



# DIGITALLY EMPOWERING THE NATION

21st Annual Report  
and Accounts 2014-2015

**ICICI Bank**  
*khayaal aapka*



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# ICICI SECURITIES PRIMARY DEALERSHIP LIMITED

## 22ND ANNUAL REPORT AND ACCOUNTS 2014-2015

**Directors**  
 N. S. Kannan, Chairman  
 Uday Chitale  
 Dilip Karnik  
 Ashvin Parekh  
 Shilpa Kumar  
 Vishakha Mulye  
 Subir Saha

B. Prasanna, *Managing Director & CEO*  
 Sundaram G. H., *Executive Director*

**Auditors**  
 S.R. Batliboi & Co. LLP  
*Chartered Accountants*  
 Prachiti D. Lalingkar  
*Company Secretary*

**Registered Office**  
 ICICI Centre  
 H. T. Parekh Marg,  
 Churchgate  
 Mumbai - 400 020

## directors' report

### to the members,

Your Directors have pleasure in presenting the Twenty Second Annual Report of ICICI Securities Primary Dealership Limited (the Company) along with the audited financial statement of accounts for the year ended March 31, 2015.

#### INDUSTRY OVERVIEW

India's economic growth continued to improve in fiscal 2015. As per the Central Statistical Organization's (CSO) advance estimate, the gross value added (GVA) was estimated to grow 7.5% year-on-year (YoY) in fiscal 2015 compared to 6.6% YoY in fiscal 2014 and 4.9% YoY in fiscal 2013. The CSO has rebased the GDP measurement to the year 2011-2012 and updated the methodology, databases used for estimation and classification of the sub-components. The resultant expansion in economy in the fiscal 2013 and fiscal 2014 was bigger than the earlier assessment. The Industrial sector and Services growth have contributed to improvement in GVA expansion in fiscal 2015 although Agriculture growth was weak.

Delayed onset of South west monsoon and sub-normal rainfall in fiscal 2015 drove agriculture sector growth to 1.1% YoY compared to 3.7% YoY in fiscal 2014. Industrial sector GVA was stronger at 6.5% YoY compared to 5.3% YoY in fiscal 2014 as manufacturing and electricity segments performed better. The services growth also improved led by construction and financing and real estate segments. Even as GVA growth in the economy improved, the inflationary pressures abated sharply. The Wholesale Price Index (WPI) inflation dipped to record lows and is in the negative territory. The WPI inflation averaged 2.1% YoY over fiscal 2015 compared to 6% YoY in fiscal 2014. Retail inflation decelerated strongly as well. The Consumer Price Index (CPI) inflation declined from 8.5% YoY at the start of the fiscal to 5.2% YoY in March 2015, and averaged 6% over the year. As the CPI series was rebased recently and the index is available since 2013 only, the historical comparison would be imprecise. Moderation in CPI inflation was observed across sub-segments including food, housing and services. Core CPI inflation as measured by non-food and fuel inflation declined from 8.2% YoY at the start of fiscal 2015 to 4.15% YoY at the end of the year. Partly, this deceleration still reflects the collapse in the global crude prices that feed into the 'Transportation' segment in services through lower petrol prices.

The swift and broad-based decline in inflationary pressures enabled the Reserve Bank of India (RBI) to adopt an easier monetary policy stance. RBI had set a glide path for bringing retail inflation lower to 8% YoY in January 2015 and to 6% YoY in January 2016. As the final target in the glide path has been significantly undershot one year ahead of time, some room opened up for monetary accommodation. RBI has lowered the benchmark repo rate twice by 25 basis points each to 7.5% in intervening policy actions in January and February 2015. Further, RBI stated that the monetary policy stance remains accommodative.

Indicators of macro-stability in the economy continued to improve in fiscal 2015, and assisted the shift in the monetary policy stance. On the external sector front, India's Current Account Deficit (CAD) narrowed to 1.7% of GDP in the first three quarters of fiscal 2015 compared to the 1.8% in fiscal 2014. Export growth improved modestly and import growth was marginal. The favorable effect of lower crude prices on the trade deficit was most significant in the last quarter of the fiscal 2015, and would feed into the full year CAD estimates. At the same time, the capital account inflows in the first three quarters of fiscal 2015 was already comfortably higher than in fiscal 2014 – at US\$ 61.90 billion versus US\$ 48.80 billion. Strong portfolio flows in the last quarter of fiscal 2015 provided a further boost to the capital account and the balance of payments surplus for fiscal 2015.

Fiscal consolidation continued in fiscal 2015. The fiscal deficit was 4.1% of GDP in fiscal 2015, in line with budget estimates and compares favorably with 4.5% realized in the earlier fiscal. The deficit compression was helped by lower outgo on the petroleum subsidies and excise duty hikes on petrol and diesel that though

neutralized some of the favorable impact on inflation. In the Budget for fiscal 2016, the roadmap for fiscal consolidation has been altered and the Government now targets to achieve the fiscal deficit of 3% of GDP in fiscal 2018 instead of fiscal 2017 earlier.

#### FINANCIAL HIGHLIGHTS

The financial performance for FY2015 is summarised in the following table:

	₹ in million	Fiscal 2014	Fiscal 2015
Gross income	9,035.6	13,088.2	
Profit before tax	2,020.6	3,345.4	
Provision for tax	702.3	1,171.7	
Profit after tax	1,318.3	2,173.7	

#### Appropriations

Profit after tax for the year ended March 31, 2015 was ₹ 2,173.7 million. The profit available for appropriation is ₹ 3,111.8 million, taking into account the balance of ₹ 938.1 million brought forward from the previous year.

In accordance with the guidelines prescribed by Reserve Bank of India and other applicable guidelines, primary dealers are permitted to have dividend payout ratio of more than 33.3% but less than 50% provided the capital to risk weighted assets ratio (CRAR) during all the four quarters of the previous year is at 20% or above. In view of the significant profits earned by the Company and the comfortable capital adequacy ratio, the Company had requested RBI to permit a higher dividend payout ratio. RBI has approved a dividend payout ratio of 60% for fiscal 2015. Accordingly, your Directors have recommended a final dividend of 4% for the year and have appropriated the disposable profit as follows:

	₹ in million	Fiscal 2014	Fiscal 2015
To General Reserve	131.8	-	
To Special Reserve	263.7	434.8	
To Capital Reserve	126.5	88.1	
Dividend for the year on equity shares			
- Interim Dividend @ 75.75% (Previous year: 11.5%)	179.8	1,184.3	
- Proposed Dividend @ 4% (Previous year: 26.0%)	406.5	62.5	
- Corporate Dividend tax	99.6	243.5	
Leaving balance to be carried forward to the next year	938.1	1,098.6	

#### OPERATIONAL REVIEW

##### Fixed Income

Government bonds rallied over the fiscal 2015, and particularly sharply since October 2014 when the global crude prices started softening. The benchmark 10 year bond has declined more than 100 basis points over the fiscal, as expectations of a shift in the monetary policy stance gained traction with inflation surprising on the downside.

Falling interest rates elsewhere led to strong foreign institutional investors (FII) demand for Government securities till their limits were full. The Company maintained its dominance in auction bidding and underwriting as well as in the secondary market. After a sluggish start in first half of fiscal 2015, trading activity picked up momentum in the second half of the fiscal to take advantage of falling interest rates. The year was also marked by low-risk spread trades which performed well with respect to capital utilization.

# directors' report

*Continued*

The Company successfully met all its regulatory obligations like Government securities auction, underwriting and success commitments in Treasury Bills (T-Bills) auctions. Primary market success in T-Bills was 44% of commitment in fiscal 2015 (as against regulatory requirement of 40%). Secondary market turnover in Government securities was 214 times the average stock in fiscal 2015.

Corporate bond markets were marked by extremely strong interest from FIIs through out the year. The Government securities limits were exhausted by September 2014, and consequently corporate bond market saw inflows of more than ₹ 900,000.0 million in fiscal 2015 leading to sharp compression of credit spreads in names that attracted FII investment. The spreads for the benchmark 10 years AAA PSU bond over 10 years Government securities reduced from 80 basis points to 45 basis points over the same period. Hence, the year saw corporate bond yields moving down not only because of underlying rate move but also spread compression. The Company also increased its outreach to the FII segment, generating significant amount of activity in both Government securities and corporate bonds.

The interest rate swaps witnessed structural downward movement in interest rates and longer end rates falling in the first half with fall in global yields along with structural improvement in Indian macros. The second half witnessed lower rates across the curve, as the market anticipated RBI rates cuts with CPI undershooting the RBI target along with crash in oil prices. The swap market continued to lead the bond market in discounting the rate cuts by RBI. The company continued to be an active player in the interbank swap market throughout the year and had a sterling first half of the fiscal (when Gilt yields had little momentum) by its activities in the derivatives market.

Private placement debt market volumes soared to ₹ 3,493.00 billion in fiscal 2015 after a disappointing fiscal 2014 (₹ 2,158.00 billion) with an 11% increase over fiscal 2013 (₹ 3,055.00 billion). The main reasons for the increased borrowing were the drop in bond rates due to rate cuts, much greater FII demand and unchanged high bank loan rates. The Company maintained its market share in the private placement market at around 36% (with volumes of ₹ 1,241.00 billion) in spite of continuing to prioritise fee earnings over placement volumes. The Company generated higher additional earnings through selective trading positions in liquid bonds to take advantage of falling rates as well as higher fee income from placing illiquid or lower rated bonds.

The Company's clients continued to be diversified across sectors including supra-nationals, banks, financial institutions, holding companies, public sector undertakings, NBFCs, HFCs, media, infrastructure and state level undertakings.

The Company was Lead Manager to International Finance Corporation's (IFC) issuance of ₹ 6.00 billion, the first Rupee borrowing by IFC and which priced almost 50 basis points below Indian Government Security rates. Other achievements for the Company were the first issue of bank infrastructure bonds (by ICICI Bank Limited), the first Infrastructure Debt Fund (IDF-NBFC) issuance under new RBI guidelines (by India Infradebt Limited) and the first Indian corporate bond to be placed almost at Indian Government Security rates (₹ 15.00 billion Government Guaranteed bonds by MTNL at just 6 basis points spread above the Government securities rate in November 2014).

The Company was also particularly active in placing subordinate debt for a number of NBFCs and Additional Tier 1 (Hybrid Capital) for many PSU banks (Canara Bank, Andhra Bank, Bank of Maharashtra, Oriental Bank of Commerce and Vijaya Bank). The Company was also the Sole Banker to bond issues from Shriram Transport Finance Company Limited, Tata Sons Limited, Motilal Oswal Financial Services Limited, HDB Financial Services Limited and Tata Motors Limited.

## Portfolio Management Services

During the year, the Company continued to act as one of the discretionary fund managers for managing the funds belonging to the Employees Provident Fund Organisation under the Ministry of Labour.

During the year, the Company was re-appointed as advisor to West Bengal State Electricity Distribution Company Limited (WBSEDCL) General Provident Fund, WBSEDCL Pension Fund, WBSEDCL Gratuity Fund, West Bengal State Electricity Board Employees Contributory Provident Fund, CESC Limited Provident Fund and West Bengal State Co-operative Bank.

Overall, gross Assets Under Management on a discretionary basis were at around ₹ 1,228.30 billion at March 31, 2015. The Company is proactively targeting new clients to increase its presence in this line of business.

## Risk Management

As a financial services company, risk management forms the core of our various business operations. The Corporate Risk Management Group (CRMG) is committed to framing effective and contemporary risk management policies, addressing market and credit risk. CRMG has developed comprehensive risk management policies,

which seek to minimise risks in the activities of the Company. The Group develops and maintains models to assess market risks that are constantly updated to capture the dynamic nature of the markets and, thus, participates in the evaluation and introduction of new products and business activities. The Group also advises the fixed income division by acting as an investment advisor on possible rating migration and thereby enables the Company to effectively protect its capital from possible defaults and rating revisions. CRMG closely monitors the financial profiles of counterparties (private and public sector companies, banks and financial institutions and others) through in-depth analysis, regular interactions with the companies and rating agencies to provide proactive recommendations to the fixed income division.

The Company has an internal Risk Management Committee comprising members of the Board of Directors of the Company. The Risk Management Committee is responsible for analysing and monitoring the risks associated with the different business activities of the Company and ensuring adherence to the risk and investment limits set by the Board of Directors.

On the basis of the robust risk management framework and regular monitoring of all major risk areas within the Company, the Board is satisfied that there are no factors that could adversely affect the existence of the Company.

## OUTLOOK

The outlook for bond markets in fiscal 2016 will be conditioned by the evolving inflation dynamics and the fiscal stance of the government. The monetary policy actions will be calibrated to deliver on the glide path of inflation as set by the Urjit Patel Committee i.e. 6% YoY by January 2016. The status of the monsoons including the spatial distribution, government stance on food prices, trends in global crude prices and sequential moves in core inflation would be closely eyed. But, the medium term inflation target for RBI is now 4% YoY and will become a progressively more important determinant of the RBI actions. The new monetary policy framework ratified by the Government holds RBI accountable to deliver CPI inflation in the symmetric 2% range around the 4% midpoint. The RBI will also be particularly watchful of the potential changes in the US Fed's monetary policy stance even as stable domestic macro-stability indicators should provide buffer. In addition to the uncertainty around policy rates, government bond supply and liquidity constraints could also play a major role in behaviour of the sovereign yield curve. The Company would remain watchful while capitalising opportunistically on favourable developments during the year.

## VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy. The policy comprehensively provides an opportunity for any employee/Director of the Company to raise any issues concerning breaches of law, statute or regulation by the Company, accounting policies and procedures adopted for any area or item or any act resulting in financial or reputation loss and misuse of office or suspected/actual fraud and criminal offences. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy has been periodically communicated to the employees and also posted on the Company's intranet. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of the Whistle Blower Policy/Vigil mechanism have been disclosed on the website of the Company.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

## AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee of the Company consist of three directors viz., Uday Chitale, B. Prasanna and Sundaram G. H.

The Company's primary focus areas for CSR activities are:

- Education
- Health Care
- Skill development and sustainable livelihoods
- Financial inclusion
- Support employee engagement in CSR activities

# directors' report



- Capacity building for corporate social responsibility
- Other areas

The Company partnered with ICICI Foundation for Inclusive Growth to support the cause of elementary education, primary health, sustainable livelihood and skill development to achieve the CSR objectives. The Company contributed to the Prime Minister's National Relief Fund to work on relief activities for the flood affected of Jammu & Kashmir.

The Corporate Social Responsibility Policy as approved by the Board is uploaded on the Company's website.

The Annual Report on CSR activities is annexed herewith as Annexure A.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure B.

## PUBLIC DEPOSITS

The Company has not accepted any deposit from the public during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186(4) of the Companies Act, 2013 requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to a non-banking financial company registered under Chapter III of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities.

## RELATED PARTY TRANSACTIONS

The Company undertakes various transactions with related parties in the ordinary course of business. The Company has a Board approved policy on Related Party Transactions and an arms' length policy which requires transactions with the group companies to be at arm's length. The transactions between the Company and its related parties, during fiscal 2015 were in the ordinary course of business and based on the principles of arm's length. The details of material related party transactions at an aggregate level for fiscal 2015 is annexed as Annexure C.

## ACHIEVEMENTS DURING THE YEAR

The Company was adjudged as the 'Best Domestic Bond House' in India at The Asset Triple A Asian awards 2014 conducted by international publication, The Asset for its contribution in primary debt placements and overall development of the domestic bond markets.

The Company was also adjudged one of the top 3 performers in Interest Rates Futures segment by BSE Limited.

Overall, this fiscal was the second best year in terms of profitability for the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Changes in the composition of the Board of Directors and other Key Managerial Personnel

As per Section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, one third of the Board of Directors of listed company is required to be independent. As the debentures of the Company are listed on the WDM segment of BSE Limited, the Company was required to comply with these provisions within one year of the Section being notified. Accordingly, during the year, the Board of Directors and the shareholders approved the appointment of Dilip Karnik and Ashvin Parekh as Independent Directors on the Board of Directors of the Company.

The Ministry of Corporate Affairs had, vide its circular no. 14/2014 dated June 9, 2014 ('MCA Circular') clarified that the appointment of the existing Independent Directors shall be made expressly under Section 149 (10)/(11) of the Act read with Schedule IV of the Act within one year from April 1, 2014 subject to compliance with eligibility and other prescribed conditions. Accordingly, the Members at the General Meeting held on March 30, 2015 approved the appointment of Uday Chitale as an Independent Director effective October 11, 2005 up to October 10, 2015.

There was no other appointment or cessation of appointment of key managerial personnel during the financial year.

### Independent Directors

As per the provisions of the Companies Act, 2013, independent directors are not liable to retire by rotation and the terms of appointment of independent directors will be governed by the provisions of Companies Act, 2013. All independent Directors

have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board Meeting of the Company held on April 23, 2015.

### Retirement by rotation

In terms of Section 152 of the Companies Act, 2013, B. Prasanna, Managing Director & CEO would retire by rotation at the forthcoming AGM and is eligible for re-appointment. B. Prasanna has offered himself for re-appointment.

## PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Company with the approval of its Nomination & Remuneration Committee has put in place an evaluation framework for evaluation of the Board, Directors and Chairperson. The Board also carries out an evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. The evaluation of the Committees is based on the assessment of the compliance with the terms of reference of the Committees.

The evaluations for the Directors and the Board were done through circulation of two questionnaires, one for the Directors and the other for the Board which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors was based on their participation, contribution and offering guidance to and understanding of the areas which are relevant to them in their capacity as members of the Board. The Nomination & Remuneration Committee has oversight over compensation. The Nomination & Remuneration Committee defines Key Performance Indicators (KPIs) for Whole Time Directors 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 Nomination & Remuneration Committee assesses organisational performance as well as the individual performance for Whole Time Directors. Based on its assessment, it makes recommendations through the Independent Directors to the Board regarding compensation for Whole Time Directors.

### Remuneration Policy

The Company has in place the remuneration framework for the non-executive directors and the compensation policy for the whole-time directors, key managerial personnel and other employees. The Company also has in place the criteria for determining qualifications, positive attributes and independence of a director.

### Meetings

The Board of Directors of the Company meet at regular intervals to discuss and decide on business policy and strategy apart from other board business. The Board met five times in the fiscal 2015 viz., on April 15, 2014, July 18, 2014, October 13, 2014, January 12, 2015 and March 12, 2015.

Sr. No.	Name of the Director	Board meetings attended during the year
<b>Independent Directors</b>		
1	Uday Chitale (DIN: 00043268)	5/5
2	Dilip Karnik (DIN: 06419513)	3/3*
3	Ashvin Parekh (DIN: 06559989)	—*
<b>Non-Executive Directors</b>		
4	N. S. Kannan (DIN: 00066009)	5/5
5	Vishakha Mulye (DIN: 00203578)	2/5
6	Shilpa Kumar (DIN: 02404667)	4/5
7	Subir Saha (DIN: 00227049)	5/5
<b>Wholetime Directors</b>		
8	Prasanna B. (DIN: 02257744)	5/5
9	Sundaram G. H. (DIN: 02516202)	5/5

\* Appointed with effect from August 26, 2014.

\*Appointed with effect from March 30, 2015.

## COMMITTEES OF BOARD

### (i) Audit Committee

During the year, Dilip Karnik was inducted as a member of the Audit Committee while Vishakha Mulye ceased to be a member. The Audit Committee comprises of Uday Chitale, Dilip Karnik and N. S. Kannan as its members. Uday Chitale, an

# directors' report

*Continued*

independent Director, is Chairman of the Audit Committee. The Committee meets, inter alia, to review the accounts of the Company and to discuss the audit findings and recommendations of the internal and statutory auditors.

The Audit Committee met four times in the fiscal 2015 viz., on April 15, 2014, July 18, 2014, October 13, 2014 and January 12, 2015.

Attendance record of the Members:

Name of Member	Meetings attended during the year
Uday Chitale	4/4
Dilip Karnik	2/2*
N. S. Kannan	4/4
Vishakha Mulye	0/2*

\* Appointed with effect from August 26, 2014.

\* Ceased to be a member of the Audit Committee with effect from July 18, 2014.

#### (ii) Nomination and Remuneration Committee

During the year, the Governance Committee was renamed as the Nomination and Remuneration Committee. Dilip Karnik was inducted as a member of the Nomination and Remuneration Committee. The Committee comprises of Uday Chitale, Dilip Karnik and N. S. Kannan as its members. Uday Chitale, an independent Director, is Chairman of the Committee.

The Committee met three times in fiscal 2015 on April 11, 2014, July 18, 2014 and March 12, 2015.

Attendance record of the Members:

Name of Member	Meetings attended during the year
Uday Chitale	3/3
Dilip Karnik	1/1*
N. S. Kannan	3/3

\* Appointed with effect from August 26, 2014.

#### (iii) Corporate Social Responsibility Committee (constituted on April 15, 2014)

The Corporate Social Responsibility Committee comprises of Uday Chitale, B. Prasanna and Sundaram G. H. as its members. Uday Chitale, an independent Director, is Chairman of the Committee.

The Committee met twice in fiscal 2015 on October 10, 2014 and January 9, 2015.

Attendance record of the Members:

Name of Member	Meetings attended during the year
Uday Chitale	2/2
B. Prasanna	1/2
Sundaram G. H.	2/2

#### GENERAL MEETINGS

The particulars of all general meetings held during the last three years are as follows:

Particulars	Date
19th Annual General Meeting	June 21, 2012
Extra Ordinary General Meeting	April 23, 2013
20th Annual General Meeting	August 8, 2013
21st Annual General Meeting	June 27, 2014
Extra Ordinary General Meeting	August 26, 2014
Extra Ordinary General Meeting	March 30, 2015

#### AUDITORS

##### Statutory Auditors

At the AGM held on June 27, 2014 the Members approved the appointment of S. R. Batliboi & Co. LLP, Chartered Accountants as statutory auditors for a period of three years commencing from the twenty first AGM till the conclusion of the twenty fourth AGM subject to the ratification by the Members every year. As recommended by the Audit Committee, the Board has proposed the re-appointment of S. R. Batliboi & Co. LLP, Chartered Accountants as statutory auditors for fiscal 2016. The appointment is accordingly proposed in the Notice of the current AGM vide item no. 4 for ratification by Members. You are requested to consider their appointment.

##### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed Jaiprakash R. Singh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY2015. The Secretarial Audit Report is annexed herewith as Annexure D. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

##### FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

During fiscal 2015, expenditure in foreign currencies amounted to ₹ 8.00. million (previous year: ₹ 2.66 million) and earnings in foreign currencies amounted to ₹ Nil million (previous year: ₹ Nil million).

##### PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an annexure and forms part of this report. In terms of Section 136(1) of the Act, the Report and the Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

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

##### ADDITIONAL INFORMATION

The Managing/Wholetime Directors of the Company are granted stock options of the holding company i.e. ICICI Bank Limited (the Bank) which is issued pursuant to the Employees Stock Option Scheme of the Bank. The details of the stock options granted by the Bank for fiscal 2015 is as given below:

Name of Director	Number of Stock Options
B. Prasanna	2,45,000
Sundaram G. H.	70,000

In view of the nature of business activities of the Company, the information relating to conservation of energy and technology absorption, as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not required to be given. The Company has, however, used information technology extensively in its operations.

##### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the Balance Sheet relates and the date of this Report.

##### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

##### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

# directors' report



## CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and good reputation of the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices as regards corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, integrity of all personnel involved in the Company, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

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

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ACKNOWLEDGEMENTS

The Directors thank the clients for the confidence reposed, which has enabled the Company to successfully deliver well structured solutions through timely execution in a preferred way.

The Directors thank the Government of India, Reserve Bank of India, Securities and Exchange Board of India and other statutory authorities for their continued support to the Company. The Directors also thank the Company's bankers and lenders.

The Directors express their gratitude for the support and guidance received from ICICI Bank Limited, the holding company and other group companies.

The Directors also express their sincere appreciation to all the employees for commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

N. S. KANNAN  
Chairman

Mumbai, May 23, 2015

## annexure a

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

CSR has been a long-standing commitment at ICICI Securities Primary Dealership Limited (the Company) and the ICICI Group and forms an integral part of our activities. The ICICI Group's contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Group and the broader community. ICICI Bank established the ICICI Foundation for Inclusive Growth (ICICI Foundation) in 2008 with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organisations.

The CSR Policy of the Company sets the framework guiding the Company's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The Company's CSR activities are largely focused in the areas of education, health, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives.

The CSR policy was approved by the CSR Committee in October 2014, and subsequently was put up on the Company's website. Web-link to the Company's CSR policy:

<http://www.icicisecuritiespd.com/pdfs/CSR%20Framework%20for%20website.pdf>

#### 2. The Composition of the CSR Committee:

The Company's CSR Committee comprises one independent Director, the Managing Director & CEO and the Executive Director, and is chaired by the Independent Director. The composition of the Committee is set out below:

- Uday Chitale, Chairman
- B. Prasanna
- Sundaram G. H.

The functions of the Committee include: review of CSR initiatives undertaken by the Company; formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the Company and any amendments thereto; reviewing and recommending the annual CSR plan to the Board; monitoring the CSR activities, implementation of and compliance with the CSR Policy; and reviewing and implementing, if required, any other matter related to CSR initiatives as recommended/suggested by RBI or any other body.

#### 3. Average net profit of the company for last three financial years:

The average net profit of the company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 1,692.2 million

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

The prescribed CSR expenditure requirement for FY2015 is ₹ 33.9 million

#### 5. Details of CSR spent during the financial year.

##### a. Total amount to be spent for the financial year:

Total amount spent towards CSR during FY2015 was ₹ 33.9 million

##### b. Amount unspent, if any: Nil

# directors' report

*Continued*

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in million)	Amount spent on the programs Sub-heads: (I) Direct expenditure on projects or programs (2) overheads (₹ in million)	Cumulative expenditure up to the reporting period (₹ in million)	Amount spent: Direct or through implementing agency
1	Contribution to Prime Minister's National Relief Fund	Relief & welfare	Jammu & Kashmir	Not Available	Not Available	0.6	Prime Minister's National Relief Fund
2	Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods Elementary education & healthcare	<ul style="list-style-type: none"> <li>Ten fully operational skill development centres opened. Centres located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg.</li> <li>Elementary education projects in Rajasthan and Chhattisgarh</li> <li>Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra).</li> </ul>	33.3	33.3	33.3	Amount spent through ICICI Foundation for Inclusive Growth
						33.9	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

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

B. PRASANNA  
Managing Director & CEO

UDAY CHITALE  
Chairman CSR Committee

## annexure b

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- CIN:- U72900MH1993PLC131900
- Registration Date – February 22, 1993
- Name of the Company- ICICI Securities Primary Dealership Limited
- Category / Sub-Category of the Company – Public Unlisted Company
- Address of the Registered office and contact details - ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020. Tel (91 22) 2288 2460/70 Fax (91 22) 2288 2312/13
- Whether listed company Yes / No – Yes, The non-convertible debentures of the Company are listed on the WDM segment of BSE Limited.
- Name, Address and Contact details of Registrar and Transfer Agent, if any - 3i Infotech Limited Tower # 5, 3rd to 6th Floor, International Infotech Park, Vashi, Navi Mumbai 400 703.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Securities Trading & Underwriting	6599	97.3%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1.	ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Mumbai - 400 051	L65190GJ1994 PLC021012	Holding Company	100%	Section 2 (46)

# directors' report



## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF										
b) Central Govt										
c) State Govt(s)										
d) Bodies Corp.										
e) Banks / FI										
f) Any Other										
<b>Sub-total (A) (1):-</b>	15627	7	15634	100%	15627	7	15634	100%	—	
(2) Foreign										
a) NRIs -Individuals	—	—	—	—	—	—	—	—	—	
b) Other -Individuals										
c) Bodies Corp.										
d) Banks / FI										
e) Any Other										
<b>Sub-total (A) (2):-</b>	—	—	—	—	—	—	—	—	—	
<b>Total share-holding of Promoter (A) = (A)(1)+(A)(2)</b>	15627	7	15634	100%	15627	7	15634	100%	—	
<b>B. Public Shareholding</b>										
1. Institutions										
a) Mutual Funds	—	—	—	—	—	—	—	—	—	
b) Banks / FI										
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) FII's										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>Sub-total (B)(1):-</b>	—	—	—	—	—	—	—	—	—	
2. Non-Institutions										
a) Bodies Corp.	—	—	—	—	—	—	—	—	—	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh										
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh										
c) Others (specify)										
<b>Sub-total (B)(2):-</b>	—	—	—	—	—	—	—	—	—	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	—	—	—	—	—	—	—	—	—	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
	—	—	—	—	—	—	—	—	—	
<b>Grand Total (A+B+C)</b>	15627	7	15634	100%	15627	7	15634	100%	Nil	

# directors' report

*Continued*

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share-holding during the year
ICICI Bank Limited (along with its nominees)	15634	100%	—	15634	100%	—	—
<b>Total</b>	<b>15634</b>	<b>100%</b>	<b>Nil</b>	<b>15634</b>	<b>100%</b>	<b>Nil</b>	<b>Nil</b>

(iii) Change in Promoters' Shareholding – No change in the promoters' shareholdings in the Company'

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	15634	100	15634	100
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				Not applicable
3	At the End of the year ( or on the date of separation, if separated during the year)	15634	100	15634	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): -

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Top 10 Shareholders				
1	At the beginning of the year	—	—	—	—
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	—	—	—	—
3	At the End of the year ( or on the date of separation, if separated during the year)	—	—	—	—

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Directors and KMP				
1	At the beginning of the year				
	B. Prasanna*	1	0.006396	1	0.006396
	Sundaram G. H.*	1	0.006396	1	0.006396
	Subir Saha*	1	0.006396	1	0.006396
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
3	At the End of the year				
	B. Prasanna*	1	0.006396	1	0.006396
	Sundaram G. H.*	1	0.006396	1	0.006396
	Subir Saha*	1	0.006396	1	0.006396

\* as nominees of ICICI Bank Limited jointly with ICICI Bank Limited. The beneficial interest in these shares vests in ICICI Bank Limited.

