	(1.3)	**6,104.1**
5.	Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019					
	No. of borrowers	–	N.A.	N.A.	N.A.	**–**
	Amount outstanding	–	N.A.	N.A.	N.A.	**–**
	Provision thereon	–	N.A.	N.A.	N.A.	**–**
6.	Downgradations of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	(3)	–	(1)	4	**–**
	Amount outstanding	(1,710.8)	–	(1,713.3)	3,378.3	**(45.8)**
	Provision thereon	(1,710.8)	–	(1,713.3)	3,378.3	**(45.8)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	–	–	(6)	(1)	**(7)**
	Amount outstanding	–	–	(13,008.0)	(6.1)	**(13,014.1)**
	Provision thereon	–	–	(11,926.5)	(6.1)	**(11,932.6)**
8.	Restructured accounts at March 31, 2019					
	No. of borrowers	5	–	23	8	**36**
	Amount outstanding	2,245.9	–	27,153.5	3,647.7	**33,047.1**
	Provision thereon	225.5	–	26,562.6	3,647.7	**30,435.8**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.

The following table sets forth, for the year ended March 31, 2019, details of restructured loan assets under SME Debt Restructuring mechanism.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Under SME Debt Restructuring Mechanism				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2018					
	No. of borrowers	1	–	–	–	**1**
	Amount outstanding	0.3	–	–	–	**0.3**
	Provision thereon	–	–	–	–	**–**
2.	Fresh restructuring during the year ended March 31, 2019					
	No. of borrowers	1	–	–	–	**1**
	Amount outstanding	279.6	–	–	–	**279.6**
	Provision thereon	–	–	–	–	**–**
3.	Upgradations to restructured standard category during the year ended March 31, 2019					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	–	–	–	–	**–**
	Provision thereon	–	–	–	–	**–**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2019[1]					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	–	–	–	–	**–**
	Provision thereon	–	–	–	–	**–**

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Sr. No.	Type of Restructuring	Under SME Debt Restructuring Mechanism				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
5.	Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019					
	No. of borrowers	–	N.A.	N.A.	N.A.	**–**
	Amount outstanding	–	N.A.	N.A.	N.A.	**–**
	Provision thereon	–	N.A.	N.A.	N.A.	**–**
6.	Downgradations of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	–	–	–	–	**–**
	Provision thereon	–	–	–	–	**–**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	(1)	–	–	–	**(1)**
	Amount outstanding	(0.3)	–	–	–	**(0.3)**
	Provision thereon	–	–	–	–	**–**
8.	Restructured accounts at March 31, 2019					
	No. of borrowers	1	–	–	–	**1**
	Amount outstanding	279.6	–	–	–	**279.6**
	Provision thereon	–	–	–	–	**–**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.

The following table sets forth, for the year ended March 31, 2019, details of other restructured loan assets.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Others				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2018					
	No. of borrowers	233	231	973	91	**1,528**
	Amount outstanding	11,779.7	58.8	93,040.4	675.8	**105,554.7**
	Provision thereon	65.7	31.5	52,577.5	675.8	**53,350.5**
2.	Fresh restructuring during the year ended March 31, 2019					
	No. of borrowers	–	1,001	1,194	16	**2,211**
	Amount outstanding	–	2,850.9	3,441.7	5.9	**6,298.5**
	Provision thereon	–	561.9	3,401.6	5.9	**3,969.4**
3.	Upgradations to restructured standard category during the year ended March 31, 2019					
	No. of borrowers	11	–	–	(11)	**–**
	Amount outstanding	13.0	–	–	(13.5)	**(0.5)**
	Provision thereon	0.1	–	–	(13.5)	**(13.4)**
4.	Increase/(Decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2019[1]					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	(422.5)	(0.1)	424.9	63.9	**66.2**
	Provision thereon	(12.4)	0.3	11,126.6	63.9	**11,178.4**
5.	Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019					
	No. of borrowers	(2)	N.A.	N.A.	N.A.	**(2)**
	Amount outstanding	(10,402.1)	N.A.	N.A.	N.A.	**(10,402.1)**
	Provision thereon	–	N.A.	N.A.	N.A.	**–**
6.	Downgradations of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	(6)	(99)	99	6	**–**
	Amount outstanding	(2.0)	(28.5)	(268.6)	223.3	**(75.8)**
	Provision thereon	–	(18.3)	(271.3)	223.3	**(66.3)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	(1)	(128)	(243)	(10)	**(382)**
	Amount outstanding	(0.7)	(28.4)	(39,026.8)	(610.5)	**(39,666.4)**
	Provision thereon	–	(12.9)	(20,094.5)	(610.5)	**(20,717.9)**
8.	Restructured Accounts at March 31, 2019					
	No. of borrowers	235	1,005	2,023	92	**3,355**
	Amount outstanding	965.4	2,852.7	57,611.6	344.9	**61,774.6**
	Provision thereon	53.4	562.5	46,739.9	344.9	**47,700.7**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application pending allotment) as part of restructuring scheme, etc.
2. Others' mechanism also include cases restructured under Joint Lender Forum (JLF) mechanism.

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The following table sets forth, for the year ended March 31, 2019, details of total restructured loan assets.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Total				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2018					
	No. of borrowers	242	231	1,003	96	**1,572**
	Amount outstanding	15,949.8	58.8	134,874.3	952.6	**151,835.5**
	Provision thereon	421.8	31.5	88,254.7	952.6	**89,660.6**
2.	Fresh restructuring during the year ended March 31, 2019					
	No. of borrowers	1	1,001	1,194	16	**2,212**
	Amount outstanding	279.6	2,850.9	3,441.7	5.9	**6,578.1**
	Provision thereon	–	561.9	3,401.6	5.9	**3,969.4**
3.	Upgradations to restructured standard category during the year ended March 31, 2019					
	No. of borrowers	11	–	–	(11)	**–**
	Amount outstanding	13.0	–	–	(13.5)	**(0.5)**
	Provision thereon	0.1	–	–	(13.5)	**(13.4)**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2019[1]					
	No. of borrowers	–	–	–	–	**–**
	Amount outstanding	(635.6)	(0.1)	465.8	62.6	**(107.3)**
	Provision thereon	1,567.8	0.3	15,651.8	62.6	**17,282.5**
5.	Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019					
	No. of borrowers	(2)	N.A.	N.A.	N.A.	**(2)**
	Amount outstanding	(10,402.1)	N.A.	N.A.	N.A.	**(10,402.1)**
	Provision thereon	–	N.A.	N.A.	N.A.	**–**
6.	Downgradations of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	(9)	(99)	98	10	**–**
	Amount outstanding	(1,712.8)	(28.5)	(1,981.9)	3,601.6	**(121.6)**
	Provision thereon	(1,710.8)	(18.3)	(1,984.6)	3,601.6	**(112.1)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2019					
	No. of borrowers	(2)	(128)	(249)	(11)	**(390)**
	Amount outstanding	(1.0)	(28.4)	(52,034.8)	(616.6)	**(52,680.8)**
	Provision thereon	–	(12.9)	(32,021.0)	(616.6)	**(32,650.5)**
8.	Restructured accounts at March 31, 2019					
	No. of borrowers	241	1,005	2,046	100	**3,392**
	Amount outstanding	3,490.9	2,852.7	84,765.1	3,992.6	**95,101.3**
	Provision thereon[2]	278.9	562.5	73,302.5	3,992.6	**78,136.5**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.
2. The Bank additionally holds provision amounting to ₹ 386.9 million on these accounts.

The following table sets forth, for the periods indicated, details of cases where scheme for Sustainable Structuring of Stressed Assets (S4A) is implemented.

₹ in million, except number of borrowers

Particulars	At March 31, 2020	At March 31, 2019
Number of borrowers where S4A has been applied	**6**	6
Total gross amount outstanding[1]		
– Standard	**1,977.1**[2]	6,243.6[2]
– NPA	**5,992.2**	1,236.2
Gross amount outstanding in Part A		
– Standard	**1,225.3**[2]	3,340.4[2]
– NPA	**3,384.1**	712.4
Gross amount outstanding in Part B		
– Standard	**751.8**[2]	2,903.2[2]
– NPA	2,608.1	523.7
Provision held		
– Standard	**455.6**	1,924.9
– NPA	**4,267.9**	1,377.0

1. Represents loans, credit substitutes and shares under S4A scheme.
2. Includes outstanding amounting to ₹ 1,225.3 million at March 31, 2020 (March 31, 2019: ₹ 1,081.6 million) which was upgraded to standard from NPA on implementation of S4A and ₹ 751.8 million at March 31, 2020 (March 31, 2019: ₹ 832.4 million) which was upgraded to standard from NPA at March 31, 2019 on satisfactory performance during specified period.

The Bank does not recognise any amount towards interest on the cases under S4A.

25. Resolution of stressed assets

During the year ended March 31, 2020, the Bank has implemented resolution plan for one borrower amounting to ₹ 24,631.9 million under the prudential framework for stressed assets issued by RBI on June 7, 2019.

26. Classification and provisioning under RBI Covid-19 Regulatory Package

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Bank has extended the option of payment moratorium for all dues falling due between March 1, 2020 and May 31, 2020 to its borrowers. In line with the RBI guidelines issued on April 17, 2020, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification.

The Bank has extended the moratorium option to its borrowers under a Board-approved policy. For certain loan categories, moratorium is the default choice with an option to the borrowers to opt-out of the moratorium. At March 31, 2020, the aggregate outstanding of the borrowers to whom moratorium has been extended and which were overdue but standard at February 29, 2020 and continued to be overdue at March 31, 2020, amounted to ₹ 121,453.6 million. Of these, borrowers with aggregate outstanding of ₹ 13,092.6 million were extended asset classification benefit at March 31, 2020 under RBI's norms. At March 31, 2020, the Bank has made Covid-19 related provision of ₹ 27,250.0 million. The provision made by the Bank is more than the requirement under RBI guidelines dated April 17, 2020.

27. Concentration of Deposits, Advances, Exposures and NPAs

(I) Concentration of deposits, advances, exposures and NPAs

₹ in million

Concentration of deposits	**At March 31, 2020**	**At March 31, 2019**
Total deposits of 20 largest depositors	**376,510.0**	374,674.8
Deposits of 20 largest depositors as a percentage of total deposits of the Bank	**4.88%**	5.74%

₹ in million

Concentration of advances[1]	**At March 31, 2020**	**At March 31, 2019**
Total advances to 20 largest borrowers (including banks)	**1,300,672.3**	1,285,208.1
Advances to 20 largest borrowers as a percentage of total advances of the Bank	**10.96%**	12.05%

1. Represents credit exposure (funded and non-funded) including derivatives exposures as per RBI guidelines on exposure norms.

₹ in million

Concentration of exposures[1]	**At March 31, 2020**	**At March 31, 2019**
Total exposure to 20 largest borrowers/customers (including banks)	**1,435,623.3**	1,329,728.6
Exposures to 20 largest borrowers/customers as a percentage of total exposure of the Bank	**11.53%**	11.87%

1. Represents credit and investment exposures as per RBI guidelines on exposure norms.

₹ in million

Concentration of NPAs	**At March 31, 2020**	**At March 31, 2019**
Total exposure[1] to top four NPA accounts	**96,544.6**	126,059.0

1. Represents gross exposure (funded and non-funded).

(II) Sector-wise advances

₹ in million, except percentages

Sr. No.	**Particulars**	**At March 31, 2020**		
		Outstanding advances	**Gross NPAs[1]**	**% of gross NPAs[1] to total advances in that sector**
A.	**Priority sector**			
1.	Agriculture and allied activities	**466,163.8**	**19,693.9**	**4.22%**
2.	Advances to industries sector eligible as priority sector lending	**507,974.3**	**5,782.1**	**1.14%**
3.	Services	**260,812.8**	**8,145.0**	**3.12%**
	of which:			
	Transport operators	**139,813.2**	**6,075.0**	**4.35%**
	Wholesale trade	**85,465.9**	**1,525.5**	**1.78%**
4.	Personal loans	**697,468.4**	**10,371.5**	**1.49%**
	of which:			
	Housing	**523,662.8**	**5,652.4**	**1.08%**
	Vehicle loans	**129,484.9**	**3,935.5**	**3.04%**
	Sub-total (A)	**1,932,419.3**	**43,992.5**	**2.28%**

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(II) Sector-wise advances *(Continued)*

₹ in million, except percentages

Sr. No.	Particulars	At March 31, 2020		
		Outstanding advances	Gross NPAs[1]	% of gross NPAs[1] to total advances in that sector
B.	**Non-priority sector**			
1.	Agriculture and allied activities	–	–	–
2.	Advances to industries sector	**1,586,254.5**	**250,849.3**	**15.81%**
	of which:			
	Infrastructure	**495,101.2**	**81,811.5**	**16.52%**
	Basic metal and metal products	**207,853.8**	**14,039.3**	**6.75%**
	Chemicals and Chemical Products	**180,007.4**	**14,637.3**	**8.13%**
3.	Services	**1,212,242.9**	**82,495.3**	**6.81%**
	of which:			
	Commercial real estate	**373,138.0**	**20,254.3**	**5.43%**
	Wholesale trade	**149,574.5**	**17,834.3**	**11.92%**
	Non-banking financial companies	**179,949.4**	**2,500.1**	**1.39%**
4.	Personal loans[2]	**2,031,986.6**	**30,953.8**	**1.52%**
	of which:			
	Housing	**1,222,436.9**	**13,163.2**	**1.08%**
	Sub-total (B)	**4,830,484.0**	**364,298.4**	**7.54%**
	Total (A)+(B)	**6,762,903.3**	**408,290.9**	**6.04%**

1. Represents loans and advances.
2. Excludes commercial business loans and dealer funding.
3. Sub-sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.

₹ in million, except percentages

Sr. No.	Particulars	At March 31, 2019		
		Outstanding advances	Gross NPAs[1]	% of gross NPAs[1] to total advances in that sector
A.	**Priority sector**			
1.	Agriculture and allied activities	447,302.2	16,663.8	3.73%
2.	Advances to industries sector eligible as priority sector lending	397,708.1	4,386.3	1.10%
3.	Services	225,975.2	3,942.0	1.74%
	of which:			
	Transport operators	141,403.9	1,845.5	1.31%
	Wholesale trade	58,202.1	1,310.5	2.25%
4.	Personal loans	643,945.1	8,239.1	1.28%
	of which:			
	Housing	472,491.4	4,138.4	0.88%
	Vehicle loans	146,710.1	3,666.9	2.50%
	Sub-total (A)	**1,714,930.6**	**33,231.2**	**1.94%**
B.	**Non-priority sector**			
1.	Agriculture and allied activities	–	–	–
2.	Advances to industries sector	1,564,129.6	333,459.9	21.32%
	of which:			
	Infrastructure	487,267.8	96,141.2	19.73%
	Basic metal and metal products	216,009.7	41,442.0	19.19%
	Chemicals and Chemical Products	179,564.7	6,131.7	3.41%
3.	Services	1,168,240.2	66,989.5	5.73%
	of which:			
	Commercial real estate	322,897.1	15,332.8	4.75%
	Wholesale trade	150,220.3	9,712.9	6.47%
	Non-banking financial companies	218,295.4	2,500.1	1.15%
4.	Personal loans[2]	1,742,551.9	23,079.8	1.32%
	of which:			
	Housing	1,108,918.5	9,970.3	0.90%
	Sub-total (B)	**4,474,921.7**	**423,529.2**	**9.46%**
	Total (A)+(B)	**6,189,852.3**	**456,760.4**	**7.38%**

1. Represents loans and advances.
2. Excludes commercial business loans and dealer funding.
3. Sub-sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.

(III) Overseas assets, NPAs[1] and revenue

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total assets[2]	**759,926.1**	890,543.1
Total NPAs (net)	**21,666.5**	31,624.1
Total revenue[2]	**33,259.2**	42,948.5

1. Represents loans and advances.
2. Represents the total assets and total revenue of foreign operations as reported in Schedule 18 of the financial statements, note no. 5 on information about business and geographical segments.

(IV) Off-balance sheet special purpose vehicles (SPVs) sponsored (which are required to be consolidated as per accounting norms) for the year ended March 31, 2020

1. The following table sets forth, the names of SPVs/trusts sponsored by the Bank/subsidiaries which are consolidated.

Sr. No.	Name of the SPV sponsored[1]
A.	**Domestic** 1. ICICI Strategic Investments Fund[2] 2. India Advantage Fund-III[2] 3. India Advantage Fund-IV[2]
B.	**Overseas** None

1. SPVs/Trusts which are consolidated and set-up/sponsored by the Bank/subsidiaries of the Bank.
2. The nature of business of the above entities is venture capital fund.

2. The following table sets forth, the names of SPVs/trusts which are not sponsored by the Bank/subsidiaries and are consolidated.

Sr. No.	Name of the SPV
A.	**Domestic** None
B.	**Overseas** None

28. Intra-group exposure

The following table sets forth, for the periods indicated, the details of intra-group exposure.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Total amount of intra-group exposures	**114,962.0**	100,938.0
2.	Total amount of top 20 intra-group exposures	**114,961.8**	100,938.0
3.	Percentage of intra-group exposure to total exposures of the Bank on borrowers/customers	**0.92%**	0.90%
4.	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	**Nil**	Nil

29. Exposure to sensitive sectors

The Bank has exposure to sectors, which are sensitive to asset price fluctuations. The sensitive sectors include capital markets and real estate.

The following table sets forth, for the periods indicated, the position of exposure to capital market sector.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds, the corpus of which is not exclusively invested in corporate debt	**71,562.0**	32,604.3
2.	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	**2,087.8**	1,170.7
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	**36,919.0**	23,458.2

The following table sets forth, for the periods indicated, the position of exposure to capital market sector. *(Continued)*

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	**–**	2,031.7
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers	**109,641.9**	89,571.4
6.	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	**–**	–
7.	Bridge loans to companies against expected equity flows/issues	**–**	1,500.0
8.	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	**–**	–
9.	Financing to stockbrokers for margin trading	**–**	–
10.	All exposures to venture capital funds (both registered and unregistered)	**10,479.3**	6,019.6
11.	Others	**15,000.0**	3,148.2
	Total exposure to capital market[1]	**245,690.0**	**159,504.1**

1. At March 31, 2020, excludes investment in equity shares of ₹ 24,310.4 million (March 31, 2019: ₹ 26,626.7 million) exempted from the regulatory ceiling, out of which investments of ₹ 22,707.1 million (March 31, 2019: ₹ 25,023.4 million) were acquired under resolution schemes of RBI.

The following table sets forth, for the periods indicated, the summary of exposure to real estate sector.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
I	**Direct exposure**	**2,502,742.5**	**2,306,322.6**
	1. Residential mortgages	**1,922,051.9**	1,801,730.9
	of which: individual housing loans eligible for priority sector advances	**292,905.8**	300,507.8
	2. Commercial real estate[1]	**541,521.0**	458,878.9
	3. Investments in Mortgage Backed Securities (MBS) and other securitised exposure	**39,169.6**	45,712.8
	1. Residential	**34,195.7**	40,267.1
	2. Commercial real estate	**4,973.9**	5,445.7
II	**Indirect exposure**	**207,157.4**	**189,347.5**
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**207,157.4**	189,347.5
	Total exposure to real estate sector	**2,709,899.9**	**2,495,670.1**

1. Commercial real estate exposure includes loans to individuals against non-residential premises, loans given to land and building developers for construction, corporate loans for development of special economic zone, loans to borrowers where servicing of loans is from a real estate activity and exposures to mutual funds/venture capital funds/private equity funds investing primarily in the real estate companies.

30. Factoring business

At March 31, 2020, the outstanding receivables acquired by the Bank under factoring business were ₹ 6,475.8 million (March 31, 2019: ₹ 3,382.0 million).

31. Risk category-wise country exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The funded country exposure (net) of the Bank as a percentage of total funded assets for United States of America was 1.86% (March 31, 2019: 2.69%), for Singapore was 1.03% (March 31, 2019: 1.12%) and for United Kingdom was Nil (March 31, 2019: 1.06%). As the net funded exposure to United States of America and Singapore at March 31, 2020, exceeded 1.0% of total funded assets (March 31, 2019: United States of America, Singapore and United Kingdom), the Bank held a provision of ₹ 465.0 million on country exposure at March 31, 2020 (March 31, 2019: ₹ 595.0 million) based on RBI guidelines.

The following table sets forth, for the periods indicated, the details of exposure (net) and provision held by the bank.

₹ in million

Risk category	Exposure (net) at March 31, 2020	Provision held at March 31, 2020	Exposure (net) at March 31, 2019	Provision held at March 31, 2019
Insignificant	**902,891.2**	**465.0**	1,051,721.0	595.0
Low	**300,756.5**	**–**	287,964.5	–
Moderately Low	**954.6**	**–**	1,525.9	–
Moderate	**26,775.7**	**–**	15,601.1	–
Moderately High	**38.8**	**–**	9.6	–
High	**–**	**–**	–	–
Very High	**–**	**–**	–	–
Total	**1,231,416.8**	**465.0**	**1,356,822.1**	**595.0**

32. Details of Single Counterparty Limit and Group of Connected Counterparties Limit exceeded by the Bank

During the year ended March 31, 2020, the Bank has complied with the relevant RBI guidelines on exposure limits to single counterparty and group of connected counterparties.

During the year ended March 31, 2019, the Bank has complied with the RBI guidelines on single borrower and borrower group limit.

33. Unsecured advances against intangible assets

The Bank has not made advances against intangible collaterals of the borrowers, which are classified as 'Unsecured' in the financial statements at March 31, 2020 (March 31, 2019: Nil).

34. Revaluation of fixed assets

The Bank follows the revaluation model for its premises (land and buildings) other than improvements to leasehold property as per AS 10 – 'Property, Plant and Equipment'. As per the Bank's policy, annual revaluation is carried out through external valuers, using methodologies such as direct comparison method and income generation method and the incremental amount has been taken to revaluation reserve. The revalued amount at March 31, 2020 was ₹ 57,072.8 million (March 31, 2019: ₹ 56,852.6 million) as compared to the historical cost less accumulated depreciation of ₹ 25,924.1 million (March 31, 2019: ₹ 26,407.5 million).

The revaluation reserve is not available for distribution of dividend.

35. Fixed Assets

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, as included in fixed assets.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
At cost at March 31 of preceding year	**17,403.4**	18,608.1
Additions during the year	**2,682.7**	2,477.2
Deductions during the year	**(206.7)**	(3,681.9)
Depreciation to date	**(15,592.6)**	(12,789.4)
Net block	**4,286.8**	4,614.0

36. Debt assets swap transactions

The following table sets forth, for the periods indicated, details of non-banking assets acquired under debt asset swap transactions.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of borrowers	**–**	–
Aggregate value of debt relinquished	**–**	–
Aggregate value of non-banking assets acquired	**–**	–
Aggregate gain/(loss) over net book value	**–**	–

During the year ended March 31, 2020, the Bank sold non-banking assets having a book value of ₹ 1,317.4 million, which were fully provided, at a sale consideration of ₹ 1,632.0 million (March 31, 2019: Nil).

The net book value of non-banking assets acquired in satisfaction of claims by the Bank outstanding at March 31, 2020 amounted to Nil (March 31, 2019: ₹ 10,040.2 million), net of provision held of ₹ 30,517.8 million (March 31, 2019: ₹ 22,147.3 million).

37. Lease

I. Assets taken under operating lease

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Not later than one year	**244.2**	82.7
Later than one year and not later than five years	**126.4**	46.3
Later than five years	**–**	–
Total	**370.6**	**129.0**

II. Assets taken under finance lease

The following table sets forth, for the periods indicated, the details of assets taken on finance leases.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
A. Total Minimum lease payments outstanding		
Not later than one year	**112.6**	–
Later than one year and not later than five years	**369.0**	–
Later than five years	**–**	–
Total	**481.6**	**–**
B. Interest cost payable		
Not later than one year	**52.2**	–
Later than one year and not later than five years	**101.8**	–
Later than five years	**–**	–
Total	**154.0**	**–**
C. Present value of minimum lease payments payable (A-B)		
Not later than one year	**60.4**	–
Later than one year and not later than five years	**267.2**	–
Later than five years	**–**	–
Total	**327.6**	**–**

38. Description of contingent liabilities

The following table describes the nature of contingent liabilities of the Bank.

Sr. no.	Contingent liability	Brief Description
1.	Claims against the Bank, not acknowledged as debts	This item represents demands made in certain tax and legal matters against the Bank in the normal course of business and customer claims arising in fraud cases. In accordance with the Bank's accounting policy and AS 29, the Bank has reviewed and classified these items as possible obligations based on legal opinion/ judicial precedents/assessment by the Bank.
2.	Liability for partly paid investments	This item represents amounts remaining unpaid towards liability for partly paid investments. These payment obligations of the Bank do not have any profit/loss impact.
3.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in the normal course of its business, to exchange currencies at a pre-fixed price at a future date. This item represents the notional principal amount of such contracts, which are derivative instruments. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	This item represents the guarantees and documentary credits issued by the Bank in favour of third parties on behalf of its customers, as part of its trade finance banking activities with a view to augment the customers' credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customers fail to fulfill their financial or performance obligations.
5.	Currency swaps, interest rate swaps, currency options and interest rate futures	This item represents the notional principal amount of various derivative instruments which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to transfer, modify or reduce their foreign exchange and interest rate risks. The Bank also undertakes these contracts to manage its own interest rate and foreign exchange positions. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
6.	Other items for which the Bank is contingently liable	Other items for which the Bank is contingently liable primarily include the amount of government securities bought/sold and remaining to be settled on the date of financial statements. This also includes amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF), commitment towards contribution to venture fund, the amount that the Bank is obligated to pay under capital contracts and letter of undertaking and indemnity letters. Capital contracts are job orders of a capital nature which have been committed.

39. Insurance business

The following table sets forth, for the periods indicated, the break-up of income derived from insurance business.