# directors' report



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	64,659.8	22,003.5	-	86,663.3
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	160.7	330.9	-	491.6
<b>Total (i+ii+iii)</b>	<b>64,820.5</b>	<b>22,334.4</b>	-	<b>87,154.9</b>
<b>Change in Indebtedness during the financial year</b>			-	
• Addition	• 18,369,101.8	• 1,725,677.2		• 20,094,779.0
• Reduction	• 18,326,950.6	• 1,723,320.1		• 20,050,270.7
<b>Net Change</b>	<b>42,151.2</b>	<b>2,357.1</b>	-	<b>44,508.3</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	106,883.5	24,409.3	-	131,292.8
ii. Interest due but not paid	88.2	282.2	-	370.4
iii. Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>106,971.7</b>	<b>24,691.5</b>	-	<b>131,663.2</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in million)

Sl. no	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		B. Prasanna, Managing Director & CEO	Sundaram G. H., Executive Director	
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	34.7 0.1 —	25.6 — —	60.3 0.1 —
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit - others, specify...	—	—	—
5.	Others, please specify	—	—	—
	<b>Total (A)</b>	<b>34.8</b>	<b>25.6</b>	<b>60.4</b>
	Ceiling as per the Act			341.0

B. Remuneration to other directors

(₹ in million)

Sl. no	Particulars of Remuneration	Name of Directors			Total Amount
		Uday Chitale	Dilip Karnik	Ashvin Parekh*	
1.	Independent Directors • Fee for attending board /committee meetings • Commission • Others, please specify	0.8 — —	0.3 — —	— — —	1.1 — —
	<b>Total (1)</b>	<b>0.8</b>	<b>0.3</b>	<b>—</b>	<b>1.1</b>
2.	Other Non-Executive Directors • Fee for attending board /committee meetings • Commission • Others, please specify	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B)=(1+2)</b>	<b>0.8</b>	<b>0.3</b>	<b>—</b>	<b>1.1</b>
	<b>Total Managerial Remuneration</b>				<b>60.4</b>
	<b>Overall Ceiling as per the Act</b>				<b>341.0</b>

\* appointed with effect from March 30, 2015

# directors' report

*Continued*

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(₹ in million)

Sl. no.	Particulars of Remuneration	Company Secretary	CFO	Total
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.8 Negligible —	6.5 — —	9.3 Negligible —
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit -others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total	2.8	6.5	9.3

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	—	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	—	Not applicable	Not applicable	Not applicable	Not applicable
<b>B. DIRECTORS</b>					
Penalty	—	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	—	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	—	Not applicable	Not applicable	Not applicable	Not applicable
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	—	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	—	Not applicable	Not applicable	Not applicable	Not applicable

For and on behalf of the Board

N. S. KANNAN  
*Chairman*

# directors' report



## annexure c

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis  
-- NIL

The details of material related party transactions at an aggregate level for year ended March 31, 2015:

Sr no	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts/ transactions	₹ in million
1	Subscription to senior unsecured redeemable long term bonds	ICICI Bank Limited	Holding Company	10 years	Interest at applicable coupon rate	1,100.0
2	Short-term borrowing by the Company	ICICI Bank Limited	Holding Company	Various maturities	Interest at market rate	136,800.0
3	Purchase of government securities, bonds/ debentures of third parties	ICICI Bank Limited	Holding Company	—	At market price	600.7
		ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	—	At market price	519.1
4	Sale of government securities, bonds/debentures of third parties	ICICI Bank Limited	Holding Company	—	At market price	4,801.5
		ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	—	At market price	5,117.8
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	—	At market price	2,595.0
5	Notional Principle amounts of interest rate swaps	ICICI Bank Limited	Holding Company	Various maturities	At market rates	170,422.6

For and on behalf of the Board

N. S. KANNAN  
Chairman

## annexure d

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015.

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
ICICI Securities Primary Dealership Limited  
ICICI Centre, H.T. Parekh Marg  
Mumbai- 400 020.

Dear Sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICICI SECURITIES PRIMARY DEALERSHIP LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **ICICI SECURITIES PRIMARY DEALERSHIP LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ICICI SECURITIES PRIMARY DEALERSHIP LIMITED** ("the Company") for the financial year ended on 31st March 2015 according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. The Foreign Exchange Management Act, 1999 and FDI Regulations.
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') as amended till date to the extent applicable to the Company:-
    - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - b) The Securities and Exchange Board of India (Merchant Bankers) Regulations,1992;
    - c) The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
    - d) Bye Laws of Stock exchange;
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Debt Listing Agreement;
    - f) The Securities and Exchange Board of India (Stockbrokers and Sub brokers)Regulations, 1992;
    - g) The Securities and Exchange Board of India (Certification of Associated Persons in Securities Markets) Regulations, 2007;
    - h) Circulars issued by Association of Mutual Funds in India/ SEBI for Mutual Funds Distributors;
    - i) Prevention of Money Laundering Act 2002 and guidelines issued by SEBI/RBI/FIU;
    - j) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
  - VI. Other applicable laws.
    - a) The Payment of Gratuity Act, 1972;
    - b) The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
    - c) Equal Remuneration Act, 1976;

- d) The Bombay Shops and Establishments Act, 1948;
- e) Contract Labour (Regulation abolition) Act,1970;
- f) The Payment of Wages Act, 1936;
- g) The Maternity Benefit Act, 1961;
- h) The Payment of Bonus Act, 1965;
- i) The Employment Exchanges (Compulsory notification of Vacancies) Act,1959;
- j) Employees State Insurance Act, 1948;
- k) Non-Banking Finance Companies Regulations issued by the Reserve Bank of India (RBI);
- l) RBI's Operational Guidelines to Primary Dealers;
- m) Interest Rate Futures (Reserve Bank) Directions , 2013;
- n) The Central Excise Act,1944 and Rules thereunder;
- o) The Accounting Standards;
- p) The Negotiable Instruments Act, 1881 to the extent of Section 138;
- q) Sarbanes Oxley Act, 2002 (to the extent applicable);
- r) Professional Tax Act;
- s) The Indian Trust Act, 1882; and

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Debt Listing Agreements entered into by the Company with the BSE Limited.

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

I have relied on the representation made by the Company and its various heads for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
  - a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members;
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 21st Annual General Meeting held on 27th June 2014;
  - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
  - l) appointment and remuneration of Auditors ;
  - m) declaration and payment of dividends;

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

# directors' report



3. I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through and none of the members have expressed their dissent.

I further report that:

Based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

JAIPRAKASH SINGH  
Jaiprakash R Singh & Associates  
FCS No.:7391  
C P No.:4412

Place : Mumbai  
Date : April 15, 2015

## annexure e

### Disclosures required with respect to Companies Act, Section 197(12)

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

i. **The ratio of the remuneration of each director to the median remuneration of employees of the company for the financial year:**

MD & CEO	8.5:1
Executive Director	7.5:1

ii. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary ranges between 7.0% and 15.0%.

iii. **The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median remuneration of employees in the financial year is around 16.4%

iv. **The number of permanent employees on the rolls of company:**

The number of employees on the permanent payrolls of the Company at March 31, 2015 is 73.

v. **The explanation on the relationship between average increase in remuneration and Company performance:**

The Company follows prudent remuneration practices under the guidance of the Board and the Nomination & Remuneration Committee (NRC). The Company's approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance.

The Company has a judicious and prudent approach to compensation and does not use compensation as the sole lever to attract and retain employees. Employee compensation takes into account a mix of external market pay and internal equity. The total compensation is a prudent mix of fixed pay and variable pay.

The increase in remuneration is a function of factors outlined above. The performance of the Company has bearing on the quantum of variable pay declared for employees across levels.

The increase in Profit After Tax (PAT) between FY2015 and FY2014 is 64.9% whereas the average increase in the remuneration of employees is around 9.6%.

vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

For the FY2015, the KMPs were paid around 1.8% of the Profit After Tax.

vii. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase made in the salaries of total employees other than the KMPs for FY2015 is around 9.4% while the average increase in the remuneration of the KMPs is in the range of 7.0% and 15.0%. This increment is in line with the factors outlined in point (v) above.

viii. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;**

The ratio of the remuneration of each KMP to the PAT of the Company is given below:

MD & CEO	0.8%
Executive Director	0.7%
Chief Financial Officer	0.2%
Company Secretary	0.1%

ix. **The key parameters for any variable component of remuneration availed by the directors:**

The Company undertakes an annual strategic planning exercise where the Key Performance Indicators (KPIs) are fixed for the Whole Time Directors (WTDs) by the NRC. These KPIs, in addition to financial parameters, include parameters related to risk and compliance. At the end of financial year, the performance of the Company as well as performance of each WTD based on their respective KPIs (including those pertaining to compliance and risk) is presented to the NRC. Based on the performance assessment by the NRC, the variable component of the remunerations for the WTDs is recommended to and approved by the Board.

x. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not applicable

xi. **Affirmation that the remuneration is as per the remuneration policy of the company**

Yes

# independent auditors' report

## to the members of ICICI Securities Primary Dealership Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Securities Primary Dealership Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act , 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making Judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement ,whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included In the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### OPINION

In our opinion and to the best of our Information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company, as at March 31, 2015,its profit/loss, and Its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act ,we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co, LLP  
ICAI Firm registration number: 301003E  
Chartered Accountants

per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, 23 April 2015

# annexure to the independent auditors' report



## ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

### RE: ICICI SECURITIES PRIMARY DEALERSHIP LIMITED

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- ii. (a) The securities held as stock in trade and in custody of the Company have been physically verified by the management at reasonable intervals. Government securities and treasury bills held in Subsidiary General Ledger Account ('SGL') with the Reserve Bank of India ('RBI') or as margin with Clearing Corporation of India ('CCIL') are verified with the confirmation statements received from the RBI and CCIL on a regular basis. The securities (other than government securities and treasury bills) held as stock in trade in dematerialized form with the custodian is verified with the confirmation statement received from the custodian on a regular basis. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of securities held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statements (as mentioned in paragraph ii (a) above) from custodian with book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of securities held as stock in trade and fixed assets and for rendering services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas. As informed, the Company has not sold any goods during the year, hence adequacy of internal controls on same has not been commented upon.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, for the products and services of the Company.
- (vi) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

According to the records of the Company, the dues outstanding of income-tax and Service Tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance for provision for expenses	7.9	A.Y. 2008-2009	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance u/s 14A	3.2	A.Y. 2011-2012	Commissioner of Income Tax
Income Tax Act, 1961	Disallowance u/s 14A	0.5	A.Y. 2012-2013	Assessing Officer
Income Tax Act, 1961	Disallowance u/s 14A	0.9	A.Y. 2010-2011	Assessing Officer
Service Tax Act, 1994	Disallowance on input credit	6.3	October 2000 to June 2002	Commissioner of Central excise (Appeals)

- (c) According to the information and explanations given to us, There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. The Company did not have any term loans outstanding during the year.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co. LLP  
ICAI Firm registration number: 301003E  
Chartered Accountants

per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, 23 April 2015

# balance sheet

## **statement of profit and loss**

**as at March 31, 2015**

**for the year ended March 31, 2015**

			(₹ in million)				(₹ in million)
		As at Notes March 31, 2015	As at March 31, 2014		For the year ended Notes March 31, 2015	For the year ended March 31, 2014	
<b>I EQUITY AND LIABILITIES</b>							
<b>Shareholders' Funds</b>							
A. Share Capital	2	<b>1,563.4</b>	<b>1,563.4</b>				
B. Reserves and Surplus	3	<b>6,543.0</b>	<b>5,859.5</b>				
		<b>8,106.4</b>	<b>7,422.9</b>				
<b>Non-Current Liabilities</b>							
A. Long Term Borrowings	4	<b>2,850.0</b>	<b>3,650.0</b>				
B. Long Term Provisions	5	<b>59.3</b>	<b>90.5</b>				
		<b>2,909.3</b>	<b>3,740.5</b>				
<b>Current Liabilities</b>							
A. Short Term Borrowings	6	<b>127,642.8</b>	<b>82,213.3</b>				
B. Current Maturities of Long Term Borrowings	4	<b>800.0</b>	<b>800.0</b>				
C. Trade Payables	7	<b>2,881.0</b>	<b>7,560.1</b>				
D. Other Current Liabilities	8	<b>4,317.7</b>	<b>5,874.4</b>				
E. Short Term Provisions	9	<b>223.8</b>	<b>476.7</b>				
		<b>135,865.3</b>	<b>96,924.5</b>				
		<b>146,881.0</b>	<b>108,087.9</b>				
<b>II ASSETS</b>							
<b>Non-Current Assets</b>							
A. Fixed Assets	10						
(i) Tangible Assets		<b>15.2</b>	<b>14.6</b>				
(ii) Intangible Assets		<b>31.5</b>	<b>4.9</b>				
(iii) Capital Work-in-progress		<b>0.9</b>	<b>0.1</b>				
B. Non-Current Investments	11	<b>7,265.1</b>	<b>9,633.2</b>				
C. Deferred Tax Assets (Net)	12	<b>22.3</b>	<b>34.0</b>				
D. Long Term Loans and Advances	13	<b>206.9</b>	<b>94.8</b>				
		<b>7,541.9</b>	<b>9,781.6</b>				
<b>Current Assets</b>							
A. Inventories - Securities Held as Stock in Trade	14	<b>121,715.6</b>	<b>81,224.2</b>				
B. Trade Receivables	15	<b>10,200.7</b>	<b>9,609.0</b>				
C. Cash and Cash Equivalents	16	<b>1,182.4</b>	<b>574.9</b>				
D. Short Term Loans and Advances	17	<b>705.5</b>	<b>2,020.2</b>				
E. Other Current Assets	18	<b>5,534.9</b>	<b>4,878.0</b>				
		<b>139,339.1</b>	<b>98,306.3</b>				
		<b>146,881.0</b>	<b>108,087.9</b>				
Significant Accounting Policies	1						

The accompanying notes are an integral part of the financial statements

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For and on behalf of the Board of Directors

S.R. Batliboi & Co. LLP  
*ICAI Firm Registration No.301003E*  
Chartered Accountants

**N. S. KANNAN** **UDAY CHITALE** **B.PRASANNA**  
*Chairman* *Director* *Managing Director & CEO*  
**DIN : 00066009** **DIN : 00043268** **DIN : 02257744**

per SHRAWAN JALAN  
*Partner*  
*Membership No: 102102*

**ABHIJEET GUIN**  
*Chief Financial Officer*

**PRACHITI LALINGKAR**  
*Company Secretary*

Mumbai, April 23, 2015

Mumbai, April 23, 2015

# notes

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31 2015**

**BASIS OF PREPARATION**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and circulars and guidelines issued by The Reserve Bank of India from time to time to the extent applicable. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

**Change in Accounting Policy**

- (a) With effect from April 1, 2014, the Company has changed the method of determining the cost of investments and securities held as stock in trade other than equity shares from weighted average basis to FIFO (First in First Out) basis. The carrying cost of investments and securities held as stock in trade (other than equity shares) as at March 31, 2015 and the profit for the year ended March 31, 2015 was higher by ₹134.7 million on account of this change.
- (b) Further, with effect from April 1, 2014, the Company has changed the basis of accrual of discount income and basis of amortisation of premium on securities classified under held to maturity (HTM) to constant yield method from straight line method. The profit for the year ended March 31, 2015 was lower by ₹9.8 million on account of this change.

**(i) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(ii) Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from issue management, loan syndication, financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.
- (b) Gains and losses on dealing with securities are recognized on trade date.
- (c) Interest income is accounted on an accrual basis except for non performing / doubtful assets, interest in respect of which is recognized, considering prudential norms for income recognition issued by Reserve Bank of India (RBI) for Non-Banking Financial Companies on a realization basis
- (d) Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- (e) All other incomes are recognized on accrual basis.

**(iii) Stock-in-trade**

- (a) The securities acquired with the intention of holding for short-term and trading are classified as stock-in-trade.
- (b) The securities held as stock-in-trade are valued at lower of cost arrived at on FIFO basis or market/ fair value, computed category-wise. In case of investments transferred to stock-in-trade, carrying amount on the date of transfer is considered as cost. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition. Fair value of unquoted shares is taken at break-up value of shares as per the latest audited balance sheet of the concerned company. In case of debt instruments, fair value is worked out on the basis of yield to maturity rate selected considering quotes, where available and credit profile of the issuer and market related spreads over the government securities.
- (c) Discounted instruments like treasury bills/ zero coupon instruments are valued at carrying cost or market/fair value whichever is lower. The difference between the acquisition cost and the redemption value of discounted instruments is apportioned on a constant yield basis for the period of holding and recognized as Interest income.
- (d) Discounted instruments like commercial papers / certificate of deposits are valued at carrying cost. The difference between the acquisition cost and the redemption value of discounted instruments is apportioned on a constant yield basis for the period of holding and recognized as Interest income.
- (e) Units of mutual fund are valued at lower of cost and net asset value.
- (f) The secondary market short sale transactions in Government securities as permitted by RBI Circular no, RBI/2006-2007/243 IDMD. No./11.01.01(B)/2006-07 are grouped under other liabilities.

**(iv) Investments**

- (a) The securities acquired with the intention of holding till maturity or for a longer period are classified as investments.
- (b) Investments are carried at cost arrived at on weighted average basis and includes directly attributable acquisition charges. Commissions earned in respect of securities acquired upon devolvement are reduced from the cost of acquisition. Appropriate provision is made for other than temporary diminution in the value of investments.
- (c) Held to Maturity (HTM) Securities

Investments classified under HTM are carried at acquisition cost, unless it is more than the face value, in which case the premium is amortized over the period remaining over maturity and charged to Profit and Loss account. The book value of the security is reduced to the extent of the amount amortized during the relevant accounting period

The profit on sale of securities from the HTM category is first taken to Profit and Loss account and thereafter appropriated, net of taxes to the Capital Reserve Account. Loss on sale is recognized in the Profit and Loss account.

**(v) Repurchase and Resale Transactions (Repo)**

Repo transactions are treated as collateralized lending and borrowing transactions, with an agreement to repurchase, on the agreed terms, as per RBI guidelines and accordingly disclosed in the financial statements. The difference between consideration amounts of the first leg and second leg of the repo are reckoned as Repo Interest. As regards repo / reverse repo transactions outstanding on the balance sheet date, only the accrued income / expenditure till the balance sheet date is taken to the Profit and Loss account. Any repo income / expenditure for the remaining period is reckoned for the next accounting period. The securities sold under repo transactions are continued to be marked to market as per the investment classification of the security.

**(vi) Fixed Assets (Tangible and Intangible) and Depreciation**

- (a) Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for intended use.
- (b) Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

**(c) Tangible Assets**

Depreciation on tangible assets is provided using the straight line method as per the useful life of the assets specified in Schedule II of the Companies Act, 2013.

Asset	Useful Life
Electrical Installations	10 Years
Office Equipment	5 Years
Computers – Servers & Networks	6 Years
Computers – End user devices	3 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years

**(d) Intangible Assets**

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Asset	Depreciation Rate (SLM)
Software	25.00%

**(vii) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to that asset.

# notes

## forming part of the accounts

*Continued*

### (viii) Income Taxes

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### (ix) Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### (x) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term investments with an original maturity of three months or less.

### (xi) Provision for Doubtful Loans and Advances

The policy of provisioning against non performing loans and advances has been decided by the management considering norms prescribed by the RBI under Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007. As per the policy adopted, the provision against sub standard assets are fixed on a conservative basis, taking into account management's perception of the higher risk associated with the business of the Company. Certain non performing loans and advances are considered as loss assets and full provision has been made against such assets.

### (xii) Foreign Currency Transactions

- (a) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) **Exchange Differences:** Exchange differences arising on settlement or restatement of monetary items are recognized as exchange gain/ loss in the profit and loss account.

### (xiii) Retirement and Other Employee Benefits

- (a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- (b) The Company's employees are covered under the Employees' Gratuity Scheme & contribution is made to ICICI Prudential Life Insurance Company Limited. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period.
- (c) Compensated absences are provided for on the basis of actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of each reporting period. Accumulated leave which is expected to be utilized within the next twelve months is treated as short term employee benefit. These costs are measured at the additional amount expected to be paid towards the leave used from such unused entitlements.
- (d) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

### (xiv) Derivatives Transactions

- (a) All open positions are marked to market except hedge swaps which are accounted for on accrual basis.
- (b) Gains are recognized only on settlement/expiry of the derivative instruments except for Interest Rate derivatives which are marked-to-market and the resulting gain or loss is accounted for in the profit & loss account.
- (c) Receivables/payables on open position are disclosed as current assets/ current liabilities, as the case may be.

### (xv) Segment Reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. trading in securities.

The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

### (xvi) Earnings per Share

Basic and Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

### (xvii) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### (xviii) Contingent Liabilities

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

	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014

### 2. SHARE CAPITAL :

50,000 (Previous year 50,000) Equity Shares of ₹ 1,00,000/- each	<b>5,000.0</b>	<b>5,000.0</b>
<b>Issued, Subscribed &amp; Fully Paid Up</b>		
15,634 (Previous year 15,634) Equity Shares of ₹ 1,00,000/- each	<b>1,563.4</b>	<b>1,563.4</b>
<b>Subscribed &amp; Fully Paid Up:</b>		
15,634 (Previous year 15,634) Equity Shares of ₹ 1,00,000/- each fully paid up	<b>1,563.4</b>	<b>1,563.4</b>

### Notes:

- (1) The company has only one class of equity shares having a par value of ₹ 100,000/- per share. Each shareholder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.
- (2) Of the above, 15,634 (Previous year 15,634) Equity Shares of ₹ 100,000/- each fully paid are held by ICICI Bank Limited (the Holding company) and its nominees.

### Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2015		As at March 31, 2014	
	No of Shares	₹ in million	No of Shares	₹ in million
<b>Equity Shares</b>				
At the beginning of the year	<b>15,634</b>	<b>1,563.4</b>	15,634	1,563.4
Issued during the year	—	—	—	—
Outstanding at the end of the year	<b>15,634</b>	<b>1,563.4</b>	15,634	1,563.4

### Details of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

- (a) During the period of last five years immediately preceding the reporting date the company has not issued any bonus shares
- (b) During the period of last five years immediately preceding the reporting date, the company has not bought back any equity shares.

# notes



forming part of the accounts

*Continued*

	(₹ in million)		(₹ in million)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>3. RESERVES AND SURPLUS</b>				
<b>General Reserve</b>			<b>Profit and Loss Account</b>	
Balance as per last financial statements	<b>749.1</b>	<b>617.2</b>	Balance as per last financial statements	<b>938.1</b>
Additions / transfer during the year	—	<b>131.8</b>	Profit for the year	<b>2,173.7</b>
Closing balance	<b>749.1</b>	<b>749.0</b>	Less: Appropriations	
<b>Special Reserve</b>			Transfer to Special Reserve	<b>434.8</b>
(maintained under Section 45 IC of the Reserve Bank of India (RBI) Act, 1934)			Transfer to General Reserve	—
Balance as per last financial statements	<b>3,463.6</b>	<b>3,199.9</b>	Transfer to Capital Reserve*	<b>88.1</b>
Additions / transfer during the year	<b>434.7</b>	<b>263.7</b>	Interim dividend	<b>1,184.3</b>
<b>Closing balance</b>	<b>3,898.3</b>	<b>3,463.6</b>	Proposed Dividend	<b>62.5</b>
Capital Reserve*			Amount ₹ 4,000 per share Previous Year ₹26,000.00 per share	
Balance as per last financial statements	<b>242.3</b>	<b>115.7</b>	Corporate Dividend Tax	<b>243.5</b>
Additions / transfer during the year	<b>88.1</b>	<b>126.5</b>	Closing balance	<b>1,098.6</b>
Closing balance	<b>330.4</b>	<b>242.2</b>	<b>TOTAL</b>	<b>938.7</b>
*Represents profit on sale of Held to Maturity (HTM) investments (net of tax)				<b>6,543.0</b>
<b>Capital Redemption Reserve</b>				<b>5,859.5</b>
Balance as per last financial statements	<b>466.6</b>	<b>466.6</b>		
Additions / transfer during the year	—	—		
Closing balance	<b>466.6</b>	<b>466.6</b>		

\*Represents profit on sale of Held to Maturity (HTM) investments (net of tax)

	As at March 31, 2015		As at March 31, 2014	
	Non-Current Maturities	Current Maturities	Non-Current Maturites	Current Maturties
<b>4. LONG TERM BORROWINGS:</b>				
<b>Secured Borrowings</b>				
<b>Unsecured</b>				
Subordinated Bonds - Tier II Capital				
Nil (Previous year 25) 9.90% Unsecured Bonds of ₹ 10 million each maturing on April 28, 2014	—	—	—	<b>250.0</b>
50 (Previous year 50) 9.75% Unsecured Bonds of ₹ 10 million each maturing on December 21, 2021	<b>500.0</b>	—	<b>500.0</b>	—
150 (Previous year 150) 9.65% Unsecured Bonds of ₹ 1 million each maturing on May 17, 2022	<b>150.0</b>	—	<b>150.0</b>	—
850 (Previous year 850) 9.20% Unsecured Bonds of ₹ 1 million each maturing on April 26, 2023	<b>850.0</b>	—	<b>850.0</b>	—
350 (Previous year 350) 9.35% Unsecured Bonds of ₹ 1 million each maturing on April 30, 2023	<b>350.0</b>	—	<b>350.0</b>	—
500 (Previous year 500) 9.35% Unsecured Bonds of ₹ 1 million each maturing on June 14, 2023	<b>500.0</b>	—	<b>500.0</b>	—
500 (Previous year 500) 9.80% Unsecured Bonds of ₹ 1 million each maturing on May 17, 2024	<b>500.0</b>	—	<b>500.0</b>	—
<b>Total Subordinated Bonds issued as Tier II Capital</b>	<b>2,850.0</b>	—	<b>2,850.0</b>	<b>250.0</b>
<b>Subordinated Bonds - Tier III Capital</b>				
Nil (previous year 15) 9.90% Unsecured Bonds of ₹ 10 million each maturing on April 21, 2014	—	—	—	<b>150.0</b>
Nil (Previous year 40) 10.15% Unsecured Bonds of ₹ 10 million each maturing on July 28, 2014	—	—	—	<b>400.0</b>
35 (previous year 35) 10.10% Unsecured Bonds of ₹ 10 million each maturing on April 06, 2015	—	<b>350.0</b>	<b>350.0</b>	—
45 (Previous year 45) 10.15% Unsecured Bonds of ₹ 10 million each maturing on June 28, 2015	—	<b>450.0</b>	<b>450.0</b>	—
<b>Total Subordinated Bonds issued as Tier III Capital</b>	—	<b>800.0</b>	<b>800.0</b>	<b>550.0</b>
Amount disclosed under the head "B. Current Maturities of Long Term Borrowings" under "Current Liabilities" in Balance Sheet		<b>(800.0)</b>		<b>(800.0)</b>
<b>TOTAL</b>	<b>2,850.0</b>	—	<b>3,650.0</b>	—