₹ in million

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1.	Income from selling life insurance policies	**8,499.9**	9,792.3
2.	Income from selling non-life insurance policies	**1,772.5**	1,382.8
3.	Income from selling mutual fund/collective investment scheme products	**1,548.8**	3,156.7

40. Employee benefits

Pension

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for pension benefits.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening obligations	**16,540.3**	**15,391.1**
Service cost	**226.1**	232.2
Interest cost	**1,147.4**	1,123.7
Actuarial (gain)/loss	**4,633.7**	1,803.8
Liabilities extinguished on settlement	**(2,518.0)**	(1,833.7)
Benefits paid	**(115.2)**	(176.8)
Obligations at the end of year	**19,914.3**	**16,540.3**
Opening plan assets, at fair value	**15,438.8**	**16,303.7**
Expected return on plan assets	**1,235.8**	1,381.1
Actuarial gain/(loss)	**741.1**	(125.9)
Assets distributed on settlement	**(2,797.7)**	(2,037.4)
Contributions	**2,469.3**	94.1
Benefits paid	**(115.2)**	(176.8)
Closing plan assets, at fair value	**16,972.1**	**15,438.8**
Fair value of plan assets at the end of the year	**16,972.1**	15,438.8
Present value of the defined benefit obligations at the end of the year	**(19,914.3)**	(16,540.3)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**–**	–
Asset/(liability)	**(2,942.2)**	**(1,101.5)**
Cost[1]		
Service cost	**226.1**	232.2
Interest cost	**1,147.4**	1,123.7
Expected return on plan assets	**(1,235.8)**	(1,381.1)
Actuarial (gain)/loss	**3,892.6**	1,929.7
Curtailments & settlements (gain)/loss	**279.7**	203.7
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**–**	(310.1)
Net cost	**4,310.0**	**1,798.1**
Actual return on plan assets	**1,976.9**	1,255.2
Expected employer's contribution next year	**1,000.0**	1,000.0
Investment details of plan assets		
Insurer managed funds	**1.01%**	1.00%
Government of India securities	**50.33%**	49.63%
Corporate bonds	**44.85%**	44.91%
Equity securities in listed companies	**2.59%**	3.55%
Others	**1.22%**	0.91%
Assumptions		
Discount rate	**6.00%**	7.05%
Salary escalation rate:		
On Basic pay	**1.50%**	1.50%
On Dearness relief	**7.00%**	7.00%
Estimated rate of return on plan assets	**8.00%**	8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

ICICI Bank

ICICI BANK LIMITED

Registered Office: ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390 007

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Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Experience adjustment

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**16,972.1**	15,438.8	16,303.7	16,888.1	13,191.6
Defined benefit obligations	**(19,914.3)**	(16,540.3)	(15,391.1)	(16,686.9)	(14,191.6)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**–**	–	(310.1)	(68.4)	–
Surplus/(deficit)	**(2,942.2)**	(1,101.5)	602.5	132.8	(1,000.0)
Experience adjustment on plan assets	**741.1**	(125.9)	(449.6)	589.5	(4.1)
Experience adjustment on plan liabilities	**2,186.1**	1,038.6	290.1	(80.0)	1,503.4

Gratuity

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for gratuity benefits.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening obligations	**10,114.4**	**9,087.7**
Add: Adjustment for exchange fluctuation on opening obligations	**14.3**	3.0
Adjusted opening obligations	**10,128.7**	**9,090.7**
Service cost	**1,051.4**	942.9
Interest cost	**772.8**	710.4
Actuarial (gain)/loss	**865.6**	269.0
Past service cost	**–**	–
Liability transferred from/to other companies	**(9.4)**	12.1
Benefits paid	**(870.4)**	(910.7)
Obligations at the end of the year	**11,938.7**	**10,114.4**
Opening plan assets, at fair value	**9,821.2**	**8,979.9**
Expected return on plan assets	**762.2**	726.3
Actuarial gain/(loss)	**(125.0)**	(60.3)
Contributions	**1,298.5**	1,073.9
Asset transferred from/to other companies	**(9.4)**	12.1
Benefits paid	**(870.4)**	(910.7)
Closing plan assets, at fair value	**10,877.1**	**9,821.2**
Fair value of plan assets at the end of the year	**10,877.1**	9,821.2
Present value of the defined benefit obligations at the end of the year	**(11,938.7)**	(10,114.4)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**–**	–
Asset/(liability)	**(1,061.6)**	**(293.2)**
Cost[1]		
Service cost	**1,051.4**	942.9
Interest cost	**772.8**	710.4
Expected return on plan assets	**(762.2)**	(726.3)
Actuarial (gain)/loss	**990.6**	329.3
Past service cost	**–**	–
Exchange fluctuation loss/(gain)	**14.3**	3.0
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**–**	–
Net cost	**2,066.9**	**1,259.3**
Actual return on plan assets	**637.2**	666.0
Expected employer's contribution next year	**800.0**	800.0
Investment details of plan assets		
Insurer managed funds	**–**	–
Government of India securities	**27.64%**	29.90%
Corporate bonds	**54.49%**	43.51%
Special deposit schemes	**2.67%**	2.96%
Equity	**0.89%**	12.89%
Others	**14.30%**	10.74%
Assumptions		
Discount rate	**6.60%**	7.40%
Salary escalation rate	**7.00%**	7.00%
Estimated rate of return on plan assets	**8.00%**	8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Experience adjustment

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	10,877.1	9,821.2	8,979.9	8,559.0	6,933.0
Defined benefit obligations	**(11,938.7)**	(10,114.4)	(9,087.7)	(8,701.8)	(7,386.7)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**–**	–	–	–	–
Surplus/(deficit)	**(1,061.6)**	(293.2)	(107.8)	(142.8)	(453.7)
Experience adjustment on plan assets	**(125.0)**	(60.3)	(115.9)	454.5	(345.7)
Experience adjustment on plan liabilities	**181.3**	118.4	162.0	125.2	120.1

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

Provident Fund (PF)

As there is no liability towards interest rate guarantee on exempt provident fund on the basis of actuarial valuation, the Bank has not made any provision for the year ended March 31, 2020 (year ended March 31, 2019: Nil).

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for provident fund.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening obligations	**28,757.5**	**25,524.4**
Service cost	**1,780.6**	1,330.0
Interest cost	**2,152.1**	1,920.9
Actuarial (gain)/loss	**(171.5)**	402.6
Employees contribution	**3,325.7**	2,449.0
Liability transferred from/to other companies	**490.7**	288.6
Benefits paid	**(2,910.8)**	(3,158.0)
Obligations at end of the year	**33,424.3**	**28,757.5**
Opening plan assets	**28,757.5**	**25,524.4**
Expected return on plan assets	**2,607.4**	2,311.7
Actuarial gain/(loss)	**(626.7)**	11.8
Employer contributions	**1,780.5**	1,330.0
Employees contributions	**3,325.7**	2,449.0
Asset transferred from/to other companies	**490.7**	288.6
Benefits paid	**(2,910.8)**	(3,158.0)
Closing plan assets	**33,424.3**	**28,757.5**
Plan assets at the end of the year	**33,424.3**	28,757.5
Present value of the defined benefit obligations at the end of the year	**(33,424.3)**	(28,757.5)
Asset/(liability)	–	**–**
Cost[1]		
Service cost	**1,780.6**	1,330.0
Interest cost	**2,152.1**	1,920.9
Expected return on plan assets	**(2,607.4)**	(2,311.7)
Actuarial (gain)/loss	**455.2**	390.8
Net cost	**1,780.5**	**1,330.0**
Actual return on plan assets	**1,980.7**	2,323.5
Expected employer's contribution next year	**1,905.3**	1,423.1
Investment details of plan assets		
Government of India securities	**48.48%**	47.49%
Corporate bonds	**45.22%**	45.54%
Special deposit scheme	**1.62%**	1.88%
Others	**4.68%**	5.09%
Assumption		
Discount rate	**6.60%**	7.40%
Expected rate of return on assets	**9.16%**	8.75%
Discount rate for the remaining term to maturity of investments	**6.11%**	7.46%
Average historic yield on the investment	**8.68%**	8.81%
Guaranteed rate of return	**8.50%**	8.65%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

Experience adjustment

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**33,424.3**	28,757.5	25,524.4	22,596.8	19,920.6
Defined benefit obligations	**(33,424.3)**	(28,757.5)	(25,524.4)	(22,596.8)	(19,920.6)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**–**	–	–	–	–
Surplus/(deficit)	**–**	–	–	–	–
Experience adjustment on plan assets	**(626.7)**	11.8	(35.6)	(26.8)	8.7
Experience adjustment on plan liabilities	**(171.5)**	402.6	412.4	252.8	199.0

The Bank has contributed ₹ 2,855.8 million to provident fund for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 2,067.3 million), which includes compulsory contribution made towards employee pension scheme under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Superannuation Fund

The Bank has contributed ₹ 230.8 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 224.9 million) to Superannuation Fund for employees who had opted for the scheme.

National Pension Scheme (NPS)

The Bank has contributed ₹ 183.3 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 95.2 million) to NPS for employees who had opted for the scheme.

Compensated absence

The following table sets forth, for the periods indicated, movement in provision for compensated absence.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cost[1]	**891.5**	734.9
Assumptions		
Discount rate	**6.60%**	7.40%
Salary escalation rate	**7.00%**	7.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

41. Movement in provision for credit cards/debit cards/savings accounts and direct marketing agents reward points

The following table sets forth, for the periods indicated, movement in provision for credit cards/debit cards/savings accounts reward points.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening provision for reward points	**2,085.9**	1,892.9
Provision for reward points made during the year	**1,667.1**	1,892.3
Utilisation/write-back of provision for reward points	**(1,317.9)**	(1,699.3)
Closing provision for reward points[1]	**2,435.1**	2,085.9

1. The closing provision is based on the actuarial valuation of accumulated credit cards/debit cards/savings accounts reward points.

The following table sets forth, for the periods indicated, movement in provision for reward points to direct marketing agents.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening provision for reward points	**196.9**	179.6
Provision for reward points made during the year	**142.0**	170.6
Utilisation/write-back of provision for reward points	**(204.4)**	(153.3)
Closing provision for reward points	**134.5**	196.9

42. Provisions and contingencies

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

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for depreciation of investments	**13,114.7**	3,562.2
Provision towards non-performing and other assets[1]	**88,144.1**	168,112.0
Provision towards income tax		
(A) Current	**37,460.3**	33,606.0
(B) Deferred	**23,712.0**	(29,471.4)
Floating provision	**–**	–
Covid-19 related provision	**27,250.0**	–
Other provisions and contingencies[2]	**12,023.5**	24,937.2
Total provisions and contingencies	**201,704.6**	**200,746.0**

1. Includes provision towards NPA amounting to ₹ 88,726.2 million (March 31, 2019: ₹ 170,969.1 million).
2. Includes general provision made towards standard assets, provision on fixed assets acquired under debt-asset swap and non-fund based facilities.

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible or the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

During the three months ended September 30, 2019, the Bank decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from the year ended March 31, 2020. Accordingly, the Bank has recognised the provision for income tax and re-measured the accumulated deferred tax asset at March 31, 2019 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the profit and loss account. The impact of this change on the tax expense for the year ended March 31, 2020, including both, the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, and the tax expense at lower rate for the year ended March 31, 2020 was ₹ 13,905.8 million.

The following table sets forth, for the periods indicated, the movement in provision for legal and fraud cases, operational risk and other contingencies.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening provision	**20,618.7**	10,996.6
Movement during the year (net)	**(1,268.3)**	9,622.1
Closing provision	**19,350.4**	20,618.7

1. Excludes provision towards sundry expenses.

43. Provision for income tax

The provision for income tax (including deferred tax) for the year ended March 31, 2020 amounted to ₹ 61,172.3 million (March 31, 2019: ₹ 4,134.6 million).

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The Bank is of the opinion that all transactions with international related parties and specified transactions with domestic related parties are primarily at arm's length so that the above legislation does not have material impact on the financial statements.

44. Deferred tax

At March 31, 2020, the Bank has recorded net deferred tax assets of ₹ 80,681.2 million (March 31, 2019: ₹ 104,365.7 million), which have been included in other assets.

The following table sets forth, for the periods indicated, the break-up of deferred tax assets and liabilities into major items.

₹ in million

Particulars	Year ended March 31, 2020[1]	Year ended March 31, 2019[2]
Deferred tax assets		
Provision for bad and doubtful debts	**97,674.9**	132,736.9
Foreign currency translation reserve[3]	**611.4**	282.9
Others	**10,240.4**	9,276.5
Total deferred tax assets	**108,526.7**	**142,296.3**
Deferred tax liabilities		
Special reserve deduction	**23,930.8**	30,482.0
Depreciation on fixed assets	**3,402.3**	4,816.0
Interest on refund of taxes[3]	**386.6**	2,632.6
Others	**125.8**	–
Total deferred tax liabilities	**27,845.5**	**37,930.6**
Total net deferred tax assets/(liabilities)	**80,681.2**	**104,365.7**

1. Tax rate of 25.168% is adopted based on Finance Act, 2020.
2. Tax rate of 34.944% is adopted based on Finance Act, 2019.
3. These items are considered in accordance with the requirements of Income Computation and Disclosure Standards (ICDS).

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45. Details of provisioning pertaining to fraud accounts

The following table sets forth, for the periods indicated, the details of provisioning pertaining to fraud accounts.

₹ in million, except number of frauds

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of frauds reported	**2,817**	2,131[1]
Amount involved in frauds	**94,728.7**	23,165.2[1]
Provision made[2]	**10,832.5**	12,207.7
Unamortised provision debited from balance in profit and loss account under Reserves and Surplus'	**–**	–

1. Includes three borrower accounts with outstanding of ₹ 7,948.7 million at March 31, 2018 accounted as fraud during the year ended March 31, 2018. The Bank made a provision of ₹ 2,894.5 million through profit and loss account and ₹ 5,054.2 million through balance in profit and loss account under 'Reserves and Surplus' during the year ended March 31, 2018. As permitted by RBI, provision made through balance in profit and loss account under 'Reserves and Surplus' was reversed and recognised through profit and loss account during the year ended March 31, 2019.
2. Excludes amount written off and interest reversal.

46. Proposed dividend on equity shares

RBI through its circular 'Declaration of dividends by banks (Revised)' dated April 17, 2020, has directed that banks shall not make any further dividend payouts from the profits pertaining to the year ended March 31, 2020 until further instructions. This is with the intent that the banks conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by Covid-19. Accordingly, the Board of Directors has not recommended dividend for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 1.00 per equity share).

47. Dividend distribution tax

Dividend received from Indian subsidiaries, on which dividend distribution tax is paid by them and dividend received from overseas subsidiaries, on which tax is paid under section 115BBD of the Income Tax Act, 1961, are reduced from dividend to be distributed by the Bank for the purpose of computation of dividend distribution tax as per section 115-O of the Income Tax Act, 1961.

48. Related party transactions

The Bank has transactions with its related parties comprising subsidiaries, associates/joint ventures/other related entities, key management personnel and relatives of key management personnel.

I. Related parties

Subsidiaries, associates/joint ventures/other related entities

Sr. no.	Name of the entity	Nature of relationship
1.	ICICI Bank Canada	Subsidiary
2.	ICICI Bank UK PLC	Subsidiary
3.	ICICI Home Finance Company Limited	Subsidiary
4.	ICICI International Limited	Subsidiary
5.	ICICI Investment Management Company Limited	Subsidiary
6.	ICICI Lombard General Insurance Company Limited	Subsidiary
7.	ICICI Prudential Asset Management Company Limited	Subsidiary
8.	ICICI Prudential Life Insurance Company Limited	Subsidiary
9.	ICICI Prudential Pension Funds Management Company Limited	Subsidiary
10.	ICICI Prudential Trust Limited	Subsidiary
11.	ICICI Securities Holdings Inc.	Subsidiary
12.	ICICI Securities Inc.	Subsidiary
13.	ICICI Securities Limited	Subsidiary
14.	ICICI Securities Primary Dealership Limited	Subsidiary
15.	ICICI Trusteeship Services Limited	Subsidiary
16.	ICICI Venture Funds Management Company Limited	Subsidiary
17.	Arteria Technologies Private Limited	Associate
18.	India Advantage Fund-III	Associate
19.	India Advantage Fund-IV	Associate
20.	India Infradebt Limited	Associate
21.	ICICI Merchant Services Private Limited	Associate
22.	I-Process Services (India) Private Limited	Associate
23.	NIIT Institute of Finance, Banking and Insurance Training Limited	Associate
24.	ICICI Strategic Investments Fund	Consolidated as per Accounting Standard ('AS') 21
25.	Comm Trade Services Limited	Other related entity
26.	ICICI Foundation for Inclusive Growth	Other related entity

Key management personnel

Sr. No.	Name of the Key management personnel	Relatives of the Key management personnel
1.	Mr. Sandeep Bakhshi (w.e.f. June 19, 2018)	• Ms. Mona Bakhshi • Mr. Shivam Bakhshi • Ms. Esha Bakhshi • Ms. Minal Bakhshi • Mr. Sameer Bakhshi (w.e.f. June 19, 2018)
2.	Ms. Vishakha Mulye	• Mr. Vivek Mulye • Ms. Vriddhi Mulye • Mr. Vignesh Mulye • Dr. Gauresh Palekar • Ms. Shalaka Gadekar • Ms. Manisha Palekar
3.	Mr. Anup Bagchi	• Ms. Mitul Bagchi • Mr. Aditya Bagchi • Mr. Shishir Bagchi • Mr. Arun Bagchi • Mr. Animesh Bagchi
4.	Mr. N. S. Kannan (upto June 18, 2018)	• Ms. Rangarajan Kumudalakshmi • Ms. Aditi Kannan • Ms. Sudha Narayanan • Mr. Raghunathan Narayanan • Mr. Rangarajan Narayanan (upto June 18, 2018)
5.	Ms. Chanda Kochhar (upto October 4, 2018)	• Mr. Deepak Kochhar • Mr. Arjun Kochhar • Ms. Aarti Kaji • Mr. Mahesh Advani (upto October 4, 2018)
6.	Mr. Vijay Chandok (upto May 6, 2019)	• Ms. Poonam Chandok • Ms. Saluni Chandok • Ms. Simran Chandok • Mr. C. V. Kumar • Ms. Shad Kumar • Ms. Sanjana Gulati (upto May 6, 2019)

II. Transactions with related parties

The following table sets forth, for the periods indicated, the significant transactions between the Bank and its related parties.

₹ in million

Items	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	**650.5**	**296.6**
Subsidiaries	***459.2***	*240.5*
Associates/joint ventures/others	***181.3***	*44.4*
Key management personnel	***10.0***	*11.7*
Relatives of key management personnel	–	*0.0*[1]
Fee, commission and other income	**10,966.0**	**12,245.9**
Subsidiaries	***10,929.6***	*12,225.7*
Associates/joint ventures/others	***36.4***	*20.0*
Key management personnel	***0.0***[1]	*0.2*
Relatives of key management personnel	***0.0***[1]	*0.0*[1]
Commission income on guarantees issued	**27.4**	**30.3**
Subsidiaries	***27.3***	*30.2*
Associates/joint ventures/others	***0.1***	*0.1*
Income from custodial services	**41.4**	**16.8**
Subsidiaries	***36.4***	*16.8*
Associates/joint ventures/others	***5.0***	–
Gain/(loss) on forex and derivative transactions (net)[2]	**1,164.3**	**665.4**
Subsidiaries	***1,164.3***	*665.3*
Associates/joint ventures/others	–	*0.1*
Dividend income	**12,844.4**	**10,842.4**
Subsidiaries	***12,730.3***	*10,779.5*
Associates/joint ventures/others	***114.1***	*62.9*

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II. Transactions with related parties *(Continued)* ₹ in million

Items	Year ended March 31, 2020	Year ended March 31, 2019
Insurance claims received	**197.7**	**111.8**
Subsidiaries	***197.7***	*111.8*
Recovery of lease of premises, common corporate and facilities expenses	**1,815.4**	**1,792.2**
Subsidiaries	***1,764.6***	*1,732.5*
Associates/joint ventures/others	***50.8***	*59.7*
Payment of lease of premises, common corporate and facilities expenses	**148.5**	**76.9**
Subsidiaries	***148.5***	*76.9*
Recovery for secondment of employees (net)	**30.5**	**37.1**
Subsidiaries	***19.1***	*27.7*
Associates/joint ventures/others	***11.4***	*9.4*
Reimbursement of expenses from related parties	**1.0**	**1.3**
Subsidiaries	***1.0***	*1.3*
Interest expense	**176.0**	**205.0**
Subsidiaries	***123.1***	*191.3*
Associates/joint ventures/others	***50.8***	*7.8*
Key management personnel	***1.7***	*4.2*
Relatives of key management personnel	***0.4***	*1.7*
Remuneration to wholetime directors[3]	**203.0**	**270.5**
Key management personnel	***203.0***	*270.5*
Reimbursement of expenses to related parties	**280.6**	**46.0**
Subsidiaries	***67.0***	*45.9*
Associates/joint ventures/others	***213.6***	*0.1*
Insurance premium paid	**9,038.6**	**5,779.0**
Subsidiaries	***9,038.6***	*5,779.0*
Brokerage, fee and other expenses	**13,165.4**	**9,937.8**
Subsidiaries	***302.7***	*486.7*
Associates/joint ventures/others	***12,862.7***	*9,451.1*
Donation given	**50.0**	**380.0**
Associates/joint ventures/others	***50.0***	*380.0*
Dividend paid	**1.4**	**6.6**
Key management personnel	***1.4***	*6.6*
Relatives of key management personnel	***0.0[1]***	*0.0[1]*
Purchase of investments	**16,013.8**	**35,839.6**
Subsidiaries	***16,013.8***	*35,839.6*
Investments in the securities issued by related parties	**–**	**2,740.0**
Associates/joint ventures/others	**–**	*2,740.0*
Sale of investments	**53,007.6**	**37,759.6**
Subsidiaries	***53,007.6***	*37,759.6*
Redemption/buyback of investments	**200.7**	**175.2**
Associates/joint ventures/others	***200.7***	*175.2*
Sale of loans	**968.0**	**88.7**
Subsidiaries	**–**	*88.7*
Associates/joint ventures/others	***968.0***	–
Purchase of loans	**21,455.9**	**–**
Subsidiaries	***21,455.9***	–
Purchase of fixed assets	**2.5**	**21.3**
Subsidiaries	***2.5***	*21.3*
Sale of fixed assets	**4.6**	**13.3**
Subsidiaries	***4.6***	*6.1*
Key management personnel	**–**	*7.2*
Purchase of consumer finance business	**1,190.2**	**–**
Subsidiaries[4]	***1,190.2***	–

1. Insignificant amount.
2. The Bank undertakes derivative transactions with its subsidiaries, associates, joint ventures and other related entities. The Bank manages its foreign exchange and interest rate risks arising from these transactions by covering them in the market. While the Bank, within its overall position limits covers these transactions in the market, the above amounts represent only the transactions with its subsidiaries, associates, joint ventures and other related entities and not the offsetting/covering transactions.
3. Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.
4. During the year ended March 31, 2020, the Bank purchased consumer finance business from ICICI Home Finance, including loan portfolio and IT assets, at a purchase consideration of ₹ 1,190.2 million.