# notes

forming part of the accounts

*Continued*

	(₹ in million)				(₹ in million)					
	As at March 31, 2015	As at March 31, 2014			As at March 31, 2015	As at March 31, 2014				
<b>5. LONG TERM PROVISIONS:</b>			<b>7. TRADE PAYABLES</b>							
Provision for Employee Benefits	59.3	90.5	Trades executed but not settled		2,881.0	7,560.1				
<b>TOTAL</b>	<b>59.3</b>	<b>90.5</b>			<b>2,881.0</b>	<b>7,560.1</b>				
<b>6. SHORT TERM BORROWINGS:</b>			<b>8. OTHER CURRENT LIABILITIES:</b>							
<b>Secured</b>			Interest accrued but not due on loans		370.4	491.6				
Borrowings under Liquidity Adjustment Facility & Standing Liquidity Facility	60,258.8	25,588.5	Sundry Creditors for Expenses		62.4	46.4				
(Secured by pledge of Government securities of Face Value ₹ 62,995.0 million) (Previous year ₹ 26,976.5 million)			TDS and Service Tax Payable		12.4	8.9				
Collateralised Borrowings	2,636.3	1,190.8	MTM Payable on Interest Rate Swaps		2,244.5	2,576.4				
(Secured by pledge of Government securities of Face Value ₹ 3,350.0 million) (Previous year ₹ 1,410.0 million)			Other Liabilities		1,628.0	2,751.1				
Repo Borrowings	43,988.4	37,880.5	(Includes securities short sold having Face Value ₹ 1,150.0 million (Previous year ₹ 2,450.0 million))							
(Secured by pledge of Government securities of Face Value ₹ 43,088.3 million) (Previous year ₹ 39,725.3 million)					<b>4,317.7</b>	<b>5,874.4</b>				
<b>TOTAL (A)</b>	<b>106,883.5</b>	<b>64,659.8</b>								
<b>Unsecured</b>			<b>9. SHORT TERM PROVISIONS:</b>							
Inter-Corporate Borrowings	250.0	480.0	Provision for Employee Benefits		1.5	1.0				
Money at Call, Notice and Term	14,550.0	14,000.0	Proposed Dividend & Corporate Dividend Tax		222.2	475.6				
Commercial Paper Borrowings	5,959.3	3,073.5	(Including Corporate Dividend Tax ₹ 159.6 million (Previous Year ₹ 69.1 million))							
<b>TOTAL (B)</b>	<b>20,759.3</b>	<b>17,553.5</b>	Contingent Provision against Standard Assets		0.1	0.1				
<b>TOTAL (A) + (B)</b>	<b>127,642.8</b>	<b>82,213.3</b>			<b>223.8</b>	<b>476.7</b>				
			<b>11. NON-CURRENT INVESTMENTS</b>							
			Investments in Government Securities (Quoted)		7,265.1	9,633.2				
			(Market Value ₹ 7,539.0 million (Previous Year ₹ 9,379.9 million))							
					<b>7,265.1</b>	<b>9,633.2</b>				
<b>10. FIXED ASSETS:</b>	(₹ in million)									
	Gross Block (at Cost)			Accumulated Depreciation/Amortisation						
	April 1, 2014	Additions	Sale/Adj	March 31, 2014	April 1 2014	Additions	Sale/Adj	March 31, 2015	March 31, 2015	March 31, 2014
<b>(i) TANGIBLE</b>										
Plant & Machinery / Electrical Installation	5.1			5.1	3.9	0.4		4.3	0.8	1.2
Office Equipment	23.5	0.8	3.3	21.0	17.7	2.8	2.8	17.7	3.3	5.8
Computers	35.3	6.9	8.1	34.1	30.5	3.0	8.1	25.4	8.7	4.8
Furniture & Fixtures	12.0	0.0		12.0	9.6	0.3		9.9	2.1	2.4
Vehicles	4.8			4.8	4.4	0.1		4.5	0.3	0.4
<b>(ii) INTANGIBLE</b>										
Software	29.3	33.8	2.4	60.7	24.4	7.2	2.4	29.2	31.5	4.9
<b>Total</b>	<b>110.0</b>	<b>41.5</b>	<b>13.8</b>	<b>137.7</b>	<b>90.5</b>	<b>13.8</b>	<b>13.3</b>	<b>91.0</b>	<b>46.7</b>	<b>19.5</b>
<b>(iii) Capital Work-in-Progress</b>	<b>0.1</b>	<b>36.80</b>	<b>36.00</b>	<b>0.90</b>	—	—	—	—	<b>0.90</b>	<b>0.1</b>
<b>Sub-Total</b>	<b>110.1</b>	<b>78.30</b>	<b>49.79</b>	<b>138.62</b>	<b>90.5</b>	<b>13.76</b>	<b>13.28</b>	<b>90.97</b>	<b>47.6</b>	<b>19.6</b>
Assets Given on lease	—	—	—	—	—	—	—	—	—	—
<b>(Plant &amp; Machinery)</b>										
Total	110.1	78.3	49.8	138.6	90.5	13.8	13.3	91.0	47.6	19.6
Previous Year	310.1	14.2	214.2	110.1	288.8	11.9	210.2	90.5	19.6	

# notes

	(₹ in million)		Year ended March 31, 2015	(₹ in million)
	As at March 31, 2015	As at March 31, 2014		
<b>12. DEFERRED TAX ASSETS (NET)</b>				
The break-up of deferred tax assets into major components as on the balance sheet date is as follows:-				
<b>Deferred Tax Assets</b>				
Timing Difference on Depreciation on Fixed Assets	1.2	2.9		
Expenditure disallowed under Income Tax Act, 1961				
Provision for Doubtful Debtors	0.1	0.0		
Provision for Employee Retirement Benefits	21.0	31.1		
	<b>22.3</b>	<b>34.0</b>		
<b>13. LONG TERM LOANS AND ADVANCES</b>				
Advance Tax	<b>206.9</b>	94.8		
Net of Provision for Tax ₹9,591.9 million Previous Year ₹8,517.3 million				
	<b>206.9</b>	<b>94.8</b>		
<b>14. QUANTITATIVE DETAILS OF SECURITIES HELD AS STOCK IN TRADE</b>				
(a) Opening and closing stock				
<b>Category</b>	<b>Opening Stock</b>		<b>Closing Stock</b>	
	<b>Face Value</b>	<b>Value</b>	<b>Face Value</b>	<b>Value</b>
Government Securities	19,396.9	18,312.2	87,235.9	86,543.2
	(38,096.3)	(38,634.6)	(19,396.9)	(18,312.2)
Treasury Bills	43,118.6	41,292.1	12,994.2	12,346.4
	(22,078.1)	(21,567.9)	(43,118.6)	(41,292.1)
Shares	659.9	808.8	25.3	987.5
	(821.6)	(791.4)	(659.9)	(808.8)
Debentures/Bonds & CPs / CDs	21,363.2	20,811.1	21,704.2	21,743.5
	(33,668.3)	(32,871.0)	(21,363.2)	(20,811.1)
Units	—	—	13.7	95.0
	—	—	—	—
<b>Total</b>	<b>84,538.6</b>	<b>81,224.2</b>	<b>121,973.3</b>	<b>121,715.6</b>
	(94,664.3)	(93,864.9)	(84,538.6)	(81,224.2)
(b) Purchases and sales				
<b>Category</b>	<b>Purchases</b>		<b>Sales</b>	
	<b>Face Value</b>	<b>Value</b>	<b>Face Value</b>	<b>Value</b>
Government Securities	6,841,356.8	6,872,192.0	6,772,217.7	6,805,544.6
	(5,714,958.7)	(5,691,611.9)	(5,733,658.1)	(5,712,129.8)
Treasury Bills	329,913.0	317,399.5	360,037.3	346,413.4
	(472,048.6)	(450,028.5)	(451,008.1)	(430,429.9)
Shares	812.5	5,785.3	1,447.2	6,143.3
	(1,158.2)	(2,073.4)	(1,319.8)	(2,082.6)
Debentures/Bonds & CPs / CDs	187,070.1	188,489.8	186,729.1	188,200.3
	(126,159.2)	(124,663.4)	(138,464.3)	(136,842.0)
Units	23,713.5	54,650.0	23,699.8	54,576.5
	(63,445.5)	(116,300.0)	(63,445.5)	(116,353.0)
<b>Total</b>	<b>7,382,865.9</b>	<b>7,438,516.5</b>	<b>7,344,131.1</b>	<b>7,400,878.2</b>
	(6,377,770.2)	(6,384,677.2)	(6,387,895.8)	(6,397,837.3)
<b>Note:</b> Figures in parenthesis pertain to previous year.				
<b>15. TRADE RECEIVABLES</b>				
Considered good	48.9	28.1		
Trades executed but not settled - Considered Good	<b>10,151.8</b>	9,580.9		
<b>TOTAL</b>	<b>10,200.7</b>	<b>9,609.0</b>		
<b>16. CASH AND CASH EQUIVALENTS</b>				
Cash & Cheques on hand			0.1	0.0
Balance In Current Accounts with Scheduled Banks			286.2	85.9
In Current Accounts with Reserve Bank of India			38.8	46.0
			<b>325.1</b>	<b>131.9</b>
<b>17. SHORT TERM LOANS AND ADVANCES</b>				
CBLO Lendings - Secured			249.7	329.4
Repo Lending			—	1,182.7
Advances and Deposits*			455.8	508.1
			<b>705.5</b>	<b>2,020.2</b>
* For advances to and deposits with related parties, please refer Note 32 below				
<b>18. OTHER CURRENT ASSETS</b>				
Interest Accrued but not due			2,348.3	981.8
MTM Receivable on Interest Rate Swaps			3,186.6	3,896.2
			<b>5,534.9</b>	<b>4,878.0</b>
<b>19. INTEREST &amp; DIVIDEND INCOME</b>				
Interest On Securities Held As Stock in Trade			5,305.5	2,939.7
Interest On Securities Held As Held to Maturity			504.6	343.2
Income On Discounted Instruments			2,912.9	3,218.3
Interest On Repo and Call Lendings			311.4	185.9
Interest On Other Loans and Advances			68.1	56.0
Dividend Income from Mutual Funds / Companies			8.6	21.0
<b>TOTAL</b>			<b>9,111.1</b>	<b>6,764.1</b>
<b>20. PROFIT ON SECURITIES (NET)</b>				
Profit/(Loss) on Sale of Held to Maturity Securities			133.5	191.7
Profit/(Loss) on securities held as Stock In Trade			3,678.4	495.5
Net Gain/(Loss) from interest rate derivatives			(283.9)	812.5
<b>TOTAL</b>			<b>3,528.0</b>	<b>1,499.7</b>
<b>21. INCOME FROM SERVICES</b>				
Financial Advisory Services			5.4	1.2
Syndication Fees			297.7	130.9
Underwriting Commission			90.9	590.7
Brokerage and Commission			14.7	29.8
<b>TOTAL</b>			<b>408.7</b>	<b>752.6</b>

# notes

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*Continued*

	Year ended March 31, 2015	(₹ in million) Year ended March 31, 2014		Year ended March 31, 2015	(₹ in million) Year ended March 31, 2014
<b>22. OTHER INCOME</b>			<b>27. EARNINGS PER EQUITY SHARE (EPS)</b>		
Miscellaneous Income	40.4	19.2	Basic and Diluted EPS (₹)	139,039.3	84,324.9
<b>TOTAL</b>	<b>40.4</b>	<b>19.2</b>	Nominal Value per share (₹)	<b>100,000.0</b>	<b>100,000.0</b>
<b>23. INTEREST EXPENSES</b>			EPS has been calculated based on the net profit after taxation of ₹ 2,173.7 million (previous year ₹ 1,318.3 million) and the weighted average number of equity shares outstanding during the year of 15,634 (previous year 15,634). Basic and Diluted EPS are same because there were no diluted potential equity shares outstanding during the year.		
Interest on Fixed Loans and Debentures	842.3	874.3			
Interest on Other Borrowings	7,800.1	5,232.3			
	<b>8,642.4</b>	<b>6,106.6</b>			
<b>24. OPERATING EXPENSES</b>			<b>28. AUDITOR' REMUNERATION* (included in Professional Fees)</b>		
Procurement Expenses	28.7	19.2	(a) Audit Fees	2.8	2.4
Rating Agency Fees	3.7	4.3	(b) Tax Audit Fees	0.2	0.2
Brokerage, Stamp Duty & Securities Transaction Tax	44.4	32.0	(c) Certification Fees	1.2	0.9
Bank Charges	6.3	6.3	(d) Out of Pocket Expenses	0.1	0.1
Transaction, Custodial and Depository Charges	208.9	178.8	*Excluding service tax	<b>4.3</b>	<b>3.6</b>
Doubtful Debts Written Off / Provided for the period	0.2	1.5			
Less: Opening Provision as at April 1, 2014	0.1	0.2			
	<b>0.1</b>	<b>1.3</b>			
<b>TOTAL</b>	<b>292.1</b>	<b>241.9</b>			
<b>25. EMPLOYEE EXPENSES</b>			<b>29. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)</b>		
Salaries, Wages and Incentives	545.6	484.6	(a) Professional fees	—	—
Contribution to Provident and Other Funds	41.0	17.0	(b) Others	8.0	2.7
Staff Welfare Expenses	11.9	9.8			
<b>TOTAL</b>	<b>598.5</b>	<b>511.4</b>			
<b>26. ESTABLISHMENT AND OTHER EXPENSES</b>			<b>30. CONTINGENT LIABILITIES &amp; COMMITMENTS</b>		
Rent and Amenities	39.6	40.1		<i>As at March 31, 2014</i>	<i>As at March 31, 2013</i>
Insurance	0.2	0.2	(a) Income tax and service tax matters disputed by the Company	177.1	176.9
Business Promotion, Traveling and Conveyance Expenses	19.5	12.8	(b) Bank Guarantees	100.0	100.0
Repairs, Maintenance and Upkeep - Others	31.4	22.9	(c) Estimated amount of contracts to be executed on capital account	4.0	23.6
Rates and Taxes	0.1	0.0		<b>281.1</b>	<b>300.5</b>
Electricity Expenses	4.8	5.3			
Loss on Sale of Fixed Assets	0.3	0.3			
Communication Expenses	5.6	6.5			
Printing and Stationery	3.6	2.5			
Subscription and Periodicals	35.4	33.9			
Professional Fees [Refer Note 28]	12.7	10.0			
Advertisement Expenses	0.6	0.1			
CSR Expenditure	33.9	—			
Miscellaneous Expenses	8.3	8.6			
<b>TOTAL</b>	<b>196.0</b>	<b>143.2</b>			
			<b>31. OPERATING LEASE</b>		
			Office premises are obtained on operating lease. The lease is renewable on yearly basis and the rent is decided at the time of the renewal. There are no restrictions imposed by lease arrangements. There are no subleases. As at 31st March 2015, there are no non-cancellable obligations in respect of the operating leases of the company		
				<i>Year ended March 31, 2015</i>	<i>Year ended March 31, 2014</i>
			Lease payments for the year	39.3	39.8
			<b>32. RELATED PARTY DISCLOSURES</b>		
			Names of related parties where control exists irrespective of whether transactions have occurred or not		
			-Holding Company	ICICI Bank Limited	
			Names of other related parties with whom transactions have taken place during the year		
			Fellow Subsidiaries		
				ICICI Securities Limited	
				ICICI Lombard General Insurance Company Limited	
				ICICI Prudential Life Insurance Company Limited	
				ICICI Prudential Asset Management Company Limited	
				ICICI Home Finance Limited	
				ICICI Venture Fund Management Company Limited	
				India Infradebt Limited	
				ICICI Foundation for Inclusive Growth	
				B. Prasanna, Managing Director & CEO	
				G. Sundaram, Executive Director	
				Abhijeet Guin, CFO*	
				Prachiti Lalingkar, Company Secretary*	
				* Additional Related Party as per Companies Act, 2013	

# notes



forming part of the accounts

*Continued*

Name of the Related Party / Type of Transaction	For the year ended March 31, 2015	For the year ended March 31, 2014	(₹ in million)	Name of the Related Party / Type of Transaction	For the year ended March 31, 2015	For the year ended March 31, 2014	(₹ in million)	
<b>ICICI Bank Limited -The Holding Company</b>				<b>Other transactions</b>				
<b>Income from Operations</b>				Purchase of Investments	2,558.3	2,064.8		
Income from Services	34.3	—		Sale of Investments	6,600.9	3,330.1		
Interest Income	30.5	15.0		Issue of Debentures	—	250.0		
Profit / (Loss) on Interest Rate Swaps	144.7	108.4		<b>ICICI Prudential Asset Management Company Limited - Fellow Subsidiary</b>				
<b>Other income</b>	0.4	—		<b>Income from Operations</b>				
<b>Operating expenditure</b>				Income from Services	—	5.0		
Payment of financial charges & operating expenses	73.1	161.6		<b>ICICI Home Finance Limited - Fellow Subsidiary</b>				
<b>Administrative Expenditure</b>				<b>Income from Operations</b>				
Recoveries / (Payment) to and provisions for employees (Net)	0.7	0.5		Income from Services	0.3	—		
Payment of Establishment & other expenses	48.4	47.9		<b>Other transactions</b>				
<b>Current Assets</b>				Purchase of Investments	49.9	—		
Bank Balance	283.8	84.7		Sale of Investments	102.0	—		
Fixed Deposits	80.0	363.0		<b>ICICI Venture Fund Management Company Limited - Fellow Subsidiary</b>				
Trade Receivables	12.7	—		<b>Administrative Expenditure</b>				
Other Current Assets	2.5	8.3		Payment of Establishment & other expenses	0.6	0.5		
Stock-in-trade	111.5	—		<b>Current Assets</b>				
Short Term Loans and Advances	15.6	15.6		Short Term Loans and Advances	0.4	0.4		
MTM on Interest Rate Swaps Receivable / (Payable)	120.7	51.9		<b>India Infradebt Limited - Associate</b>				
<b>Current Liabilities</b>				<b>Income from Operations</b>				
Short Term Borrowings	—	24,970.8		Income from Services	6.1	—		
Other Current Liabilities	14.0	114.8		Interest Income	2.6	—		
<b>Shareholders' Funds</b>				<b>Current Assets</b>				
Share Capital	1,563.4	1,563.4		Other Current Assets	2.6	—		
<b>Derivative</b>				Stock-in-trade	369.3	—		
Notional Principal amount of Interest Rate Swaps outstanding	122,530.5	35,381.1		<b>Other transactions</b>				
<b>Other transactions</b>				Purchase of Investments	550.0	—		
Dividend paid	1,590.8	179.8		<b>ICICI Foundation for Inclusive Growth - Fellow Subsidiary</b>				
Purchase of Investments	4,618.0	1,649.4		<b>Administrative Expenditure</b>				
Sale of Investments	5,886.8	7,189.3		Donations	33.3	—		
Bank Guarantee	100.0	100.0		<b>Key Management Personnel Disclosures:</b>				
<b>ICICI Securities Limited - Fellow Subsidiary</b>				The Compensation (including contribution to Provident Fund) for the year ended March 31, 2015 to B. Prasanna, Managing Director & CEO, G. Sundaram, Executive Director, Abhijeet Guin CFO and Prachi Lalit Lalingkar Company Secretary was ₹ 36.1 million, ₹ 26.4 million, ₹ 7.3 million & ₹ 3.2 million respectively*. (Previous year ₹ 44.6 million, ₹ 34.9 million, ₹ 9.2 million & ₹ 2.9 million respectively*). The remuneration does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole				
<b>Income from Operations</b>				*The amounts stated above include bonus payments made on cash basis				
Income from Services	8.6	24.8		<b>33. DERIVATIVES</b>				
<b>Other income</b>	1.4	1.7						
<b>Operating expenditure</b>								
Payment of financial charges & operating expenses	7.7	1.3						
<b>Administrative Expenditure</b>								
Payment to and provisions for employees / (Recoveries) (Net)	1.6	0.8						
Establishment & other expenses - Recoveries / (Payment)(Net)	9.9	8.3						
<b>Trade Receivables</b>								
<b>Current Assets</b>								
Short Term Loans and Advances	3.2	2.4						
<b>Trade Payables</b>								
39.2	—							
<b>Other Current Liabilities</b>								
0.1	—							
<b>Other transactions</b>								
Purchase of Investments	200.2	—						
Sale of Investments	111.1	146.2						
<b>ICICI Lombard General Insurance Company Limited - Fellow Subsidiary</b>								
<b>Administrative Expenditure</b>								
Payment to and provisions for employees	2.9	2.7						
Payment of Establishment & other expenses	0.2	0.2						
<b>Current Assets</b>								
Short Term Loans and Advances	3.8	3.2						
<b>Other transactions</b>								
Purchase of Investments	878.5	1,707.6						
Sale of Investments	6,474.7	3,270.9						
<b>ICICI Prudential Life Insurance Company Limited - Fellow Subsidiary</b>								
<b>Operating expenditure</b>								
Payment of financial charges & operating expenses	58.6	75.3						
<b>Administrative Expenditure</b>								
Payment to and provisions for employees	0.4	0.5						
<b>Non-Current Liabilities</b>								
Long Term Borrowings	600.0	600.0						
<b>Current Assets</b>								
Short Term Loans and Advances	0.1	0.2						
<b>Current Liabilities</b>								
Short Term Borrowings	—	200.0						

\*Associated Credit Risk is defined as the loss that the Company would incur in case all the counterparties to these swaps fail to fulfil their contractual obligations.  
@ Credit risk concentration is measured as the highest net receivable under swap contracts from top three counterparties.

# notes

## forming part of the accounts

*Continued*

### 34. EMPLOYEE BENEFITS (AS 15 REVISED)

The following table summarises the components of net benefit expense recognised in the profit and loss account and the amounts recognised in the balance sheet for gratuity

	(₹ in million)				
	For the Year ended March 31, 2015	For the Year ended March 31, 2014			
<b>Cost for the year</b>					
Current Service cost	7.4	7.8			
Interest cost	9.6	8.4			
Expected return on plan assets	(1.8)	(1.6)			
Actuarial (gain) / loss	11.9	(10.6)			
Past Service Cost	—	0.0			
Losses / (Gains) on "Acquisition / Divestiture"	—	0.0			
<b>Net cost</b>	<b>27.1</b>	<b>4.0</b>			
Present value of the defined benefit obligations at the end of the year	133.0	100.8			
Less: Fair value of plan assets at the end of the year	(91.3)	(21.2)			
Less: Unrecognised past Service Cost	0.0	0.0			
<b>Liability / (Asset)</b>	<b>41.7</b>	<b>79.7</b>			
Change in the present value of the defined benefit obligation liability					
Opening obligations	100.8	95.9			
Service cost	7.4	7.8			
Interest cost	9.7	8.4			
Actuarial (gain) / loss	18.2	(9.7)			
Liability extinguished on settlement	0.0	0.0			
Benefits paid	(3.1)	(1.5)			
<b>Closing obligations</b>	<b>133.0</b>	<b>100.9</b>			
Change in fair value of plan assets					
Opening plans assets, at fair value	21.2	17.1			
Expected return on plan assets	1.8	1.6			
Actuarial gain / (loss)	6.3	0.9			
Contributions	65.1	3.1			
Assets Acquired on Acquisition / (Distributed on Divestiture)	0.0	0.0			
Benefits paid	(3.1)	(1.5)			
<b>Closing plans assets at fair value</b>	<b>91.3</b>	<b>21.2</b>			
Expected employers contribution in next year	50.0	8.0			
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:					
Investments with insurer	100%	100%			
Investment details of plan assets					
Assumptions					
Discount rate	8.0%	9.1%			
Salary escalation rate	10.0%	10.0%			
Estimated rate of return on plan assets	8.0%	8.0%			
Experience Adjustment					
<b>Particulars</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
Defined Benefit Obligation	133.0	100.8	95.9	81.0	70.4
Plan Assets	91.3	21.2	17.1	16.0	7.3
Surplus / (Deficit)	(41.7)	(79.7)	(78.7)	(65.0)	(63.1)
Exp. adj. on plan liabilities	(0.0)	2.6	(1.0)	0.8	3.6
Exp. adj. on plan assets	6.3	0.9	0.6	0.0	0.3

### 35. COMPOSITION OF INVESTMENT IN NON-GOVERNMENT SECURITIES AT MARCH 31, 2015

(Ref: RBI circular no. IDMD.PDRS.No.03/03.64.00/2003-04)

Issuer#	Amount*	Extent of private placement**	Extent of unlisted securities***
PSUs	11,495.3 (3,605.8)	11,446.3 (3,605.8)	— (—)
FIs	84.0 (750.1)	84.0 (750.1)	— (—)
Banks	1,988.2 (192.0)	1,988.2 (192.0)	— (—)
Other PDs	— (—)	— (—)	— (—)
Private corporates	1,836.1 (—)	1,836.1 (—)	— (—)
Subsidiaries/ Joint ventures	— (—)	— (—)	— (—)
Others	4,866.0 (8,276.7)	4,626.6 (8,088.8)	8.2 (529.7)
Provision held towards depreciation	— (—)	— (—)	— (—)
<b>Total</b>	<b>20,269.6 (12,824.6)</b>	<b>19,981.2 (12,636.7)</b>	<b>8.2 (529.7)</b>

Note: Figures in parenthesis pertain to previous year.

All the investments in the above non government securities are rated and are above investment grade securities

\* Represents amounts net of provision for depreciation if any

\*\* Represents original issue

\*\*\*Does not include CPs & CDs aggregating to ₹ 1,473.9 million (Previous Year- ₹ 7,986.5 million) since the same are not covered by the above circular

# Does not include equity and preference shares

### 36. DISCLOSURE PERSUANT TO RBI CIRCULAR NO RBI/2008-09/116 DNBS (PD).CC NO.125/03.05.002/2008-2009 DATED AUGUST 1, 2008.

#### a. Capital to Risk Assets Ratio (CRAR)\*

Items	As at March 31, 2015	As at March 31, 2014
i) CRAR (%)	40.7	50.8
ii) CRAR – Tier I Capital (%)	30.0	36.6
iii) CRAR – Tier II Capital (%)	10.6	14.1

\*calculated as per RBI circular no.RBI/2006-2007/355 DNBS.PD/CC No.93/03.05.002/2006-07

#### b. Exposure to Real Estate Sector

Category	As at March 31, 2015	As at March 31, 2014
----------	----------------------	----------------------

##### a) Direct exposure

###### (i) Residential Mortgages

Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented

###### (ii) Commercial Real Estate

Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits

###### (iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -

##### b) Indirect Exposure

Fund based – Face Value of Investments in NCDs/FRBs/CPs/Equities	1,773.0	3,122.0
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Non-fund based – Notional Principal of IRS	—	3,000.0
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# notes



forming part of the accounts

## c. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2015

	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	(₹ in million) Total
<b>Liabilities</b>									
Borrowings from banks	—	—	—	—	—	—	—	—	—
Market Borrowings*	120,212.5 (78,381.6)	3,022.5 (246.5)	5,207.8 (1,000.0)	0.0 (1,000.0)	0.0 —	0.0 (1,600.0)	0.0 —	2,850.0 (1,500.0)	131,292.8 (83,728.1)
<b>Assets</b>									
Advances**	—	—	—	—	—	—	—	—	—
Investments***	121,715.6 (81,224.2)	—	—	—	—	—	—	7,265.1 (9,633.2)	128,980.7 (90,857.4)

\*Borrowings in Call / Notice / Term have been treated as market borrowings

\*\*Advances represent advances in the nature of loans

\*\*\* Investments in the nature of 'Securities held as Stock in Trade' are classified in the "one month bucket" and those in the nature of 'Non Current Investments' are classified in the "Over 5years" bucket

## 37. DISCLOSURE PURSUANT TO RBI CIRCULAR NO.IDMC.PDRS.

NO.2269/03.64.00/2002-03 -PUBLICATION OF FINANCIAL RESULTS DATED NOVEMBER 28, 2002

- i) Net borrowings in call/notice: average ₹ 3,116.7 million; peak ₹ 28,000.0 million The securities held as stock-in-trade are valued at lower of cost or market value (LOCOM)
- ii) Leverage ratio: average 13.4 times; peak 16.5 times
- iii) CRAR (Quarterly)\*

June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015
44.9%	40.1%	27.5%	26.8%

\*Calculated as per RBI Circular on Capital Adequacy Standards and Risk Management Guidelines for Primary Dealers dated January 7, 2004

## 38. REPO/REVERSE REPO TRANSACTIONS

(Ref: Guidelines for Accounting of Repo / Reverse Repo Transactions dated March 23, 2010)

(₹ in million)				
For the year ended March 31, 2015				
	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2015
<b>Securities sold under repos (Face Value)</b>				
(i) Government Securities	33,641.8 (9,549.2)	95,495.2 (70,131.8)	63,702.6 (39,495.2)	43,088.3 (39,725.3)
(ii) Corporate debt securities	— —	1000.0 (600.0)	68.5 (16.4)	— —
<b>Securities purchased under reverse repos (Face Value)</b>				
(i) Government Securities	— —	9,850.0 (5,850.0)	3,531.9 (2,221.9)	— (1,151.7)
(ii) Corporate debt securities	— (—)	— (50.0)	— (0.1)	— (—)

Note: Figures in parenthesis pertain to previous year.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration no.: 301003E  
Chartered Accountants

N. S. KANNAN  
Chairman  
DIN : 00066009

UDAY CHITALE  
Director  
DIN : 00043268

B. PRASANNA  
Managing Director & CEO  
DIN : 02257744

per SHRAWAN JALAN  
Partner  
Membership no.: 102102

ABHIJEET GUIN  
Chief Financial Officer

PRACHITI LALINGKAR  
Company Secretary

Mumbai, April 23, 2015

# cash flow statement

for the year ended March 31, 2015

	Year ended March 31, 2015	₹ in million Year ended March 31, 2014
<b>A Cash Flow From Operating Activities</b>		
Profit Before Tax	3,345.4	2,020.7
- Loss on Sale of Fixed Assets	0.3	0.3
- Depreciation	13.8	11.9
- Income from investment	(638.1)	(534.9)
- Bad and Doubtful Debts (Net)	0.1	1.3
Operating Profit before Changes in Operating Assets and Liabilities	<hr/>	<hr/>
Adjustments for net change in Operating Assets and Liabilities		
- Increase in current Assets excluding Cash and Cash equivalents	(42,449.7)	11,002.1
- Increase in Fixed Deposits under Lien	(414.3)	(218.0)
- Decrease in loans and Advances relating to Operations	1,692.5	(2,353.3)
- Decrease in current Liabilities relating to Operations	(5,934.7)	(5,948.2)
	<hr/>	<hr/>
Cash used in Operations	(47,106.2)	2,482.6
Payment of Taxes (Net)	(44,384.7)	3,981.9
Net Cash used in Operating Activities	(1,272.1)	(634.9)
	<hr/>	<hr/>
<b>B Cash Flow From Investment Activities</b>		
- Purchase / Sale of Investments (Net)	2,368.0	(6,462.5)
- Income from investment	638.1	534.9
- Purchase of Fixed Assets (Including capital work in progress and capital advances)	(42.3)	(10.5)
- Sale of Fixed Assets	0.2	0.0
Net cash from Investment Activities	<hr/>	<hr/>
	2,964.0	(5,938.1)
<b>C Cash Flow From Financing Activities</b>		
- Increase / Decrease in Borrowings (Net)	45,429.7	3,585.2
- Redemption of Debentures / Bonds	(800.0)	(650.0)
- Dividends & Dividend Tax paid	(1,743.7)	(266.2)
Net Cash from Financing Activities	<hr/>	<hr/>
Net Change in Cash & Cash Equivalents	42,885.0	2,669.0
Cash and Cash Equivalents at the beginning of the year	193.2	77.9
Cash and Cash Equivalents at the end of the year*	131.9	54.0
	<hr/>	<hr/>
<b>Components of cash and cash equivalents</b>		
Cash & Cheques on hand	0.1	0.0
Balance In Current Accounts with Scheduled Banks	286.2	85.9
In Current Accounts with Reserve Bank of India	38.8	46.0
<b>Total cash and cash equivalents (note 16)</b>	<hr/>	<hr/>
Cash and cash equivalents at the end of the year does not include fixed deposits under Lien	325.1	131.9
*Please refer Significant Accounting Policies		
₹ 857.3 million (Previous year ₹ 443.0 million)		

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP  
*ICAI Firm Registration no.: 301003E*  
*Chartered Accountants*

N. S. KANNAN  
*Chairman*  
*DIN : 00066009*

UDAY CHITALE  
*Director*  
*DIN : 00043268*

B. PRASANNA  
*Managing Director & CEO*  
*DIN : 02257744*

per SHRAWAN JALAN  
*Partner*  
*Membership no.: 102102*

ABHIJEET GUIN  
*Chief Financial Officer*

PRACHITI LALINGKAR  
*Company Secretary*

Mumbai, April 23, 2015

# schedules



Schedule to the Balance Sheet as at March 31, 2015

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

	(₹ in million)			
<b>Particulars</b>				
<b>Liabilities side :</b>				
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>		
(a) Debentures : Secured : Unsecured  (Other than falling within the meaning of public deposits)	3,810.5	—		
(b) Deferred Credits	—	—		
(c) Term Loans	—	—		
(d) Inter-corporate loans and borrowing	250.5	—		
(e) Commercial Paper	5,959.3	—		
(f) Other Loans - CBLO - Secured Borrowings under LAF & Refinance - Secured Repo Borrowings - Secured Call, Notice and Term Money - Unsecured	2,636.9 60,275.9 44,000.5 14,671.1	— — — —		
<b>Assets side :</b>				
<b>(2) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	<b>Amount outstanding</b>			
(a) Secured (b) Unsecured	249.7 455.8			
<b>(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	<b>Amount outstanding</b>			
(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease	— —			
(ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets	— —			
(iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	— —			
<b>(4) Break-up of Investments</b>				
<b>Current Investments</b>				
<b>1. Quoted</b>				
(i) Shares : (a) Equity (b) Preference	986.4 1.1			
(ii) Debentures and Bonds	21,743.5			
(iii) Units of mutual funds	95.0			
(iv) Government Securities	98,889.7			
(v) Others	—			
<b>2. Unquoted</b>				
(i) Shares : (a) Equity (b) Preference	— —			
(ii) Debentures and Bonds	— —			
(iii) Units of mutual funds	— —			
(iv) Government Securities	— —			
(v) Others	— —			
<b>Long Term Investments</b>				
<b>1. Quoted</b>				
(i) Shares : (a) Equity (b) Preference	— —			
(ii) Debentures and Bonds	— —			
(iii) Units of mutual funds	— —			
(iv) Government Securities	— —			
(v) Others	— —			
<b>2. Unquoted</b>				
(i) Shares : (a) Equity (b) Preference	— —			
(ii) Debentures and Bonds	— —			
(iii) Units of mutual funds	— —			
(iv) Government Securities	— —			
(v) Others	— —			

# schedules

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	26.2	26.2
(c) Other related parties	—	—	—
<b>2. Other than related parties</b>	249.7	429.6	679.3
<b>Total</b>	<b>249.66</b>	<b>455.84</b>	<b>705.50</b>

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value	Book Value (Net of provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	—	—
(b) Companies in the same group	480.7	480.7
(c) Other related parties	—	—
<b>2. Other than related parties</b>	<b>129,243.0</b>	<b>128,980.7</b>
<b>Total</b>	<b>129,723.7</b>	<b>129,461.5</b>

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(ii) Net Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

For and on behalf of the Board of Directors

N. S. KANNAN  
Chairman  
DIN : 00066009

ABHIJEET GUIN  
Chief Financial Officer

UDAY CHITALE  
Director  
DIN : 00043268

PRACHITI LALINGKAR  
Company Secretary

B. PRASANNA  
Managing Director & CEO  
DIN : 02257744

Mumbai, April 23, 2015

# ICICI SECURITIES LIMITED

## 20TH ANNUAL REPORT AND ANNUAL ACCOUNTS 2014-2015

### Directors

Chanda Kochhar, *Chairperson*  
 Uday Chitale  
 Vinod Kumar Dhall  
 Shilpa Kumar  
 Zarin Daruwala  
 Anup Bagchi, *Managing Director & CEO*  
 Ajay Saraf, *Executive Director*

### Auditors

S. R. Batliboi & Co, LLP  
*Chartered Accountants*

### Executives

Subir Saha  
 Vaijayanti Naik  
 Raju Nanwani,  
*Company Secretary*  
 Prashant Mohta,  
*Chief Financial Officer*

### Registered Office

ICICI Centre,  
 H.T. Parekh Marg  
 Churchgate,  
 Mumbai 400 020

### Corporate Office

ICICI Securities Limited  
 Shree Sawan Knowledge Park  
 Plot No. D-507,  
 T.T.C. Industrial Area MIDC, Turbhe  
 Navi Mumbai 400 705

# directors' report

## to the members

The Directors are pleased to present the 20<sup>th</sup> Annual Report of ICICI Securities Limited (the Company) with the audited statements of accounts for the year ended March 31, 2015.

### INDUSTRY OVERVIEW

#### Equities

India started fiscal 2015 on a positive note as the strong electoral mandate bolstered sentiment. Prospects of a stable government and significant reforms attracted foreign capital inflows into the Indian markets. The Indian stock market has gained 27% since April 2014, the highest amongst the emerging markets.

Growth deceleration bottomed out during the year as the economy grew at 7.5% in fiscal 2015 up from 6.9% in fiscal 2014. Inflation also softened on the back of moderating food prices and sharp decline in crude oil prices. The current account deficit improved considerably due to the sharp decline in crude oil prices and dip in gold imports. The fiscal deficit target of 4.1% was met largely aided by a sharp dip in oil prices and successful auction of natural resources.

The institutional daily cash turnover in the equity market (NSE and BSE) increased by 5.5% (approx.) to ₹ 125.07 billion in fiscal 2015.

There has been no change in mutual fund brokerage rates; however, direct trading has seen a marginal increase via the Direct Market Access route.

#### Corporate Finance

During fiscal 2015, there was a surge in the number of Qualified Institutional Placements (QIPs) for primary fund raising. Riding on the positive market sentiment post the results of the general elections in May 2014, the total fresh equity issuances through QIPs amounted to over ₹ 250.00 billion.

During fiscal 2015, a relatively lower number of Offers for Sale (OFS) and Institutional Private Placements (IPP) were executed as compared with fiscal 2014. On an overall basis, during fiscal 2014, one IPP amounting to ₹ 4.18 billion and 26 OFS transactions amounting to ₹ 269.26 billion were executed.

On the consolidation front, 16 companies achieved successful delisting amounting to ₹ 11.45 billion. Further, 55 open offer deals of ₹ 167.48 million and 13 buyback deals of ₹ 7.99 billion were also executed.

The primary markets saw robust activity. Eight companies tapped the market, raising nearly ₹ 30.00 billion compared with just one company hitting the market in fiscal 2014.

During fiscal 2015, activity in debt markets was driven by public issues by private sector non-banking finance companies. (*Source: Prime Database*)

During fiscal 2015, US\$ 11.04 billion was raised in private equity deals as compared to US\$ 8.97 billion raised in fiscal 2014. Information technology & information technology enabled services, banking, financial services & insurance, healthcare & life sciences and energy were the dominant sectors by deal value in fiscal 2015. (*Source: Venture Intelligence*)

#### Distribution of Retail Financial Products

The mutual fund industry's equity assets under management (AUM) rose significantly during the year. During fiscal 2015, SEBI permitted mutual fund distributors to use recognised stock exchanges infrastructure to facilitate transaction in mutual funds. It has also permitted non-demat transactions through the stock exchange platform.

#### Private Wealth Management

Wealth management in India is poised to grow exponentially due to the improving economic outlook and a relatively young and increasing population of high net worth

individuals and families. In terms of allocation of assets, there is a trend of improved allocation towards equities (seeing renewed interest and participation) and alternate investment opportunities such as high yield debt, real estate funds, etc. The industry saw clients focus on performance management and risk management.

### FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2015 is summarised in the following table:

	<i>Fiscal 2014</i>	<i>Fiscal 2015</i>
(₹ in million)		
Gross income	8,117.4	12,094.6
Profit before tax	1,261.0	3,996.4
Provision for tax	511.6	1,556.8
Profit after tax	749.4	2,439.6

### APPROPRIATIONS

Profit after tax for the year ended March 31, 2015 increased to ₹ 2,439.6 million from ₹ 749.4 million in the previous year mainly on account of increase in secondary market brokerage income.

After taking into account the balance of ₹ 640.3 million (previous year: ₹ 491.8 million) brought forward from the previous year, the profit available for appropriation is ₹ 3,079.9 million (previous year: ₹ 1,241.2 million), of which ₹ 182.0 million (previous year ₹ 74.9 million) has been transferred to General Reserve.

### DIVIDEND

During the year, the Company declared four interim dividends on the equity share capital, aggregating to 100% (approximately) and amounting to ₹ 1,610.7 million (previous year ₹ 400.2 million). The Directors are pleased to recommend the aggregate of interim dividends at ₹ 1,610.7 million as the final dividend for the year.

### OPERATIONAL REVIEW

The Company continued to expand its client base across various business segments, assisting its customers in meeting their financial goals by providing them with research, advisory and execution services.

On the retail front, the Company introduced newer products which were well received. The counter-cyclical businesses like Wealth Management and Distribution have helped in improving the business performance supported by the positive market sentiment and falling yields. The Corporate Finance business continued to build a deal pipeline of diverse products whereas the Institutional Broking segment enhanced corporate access through various conferences and events.

#### Equities

The institutional research team increased its coverage to 162 companies (an increase of 12 companies over fiscal 2014), spread across 17 diversified sectors and large and mid-cap stocks. The research team is dedicated to servicing clients around the world through its differentiated approach and commitment to address client queries well within deadlines. The research team has published variety of sector thematic reports which have been highly appreciated by clients for insight, value and differentiation. During fiscal 2015, the Company hosted several conferences and delegations to provide its clients an opportunity for interaction with policy makers and corporate leaders. The 13th India Unlimited conference held during fiscal 2015 attracted over 25 corporates and 7 speakers/sector experts with participation of about 108 funds. Overall, the conference saw more than 700 investor meetings.

# directors' report

Continued

The Company has a retail research team covering over 200 companies spread across sectors, as well as mutual fund, technical and derivatives desks to deliver quality research to over 3.3 million customers of ICICIdirect.com. In addition to the quarterly earnings reports and regular event updates, the team published various sector reports, thematic reports, IPO recommendations, mutual fund advice and technical and derivative picks. The Company continued to strengthen its customer base and market share across the retail segment by introducing several new features in a challenging market scenario with muted retail participation.

In line with our focus on recognizing customer needs and equipping them with innovative solutions, the Company is constantly making efforts to innovate products and services for its customers. The Company is also the first brokerage house in India to offer I-Gain, a 'Pay only when you profit' derivative brokerage scheme on ICICIdirect.com. The scheme enables the customer to pay brokerage only when he / she makes profit. In case the customer trade incurs a loss, no brokerage is charged. The Company introduced customer friendly innovative tools for better decision making such as personalised stock alerts system, capital gain status, alerts on corporate action and news on stocks. The Company continued its rigorous focus on client acquisition. Currently, it has the largest retail customer account base of 3.3 million and one of the largest pan-India distribution networks of over 225 ICICIdirect offices and over 900 sub-brokers across 590 cities & towns in India.

## Corporate Finance

During fiscal 2015, we saw a mix of fund raising exercises through IPOs, debt public issues, rights issues & IPP and consolidation exercises through open offers & buyback offers.

The amount raised through equity public issuances managed by the Company during fiscal 2015 was ₹ 2,013 million, which included the IPOs by Wonderla Holidays Limited and Shemaroo Entertainment Limited.

The Company managed the rights issue of ₹ 5,987 million by NCC Limited. The Company handled two open offers in fiscal 2015 - Sterling Holiday Resorts (India) Limited and Mangalore Chemicals & Fertilizers Limited. The Company managed the OFS by Hubtown Limited and also executed the IPP of Muthoot Finance Limited. The Company continued to showcase its expertise in managing consolidation for multinational companies through delisting of Panasonic Appliances India Company Limited. Moreover, the Company successfully accomplished the buy-back of shares by Edelweiss Financial Services Limited during fiscal 2015.

The Company continued to retain its leading position in the debt capital markets in fiscal 2015, in terms of the number of public issues handled. The Company managed eight public issuances with aggregate fund raising of ₹ 41,935 million in fiscal 2015. The debt issuances during the year included NCDs for private sector NBFCs (Shriram Transport Finance Company Limited, Muthoot Finance Limited, Shriram City Union Finance Limited and SREI Infrastructure Finance Limited). The Company has handled around 33 issues during fiscal 2014 and maintained a leading position for two years in a row. (*Source: Prime Database*)

The Company has registered a new high in M&A advisory business and was ranked third among all financial advisors for M&A deals for the calendar year 2014 (*Source: Mergermarket*). The Company rendered advisory services in several transactions during the year in sectors ranging across Pharmaceuticals, Energy, Cement, IT & ITES, Travel, Healthcare, Consumer, Financial Services, etc.

In the advisory space, some of the transactions by the Company include the following:

- Exclusive advisor to Ranbaxy Laboratories Limited for its merger with Sun Pharmaceutical Industries Limited, a merger that created the largest Indian pharma company;
- Advisor to Jaiprakash Associates Limited for transfer of two of its cement units to UltraTech Cement Limited;
- Advisor to Aditya Birla Private Equity Fund in acquisition of a stake in Credit Information Bureau (India) Limited (CIBIL);
- Advisor to Midmark Corporation in the acquisition of Janak Healthcare Private Limited;
- Advisory to Rasoi Limited towards sale of brand 'Rasoi' to Emami Biotech Limited; and
- Advisory to Zensar Technologies Limited on its acquisition of Professional Access Resources Private Limited.

## Distribution of Retail Financial Products

In fiscal 2015, the Company continued its focus on mutual funds and further consolidated its position among the leading mutual fund distributors. In the life insurance space, the Company continued to grow its share of new business premium and improved persistency.

## Financial Learning

The Company undertook various activities towards investment education through its initiative ICICIdirect Centre for Financial Learning (ICFL). ICFL imparts investment education through multiple mediums including classroom workshops

and online training. The classroom workshops are conducted in all major cities of the country by capital market experts. The online learning programs are available anywhere and anytime based on a learner's preference. To increase accessibility to investment education, ICFL added new self-study programs in the areas of capital market and personal finance that can be studied online at learners own pace. These programs help enrich the learning experience for the learner through animation and interactivity. ICFL also associated with the National Institute of Securities Markets (NISM) to introduce Certification on Equity Trading and Investments. This certificate is designed for youngsters and helps them acquire practical investment skills through a curriculum built around a learning simulator.

ICICIdirect Centre for Financial Learning had tied-up with IIM Kashipur and Ideal Classes for promoting financial training and certificate courses.

## StockMIND

The Company continued its initiative of educating youngsters on the stock market investments through StockMIND Season 3, a nation-wide contest aimed at college students. In fiscal 2015, StockMIND was conducted separately for graduate and post-graduate students. StockMIND Season 3 reached out to over 625 colleges and 100,000 students in 75 cities.

## Private Wealth Management

In fiscal 2015, the Company maintained its focus on strengthening its Private Wealth Management business. The goals of the business were multi-fold: diversifying the revenue streams, entering new geographies and maintaining focus on long term relationships through holistic approach towards assisting clients in managing their wealth. The Company has created strong relationship with clients and has complemented this by offering innovative financial solutions to its clients. The Company's competitive positioning is supported by best in class products offered by it as well as its advisory platform.

## Risk Management

The Company has in place a robust risk management framework that ensures identification, measurement of risks and risk mitigation controls within the Company. The Risk Management Committee (constituted by the Board of Directors of the Company) analyses and monitors various products/processes/policies of the Company and recommends risk controls to ensure that the residual risk of various business activities is always kept within the defined limits. Towards this, the Committee is assisted by the Corporate Risk Management Group of the Company for framing and monitoring the various risk management policies, defining the prudential limits such as VaR limits, exposure limits and concentration limits for company's own investments as well as for the various products and services offered by the Company.

The Operational Risk Management function identifies operational risks in various products as well as processes and monitors the operational losses incurred by the Company. In addition, the risk based compliance monitoring helps in ensuring that various products and processes within the Company meet the regulatory requirements on an on-going basis.

The Corporate Risk Management Group of the Company also analyses the results of various stress testing scenarios from the perspective of ensuring company's capital adequacy under any unfavourable / unforeseen market circumstances and ensuring timely actions, wherever required, towards ensuring avoidance of situation that could threaten the existence of the Company.

On the basis of the robust risk management framework and regular monitoring of all major risk areas within the Company, the Board is satisfied that there are no factors that could threaten the existence of the Company.

## OUTLOOK

### Equities

The Indian economy is expected to achieve higher growth in fiscal 2016, while inflation is expected to be subdued due to weak commodity prices. In spite of the expectation of a rate hike in the US in fiscal 2016, global liquidity is expected to be sanguine given the on-going QE in Eurozone and Japan, while monetary easing has led to a surge in Chinese equity markets over the last one year. Government focus on legislative reforms along with steps at reviving the investment cycle through higher allocation towards capital expenditure in the Union Budget 2015-16 will improve investor interest in Indian equities. The risk to the performance of equity markets arises out of weak corporate earnings growth in the second half of fiscal 2015, although it is expected to improve in fiscal 2016.

We continue to invest in technology and focus on higher yielding business segments, while continuing to explore new segments of clients and enhancing products and services to maintain our leadership position.

## Corporate Finance

There is an expectation of many companies looking to raise funds through the capital markets route.

## Distribution of Retail Financial Products

During fiscal 2015, the mutual fund business maintained a positive momentum propelled by positive market sentiment. The outlook of the Government towards building infrastructure and increasing domestic manufacturing is expected to

# directors' report



I-Sec

structurally improve the economic growth. The Company is well positioned to capture the business opportunity and geared up to manage the impact on its revenue which is expected due to changes in service tax rules and capping of MF commission.

## Private Wealth Management

We expect that the long term growth trajectory for the country would result in increase in the overall addressable HNI market and its savings and investments needs.

The Company expects to continue to build its competitive advantage through innovative products and strong advisory services. The Company is continuously expanding its client base through a wider geographical reach. The overall objective of the company would be to grow the business through emphasis on new client acquisition and deepening of wallet of existing clients.

## SUBSIDIARY COMPANIES

The Company has two subsidiaries in the United States of America (USA), namely, ICICI Securities Holdings, Inc. (ISHI) and ICICI Securities, Inc. (I-Sec. Inc.). A report on the performance and financial position of the Subsidiaries is given in Annexure A.

During fiscal 2015, ISHI did not have any business operations. It will continue to grow its wholly owned subsidiary, namely ICICI Securities, Inc., in its efforts to increase business from the institutional segment in US, Canada, and Singapore. I-Sec. Inc. is registered with the Securities and Exchange Commission ("SEC") and is a Member of the Financial Industry Regulatory Authority ("FINRA"). I-Sec. Inc. holds an International Dealer registration from the Canadian Securities Regulatory Authority ("CSRA") which enables the Company to expand its reach to institutional investors in three provinces of Canada. I-Sec. Inc. has its main office in New York, USA and branch office in Singapore where it holds a Capital Market Services ("CMS") license granted by the Monetary Authority of Singapore ("MAS") for the purpose of Dealing in Securities in Singapore.

During fiscal 2015, I-Sec. Inc. has strengthened its positioning among its US, Canada, and Singapore based institutional investors. I-Sec. Inc. conducted three conferences in the US and its flagship annual event in Singapore, along with numerous roadshows in both geographies during fiscal 2015. These activities, coupled with the increased demand for Indian securities, I-Sec. Inc. has experienced an upward trend of client participation in terms of the quantity and quality of clients. I-Sec. Inc.'s corporate access activities adds value to the decision-making process of its clients by providing differentiated research, access to corporate managements and experts from various fields which helps I-Sec. Inc. to penetrate new clients as well as strengthen its positioning among existing clients.

During the year under review, there were no new subsidiaries formed by the Company and none of the current subsidiaries ceased to exist.

## VIGIL MECHANISM

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

The purpose of the Whistleblower Policy is to enable a person who observes an unethical practice (whether or not a violation of law) to approach an Audit Committee without necessarily informing his supervisors and without revealing his identity, if he chooses to do so. The Policy governs reporting and investigation of allegations of suspected improper activities.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and, in conformity with the Policy and applicable laws and regulations, the appropriate investigative process is employed. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of the Whistle Blower Policy/Vigil mechanism have been disclosed on the website of the Company.

## INTERNAL CONTROL AND ITS ADEQUACY

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

## AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee of the Company consists of three directors viz., Uday Chitale, Anup Bagchi and Ajay Saraf.

The Company's primary focus areas for CSR activities are:

- Education
- Health Care
- Skill development and sustainable livelihoods
- Financial inclusion
- Support employee engagement in CSR activities
- Capacity building for corporate social responsibility
- Other areas

The Company continued to partner with ICICI Foundation for Inclusive Growth to support the cause of sustainable livelihood and skill development, elementary education, primary health to achieve the CSR objectives. The Company also contributed to Concern India Foundation for their day care facilities for children of domestic workers and daily wage earners in some areas in Mumbai. The Company contributed to the Prime Minister's National Relief Fund to work on relief activities for the flood affected of Jammu & Kashmir.

The Corporate Social Responsibility Policy as approved by the Board is uploaded on the Company's website.

The Annual Report on Corporate Social Responsibility is given in Annexure B.

## EXTRACT OF ANNUAL RETURN

An extract of the annual return as required under Section 92 (3) of the Companies Act, 2013 in Form No. MGT-9 is attached as Annexure C.

## PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Annexure D.

## RELATED PARTY TRANSACTIONS

The Company undertakes various transactions with related parties in the ordinary course of business. The Company has a Board approved framework on Related Party Transactions. The Company also has a Board approved Group Arms' Length Policy which requires transactions with the group companies to be at arm's length. The transactions between the Company and its related parties, during the year ended March 31, 2015, were in the ordinary course of business and based on the principles of arm's length. The details of material related party transactions at an aggregate level for year ended March 31, 2015 is given as Annexure E.

## ACHIEVEMENTS

During the year, the Company received several accolades for its initiatives.

During the year, the Company in association with the National Stock Exchange had launched a five-day mobile Investor Awareness programme - 'Pragati Ki Neev - on wheels'. The mobile van reached out to investors based in nine cities in Maharashtra including Aurangabad, Waluj, Ahmednagar, Nasik, Ozar, Pimplesaon, Malegaon, Devpur and Dhule. This initiative won the Company the 'Global CSR Excellence and Leadership Awards 2015'. These awards recognize institutions for their responsibility towards communities they touch and initiatives they take to create lasting impact on the society through their expertise.

For the tenth time, ICICIdirect.com, won the Outlook Money 'Best e-Brokerage Award'.

During the year, the Company tied up with Credit Information Bureau (India) Limited (CIBIL) to make the 'CIBIL TransUnion Score and Report' available to the ICICIdirect customers. The customers of the Company will now be able to view both their loans and investments portfolio at a single place and thus, manage their personal finance better.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Narendra Murkumbi ceased to be Director of the Company and the Board places on record its appreciation for the valuable services rendered by him. Vinod Kumar Dhall was appointed as an Additional Director (Independent Director) on the Board of Directors of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Ajay Saraf, Director, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for re-appointment.

As per section 149 (4) of the Companies Act, 2013 ('the Act'), which came into effect from April 1, 2014 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every public company having paid-up share capital of Ten

# directors' report

*Continued*

Crone or more is required to have at least two directors as Independent Directors. The Ministry of Corporate Affairs had, *vide* its circular no. 14/2014 dated June 9, 2014 ('MCA Circular') clarified that the appointment of the existing Independent Directors shall be made expressly under Section 149 (10) & (11) of the Act read with Schedule IV of the Act within one year from April 1, 2014 subject to compliance with eligibility and other prescribed conditions.

The Shareholders of the Company had pursuant to sections 149 (10) & (11) and 152 of the Act had, at the Extra-ordinary General Meeting of the Company held on March 12, 2015, approved the appointment of Uday Chitale as the Independent Director of the Company not be liable to retire by rotation for a period upto April 26, 2016.

During the year, Anup Bagchi, Ajay Saraf, Raju Nanwani and Prashant Mohta were included in "Key Managerial Personnel".

## PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Company with the approval of its Nomination & Remuneration Committee has put in place an evaluation framework for evaluation of the Board, Directors and Chairperson. The Board also carries out an evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. The evaluation of the Committees is based on the assessment of the compliance with the terms of reference of the Committees.

The evaluations for the Directors and the Board were done through circulation of two questionnaires, one for the Directors and the other for the Board which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors was based on their participation, contribution and offering guidance to and understanding of the areas which are relevant to them in their capacity as members of the Board. The Nomination & Remuneration Committee has oversight over compensation. The Nomination & Remuneration Committee defines Key Performance Indicators (KPIs) for Whole Time Directors 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 Nomination & Remuneration Committee assesses organisational performance as well as the individual performance for Whole Time Directors. Based on its assessment, it makes recommendations to the Board regarding compensation for Whole Time Directors and bonus for employees.

## Compensation Policy

The Company has in place the remuneration framework for the non-executive directors and the compensation policy for the whole-time directors, Key Managerial Personnel, Senior Management as well as other employees. The Company also has in place the criteria for determining qualifications, positive attributes and independence of a director.

## Meetings

The Board of Directors of the Company meet at regular intervals to discuss and decide on business policy and strategy apart from other board business. The Board met four times in the FY2015 viz., on April 16, 2014, July 21, 2014, October 16, 2014 and January 16, 2015.

Name of the Director	Number of Board Meetings Held	Number of Board Meetings Attended
Chanda Kochhar	4	4
Anup Bagchi	4	4
Ajay Saraf	4	4
Uday Chitale	4	4
Vinod Kumar Dhall	2*	2
Zarin Daruwala	4	4
Shilpa Kumar	4	3
Narendra Murkumbi	2#	2

As per the provisions of the Companies Act, 2013, independent directors are not liable to retire by rotation and the terms of appointment of independent directors will be governed by the provisions of Companies Act, 2013. The independent directors have submitted a declaration pursuant to Section 149 (6) of the Companies Act, 2013.

\* Vinod Kumar Dhall was appointed as the Independent Director on the Board of the Company w.e.f. October 28, 2014. However, he had attended the Board meeting held on October 16, 2014 as a special invitee.

# Narendra Murkumbi ceased to be the Director of the Company effective August 13, 2014.

## COMMITTEES OF BOARD

### (i) Audit Committee

Four meetings were held on April 16, 2014, July 21, 2014, October 16, 2014 and January 16, 2015.

- (ii) Nomination and Remuneration Committee  
One meeting was held on April 16, 2014.

- (iii) Corporate Social Responsibility Committee (constituted on April 16, 2014)  
One meeting was held on August 26, 2014.