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III. Material transactions with related parties

The following table sets forth, for the periods indicated, the material transactions between the Bank and its related parties. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

₹ in million

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Interest income		
1	*ICICI Home Finance Company Limited*	**394.8**	*171.6*
2	*India Infradebt Limited*	**177.6**	*41.1*
3	*ICICI Securities Primary Dealership Limited*	**60.8**	*66.6*
	Fee, commission and other income		
1	*ICICI Prudential Life Insurance Company Limited*	**8,492.8**	*9,822.5*
2	*ICICI Lombard General Insurance Company Limited*	**1,842.3**	*1,440.7*
	Commission income on guarantees issued		
1	*ICICI Bank UK PLC*	**25.7**	*28.2*
	Income from custodial services		
1	*ICICI Prudential Asset Management Company Limited*	**31.9**	*12.7*
2	*ICICI Securities Primary Dealership Limited*	**3.8**	*4.0*
	Gain/(loss) on forex and derivative transactions (net)[1]		
1	*ICICI Securities Primary Dealership Limited*	**1,456.0**	*(472.6)*
2	*ICICI Home Finance Company Limited*	**(245.0)**	*1,244.3*
3	*ICICI Bank UK PLC*	**(155.6)**	*(177.4)*
	Dividend income		
1	*ICICI Prudential Asset Management Company Limited*	**3,758.6**	*1,656.5*
2	*ICICI Securities Limited*	**2,539.4**	*1,939.6*
3	*ICICI Prudential Life Insurance Company Limited*	**1,783.9**	*3,719.6*
4	*ICICI Lombard General Insurance Company Limited*	**1,776.9**	*1,269.2*
5	*ICICI Bank Canada*	**1,626.3**	*1,373.6*
	Insurance claims received		
1	*ICICI Prudential Life Insurance Company Limited*	**102.1**	*60.9*
2	*ICICI Lombard General Insurance Company Limited*	**95.6**	*50.9*
	Recovery of lease of premises, common corporate and facilities expenses		
1	*ICICI Prudential Life Insurance Company Limited*	**320.5**	*289.8*
2	*ICICI Home Finance Company Limited*	**305.3**	*373.5*
3	*ICICI Securities Limited*	**294.2**	*291.1*
4	*ICICI Bank UK PLC*	**287.0**	*248.0*
5	*ICICI Lombard General Insurance Company Limited*	**278.1**	*269.4*
6	*ICICI Bank Canada*	**190.0**	*175.0*
	Payment of lease of premises, common corporate and facilities expenses		
1	*ICICI Venture Funds Management Company Limited*	**78.2**	*68.1*
2	*ICICI Home Finance Company Limited*	**66.7**	*5.9*
	Recovery for secondment of employees		
1	*I-Process Services (India) Private Limited*	**11.4**	*9.4*
2	*ICICI Securities Limited*	**10.7**	*22.7*
3	*ICICI Prudential Life Insurance Company Limited*	**6.5**	*5.4*
	Reimbursement of expenses from related parties		
1	*ICICI Investment Management Company Limited*	**1.0**	–
2	*ICICI Home Finance Company Limited*	**–**	*1.3*
	Interest expense		
1	*ICICI Securities Limited*	**95.0**	*107.6*
2	*ICICI Merchant Services Private Limited*	**40.4**	*1.2*
3	*ICICI Bank UK PLC*	**21.2**	*39.4*
4	*ICICI Prudential Life Insurance Company Limited*	**–**	*41.8*

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₹ in million

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Remuneration to wholetime directors[2]		
1	*Mr. Sandeep Bakhshi*	**60.8**	*47.2*
2	*Ms. Vishakha Mulye*	**70.3**	*50.2*
3	*Mr. Anup Bagchi*	**63.9**	*44.1*
4	*Mr. N. S. Kannan*	**N.A.**	*9.4*
5	*Ms. Chanda Kochhar*	**N.A.**	*74.1*
6	*Mr. Vijay Chandok*	**8.0**	*45.5*
	Reimbursement of expenses to related parties		
1	*ICICI Foundation for Inclusive Growth*	**213.2**	–
2	*ICICI Bank Canada*	**34.1**	*12.6*
3	*ICICI Bank UK PLC*	**33.0**	*28.7*
	Insurance premium paid		
1	*ICICI Prudential Life Insurance Company Limited*	**6,925.2**	*3,876.5*
2	*ICICI Lombard General Insurance Company Limited*	**2,113.4**	*1,902.5*
	Brokerage, fee and other expenses		
1	*I-Process Services (India) Private Limited*	**6,844.0**	*5,327.1*
2	*ICICI Merchant Services Private Limited*	**5,978.7**	*4,112.9*
	Donation given		
1	*ICICI Foundation for Inclusive Growth*	**50.0**	*380.0*
	Dividend paid		
1	*Mr. Sandeep Bakhshi*	**0.4**	*0.7*
2	*Ms. Vishakha Mulye*	**1.0**	*1.3*
3	*Ms. Chanda Kochhar*	**N.A.**	*4.6*
4	*Mr. Vijay Chandok*	**N.A.**	*0.0*[3]
	Purchase of investments		
1	*ICICI Securities Primary Dealership Limited*	**14,750.5**	*32,457.9*
	Investments in the securities issued by related parties		
1	*India Infradebt Limited*	**–**	*2,740.0*
	Sale of investments		
1	*ICICI Securities Primary Dealership Limited*	*26,407.1*	*16,598.0*
2	*ICICI Prudential Life Insurance Company Limited*	**19,324.6**	*19,144.6*
3	*ICICI Lombard General Insurance Company Limited*	**6,595.8**	*2,016.9*
	Redemption/buyback of investments		
1	*ICICI Strategic Investments Fund*	**100.0**	–
2	*India Advantage Fund - III*	**57.1**	*119.4*
3	*India Advantage Fund - IV*	**43.5**	*55.8*
	Sale of loans		
1	*India Infradebt Limited*	**968.0**	–
2	*ICICI Home Finance Company Limited*	**–**	*88.7*
	Purchase of loans		
1	*ICICI Home Finance Company Limited*	**21,455.9**	–
	Purchase of fixed assets		
1	*ICICI Prudential Life Insurance Company Limited*	**1.8**	*20.7*
2	*ICICI Securities Limited*	**0.7**	–
	Sale of fixed assets		
1	*ICICI Securities Limited*	**4.6**	*0.8*
2	*ICICI Home Finance Company Limited*	**–**	*4.0*
3	*Ms. Chanda Kochhar*	**–**	*7.2*
	Purchase of consumer finance business		
1	*ICICI Home Finance Company Limited*	**1,190.2**	–

1. The Bank undertakes derivative transactions with its subsidiaries, associates, joint ventures and other related entities. The Bank manages its foreign exchange and interest rate risks arising from these transactions by covering them in the market. While the Bank, within its overall position limits covers these transactions in the market, the above amounts represent only the transactions with its subsidiaries, associates, joint ventures and other related entities and not the offsetting/covering transactions.
2. Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.
3. Insignificant amount.

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V. Related party maximum balances

The following table sets forth, for the periods indicated, the maximum balances payable to/receivable from related parties.

₹ in million

Item	Year ended March 31, 2020	Year ended March 31, 2019
Deposits with the Bank	**35,005.0**	**34,133.1**
Subsidiaries	***27,633.1***	*28,243.8*
Associates/joint ventures/others	***7,138.3***	*5,479.4*
Key management personnel	***167.6***	*234.6*
Relatives of key management personnel	***66.0***	*175.3*
Investments of related parties in the Bank[2]	**1,588.2**	**1,646.6**
Subsidiaries	***1,585.3***	*1,637.3*
Key management personnel	***2.9***	*9.3*
Relatives of key management personnel	***0.01***	*0.01*
Repurchase transactions	**163.8**	**–**
Subsidiaries	***163.8***	*–*
Reverse repurchase transactions	–	**23,044.5**
Subsidiaries	**–**	*23,044.5*
Payables[2,3]	**3,393.7**	**1,900.6**
Subsidiaries	***107.0***	*111.3*
Associates/joint ventures/others	***3,286.6***	*1,789.2*
Key management personnel	***0.1***	*0.0[1]*
Relatives of key management personnel	***0.0[1]***	*0.1*
Deposits made by the Bank	**6,113.3**	**9,298.5**
Subsidiaries	***6,113.3***	*9,298.5*
Call/term money lent by the Bank	**10,500.0**	**10,000.0**
Subsidiaries	***10,500.0***	*10,000.0*
Investments of the Bank	**109,338.2**	**106,491.2**
Subsidiaries	***98,028.5***	*98,315.7*
Associates/joint ventures/others	**11,309.7**	8,175.5
Advances by the Bank	**22,418.3**	**8,111.6**
Subsidiaries	***22,112.4***	*7,809.5*
Associates/joint ventures/others	***50.8***	*45.0*
Key management personnel	***254.2***	*256.2*
Relatives of key management personnel	***0.9***	*0.9*
Receivables[3]	**3,034.5**	**3,851.4**
Subsidiaries	***2,805.0***	*3,735.6*
Associates/joint ventures/others	***229.5***	*115.8*
Guarantees/letters of credit/indemnity given by the Bank	**12,038.6**	**16,196.9**
Subsidiaries	***12,026.8***	*16,184.2*
Associates/joint ventures/others	***11.8***	*12.7*
Guarantees/letters of credit/indemnity issued by related parties[2]	**6,260.3**	**4,432.1**
Subsidiaries	***6,260.3***	*4,432.1*
Swaps/forward contracts (notional amount)	**455,450.3**	**935,892.4**
Subsidiaries	***455,450.3***	*935,892.4*
Unfunded risk participation	**835.5**	**1,415.7**
Subsidiaries	***835.5***	*1,415.7*

1. Insignificant amount.
2. Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year.
3. Excludes mark-to-market on outstanding derivative transactions.

VI. Letters of comfort

The Bank has issued letters of comfort on behalf of its banking subsidiary ICICI Bank UK PLC to Financial Services Authority, UK (now split into two separate regulatory authorities, the Prudential Regulation Authority and the Financial Conduct Authority) to confirm that the Bank intends to financially support ICICI Bank UK PLC in ensuring that it meets all of its financial obligations as they fall due.

The Bank has issued an undertaking on behalf of ICICI Securities Inc. for Singapore dollar 10.0 million (March 31, 2019: Singapore dollar 10.0 million (equivalent to ₹ 530.3 million at March 31, 2020, ₹ 510.4 million at March 31, 2019) to the Monetary Authority of Singapore (MAS) and has executed indemnity agreements, on behalf of ICICI Bank Canada to its independent directors for a sum not exceeding Canadian dollar 2.5 million each (currently equivalent to ₹ 132.7 million), aggregating to Canadian dollar 12.5 million (March 31, 2019: Canadian dollar 15.0 million) (equivalent to ₹ 663.5 million at March 31, 2020 and ₹ 773.1 million at March 31, 2019). The aggregate amount of ₹ 1,193.8 million at March 31, 2020 (March 31, 2019: ₹ 1,283.5 million) is included in the contingent liabilities.

The letters of comfort in the nature of letters of awareness that were outstanding at March 31, 2020 issued by the Bank on behalf of its subsidiaries in respect of their borrowings made or proposed to be made, aggregated to Nil (March 31, 2019: ₹ 7,060.0 million).

In addition to the above, the Bank has also issued letters of comfort in the nature of letters of awareness on behalf of its subsidiaries for other incidental business purposes. These letters of awareness are in the nature of factual statements or confirmation of facts and do not create any financial impact on the Bank.

49. Details of amount transferred to The Depositor Education and Awareness Fund (the Fund) of RBI

The following table sets forth, for the periods indicated, the movement in amount transferred to the Fund.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	**8,330.7**	6,654.6
Add: Amounts transferred during the year	**2,169.0**	1,776.7
Less: Amounts reimbursed by the Fund towards claims during the year	**(146.9)**	(100.6)
Closing balance	**10,352.8**	8,330.7

50. Small and micro enterprises

The following table sets forth, for the periods indicated, details relating to enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

₹ in million

Sr. No.	Particulars	At March 31, 2020		At March 31, 2019	
		Principal	Interest	Principal	Interest
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier	**–**	**–**	–	–
2.	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	**–**	**–**	–	–
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	**N.A.**	**1.4**	N.A.	0.3
4.	The amount of interest accrued and remaining unpaid	**N.A.**	**1.4**	N.A.	0.3
5.	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 disallowed as a deductible expenditure under Section 23	**N.A.**	**–**	N.A.	0.01

1. Represents insignificant amount.

51. Penalties/fines imposed by RBI and other banking regulatory bodies

There was no penalty imposed by RBI and other banking regulatory bodies during the year ended March 31, 2020 (year ended March 31, 2019: ₹ 10.0 million).

52. Disclosure on Remuneration

Compensation Policy and practices

(A) Qualitative Disclosures

a) Information relating to the bodies that oversee remuneration.

- **Name, composition and mandate of the main body overseeing remuneration**

  The Board Governance, Remuneration and Nomination Committee (BGRNC/ Committee) is the body which oversees the remuneration aspects. The functions of the Committee include recommending appointments of Directors to the Board, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, formulate a criteria for the evaluation of the performance of the whole time/ independent Directors and the Board and to extend or continue the term of appointment of independent Director on the basis of the report of performance evaluation of independent Directors, recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, recommending to the Board the remuneration (including performance bonus and perquisites) to wholetime Directors (WTDs) and senior management, commission and fee payable to non-executive Directors subject to applicable regulations, approving the policy for and quantum of bonus payable to members of the staff including senior management and key managerial personnel, formulating the criteria for determining qualifications, positive attributes and independence of a Director, framing policy on Board diversity, framing guidelines for the Employee Stock Option Scheme (ESOS) and decide on the grant of the Bank's stock options to employees and WTDs of the Bank and its subsidiary companies.

- **External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process**

  During the year ended March 31, 2020, the Bank employed the services of a reputed consulting firm for market benchmarking in the area of compensation, including executive compensation.

- **Scope of the Bank's remuneration policy (eg. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches**

  The Compensation Policy of the Bank, as last amended by the BGRNC and Board at their meetings held on October 26, 2019, covers all employees of the Bank, including those in overseas branches of the Bank. In addition to the Bank's Compensation Policy guidelines, the overseas branches also adhere to relevant local regulations.

- **Type of employees covered and number of such employees**

  All employees of the Bank are governed by the Compensation Policy. The total number of permanent employees of the Bank at March 31, 2020 was 97,354.

b) Information relating to the design and structure of remuneration processes

- **Key features and objectives of remuneration policy**

  The Bank has under the guidance of the Board and the BGRNC, followed compensation practices intended to drive meritocracy within the framework of prudent risk management. This approach has been incorporated in the Compensation Policy, the key elements of which are given below.

  o **Effective governance of compensation:** The BGRNC has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for WTDs and equivalent positions and the organisational performance norms for bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The BGRNC assesses organisational performance and based on its assessment, it makes recommendations to the Board regarding compensation for WTDs, senior management and equivalent positions and bonus for employees, including senior management and key management personnel.

  o **Alignment of compensation philosophy with prudent risk taking:** The Bank seeks to achieve a prudent mix of fixed and variable pay, with a higher proportion of variable pay at senior levels and no guaranteed bonuses. Compensation is sought to be aligned to both financial and non-financial indicators of performance including aspects like risk management and customer service. In addition, the Bank has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time. Compensation of staff in financial and risk control functions is independent of the business areas they oversee and depends on their performance assessment.

- **Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made**

  During the year ended March 31, 2020, the Bank's Compensation Policy was reviewed by the BGRNC and the Board at their meetings held on May 6, 2019 and was later amended at their meetings held on July 27, 2019 and October 26, 2019.

- **Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee**

  The compensation of staff engaged in control functions like Risk and Compliance depends on their performance, which is based on achievement of the key results of their respective functions. Their goal sheets do not include any business targets.

c) **Description of the ways in which current and future risks are taken into account in the remuneration processes.**

- **Overview of the key risks that the Bank takes into account when implementing remuneration measures**

  The Board approves the risk framework for the Bank and the business activities of the Bank are undertaken within this framework to achieve the financial plan. The risk framework includes the Bank's risk appetite, limits framework and policies and procedures governing various types of risk. KPIs of WTDs & equivalent positions, as well as employees, incorporate relevant risk management related aspects. For example, in addition to performance targets in areas such as risk calibrated core operating profit (profit before provisions and tax excluding treasury income), performance indicators include aspects such as asset quality. The BGRNC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation-related recommendations to the Board.

- **Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure**

  The annual performance targets and performance evaluation incorporate both qualitative and quantitative aspects including asset quality and provisioning, risk management framework, stakeholder relationships and leadership development.

- **Discussion of the ways in which these measures affect remuneration**

  Every year, the financial plan/targets are formulated in conjunction with a risk framework with limit structures for various areas of risk/lines of business, within which the Bank operates. To ensure effective alignment of compensation with prudent risk taking, the BGRNC takes into account adherence to the risk framework in conjunction with which the financial plan/targets have been formulated. KPIs of WTDs and equivalent positions, as well as employees, incorporate relevant risk management related aspects. For example, in addition to performance targets in areas such as risk calibrated core operating profit, performance indicators include aspects such as asset quality. The BGRNC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation-related recommendations to the Board.

- **Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration.**

  The nature and type of these measures have not changed over the past year and hence, there is no impact on remuneration.

d) **Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration**

- **Overview of main performance metrics for Bank, top level business lines and individuals**

  The main performance metrics includes risk calibrated core operating profit (profit before provisions and tax, excluding treasury income) asset quality metrics (such as additions to non-performing loans and recoveries and upgrades), regulatory compliance, risk management processes and stakeholder relationships. The specific metrics and weightages for various metrics vary with the role and level of the individual.

- **Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance**

  The BGRNC takes into consideration above mentioned aspects while assessing performance and making compensation-related recommendations to the Board regarding the performance assessment of WTDs and equivalent positions. The performance assessment of individual employees is undertaken based on achievements compared to their goal sheets, which incorporate various aspects/metrics described earlier.

- **Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics**

  The Bank's Compensation Policy outlines the measures the Bank will implement in the event of a reasonable evidence of deterioration in financial performance. Should such an event occur in the manner outlined in the policy, the BGRNC may decide to apply malus on none, part or all of the unvested deferred variable compensation.

e) **Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance**

- **Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance**

  The quantum of bonus for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. Within this percentage, if the quantum of bonus exceeds a predefined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period. These thresholds for deferrals are same across employees.

ICICI Bank

ICICI BANK LIMITED

Registered Office: ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara 390 007

Corporate Office: ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051

- **Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements**

  The deferred portion of variable pay is subject to malus, under which the Bank would prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence, breach of integrity or in the event of a reasonable evidence of deterioration in financial performance. In such cases, variable pay already paid out may also be subjected to clawback arrangements, as applicable.

f) **Description of the different forms of variable remuneration that the Bank utilises and the rationale for using these different forms**

- **Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance**

  The Bank pays performance linked retention pay (PLRP) to its front-line staff and junior management and performance bonus to its middle and senior management. PLRP aims to reward front line and junior managers, mainly on the basis of skill maturity attained through experience and continuity in role which is a key differentiator for customer service. The Bank also pays variable pay to sales officers and relationship managers in wealth management roles while ensuring that such pay-outs are in accordance with applicable regulatory requirements.

  The Bank ensures higher proportion of variable pay at senior levels and lower variable pay for front-line staff and junior management levels.

- **Quantitative disclosures**

  The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of WTDs (including MD & CEO) and equivalent positions.

₹ in million, except numbers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of meetings held by the BGRNC	**5**	12
Remuneration paid to its members during the financial year (sitting fees)	**1**	1.9
Number of employees who received a variable remuneration award1	**5**	–
Number and total amount of sign-on awards made	–	–
Number and total amount of guaranteed bonuses awarded	–	–
Details of severance pay, in addition to accrued benefits	–	–
Breakdown of amount of remuneration awards for the financial year		
Fixed[2]	**214.8**	274.7
Variable[1,3]	**57.3**	
– Deferred	–	–
– Non-deferred	**57.3**	–
Share-linked instruments[3]	**5,475,500**	–
Total amount of deferred remuneration paid out during the year		
Total amount of outstanding deferred remuneration		
Cash		
Shares (nos.)	**N.A.**	N.A.
Shares-linked instruments	–	–
Other forms	**4,690,430**	6,260,597
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	–	–
Total amount of reductions during the year due to ex-post explicit adjustments[4]	–	–
Total amount of reductions during the year due to ex-post implicit adjustments	–	–

1. Includes WTDs transferred to group companies and who were paid bonus during the year.
2. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Bank. The amounts mentioned in the above table correspond to the period of employment of WTDs in the Bank during the year ended March 31, 2020.
3. For the years ended March 31, 2020 and March 31, 2019, variable and share-linked instruments represent amounts paid/options awarded during the year, as per RBI approvals. Out of total options, 2,584,000 options pertain to fiscal 2018 and 2,891,500 options pertain to fiscal 2019.
4. Excludes ₹ 74.1 million variable pay to the former MD & CEO for past years which has been directed for claw-back in respect of which the Bank has filed a recovery suit against the former MD & CEO.

Payment of compensation in the form of profit related commission to the non-executive directors

The Board at its meeting held on September 16, 2015 and the shareholders at their meeting held on July 11, 2016 approved the payment of profit related commission of ₹ 1.0 million per annum to be paid to each non-executive Director of the Bank (excluding government nominee and part-time Chairman) subject to the availability of net profits at the end of each financial year.

The Bank accordingly recognised an amount of ₹ 7.0 million as profit related commission payable to the non-executive Directors during the year ended March 31, 2020, subject to requisite approvals. During the year ended March 31, 2020, the Bank paid ₹ 5.9 million as profit related commission payable to the non-executive Directors for the year ended March 31, 2019.

53. Corporate Social Responsibility

The gross amount required to be spent by the Bank on Corporate Social Responsibility (CSR) related activities during the year ended March 31, 2020 was ₹ 1,273.0 million (March 31, 2019: ₹ 1,189.6 million).

The following table sets forth, for the periods indicated, the amount spent by the Bank on CSR related activities.

₹ in million

Sr. No.	Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
1.	Construction/acquisition of any asset	–	–	–	–	–	–
2.	On purposes other than (1) above	**1,048.9**	**294.6**	**1,343.5**	787.2	134.9	922.1

The following table sets forth, for the periods indicated, the details of related party transactions pertaining to CSR related activities.

₹ in million

Sr. No.	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
1.	ICICI Foundation	**263.2**	380.0
	Total	**263.2**	**380.0**

The following table sets forth, for the periods indicated, the details of movement of amounts yet to be paid for CSR related activities.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Opening balance	**273.7**	1,080.0
Provided during the year	**1,343.5**	922.1
Paid/settled during the year	**(1,271.0)**	(1,728.4)
Closing balance	**346.2**	**273.7**

54. Disclosure of customer complaints

The following table sets forth, for the periods indicated, the movement of the outstanding number of complaints.

Complaints relating to the Bank's customers on the Bank's ATMs	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**52**	75
No. of complaints received during the year	**1,333**	1,049
No. of complaints redressed during the year	**1,364**	1,072
No. of complaints pending at the end of the year	**21**	52

1. The above does not include complaints redressed within one working day.

Complaints relating to the Bank's customers on other banks' ATMs	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**7,128**	3,944
No. of complaints received during the year	**142,479**	183,159
No. of complaints redressed during the year	**148,241**	179,975
No. of complaints pending at the end of the year	**1,366**	7,128

1. The above does not include complaints redressed within one working day.

Complaints relating to other than ATM transactions	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**1,496**	2,190
No. of complaints received during the year	**91,000**	80,518
No. of complaints redressed during the year	**89,926**	81,212
No. of complaints pending at the end of the year	**2,570**	1,496

1. The above does not include complaints redressed within one working day.

Total complaints	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**8,676**	6,209
No. of complaints received during the year	**234,812**	264,726
No. of complaints redressed during the year	**239,531**	262,259
No. of complaints pending at the end of the year	**3,957**	8,676

1. The above does not include complaints redressed within one working day.

The following table sets forth, for the periods indicated, the details of awards during the year.

Particulars	At March 31, 2020	At March 31, 2019
No. of unimplemented awards at the beginning of the year	**–**	–
No. of awards passed by the Banking Ombudsmen during the year	**–**	–
No. of awards implemented during the year	**–**	–
No. of unimplemented awards at the end of the year	**–**	–

55. Drawdown from reserves

The Bank has not drawn any amount from reserves during the year ended March 31, 2020 (year ended March 31, 2019: Nil).

56. Investor Education and Protection Fund

The unclaimed dividend amount, due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2020, has been transferred without any delay.

57. Impact of Covid-19 on the performance of the Bank

Since the first quarter of CY2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks which was extended to May 18, 2020 in two phases. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Reserve Bank of India (RBI) has announced several measures to ease the financial system stress, including enhancing system liquidity, moratorium of three months on loan repayments for specific borrower segments, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others. The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses. The Bank's business is expected to be impacted by lower lending opportunities and revenues in the short to medium term. The impact of the Covid-19 pandemic on Bank's results, including credit quality and provisions, remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume at normal levels. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

58. Comparative figures

Figures of the previous year have been re-grouped to conform to the current year presentation.

Signatures to Schedules 1 to 18

As per our report of even date. For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Sudhir N. Pillai
Partner
Membership no.: 105782

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Place : Mumbai
Date : May 9, 2020

Decoding Ayushman Bharat
A Political Economy Perspective

SHAILENDER KUMAR HOODA

The challenges before the components of Ayushman Bharat, the (ir)rationality behind raising the insurance coverage manifold are highlighted, a political economy narrative of the changing health financing scenario is drawn, and how the design of Ayushman Bharat will feed into executing the proposed public–private partnership model in public facilities and facilitate the strategic purchasing agenda of the National Health Policy is examined. Ayushman Bharat is a step towards creating a system that would facilitate in relinquishing public funds and public institutions to already dominant private players, which will have serious implications for the healthcare delivery system in India.

Shailender Kumar Hooda (*skhooda.jnu@gmail.com*) is faculty at Institute for Studies in Industrial Development, New Delhi.

The world has observed "transitions in health financing and policies" for achieving universal health coverage (UHC). UHC is a system in which everyone in a society can get the healthcare services they need without incurring financial hardship (WHO 2005). This argues for creating a system that expands access to care, improves equity, and pools financial risks. Despite having heterogeneous approaches to achieve UHC, developing a risk pooling mechanism is central to it. The pooled share is sometimes mobilised as taxes and channelled through governments that provide or subsidise care; in other cases, it is mobilised in the form of contributions to mandatory insurance schemes (Savedoff et al 2012). Some countries have sought for insurance cover for the poor and underprivileged through fully subsidised insurance premiums, while the non-poor have the option of voluntary (or compulsory) enrolment (GoI 2011).

The strengthening of essential primary, secondary and tertiary healthcare in the public system has always been a half-hearted priority in India, but the focus has now been shifted towards promoting an insurance-based system. The country has witnessed a plethora of central- and state-level pro-poor health insurance schemes since over a decade. The funding nature of most of these schemes is rather different from the resource pooling mechanism of other countries, as they are mostly funded from government (tax) sources with minimal to no contribution from beneficiaries. Until recently, public investment in health was mostly used for financing the public health system for service provisioning, and now the (tax) funds will be diverted to finance the insurance-based system. This will lead to an important shift in the fundamental nature of healthcare financing in the country.

In the 2018 budget, the government came up with a big-bang plan called Ayushman Bharat to transform India's healthcare system towards achieving universal access to primary, secondary and tertiary healthcare. To achieve these targets, Ayushman Bharat is framed around two components, namely health and wellness centres (HWCs) and National Health Protection Scheme (NHPS), renamed as Pradhan Mantri Jan Arogya Yojana (PMJAY) at the time of its launch on September 2018. The former aims to strengthen and upgrade the existing 1.5 lakh sub-health centres (SHCs) into HWCs to address primary care needs relating to maternal/child health and defined category of NCDs (non-communicable diseases) care. PMJAY aims to ensure financial protection for accessing secondary and tertiary care from public and private providers with an insurance coverage of ₹5 lakh per annum to 10.74 crore poor and vulnerable families. The HWCs strengthen the public system, while PMJAY would facilitate service purchasing from public and private providers.

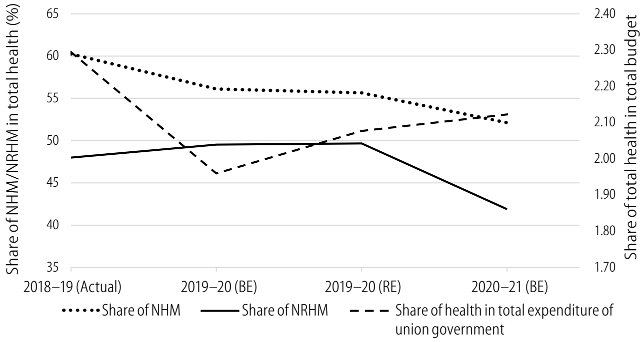
This paper highlights the challenges that lie before the execution of both the components of Ayushman Bharat, the (ir)rationality of raising the insurance coverage manifold, draws a political economy narrative of the changing health financing scenario, and examines how Ayushman Bharat by design will feed into implementing two recent health policy pronouncements of the Government of India, that is, Public Private Partnership for NCDs in District Hospitals-2017 and National Health Policy (NHP), 2017. These policies sought to execute the PPP model in public facilities and promote strategic purchasing of health services through health insurance, respectively.

The HWC and Its Challenges

HWCs are envisaged to deliver an expanded range of services that go beyond the existing maternal and child healthcare services to include detection and prevention of select NCDs, mental and adolescent health, old-age care, palliative and rehabilitative care, oral, eye, nose, and throat and dental care, lung disease, hypertension, diabetes, common cancers, first-level care for emergencies and trauma, including free essential drugs and diagnostic services through 1.5 lakh SHCs, which are to be upgraded into HWCs. Their upgradation is an important step towards transforming the existing primary healthcare system to deliver comprehensive primary healthcare to the community. Challenges, however, are immense to make them operational. Not only does the existing staff need to be reoriented, but more numbers of dedicated paramedical, specialists and technical staff equipped with modern technology are to be deployed to cater to detection and prevention of specified NCDs' care. The staff situation in these SHCs reveals over half of them are lacking with regard to the combination of male/female health workers (GoI 2017b). These SHCs require around 12.6 lakh "human resource for health" by 2022 (Planning Commission 2012).

The magnitude of inputs required to strengthen primary care was high. Therefore, the operationalisation of HWCs was planned in a phased manner, with a target to upgrade 15,000 centres in the first year (2018–19) and in the following years to 40,000 (2019–20), 70,000 (2020–21), 1.1 lakh (2021–22), and 1.5 lakh by December 2022. Their operationalisation was planned through the upgradation of existing infrastructure under the National Health Mission (NHM) by allocating more funds for the mission components. The budgetary allocation for the NHM, however, is declining. It declined by 2.5% between 2018–19 and 2019–20 (RE [revised estimate]) (GoI 2020b). The share of the NHM in the total health budget of the union government declined from 60.25% in 2018–19 to 52.12% in the 2020–21 budget (Figure 1). The expenditure on the National Rural Health Mission declined from 48% to 42% in this period. Within the NHM, the allocation towards HWCs constitutes a meagre share of around 3%–4%. In addition, the allocation for the NCDs flexipool declined significantly in 2019–20 (Interim Budget) by 41% over the previous year's RE (CPR 2019–20). The

Figure 1: Share of NHM/NRHM in Total Budgetary Allocation on Health by Union Government



Source: Union Budget, 2020, Government of India (https://www.indiabudget.gov.in/expenditure_budget.php).

launch of Ayushman Bharat was indicative of the commitment towards the making of a healthy society, but less than the expected/required allocation may hamper the desired upgradation speed within the stipulated time. For instance, the upgradation performance of the first 18 months (April 2018–September 2019) reveals that only 27% (8,756) SHCs could be operationalised into HWCs as against the target of 32,210 SHCs (GoI 2019a).

The original plan/announcement was to upgrade only SHCs (MoHFW 2019). The upgradation agenda was revised later on. As per the revised guidelines, 1.5 lakh health centres consisting of SHCs, primary health centres (PHCs) and urban primary health centres (UPHCs) will be transformed into HWCs. Many rural–urban PHCs are included, while many SHCs are excluded. What motivated such a strategic change? This is because the existing PHCs must have at least a certain number of beds, technical staff, medical–paramedical and specialists doctors, and can meet the HWCs' requirement easily with little funds. Their upgradation performance of the first 18 months reveals that 11,791 PHCs and 2,771 UPHCs were transformed into HWCs as against the target of 7,288 PHCs and 1,220 UPHCs; around 62% and 127% more upgradation than the targets. This extraordinary achievement could be envisaged in a period when fund allocation towards the NHM also declined. It is quite likely that better functional centres and/or those that qualify the Indian Public Health Standard (IPHS) might have been selected in the first phase, which might have incurred the cost of reprinting of the centre's name only.

If that is so, the pace of upgradation in the next phases is likely to be hampered because all is not well with the existing PHCs. Many PHCs along with Community Health Centres (CHCs) suffer from huge staff shortage. The Rural Health Statistics for 2017–18 reported that over 74% of PHCs do not have a female doctor (MoHFW 2018). The CHCs alone have more than 80% shortage of all specialists (surgeons, obstetricians and gynaecologists, physicians and pediatricians). Only 9% of CHCs have a combination of all four specialists and only 4% of PHCs have four or more doctors. There is a 65% shortfall of radiographers at CHCs and 40% shortfall of laboratory technicians at PHCs and CHCs, which is a mandatory requirement to help early detection of diseases. Only 11% of SHCs, PHCs, and CHCs each qualify on the IPHS. Thus, the upgradation process requires huge public funds as against the scanty amount (₹1,191.54 crore) allocated towards HWCs in 2018, while the budget provision was raised to ₹1,600 crore in the 2020 budget (GoI 2020b).

HWCs: An Instrument to Execute PPP Model

The central idea behind upgrading the existing centres into HWCs was to cater to the NCDs care requirement, as non-infectious illness are on the rise in the country. Steps towards upgrading such primary care were imperative. Mere upgradation for detection and early prevention of NCDs, however, is not enough. A robust healthcare system is required at the secondary and tertiary levels for referral. Till now, the government has been able to establish just 221 intensive care units and 1,705 clinics at the CHC level for NCD care (GoI 2017b). Budgetary commitments towards making a robust healthcare system are not visible, as government spending hovered around 1.4% of the gross domestic product (GDP) in 2017–18 (GoI 2020a) as against the target of 2.5% of the GDP (GoI 2017a).

Instead, NITI Aayog came up with an agenda of implementing public–private partnership (PPP) in district hospitals (DHs) for NCDs care in 2017, just few months before the announcement of Ayushman Bharat. The PPP project guidelines are that a 50-bed and 100-bed private facility will be co-located within the identified DHs for treating select NCDs, which were mentioned for HWCs as well. The essential qualification for establishing PPP is to have a fair amount of patient load at the DH, preferably an annual average of 1,000 outpatient department (OPD) patients per day. It is quite likely that a limited number of DHs qualify on the patient load criterion out of the total 779 DHs and 1,108 subdivisional hospitals that exist. Therefore, it is recommended to establish a downward linkage with the existing (25,650) PHCs and (5,624) CHCs of the district and the neighbouring districts where the project is being implemented for referring patients to DHs. The wide network of existing (1.58 lakh) SHCs spread across the remotest rural parts of the country can also be used to identify or refer patients. Thus, the identifying of 1.5 lakh centres for upgradation into HWCs with special emphasis on NCDs care detection was a well-thought plan to feed into the requirement of the PPP project implementation. It is indicated that the downward linkage with all levels of existing public facilities is important for the successful implementation of the PPP project. So, effectively, the purpose behind the launching of HWCs is to play a referral role in the upward facility chain and boost the implementation of PPPs in more hospitals via increasing the patient load. Some specific PPP model guidelines, types of models, and responsibility of the government and DHs are presented in Box 1.

High patient load should have been considered as a measure of performance, and such hospitals should ideally have been incentivised/rewarded. The corollary is that performance has now become a curse, as they have to facilitate PPP models within their premises. The hospital has to allocate space within the built-up structure as well as on the vacant land of the hospital. The hospital authority will have to allocate 30,000 square feet and 60,000 square feet space for a 50-bed and 100-bed facility respectively for setting up a PPP (Box 1). A minimum of 75% and 50% of this space would be allocated within the existing built-up structure and the remaining on the vacant land within the premises of the hospital. The staff (from the attendant at the registration desk to chief medical officer) has to refer patients and facilitate reimbursement of expenditure incurred on referred patients to the PPP project. The reimbursement can be made either from the chief minister wellness funds that have to be constituted in the hospital and/or by linking it with state- or centre-level financial protection insurance schemes, including PMJAY.

The government will facilitate the private players in land allotment, special window clearance, and providing viability gap funding (VGF) for improving the financing viability and bankability of the project (Box 1). Budget 2020 also proposed

Box 1: PPP Model in District Hospitals—The Specific Guidelines

Establishing PPP in existing District Hospitals: Various Hospital Models under the Guidelines
- Model I: Doctor Owner (30 to 50 beds) (doctor owns one or two specialties)
- Model II: Doctor Manager Partnership-multi-speciality (100 beds) (doctor partners with a businessperson with multi-specialty services)
- Model III: Multi-speciality (100 beds or more) (funded by corporate or existing hospital chains)

Responsibility of District Hospital
- Allocate 30,000 and 60,000 square feet space for a 50- and 100-bed facility for setting up PPP
  - o Minimum 75% and 50% of this space respectively would be allocated within the existing built-up structure and for the remaining, vacant land within the premises of the hospital.
- Hospital to share its ambulance services, blood bank, physiotherapy services, biomedical waste disposal system, mortuary services, parking facilities, electricity load, in-patient payment counters and hospital security with the private enterprise running out of its campus
- Hospital to provide freedom to PPP to run its own cafeteria, parking, pharmacy, and authority to upgrade the facility
- Hospitals staff (from attendant at registration desk to chief medical officer) has to refer the patient to PPP
- DH staff to facilitate reimbursement of expenditure of individual incurred in PPP facilities from chief minister wellness funds and/or link state- or centre-level financial protection insurance schemes (including PMJAY) for reimbursement

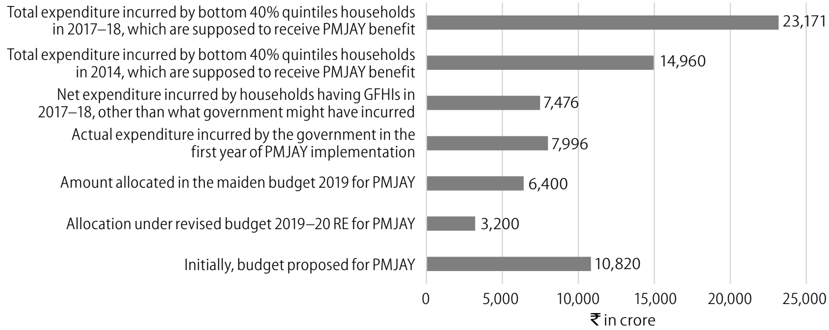
Government Interventions to Incentivise Private Sector:
- Facilitate in land allotment
- Facilitate various clearances with special window within specific time
- Viability gap funding (VGF) for improving the financing viability and bankability of the project
  - o VGF up to 40% of total project cost, provide gap funding up to 50% of tax on capital cost, restoration of status of hospital as industry for getting benefits of VGF
- Ensure timely payments for services provided to the referred patients. The reimbursement are to be provided through chief minister wellness funds and/or PMJAY and state-level financial protection insurance schemes

Ensuring Patient Load:
- Government to ensure fair amount of patient load at DH (preferably, annual average 1,000 OPD patients per day) for establishing PPP. It is recommended that this can be achieved by:
  - o Establishing a strong downward linkages with (5,624 existing) CHCs and (25,650 existing) PHCs in the district and the neighbouring districts where the project is being implemented, for referring patients to DH
  - o A wide-network of existing 1.58 lakh SHCs spread across remotest rural part of the country can be explored for referring patients
- Under Ayushman Bharat, of the total number of different centres, 1.5 lakh centres are proposed to be upgraded into HWCs for catering the prevention and detection of NCDs needs of the community.

Source: GoI (2017b).

to set up a VGF window for setting up hospitals in the PPP mode in tier-2 and tier-3 cities with an emphasis on the aspirational districts. This is basically to address the shortage of qualified medical doctors, general practitioners, and specialists. It is proposed to attach a medical college to an existing district hospital under the PPP mode, though details of the scheme would have to be worked out. Promotion of the PPP mode at every level of public health facilities has come to the forefront. This is indicative of a push towards making every public health institution facilitate the already dominant private players flourish further. A process has started where the private sector over time will overtake the entire public health system/institutions, including land, building, staff, etc, which were built in the country in the 70-odd years since independence.

Figure 2: Budget Allocation and Fund Requirement



Source: Union Budget 2020, https://www.indiabudget.gov.in/expenditure_budget.php; medical payment of households are estimated from unit-level records of 71st–2014 and 75th rounds of NSS on health conducted June 2017–July 2018 (GoI 2014, 2019b).

PMJAY: Economic Rationale and Sustainability

Of the two components of Ayushman Bharat, PMJAY attracted considerable attention, as it aimed to cover 40% of the Indian poor and vulnerable population with a high amount of coverage of ₹5 lakh per family. The per family cover amount under existing central- and state-level government-funded health insurance (GFHI) schemes is not only lower than PMJAY but also varies considerably ranging from ₹30,000 (Rashtriya Swasthya Bima Yojana; RSBY) to ₹2,00,000 (Yeshasvini Karnataka) to ₹3,30,000 (BSBY; Bhamashah Swasthya Bima Yojana, Rajasthan) (Hooda 2019a). At the time of the PMJAY launch, around 33 central- and state-level GFHIs were practically witnessed, which covered a diversified set of people ranging from the poor, informal workers, self-help groups, farmers, to old-age persons. The beneficiaries under PMJAY are identified using the Socio-economic Caste Census (SECC), 2011 on the deprivation and occupational criteria. In terms of comprehensiveness, the benefits of the scheme are extended to families that were earlier covered under RSBY but were not present in the SECC 2011 database. The cost of implementation of the scheme is shared between the centre and the states with a 60:40 ratio. The scheme covers all pre-existing conditions with 1,393 procedures, including but not limited to drugs, supplies, diagnostic services, physician's fees, room charges, surgeon charges, OT and ICU charges, etc, no bar on family size, three days of pre-hospitalisation and 15 days of post-hospitalisation expenses, such as diagnostics and medicines on the receipt of services from empanelled public or private hospitals, and the benefits of the scheme are portable across the country.

Though 10.74 crore families were identified, official records of PMJAY state that, as on 4 January 2020, around 7.11 crore families were issued e-cards, while 4.68 crore families had cards of state-level schemes, making it to around 11.79 crore e-cards. If there is no discrepancy in official data and actual possession of insurance cards by households, then PMJAY, by any global standard, is the world's largest pro-poor health insurance scheme. But, the analysis of existing GFHIs shows high discrepancy between official data and actual possession of the cards by households. Information from 27 state GFHIs shows that till 2017–18, around 10.90 crore families were covered, while estimates from 75th round of the National Sample Survey (NSS) (a household-level survey on health) conducted during June 2017–July 2018 recorded that an estimated 3.46 crore families possessed GFHIs (Hooda 2019a). The actual coverage reported by the households is 68.2% less than the official claim. The actual coverage share falls short in many states, from around 31% in Andhra Pradesh to as high as 99% in low-income states like Uttar Pradesh and Bihar (Hooda 2019a). This discrepancy raises serious concerns on the implementation of schemes at the ground level and what the government claims.

Due to manifold increase in coverage up to ₹5 lakh, almost 17 times higher than the existing central RSBY scheme, PMJAY attracted major attention. But, the question arises: Has there been any economic justification and rationale behind such a massive hike? In order to understand this question, GFHIs' experiences, limit and pattern of medical expenditure made by the bottom 40% quintile (the quintile is estimated using per capita monthly consumption expenditure of households) households (which are expected to receive PMJAY benefits) are studied.

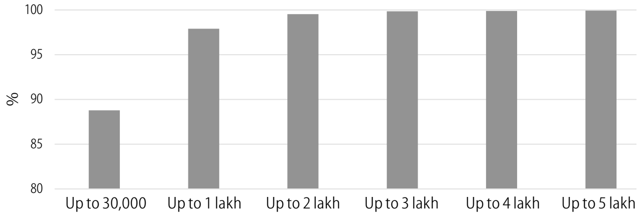
First, for the ₹30,000 annual coverage, ₹2,000 crore budget was allocated towards RSBY in financial year 2019, while ₹10,820 crore were proposed for PMJAY (Figure 2); over five times higher than the budget for RSBY due to high coverage. Thus, the scheme poses a huge financial implication in the form of premium payment. The corollary is that, due to limited fiscal space, the scheme got only ₹6,400 crore in the maiden budget 2019–20 (BE); an allocation less than the proposed amount. The budgeted amount was even revised later in 2019–20 (RE) to ₹3,200 crore (Figure 2). This is also interesting as against the budgeted/revised amounts, the official site of PMJAY mentions that the government has spent ₹7,996 crore on the scheme in its first year of implementation (Bhushan 2019); a kind of discrepancy in the official/budgetary statistics that hardly leaves any room as to what to believe. Further, the PMJAY experience shows that with increase in enrolment, hospital admission increased from 25,407 admissions as on 30 September 2018 to 80,52,808 admissions on 29 January 2020 (Bhushan 2019), which resulted in high costs to the government. After completion of enrolment of all targeted families, more hospital admissions would occur and require even more funds.

Second, estimates show that out-of-pocket (OOP) medical (excluding indirect) expenditure of the bottom 40% quintiles households, which are expected to be covered under PMJAY, was ₹23,171 crore in 2017–18 (Figure 2). Their medical bill was ₹14,960 crore in 2014. If the idea is to provide free cashless care to these poor and vulnerable families, an amount equivalent to this bill will have to be borne by the government in the years to come. No doubt, most of the existing GFHIs offer cashless benefits, but in reality, beneficiaries are compelled to pay a share of the medical bill from their pocket, which is beyond the approved package rate. For instance, it is estimated that in 2017–18, GFHI-covered households paid a net amount (netting out reimbursement) of medical bills (excluding indirect expenses) equivalent to ₹7,476 crore from their pockets (Figure 2). Even if the government was to reimburse the hospital on behalf of beneficiaries, they would still end up paying a significant amount from their pocket due to moral hazard or other problems. Estimates from the NSS 75th round suggest that only 3–4 GFHI holders of the 100 cases usually receive free cashless treatment.

Third, the rate of premium of existing GFHIs showed increasing trends over time from less than ₹300 to ₹600–₹800 per family in different phases of the RSBY's implementation and ₹600 to ₹1,200 per family within a few years of implementation of the BSBY Rajasthan scheme. This resulted in an incremental financial burden from budget allocation of ₹550 crore in 2014–15 to ₹2,000 crore in 2018–19 under the RSBY (Hooda 2019a). If this increase in premium phenomenon continues under PMJAY, the scheme would consume a major chunk of funds allocated towards Ayushman Bharat. If the overall health sector does not get adequate attention, the scheme might turn into a financially non-sustainable model. One has to see how Ayushman Bharat components are prioritised over time. In the 2020 budget, PMJAY got ₹6,400 crore, while HWCs only ₹1,600 crore.

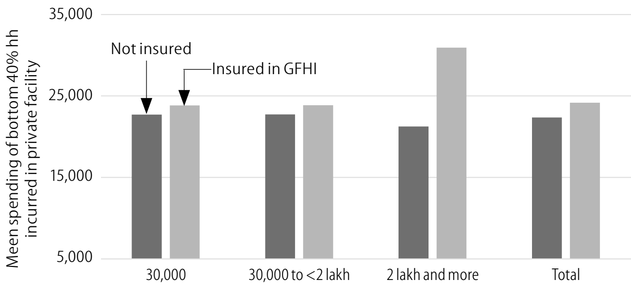
Fourth, an enquiry into what proportion of households has how much medical expenditure is another way of looking at the economic rationality of the scheme. Analysis shows an estimated 4.68 crore persons from 3.63 households made positive medical (excluding indirect) expenditure on hospital admission. At the aggregate level, of the total, around 83% and 96.28%, households had medical bills within the ₹30,000 and ₹1 lakh range, respectively, while 88.77% and 97.89% of the bottom 40% households had medical bill within this range (Figure 3). Around 99.52% of these bottom-quintiles households incurred medical expenditure within the ₹2 lakh range. Evidence from PMJAY also suggests that 92.3% of the claims were less than ₹30,000 between the time period of the scheme launch to 15 May 2019 (Dong Di et al 2019). On an average, about 37 in 1,00,000 beneficiary households have incurred claims exceeding ₹1 lakh. The high-value claims (>₹30,000) account for only 7% of the total claim volume and only 354 households had exhausted the ₹5 lakh limit by May 2019. This suggests that the majority of medical expenses could have been met by setting either a ₹1 lakh or a maximum of ₹2 lakh coverage limit rather than inviting huge financial implications due to unnecessary hike in coverage.

Figure 3: Medical Bill of Bottom 40% Quintiles Households in Different Ranges of Expenditure



Source: Estimated from unit-level records of 75th round of NSS on health (GoI 2019b).

Figure 4: Mean Medical Care Spending of GFHI Holders and Uninsured (₹)



Source: Estimated using unit-level records of 75th round of NSS on health (GoI 2019b).

Despite most GFHIs having an insignificant impact on UHC targets (Prinja et al 2017; Hooda 2017), the country, for over a decade, has witnessed a sharp competition between the states and the successive central governments in launching a scheme with a high amount of coverage range between ₹30,000 and ₹3,30,000 earlier, which has now been raised to ₹5 lakh under PMJAY. Review studies reported that while utilisation of healthcare did improve among those enrolled, there is no clear evidence yet to suggest that these schemes have resulted in reduced OOP expenditures or higher financial risk protection (Prinja et al 2017). GFHIs largely remained unsuccessful in reducing unit cost and OOP burden from households and in protecting people from falling below the poverty line (Hooda 2017). The predominant argument behind raising the coverage limit is that if the benefit packages and cover amount is less than adequate, several high-cost illnesses might leave the family/individuals at risk of impoverishment.

We examined the merit in this argument by analysing the impact of existing GFHIs by classifying the states with the level of coverage using unit-level data of the NSS 75th round. The states are classified into low, middle and high coverage amount categories with coverage of ₹30,000 (low), ₹30,000 to less than ₹2 lakh (middle) and ₹2 lakh and above (high). The mean medical (excluding indirect) expenses of the bottom 40% quintile households incurred in private facilities (excluding public) are compared between GFHIs holders and non-GFHIs holders/uninsured. The mean medical care spending of GFHIs holders (₹24,170) was found to be 8% higher than the uninsured patient (₹22,353) at the aggregate level. The difference in mean medical care spending of GFHIs holders and the uninsured was found to be very marginal in low- and middle-coverage categories, while insured persons with high insurance coverage incurred significantly high medical expenditure compared to the uninsured. Mean medical spending is recorded to be 45% higher among the insured (₹30,927 per case) relative to that among the uninsured (₹21,259) (Figure 4).

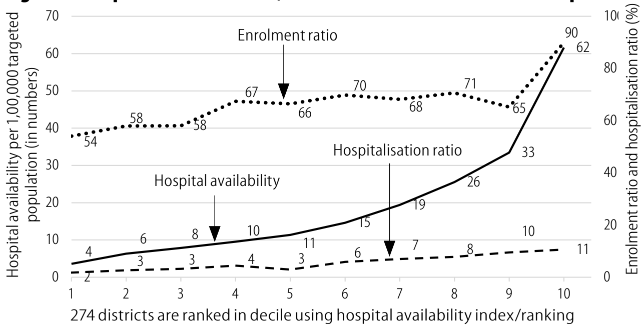
Another intention behind raising the coverage and cover amount could be to subsume all existing central- and state-level under PMJAY, especially to bring uniformity and universality in implementing the insurance-based financing mechanism in the country. The existing schemes vary considerably in cover and coverage, implementation and enrolment strategies, level of awareness, empanelment hospitals, portability of the scheme benefits in other parts of the country, and uncertainty around continuation of the scheme (as in the recent past, several states opted out of the central RSBY and did not implement their own schemes as well) (Hooda 2019a), etc. The high cover/coverage can compel the state not to opt out from the scheme, as it involves financial loss equivalent to 60% of the central share proposed under the scheme. The states that avoid taking part under the scheme even have to advance the cover/coverage due to electoral politics, like Odisha proposed ₹7 lakh insurance cover while Delhi declared to implement universal health insurance before the 2019 general election. Thus, the scheme has some characteristics to bring an insurance-based financial protection mechanism on to the pan-India level.

PMJAY: Facilitating Strategic Purchasing Agenda

The NHP had a clear agenda to achieve UHC through strategic purchasing of health services through insurance (GoI 2017a). The objective behind promoting strategic purchasing through insurance is to ensure access to affordable and quality secondary and tertiary care services in healthcare deficit areas from private providers. The policy mentions that strategic purchasing would play a stewardship role in directing private investment towards those areas and those services for which currently there are no providers or few providers. But, how far insurance has been able to meet the deficient area demand needs evaluation. Available information on public (3,771) and private (4,926) hospitals empanelled under RSBY in 2017, 2,130 empanelled hospitals in undivided Andhra Pradesh's scheme in 2018, 33,000 hospitals registered under ROHINI (Registry of Hospitals in Network of Insurance) in 2018, 14,121 large and corporate hospitals covered under IMS health survey of 62 cities in 2012, 9,83,018 health entities reported in the Sixth Economic Census 2013–14, and 10,43,979 estimated health enterprises in the NSS 73rd Services Sector Enterprises Survey, 2017 reveals that the majority of empanelled hospitals, more than half of the large hospitals, two-thirds of corporate hospitals, and four-fifths of health establishment enterprises are located in the five million-plus population cities and in the urban areas of a few districts (state capitals) of some states, respectively (Hooda 2019b). This suggests that insurance does little to encourage and redirect private investment towards filling critical gaps. Such hospital concentration results in adverse implications for cost and access to hospital care in vast areas where there are no or few providers.

Estimates (from the NSS 72nd tourism survey in 2017) suggest over two-fifths of patients (of the total 4,87,92,883 persons who made overnight visit trips to seek health and medical care in the last 365 days) had to travel outside their district/state to receive medical care in 2017 due to the non-availability of health facilities in their districts. This resulted in a high medical cost of

Figure 5: Hospital Concentration, Access and Enrolment Relationship



Source: www.rsby.gov.in (official data).

around ₹22,403 and ₹15,938 per case when service was received outside the state and outside the district, respectively, while it cost ₹9,766 for care received within the district they reside. Stepping outside the state to access care generally cost two times more (Hooda 2019b). The cost difference varies between being four and five times higher across states when care was accessed outside the state relative to care accessed within the district.