## GENERAL MEETINGS

The particulars of all general meetings held during the last three years are as follows:

Particulars	Date
Annual General Meeting	June 21, 2012
Annual General Meeting	July 31, 2013
Annual General Meeting	June 27, 2014
Extra Ordinary General Meeting	September 4, 2014
Extra Ordinary General Meeting	March 12, 2015

## STATUTORY AUDITORS

The Statutory Auditors, S. R. Batliboi & Co. LLP, ICAI Firm Registration Number: 301003E (formerly known as S. R. Batliboi & Co.), Chartered Accountants, Mumbai, have been appointed for a period of three years subject to ratification by the shareholders at every Annual General Meeting. The Board has proposed their ratification as Statutory Auditors to audit the accounts of the Company for FY2016. The Auditors have indicated their willingness to get their appointment ratified by the members. You are requested to ratify their appointment.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jaiprakash R. Singh & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company for FY2015. The report of the Secretarial Audit Report is annexed herewith as Annexure F. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report.

## FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

During fiscal 2015, expenditure in foreign currencies amounted to ₹ 277.3 million (previous year: ₹ 255.1 million) and earnings in foreign currencies amounted to ₹ 113.5 million (previous year: ₹ 181.5 million).

## PERSONNEL

As required pursuant to the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. The Directors' Report is being sent to the shareholders excluding the Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

## ADDITIONAL INFORMATION

The Managing/Whole-time Directors of the Company are granted stock options of the holding company *i.e.* ICICI Bank Limited ("the Bank") which are issued pursuant to the Employee stock option scheme of the Bank. The details of stock options granted by the Bank for fiscal 2015 are as given below:

Name of Director	Number of Stock options
Anup Bagchi, Managing Director & CEO	525,000
Ajay Saraf, Executive Director	190,000

In view of the nature of business activities of the Company, the information relating to conservation of energy and technology absorption, as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not required to be given. The Company has, however, used information technology extensively in its operations.

## AUDIT COMMITTEE

The Audit Committee comprises of Uday Chitale, Vinod Kumar Dhall and Shilpa Kumar as its members. Uday Chitale, an independent Director, is Chairman of the Audit Committee. The Committee meets, *inter alia*, to review the accounts of the Company and to discuss the audit findings and recommendations of the internal and statutory auditors.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of financial year of the Company to which the Balance Sheet relates and the date of this Report.

## SIGNIFICANT AND MATERIAL ORDERS

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

# directors' report



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## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that strong corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and unquestioned integrity of all personnel involved, the Company has proactively adopted best practices with regard to corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, *inter alia*, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

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

There were no complaints reported during the year under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ACKNOWLEDGEMENTS

The Directors thank Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other statutory authorities and its bankers and lenders for their continued support to the Company.

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

The Directors extend their sincere thanks to the clients of the Company for their support.

For and on behalf of the Board

CHANDA KOCHHAR  
Chairperson

Mumbai, April 17, 2015

## annexure a

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ 000's)

Sl. No	Particulars	Subsidiary	Step Down Subsidiary
1	Name of the subsidiary	ICICI Securities Holdings, Inc.	ICICI Securities, Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2015	31-03-2015
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR
4	Share capital	728,206	571,667
5	Reserves & surplus	(124,943)	(477,169)
6	Total assets	603,601	171,325
7	Total Liabilities (excluding capital and reserves)	338	76,827
8	Investments	571,667	-
9	Turnover	403	146,795
10	Profit before taxation	119	21,064
11	Provision for taxation	781	489
12	Profit after taxation	(662)	20,575
13	Proposed Dividend	-	-
14	% of shareholding	100% held by ICICI Securities, Limited	100% held by ICICI Securities Holdings, Inc.

#### Notes:

1. Names of subsidiaries which are yet to commence operations **NA**
2. Names of subsidiaries which have been liquidated or sold during the year. **NA**

# directors' report

*Continued*

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**Not Applicable**

Name of Associates/Joint Ventures	Name 1	Name 2
1. Latest audited Balance Sheet Date		
2. Shares of Associate/Joint Ventures held by the company on the year end No.		
Amount of Investment in Associates/Joint Venture		
Extend of Holding %		
3. Description of how there is significant influence		
4. Reason why the associate/joint venture is not consolidated		
5. Networth attributable to Shareholding as per latest audited Balance Sheet		
6. Profit / Loss for the year		
i. Considered in Consolidation		
i. Not Considered in Consolidation		

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

CHANDA KOCHHAR  
*Chairperson*

UDAY CHITALE  
*Director*

ANUP BAGCHI  
*Managing Director & CEO*

AJAY SARAF  
*Executive Director*

RAJU NANWANI  
*Company Secretary*

PRASHANT MOHTA  
*Chief Financial Officer*

## annexure b

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Group even before its recent statutory mandate under the Companies Act, 2013. Our CSR initiatives are driven through ICICI Foundation for Inclusive Growth (ICICI Foundation), founded in 2008 to make India's growth more inclusive and sustainable by empowering the lower income sections of our society to participate in India's growth process. The Company has been contributing to the ICICI Foundation regularly as a part of the CSR activity and the same was done during the year 2014-15.

The CSR Policy of the Company sets the framework guiding its CSR activities. It outlines the governance structure, operating framework, monitoring mechanism and CSR activities that would be undertaken. The CSR committee of the Board is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The Company's CSR activities are largely focused in the areas of education, health care, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives.

The CSR policy was approved by the Committee in August 26, 2014 and subsequently was put up on the Company's website. Web-link to the CSR policy:

[http://www.icicisecurities.com/ResearchAttachments/CSR\\_Policy.pdf](http://www.icicisecurities.com/ResearchAttachments/CSR_Policy.pdf)

2. Composition of the CSR Committee.

The CSR Committee of the Company comprises of three Directors including one independent Director who chairs the Committee. The composition of the Committee is set out below:

- Uday Chitale, Chairman
- Anup Bagchi, Managing Director & CEO
- Ajay Saraf, Executive Director

The functions of the Committee include: review of CSR initiatives undertaken by the Company and ICICI Foundation, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the Company and the amendments, thereto and recommendation of the amount of the expenditure to be incurred on such activities, reviewing and recommending the annual CSR plan to the Board, monitoring the CSR activities and implementation of and compliance with the CSR Policy.

#### Particulars of CSR spending by the company during the year ended March 31, 2015:

3. Average net profit of the Company for last three financial years

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 was ₹ 1,231.3 million.

4. Prescribed CSR Expenditure : 2% of average net profit of last 3 years, i.e. 2% of ₹ 1,231.3 million = ₹ 24.6 million

# directors' report

5. Details of CSR spending during the financial year 2014-15:

- |   |                |
|---|----------------|
| (a) Total amount to be spent for the financial year | ₹ 24.6 million |
| (b) Amount actually spent                           | ₹ 14.7 million |
| (c) Amount unspent, if any                          | ₹ 9.9 million  |

(d) Manner in which the amount was spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ in million)	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (₹ in million)	Cumulative expenditure upto the reporting period (₹ in million)	Amount spent direct or through implementing agency
1.	Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods; elementary education, primary healthcare and other projects	<ul style="list-style-type: none"> <li>• Ten fully operational skill development centres opened. Centres located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg.</li> <li>• Elementary education projects in Rajasthan and Chhattisgarh.</li> <li>• Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra).</li> </ul>	11.5	11.5	11.5	Amount spent through ICICI Foundation set up in 2008 to focus on activities in the area of CSR.
2.	Day care centre for children of domestic workers and daily wage earners	Health Care	Mulund and Wadala, Mumbai, Maharashtra	0.7	0.7	0.7	Amount spent through Concern India Foundation
3.	Contribution to Prime Minister's relief fund	Relief & welfare	Jammu & Kashmir	2.5	2.5	2.5	Direct

As explained above, the actual CSR expenditure *vis-à-vis* the mandated amount was lower by ₹ 9.9 million. This was due to lower fund requirements compared to the budget in ongoing projects of implementing agencies and deferment of fund disbursements due to delay in finalising commitments. Going forward, we expect to spend the annual CSR outlay.

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

ANUP BAGCHI  
*Managing Director & CEO*

UDAY CHITALE  
*Chairman, CSR Committee*

# directors' report

*Continued*

## annexure c

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2015

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

#### I REGISTRATION AND OTHER DETAILS:

i) CIN	U67120MH1995PLC086241
ii) Registration Date	March 19, 1995
iii) Name of the Company	ICICI Securities Limited
iv) Category / Sub-Category of the Company	Public Unlisted Company
v) Address of the Registered office and contact details	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400020
vi) Whether listed company (Yes / No)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited, Tower # 5, 3rd to 6th Floor, International Infotech Park, Vashi, Navi Mumbai 400 703

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Broking	67120	62.5
Merchant banking and distribution of financial products	67190	27.8

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Mumbai - 400 051	L65190GJ1994PLC021012	Holding Company	100%	Section 2(46)
ICICI Securities Holdings, Inc., 2711 Centerville Road Suite 400 Wilmington, DE 19808 United States of America	NA	Wholly owned Subsidiary	100%	Section 2 (87)
ICICI Securities, Inc., 2711 Centerville Road Suite 400 Wilmington, DE 19808 United States of America	NA	Step down Subsidiary	100%	Section 2 (87)

# directors' report

**ICICI Securities**

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## IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
g) Individual/HUF									
h) Central Govt									
i) State Govt(s)									
j) Bodies Corp.	805350000	3500	805353500	100	805350000	3500	805353500	100	Nil
k) Banks / FI									
l) Any Other....									
<b>Sub-total (A) (1):-</b>	805350000	3500	805353500	100	805350000	3500	805353500	100	Nil
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	805350000	3500	805353500	100	805350000	3500	805353500	100	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital									
Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>									
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	805350000	3500	805353500	100%	805350000	3500	805353500	100%	Nil

# directors' report

*Continued*

*(ii) Shareholding of Promoters*

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
ICICI Bank Limited (along with others holding jointly with and as a nominee of ICICI Bank)	805353500	100%	NA	805353500	100%	NA	Nil
<b>Total</b>	<b>805353500</b>	<b>100%</b>	<b>NA</b>	<b>805353500</b>	<b>100%</b>	<b>NA</b>	<b>Nil</b>

*(iii) Change in Promoters' Shareholding (please specify, if there is no change)- NA*

	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year ( or on the date of separation, if separated during the year)				

*(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):- Same as given in point no. (ii)*

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year ( or on the date of separation, if separated during the year)				

*(v) Shareholding of Directors and Key Managerial Personnel*

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Anup Bagchi*	500	0	500	0
Ajay Saraf*	500	0	500	0
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the End of the year				
Anup Bagchi*	500		500	
Ajay Saraf*	500		500	

\* Jointly with ICICI Bank Limited and its nominee

*(V) INDEBTEDNESS*

*Indebtedness of the Company including interest outstanding/accrued but not due for payment*

₹ millions

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i)Principal Amount		3,160.7		3,160.7
ii)Interest due but not paid				
iii)Interest accrued but not due		10.6		10.6
<b>Total (i+ii+iii)</b>		3,171.3		3,171.3
<b>Change in Indebtedness during the financial year</b>				
· Addition	16,095.9		16,095.9	
· Reduction	17,014.8		17,014.8	
<b>Net Change</b>		(918.9)		(918.9)
<b>Indebtedness at the end of the financial year</b>				
i)Principal Amount		2,241.8		2,241.8
ii)Interest due but not paid				
iii)Interest accrued but not due		23.5		23.5
<b>Total (i+ii+iii)</b>		2,265.3		2,265.3

# directors' report



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## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount	₹ millions
Gross salary	Anup Bagchi	Ajay Saraf	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.5	20.8	63.3
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit	-	-	-
- others, specify...	-	-	-
Others, please specify	-	-	-
<b>Total (A)</b>	<b>42.5</b>	<b>20.8</b>	<b>63.3</b>
Ceiling as per the Act	224.6	224.6	449.2

### B. Remuneration to other directors

Particulars of Remuneration	Name of Directors			Total Amount	₹ millions
	Uday Chitale	Vinod Kumar Dhall	Narendra Murkumbi		
3. Independent Directors - Fee for attending board /committee meetings - Commission - Others, please specify	0.6	0.1	0.2	0.9	
<b>Total (1)</b>	<b>0.6</b>	<b>0.1</b>	<b>0.2</b>	<b>0.9</b>	
4. Other Non-Executive Directors - Fee for attending board /committee meetings - Commission - Others, please specify					
<b>Total (2)</b>	<b>0.6</b>	<b>0.1</b>	<b>0.2</b>	<b>0.9</b>	
<b>Total (B)=(1+2)</b>	<b>0.6</b>	<b>0.1</b>	<b>0.2</b>	<b>0.9</b>	
Total Managerial Remuneration				63.3	
Overall Ceiling as per the Act				449.2	

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Particulars of Remuneration	Key Managerial Personnel				₹ millions
	CEO	Company Secretary	CFO	Total	
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
Stock Option	-	-	-	-	-
Sweat Equity	-	-	-	-	-
Commission - as % of profit	-	-	-	-	-
-others, specify...	-	-	-	-	-
Others, please specify	-	-	-	-	-
<b>Total</b>	<b>6.8</b>		<b>6.8</b>	<b>6.8</b>	<b>13.6</b>

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

CHANDA KOCHHAR  
Chairperson

# directors' report

*Continued*

## annexure d

### LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investment under Section 186 of the Companies Act, 2013 is as under:

Sr. No.	Particulars of the loans given, investment made or guarantee given or security provided	Purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security	Amount ₹ millions
<b>A</b>	<b>Investments made</b>		
1	Subsidiary – ICICI Securities Holdings, Inc.	Strategic Investment	122.7*
2	Parabolic Drugs Limited	Strategic Investment	2.8*
3	Bombay Stock Exchange	Strategic Investment	0.0#
4	Universal Trustees Private Limited	Strategic Investment	9.4
5	First Source Solutions Limited	Strategic Investment	0.0#
<b>B</b>	<b>Guarantees</b>		
	Corporate Guarantee and standby Letter of Credit in favour of US Bank National Association	To secure ICICI Securities Inc.'s performance on its lease obligations	156.3

Note:

- 1) \*Amount net of provisions
- 2) Securities held as stock in trade are not included in the above.
- 3) # Amounts are lower than ₹ 1 million.

For and on behalf of the Board

## annexure e

CHANDA KOCHHAR  
Chairperson

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis -- **NIL**

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material related party transactions at an aggregate level for the year ended March 31, 2015:

Sr. No.	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contract	Salient term of contract/ transaction	₹ in million
1.	Bank Balance lying in ICICI bank accounts	ICICI Bank Limited	Holding Company	–	Outstanding balance at March 31, 2015 in current accounts maintained for normal banking transactions	685.7 (Net of current liabilities of ₹ 3.2 million)

For and on behalf of the Board

## annexure f

CHANDA KOCHHAR  
Chairperson

**Jaiprakash R. Singh & Associates**  
Company Secretaries

### Secretarial Audit Report

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015.

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
ICICI Securities Limited  
ICICI Centre, H.T. Parekh Marg.  
MUMBAI- 400 020.

Dear Sirs,  
I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICICI SECURITIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a

**C. S. Jaiprakash Singh**  
B. Com., FCS

manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31<sup>st</sup> March, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinbefore:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ICICI SECURITIES LIMITED ("The Company")** for the period ended on 31<sup>st</sup> March, 2015 ,according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made hereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made hereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

# directors' report



I-SEC

- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended till date to the extent applicable to the Company:-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
  - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - g) Bye Laws of Stock exchange;
  - h) The Securities and Exchange Board of India (Underwriters) 1993;
  - i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulation, 2013;
  - k) The Securities and Exchange Board of India (Stockbrokers and Sub brokers)Regulations, 1992;
  - l) The Securities Contracts Regulations Rules;
  - m) The Securities and Exchange Board of India (KYC) Registration Regulations, 2011;
  - n) The Securities and Exchange Board of India Investment Advisory Regulations 2013;
  - o) The Securities and Exchange Board of India (Certification of Associated Persons in Securities Markets) Regulations, 2007;
  - p) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
  - q) The Securities and Exchange Board of India (Alternate Investment Funds)Regulations, 2012;
  - r) Regulation by Pension Fund Regulatory and Development Authority;
  - s) Association of Mutual Funds in India Guidelines and Norms for Intermediary;
  - t) The IRDA (Licensing of Corporate Agents) Regulations, 2002;
  - u) Prevention of Money Laundering Act 2002 and Anti Money Laundering Policy;
  - v) The Memorandum and Articles of Association;
- V. Other applicable laws.
- a) The Payment of Gratuity Act, 1972;
  - b) The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
  - c) Equal Remuneration Act, 1976;
  - d) The Bombay Shops and Establishments Act, 1948;
  - e) Contract Labour (Regulation abolition) Act,1970;
  - f) The Payment of Wages Act, 1936;
  - g) The Maternity Benefit Act, 1961;
  - h) The Payment of Bonus Act, 1965;
  - i) The Employment Exchanges (Compulsory notification of Vacancies) Act,1959;

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited. (Not applicable – not a listed Company)

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

During the Course of Secretarial Audit, we came across a SEBI Order dated November, 28, 2014, imposing a penalty of ₹ 1 Crore on the Company as one of the 6 BRLMs jointly and severally in connection with the Initial Public Offering of CARE Limited. The Company has filed an appeal on January 14, 2015 before Securities Appellate Tribunal (SAT) against the SEBI order and the matter is currently pending before SAT. The next hearing is scheduled on April 30, 2015.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members;
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 19th Annual General Meeting held on 27<sup>th</sup> June 2014;
  - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
  - l) declaration and payment of dividends;
  - m) investment of the Company's funds including investments and loans to others;

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

3. I further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

4. I further report that:

Based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

JAIPRAKASH SINGH  
Jaiprakash R. Singh & Associates  
FCS No.:7391  
C P No.:4412

Place : Mumbai  
Date : 9<sup>th</sup> April , 2015

# independent auditors' report

## to the Members of ICICI Securities Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of ICICI Securities Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with

the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2015, its profit, and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigating on its financial position in the financial statements, refer note 34 to the financial statement;
    - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at 31 March 2015 for which there were any material foreseeable losses; and
    - iii. As at 31 March 2015 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants

ICAI Firm Registration Number: 301003E

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Place of Signature: Mumbai  
Date: 17 April 2015

# annexure to the independent auditors' report



**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date RE: ICICI Securities Limited (the Company)**

**I-SEC**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Company does not hold any securities in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received from them on a regular basis. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of securities held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with book records.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 189 the Act and hence clause (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of securities and fixed assets and for rendering services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- As informed, the Company has not sold goods during the year, hence adequacy of internal controls on same has not been commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for the services provided by the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, value added tax and other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of above statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- The provisions of Investor Education and Protection Fund, customs duty, excise duty and cess are not applicable to the Company in the current year.
- (b) According to the records of the Company, the dues outstanding of income-tax and Service Tax on account of any dispute, are as follows:

- According to the information and explanation given to us, there are no dues of sales-tax, wealth tax, value added tax and cess which have not been deposited on account of any dispute.
- The provisions of customs duty and excise duty are not applicable to the Company in the current year.
- (c) According to the information and explanation given to us, there is no amount required to be transferred to investor education and protection fund by the Company as at 31 March 2015.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year. For this purpose loans with repayment periods beyond 36 months are considered as long term loans.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co. LLP  
*Chartered Accountants*  
*ICAI Firm Registration Number: 301003E*

Place of Signature: Mumbai  
*Date: 17 April 2015*

Per SHRAWAN JALAN  
*Partner*  
*Membership No.: 102102*

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of client introduction fees, Client Assistance Charges, Transaction and VSAT charges etc.	1,247	1999-2000 to 2009-2010	CIT (Appeals) and ITAT
Service Tax Act, 1994	Disallowance of Input credit	156	AY 2005-2006 to 2010-2011	Commissioner of Service Tax

# balance sheet

# profit and loss account

at March 31, 2015

for the year ended March 31, 2015

	Notes	As at March 31, 2015	As at March 31, 2014	(₹ in million)	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014	(₹ in million)
<b>I EQUITY AND LIABILITIES</b>								
<b>(1) Shareholder's funds</b>					<b>I) Revenue from operations</b>			
(a) Share capital	3	<b>1,610.7</b>	<b>1,610.7</b>		(a) Brokerage income	<b>7,554.1</b>	<b>4,960.5</b>	
(b) Reserves and surplus	4	<b>1,910.6</b>	<b>1,385.0</b>		(b) Income from services	<b>3,363.1</b>	<b>2,534.8</b>	
		<b>3,521.3</b>	<b>2,995.7</b>		(c) Interest and other operating income	22	<b>909.6</b>	<b>588.6</b>
<b>(2) Non-current liabilities</b>					(d) Profit/(loss) on securities (net)		<b>267.8</b>	<b>33.5</b>
(a) Other long term liabilities	5	<b>506.4</b>	<b>404.5</b>		<b>Total Revenue</b>		<b>12,094.6</b>	<b>8,117.4</b>
(b) Long-term provisions	6	<b>160.7</b>	<b>129.0</b>					
		<b>667.1</b>	<b>533.5</b>					
<b>(3) Current liabilities</b>					<b>II) Expenses:</b>			
(a) Short-term borrowings	7	<b>2,265.3</b>	<b>3,171.3</b>		(a) Employee benefits expense	23	<b>3,848.5</b>	<b>3,213.4</b>
(b) Trade payables	8	<b>5,601.0</b>	<b>8,387.6</b>		(b) Operating expenses	24	<b>1,191.6</b>	<b>1,202.6</b>
(c) Other current liabilities	9	<b>1,515.7</b>	<b>1,089.1</b>		(c) Finance costs	25	<b>306.1</b>	<b>242.6</b>
(d) Short-term provisions	10	<b>41.0</b>	<b>26.5</b>		(d) Depreciation and amortization expense	11	<b>162.7</b>	<b>133.1</b>
		<b>9,423.0</b>	<b>12,674.5</b>					
		<b>13,611.4</b>	<b>16,203.7</b>		(e) Other expenses	26	<b>2,589.3</b>	<b>2,064.7</b>
<b>II) ASSETS</b>					<b>Total expenses</b>		<b>8,098.2</b>	<b>6,856.4</b>
<b>(1) Non-current assets</b>								
(a) Fixed assets					<b>III) Profit before tax</b>		<b>3,996.4</b>	<b>1,261.0</b>
(i) Tangible assets	11	<b>252.4</b>	<b>193.5</b>					
(ii) Intangible assets		<b>95.7</b>	<b>154.1</b>		<b>IV) Tax expense:</b>			
(iii) Capital work-in-progress		<b>6.9</b>	<b>6.0</b>		(a) Current tax		<b>1,629.4</b>	<b>566.4</b>
(iv) Intangible assets under development		<b>30.1</b>	<b>9.6</b>		(b) Deferred tax		<b>(72.6)</b>	<b>(54.8)</b>
		<b>385.1</b>	<b>363.2</b>		<b>Total tax expense</b>		<b>1,556.8</b>	<b>511.6</b>
(b) Non-current investments	12	<b>134.9</b>	<b>605.5</b>					
(c) Deferred tax assets (Net)	13	<b>387.1</b>	<b>314.5</b>					
(d) Long-term loans and advances	14	<b>1,109.2</b>	<b>1,408.2</b>					
(e) Other non-current assets	15	<b>161.6</b>	<b>119.9</b>					
		<b>2,177.9</b>	<b>2,811.3</b>					
<b>(2) Current assets</b>					<b>V) Profit after tax</b>		<b>2,439.6</b>	<b>749.4</b>
(a) Current investments	16	—	<b>1,000.0</b>					
(b) Stock-in-trade	17	<b>338.1</b>	<b>277.0</b>					
(c) Trade receivables	18	<b>1,731.3</b>	<b>5,384.1</b>		<b>VI) Earnings per equity share:</b>		<b>27</b>	<b>3.03</b>
(d) Cash and bank balances	19	<b>8,432.7</b>	<b>5,888.1</b>		Basic & Diluted			<b>0.86</b>
(e) Short-term loans and advances	20	<b>306.2</b>	<b>409.1</b>		(Face value ₹ 2/- per share)			
(f) Other current assets	21	<b>625.2</b>	<b>434.1</b>		<b>Summary of significant accounting policies</b>		<b>2</b>	
		<b>11,433.5</b>	<b>13,392.4</b>					
		<b>13,611.4</b>	<b>16,203.7</b>		<b>VII) The accompanying notes are an integral part of the financial statements.</b>			
<b>Summary of significant accounting policies</b>	2							
<b>III) The accompanying notes are an integral part of the financial statements.</b>								

As per our report of even date

S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration No.: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, April 17, 2015

For and on behalf of the Board of Directors

CHANDA KOCHHAR  
Chairperson

ANUP BAGCHI  
Managing Director & CEO

RAJU NANWANI  
Company Secretary

UDAY CHITALE  
Director

AJAY SARAF  
Executive Director

PRASHANT MOHTA  
Chief Financial Officer

## 1 CORPORATE INFORMATION

ICICI Securities Limited ("the Company"), incorporated in 1995, is a public company engaged in the business of broking (institutional and retail), merchant banking and advisory services.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and except where otherwise stated are considered with those used in the previous year.

### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income, expenses and results during the reporting period. The estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### c) Revenue recognition

- i) Brokerage income in relation to stock broking activity is recognised on a trade date basis.
- ii) Revenue from issue management, debt syndication, financial advisory services etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.
- iii) Fee income in relation to public issues/ other securities is recognised based on mobilization and intimation received from clients/ intermediaries.
- iv) Gains/ losses on dealing in securities are recognised on a trade date basis.
- v) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Revenue from dividends is recognised when the shareholder's right to receive the payment is established.
- vii) Training fee income from financial educational programs is recognized on accrual basis.

### d) Investments and stock in trade

Investments in debt and equity securities are classified as current investment or long term investments.

Investments that are acquired with the intention of short term holding and trading are classified as stock-in-trade. All other investments are classified as long term investments. The securities held as stock- in- trade are carried at cost arrived at on weighted average basis or market value, whichever is lower.

Long term investments are carried at acquisition cost, inclusive of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition cost and provided for in the statement of profit and loss. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### e) Fixed Assets

#### (i) Tangible assets

Tangible assets are carried at cost 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 the assets on straight line basis.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of Profit and Loss.

Till the year ended March 31, 2014, depreciation rates prescribed under schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if lower rate

were justified by the estimated useful life of the assets. Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statement.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, these rates in certain cases are different from lives prescribed under Schedule II. This change in accounting estimate did not have any material impact on financial statements of the Company.

Asset	Useful Life
Tangible	
Leasehold improvements	Over the lease period
Office equipments comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers & Network	6 years
Furniture and fixtures	6.67 years
Motor vehicles	5 years

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- I) The motor vehicles are depreciated over the estimated useful lives of 5 years, which is lower than those indicated in schedule II.
- II) The Furniture and fixture are depreciated over the estimated useful lives of 6.67 years, which is lower than those indicated in schedule II.

#### (ii) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The amortization rates used are:

Intangible asset	Useful life
Computer software	25%
CMA Membership rights	20%

### f) Foreign exchange transactions

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Foreign currency income and expenditure items of integral foreign operations are translated at monthly average rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing rate. Non monetary foreign currency assets and liabilities of domestic and integral foreign operations are reported at historical cost.

Exchange differences arising on the settlement or restatement of monetary items are recognised as exchange gain/loss in the statement of profit and loss.

Income and expenditure of non-integral foreign operations are translated at monthly average rates. The assets and liabilities of non-integral foreign operations other than share capital and fixed assets are translated at closing exchange rates at the balance sheet date and the resultant profits/ 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.

### g) Accounting for derivative transactions

The Company enters into derivative contracts such as equity index/ stock futures, equity index/stock options.

Derivative contracts entered into for trading purposes are marked to market and the resulting loss is accounted for in the profit and loss account. Gains are recognised only on settlement/expiry of the derivative contract.

Receivables/payables on the open positions are reported as current assets/ current liabilities.

# notes

## forming part of the accounts

*Continued*

### h) Staff retirement and other benefits

#### *Gratuity*

The Company pays gratuity defined benefit plan to its employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at overseas locations as per rules in force in the respective countries. The Company makes contributions to the ICICI Securities Employees Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

The Company accounts for the gratuity liability as per an actuarial valuation by an actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method made at the end of each financial year.

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its national employees, the Company makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

#### *Compensated absence*

Compensated Absences: Accumulated compensated absences, which are exceeding the allowable limit of carry forward beyond 12 months from the end of the year are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of such unused entitlement that has accumulated at the reporting date.

Accumulated compensated absences, which are within the allowable limit for carry forward beyond 12 months from the end of the year are valued on actuarial basis. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year in respect of such leave. Actuarial losses/gains are recognized in the statement of profit and loss in the year which they arise.

#### *Provident fund*

The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

#### *Long Term Incentive*

The Company has a long term incentive plan which is paid in three annual tranches. The Company accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding rate of interest and staff attrition. The actuarial losses / gains are recognized in the statement of profit and loss in the year in which they arise.