The insurance sector as a whole also reveals that Maharashtra, Delhi, Karnataka, West Bengal, Tamil Nadu and Gujarat account for 70% claim volume and 73% claim value out of the total 15.2 lakh claim volume and the ₹5,166 crore claim value in the country (IIB 2013–14). Due to high hospital concentration, metro cities, namely Mumbai, Delhi, Kolkata, Bengaluru, Chennai and Hyderabad and some other cities remained centres for attraction for a large number of patients from neighbouring states, while the share of claims paid was found marginal in Odisha, Uttarakhand, Jharkhand, Assam, Chhattisgarh, Jharkhand and Bihar where the network of hospitals was less dense.

The RSBY experience shows that access to hospital care (hospitalisation ratio) was almost six times lower in districts where numbers of empanelled hospitals (per targeted person) were low (Figure 5). The enrolment ratio (enrolled to targeted family ratio) under the scheme also increased from 54% to 90% with the increase in the availability of hospitals in the proximity/district.

The distribution of 18,236 empanelled hospitals under PMJAY in 2019 was also found to be highly unequal. Many regions face significant facility/capacity gaps. The lack of provider capacity in some regions restricts the ability of the patients to fully benefit from PMJAY. The portability feature of PMJAY, however, allows the patients to seek care in other districts/states, while it is likely that not all patients have the financial resources and knowledge to effectively seek care at a distance (Dong Di et al 2019). PMJAY data from the 115 most laggard/aspirational districts of India, identified by the NITI Aayog programme on India's "Transformation of Aspirational Districts, 2018" to expedite their socio-economic progress, show that in the first year of the implementation of the scheme, these districts reported having fewer empanelled hospitals, made less progress on beneficiary verification, and recorded lower claims volume and value as compared to their peer districts (Smith et al 2019b). The empanelled hospitals in these aspirational districts were found to be smaller (an average of 20 beds compared to 30 beds elsewhere) and less likely to be accredited. Interestingly, in states that are more in need of financial protection measures, the results are not commensurate accordingly, as PMJAY recorded fewer claims as well as lower claim outlays in states with higher poverty as well as a high disease burden (Smith et al 2019a). States with higher poverty rates have verified fewer beneficiaries as well. Interestingly, in hospitals with a large volume of high-value claims were concentrated in some districts and big cities, and the top 20 hospitals account for 17% of all high-value claims (Dong Di et al 2019).

A Political Economy Narrative of Changing Health Financing

Until recently, public investment in healthcare was almost entirely tax-based for financing public health system provisioning, and the currently promoted insurance-based system will also get finance in the same way as the public sector. The implication of this changing nature is conceptualised in a political economy framework using the theory of institutional economics (the rule of game) concept. Institutional economics is relevant to understand the transformation in systems because each type of system has its own "rule of game" and has its own organisation that is governed under a system and performs different functions. The change in the rule of game due to the emergence of a new system and how the changing system will bring transformation in the organisation of financing, payment and delivery is described in Box 2.

Unlike other countries, the currently promoted insurance-based system in India is not based on the framework of a resource pooling mechanism. The government alone has to earmark contributions from tax for insurance—separate financing from the provision. In this framework, the amount of coverage, size of targeted population, number of treatments

Box 2: Understanding the Transformation in the Healthcare System

1 Financing			
Change in Rule		Transformation of Organisation	
Financing		Transformation of Financing Organisation	
	NHS–Financing o Government financing, political decision o Government manages/operates provision o Funding based on inputs, line budget		**NHS–Financing organisation** o Key decision-makers government, political leaders o Ministries of health and finance
o Money follows patient, providers have to attract patient o Insured legally entitled to the benefits specified in BP	**NHI–Financing** o Earmarked contributions (tax) o Separate financing from provision o Benefit packages determines resource allocation	o Establish NHA and its board o Less power to ministries of health and finance	**NHI–Financing organisation** o Constraints to government's political decision-making power o NHI Administration and board o Ministries of health and finance
2 Payment/incentives			
Change in Rule		Transformation of Organisation	
Payment/incentives		Transformation of Payment Organisation	
o Rely on market competition and set some market rules of game o Bilateral negotiation with providers for payment method, price and quality of healthcare	**NHS–Payment/incentives** o Government bureaucratic control and management o Input based line budget	o NHA as purchasing agency o NHA must have market information o NHA must have accurate cost information	**NHS–Organisation of payment** o Government budget office o Central monitoring and evaluation department o Ministries of health and finance
	NHI–Payment/incentives o Select qualified providers to contract o Negotiate with providers for payment methods and price o Contracts for quality of healthcare		**NHI–Organisation of payment** o NHA board composition o NHA staff-negotiation and contracting o Monitoring and evaluation o Ministries of health and finance
3. Delivery			
Change in Rule		Transformation of Organisation	
Delivery		Organisation of Delivery	
	NHS–Delivery o Limited role for private healthcare o Supply-side dominated decision-making o Centralised policies on budgets, human resources and facility management	o Autonomise public hospitals and clinics into independent non-profit organisations	**NHS–Organisation of delivery** o Mix of public and private providers, mostly public o Public health services bureaucratic management o Public staff are mostly civil servants
o Set rules to establish a level economic playing field for public and private providers to compete o All providers have to follow the rules of purchaser o Public hospital responsible for its own financial solvency	**NHI–Delivery** o Market competition sets rules for decision-making, hospital management has to respond to patient demand o Ministry of health has to play a greater role in regulating healthcare sector	o Transform public hospital staff from civil servants to individual hospital employed staff o Diversion in tertiary care spending	**NHI–Organisation of delivery** o Independent non-profit and for-profit hospitals and clinics o Competing on a level economic playing field

NHS: National Health System; NHI: National Health Insurance.
Source: Designed from Roberts et al (2009) and Hsiao (2017).

and procedures, and benefit packages and package rate will determine the resource allocation towards the sector. A high cover and coverage for several treatments and procedures with high package rates would cost the government more in the form of premium payments and would have an impact on the state exchequer. Low rates might not work for hospitals. The Indian Medical Association demanded raising the rates of PMJAY, as the current package rates cannot even cover 30% of the cost of procedures and "no hospital" can work on these rates (Raghavan 2018). In such a situation, if the overall budget allocation towards the health sector does not get substantial increment, as historically it has not received adequate space, this would compel the government to restructure/reallocate the health budget from provisioning to insurance financing in the years to come. In case any reallocation from provision to insurance happens, one can expect the collapse of the already underfunded public healthcare system.

The scheme provides financial protection for medical care only and excludes outpatient care entirely. While outpatient care is the largest source of OOP payments in the country, constituting around 63% share in the total OOP burden on the household (Hooda 2017). These pro-poor schemes promise to cover only a fraction of the population. A large proportion of near poor and near middle-income people who are largely unable to afford costly medical care from private providers, and wish/prefer to avail service from the public sector, might not get the required services from the underfunded public healthcare system. If the public system fails to meet outpatient and other demands of the general population, the next level of argument would be to cover outpatient care under insurance. The fragile condition of the public system might force the government to cover all sections of society under the insurance umbrella to meet both inpatient and outpatient care demands. Political economy comes into play here, where the government feels a compulsion to ensure protection to the entire population and for all type of care. This will bring a fundamental transformation in the existing healthcare system where the rule of game will change in favour of privatisation with private sector expected to provide all types of care and treatments. The government's role would be minimal, to provide financial protection. The changing nature of budgetary priority will minimise the political decision-making powers of the government on financing, management, operation and establishing a robust healthcare system through the input line budget, as different stakeholders will come into play in determining the budget.

Under the emerging system, insured persons would have (a legal) entitlement to receive benefits specified in the benefit packages, which means that money would follow the patient and providers will have to attract patients. This is going to set some rules to establish a level economic playing field for public and private providers to compete with each other, where all providers have to follow the rules of the purchaser. That is, the public, non-profit and for-profit independent hospitals/clinics will be competing on a level economic playing field. Such a competitive market will set some rules for decision-making under which the hospital management has to respond to patient demand. The public hospitals will largely be responsible for their own financial solvency. Since the objective of the public sector is welfare-oriented rather than moneymaking, they may suffer from a fund crunch (if they do not receive enough government support) and may be out of the competition. Under a competitive market, small providers will not be able to sustain themselves, except as referral centres for large hospitals, as a high coverage amount may attract people to avail care from bigger hospitals in lieu of better quality and availability of a wide variety of services. Over a period, one would see the rise of large corporate hospitals in the country with a monopoly of a few corporate entities, as has happened in the United States (US) over and with recent experience of PMJAY.

Regulatory Mechanisms

This system is going to attract massive moral hazard problems if not regulated strictly. The countries that have high reliance on an insurance-based system have not been able to or are struggling to regulate the private providers and insurance market, including the US. Proper regulation of providers, insurers and controlling monopoly power is imperative. It is evident that India till now has not been able to regulate the private healthcare market on pricing, quality, ethical issues, etc. There have been instances of inflated bills for treating dengue fever, declaration of living infants as dead, fires, and deaths of many children due to medical negligence in state-of-the-art private facilities in different parts of the country in the recent past. The private sector was also found performing c-section deliveries among insured women (around 63.9%) as against only 11.7% in public facilities (IIPS and Macro International 2016). Examples are also prevalent of unnecessary removal of uteri of thousands of women in the private sector in Andhra Pradesh, a state with high insurance cover. High value claims in large corporate hospitals are happening under PMJAY.

In order to regulate the emerging system, India needs to establish not only agencies like the National Health Authority (NHA) at the central level, but nodal and regulatory agencies across states as well. This requires huge volumes of capital funds. If the health sector does not get enough budgetary support for the same, the existing institutions may collapse at the cost of some new institutions that will emerge. These agencies should be highly competent, and an efficient purchasing agency will be required, especially to select the qualified providers to contract services, negotiate with providers for payment methods and price, contracts for quality of care, etc. That is, they have to regulate the market on several aspects, including premium, pricing, quality, unethical practices, moral hazard issues, and so on. This, however, depends on market information on price and accurate information on cost, which needs to be collected across different settings/states/regions. If the government decides the package rate on the basis of the available price from the private sector dominated market, it would cost more to the government in the form of premium payment.

The overall success of the system would further depend on the NHA board composition that would do negotiation, contracting, monitoring and evaluation. If the private sector, insurers, pharma, and the medical industry dominate the board, which is expected to be, this would certainly minimise the decision-making power of the bureaucracy and ministries of health and finance in the future.

The Ayushman Bharat has come up with a system that would facilitate the implementation of two recent policy agendas. This would result in relinquishing the public health institutions and public money to private players. Promoting private players at the cost of public money would cost more to government than strengthening the public system for service delivery. The launch of Ayushman Bharat has confirmed that the country is moving towards a fundamental shift in the nature of healthcare financing where insurance would be financed entirely from public sources while provisioning would now be shifted almost entirely to the private sector. Private hospitals show a high concentration in metros, while aspirational districts are facing a substantial capacity gap. Insurance has largely been unsuccessful in mending the service deficiency gap. Clear policy guidelines are required for addressing concentration, restricting the monopoly power of large corporate hospitals, and proper regulatory guidelines are required for insurers and private providers.

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Farmer Suicides in Maharashtra, 2001–2018
Trends across Marathwada and Vidarbha

Dnyandev Talule

Farmer suicides are an unfortunate result of the agrarian distress plaguing the rural economy of many states of the country. Marathwada and Vidarbha regions in Maharashtra have recorded very high numbers of farmer suicides, and an attempt to calculate the number of suicides and the suicide mortality rate is the first step towards gaining an in-depth understanding of the prevalence and seriousness of the issue. An analysis of the data reveals the relationship between farmer suicides and issues such as monsoon failure, water shortage, drought, absence of social security, robust crop procurement mechanisms and increasing debt burdens.

The author is grateful for the constructive comments of the anonymous referee on the present paper.

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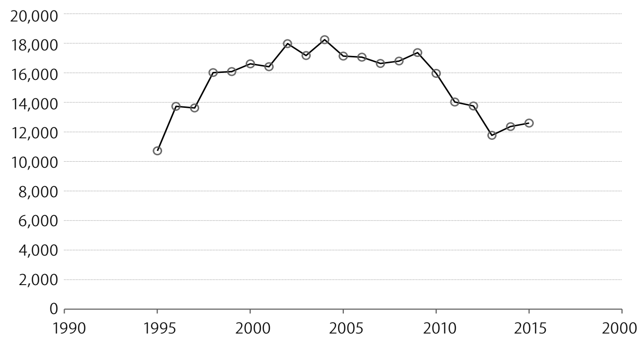
For over two and a half decades, suicides by the farming community in India have become a cause for concern (Figures 1, 2a and 2b). At the all-India level, states like Andhra Pradesh, Karnataka and Maharashtra have become the hotspots of farmer suicides (Figures 3, 4, 5, 6, 7 and 8). This issue in India has triggered academic discourse, but very few public policy initiatives have been put forth to redress a problem of this magnitude. By now, it is clear that suicide by farmers is a complex phenomenon. It is easy to quantify the suicide deaths; however, it is difficult to decode the reasons in their entirety. It is estimated that during the period between 1990 and 2010, the years of life lost on account of farmer suicides increased by 12%. During the same period, India moved from the 20th to the eighth position in the global index of life lost due to suicides (Mishra 2014).

Figure 1: Number of Farmer Suicides in India, 1995–2015

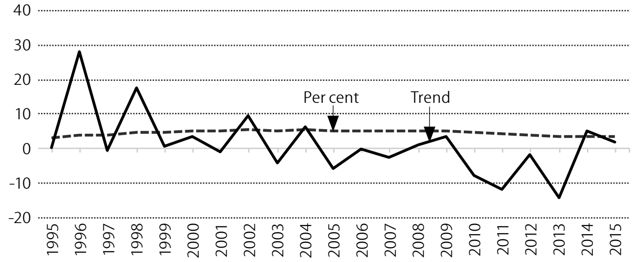


Source: GoI (2015).

As per the Global Burden of Disease (GBD) estimate of 2010, India accounts for 35.6% of the global years of life lost on account of suicides (Mishra 2014). It is more than double of its global population share. In India, the data on suicides is collected and published by the National Crime Records Bureau (NCRB). Information compiled by police stations goes to the respective state crime records bureau (SCRB)/criminal investigation department (CID) and then to the NCRB, which compiles information at the national level. However, in India, what is reported by the NCRB is just half of the GBD estimate. Shrijit Mishra (2014) links such poor reporting to the Indian Penal Code, which holds suicide as a criminal act,[1] or to the society which often does not report a suicide to avoid social stigma.

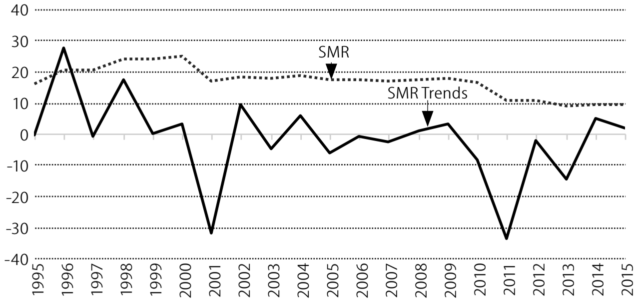
Further, it needs to be noted that suicides by cultivators and agricultural labourers cannot be termed as farmer suicides. This is because in India cultivators and agricultural labourers are two distinct groups of the rural population. In some countries,

Figure 2(a): Annual Share and Trend of Farmer Suicides in India (1995–2015)



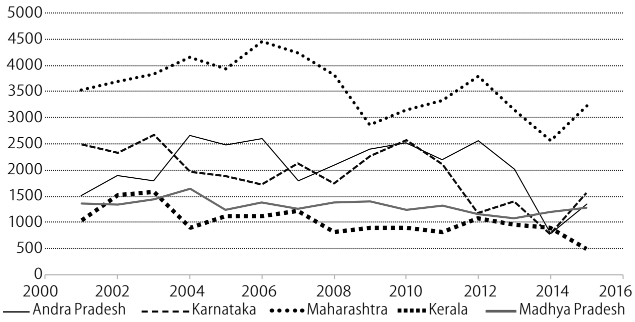
Source: GoI (2015).

Figure 2(b): All-India Farmer Suicide Mortality Rates and Trends (1995–2015)



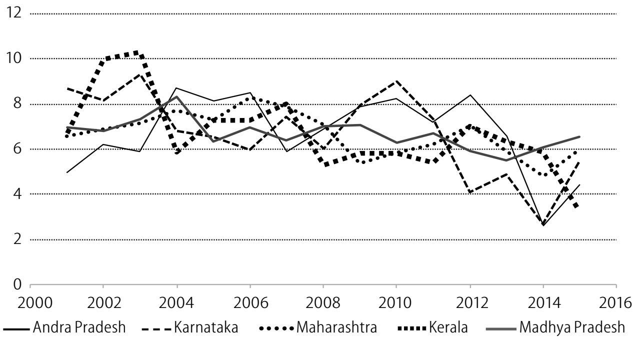
Source: GoI (2015).

Figure 3: Number of Farmer Suicides in the Major Suicide-affected States in India, 2002–15



Source: GoI (2015).

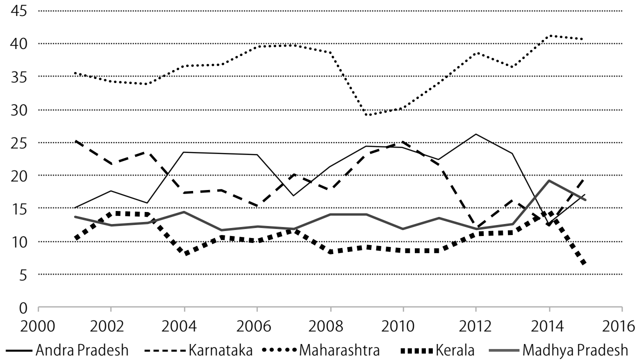
Figure 4: Year-wise State-specific Proportion of Farmer Suicides in the Major Suicide-affected States from Total Cases in India (%), 2001–15



Source: Figure 3.

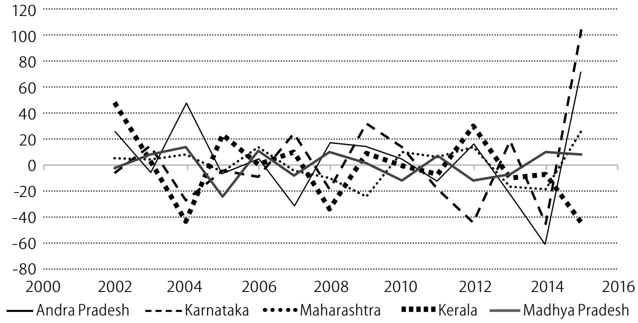
suicides by cultivators are included in suicides by agricultural workers. In Europe and North America, which have small population groups, suicide rates are computed for "farm population" that includes farm owners and workers (Mishra 2014). However, in the Indian context, cultivators and agricultural labourers being two distinctly large population groups cannot be clubbed together. Besides an economic dimension, such classification also has a social dimension.

Figure 5: Individual State's Share in the Annual Total Farmer Suicides in Major Suicide-affected States of India (%), 2001–15



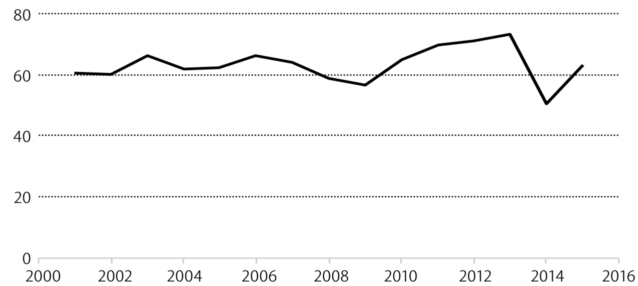
Source: Figure 3.

Figure 6: State-specific Annual Trends in Farmer Suicides of Major Suicide-affected States (%), 2001–15



Source: Figure 3.

Figure 7: Proportion of Farmer Suicides of Major Five State from Total in All India Farm Suicides in India, 2001–15

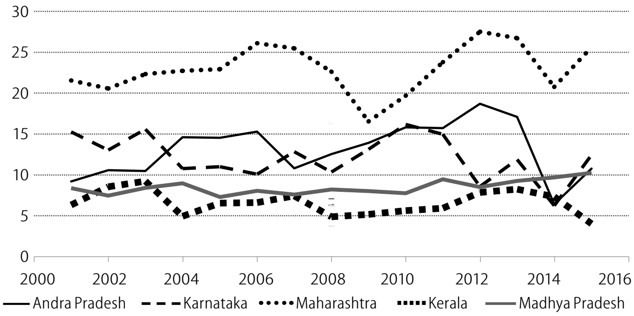


Source: Figures 1 and 3.

Another vital factor that complicates the estimation of farmer suicides in India is that in states like Maharashtra, a large number of them are categorised as ineligible suicides. The classification as eligible and ineligible farmer suicides has a significant connotation, especially when it comes to the *ex-gratia* compensation of ₹1 lakh granted by the state government to the family of a deceased farmer. For the administrative machinery, a farmer who dies by suicide but does not possess the 7/12 abstract in their name (a revenue department land record stating presumptive title of land ownership), is not deemed eligible to be treated as a farmer. In Maharashtra, the proportion of such cases is one of the highest. Thus, farmer suicides at the state level and thereby at the all-India level are grossly underestimated.

Accordingly, this paper proceeds as follows. The following section articulates the methods of analysis and describes the sources of the data. The review of literature on farmers' suicides is discussed in the next section, while the regional profile of Marathwada and Vidarbha is given in the section

Figure 8: State-wise Proportion of Farmer Suicides the Major Five States (%), 2001–15



Source: Figures 1 and 3.

following it. Moving further, an attempt is made to bring out the spatial and temporal analysis of the data pertaining to the various aspects of farmer suicides in the two regions of Marathwada and Vidarbha. The section after that focuses on the complexity of eligible and ineligible farmer suicides and the final section concludes the article.

Data, Sources and Methods

Village-level information on suicide is first registered at the nearest police station through a first information report (FIR). The information at the village level is then consolidated at the office of the divisional commissioner. The consolidated information is submitted to the SCRB; a separate branch of the state CID and further to the NCRB. Since 1995, the NCRB compiles the data on profession-wise and gender-wise suicides across states at the all-India level. Among agricultural professions, for those self-employed in cultivation and those who are owners or tenant cultivators but are not agricultural labourers, are termed as farmers. For computing the suicide mortality rate (SMR), this is normalised with an equivalent population category obtained by combining the main and the marginal category of workers in the decadal census.

Mainly, the district census abstracts are used to compute suicide deaths per one lakh cultivator population or the SMR from January 2001 to July 2018.[2] The data for Aurangabad division are up to July 2018, for Amravati up to March 2018, and for Nagpur up to June 2018. The total of eligible and ineligible suicide cases comes to less than the total suicide cases because enquiry into the rest of the cases is pending. However, for the purpose of computing the SMR, I have taken into account the total farmer suicides and not just the total of eligible and ineligible suicides. The data for 18 districts of these two regions is obtained from the respective divisional commissionerates. For the rest of the districts, the data used are from SCRB, while for all India and major suicide states, the data used are from NCRB records.

Review and Context

Besides crop failures on account of bad weather and erratic monsoon, the rising cost of cultivation and drastic fall in prices during the glut are frequently experienced in Andhra Pradesh, Maharashtra and Karnataka (Mohanty and Shroff 2004). In 2016, the glut made prices slide much below the minimum support price (MSP) in Maharashtra. At the all-India level, on an average, the farmers receive a meagre share of 32.50% (ranging from 20%–45%) of the consumer's rupee paid for most commodities. Reduced margin realised by farmers from the market continues to be the cause of widespread indebtedness and farmer suicides in India (Narayanamoorthy 2018). Even though crop failure leading to indebtedness happens to be the major cause for farmer suicides at the ground level (Shiva and Jafri 1998; Deshpande 2002), politico-economic issues, such as decline in rural and agricultural investments, market imperfections, infrastructure, and the absence of an effective mechanism to deal with the drastic fall in price of farm products, are factors that contribute to farmer suicides (Assadi 1998; Revathi 1998; Vasavi 1999; Mohankumar and Sarma 2006).

While many studies on Andhra Pradesh and Maharashtra have attributed farmer suicides to cotton cultivation (Prasad 1999), others have attributed it to an increase in the cost of cultivation, mainly on account of integrated pest management (IPM) for the cotton crop and seed and fertiliser prices. This is mainly on account of an unprecedented requirement of IPM in the cultivation of the cotton crop and state-specific seed price difference (Vaidyanathan 2006). Invariably, cotton cultivators have resorted to cultivation of Bt varieties propagated for higher yield, but the crop performance of these varieties is crucially determined by the availability, adequacy and reliability of irrigation. In Gujarat, for instance, Bt cotton is cultivated under irrigated conditions with access to indigenously developed new varieties of seeds at a much lower price than the varieties developed and propagated by multinational companies (MNCs) in Maharashtra (Vaidyanathan 2006).

In the post-liberalisation period, there was a significant increase in the import of cotton. Further, the prices of cotton in the world market have been falling steadily while the increase in input prices has multiplied the cost of cultivation. Most of the cotton farming in Vidarbha and Marathwada falls under rain-fed conditions, and the seed prices are much higher than in Gujarat (Mishra 2006). In 2016, cotton farmers of both these regions had to face a severe pink bollworm attack that destroyed almost the entire crop of the season. More than 60 lakh acres of crop spread was abandoned due to the fake Bt seeds supplied by private seed companies in 2016 (Wadke 2017). As a result, the entire crop succumbed to bollworm attacks. Farmers uprooted the standing crops and burnt them.