### i) Income taxes

Income tax expense is the aggregate amount of current tax and deferred tax borne by the Company. 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 issued by the Institute of Chartered Accountants of India respectively. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis 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

## 3. SHARE CAPITAL

#### **Authorised:**

1,000,000,000 (March 31, 2014: 1,000,000,000 of ₹ 2/- each) equity shares of ₹ 2/- each  
5,000,000 (March 31, 2014 : 5,000,000 of ₹ 100/- each) 13.75% Cumulative non-convertible redeemable preference shares of ₹ 100/- each

#### **Issued, subscribed and fully paid-up shares:**

805,353,500 (March 31, 2014 : 805,353,500 of ₹ 2 each) equity shares of ₹ 2/- each fully paid

#### **Total issued, subscribed and fully paid-up share capital**

balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognised in the statement of profit and loss.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In accordance with the recommendations contained in Guidance note on accounting for credit available in respect of Minimum Alternative Tax ("MAT") issued by the Institute of Chartered Accountants of India, MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period in future. MAT credit is recognised as an asset by way of a credit to the statement of profit and loss and shown as MAT credit entitlement in the year in which MAT credit becomes eligible to be recognized as an asset.

### j) Impairment of assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting the statement of profit and loss and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

### k) Provisions and contingent liabilities

Provisions : 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 required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates.

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

### l) Earnings per share ("EPS")

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

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

### m) Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### n) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

	₹ in million)	As at March 31, 2015	As at March 31, 2014
2,000.0	2,000.0	2,000.0	2,000.0
500.0	500.0	500.0	500.0
<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>	<b>2,500.0</b>
1,610.7	1,610.7	1,610.7	1,610.7
<b>1,610.7</b>	<b>1,610.7</b>	<b>1,610.7</b>	<b>1,610.7</b>

# notes



forming part of the accounts

Continued

I-SEC

a. Reconciliation of the shares at the beginning and at the end of the reporting period

**Equity shares**

	As at March 31, 2015		As at March 31, 2014	
	Nos.	Nos.	Nos.	Nos.
At the beginning of the year	805,353,500	1,610.7	805,353,500	1,610.7
Issued during the period - Bonus issue	—	—	—	—
Issued during the period - ESOP	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>805,353,500</b>	<b>1,610.7</b>	<b>805,353,500</b>	<b>1,610.7</b>

**Cumulative non-convertible redeemable preference share**

	As at March 31, 2015		As at March 31, 2014	
	Nos.	Nos.	Nos.	Nos.
At the beginning of the year	—	—	5,000,000	500.0
Issued during the period - Bonus issue	—	—	—	—
Issued during the period - ESOP	—	—	—	—
Redeemed during the year	—	—	(5,000,000)	(500.0)
<b>Outstanding at the end of the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

All the above, 805,353,500 (March 31,2014: 805,353,500) Equity Shares of ₹ 2/- each are held by ICICI Bank Limited (Holding Company) and its nominees.

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2/- (31 March 2014: ₹ 0.50).

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

4. RESERVES AND SURPLUS

	(₹ in million)		(₹ in million)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Reserves and surplus consist of the following:				
(a) Securities premium account	244.0	244.0		
(b) Translation reserve				
Opening balance	15.9	11.9		
Add : Additions during the year (net)	0.7	4.0		
Closing balance	16.6	15.9		
(c) General reserve				
Opening balance	484.8	409.9		
Add : Transfer from Investors contingency fund	—	—		
Add : Additions during the year (net)	182.0	74.9		
Closing balance	666.8	484.8		
(d) Surplus/deficit in profit & loss				
Opening balance	640.3	491.8		
Add : profit for the year	2,439.6	749.4		
	3,079.9	1,241.2		
Less: Appropriations				
Dividend on preference shares	—	49.3		
Interim dividend on equity shares	1,610.7	400.3		
Tax on preference shares dividend	—	8.4		
Tax on equity dividend	304.0	68.0		
Transfer to general reserve	182.0	74.9		
Closing balance	983.2	640.3		
<b>TOTAL</b>	<b>1,910.6</b>	<b>1,385.0</b>		
5. OTHER LONG TERM LIABILITIES				
Other long term liabilities consist of the following:				
Other liabilities			506.4	404.5
<b>TOTAL</b>			<b>506.4</b>	<b>404.5</b>
6. LONG TERM PROVISION				
Long-term provision consist of the following:				
Provision for employee benefits				
(a) Provision for gratuity			151.7	116.6
(b) Provision for compensated absence			9.0	12.4
<b>TOTAL</b>			<b>160.7</b>	<b>129.0</b>
7. SHORT TERM BORROWINGS				
Short-term borrowings consist of the following:				
(a) Unsecured loans				
Commercial paper			2,265.3	3,171.3
(repayable within one year)				
<b>TOTAL</b>			<b>2,265.3</b>	<b>3,171.3</b>
8. TRADE PAYABLES				
Trade payables consist of the following:				
Trade payables				
(a) Micro, small and medium enterprises			—	—
(Refer note 35 for details of dues to micro and small enterprises)				
(b) Others			5,601.0	8,387.6
<b>TOTAL</b>			<b>5,601.0</b>	<b>8,387.6</b>

# notes

forming part of the accounts

*Continued*

	As at March 31, 2015	As at March 31, 2014	(₹ in million)	As at March 31, 2015	As at March 31, 2014	(₹ in million)
<b>9. OTHER CURRENT LIABILITIES</b>						
Other current liabilities consist of the following:						
Income received in advance	<b>257.8</b>	11.8				
Other payables to						
(a) Micro, small and medium enterprises (Refer note 35 for details of dues to micro and small enterprises)	—	—				
(b) Others						
1) Statutory liabilities	243.5	161.3				
2) Employee related liabilities	941.2	572.0				
3) Other liabilities	73.2	344.0				
<b>TOTAL</b>	<b>1,515.7</b>	<b>1,089.1</b>				
<b>10. SHORT TERM PROVISION</b>						
Short-term provision consist of the following:						
(a) Provision for employees benefits						
i) Provision for gratuity	31.4	12.4				
ii) Provision for compensated absence	9.6	14.1				
<b>TOTAL</b>	<b>41.0</b>	<b>26.5</b>				
<b>11. FIXED ASSETS</b>						
Fixed assets consist of the following:						
	As at March 31, 2014	Accumulated Depreciation	Net Block	Gross Block (At Cost)	Additions	Sale/ Adj*
	April 2013	Additions	March 2014	April 2013	Sales/ Adj*	March 2014
<b>TANGIBLE</b>						
Computers	141.8	32.4	19.6	154.6	94.6	60.0
Furniture and fixtures	12.6	5.9	1.4	17.1	2.5	(0.6)
Office equipment	19.7	8.7	0.3	28.1	4.3	0.2
Vehicles	82.7	23.6	11.9	94.4	30.3	17.5
Lease hold improvements	233.5	17.3	43.6	207.2	178.8	16.8
<b>TOTAL (A)</b>	<b>490.3</b>	<b>87.9</b>	<b>76.8</b>	<b>501.4</b>	<b>315.8</b>	<b>59.8</b>
<b>INTANGIBLE</b>						
Software	550.2	72.6	104.1	518.7	397.0	71.5
CMA membership right	21.0	0.0	(2.2)	23.2	19.3	1.8
<b>TOTAL (B)</b>	<b>571.2</b>	<b>72.6</b>	<b>101.9</b>	<b>541.9</b>	<b>416.3</b>	<b>73.3</b>
<b>TOTAL (A+B)</b>	<b>1061.5</b>	<b>160.5</b>	<b>178.7</b>	<b>1043.3</b>	<b>732.1</b>	<b>133.1</b>
	As at March 31, 2015	Accumulated Depreciation	Net Block	Gross Block (At Cost)	Additions	Sale/ Adj*
	April 2015	Additions	March 2014	April 2014	Sales/ Adj*	March 2015
<b>TANGIBLE</b>						
Computers	141.8	32.4	19.6	154.6	94.6	39.7
Furniture and fixtures	12.6	5.9	1.4	17.1	9.2	4.2
Office equipment	19.7	8.7	0.3	28.1	28.1	(0.1)
Vehicles	82.7	23.6	11.9	94.4	94.4	11.6
Lease hold improvements	233.5	17.3	43.6	207.2	207.2	29.4
<b>TOTAL (A)</b>	<b>490.3</b>	<b>87.9</b>	<b>76.8</b>	<b>501.4</b>	<b>315.8</b>	<b>59.8</b>
<b>INTANGIBLE</b>						
Software	550.2	72.6	104.1	518.7	397.0	71.5
CMA membership right	21.0	0.0	(2.2)	23.2	19.3	1.8
<b>TOTAL (B)</b>	<b>571.2</b>	<b>72.6</b>	<b>101.9</b>	<b>541.9</b>	<b>416.3</b>	<b>73.3</b>
<b>TOTAL (A+B)</b>	<b>1061.5</b>	<b>160.5</b>	<b>178.7</b>	<b>1043.3</b>	<b>732.1</b>	<b>133.1</b>

\* Fixed assets sale/ adjustments includes effect of foreign currency translation amounting to ₹ 0.2 million (Previous year ₹ 0.5 million).

# notes

	As at March 31, 2015	(₹ in million) As at March 31, 2014	(₹ in million) As at March 31, 2015	As at March 31, 2014	
<b>12. NON-CURRENT INVESTMENTS</b>					
Non-current investments consist of the following					
<b>Name of the Company</b>	<b>Quantity Nos.</b>	<b>Face value per unit</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	
<b>Trade Investments</b>					
<b>In equity shares (valued at cost)</b>					
<b>Subsidiary Company:</b>					
(a) ICICI Securities Holding Inc.(unquoted)	1,664 (1,6640,000)	—	<b>728.2</b>	728.2	
Less : Provision for investment ( Refer note 40 )			<b>(605.5)</b>	<b>(125.5)</b>	
			<b>122.7</b>	<b>602.7</b>	
<b>Others:</b>					
(a) Bombay Stock Exchange Limited (unquoted)	22,828 (22,828)	₹ 1	<b>0.0</b>	<b>0.0</b>	
(b) Universal Trustees Private Limited (unquoted)	180,000(Nil)	₹ 10	<b>9.4</b>	—	
(c) Parabolic Drugs Limited (quoted)	794,000(794,000)	₹ 10	<b>45.5</b>	<b>45.5</b>	
Less : Provision for investment			<b>(42.7)</b>	<b>(42.7)</b>	
			<b>12.2</b>	<b>2.8</b>	
			<b>134.9</b>	<b>605.5</b>	
<b>Non Trade Investments</b>					
<b>In equity shares (valued at cost)</b>					
<b>Others:</b>					
(a) First Source Solutions Limited (quoted)	100 (100)	₹ 10	<b>0.0</b>	<b>0.0</b>	
			<b>0.0</b>	<b>0.0</b>	
<b>TOTAL</b>			<b>134.9</b>	<b>605.5</b>	
1) Aggregate amount of quoted investments (market value ₹ 7.0 million , previous year ₹ 3.5 million)			<b>2.8</b>	<b>2.8</b>	
2) Aggregate amount of unquoted investments (₹ 0 million indicates values are lower than ₹ 1 million)			<b>132.1</b>	<b>602.7</b>	
3) Previous year's quantities are given in parenthesis.					
<b>13. DEFERRED TAX ASSETS (NET)</b>					
The break-up of deferred tax assets and liabilities is given below:					
<b>Deferred tax asset</b>					
(a) Provision for doubtful debt	<b>39.7</b>		<b>38.3</b>		
(b) Provision for gratuity	<b>63.4</b>		<b>43.9</b>		
(c) Provision for compensated absence	<b>6.4</b>		<b>9.0</b>		
(d) Provision for lease rent escalation	<b>27.7</b>		<b>32.6</b>		
(e) Depreciation	<b>36.5</b>		<b>21.2</b>		
(f) Provision for investments	<b>4.9</b>		<b>4.6</b>		
(g) Long term incentives	<b>208.5</b>		<b>164.9</b>		
<b>Total Deferred tax assets</b>	<b>387.1</b>		<b>314.5</b>		
<b>Deferred tax liability</b>	—		—		
<b>TOTAL</b>	<b>387.1</b>		<b>314.5</b>		
<b>14 LONG TERM LOANS AND ADVANCES</b>					
Long-term loans and advances consist of the following:					
(a) Unsecured, considered good					
i) Security deposit for leased premises and assets			<b>255.3</b>	<b>291.2</b>	
ii) Security deposit with stock exchanges			<b>25.3</b>	<b>235.8</b>	
iii) Advance tax (net of provision for tax)			<b>811.7</b>	<b>864.3</b>	
iv) Loans and advances to related parties			<b>0.1</b>	<b>0.1</b>	
v) Other loans and advances			—	—	
a) Prepaid expenses			<b>1.2</b>	<b>1.4</b>	
b) Other security deposit			<b>10.3</b>	<b>11.2</b>	
c) Others			<b>5.3</b>	<b>3.6</b>	
vi) Capital advances			<b>0.0</b>	<b>0.6</b>	
<b>TOTAL</b>			<b>1,109.2</b>	<b>1,408.2</b>	
Loans and advances to related parties pertains to:					
ICICI Lombard General Insurance Co. Limited ₹ 0.1 million (Previous year : ₹ 0.1 million)					
<b>15. OTHER NON-CURRENT ASSETS</b>					
Other non-current assets consist of the following:					
(a) Interest receivable			<b>3.0</b>	<b>1.0</b>	
(b) Fixed deposits with banks *					
i) In India			<b>150.5</b>	<b>111.1</b>	
ii) Outside India			<b>8.1</b>	<b>7.8</b>	
			<b>158.6</b>	<b>118.9</b>	
<b>TOTAL</b>			<b>161.6</b>	<b>119.9</b>	
* 1) Fixed deposits under lien with stock exchanges amounted to ₹ 99.8 million (Previous year: ₹ 60.0 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 8.2 million (Previous year: ₹ 8.4 million) and others ₹ 50.6 million (Previous year: ₹ 50.5 million)					
<b>16. CURRENT INVESTMENTS:</b>					
Current investments consist of the following					
	<b>Name of the Company</b>	<b>Quantity Nos.</b>	<b>NAV per unit</b>	<b>As at March 31, 2015</b>	<b>(₹ in million) As at March 31, 2014</b>
In unquoted Mutual Funds: (Values at Cost)					
i) HDFC FMP Series 29	(10,000,000)	Nil	—	—	<b>100.0</b>
ii) HDFC FMP Series 29	(25,000,000)	Nil	—	—	<b>250.0</b>
iii) ICICI Prudential FMP Series 73	(25,000,000)	Nil	—	—	<b>250.0</b>
iv) ICICI Prudential FMP Series 73	(15,000,000)	Nil	—	—	<b>150.0</b>
v) Reliance Flexi Horizon Fund	(25,000,000)	Nil	—	—	<b>250.0</b>
			—	—	<b>1,000.0</b>
Aggregate amount of unquoted investments ( Face value ₹10, Previous year ₹ Nil)					<b>1,000.0</b>
<b>TOTAL</b>			—	—	

# notes

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*Continued*

	As at March 31, 2015	₹ in million) As at March 31, 2014	As at March 31, 2015	₹ in million) As at March 31, 2014
<b>17. STOCK-IN-TRADE</b>				
Stock-in-trade consist of the following:		(₹ in million)		
(a) Equity shares (quoted)				
HDFC Bank Limited	<b>235.2</b>	—		
India Bulls Real Estate Limited	—	0.6		
	<b>235.2</b>	0.6		
(b) Non-Convertible Preference Shares				
i) 9% L & T Holdings Limited	—	81.9		
	—	81.9		
(c) Bond				
i) 8.82% REC LIMITED	<b>102.9</b>	95.4		
(d) Non-Convertible Debentures				
i) 11.60 % ECL FINANCE LIMITED	—	99.1		
<b>TOTAL</b>	<b>338.1</b>	<b>277.0</b>		
1) Stock in trade are valued at cost or market value whichever is lower.				
2) The aggregate carrying value and market value of quoted securities as at March 31, 2015 is ₹ 338.1 million (previous year: ₹ 277.0 million) and ₹ 338.3 million (previous year ₹ 278.5 million) respectively.				
3) The above include securities on the Company's account due to trading errors on behalf of the customers.				
<b>18. TRADE RECEIVABLES</b>				
Trade receivables consist of the following:				
Secured				
(a) Receivables outstanding for a period exceeding six months:				
i) Considered good	—	—		
ii) Considered doubtful	—	—		
(b) Others				
i) Considered good	<b>1,375.0</b>	767.7		
ii) Considered doubtful	—	—		
Less: Provision for doubtful debt	—	—		
<b>TOTAL (A)</b>	<b>1,375.0</b>	<b>767.7</b>		
Unsecured				
(a) Receivables outstanding for a period exceeding six months:				
i) Considered good	11.2	7.5		
ii) Considered doubtful	<b>87.6</b>	98.7		
(b) Others				
i) Considered good	<b>345.1</b>	4,608.9		
ii) Considered doubtful	<b>15.8</b>	2.7		
Less: Provision for doubtful debt	<b>(103.4)</b>	<b>(101.4)</b>		
<b>TOTAL (B)</b>	<b>356.3</b>	<b>4,616.4</b>		
<b>TOTAL (A) + (B)</b>	<b>1,731.3</b>	<b>5,384.1</b>		
Dues from directors & officers ₹ Nil ( Previous year ₹ Nil )				
<b>19. CASH AND BANK BALANCE:</b>				
Cash and bank balances consist of the following:				
<b>Cash and cash equivalents</b>				
Cash and cheques on hand		0.5		1.1
<b>Balances with Banks</b>				
(a) In Current accounts with banks				
i) In India with Scheduled banks		<b>691.7</b>		793.0
ii) Outside India		31.3		12.4
(b) Fixed Deposit with maturity less than 3 months		—		150.0
		<b>723.5</b>		<b>956.5</b>
<b>Other bank balances</b>				
Fixed deposits in India*		<b>7,709.2</b>		4,931.6
Cash and bank balances		<b>7,709.2</b>		4,931.6
<b>TOTAL</b>		<b>8,432.7</b>		<b>5,888.1</b>
* Fixed deposits under lien with stock exchanges amounted to ₹ 7,679.9 million (Previous year : ₹ 4,800.5 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 0.8 million (Previous year : ₹ 0.2 million) and others ₹ 28.5 million (Previous year ₹ 25.9 million)				
* Fixed deposits having maturity more than 3 months ₹ Nil (Previous year ₹ 105.0 million)				
<b>20. SHORT-TERM LOANS AND ADVANCES:</b>				
Short-term loans and advances consist of the following:				
Unsecured, considered good				
i) Margin deposits with stock exchange		0.5		150.5
ii) Security deposit for leased premises and assets		80.3		16.0
iii) Other loans and advances				
a) Prepaid expenses		24.0		23.2
b) Advance to creditors		59.3		114.1
c) Other advances		<b>142.1</b>		105.3
<b>TOTAL</b>		<b>306.2</b>		<b>409.1</b>
<b>21. OTHER CURRENT ASSETS</b>				
Other current assets consist of the following:				
(a) Accrued income		332.9		264.3
(b) Interest receivable		292.3		169.8
<b>TOTAL</b>		<b>625.2</b>		<b>434.1</b>
<b>22. INTEREST AND OTHER OPERATING INCOME</b>				
Interest and other operating income consist of the following:				
	<i>For the year ended March 31, 2015</i>	<i>For the year ended March 31, 2014</i>		
(a) Interest				
i) Fixed deposits and application money	712.9	478.4		
ii) Securities held as stock-in-trade	12.2	12.3		
iii) Other advances and deposits	0.2	0.3		
iv) Interest on late payment	179.6	87.1		
(b) Dividend Income	1.0	3.5		
(d) Other income	3.7	7.0		
<b>TOTAL</b>	<b>909.6</b>	<b>588.6</b>		

# notes



forming part of the accounts

Continued I-SEC

## 23. EMPLOYEE BENEFIT EXPENSE

Employee benefits expense consist of the following:

	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Salaries, wages and bonus	3,477.0	2,848.1
(b) Contribution to provident and other funds	181.5	165.6
(c) Staff welfare expenses	190.0	199.7
<b>TOTAL</b>	<b>3,848.5</b>	<b>3,213.4</b>

## 24. OPERATING EXPENSES

Operating expenses consist of the following:

(a) Procurement expenses	559.2	645.7
(b) Transaction charges	33.3	17.5
(c) Turnover fees and stamp duty	2.5	0.7
(d) Custodial and depository charges	383.0	217.5
(e) Call centre charges	105.5	108.4
(f) Franking charges  (Net of recoveries ₹ 49.9 million, previous year ₹ 39.4 million)	14.8	55.4
(g) Rating agency fees	2.0	2.1
(h) Scanning expenses	36.5	44.7
(i) Other operating expenses	54.8	110.6
<b>TOTAL</b>	<b>1,191.6</b>	<b>1,202.6</b>

## 25. FINANCE COST

Finance cost consist of the following:

(a) Interest expense	303.5	238.5
(b) Guarantee commission	—	1.4
(c) Bank charges	2.6	2.7
<b>TOTAL</b>	<b>306.1</b>	<b>242.6</b>

## 26. OTHER EXPENSES

Other expenses consist of the following:

(a) Rent and amenities *	849.4	714.2
(b) Insurance	3.4	4.6
(c) Business promotion, traveling and conveyance expenses	275.2	265.2
(d) Repairs, maintenance, upkeep and others	354.7	287.5
(e) Rates and taxes	88.1	71.6
(f) Electricity expenses	84.1	93.3
(g) Communication expenses	128.9	168.1
(h) (Profit)/Loss on sale of fixed assets (net)	15.2	4.7
(i) Advertisement and publicity	73.6	96.3
(j) Printing and stationery	31.9	41.7
(k) Subscription and periodicals	62.7	66.1
(l) Professional fees	75.9	80.7
(m) Auditors' remuneration	6.9	6.0
(n) Corporate Social Responsibility (CSR) Expenses	14.7	-
(o) Recruitment expenses	40.1	31.8
(p) Foreign exchange (gain) / loss (net)	1.9	-
(q) Donation	0.6	6.6
(r) Miscellaneous expenses	2.0	0.8
(s) Provision for diminution in value of subsidiary ( Other than temporary )	480.0	125.5
<b>TOTAL</b>	<b>2,589.3</b>	<b>2,064.7</b>

\* Rent and amenities includes compensation paid to lessor of ₹ 112.2 million towards partial termination of lease agreement.

## 27. EARNINGS PER SHARE

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>Basic &amp; Diluted earnings per share</b>		
Net profit after tax, before preference dividend (₹ in million)	2,439.6	749.4
Preference dividend and tax on dividend (₹ in million)	0.0	57.7
Net profit after tax and preference dividend (₹ in million) (A)	2,439.6	691.7
Weighted average no. of equity shares outstanding (in millions) (B)	805.4	805.4
Basic & diluted earnings per share (₹) (A) / (B)	3.03	0.86
Nominal value per share (₹)	2.00	2.00

## 28. RELATED PARTY DISCLOSURES

As per accounting standard on related party disclosures (AS18), the names of the related parties of the Company are as follows:

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

Holding Company: ICICI Bank Limited

Subsidiary Companies: ICICI Securities Holding Inc.; ICICI Securities Inc.

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

Fellow Subsidiaries:

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

### C. Key Management Personnel

a) Anup Bagchi Managing Director & CEO

b) Ajay Saraf Executive Director

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

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	March 31,	2015	March 31,	2015	March 31,	2014
Income from services and brokerage (commission and fees)	115.1	105.0				
ICICI Home Finance Company Limited					36.9	39.9
ICICI Prudential Life Insurance Company Limited					475.8	380.0
ICICI Securities Primary Dealership Limited					5.2	0.7
ICICI Lombard General Insurance Company Limited					12.0	10.4
ICICI Prudential Asset Management Company Limited					24.9	8.0
ICICI Prudential Trust Limited					0.4	0.8
ICICI Securities Inc						
ICICI Venture Funds Management Company Limited					0.5	4.0
ICICI Investment Management Company Limited					0.2	—
ICICI Bank UK					0.1	—
Interest income	371.3	283.4				
Staff expenses	13.9	17.2			(1.8)	(1.3)
Operating expenses	545.4	360.4			2.2	2.3
ICICI Securities Primary Dealership Limited					70.0	69.8
ICICI Securities Inc					8.6	24.7
Other expenses	155.3	171.9			2.9	3.9
ICICI Lombard General Insurance Company Limited					12.4	10.3
ICICI Securities Primary Dealership Limited					0.1	—
Finance cost	5.4	9.7				
ICICI Securities Inc						
Proposed dividend			8.7	0.8		
Dividend paid	1,610.7	150.1				
ICICI Home Finance Company Limited					—	49.3

# notes

forming part of the accounts

*Continued*

Nature of Transaction	(₹ in million)					
	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	March 31, 2015	2014	March 31, 2015	2014	March 31, 2015	2014
Share capital	1,610.7	1,610.7			0.3	0.4
Payables	94.6	117.1			3.1	8.1
ICICI Lombard General Insurance Company Limited						
ICICI Securities Primary Dealership Limited			33.2	21.8		
ICICI Securities Inc						
Investment						
ICICI Securities Holding Inc			122.7	602.7		
Fixed deposits	3,969.0	2,308.8				
Accrued interest income	170.3	70.7				
Bank balance	685.7	774.9				
(Net of current liabilities of ₹ 3.2 million (Previous year ₹ 9.2 million)						
Corporate guarantee						
ICICI Securities Inc			93.8	89.9		
Deposit					0.1	0.1
ICICI Lombard General Insurance Company Limited					4.7	3.3
Loans & advances (including prepaid expenses)	0.2	0.2			1.9	1.5
ICICI Lombard General Insurance Company Limited					0.0	—
ICICI Prudential Life Insurance Company Limited					1.1	52.2
ICICI Securities Primary Dealership Limited					—	0.1
Receivables					1.6	5.1
ICICI Prudential Life Insurance Company Limited					9.5	—
ICICI Lombard General Insurance Company Limited					28.4	—
ICICI Prudential Asset Management Company Limited					0.7	1.7
ICICI Home Finance Company Limited					12.3	9.0
ICICI Securities Primary Dealership Limited					2.4	0.2
Accrued income	11.4	13.0			14.6	7.9

Nature of Transaction	(₹ in million)					
	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	March 31, 2015	2014	March 31, 2015	2014	March 31, 2015	2014
Purchase value of bond	72.8	16.3	—	—	—	—
ICICI Securities Primary Dealership Limited	—	—	—	—	111.0	146.2
ICICI Prudential Life Insurance Company Limited	—	—	—	—	—	52.2
Sale value of Bond	—	56.8	—	—	—	—
ICICI Securities Primary Dealership Limited	—	—	—	—	200.2	—

#### Key Management Personnel

The compensation for the year ended March 31, 2015 to (1) Anup Bagchi, Managing Director & CEO and (2) Ajay Saraf, Executive Director is (1) ₹ 45.1 million (Previous year ₹ 32.3 million) and (2) ₹ 23.2 million (Previous year ₹ 19.0 million) respectively.

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

#### 29. EMPLOYEE BENEFITS

##### a) Gratuity

The following table summarizes the components of net expenses for retirement benefits recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

Particulars	(₹ in million)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>Change in Defined Benefit Obligation</b>		
Opening obligations	182.5	146.1
Service cost	23.4	19.9
Interest cost	15.0	10.8
Actuarial (gain) / loss	28.6	16.1
Past service cost	—	—
Liabilities assumed on acquisition / (settled on divestiture)	—	—
Benefits paid	(8.7)	(10.4)
<b>Total Obligation</b>	<b>240.8</b>	<b>182.5</b>
<b>Defined benefit obligation liability</b>	<b>240.8</b>	<b>182.5</b>
Particulars	(₹ in million)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>Change in Fair Value of Assets</b>		
Opening plans assets, at fair value	55.7	41.4
Expected return on plan assets	2.6	1.9
Actuarial gain / (loss)	10.6	1.0
Contributions by employer	—	21.7
Assets acquired on acquisition / (settled on divestiture)	—	—
Benefits paid	(8.7)	(10.4)
<b>Plan assets</b>	<b>60.3</b>	<b>55.7</b>
Fair value of plan assets at the end of the year	(60.3)	(55.7)
Present value of the defined benefit obligations at the end of the period	240.8	182.5
<b>Unrecognised Past Service Cost</b>	<b>—</b>	<b>—</b>
<b>Asset / (liability)</b>	<b>(180.5)</b>	<b>(126.8)</b>

#### Cost for the period

Service cost	23.4	19.9
Interest cost	15.0	10.8
Expected return on plan assets	(2.6)	(1.9)
Actuarial (gain) / loss	17.9	15.0
Past Service Cost	—	—
<b>Net cost</b>	<b>53.7</b>	<b>43.8</b>

#### Investment details of plan assets

Insurer Managed Funds	99.00%	99.00%
Others	1.00%	1.00%
<b>Assumptions</b>		
Interest rate (p.a.)	8.05%	8.70%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

The Company expects to contribute ₹ 20.0 million to Gratuity in 2015 - 2016

The expected rate of return on plan assets is based on our expectation of the average long term of return expected on investments of the fund during the estimated term of the obligation.