By the time the officials of the state agricultural department arrived for *panchanama* (survey) for state compensation, in most of the cases, there were no standing crops as farmers themselves uprooted them before the state machinery arrived. Hence, many farmers were automatically excluded from the list of beneficiaries or had to offer bribes for the survey and recording the crop acreage. These cultivators are mainly small and marginal holders and face the unavailability of irrigation water with associated uncertainty in cash crops like cotton (Mishra 2006). Cotton is not the only cause of negative returns for these farmers. During the 2017 rabi season, there was a bumper produce of chana, soybeans and *tur* (a type of pulse) in Marathwada. Naturally, the prices of these items hit rock bottom but the state procurement system was not in place.

In a way, it is true that suicides by farmers are not entirely the outcome of poverty. They are largely an outcome of disillusionment, mainly due to the large gap between the expected and the actual returns from cultivation. Reasons for such a gap range from natural calamities to human-made factors like corruption in market mechanisms and politico-economic negligence. This makes suicides a complex and multifaceted phenomenon. Almost every study in the past has revealed that about half of the farmers in the respective study region were in debt (Suri 2006; Talule 2011), while 96.72% of the suicide-affected farmer households had strictly used their credit money for productive purposes (Talule 2013).

Profile of Marathwada and Vidarbha

Marathwada and Vidarbha together account for 52.31% (20.99% and 31.32% respectively) of the total state area with a combined share in the state population of 41.76% (18.74% and 23.02% respectively) (Kelkar 2013). Besides 27.84% (2.42% and 25.42% respectively) of the state tribal population, 33.87% of the state's total drought-stricken population lives in these two regions (7.21% and 26.66% respectively) (Kelkar 2013). In comparison to the rest of Maharashtra, all these socio-economic characteristics of Marathwada and Vidarbha point out to a huge development backlog. Therefore, both regions need special attention for their development. All sectors taken together, the development deficit for Marathwada stands at 20.16%, while for Vidarbha, it is 48.30% (Kelkar 2013). While Maharashtra and Vidarbha together contribute 26.60% of the state gross domestic product (SGDP) of Maharashtra (10.10% and 16.50% respectively), the SGDP per capita of these regions is ₹40,824 and ₹52,282 respectively (Kelkar 2013).

Nearly 73.83% and 75.51% of the population of the respective regions depend on agriculture for employment and livelihood (Kelkar 2013). However, the irrigation cover of both regions is one of the lowest at 14.08% (Marathwada) and 12.82% (Vidarbha). This is far below the state average of 18%, which is already less than half of the national average of 38%. While the development gap for Marathwada is 37.27%, the same for Vidarbha is 38.83% compared to the rest of Maharashtra (Mitra and Shroff 2007; Kelkar 2013). Farmers of both these regions predominantly rely on cash crops like Bt cotton, soybeans and tur, and most of the gross cropped area under these crops is rain-fed. Public extension and institutional mechanisms in these regions have minimal presence or have failed to alert farmers about the high risk involved in cultivating Bt cotton under rain-fed conditions (Vaidyanathan 2006).

By any development parameter and the right to livelihood, suicide by 3.22 lakh Indian farmers in the last two decades is not a small number. A paradigm of development without a human face and the failure to recognise the right to livelihood has led to the overall agrarian crisis in the country that has precipitated suicides by farmers.

In fact, the NCRB started recording profession-wise suicide data from 1995. But the paucity of information prior to this limits the discourse and understanding of the problem. Andhra Pradesh, Karnataka, Kerala, Maharashtra and Madhya Pradesh topped the suicide lists at the all-India level (Figure 7). On an average, 63.13% of all suicides by farmers in India are reported from these five states (Figures 7 and 8). Other states affected by farmer distress are Chhattisgarh and Odisha. Chhattisgarh is a bordering state of Vidarbha. A common thread across all these states is that they are known for their development efforts and there has been a steady decline in agricultural outlays (Deshpande 2002).

Extent of the Problem in Maharashtra

The agricultural economy of Maharashtra is a typical combination of vast drought-prone areas. About 20,000 villages across 20 districts of the state are always drought-stricken. Most of these belong to Marathwada and Vidarbha region. Almost after every five years, there is a reoccurrence of drought in Maharashtra. Vast tracts of cultivable lands are unirrigated. This makes the cultivation vulnerable to drought. One need not repeat the reality of state irrigation cover, which is less than half of the national average. Rain-fed agriculture of Marathwada and Vidarbha coexists with regions, such as western Maharashtra, which have assured irrigation. Farmers of the state continue to face frequent distress conditions owing to the droughts and erratic monsoon.

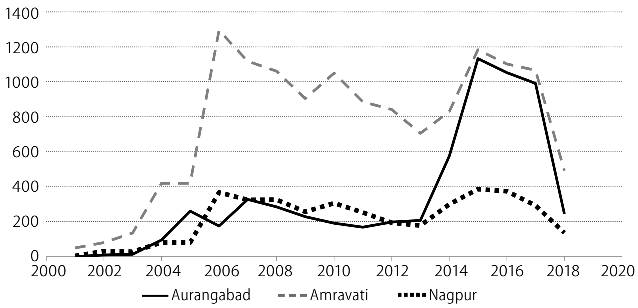
Very often, crops like Bt cotton are lost due to fake seeds and inadequate irrigation facilities. One learns about fake seeds only when the crop is fully grown but does not yield or blossom. By then, the entire cost is already incurred and the crop does not yield as expected or it is fully lost. Bt cotton was supposed to be bollworm-resistant, but now, it has become susceptible to it. The same was evident in 2016. This falters the farmers' expectations about yield and income flow and leaves them under financial stress (Deshpande 2002). Maharashtra accounts for about 80% of the area under cultivation of cotton (Mishra 2014). In 2016, thousands of fake Bt seed bags were sold in the market. The crop proved to be susceptible to bollworms. Almost every cotton ball was spoilt by bollworms. There were complaints from districts of Beed and Jalna in Marathwada and from western Vidarbha districts known for cotton cultivation. The state banned Mahyco seed company from selling its 12 varieties of Bt, but by then, due to the procurement of fake seeds from the market, farmers had lost their crops and incurred losses.

In 2017, when there was a bumper crop of chana in Marathwada, similar to the one for tur and soybeans in 2016, and the market prices for these crops nosedived, the procurement mechanism was not in place. By the time it was put in place, most of the produce was already sold to the traders at a price below the MSP. Owing to the absence of a handling mechanism at agricultural produce marketing committees (APMCs) like in Usmanabad in Marathwada, the farmers had to wait for days and weeks for their turn. This was the case of all other APMCs across Marathwada in 2017. Owing to such waiting time, farmers had to face corruption by crop traders and handlers. Crops like Bt cotton yield more under irrigated conditions, but its penetration in Maharashtra is mere 18%, which is half the

Figure 9: Annual Share and Trends of Maharashtra in All India Farmer Suicides (%), 2001–15

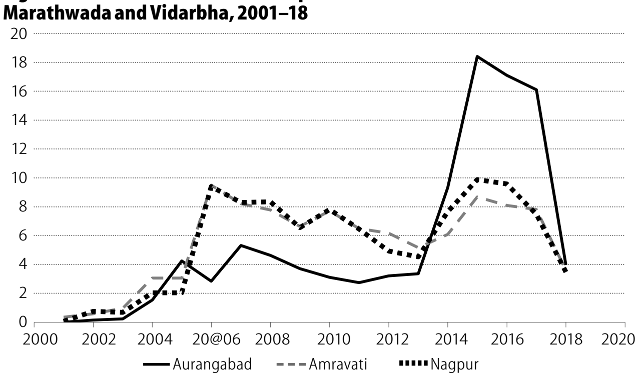
Source: Figures 1 and 3.

Figure 10: Division-wise Total Farmer Suicides from Vidarbha and Marathwada Region of Maharashtra, 2001–18



1: For Amravati, the Figures are up to July 2018, for Aurangabad up to March 2018, and for Nagpur up to June 2018.
2: The total of Illegible and Ineligible suicide cases comes to less than the total suicide cases because the enquiry of rest of the cases is pending.
Source: Divisional commissionerate records.

Figure 11: Division-wise Annual Proportion of Farmer Suicides in Marathwada and Vidarbha, 2001–18

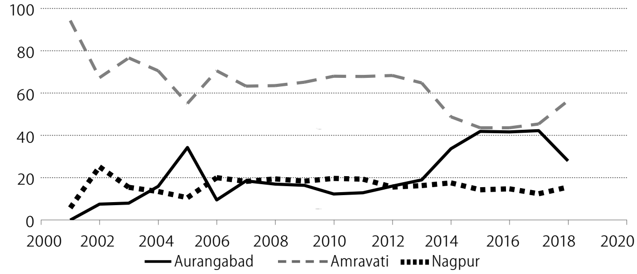


1: For Amravati, the figures are up to July 2018, for Aurangabad up to March 2018, and for Nagpur up to June 2018.
2: The total of Illegible and Ineligible suicide cases comes to less than the total suicide cases because the enquiry of rest of the cases is pending.
Source: Divisional commissionerate records.

national average. Most of the irrigation water is used by the predatory sugar cane-farming community from western Maharashtra.

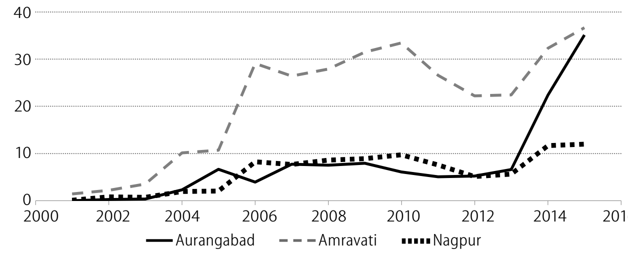
Despite the huge potential of Vidarbha, the gap between the potential and the attainment of irrigation is one of the widest. In short, unlike in Gujarat, the Bt cultivation in both cotton-predominant regions of the state cannot be profitable. The human development index figures for Marathwada and Vidarbha are one of the lowest in Maharashtra. The development backlog recorded by the Fact Finding Committee in 1984 (Dandekar 1984) persists in the present, as per the High Power Committee Report of 2013 (Kelkar 2013). The most striking fact is that the number of suicide cases from tribal districts of both these regions

Figure 12: Division-wise Annual Proportion of Farmer Suicides in the Annual Total Farmer Suicides of Three Divisions (%), 2001–15



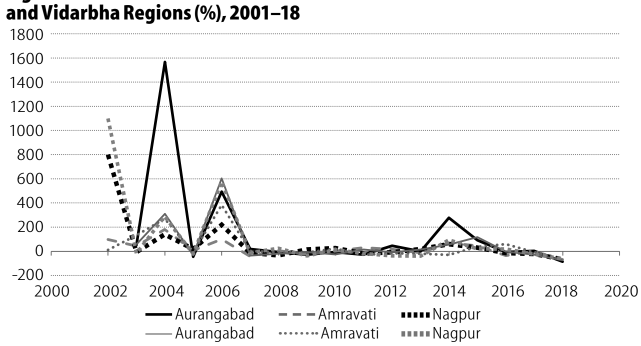
Source: Figure 11.

Figure 13: Division-wise Proportion of Farmer Suicides to Total Farmer Suicides of Maharashtra (%), 2001–15



Source: Figures 3 and 10.

Figure 14: Division-wise Annual Trends of Farmer Suicides in Marathwada and Vidarbha Regions (%), 2001–18



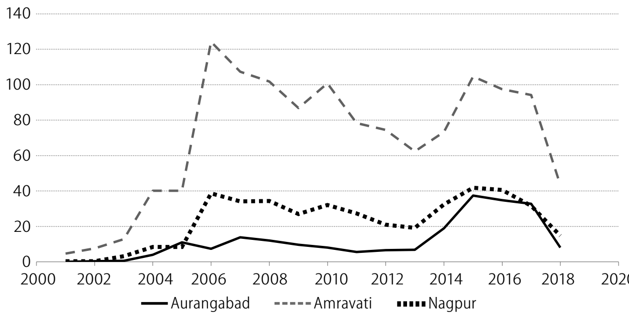
Source: Figure 10.

is almost negligible. The percentage share of Maharashtra in the major-five suicide states for the period 2001–15 remained in the range of 57%–73%, while at the all-India level, it remained in the range of minimum of 16.54% and the maximum of 27.53% (Figure 9). After Vidarbha, Marathwada region ranks second in farmer suicides, followed by western Maharashtra (Figures 10 and 11). Beed district in Marathwada, with most of its agriculture being in an arid zone, tops the rank in suicide cases in the region from January 2001 to July 2018.

Suicide Trends in Marathwada and Vidarbha

Between 2001 and 2018, a total of 6,154 farmers from Marathwada died by suicide, while the number for Vidarbha is 17,547. The total of farm suicides from Amravati division for the same period is 13,640 and for Nagpur division from eastern Vidarbha, it is 3,907 (Figures 10 and 11). This shows that 23,701 farmers from Marathwada and Vidarbha died by suicide (Figures 12, 13, 14 and 15). Besides this, the possibility of some suicide cases going unreported cannot be ruled out. Agriculturally, both these regions are water-starved. Therefore, often when the monsoon fails and there is drought, the death toll on account of suicide increases.

Figure 15: Division-wise Suicide Mortality Rates for Marathwada and Vidarbha, 2001–18



Source: Computations based on Figure 10 and the cultivators figures provided in the Census 2001 and 2011 (calculation method is given in the end notes of the paper).

During the drought of 2014, many rural families from Marathwada and Vidarbha migrated to Pune and Mumbai mainly for water and temporary employment. Back in the villages, they had sold almost all their cattle as there was no fodder and water for them. It was a prolonged period of crisis in the state agriculture. Moreover, the pink bollworm attack on cotton that destroyed huge tracts of crops across both regions. Almost every plant on the field was spoilt by bollworms. The erratic monsoon of 2014 and fake Bt seeds, followed by the glut and price decline in 2016 generated an unprecedented agrarian crisis across vast tracts of the state, including Marathwada and Vidarbha. In 2018, the fear of drought returned.

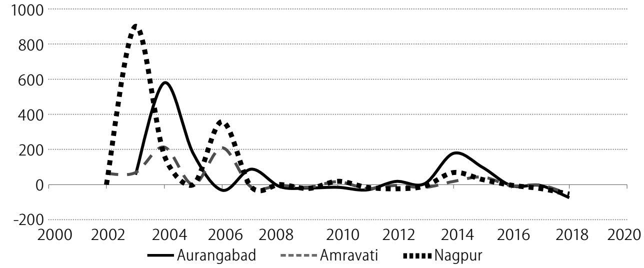
The availability of non-farm employment in both regions is a distant dream. Another part of the country with which the agrarian situation of these two regions is comparable is Bundelkhand in central India, where every drop of water is a luxury. The farm crisis of 2014–16 had two dimensions. One, the absence of drought mitigation mechanisms, and two, market failure, lack of timely state intervention, and the absence of an effective procurement system. The result was that the farmers had to sell at prices 10%–15% below the MSP. Agricultural development and rural livelihood are inextricably interlinked. In the absence of agricultural development, its negative impact on rural livelihood is a certainty.

District-specific Suicide Trends

According to the data collected, from 2001 to 2018, the districts of Marathwada that recorded the highest incidents of farmer suicides are Beed (1,681), Nanded (1,132), Usmanabad (824), Parbhani (670), Aurangabad (630), and Jalna (459). Based on the incidence of farmer suicides, there is a clear-cut distinction between western and eastern Vidarbha. Since the beginning of this problem, western Vidarbha districts have remained most vulnerable. During 2001–18, a total of 4,056 farmers from Yavatmal district alone ended their life through suicide. The districts of Vidarbha that recorded highest incidents of farmer suicides are Amravati (3,444), Buldhana (2,528), Akola (2,160), and Washim (1,452) (Figures 16, 17, 18, 19 and 20).

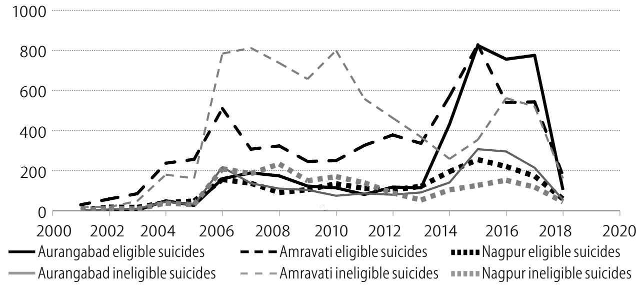
By now, it is a well-established fact that the predominance of cotton cultivation under unirrigated conditions has pushed these farmers into a low yield and debt trap. Wardha district of eastern Vidarbha recorded the highest number of 1,606 farmer

Figure 16: Division-wise Annual Trends of Suicide Mortality Rates for Marathwada and Vidarbha, 2001–18



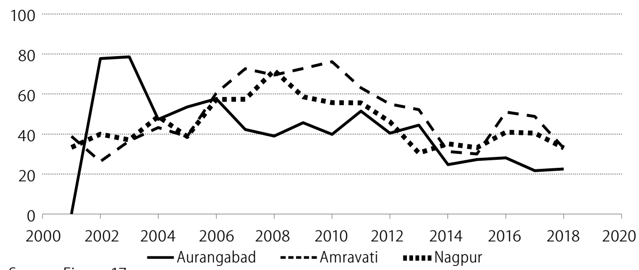
Source: Figure 10.

Figure 17: Division-wise Eligible and Ineligible Farmer Suicides in Marathwada and Vidarbha, 2001–18



For Amravati, the figures are up to July 2018, for Aurangabad up to March 2018, and for Nagpur up to June 2018.
The total of Illegible and Ineligible suicide cases comes to less than the total suicide cases because the enquiry of rest of the cases is pending.
Source: Divisional commissionerate records.

Figure 18: Division-wise Proportion of Ineligible Farmer Suicides in Total Farm Suicides of Marathwada and Vidarbha, 2001–18

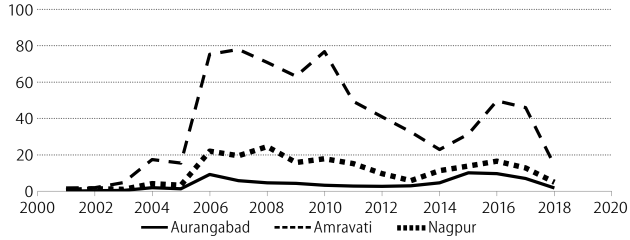


Source: Figure 17.

suicides, and Nagpur district recorded 722 farmer suicides. Obviously, the districts of western Vidarbha also lead the figures of ineligible farmer suicides. The case of Yavatmal district is in striking contrast with other districts of Vidarbha and Marathwada, which are also known for their cotton cultivation, where the suicide rates are not as high as in Yavatmal, but the numbers are not small either. Suicides in all these districts across Marathwada and Vidarbha have been taking place mainly due to the rural and agricultural credit problems (Parchure and Talule 2012). Like the other suicide-affected states in the country, the agriculture of both these regions has been passing through a difficult stage. Crop yields for major commercial crops like cotton, soybeans, tur and sorghum cultivated in a district like Yavatmal have stagnated at 02.10, 02.56, 02.41, and 2.07 quintals per acre respectively (Parchure and Talule 2012).

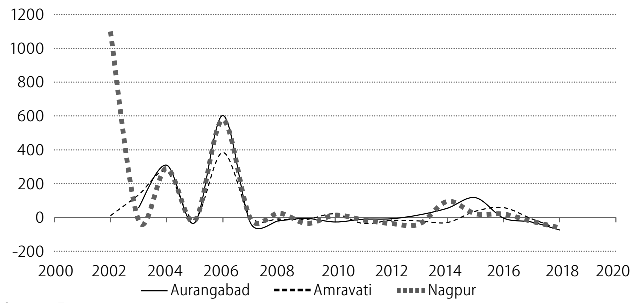
Interestingly, the source of credit mix for Yavatmal district comprised of moneylenders and traders, followed by the institutional sources, and the average rate of interest charged by private sources ranged between 36% and 120% (Parchure and

Figure 19: Divisions-wise Suicide Mortality Rates of Ineligible Farmer Suicides, 2001–18



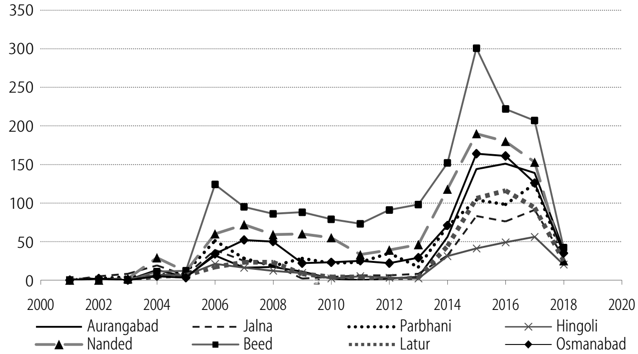
Source: Computations based on Figure 17 and the cultivators figures provided in Census 2001 and 2011 (calculation method is given in the end notes of the paper).

Figure 20: Division-wise Proportion of Ineligible Farmer Suicides in Total Farm Suicides of Marathwada and Vidarbha, 2001–18



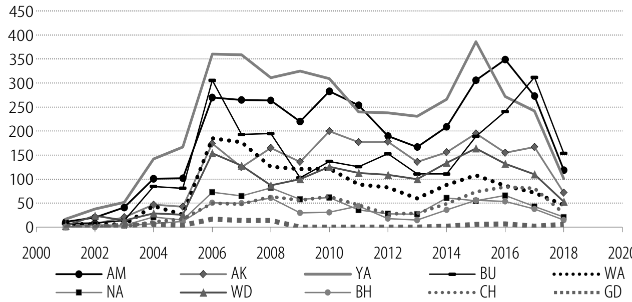
Source: Figure 19.

Figure 21: Division-wise Proportion of Ineligible Farmer Suicides in Total Farm Suicides of Marathwada and Vidarbha, 2001–18



Source: Aurangabad divisional commissionerate records.

Figure 22: District-wise Farmer Suicides in Vidarbha, 2001–18



AM=Amravati, AK=Akola, YA=Yavatmal, BU=Buldhana, WA=Washim, NA=Nagpur, WD=Wardha, GO=Gondia, CH=Chandrapur, GD=Gadchiroli.
Source: Divisional commissioner records of Amravati and Nagpur.

Talule 2012). This was paid mainly by the suicide-affected farm households. There are several reasons for the agrarian distress and the highest number of farmer suicides in Yavatmal district. The irrigation cover of the district is 5.12% in which 35.18% is contributed by state public investment, while the share of farm household level private investment irrigation is 64.82% (Parchure and Talule 2012). The case of Marathwada region of Maharashtra is also not different from Vidarbha (Figures 15 and 16). Districts of Beed, Nanded and Usmanabad from Marathwada are the most affected by farmer suicides. Most of the small and marginal farmers of the district migrate seasonally for sugar cane harvesting in western Maharashtra and the neighbouring state of Karnataka. The political economy of water in the state virtually starves Marathwada of drinking and irrigation water. Parts of this region come under the downstream riverine of Pravara, Godavari and Bhima rivers, of which most of the water is dam-stored in the upper riverine of western Maharashtra, and the release of water to Marathwada is opposed by the predatory sugar cane farming lobby of the upper riverine regions.

Barring a few exceptions, most of the districts both from Marathwada and Vidarbha face acute water shortage. Beed, Nanded and Usmanabad in Marathwada and Amravati, Akola, Yavatmal, Buldhana and Washim from western Vidarbha and Wardha from eastern Vidarbha are the most affected. Comparatively, the number of suicide cases is also more from these districts (Figures 21 and 22). Land, weather, irrigation and monsoon conditions of Beed are like Bundelkhand in central India. Rural connectivity is one of the weakest. The cropping pattern is dominated by cotton, which needs assured water supply. In Marathwada, we find the lowest number of suicide cases from Hingoli, the tribal district carved out from Nanded. An identical pattern is observed in Gadchiroli, Gondia and Bhandara—the tribal belt of eastern Vidarbha—where dependence on commercial cultivation is the least. Exact opposite is the picture of western Vidarbha districts of Amravati, Akola, Yavatmal, Buldhana, Washim, and Wardha from eastern Vidarbha. The entire region is known for cotton cultivation with the predominance of Bt varieties post its introduction in the late 1990s.

In Maharashtra, the suicide death toll declined visibly after the Agricultural Debt Waiver and Debt Relief Scheme of 2008 was introduced. However, by 2012, there was a spurt in the cases of farmer suicides (Parchure and Talule 2012). The district of Yavatmal witnessed the highest number of cases in Maharashtra and even at the all-India level. In Maharashtra, 2014 was a drought year when suicide cases across districts had increased. In 2015, farmers in these regions lost most of their crops on account of fake Bt seeds. This crisis was further aggravated by the glut in 2016. State farmers had by then experienced an unprecedented absence of meaningful and effective state intervention and procurement mechanism. Cotton has predominance in the cropping pattern of Beed, Nanded and Usmanabad in Marathwada and the western Vidarbha districts where irrigation is the weakest. In the cropping pattern of these districts, the Bt varieties have strong demonstration effect.

In Gujarat, where the Bt varieties are indigenously developed, the seeds are available at lower rates than in Maharashtra and are also cultivated under irrigated conditions, the yield is obviously higher which benefits the farmers there. Contrary to this, the farmers in Maharashtra are dependent on Bt seed varieties developed and publicised by the MNCs, which cost more than the indigenously developed varieties. Most often, cotton crops are lost on account of fake seeds, bollworms and water shortage. This makes the crisis more complex and the cultivation uneconomic.

Eligible versus Ineligible Suicides

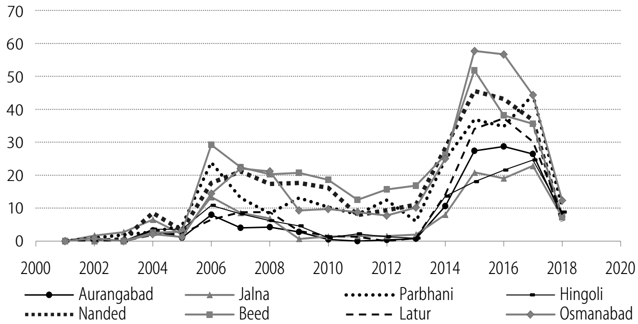
In India, the title to land is presumptive and not conclusive. The 7/12 land abstract is a crucial revenue department document maintained by the village-level revenue officer called patwari. The 7/12 abstract carries the landowner's name. For the administrative machinery, this document is indicative of the ownership of land by a person. Only a person who has an authentic 7/12 abstract of land in their name and, hence, is a legal landowner is treated as a farmer. For police and revenue administration, those who do not enjoy such legal and presumptive ownership titles of land are not treated as farmers. Thus, if a farmer who dies by suicide does not possess the 7/12 abstract in their name, then their death is not recorded as a farmer suicide. There are cultivators who cultivate on leased land or the land could be in the name of some elderly person in the family like the father or grandfather. This is a common practice in rural households. Having land in the name of a female is almost impossible, but the district suicide lists are not exclusive of females.

This leads to the complexity of categorising farmer suicides in Maharashtra as eligible and ineligible. It is purely an administrative aspect. The legal title of the profession of a deceased person needs to be established as to whether they were a farmer or not. For this purpose, the only document used is the 7/12 abstract. Therefore, only the family of a deceased person who had a valid 7/12 abstract in their name is deemed eligible for the *ex-gratia* compensation of ₹1 lakh. Due to the precondition of 7/12 abstract, the proportion of ineligible farmers suicides in Maharashtra is considerably high. In other states, the suicide compensation amount is also higher than in Maharashtra. For example, in Punjab, the *ex-gratia* compensation is ₹3 lakh (Gill 2017).

The SMR of ineligible farmer suicides in Amravati division remains one of the highest (687.53), followed by Nagpur (203.28) and Aurangabad division (74.84) (Figures 23 and 24). For the period between January 2001 and July 2018, on an average, 32.76%, 54.77% and 47.99% of the total suicides from Aurangabad, Amravati and Nagpur divisions respectively were declared as ineligible farmer suicides (Figures 25 and 26). Families of such farmers were deemed ineligible for the state compensation of ₹1 lakh. Already, in India, many suicides remain unreported and in the case of Maharashtra, the figure appears lower because of applying such administrative logic of categorising the suicides as farmer and non-farmer. It is mostly to show low number of farmer suicides in the state and to save the amount of *ex-gratia* payments given to the family of a deceased farmer.

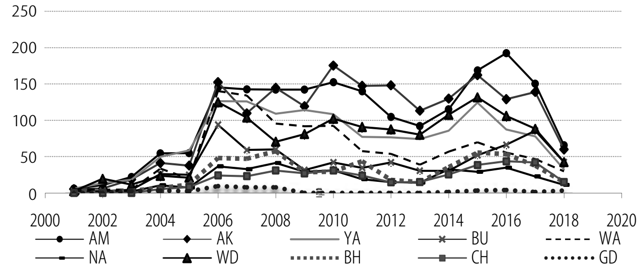
Terming a substantially large number of suicides as ineligible farmer suicides brings down the total number of farmer suicides in the state. This has two implications; one, that since the suicide is considered an ineligible farmer suicide, the family of the deceased farmer is stripped of the benefit of the *ex-gratia* amount of ₹1 lakh; and two, suicide being an illegal act, post suicide, the family has to face a police investigation. In several cases, even if the suicide is recorded as a genuine farmer suicide, the family has to pay some amount to process the case for the *ex-gratia* payment from the revenue department.

Figure 23: District-wise Farmer Suicide Mortality Rates in Marathwada, 2001–18



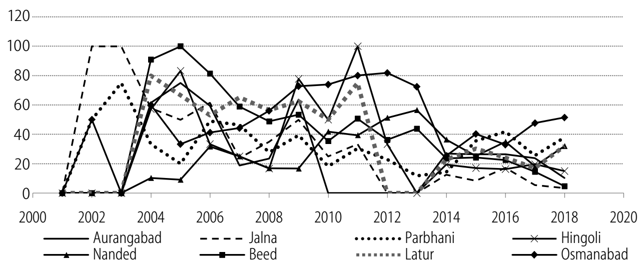
Source: Calculated from data in Figure 21 and cultivator figures from Census 2001 and 2011.

Figure 24: District-wise Farmer Suicide Mortality Rates in Vidarbha, 2001–18



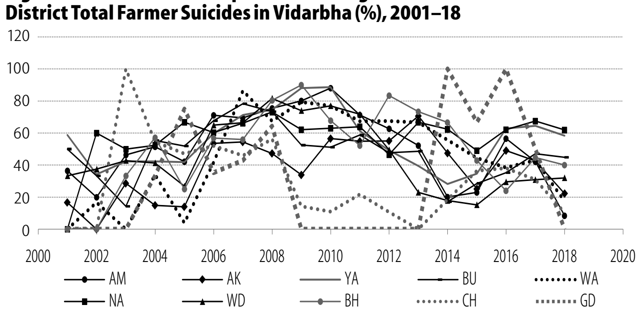
Full forms applicable as provided for Figure 22.
Source: Calculated from data in Figure 22 and cultivator figures from Census 2001 and 2011.

Figure 25: District-wise Proportion of Ineligible Farmer Suicides in the District Total Farmer Suicides in Marathwada (%), 2001–18



Source: Figures 17 and 21.

Figure 26: District-wise Proportion of Ineligible Farmer Suicides in the District Total Farmer Suicides in Vidarbha (%), 2001–18



AM=Amravati, AK=Akola, YA=Yavatmal, BU=Buldhana, WA=Washim, NA=Nagpur, WD=Wardha, GO=Gondia, CH=Chandrapur, GD=Gadchiroli.
Source: Figures 17 and 22.

The SMR for ineligible farmer suicides for the district of Usmanabad in Marathwada region is the highest (132.60), followed by Beed (119.37). Beed is one of the most drought-stricken districts of the state, while Usmanabad shares similar agrarian conditions. Between January 2001 and July 2018, the SMR for ineligible farmer suicides remained in the range of 1,058.62 and 849.72 in Amravati division of Vidarbha. For almost all western Vidarbha districts, the SMR for ineligible farmer suicides remained higher than any other part of the state. For eastern Vidarbha, the SMR for ineligible farmers suicides during the same period was in the range of 609.53 and 22.47. Incidences of ineligible farmer suicides in western Vidarbha are comparatively higher than in eastern Vidarbha region. During 2001–18, the highest SMR for ineligible farmer suicides in western Vidarbha was recorded in Amravati district which was 1,058.62, and in receding ranks, the districts were Akola (849.72), Yavatmal (801.74), Washim (591.43) and Buldhana (376.30).

Eastern Vidarbha is a region with higher tribal population, and the predominance of cultivation of commercial crops like cotton is almost nil. Obviously, the debt burden remains less and the toll of suicide is also, on the lower side. But, in eastern Vidarbha districts also, the incidence of ineligible farmer suicides is not non-cognisable. For the same period, the SMR for ineligible farm suicides in Wardha district of eastern Vidarbha remained in the range of 609.53 and 22.42. In other districts, the SMR for ineligible farmer suicides in eastern Vidarbha was as follows: Bhandara (285.02), Nagpur (238.29), Chandrapur (111.45) and Gondia (79.02) respectively.

For Marathwada, the SMR for ineligible farm suicides was 132.60 in Usmanabad and 119.37 in Beed district, and was followed by Nanded (88.04), Parbhani (52.52), Latur (52.00), Aurangabad (37.59), Hingoli (33.73) and Jalna (28.38) (Figures 25 and 26). Since land ownership is determined by the 7/12 abstract, the revenue department record determined that many of the cultivators did not possess the same because often the family land is not legally distributed in the name of all cultivator members. Hence, if a person, despite being a cultivator, has no legitimate ownership of land as recorded in the 7/12 abstract (in case of leased cultivation), then they are not termed as a farmer. Suicide by such a person is classified as an ineligible farmer suicide.

Not having land in the name of every cultivator or the family member is a common practice in the Indian countryside. In most of the families, land ownership is determined via patriliny. In a patriarchal set-up, most often, a female does not have land in her name because, due to marriage, she comes from another family. In the maternal family also, the land is often not recorded in the name of a daughter, because when she gets married, she has to leave the family. As the lists of farmer suicides are not exclusive of females and the possibility of having 7/12 abstract in the name of a deceased female is almost nil, most of the female farmer suicides are classified as ineligible farmer suicides.

Concluding Remarks

The concentration of suicides by farmers in certain parts of Maharashtra is a complex issue. Not only the farmers, but now the young generation in the state has resorted to suicides in the recent past, during their agitation to get their demands fulfilled by the government. The Durkheimian analysis of suicide is valid for such cases (Durkheim 2013). In the year immediately after the debt waiver scheme of 2008, the suicide rate in the state had declined, only to increase in 2010, and rose to one of the highest levels in 2012. In 2012, the district of Yavatmal in western Vidarbha was at the top of the list at the all-India level. Again, as a result of the drought in 2014, the suicide rates for farmers in Marathwada and Vidarbha increased and continued during the glut of tur, soybeans and chana in 2016.

A total of 2.35 lakh farmers have ended their lives through suicide. Fluctuating trends underline the negative relationship between the tragedy and monsoon. Western Vidarbha districts of Amravati division remained one of the most affected by farmer suicides, which are followed by Beed, Nanded and Usmanabad districts of Marathwada. From January 2001 to July 2018, a total of 23,701 farmers from 18 districts of Vidarbha and Marathwada died by suicide. About 83.74% of the state's total farmer suicides were in the two regions of Vidarbha and Marathwada. Division-wise SMR for Aurangabad, Amravati and Nagpur remained in the range of 0.38–37.43, 4.70–124.24, and 0.32–41.85 respectively (Figures 23 and 24).

A significant factor that adds to the complexity of suicides by farmers in Maharashtra is the categorisation of suicides as eligible and ineligible suicides, which deprives many families of the state compensation. To declare a legitimate cultivator who did not have the 7/12 abstract of the land record document in their name as a non-farmer and, hence, ineligible for state compensation, is brutal injustice. Suicide-prone areas of Maharashtra have relatively low irrigation support, and unlike Gujarat, the Bt cotton is cultivated under rain-fed conditions. Similarly, the Bt seeds in these areas are sold by MNCs for which the prices are higher than the indigenously developed varieties in the neighbouring state of Gujarat. The 33.87% of the state's drought-stricken population that lives in Vidarbha and Marathwada needs special attention.

Price distortions in the last 20 years on account of high subsidies by the United States and low import tariffs in India and the failure of procurement mechanisms in Maharashtra have made the conditions of the farmers even more pitiable (Mishra 2014). Poor state agricultural extension services and the predominance of non-institutional credit mechanisms in rural financial markets are evident of state withdrawal from the rural and agricultural scenario. To add to this, 2004, 2010, 2013 and 2018 were rain-deficient years. This was followed by the cotton bollworm attack and fake Bt seeds in 2015 and the market glut of tur, soybeans and chana in 2016, which nosedived the prices. Besides this, the burden of obligatory social and family expenditure continues. This requires a multipronged strategy to address such a larger agrarian crisis.

The state cannot withdraw from the rural and agricultural scenario. We have many examples of industrial credit rollover and the largest ever non-performing assets on account of industrial lending while no legal action is initiated. Adequate attention on yield, price, credit, as well as weather, health, life, crop and cattle insurance, besides improving water availability and rural electrification, will facilitate diversification. Sale at a price below the MSP is not a new phenomenon. Therefore, timely intervention of a procurement mechanism during the glut would be a face-saving attempt on the part of the government. Public health centres with adequate staff and medicines plus treating facilities need to be given immediate attention. This is a must for the treatment of poisoning cases. Even the rural family set-up now has become nuclearised. Therefore, the socio-psychological support by non-governmental organisations would be a step forward in arresting the suicide death toll among farmers.

Agrarian distress in Marathwada and Vidarbha regions of Maharashtra in the last 18 years (January 2001 to July 2018) has taken a toll on thousands of farming lives. Thus, the problem needs to be tackled by helping agriculturists in suicide-prone areas in a way that would build productive and marketing capabilities. A mechanism to ensure greater share for the farmer in every rupee paid by the end consumer would be a step in helping not only the farmers in trouble, but it would also be a step forward in achieving the dream of doubling farmer incomes.

NOTES

1 Suicide was decriminalised in 2017 (*NDTV* 2018) but the data for this article pertains to the time period before this. Moreover, the stigma around suicide is still prevalent.

2 SMRs across categories for districts, divisions and the state are computed as per the following formulae:

$$\text{SMR for Total Farmers Suicides (SMR)} \quad \frac{\text{Number of Farm Suicides}}{\text{Cultivator Population}} \times 1{,}00{,}000$$

$$\text{SMR for Eligible Farmers Suicides} \quad \frac{\text{Number of Eligible Farm Suicides}}{\text{Cultivator Population}} \times 1{,}00{,}000$$

$$\text{SMR for Ineligible Farmers Suicides} \quad \frac{\text{Number of Ineligible Farm Suicides}}{\text{Cultivator Population}} \times 1{,}00{,}000$$

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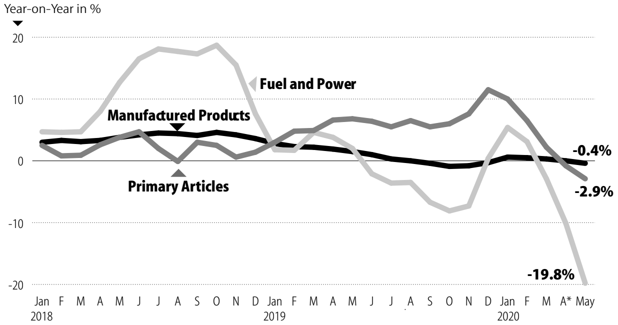
Wholesale Price Index

The WPI inflation rate declined to -3.2% in May 2020 from 2.8% registered a year ago and 0.4% a month ago. The index for primary articles decreased by (-)2.9% against 6.8% reported a year ago. The index for food articles was down by 1.3% compared to 7.3% recorded a year ago. The index for fuel and power declined by (-)19.8% against 2.0% registered a year ago. The index for manufactured products dropped by (-)0.4% against 1.4% reported a year ago.

Consumer Price Index

The consumer food price inflation rate increased to 9.3% in May 2020 from 1.8% registered a year ago. The rural food price inflation rose by 9.7% and urban food price inflation by 8.4% against -0.2% and 5.9%, respectively, recorded a year ago. Due to continued limited transactions of products in the market in the month of May 2020, price movements of most of the other sub-group of products were not compiled. As per Labour Bureau data, the CPI-inflation rate of agricultural labourers (CPI–AL) increased to 8.8% in April 2020 from 5.0% registered a year ago while that of industrial workers (CPI–IW) decreased to 5.4% from 8.3% reported a year ago.

Movement of WPI-Inflation Rate January 2018–May 2020



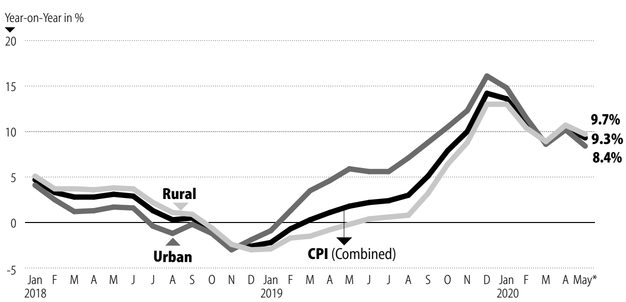
* Data is provisional; Base: 2011–12 = 100.

Trends in WPI and Its Components May 2020* (%)

	Weights	Over Month	Over Year	Financial Year (Averages) 2017–18	2018–19	2019–20
All commodities	100	-	-3.2	2.9	4.3	1.7
Primary articles	22.6	-1.4	-2.9	1.4	2.7	6.8
Food articles	15.3	-0.2	1.1	2.1	0.3	8.4
Fuel and power	13.2	-9.4	-19.8	8.2	11.5	-1.8
Manufactured products	64.2	-	-0.4	2.7	3.7	0.3

*Data is provisional; Base: 2011–12=100; Source: Ministry of Commerce and Industry.

Movement of CPI–Food Inflation Rate January 2018–May 2020



* May 2020 is provisional; Source: National Statistical Office (NSO); Base: 2012=100.

Movement of CPI–Food Inflation Rate May 2020* (%)

	Weights	Latest Month Index	Over Month	Over Year	Financial Year (Avgs) 2018–19	2019–20
Consumer Food	39.1	151.9	0.13	9.28	0.70	6.03
Rural	47.3	150.5	0.07	9.69	0.69	4.83
Urban	29.6	154.3	0.13	8.36	0.74	8.10
CPI: Occupation-wise#						
Industrial workers (2001=100)		329.0	0.9	5.4	5.4	7.5
Agricultural labourers (1986–87=100)		1014.0	0.7	8.8	2.1	8.0

* Provisional; #April 2020; Source: NSO (rural & urban); Labour Bureau (IW and AL).

Foreign Trade

The trade deficit narrowed down to \$3.2 bn in May 2020 from \$15.4 bn reported last year. Exports declined by (-)36.5% to \$19.1 bn and imports by (-)51.1% to \$22.0 bn from \$30.0 bn and \$45.4 bn, respectively, registered a year ago. Oil imports were lower by (-)72.0% to \$3.5 bn and non-oil imports by (-)43.1% to \$18.7 bn from \$12.4 bn and \$32.9 bn, respectively, reported last year. During April–May 2020, cumulative exports declined by (-)47.5% to \$29.4 bn and imports by (-)54.7% to \$39.3 bn from \$56.1 bn and \$86.8 bn, respectively, registered a year ago.

Index of Industrial Production

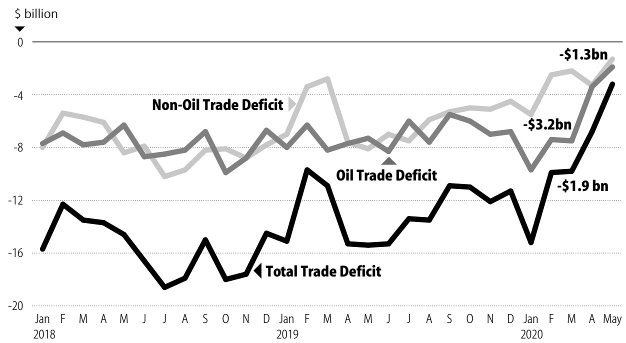
The IIP stood at 56.3 in April 2020 against 126.5 reported in April 2019. Due to the prevalence of the COVID-19 pandemic, majority of the industrial sector establishments were not operating from the end of March 2020 onwards and this had an impact on the items produced in the month of April 2020. The index of eight core industries declined by (-)38.1% in April 2020 against 5.2% registered a year ago. Growth in the production of coal, refinery products, crude oil and natural gas dropped to -15.5%, -24.2%, -6.4% and -19.9%, respectively, from their growth rates of 3.2%, 4.3%, -6.7% and -0.8%. Production of fertilisers, steel, cement and electricity generation declined by (-)4.5%, (-)83.9%, (-)86.0% and (-)22.8%, respectively, against their growth rates of (-)4.4%, 13.3%, 2.3% and 5.9%.

Merchandise Trade May 2020

	May 2020 (\$ bn)	Over Month (%)	Over Year (%)	April–May (2020–21 over 2019–20) (%)
Exports	19.1	83.9	-36.5	-47.5
Imports	22.2	29.7	-51.0	-54.7
Trade deficit	3.2	-53.4	-79.5	-67.7

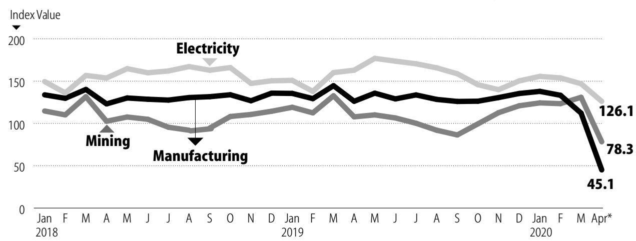
Data is provisional. Source: Ministry of Commerce and Industry.

Trade Deficits January 2018–May 2020



Oil refers to crude petroleum and petroleum products, while Non-Oil refers to all other commodities.

Movement of Index Values of Components of IIP January 2018–April 2020



* April 2020 are quick estimates; Base: 2011–12=100.

Growth in Eight Core Industries April 2020* (%)

	Weights	Over Month	Over Year	Financial Year (Avgs) 2018–19	2019–20
Infrastructure industries	40.27@	-39.3	-38.1	4.4	0.4
Coal	10.3	-50.6	-15.5	7.4	-0.4
Crude oil	9.0	-5.6	-6.4	-4.1	-5.9
Natural gas	6.9	-11.2	-19.9	0.8	-5.6
Petroleum refinery products	28.0	-30.3	-24.2	3.1	0.2
Fertilisers	2.6	-13.5	-4.5	0.3	2.7
Steel	17.9	-80.6	-83.9	5.1	3.4
Cement	5.4	-83.6	-86.0	13.3	-0.9
Electricity	19.9	-14.4	-22.8	5.2	1.0

Base: 2011–12=100; *Data is provisional; @The revised eight core industries have a combined weight of 40.27% in the IIP.
Source: NSO and Ministry of Commerce and Industry.

Comprehensive current economic statistics with regular weekly updates are available at: http://www.epwrf.in/currentstat.aspx.

India's Quarterly Estimates of Final Expenditures on GDP

₹ Crore | At 2011–12 Prices	2017–18 Q1	2017–18 Q2	2017–18 Q3	2017–18 Q4	2018–19 Q1	2018–19 Q2	2018–19 Q3	2018–19 Q4	2019–20 Q1	2019–20 Q2	2019–20 Q3	2019–20 Q4
Private final consumption expenditure	1769688 (9.3)	1750056 (5.5)	1911901 (5.3)	1948175 (7.7)	1889008 (6.7)	1903853 (8.8)	2046415 (7.0)	2068782 (6.2)	1992967 (5.5)	2025488 (6.4)	2182352 (6.6)	2125099 (2.7)
Government final consumption expenditure	362769 (21.6)	367882 (7.4)	319547 (10.5)	293024 (8.9)	393709 (8.5)	407780 (10.8)	341988 (7.0)	335089 (14.4)	418249 (6.2)	465643 (14.2)	387729 (13.4)	380747 (13.6)
Gross fixed capital formation	958859 (0.7)	967190 (5.9)	1014300 (8.8)	1120847 (13.7)	1082670 (12.9)	1077942 (11.5)	1130201 (11.4)	1170154 (4.4)	1132195 (4.6)	1035736 (-3.9)	1071838 (-5.2)	1094323 (-6.5)
Change in stocks	49996 (61.7)	54050 (75.8)	52497 (78.3)	59252 (79.6)	64131 (28.3)	66159 (22.4)	63999 (21.9)	70126 (18.4)	67328 (5.0)	66999 (1.3)	64718 (1.1)	70445 (0.5)
Valuables	62905 (80.1)	46317 (25.0)	39512 (11.2)	43928 (1.5)	41080 (-34.7)	44629 (-3.6)	39252 (-0.7)	44772 (1.9)	51347 (25.0)	51761 (16.0)	43368 (10.5)	46153 (3.1)
Net trade (Export–import)	-137041	-85422	-128661	-125231	-122238	-141491	-104580	-51926	-117242	-76355	-44444	-59686
Exports	627176 (3.9)	639543 (4.5)	646620 (4.4)	688438 (5.0)	686695 (9.5)	719352 (12.5)	748505 (15.8)	767991 (11.6)	708546 (3.2)	703282 (-2.2)	703023 (-6.1)	702809 (-8.5)
Less imports	764217 (21.8)	724965 (10.5)	775281 (14.1)	813669 (23.6)	808933 (5.9)	860843 (18.7)	853085 (10.0)	819917 (0.8)	825788 (2.1)	779637 (-9.4)	747467 (-12.4)	762495 (-7.0)
Discrepancies	69397	132000	105705	151725	10803	73679	-17242	52683	-9576	15062	-62812	146521
Gross domestic product (GDP)	3136572 (5.1)	3232072 (7.3)	3314801 (8.7)	3491719 (7.4)	3359162 (7.1)	3432553 (6.2)	3500033 (5.6)	3689678 (5.7)	3535267 (5.2)	3584335 (4.4)	3642748 (4.1)	3803601 (3.1)

India's Overall Balance of Payments (Net): Quarterly

Item	2018–19 ($ mn) Q1	Q2	Q3	Q4	2019–20 ($ mn) Q1	Q2	Q3	2018–19 (₹ bn) Q1	Q2	Q3	Q4	2019–20 (₹ bn) Q1	Q2	Q3
Current account	-15803	-19054	-17752	-4647	-14417	-6512	-1417	-1059 [-2.3]	-1337 [-2.9]	-1279 [-2.7]	-328 [-0.7]	-1003 [-2.0]	-459 [-0.9]	-101 [-0.2]
Merchandise	-45751	-50037	-49281	-35214	-46182	-38085	-34625	-3065	-3510	-3552	-2482	-3212	-2682	-2466
Invisibles	29947	30984	31529	30567	31765	31573	33208	2006	2174	2272	2154	2209	2224	2365
Services	18676	20256	21678	21331	20076	20444	21880	1251	1421	1562	1503	1396	1440	1558
of which: Software services	18605	19286	19895	19868	20998	21064	21455	1246	1353	1434	1400	1460	1484	1528
Transfers	17031	19331	17424	16160	17964	19952	18693	1141	1356	1256	1139	1249	1405	1331
of which: Private	17216	19511	17558	16317	18224	20188	18932	1153	1369	1265	1150	1267	1422	1349
Income	-5760	-8603	-7573	-6925	-6275	-8822	-7364	-386	-604	-546	-488	-436	-621	-525
Capital account	4787	16604	13770	19241	28208	12283	22355	321 [0.7]	1165 [2.5]	992 [12.1]	1356 [2.7]	1962 [4.0]	865 [1.7]	1592 [3.1]
of which: Foreign investment	1427	7612	5199	15856	19041	10389	17802	96	534	375	1117	1324	732	1268
Overall balance	-11338	-1868	-4296	14162	13984	5118	21601	-760 [-1.7]	-131 [-0.3]	-310 [-0.6]	998 [2.0]	973 [2.0]	360 [0.7]	1539 [3.0]

Figures in square brackets are percentage to GDP.