# notes



forming part of the accounts

I-SEC

The following table summarizes the experience adjustments

Particulars	Year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 20112	March 31, 2011
Defined benefit obligation	240.8	182.5	146.1	107.8	130.0
Plan assets	60.3	55.7	41.4	45.0	57.8
Surplus/(deficit)	(180.5)	(126.8)	(104.7)	(62.8)	(72.2)
Experience adjustments on plan liabilities	24.1	21.0	13.3	(16.9)	(15.9)
Experience adjustments on plan assets	10.6	1.0	(1.3)	(0.5)	(3.6)

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

#### b) Long Term Incentive Plan

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

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Discount rate	7.85%	8.90%
Increase in Incentive amount	0.00%	0.00%
<b>Total</b>	<b>82.6</b>	<b>51.3</b>

#### 30. REMUNERATION TO RELATED PARTIES AS PER COMPANIES ACT, 2013

(₹ in million)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Salary, perquisites and bonus	78.6	48.3
Contribution to provident fund and other funds	4.0	3.0
<b>Total</b>	<b>82.6</b>	<b>51.3</b>

As the future liability for gratuity and compensated absence is provided on an actuarial basis for the Company as a whole, the amount pertaining to the above related parties is not ascertainable and therefore not included above.

During the year ended March, 2009, the Company had incurred managerial remuneration which was in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The Company has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration paid to managerial personnel. The limits specified by the Companies Act, 1956 would be ₹ 4.4 million. The Company has received correspondence in respect of A Murugappan from the Ministry of Corporate Affairs on April 21, 2011 and has sought clarifications on the same vide letter dated May 24, 2011 and letter dated February 8, 2012.

#### 31. AUDITORS REMUNERATION

The details regarding the remuneration (excluding service tax) paid to the auditors are given in the table below

(₹ in million)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Audit fees	5.3	4.4
Tax audit	0.7	0.7
Certification fees	1.5	1.3
Out of pocket expenses	0.1	0.2
<b>Total</b>	<b>7.6</b>	<b>6.6</b>

#### 32. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

The details regarding earnings and expenditure in foreign currency (on accrual basis) is given in the table below

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Earnings:		
Income from services	113.5	181.5
Expenditure:		
Procurement & other expenses	277.3	255.1

#### 33. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 27.7 million (Previous year ₹ 19.1 million).

#### 34. CONTINGENT LIABILITIES

The following are details of contingent liabilities.

- a. Direct tax matters disputed by the Company are ₹ 1,247.4 million (Previous year - ₹ 984.3 million).
- b. Indirect tax matters disputed by the Company are ₹ 157.7 million (Previous year - ₹ 128.8 million).
- c. ICICI Securities, Inc., the step down subsidiary of the Company, has subleased its premises. As per the prevailing practice in the New York City sublease market, the Company has provided guarantee in favour of sub lessee, amounting to US\$ 1.5 million (Previous year - US\$ 1.5 million) to secure ICICI Securities Inc.'s performance of its lease obligations.
- d. The Company has also issued a Standby Letter of Credit (SBLC) of US\$ 1 million (Previous year - US\$ 1 million) to US Bank National Association, the sub lessee of ICICI Securities Inc., through ICICI Bank Limited. The said SBLC is issued in favour of the sub lessee to secure ICICI Securities Inc.'s performance on its lease obligations.

#### 35. MICRO, SMALL AND MEDIUM INDUSTRIES

There are no micro, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

#### 36. DERIVATIVE INSTRUMENTS

The following are the details of derivative position, for the periods indicated.

(₹ in million)

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013			
	Type	Quantity	Market Value	Type	Quantity	Market Value
Type						
Futures (net)	(215,000)	(230.2)	14,500	97.7		
Options (net)	(102,250)	6.4	(240,000)	6.3		
Interest rate futures	—	—	150	30.0		

#### 37. UN-HEDGED FOREIGN CURRENCY EXPOSURE

The following is the details of un-hedged foreign currency exposure.

Particulars	Amount
Receivables	US \$ 0.2 million @ closing of 1 US\$ = ₹ 62.50 (Previous year US \$ 0.1 million @ closing rate of 1 US\$ = ₹ 59.92), Euro Nil (Previous year Euro 0.1 million @ closing of ₹ 82.18), JPY 25 million @ closing of 1 JPY = ₹ 0.52 (Previous year JPY Nil)

# notes

## forming part of the accounts

### 38. LEASE

Office premises and office equipment are obtained on operating lease. There are no restrictions imposed by lease arrangements.

The following are the details of operating leases for the periods indicated.

Particulars	(₹ in million)	
	Year ended March 31, 2015	Year ended March 31, 2014
Lease payments recognized in the Statement of Profit and Loss during the year		
— Minimum lease payments	808.7	655.9
— Contingent Rent		
Sub-lease payments received/receivable recognized in the Statement of Profit and Loss during the year	27.8	29.4
Minimum Lease Payments :		
— Not later than one year	218.9	244.6
— Later than one year but not later than five years	288.6	557.8
— Later than five years	—	—
— Total of future minimum sublease payments expected to be received as at balance sheet date	—	—

The Company has regrouped / reclassified previous year figures wherever necessary.

As per our report of even date

S. R. BATLIBOI & CO. LLP  
*Firm Registration No.: 301003E*  
*Chartered Accountants*

Per SHRAWAN JALAN  
*Partner*  
*Membership No.: 102102*

Mumbai, April 17, 2015

### 39. CHANGE IN ACCOUNTING ESTIMATES

The Company reviewed the useful life of the assets in light of the introduction of Companies Act, 2013. Pursuant to the review the Company revised its estimates of the useful life of the assets for Computers (desktops and laptops) and Office equipment from 6 to 3 years and 10 to 5 years respectively. Due to the change in estimates the additional charge to the statement of profit and loss for the year ended March 31, 2015 amounts to ₹ 10.9 million.

### 40. PROVISION FOR DIMINUTION IN THE VALUE OF INVESTMENTS

Pursuant to losses incurred by the subsidiary companies, the Company has made an assessment of impairment in value of investments. The Company has considered, an impairment charge of ₹ 480.0 million in the statement of profit and loss (Previous year ₹ 125.5 million).

### 41. SEGMENT REPORTING

The Company is presenting consolidated financial statements and hence in accordance with Accounting Standard 17 – Segment Reporting, segment information is disclosed in the consolidated financial statements.

For and on behalf of the Board

CHANDA KOCHHAR  
*Chairperson*

UDAY CHITALE  
*Director*

ANUP BAGCHI  
*Managing Director & CEO*

AJAY SARAF  
*Executive Director*

RAJU NANWANI  
*Company Secretary*

PRASHANT MOHTA  
*Chief Financial Officer*

# cash flow statement



for the year ended March 31, 2015

I-SEC

	For the year ended March 31, 2015	(₹ in million) For the year ended March 31, 2014
<b>A Cash flow from operating activities</b>		
Profit before tax	3,996.4	1,261.0
Add (less adjustments):		
- (Profit)/loss on sale of fixed assets	15.2	4.7
- Depreciation	162.7	133.1
- (Profit)/loss on sale of Investment	(97.5)	—
- Interest expense	303.5	238.5
- Provision for diminution in value of investment	480.0	148.1
- Foreign exchange (gain) / loss (net)	1.9	(1.9)
- Exchange adjustments	0.7	4.0
Operating profit before changes in operating assets and liabilities	<hr/>	<hr/>
Payment of employee stock option plan	4,862.9	1,787.5
Adjustments for net change in operating assets and liabilities	<hr/>	<hr/>
- Current assets excluding cash and cash equivalents	929.8	(5,529.5)
- Current liabilities relating to operations	<hr/> <hr/>	<hr/> <hr/>
Cash generated from operations	(2,023.0)	6,172.0
Payment of taxes (net)	<hr/>	(1,093.2)
Net cash from operating activities	<hr/>	642.5
<b>B Cash flow from investment activities</b>		
- (Purchase) / sale of investments (net)	1,088.1	(1,000.0)
- (Purchase) / sale of fixed assets (net)	<hr/>	(199.2)
Net cash used in investment activities	<hr/>	(146.3)
<b>C Cash flow from financing activities</b>		
- Increase/ (decrease) in borrowings (net)	888.9	(1,146.3)
- Redemption of preference share capital	<hr/>	(906.0)
- Interest paid	<hr/>	972.2
- Dividends and dividend tax paid	<hr/>	(500.0)
Net cash used in financing activities	<hr/>	(303.5)
Net change in cash & cash equivalents (A + B + C)	<hr/>	(2,105.4)
Cash and cash equivalents at the beginning of the year	<hr/>	(3,314.9)
Cash and cash equivalents at the end of the year	<hr/>	(233.0)
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	0.5	1.1
In Current account with banks		
- In India with scheduled banks	691.7	793.0
- Outside India	31.3	12.4
- Fixed deposit with maturity less than 3 months	<hr/>	150.0
<b>Total cash &amp; cash equivalents ( Note 19 )</b>	<hr/>	723.5
Cash and cash equivalents at the end of the period excludes:		
- Fixed deposits under lien ₹ 7,867.8 million (March 31, 2014 ₹ 4,945.5 million ) and		
- Fixed deposits having maturity more than 3 months ₹ Nil million (March 31, 2014 ₹ 105.0 million).		

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date

S. R. BATLIBOI & CO. LLP  
*ICAI Firm Registration No.: 301003E*  
*Chartered Accountants*

Per SHRAWAN JALAN  
*Partner*  
*Membership No.: 102102*

Mumbai, April 17, 2015

For and on behalf of the Board of Directors

CHANDA KOCHHAR  
*Chairperson*

UDAY CHITALE  
*Director*

ANUP BAGCHI  
*Managing Director & CEO*

AJAY SARAF  
*Executive Director*

RAJU NANWANI  
*Company Secretary*

PRASHANT MOHTA  
*Chief Financial Officer*



# **ICICI Securities Holdings Inc.**

## **ICICI SECURITIES HOLDINGS, INC.**

### **15TH ANNUAL REPORT AND ACCOUNTS 2014-2015**

#### **Directors**

Sanker Parameswaran, *Chairman*  
 Sriram H. Iyer  
 Warren Law

#### **Auditors**

S. R. Batliboi & Co. LLP,  
 Chartered Accountants

#### **Registered Office**

2711 Centerville Road Suite 400  
 Wilmington, DE 19808,  
 United States of America

## **directors' report**

### **to the members,**

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report of ICICI Securities Holdings, Inc. with the audited statement of accounts for the financial year ended March 31, 2015.

#### **OPERATIONAL REVIEW**

During fiscal 2015, the Company maintained its registration with the Division of Corporations, Secretary of State, State of Delaware in accordance with the provisions of the General Corporation Law of the State of Delaware. The Company is not currently registered with any regulatory authority, has no full-time employees and does not carry out any business activities in the U.S. The Company will continue to grow its wholly-owned subsidiary, *viz.* ICICI Securities, Inc., in its efforts to increase business from the institutional segment in US, Canada and Singapore.

#### **FINANCIAL HIGHLIGHTS**

	<b>(₹ in '000s)</b>	
	<b>Fiscal 2014</b>	<b>Fiscal 2015</b>
Gross income	324	403
Profit /(Loss) before tax	(14)	119
Provision for tax	830	781
Profit /(Loss) after tax	(844)	(662)

#### **SUBSIDIARY COMPANY**

The Company's wholly-owned subsidiary, ICICI Securities, Inc., is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). It has its main office in New York, USA and branch office in Singapore, which holds a Capital Market Services license granted by the Monetary Authority of Singapore ("MAS") for the purpose of dealing in securities in Singapore. ICICI Securities, Inc. also holds an International Dealer registration with the Canadian Securities Regulatory Authority ("CSRA") that enables it to expand its reach to institutional investors in three provinces of Canada. ICICI Securities Inc. refers institutional investors in the US, Canada and Singapore who propose to deal in securities listed on the Indian Stock Exchanges to its parent company *viz.*, ICICI Securities Limited.

During fiscal 2015, ICICI Securities, Inc. has strengthened its positioning among its US, Canada and Singapore based institutional investors. It conducted sales conferences in the US and Singapore in addition to numerous roadshows in both geographies during fiscal 2015. With these activities, coupled with the increased demand for Indian securities, ICICI Securities, Inc. has experienced an upward trend of client participation in terms of the quantity and quality of clients. ICICI Securities, Inc.'s corporate access activities add value to the decision-making process of its clients by providing differentiated research, access to corporate managements, and experts from various fields which helps it to penetrate new clients as well as strengthen its positioning among existing clients.

#### **SHARE CAPITAL**

During the year, there was no change in the paid-up equity share capital of the Company.

#### **DIRECTORS**

As at the date of this report, following are the Directors of the Company:

Sanker Parameswaran  
 Sriram H. Iyer  
 Warren Law

#### **AUDITORS**

The Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants (Registration Number - 301003E) will retire at the ensuing Annual General Meeting and offer themselves for re-appointment. The Board, at its Meeting held on April 14, 2015, proposed their re-appointment as Auditors to audit the accounts of the Company, as per Indian GAAP, for the year ended March 31, 2016. You are requested to consider the re-appointment of the aforementioned retiring Auditors.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2015 and of the loss of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **ACKNOWLEDGEMENTS**

The Directors would like to thank the statutory authorities and the Company's bankers for their continued support.

The Directors express their gratitude for the unstinted support and guidance received from the Company's shareholders, ICICI Securities Limited and other group companies.

For and on behalf of the Board

**SANKER PARAMESWARAN**  
*Chairman*

April 14, 2015

# auditors' report

 **ICICI Securities Holdings Inc**

**to the Members of ICICI Securities Holdings Inc.**

**TO**

## **THE MEMBERS OF ICICI SECURITIES HOLDINGS INC.**

We have audited the accompanying standalone financial statements of ICICI Securities Holdings Inc., which comprise the Balance Sheet as at 31 March 2015 and also the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements in accordance with the recognition and measurement principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement

of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements of ICICI Securities Holdings Inc. for the year ended 31 March 2015 are prepared, in all material respects, in accordance with recognition and measurement principles generally accepted in India

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
*ICAI Firm Registration no.301003E*

*Place: Mumbai*  
*Dated: April 16, 2015*

**SHRAWAN JALAN**  
*Partner*  
Membership Number: 102102

# balance sheet profit and loss account

at March 31, 2015

for the year ended March 31, 2015

	Note	(₹ in 000's)		(US\$ in 000's)	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	3	<b>728,206</b>	<b>728,206</b>	<b>16,640</b>	<b>16,640</b>
(b) Reserves & surplus	4	(124,943)	(125,466)	(3,154)	(3,141)
		<b>603,263</b>	<b>602,740</b>	<b>13,486</b>	<b>13,499</b>
<b>2 Current liabilities</b>					
Other current liabilities	5	<b>338</b>	<b>353</b>	<b>5</b>	<b>5</b>
		<b>603,601</b>	<b>603,093</b>	<b>13,491</b>	<b>13,504</b>
<b>II. ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Non-current investments	6	<b>571,667</b>	<b>571,667</b>	<b>12,980</b>	<b>12,980</b>
(b) Long-term loans and advances	7	<b>28,383</b>	<b>27,209</b>	<b>454</b>	<b>454</b>
		<b>600,050</b>	<b>598,876</b>	<b>13,434</b>	<b>13,434</b>
<b>2 Current assets</b>					
Cash and bank balances	8	<b>3,551</b>	<b>4,217</b>	<b>57</b>	<b>70</b>
		<b>603,601</b>	<b>603,093</b>	<b>13,491</b>	<b>13,504</b>
<b>Summary of significant accounting policies</b>	2				

	Note	(₹ in 000's)		(US\$ in 000's)	
		For the year ended March 31, 2015	For the year ended March 31,2014	For the year ended March 31, 2015	For the year ended March 31,2014
<b>I. Revenue from operations</b>					
Other income		<b>403</b>	<b>324</b>	<b>7</b>	<b>5</b>
<b>II. Total Revenue</b>					
		<b>403</b>	<b>324</b>	<b>7</b>	<b>5</b>
<b>III. Expenses:</b>					
(a) Other expenses	9	<b>143</b>	<b>147</b>	<b>3</b>	<b>2</b>
(b) Finance costs	10	<b>141</b>	<b>191</b>	<b>2</b>	<b>3</b>
		<b>284</b>	<b>338</b>	<b>5</b>	<b>5</b>
<b>IV Profit before tax</b>					
		<b>119</b>	<b>(14)</b>	<b>2</b>	<b>(0)</b>
<b>V Tax expense:</b>					
		<b>781</b>	<b>830</b>	<b>13</b>	<b>14</b>
<b>VI Profit (Loss) for the period ( IV - V )</b>					
Earnings per share (basic & diluted)	13	(662)	(844)	(11)	(14)
( FY 2015 - No par value, FY 2014 - Face Value \$ 1 per share )		(398.12)	(0.05)	(6.62)	(0.00)
<b>Summary of significant accounting policies</b>	2				

III. The accompanying notes are an integral part of the financial statements.

As per our report of even date

S.R. Batliboi & Co, LLP  
ICAI Firm Registration No: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
Partner  
Membership No: 102102

Mumbai, April 16, 2015

For and on behalf of the Board of Directors

SANKER PARAMESWARAN  
Director

SRI RAM IYER  
Director

Canada, April 14, 2015

WARREN LAW  
Director

# notes

## 1. CORPORATE INFORMATION

ICICI Securities Holdings, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Ltd., was incorporated in the United States in 2001. In order to assist corporate clients and institutional investors with investment banking services, the Company set up a wholly owned subsidiary in the United States viz., ICICI Securities, Inc. This wholly owned subsidiary, being a registered broker dealer with the National Association of Securities Dealers Inc., is engaged in a variety of securities transactions in the US market.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The non-consolidated financial statements have been prepared solely for the information and use of ICICI Securities Limited, the Holding Company for consolidation. The Financial statements have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with Para 7 of the Companies (Accounts) Rules 2014. The non-consolidated financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, except where otherwise stated, are consistent with those used in the previous year.

### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions 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. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

### c) Revenue recognition

Revenue from issue management, loan syndication and financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.

### d) Investments

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. All other investments are classified as Long term investments. The securities held as stock-in-trade are grouped under current assets and are valued at cost or market value, whichever is lower.

Long term investments are carried at acquisition cost, inclusive of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs and is provided for in the statement profit and loss. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### e) Tangible Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation on fixed assets is provided on straight line method at the rates mentioned below. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

The rates of depreciation for fixed assets are given below:-

Asset	Estimated life
Tangible	
Leasehold improvements	10 years
Plant and machinery like air conditioners, photo-copying machines, among others.	3 Years
Computers	3 Years
Furniture and fixtures	7 years

### f) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### g) Income taxes

Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the local tax rates of the United States of America. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. As there is no virtual certainty of future taxable profits, deferred tax assets is not recognized.

### h) Earnings per share ("EPS")

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

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

### i) Provisions

Provisions : 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 required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates.

### j) Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

### k) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

### l) Impairment of assets

Fixed assets are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognized by debiting the Profit and Loss Account and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

# notes

forming part of the financial statements

*Continued*

	(₹ in 000's)		(US\$ in 000's)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014

### 3. SHARE CAPITAL :

#### Authorised:

3,000 Equity shares of no par value

(As at March 31, 2014 30,000,000 shares of US\$ 1/- each)

#### Issued subscribed & Paid Up:

Common stock no par value; 1,664 shares	<u>728,206</u>	<u>728,206</u>	<u>16,640</u>	<u>16,640</u>
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(As at March 31, 2014 16,640,000 shares of US\$1 each fully paid)

(All the above 1,664 (March 2014: 16,640,000) equity

shares of no par value are held by holding company

ICICI Securities Ltd.)

#### Reconciliation of the shares at the beginning and at the end of the reporting year

##### Equity shares

At the beginning of the year

Issued during the year

Issued during the year - ESOP

##### Outstanding at the end of the year

	As at March 31, 2015		As at March 31, 2014	
	Nos.	₹	Nos.	₹
1,664	<u>728,206</u>	<u>16,640,000</u>	1,664	<u>728,206</u>
<b>1,664</b>	<b><u>728,206</u></b>	<b><u>16,640,000</u></b>		<b><u>728,206</u></b>

During the year the Company has amended its Authorised Share Capital from 16,640,000 shares of US \$ 1 each to 1,664 shares of no par value with the Secretary of State, State of Delaware on September 18, 2014.

Due to this amendment there is an impact on the calculation of EPS reported for the current year.

#### Terms / rights attached to equity shares

The Company has only one class of equity shares having no par value. Each holder of equity shares is entitled to one vote per share.

	(₹ in 000's)		(US\$ in 000's)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>4. RESERVES &amp; SURPLUS</b>				
Profit and loss account debit balance				
Balance as on April 1, 2014	(146,096)	(145,252)	(3,143)	(3,127)
Add: Additions during the year				
(Less): deductions during the year	(662)	(844)	(11)	(14)
Balance as on March 31, 2015	(146,758)	(146,096)	(3,154)	(3,141)
Translation reserve				
Balance as on April 1, 2014	20,630	17,624	-	-
Add: Additions during the year	1,185	3,006	-	-
Balance as on March 31, 2015	21,815	20,630	-	-
<b>TOTAL</b>	<b>(124,943)</b>	<b>(125,466)</b>	<b>(3,154)</b>	<b>(3,141)</b>

### 5. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

Other liabilities	-	3	-	-
Taxes payable	338	350	5	5
<b>TOTAL</b>	<b>338</b>	<b>353</b>	<b>5</b>	<b>5</b>

### 6. NON CURRENT INVESTMENT

Non-current investments consist of the following

Name of the company	Quantity			
ICICI Securities Inc.(Unquoted)*	1,298 (12,980,000)	571,667	571,667	12,980
* No par value( FY 2014 Face value of US \$ 1 per share)				
<b>TOTAL</b>	<b>571,667</b>	<b>571,667</b>	<b>12,980</b>	<b>12,980</b>

# notes

**ICICI Securities Holdings Inc**

forming part of the financial statements

*Continued*

	(₹ in 000's)		(US\$ in 000's)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>7. LONG TERM LOANS AND ADVANCES</b> <i>(Unsecured, considered good unless otherwise stated)</i>				
Due from Subsidiary	28,383	27,209	454	454
<b>TOTAL</b>	<b>28,383</b>	<b>27,209</b>	<b>454</b>	<b>454</b>
<b>8. CASH AND BANK BALANCES</b>				
In current accounts with banks	3,551	4,217	57	70
<b>TOTAL</b>	<b>3,551</b>	<b>4,217</b>	<b>57</b>	<b>70</b>
<b>9. OTHER EXPENSES</b>				
Communication expenses	-	1	-	0
Record Storage Charges	37	80	1	1
Professional fees	106	66	2	1
<b>TOTAL</b>	<b>143</b>	<b>147</b>	<b>3</b>	<b>2</b>
<b>10. FINANCE COST</b>				
Bank charges	141	191	2	3
<b>TOTAL</b>	<b>141</b>	<b>191</b>	<b>2</b>	<b>3</b>

## 11 Deferred tax

Deferred tax asset resulting from accumulated losses have not been accounted in the absence of virtual certainty of availability of sufficient future taxable income.

## 12 Related Party Disclosures

As per accounting standard on related party disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006, the names of the related parties of the Company are as follows:

- A. Related party where control exists irrespective whether transactions have occurred or not
  - Ultimate Holding Company: ICICI Bank Limited
  - Holding Company: ICICI Securities Limited
  - Subsidiary Company: ICICI Securities Inc.
- B. Key Management Personnel
  - a) Sanker Parameswaran
  - b) Shriram Iyer
  - c) Warren Law

# notes

## forming part of the financial statements

*Continued*

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

Nature of Transaction	Subsidiary Company	Ultimate Holding company	Holding Company
	(₹ in thousand)	(US\$ in thousand)	(₹ in thousand)
<b>Investment</b>			
ICICI Securities Inc.	571,667	12,980	
	(571,667)	(12,980)	
<b>Receivables</b>			
	28,383	454	
	(27,209)	(454)	
<b>Payables</b>			
			—
<b>Share Capital</b>			
		728,206	16,640
		(728,206)	(16,640)

(Amounts in parenthesis represent previous year figures)

### Key Management Personnel

There was no payment made to the key management personnel during the year.

# notes



forming part of the financial statements

*Continued*

**13 Earnings per equity share (EPS)**

	(₹ in thousand)		(US\$ in thousand)	
	Year ended		Year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Basic &amp; Diluted</b>				
Weighted average no. of equity shares outstanding	1.66	16,640	1.66	16,640
Net profit / (loss)	(662)	(844)	(11)	(14)
Basic earnings per share (₹)/ (US\$)	(398.12)	(0.05)	(6.62)	(0.00)

**14** During the year the Company was not registered with any regulatory authority and did not carry out any business.

**15 Conversion to Indian Rupees**

"All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Investments) and liabilities (except Share Capital) are translated at the closing rate as on the Balance Sheet date. The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus". Amounts in US\$ (USD) given in financial statements are stated only for the purpose of conversion.

**16** Figures for the previous year have been regrouped/reclassified wherever necessary.

Signatures to Notes 1 to 16

As per our report attached

S. R. Batliboi & Co. LLP  
ICAI Firm Registration No.: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, April 16, 2015

For and on behalf of the Board of Directors

WARREN LAW  
*Director*

SANKER PARAMESWARAN  
*Director*

SHRIRAM IYER  
*Director*

Canada, April 14, 2015

# cash flow statement

for the year ended March 31, 2015

		(₹ in 000's)	(US\$ in 000's)
	For the year ended March 31,2015	For the year ended March 31,2014	For the year ended March 31,2015
			For the year ended March 31,2014
<b>A Cash flow from operating activities</b>			
Profit /(Loss) before tax	119	(14)	2
- (Profit)/Loss on sale of fixed assets			(0)
- Depreciation /Amortisation/Impairment	-	-	-
- Loss on sale of Fixed Assets	-	-	-
- Exchange adjustments	1,185	3,006	-
Operating profit before changes in operating assets and liabilities	1,304	2,992	2
Adjustments for net change in operating assets and liabilities			(0)
- Current assets excluding cash and cash equivalents	0	0	0
- Loans and advances relating to operations	(1,174)	(1,742)	(0)
- Current liabilities relating to operations	(3)	(302)	(5)
	(1,177)	(2,044)	(0)
Cash generated from operations	127	948	10
Payment of taxes (net)	(793)	(663)	(15)
Net cash from operating activities	(666)	285	(13)
<b>B Cash flow from investment activities</b>			
<b>C Cash flow from financing activities</b>			
Net change in cash and cash equivalents	(666)	285	(13)
Cash and cash equivalents at the beginning of the year	4,217	3,932	70
Cash and cash equivalents at the end of the year	3,551	4,217	70

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date.

S. R. Batliboi & Co. LLP  
*ICAI Firm Registration No: 301003E*  
*Chartered Accountants*

Per SHRAWAN JALAN  
*Partner*  
*Membership No.: 102102*

Mumbai, April 16, 2015

For and on behalf of the Board of Directors

SANKER PARAMESWARAN  
*Director*

SRIRAM IYER  
*Director*

WARREN LAW  
*Director*

Canada, April 14, 2015

## ICICI SECURITIES, INC.

### 15TH ANNUAL REPORT AND ACCOUNTS 2014-2015

**Directors**  
 Subir Saha, *Chairman*  
 Jaideep Goswami  
 Robert Ng  
 Bishen Pertab

**Auditors**  
 S. R. Batliboi & Co. LLP,  
*Chartered Accountants*

**Registered Office**  
 2711 Centerville Road Suite 400  
 Wilmington, DE 19808,  
 United States of America

## directors' report

### to the members,

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report of ICICI Securities, Inc. with the audited statement of accounts for the year ended March 31, 2015.

#### OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company has its main office in New York, USA and branch office in Singapore which holds a Capital Market Services license granted by the Monetary Authority of Singapore ("MAS") for the purpose of dealing in securities in Singapore. ICICI Securities, Inc. also holds an International Dealer registration from the Canadian Securities Regulatory Authority ("CSRA") which enables it to expand its reach to institutional investors in three provinces of Canada. The Company refers institutional investors in the US, Canada and Singapore who propose to deal in securities listed on the Indian Stock Exchanges to its parent company, viz., ICICI Securities Limited.

During fiscal 2015, the Company has strengthened its positioning among its US, Canada and Singapore based institutional investors. The Company conducted sales conferences in the US and Singapore in addition to numerous roadshows in both geographies during fiscal 2015. These activities, coupled with the increased demand for Indian securities, the Company has experienced an upward trend of client participation in terms of the quantity and quality of clients. ICICI Securities, Inc.'s corporate access activities add value to the decision-making process of its clients by providing differentiated research, access to corporate managements and experts from various fields which helps it to penetrate new clients as well as strengthen its positioning among existing clients.

#### FINANCIAL HIGHLIGHTS

	₹ in '000s	
	<i>Fiscal 2014</i>	<i>Fiscal 2015</i>
Gross income	153,327	146,795
Profit/(loss) before tax	35,190	21,064
Provision for tax	875	489
Profit /(Loss) after tax	34,315	20,575

#### OUTLOOK FOR INDIAN EQUITIES

The Indian economy is expected to achieve higher growth in fiscal 2016, while inflation is expected to be subdued due to weak commodity prices. In spite of the expectation of a rate hike in the US in fiscal 2016, global liquidity is expected to be sanguine given the on-going QE in Eurozone and Japan, while monetary easing has led to a surge in Chinese equity markets over the last one year. Government focus on legislative reforms along with steps at reviving the investment cycle through higher allocation towards capital expenditure in the Union Budget 2015-16 will improve investor interest in Indian equities. The risk to the performance of equity markets arises out of weak corporate earnings growth in the second half of fiscal 2015, although it is expected to improve in fiscal 2016.