Foreign Exchange Reserves

Excluding gold but including revaluation effects	5 June 2020	7 June 2019	31 March 2020	Variation: Over Month	Over Year	Financial Year So Far 2019–20	2020–21	Financial Year 2015–16	2016–17	2017–18	2018–19	2019–20
₹ crore	3515198	465072	397250	3344616	16101	67823	10436	218620	25300	353270	68050	668976
$ mn	465072	62187	-8350	443645	9560	83458	121450	16297	10160	53217	-14168	56831

Monetary Aggregates

₹ Crore	Outstanding 2020	Variation: Over Month	Over Year	Financial Year So Far 2019–20	2020–21	Financial Year 2017–18	2018–19	2019–20
Money supply (M_3) as on 22 May	17231582	209789 (1.2)	1810505 (11.7)	-10989 (-0.1)	431652 (2.6)	1170657 (9.2)	1469479 (10.5)	1367864 (8.9)
Components								
Currency with public	2512850	88027 (3.6)	395484 (18.7)	65157 (3.2)	163135 (6.9)	495583 (39.2)	292496 (16.6)	297506 (14.5)
Demand deposits	1567065	-22805 (-1.4)	139313 (9.8)	-198760 (-12.2)	-170627 (-9.8)	86962 (6.2)	142800 (9.6)	111180 (6.8)
Time deposits	13110139	142609 (1.1)	1262632 (10.7)	125903 (1.1)	436123 (3.4)	585266 (5.8)	1026348 (9.6)	952412 (8.1)
Other deposits with RBI	41528	1958 (4.9)	13076 (46.0)	-3290 (-10.4)	3021 (7.8)	2817 (13.4)	7835 (32.8)	6765 (21.3)
Sources								
Net bank credit to government	5551562	135366 (2.5)	947156 (20.6)	215917 (4.9)	644979 (13.1)	144799 (3.8)	387090 (9.7)	518094 (11.8)
Bank credit to commercial sector	10874871	-44177 (-0.4)	645211 (6.3)	-153059 (-1.5)	-163774 (-1.5)	802225 (9.5)	1169004 (12.7)	655926 (6.3)
Net foreign exchange assets	3908662	38560 (1.0)	772112 (24.6)	65709 (2.1)	109760 (2.9)	364065 (14.2)	148546 (5.1)	728061 (23.7)
Banking sector's net non-monetary liabilities	3129827	-80040 (-2.5)	554378 (21.5)	139579 (5.7)	159313 (5.4)	140995 (6.8)	235395 (10.7)	534644 (21.9)
Reserve money as on 5 June	3165097	99676 (3.3)	369947 (13.2)	24669 (0.9)	135424 (4.5)	518300 (27.3)	351701 (14.5)	259192 (9.4)
Components								
Currency in circulation	2639322	69763 (2.7)	419725 (18.9)	82826 (3.9)	192043 (7.8)	494078 (37.0)	307423 (16.8)	310508 (14.5)
Bankers' deposits with RBI	478833	21243 (4.6)	-67074 (-12.3)	-56062 (-9.3)	-65055 (-12.0)	21405 (3.9)	36444 (6.4)	-58081 (-9.6)
Other deposits with RBI	46943	8670 (22.7)	17295 (58.3)	-2095 (-6.6)	8436 (21.9)	2817 (13.4)	7836 (32.8)	6764 (21.3)
Sources								
Net RBI credit to Government	1183545	-130127 (-9.9)	177549 (17.6)	204045 (25.4)	191353 (19.3)	-144836 (-23.3)	325987 (68.5)	190241 (23.7)
of which: Centre	1174782	-133350 (-10.2)	174145 (17.4)	200164 (25.0)	185041 (18.7)	-145304 (-23.5)	326187 (68.8)	189268 (23.6)
RBI credit to banks & commercial sector	-329644	162831 (-33.1)	-264063 (402.7)	-218432 (-142.9)	-128751 (64.1)	372643 (-120.5)	89478 (0.0)	-353744 (0.0)
Net foreign exchange assets of RBI	3770918	118508 (3.2)	844241 (28.8)	78089 (2.7)	180516 (5.0)	363571 (15.2)	87807 (3.2)	741814 (26.0)
Govt's currency liabilities to the public	26315	0 (0.0)	360 (1.4)	67 (0.3)	0 (0.0)	572 (2.3)	236 (0.9)	427 (1.6)
Net non-monetary liabilities of RBI	1486036	51536 (3.6)	388141 (35.4)	39100 (3.7)	107694 (7.8)	73650 (8.8)	151805 (16.7)	319547 (30.2)

Scheduled Commercial Banks' Indicators *(₹ Crore)*

(As on 22 May)	Outstanding 2020	Variation: Over Month	Over Year	Financial Year So Far 2019–20	2020–21	Financial Year 2017–18	2018–19	2019–20
Aggregate deposits	13830525	119840 (0.9)	1330967 (10.6)	-74214 (-0.6)	263033 (1.9)	668390 (6.2)	1147722 (10.0)	993720 (7.9)
Demand	1447222	-22007 (-1.5)	134133 (10.2)	-198198 (-13.1)	-169781 (-10.5)	88843 (6.9)	141004 (10.3)	105716 (7.0)
Time	12383303	141847 (1.2)	1196835 (10.7)	123984 (1.1)	432814 (3.6)	579547 (6.1)	1006717 (10.0)	888005 (8.0)
Cash in hand	87881	310 (0.4)	10459 (13.5)	2546 (3.4)	621 (0.7)	-1295 (-2.1)	14811 (24.7)	12384 (16.5)
Balance with RBI	433987	10256 (2.4)	-64208 (-12.9)	-67512 (-11.9)	-102199 (-19.1)	16906 (3.3)	40021 (7.6)	-29521 (-5.2)
Investments	4054375	84504 (2.1)	532475 (15.1)	140844 (4.2)	360805 (9.8)	287494 (9.5)	62602 (1.9)	312514 (9.2)
of which: Government securities	4052647	84069 (2.1)	532676 (15.1)	140969 (4.2)	367730 (10.0)	287657 (9.5)	61595 (1.9)	305915 (9.1)
Bank credit	10223150	-46108 (-0.4)	601605 (6.3)	-150177 (-1.5)	-147711 (-1.4)	783965 (10.0)	1146297 (13.3)	599139 (6.1)
of which: Non-food credit	10143734	-72881 (-0.7)	587911 (6.2)	-174289 (-1.8)	-175363 (-1.7)	795906 (10.2)	1146676 (13.4)	588985 (6.1)

Capital Markets

	12 June 2020	Month Ago	Year Ago	Financial Year So Far Trough	Financial Year So Far Peak	2019–20 Trough	2019–20 Peak	End of Financial Year 2017–18	2018–19	2019–20
S&P BSE SENSEX (Base: 1978–79=100)	33781 (-15.0)	31371	39757 (11.4)	27591	34371	25981	41953	32969 (12.1)	39714.20 (12.4)	29816 (-21.8)
S&P BSE-100 (Base: 1983–84=100)	10096 (-16.0)	9315	12013 (7.7)	8180	10273	7683	12456	10503 (11.5)	12044.07 (9.1)	8693 (-25.2)
S&P BSE-200 (1989–90=100)	4219 (-15.1)	3884	4969 (5.8)	3416	4286	3209	5185	4433 (12.0)	4986.55 (7.1)	3614 (-25.1)
CNX Nifty-50 (Base: 3 Nov 1995=1000)	9973 (-16.2)	9197	11906 (9.8)	8084	10167	7610	12362	10114 (11.1)	11922.80 (11.1)	8660 (-24.3)
CNX Nifty-500	8196 (-15.9)	7521	9750 (3.9)	6638	8324	6243	10119	8912 (12.6)	9805.05 (5.3)	7003 (-26.3)

Figures in brackets are percentage variations over the specified or over the comparable period of the previous year. | (-) = not relevant | - = not available | NS = new series | PE = provisional estimates

■ Comprehensive current economic statistics with regular weekly updates are available at: http://www.epwrf.in/currentstat.aspx.

Secondary Market Transactions in Government Securities, Forex Market and Money Market—May 2020

1 Settlement Volume of Government Securities Transactions

Settlement Period	Outright		Repo		Daily Average (Outright)		Daily Average (Repo)	
	Number of Trades	Volume (₹ Cr)	Number of Trades	Volume (₹ Cr)	Number of Trades	Volume (₹ Cr)	Number of Trades	Volume (₹ Cr)
May 2020	55883	1010178	20653	3130998	3105	56121	983	149095
May 2019	85941	1032918	22452	2416631	3906	46951	976	105071
2020–21^	93461	1789689	37571	5648433	2670	51134	939	141211
2019–20^	144376	1824498	38601	4102364	3609	45612	919	97675

2 Netting Factor

a Securities			b Funds		
Gross (₹ Cr)	Net (₹ Cr)	Netting Factor (%)	Gross (₹ Cr)	Net (₹ Cr)	Netting Factor (%)
4141176	1571590	62.05	4408402	573610	86.99
3449549	1295519	62.44	3511355	445338	87.32
7438122	2886982	61.19	7863044	1057311	86.55
5928357	2218897	62.57	6021903	822479	86.34

3 Instrument-wise Break-up of Securities Transactions (₹ Cr)

a Outright Trades			b Repo		
Central Govt Dated	Treasury Bills	State Govt	Central Govt Dated	Treasury Bills	State Govt
792970	175422	41786	1176940	93312	298204
876143	88022	68752	726830	247248	242116
1321706	396510	71474	2023354	272278	534942
1544181	161832	118485	1353945	349988	359505

4 Tenor-wise Settlement Volume of Central Government Dated Securities

Year	May 2020	2020–21^		2019–20^	
2020	6668	13487	(1.02)	49797	(3.26)
2021	24721	43094	(3.26)	18683	(1.22)
2022	42798	62210	(4.71)	40296	(2.64)
2023	33992	56837	(4.30)	78991	(5.18)
2024	94590	165715	(12.54)	139728	(9.16)
2025	10237	20591	(1.56)	11542	(0.76)
2026	54578	103727	(7.85)	34514	(2.26)
2027	23081	43849	(3.32)	19350	(1.27)
2028	20373	30851	(2.33)	563500	(36.93)
2029	317433	538783	(40.76)	472026	(30.93)
2030	33429	36605	(2.77)	8189	(0.54)
2031	9243	16434	(1.24)	11371	(0.75)
2032	4242	11491	(0.87)	32570	(2.13)
2033	85888	130420	(9.87)	14427	(0.95)
2034	2848	8242	(0.62)	4987	(0.33)
2035	3035	5237	(0.40)	7491	(0.49)
2036	1059	2192	(0.17)	487	(0.03)
2037	55	55	(0.00)	0	(0.00)
2038	55	55	(0.00)	0	(0.00)
2039	4680	5731	(0.43)	840	(0.06)
2040	525	638	(0.05)	1739	(0.11)
2041	216	228	(0.02)	3652	(0.24)
2042	2701	3211	(0.24)	2691	(0.18)
2043	3537	3624	(0.27)	342	(0.02)
2044	564	724	(0.05)	1081	(0.07)
2045	375	470	(0.04)	1831	(0.12)
2046	584	1110	(0.08)	2812	(0.18)
2047	55	55	(0.00)	0	(0.00)
2048	55	55	(0.00)	0	(0.00)
2049	250	427	(0.03)	1196	(0.08)
2050	5399	6677	(0.51)	0	(0.00)
2051	1462	1789	(0.14)	461	(0.03)
2052	55	55	(0.00)	0	(0.00)
2053	55	55	(0.00)	0	(0.00)
2054	55	55	(0.00)	0	(0.00)
2055	100	449	(0.03)	984	(0.06)
2056	55	55	(0.00)	0	(0.00)
2057	55	55	(0.00)	0	(0.00)
2058	55	55	(0.00)	0	(0.00)
2059	682	1142	(0.09)	396	(0.03)
2060	3130	5171	(0.39)	0	(0.00)
Total	792970	1321706	(100)	1525974	(100)

5 Deal Size Analysis (%)

Settlement Period	< 5 Cr		5 Deal Size Analysis (%)		> 5 Cr <=10 Cr		>10 Cr <=20 Cr		> 20 Cr	
	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value
May 2020	4.70	0.48	45.43	12.57	21.50	11.85	7.61	7.21	20.75	67.89
May 2019	3.58	0.45	56.92	23.68	20.15	16.74	6.64	9.42	12.70	49.72
2020–21^	4.37	0.42	45.64	11.92	21.46	11.17	7.60	6.83	20.91	69.66
2019–20^	3.13	0.36	56.69	22.43	19.97	15.77	6.77	9.12	13.44	52.31

6 Market Share of Top 'n' Securities (%)

Period	May 2020	May 2019	2020–21^	2019–20^
Top 5	59.16	82.17	59.57	80.64
Top 10	72.66	87.50	72.27	85.84
Top 15	79.06	90.41	78.49	88.87
Top 20	83.43	92.49	83.11	91.14

7 Intercategory Member Turnover Activity for All Category

Category	Buy					Sell				
	Outright	Reverse Repo (Funds Lending)	TREP Lending@	Uncollateralised Money Market Lending*	Forex	Outright	Repo	TREP Borrowing@	Uncollateralised Money Market Borrowing*	Forex
Cooperative Banks	3.73	0.21	0.60	68.73**	0.07	3.63	0.68	0.33	1.31**	0.09
Financial Institutions	0.59	0.02	1.77	-	0.04	0.21	0.07	4.20	-	0.00
Foreign Banks	19.60	16.42	0.53	1.81	50.08	24.60	34.50	11.62	0.73	50.98
Insurance Companies	1.55	4.30	23.19	-	-	0.98	0.00	0.00	-	-
Mutual Funds	15.13	75.72	66.99	-	-	6.24	0.00	0.96	-	-
Others	6.41	0.04	6.80	-	-	2.73	1.53	4.90	-	-
Primary Dealers	8.85	0.80	0.01	0.00	-	11.78	37.81	6.44	46.68	-
Private Sector Banks	27.76	2.31	0.11	15.82	27.15	30.17	23.29	47.51	29.78	26.85
Public Sector Banks	16.38	0.18	0.00	13.65	22.65	19.66	2.12	24.04	21.50	22.08
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

8 Market Share of Top Five Members (Category-wise) (%)

Categories	May 2020	May 2019	2020–21^
Cooperative Banks	50.64	48.69	51.11
Foreign Banks	67.28	68.51	69.29
Public Sector Banks	74.90	53.91	73.87
Private Sector Banks	79.78	85.61	79.22
Mutual Funds	54.50	55.10	54.81
Primary Dealers	87.73	93.30	89.11

9 Market Share of Top 'n' Members (%)

Period	May 2020	May 2019	2020–21^	2019–20^
Top 5	27.80	28.50	30.67	28.75
Top 10	42.37	44.84	45.13	45.17
Top 15	53.80	56.59	55.94	57.13
Top 20	62.12	65.88	63.98	65.86

10 Trading Platform Analysis of Outright Trades

Period	OTC				NDS-OM			
	Trades	% Share	Value (₹ Cr)	% Share	Trades	% Share	Value (₹ Cr)	% Share
May 2020	4545	8.06	249199	24.72	51872	91.94	758705	75.28
May 2019	6166	6.75	197927	18.00	85168	93.25	901617	82.00
2020–21^	7407	7.84	467372	26.45	87098	92.16	1299720	73.55
2019–20^	10427	6.96	409494	21.65	139445	93.04	1481793	78.35

11 Type-wise Settlement Volume of Government Securities Transactions (₹ Crore)

Period	Outright				Repo			
	Proprietary		Constituent		Proprietary		Constituent	
	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume
May 2020	42707	847336	13176	162842	9141	1228459	1207	339997
May 2019	73054	877116	12887	155802	10854	1124570	434	91625
2020–21^	71639	1476114	21822	313576	16514	2146261	2316	684314
2019–20^	122999	1542175	21377	282323	18652	1898840	763	164600

12 Trep Trading @

Settlement Period	Total		Daily Average	
	Trades	Value	Trades	Value
May 2020	17606	3644744	838	173559
May 2019	18683	2994282	812	130186
2020–21^	33445	6992522	836	174813
2019–20^	34189	5391841	814	128377

13 Top 5 Securities—Basket Repo

Security	Trades	Value	Rate
6.45% GS 2029	116	48951	3.09
6.17% GS 2021	150	41185	3.06
7.00% GS 2021	126	35194	3.00
7.32% GS 2024	105	33364	2.86
7.94% GS 2021	98	30414	2.86

14 Top 5 Securities—Special Repo

Security	Trades	Value	Rate
6.45% GS 2029	664	102729	1.93
7.32% GS 2024	234	58347	3.11
6.18% GS 2024	293	47359	2.33
8.83% GS 2023	77	26410	3.09
7.27% GS 2026	181	25255	2.76

15 Forex Settlement

Settlement Period	Cash			Tom			Spot			Forward			Total			Average			Netting Factor: Forex		
	Trades	Value		Trades	Value		Trades	Value		Trades	Value		Trades	Value		Trades	Value		Gross	Net	Netting
		(₹ Cr)	($Mn)		(₹ Cr)	($ Mn)		(₹ Cr)	($ Mn)		(₹ Cr)	($ Mn)		(₹ Cr)	($ Mn)		(₹ Cr)	($ Mn)	($ Mn)	($ Mn)	Factor (%)
May 2020	2219	489105	64652	2970	628889	83180	62841	1101849	145737	7242	714654	96552	75272	2934498	390121	4182	163028	21673	390121	23944	93.86
2020–21^	4475	978527	128933	5888	1212769	159779	111142	2020840	266420	16311	1753249	237728	137816	5965385	792860	3938	170440	22653	792860	45897	94.21

16 Category-wise Forex Activity—Deal Type

Category	Cash	Tom	Spot	Forward
Foreign Banks	41.24	49.07	53.70	53.23
Public Sector Banks	28.02	22.80	20.20	21.47
Private Sector Banks	30.63	28.10	26.01	25.11
Cooperative Banks	0.05	0.03	0.09	0.14
Financial Institutions	0.06	0.00	0.00	0.05

17 Forex Deal Size Analysis (%)

Settlement Period	< 1 mn		1 mn		> 1 mn <= 5 mn		> 5 mn <= 10 mn		> 10 mn <= 20 mn		> 20 mn	
	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value
May 2020	17.57	1.22	51.96	10.03	16.32	10.25	5.04	9.35	2.66	8.90	6.45	60.25
2020–21^	17.06	1.04	49.19	8.55	17.11	9.84	5.91	9.89	3.17	9.50	7.56	61.17

18 Market Share—Forex (%)

Period	May 2020	May 2019	2020–21^	2019–20^
Top 5	33.97	30.55	35.53	32.26
Top 10	57.76	50.07	59.27	52.30
Top 15	75.76	65.75	76.43	67.81
Top 20	85.29	77.64	86.02	78.96

19 Tenor-wise Forward Trade Analysis (%)

Settlement Period	< 30 Days		> 30 Days & <= 90 Days		> 90 Days & <= 180 Days		> 180 Days & <= 365 Days		> 1 Year	
	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value	% to Total Trades	% to Total Value
May 2020	8.93	21.73	15.87	21.04	13.62	12.89	58.70	41.28	2.89	3.05
May 2019	23.06	36.33	29.12	33.71	13.20	8.71	29.01	17.73	5.61	3.52
2020–21^	10.14	20.32	22.15	27.72	18.71	19.63	46.35	30.30	2.65	2.02

20 Forex Trading Platform: FX Clear (Amount in $)

Period	Spot		Daily Average	
	Trades	Value	Trades	Value
May 2020	6014	3430	334	191
May 2019	45274	29775	2058	1353
2020–21^	10431	6120	298	175
2019–20^	75967	48235	1899	1206

^ data pertains to April–May; * Call and Term Money Segment; ** Includes Small Finance and Payment Banks; @ 5 November 2018 onwards; (i) Figures in brackets are percentage to total; (ii) Tables 1 to 11 relate to Government Securities Market; (iii) Tables 12 to 14 relate to Money Market; and (iv) Tables 15 to 20 relate to Forex Market. Source: Clearing Corporation of India Limited (CCIL).

Secondary Market Transactions in Government Securities and the Forex Market—Weeks Ending 5 and 12 June 2020

1 Settlement Volume of Government Securities (G-Sec) Transactions (Amount in ₹ Crore)

Week Ended	12 June 2020		5 June 2020		14 June 2019		2020–21*		2019–20**	
	Number of Trades	Volume	Number of Trades	Volume	Number of Trades	Volume	Number of Trades	Volume	Number of Trades	Volume
Outright	13089	203091	11757	192755	23532	315105	118307	2185536	194444	2490981
Repo	2997	486656	2999	497517	2648	337342	24826	3814747	24236	2653803
TREP	4601	950601	4259	843022	4440	748376	42203	8781196	42185	6739725
Total	20687	1640348	19015	1533294	30620	1400824	185336	14781479	260865	11884509
Daily Avg Outright	2618	40618	2351	38551	4706	63021	2629	48567	3968	50836
Daily Avg Repo	500	81109	500	82919	530	67468	487	74799	466	51035
Daily Avg TREP	767	158433	710	140504	888	149675	828	172180	811	129610

2 Instrument-wise Outright and Repo Details (Amount in ₹ Crore)

	Outright	Repo	Outright	Repo	Outright	Repo
Central Government	152071	296625	159129	302332	137110	201519
State Government	10531	87455	7309	86479	6646	34705
Treasury Bills	40489	102576	26317	108706	20725	34660
Total	203091	486656	192755	497517	164481	270883

3 Top 5 Traded Central Govt Dated Securities (12 June 2020)

Security Description	Trades	Value (₹ Crore)	% Value to Total
6.45% GS 2029	4146	46684	30.70
5.79% GS 2030	2051	24234	15.94
7.57% GS 2033	670	8543	5.62
7.27% GS 2026	681	8274	5.44
7.59% GS 2026	339	7855	5.17

4 Category-wise Buying/Selling Activity (Market Share %) (12 June 2020)

	Outright		Reverse Repo	Repo	TREP Lending	TREP Borrowing	NDS-Call Lending	NDS-Call Borrowing	Forex	
Category	Buy Side	Sell Side	Buy Side	Sell Side	Buy Side	Sell Side	Buy Side	Sell Side	Buy Side	Sell Side
Cooperative Banks	5.13	4.69	0.18	0.12	0.30	0.40	54.22	1.81	0.11	0.11
Financial Institutions	3.97	0.80	0.00	0.00	5.28	7.22	-	-	0.19	0.16
Foreign Banks	17.37	19.24	17.43	35.45	0.24	5.16	2.53	0.27	45.55	47.30
Insurance Companies	3.32	1.71	3.16	0.00	18.13	0.00	-	-	-	-
Mutual Funds	19.18	7.80	75.22	0.03	67.63	0.16	-	-	-	-
Others	4.92	2.91	0.00	1.77	8.41	4.91	-	-	-	-
Primary Dealers	8.05	17.29	1.33	41.46	0.01	7.88	0.00	46.81	-	-
Private Sector Banks	27.37	29.13	2.68	17.58	0.00	45.90	30.32	16.86	32.83	31.88
Public Sector Banks	10.67	16.44	0.00	3.59	0.00	28.36	12.92	34.25	21.33	20.54

5 Trading Platform Analysis—Trading Value (Amount in ₹ Crore) (12 June 2020)

Week Ended	OTC			NDS-OM			Brokered Deals		
	Number of Trades	Volume	Market Share (%)	Number of Trades	Volume	Market Share (%)	Number of Trades	Volume	Market Share (%)
Central Government	748	25505	17.44	10245	120704	82.56	82	7905	5.41
State Government	367	4932	47.45	544	5461	52.55	31	1186	11.41
Treasury Bills	168	21371	52.47	450	19361	47.53	14	1700	4.17
Total	1283	51808	26.25	11239	145526	73.75	127	10791	5.47

6 Settlement Volume of Forex Segment

Segment	12 June 2020		5 June 2020		14 June 2019		2020–21*		2019–20**	
	Number of Deals	Volume ($ mn)	Number of Deals	Volume ($ mn)	Number of Deals	Volume ($ mn)	Number of Deals	Volume ($ mn)	Number of Deals	Volume ($ mn)
Cash	998	14142	1342	23260	1726	25808	11290	166335	16384	226170
Tom	1372	17664	1924	31258	2624	32941	15072	208701	26450	298111
Spot	45466	41364	50351	51412	67528	53981	318101	359195	750110	691401
Forward	378	3904	358	4052	758	7029	33358	245684	40266	316306
Total	48214	77073	53975	109982	72636	119759	377821	979916	833210	1531988
Average	9643	15415	10795	21996	14527	23952	8039	20849	17359	31916

7 Tenor-wise Forward Trades

Tenor	12 June 2020			5 June 2020			14 June 2019		
	Number of Deals	Value ($ mn)	% to Total Value	Number of Deals	Value ($ mn)	% to Total Value	Number of Deals	Value ($ mn)	% to Total Value
< 30 days	37	1240	74	70	3016	74	139	3688	52
> 30 days & < = 90 days	61	1580	12	28	496	12	162	2806	40
> 90 days & < = 180 days	35	255	5	32	184	5	44	271	4
> 180 days & < =365 days	42	520	7	38	285	7	22	203	3
> 1 year	14	308	2	11	72	2	12	61	1
Total	189	3904	100	179	4052	100	379	7029	100

* Data pertain to 1 April 2020–12 June 2020. ** Data pertain to 1 April 2019–14 June 2019.
(i) Tables 1 to 5 relate to Securities Segment, and (ii) Tables 6 and 7 relate to Forex Segment.
Source: Clearing Corporation of India Limited (CCIL).

Published on Saturday, June 20, 2020

Regd No MCW-238/2018-20

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