#### SHARE CAPITAL

During the year, there was no change in the paid-up equity share capital of the Company.

#### DIRECTORS

During fiscal 2015, the Board of Directors of the Company was re-constituted effective from January 9, 2015.

The reconstituted Board of Directors are as follows:

Subir Saha (Chairman of the Board)  
 Jaideep Goswami  
 Robert Ng  
 Bishen Pertab

The Board places on its record, its appreciation for the valuable services and leadership rendered by Anup Bagchi and Ajay Saraf during their tenure as Directors of the Company.

#### AUDITORS

The Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants (Registration Number - 301003E) will retire at the ensuing Annual General Meeting and offer themselves for re-appointment. The Board, at its Meeting held on April 14, 2015, proposed their re-appointment as Auditors to audit the accounts of the Company, as per Indian GAAP, for the year ended March 31, 2016. You are requested to consider the re-appointment of the aforementioned retiring Auditors.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### ACKNOWLEDGEMENTS

The Directors thank the Company's clients for the confidence reposed in the Company, which has enabled the Company to successfully deliver well-structured solutions through timely execution.

The Directors also thank the statutory authorities and the Company's bankers for their continued support.

The Directors express their gratitude for the unstinted support and guidance received from the Company's shareholders, ICICI Securities Holdings, Inc. and other group companies.

The Directors also express their sincere thanks and appreciation to all their employees for their commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

April 14, 2015

SUBIR SAHA  
*Chairman*

# auditors' report

## To, The members of ICICI Securities Inc.

We have audited the accompanying standalone financial statements of ICICI Securities Inc., which comprise the Balance Sheet as at 31 March 2015 and also the Statement of Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements in accordance with the recognition and measurement principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements of ICICI Securities Inc. for the year ended March 31, 2015 are prepared, in all material respects, in accordance with recognition and measurement principles generally accepted in India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number 301003E

Per SHRAWAN JALAN

Partner

Membership Number 102102

Mumbai, April 16, 2015

# balance sheet

# profit and loss account

at March 31, 2015

for the year ended March 31, 2015

	Note	(₹ in 000's)	(US\$ in 000's)			
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	
<b>I EQUITY AND LIABILITIES</b>						
<b>1. Shareholders' funds</b>						
(a) Share capital	3	<b>571,667</b>	571,667	<b>12,980</b>	12,980	
(b) Reserves and surplus	4	<b>(477,169)</b>	(501,299)	<b>(11,466)</b>	(11,803)	
		<b>94,498</b>	<b>70,368</b>	<b>1,514</b>	<b>1,177</b>	
<b>2. Non-current liabilities</b>						
Other long term liabilities	5	<b>45,720</b>	52,778	<b>731</b>	881	
<b>3. Current liabilities</b>						
(a) Trade payables	6	-	-	-	0	
(b) Other current liabilities	6	<b>31,107</b>	23,661	<b>497</b>	392	
		<b>171,325</b>	<b>146,807</b>	<b>2,742</b>	<b>2,450</b>	
<b>II ASSETS</b>						
<b>1. Non-current assets</b>						
(a) Fixed assets						
Tangible assets	7	<b>306</b>	474	<b>5</b>	8	
(b) Long-term loans and advances	8	<b>38,414</b>	45,508	<b>615</b>	759	
		<b>38,720</b>	<b>45,982</b>	<b>620</b>	<b>767</b>	
<b>2. Current assets</b>						
(a) Trade receivables	9	<b>33,810</b>	22,598	<b>541</b>	378	
(b) Cash and bank balances	10	<b>94,348</b>	74,243	<b>1,510</b>	1,239	
(c) Short-term loans and advances	11	<b>4,447</b>	3,984	<b>71</b>	66	
		<b>132,605</b>	<b>100,825</b>	<b>2,122</b>	<b>1,683</b>	
		<b>171,325</b>	<b>146,807</b>	<b>2,742</b>	<b>2,450</b>	
<b>Summary of significant accounting policies</b>	2					

	Note	(₹ in 000's)	(US\$ in 000's)		
		For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>I Revenue from operations</b>					
(a) Brokerage and commission	12	<b>146,795</b>	145,002	<b>2,400</b>	2,400
(b) Income from services	12	-	7,680	-	127
		<b>146,795</b>	<b>152,682</b>	<b>2,400</b>	<b>2,527</b>
<b>II. Other operating income</b>	13	-	4	0	0
<b>III. Other income</b>	14	-	641	-	11
<b>IV. Total revenue (I+II+III)</b>		<b>146,795</b>	<b>153,327</b>	<b>2,400</b>	<b>2,538</b>
<b>V. Expenses:</b>					
(a) Employee benefit expense	15	<b>72,088</b>	60,351	<b>1,178</b>	999
(b) Operating expenses	16	<b>1,047</b>	3,179	<b>17</b>	53
(c) Depreciation	7	<b>333</b>	1,657	<b>5</b>	27
(d) Finance costs	17	<b>4,763</b>	3,862	<b>78</b>	64
(e) Other expenses	18	<b>47,500</b>	49,088	<b>777</b>	812
<b>Total expenses</b>		<b>125,731</b>	<b>118,137</b>	<b>2,055</b>	<b>1,955</b>
<b>VI. Profit before tax</b>		<b>21,064</b>	35,190	<b>345</b>	583
<b>VII. Tax expense:</b>		<b>489</b>	875	<b>8</b>	14
<b>VIII. Profit (Loss) for the period</b>		<b>20,575</b>	34,315	<b>337</b>	569
<b>IX. Earnings per share (Basic and Diluted) (FY 2015 - No par value, FY 2014 - Face Value \$1 per share)</b>		<b>15,851</b>	2.64	<b>260</b>	0.04
<b>Summary of significant accounting policies</b>	2				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

S.R. Batliboi & Co. LLP  
ICAI Firm Registration No: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, April 16, 2015

For and on behalf of the Board of Directors

BISHEN PERTAB  
President

ROBERT NG  
Director

SUBIR SAHA  
Chairman

New York, April 14, 2015

# notes

## forming part of the financial statements

Continued

### 1 Corporate Information

ICICI Securities, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Holdings, Inc., is incorporated in the United States in 2001. The Company is a registered broker dealer with the Securities and Exchange Commission ("SEC") and member of the Financial Industry Regulatory Authority ("FINRA"). The Firm has a branch office in Singapore that is registered with the Monetary Authority of Singapore (the "MAS") and holds the Capital Markets Services ("CMS") license for Dealing in Securities in Singapore. The Company is also registered as an International Dealer in Canada in the provinces of British Columbia, Ontario, and Quebec.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The non-consolidated financial statements have been prepared solely for the information and use of ICICI Securities Limited, the Holding Company for consolidation. The financial statements have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with Para 7 of the Companies (Accounts) Rules 2014. The non-consolidated financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, except where otherwise stated, are consistent with those used in the previous year.

#### b) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions 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. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

#### c) Revenue recognition

Revenue from issue management, loan syndication and financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.

#### d) Investments

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. All other investments are classified as Long term investments. The securities held as stock-in-trade are grouped under current assets and are valued at cost or market value, whichever is lower.

Long term investments are carried at acquisition cost, inclusive of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs and is provided for in the statement profit and loss. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### e) Tangible Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation on fixed assets is provided on straight line method. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

The rates of depreciation for fixed assets are given below:-

Asset	Estimated life
Tangible	
Leasehold improvements	10 years
Plant and machinery like air conditioners, photo-copying machines, etc.	3 Years
Computers	3 Years
Furniture and fixtures	7 years

#### f) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

#### g) Income taxes

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the local tax rates of the United States of America. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. As there is no virtual certainty of future taxable profits, deferred tax assets is not recognized.

#### h) Earnings per share ("EPS")

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

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### i) Provisions

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 required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates.

#### j) Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

#### k) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

# notes



forming part of the financial statements

*Continued*

	(₹ in 000's)	(US\$ in 000's)		
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014

## 3. SHARE CAPITAL :

### Authorised:

1500 Common stock of no par value

(As at March 31, 2014 15,000,000 shares of US\$ 1 each)

### Issued subscribed & paid up:

Common stock 1,298 shares

(As at March 31, 2014 12,980,000 shares of US\$ 1 each)

(All shares mentioned above are held by holding company  
ICICI Securities Holding Inc.)

### Total issued, subscribed and fully paid-up share capital

571,667	571,667	12,980	12,980
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### Reconciliation of the shares at the beginning and at the end of the reporting year

#### Equity shares

At the beginning of the year

Issued during the year

Issued during the year - ESOP

#### Outstanding at the end of the year

As at March 31, 2015	As at March 31, 2014
----------------------	----------------------

Nos.	Nos.
------	------

₹	₹
---	---

1,298	571,667
-------	---------

12,980,000	571,667
------------	---------

-	-
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1,298	571,667
-------	---------

12,980,000	571,667
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During the year the Company has amended its Authorised Share Capital from 12,980,000 shares of US \$ 1 each to 1,298 shares of no par value with the Secretary of State, State of Delaware on September 30, 2014.

Due to this amendment there is an impact on the calculation of EPS reported for the current year.

### Terms /rights attached to equity shares

The Company has only one class of equity shares having no par value. Each holder of equity shares is entitled to one vote per share.

## 4. RESERVES & SURPLUS

Reserves and surplus consist of the following:

### Profit and loss account debit balance:

Balance as on April 1, 2014

Add: Additions during the year

Less: deductions during the year

Balance as on March 31, 2015

(519,263)	(553,578)	(11,848)	(12,417)
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20,575	34,315	337	569
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(498,688)	(519,263)	(11,511)	(11,848)
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### Translation reserve:

Balance as on April 1, 2014

Add: Additions during the year

Less: deductions during the year

Balance as on March 31, 2015

### TOTAL

17,964	14,956	45	45
--------	--------	----	----

3,555	3,008	-	-
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-	-	-	-
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21,519	17,964	45	45
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(477,169)	(501,299)	(11,466)	(11,803)
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## 5. OTHER LONG TERM LIABILITIES

Other long term liabilities consist of the following:

Due to Parent

Liabilities for sublease

28,383	27,209	454	454
--------	--------	-----	-----

17,337	25,569	277	427
--------	--------	-----	-----

45,720	52,778	731	881
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## 6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

Other liabilities

Provision for taxes

### TOTAL

30,320	22,259	485	369
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787	1,402	12	23
-----	-------	----	----

31,107	23,661	497	392
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## 7. FIXED ASSETS :

	GROSS BLOCK (at Cost)				ACCUMULATED DEPRECIATION				NET BLOCK		
	April 01, 2014	Additions	Sale/Adj*	March 31, 2015	April 01, 2014	Additions	Sale/Adj*	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Computers	6,457	161	(279)	6,897	6,197	141	(279)	6,618	279	260	5
Software	894	-	(39)	933	894	933	(39)	933	-	0	0
Leasehold improvement	11,078	-	(479)	11,557	10,866	192	(473)	11,530	27	212	0
Lease hold improvement	1,730	-	(75)	1,805	1,728	(77)	1,805	0	2	0	-
<b>TOTAL</b>	<b>20,159</b>	<b>161</b>	<b>(872)</b>	<b>21,192</b>	<b>19,685</b>	<b>333</b>	<b>(868)</b>	<b>20,886</b>	<b>306</b>	<b>474</b>	<b>5</b>

(₹ in 000's) (US\$ in 000's)

	GROSS BLOCK (at Cost)				ACCUMULATED DEPRECIATION				NET BLOCK		
	April 01, 2013	Additions	Sale/Adj*	March 31, 2014	April 01, 2013	Additions	Sale/Adj*	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Computers	5,621	252	(584)	6,457	5,544	73	(580)	6,197	260	77	4
Software	810	-	(84)	894	810	(84)	894	(0)	0	(0)	0
Leasehold improvement	10,036	-	(1,042)	11,078	8,433	1,571	(862)	10,866	212	1,603	4
Lease hold improvement	1,567	-	(163)	1,730	1,554	13	(161)	1,728	2	13	0
<b>TOTAL</b>	<b>18,034</b>	<b>252</b>	<b>(1,873)</b>	<b>20,159</b>	<b>16,341</b>	<b>1,657</b>	<b>(1,687)</b>	<b>19,685</b>	<b>474</b>	<b>1,693</b>	<b>8</b>

(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US\$ 1 thousand)

\* Includes translation reserve of ₹ 5 thousand (previous year ₹ 186 thousand)

# notes

forming part of the financial statements

*Continued*

		(₹ in 000's)	(US\$ in 000's)
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015
			As at March 31, 2014
<b>8. LONG TERM LOANS AND ADVANCES</b> <i>(Unsecured, considered good unless otherwise stated)</i>			
Long-term loans and advance consist of the following:			
Other advances and deposits	6,874	15,411	110
Security deposit for leased premises	31,540	30,097	505
<b>TOTAL</b>	<b>38,414</b>	<b>45,508</b>	<b>615</b>
Other advances and deposits include			
Security Deposit	4,548	10,749	73
Prepaid expenses	2,326	4,662	37
<b>9. TRADE RECEIVABLES</b>			
Unsecured, considered good			
Due from ICICI Securities Ltd. (Ultimate Holding Company)	33,810	21,845	541
Other Receivables	0	753	0
<b>TOTAL</b>	<b>33,810</b>	<b>22,598</b>	<b>541</b>
<b>10. CASH AND BANK BALANCES</b>			
In current accounts with banks	94,348	74,243	1,510
<b>TOTAL</b>	<b>94,348</b>	<b>74,243</b>	<b>1,510</b>
<b>11. SHORT TERM LOANS AND ADVANCES</b> <i>(Unsecured, considered good unless otherwise stated)</i>			
Short-term loans and advance consist of the following:			
Other advances and deposits	4,447	3,984	71
<b>TOTAL</b>	<b>4,447</b>	<b>3,984</b>	<b>71</b>
Other advances and deposits include:			
Prepaid Expenses	3,931	3,432	63
<b>12. BROKERAGE, COMMISSION &amp; INCOME FROM SERVICES</b>			
Brokerage and commission	146,795	145,002	2,400
Financial advisory services	-	7,680	-
<b>TOTAL</b>	<b>146,795</b>	<b>152,682</b>	<b>2,400</b>
<b>13. INTEREST INCOME</b>			
Interest on other loans and advances	0	4	0
<b>TOTAL</b>	<b>0</b>	<b>4</b>	<b>0</b>
(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US\$ 1 thousand)			
<b>14. OTHER INCOME</b>			
Miscellaneous income	-	641	-
<b>TOTAL</b>	<b>0</b>	<b>641</b>	<b>0</b>
<b>15. EMPLOYEE BENEFIT EXPENSE</b>			
Employee benefits expense consist of the following:			
Salaries, wages and incentive	67,861	55,892	1,109
Staff welfare expenses	4,227	4,459	69
<b>TOTAL</b>	<b>72,088</b>	<b>60,351</b>	<b>1,178</b>
<b>16. OPERATING EXPENSES</b>			
Other operating expenses	1,047	849	17
Commission expenses and transaction charges	0	2,330	0
<b>TOTAL</b>	<b>1,047</b>	<b>3,179</b>	<b>17</b>
<b>17. FINANCE COST</b>			
Finance cost consist of the following:			
Bank charges	4,763	3,847	78
Other interest	0	15	-
<b>TOTAL</b>	<b>4,763</b>	<b>3,862</b>	<b>78</b>
(₹0 thousand indicates values are lower than ₹ 1 thousand or US\$ 1 thousand)			

# notes



forming part of the financial statements

*Continued*

## 18. OTHER EXPENSES

Other expenses consist of the following:

	(₹ in 000's)	(US\$ in 000's)		
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Rent and amenities	6,001	8,268	98	137
Rates and taxes	216	639	4	11
Insurance	496	353	8	6
Business promotion, travelling and conveyance expenses	12,206	7,764	200	128
Subscription and periodicals	5,345	2,570	87	43
Printing and stationery	317	315	5	5
Communication expenses	2,239	2,675	37	44
Professional fees	7,178	9,193	117	152
Auditors' remuneration (statutory audit fee)	3,741	10,111	61	167
Repairs, maintenance, upkeep and others	2,641	2,293	44	38
Foreign exchange translation	7,120	4,907	116	81
<b>TOTAL</b>	<b>47,500</b>	<b>49,088</b>	<b>777</b>	<b>812</b>

## 19. DEFERRED TAX

Deferred Tax asset resulting from accumulated losses have not been accounted in the absence of virtual certainty of availability of sufficient future taxable income.

## 20. EARNINGS PER EQUITY SHARE (EPS)

	(₹ in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014

### Basic & Diluted

Weighted average no. of equity shares outstanding	1,298	12,980	1,298	12,980
Net profit / (loss)	20,575	34,315	337	569
Basic earnings per share (₹)/(US\$)	15,851	2.64	260	0.04

## 21. LEASE

The company has obligations for its office space in New York city under the term of an operating lease expiring on February 28, 2017.

	(₹ in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Lease payments for the year	32,298	31,638	528	528
Minimum lease payments:				
Not later than one year	32,298	31,638	528	528
Later than one year but not later than five years	29,606	60,639	484	1,012
Later than five years	-	-	-	-

## 22. SUBLEASE

The Company is having existing lease agreement for its office space in New York City. During the year 2009-10, the company sub-leased its office space in New York City, by entering into sublease agreement with US Bank National Association.

ICICI Securities Limited has provided a corporate guarantee on behalf of the company to its sub lessee amounting to US\$ 1,500 thousand. This guarantee has been provided as per the prevailing practice in the New York sub lease market to secure the Company's performance of its lease obligations. ICICI Securities Limited also provided Standby Letter of Credit (issued by ICICI Bank) of US\$ 1,000 thousand to the sub lessee of the company.

During the year Company has received ₹24,219 thousand (US\$ 396 thousand) as basic sub-lease rentals from US Bank National Association and paid ₹32,298 thousand (US\$ 528 thousand) as basic lease rental to SL Green Management Company. The same has been adjusted against the lease abandonment liability.

## 23. RELATED PARTY DISCLOSURES

As per accounting standard on related party disclosures (AS18) the names of the related parties of the Company are as follows:

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

Ultimate Holding Companies: ICICI Bank Limited;  
ICICI Securities Limited  
Holding Company: ICICI Securities Holding Inc.

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

C. Key Management Personnel

a) Bishen Pertab President & CEO  
b) Robert N G CEO Singapore Branch

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

Nature of transaction	Ultimate Holding Company		Holding Company	
	(₹ in 000's)	(US\$ in 000's)	(₹ in 000's)	(US\$ in 000's)
Income from Services				
ICICI Securities Limited	146,795	2,400	-	-
	(145,002)	(2,400)	-	-
Operating expenses				
ICICI Securities Limited	570	9	-	-
	(1,752)	(29)	-	-
Reimbursement of expenses				
ICICI Securities Limited	8,564	140	-	-
	(846)	(14)	-	-
Finance charges				
ICICI Bank Limited	3,670	60	-	-
	(2,864)	(47)	-	-

The balances payable to/receivable from related parties included in the balance sheet as on March 31, 2015 are given below:

Nature of transaction	Ultimate Holding Company		Holding Company	
	(₹ in 000's)	(US\$ in 000's)	(₹ in 000's)	(US\$ in 000's)
Receivables				
ICICI Securities Limited	33,810	541	-	-
	(21,845)	(365)	-	-
Payables				
ICICI Securities Holdings Inc.	-	-	28,383	454
	-	-	(27,209)	(454)
Share Capital				
ICICI Securities Holdings Inc.	-	-	571,667	12,980
	-	-	(571,667)	(12,980)

# notes

## forming part of the financial statements

Other related party transactions are given below

Nature of transaction	Ultimate Holding Company		Holding Company	
	(₹ in 000's)	(US\$ in 000's)	(₹ in 000's)	(US\$ in 000's)
Guarantees given by				
ICICI Securities Limited (Corporate Guarantee)	93,750 (89,880)	1,500 (1,500)	-	-
ICICI Securities Limited. (Standby Bank letter of credit)	62,500 (59,920)	1,000 (1,000)	-	-

Amount in parenthesis represent previous year figures

### Key Management Personnel

The compensation for the year ending March 31, 2015 to Bishen Pertab, President & CEO was ₹10,919 thousand (US\$ 179 thousand) March 31, 2014 ₹ 8,389 thousand (US\$ 140 thousand), Robert Ng, CEO Singapore Branch ₹ 9,847 thousand (US\$ 161 thousand) March 2014 ₹ 7,437 thousand (US\$ 123 thousand)

### 24. CONVERSION TO INDIAN RUPEES

All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Investments) and liabilities (except Share Capital) are translated at the closing rate as on the Balance Sheet date.

The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus". Amounts in US\$ (USD) given in the financial statements are stated only for the purpose of conversion.

### 25. FIGURES FOR THE PREVIOUS YEAR HAVE BEEN REGROUPED/RECLASSIFIED WHEREVER NECESSARY.

As per our report attached

S.R. Batliboi & Co. LLP  
ICAI Firm Registration No: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
*Partner*  
Membership No.: 102102

Mumbai, April 16, 2015

Signature to Note 1 to 25

For and on behalf of the Board of Directors

BISHEN PERTAB  
*President*

ROBERT NG  
*Director*

SUBIR SAHA  
*Chairman*

New York, April 14, 2015

# cash flow statement

**ICICI Securities Inc** for the year ended March 31, 2015

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
	(₹ in 000's)	(₹ in 000's)	(US\$ in 000's)	(US\$ in 000's)
<b>A Cash flow from operating activities</b>				
Profit/ (Loss) before tax	21,064	35,190	345	583
- Depreciation	333	1,657	5	27
- Exchange adjustments	3,551	2,819	-	-
Operating profit before changes in operating assets and liabilities	<u>24,948</u>	<u>39,666</u>	<u>350</u>	<u>610</u>
Adjustments for net change in operating assets and liabilities				
- Current assets excluding cash and cash equivalents	(11,212)	(20,461)	(163)	(339)
- Loans and advances relating to operations	6,632	(2,798)	139	36
- Current liabilities relating to operations	1,002	8,342	(34)	20
	<u>(3,578)</u>	<u>(14,917)</u>	<u>(58)</u>	<u>(283)</u>
Cash generated from operations	21,370	24,749	292	327
Payment of taxes (net)	(1,104)	(34)	(18)	(1)
	<u>20,266</u>	<u>24,715</u>	<u>274</u>	<u>326</u>
<b>B Cash flow from investment activities</b>				
- Acquisition of equity investments in subsidiary companies	-	-	-	-
- (Purchase) / Sale of investments	-	-	-	-
- (Purchase) / Sale of fixed assets (net)	(161)	(252)	(3)	(4)
Net cash used in investment activities	<u>(161)</u>	<u>(252)</u>	<u>(3)</u>	<u>(4)</u>
<b>C Cash flow from financing activities</b>				
Net change in cash and cash equivalents	20,105	24,463	271	322
Cash and cash equivalents at the beginning of the year	74,243	49,780	1,239	917
Cash and cash equivalents at the end of the year	<u>94,348</u>	<u>74,243</u>	<u>1,510</u>	<u>1,239</u>

This is the Cash Flow statement referred to in our report of even date.

As per our report of even date

For and on behalf of the Board of Directors

S.R. Batliboi & Co. LLP  
ICAI Firm Registration No: 301003E  
Chartered Accountants

SUBIR SAHA  
Chairman

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

BISHEN PERTAB  
President

ROBERT NG  
Director

Mumbai, April 16, 2015

New York, April 14, 2015

**ICICI SECURITIES LIMITED - CONSOLIDATED FINANCIALS**

# independent auditors' report

**To the Members of ICICI Securities Limited****REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of ICICI Securities Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its consolidated profit, and its consolidated cash flows for the year ended on that date.

For S.R. Batliboi & Co. LLP  
*Chartered Accountants*

ICAI Firm Registration Number: 301003E

per SHRAWAN JALAN  
*Partner*  
Membership No.: 102102

Mumbai, April 17, 2015

# consolidated balance sheet

# consolidated profit and loss account

at March 31, 2015

for the year ended March 31, 2015

	Notes	As at March 31, 2015	(₹ in million)	As at March 31, 2014		Notes	For the year ended March 31, 2015	(₹ in million)	For the year ended March 31, 2014
<b>II EQUITY AND LIABILITIES</b>									
<b>1 Shareholders' funds</b>									
(a) Share capital	3	1,610.7		1,610.7		(a) Brokerage income		7,554.1	4,960.5
(b) Reserves and surplus	4	1,912.4		882.9		(b) Income from services		3,363.1	2,541.0
		<u>3,523.1</u>		<u>2,493.6</u>		(c) Interest and Other operating income	22	910.1	587.6
<b>2 Non-current liabilities</b>									
(a) Other long term liabilities	5	525.0		431.3		(d) Profit/(loss) on securities (net)		267.8	33.5
(b) Long-term provisions	6	160.7		129.1				<u>12,095.1</u>	<u>8,122.6</u>
		<u>685.7</u>		<u>560.4</u>		<b>II Total Revenue</b>			
<b>3 Current liabilities</b>									
(a) Short-term borrowings	7	2,265.3		3,171.3		<b>III Expenses:</b>			
(b) Trade payables	8	5,567.8		8,365.7		(a) Employee benefits expense	23	3,920.7	3,273.7
(c) Other current liabilities	9	1,545.8		1,111.0		(b) Operating expenses	24	1,045.4	1,057.5
(d) Short-term provisions	10	40.9		26.5		(c) Finance costs	25	311.0	246.6
		<u>9,419.8</u>		<u>12,674.5</u>		(d) Depreciation and amortization expense		163.0	134.8
		<u>13,628.6</u>		<u>15,728.5</u>		(e) Other expenses	26	<u>2,158.2</u>	<u>1,988.4</u>
<b>II ASSETS</b>									
<b>1 Non-current assets</b>									
(a) Fixed assets	11					<b>Total expenses</b>		<u>7,598.3</u>	<u>6,701.0</u>
(i) Tangible assets		252.7		194.0					
(ii) Intangible assets		95.7		154.1		<b>IV Profit before tax</b>		4,496.8	1,421.6
(iii) Capital work-in-progress		6.9		6.0					
(iv) Intangible assets under development		30.1		9.6		<b>V Tax expense:</b>			
		<u>385.4</u>		<u>363.7</u>		(a) Current tax		1,630.7	568.1
(b) Non-current investments	12	12.2		2.8		(b) Deferred tax		(72.6)	(54.8)
(c) Deferred tax assets (Net)	13	387.1		314.5		Total tax expense		<u>1,558.1</u>	<u>513.3</u>
(d) Long-term loans and advances	14	1,146.5		1,452.0					
(e) Other non-current assets	15	161.6		119.9		<b>VI Profit after tax</b>		2,938.7	908.3
		<u>2,092.8</u>		<u>2,252.9</u>					
<b>2 Current assets</b>									
(a) Current investments	16	—		1,000.0		<b>VII Earnings per equity share:</b>			
(b) Stock-in-trade	17	338.1		277.0		Basic & Diluted	27	3.65	1.06
(c) Trade receivables	18	1,731.3		5,384.9		(Face value ₹ 2/- per share)			
(d) Cash and bank balances	19	8,530.6		5,966.6					
(e) Short-term loans and advances	20	310.6		413.1		<b>Summary of significant accounting policies</b>		2	
(f) Other current assets	21	625.2		434.0					
		<u>11,535.8</u>		<u>13,475.6</u>					
		<u>13,628.6</u>		<u>15,728.5</u>					
<b>Summary of significant accounting policies</b>	2								
<b>III The accompanying notes are an integral part of the financial statements.</b>									
<b>VIII The accompanying notes are an integral part of the financial statements.</b>									

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration No.: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, April 17, 2015

For and on behalf of the Board of Directors

CHANDA KOCHHAR  
Chairperson

ANUP BAGCHI  
Managing Director & CEO

RAJU NANWANI  
Company Secretary

UDAY CHITALE  
Director

AJAY SARAF  
Executive Director

PRASHANT MOHTA  
Chief Financial Officer

# notes

## forming part of the accounts

*Continued*

### 1 OVERVIEW

#### Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and except where otherwise stated are considered with those used in the previous year.

The Company consolidates entities in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. The Company does not consolidate entities where the control is intended to be temporary. All significant intercompany accounts and transactions are eliminated on consolidation.

The consolidated financial results include results of ICICI Securities Limited and its subsidiaries ICICI Securities Holdings Inc. and ICICI Securities Inc. The financial results of the subsidiaries have been consolidated considering the operations as non integral foreign operations.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India, requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income, expenses and results during the reporting period. The estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

#### b) Revenue recognition

- i) Brokerage income in relation to stock broking activity is recognised on a trade date basis.
- ii) Revenue from issue management, debt syndication, financial advisory services etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.
- iii) Fee income in relation to public issues/ other securities is recognised based on mobilization and intimation received from clients / intermediaries.
- iv) Gains/ losses on dealing in securities are recognised on a trade date basis.
- v) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Revenue from dividend is recognised when the shareholder's right to receive the dividend is established.
- vii) Training fee income from financial educational programs is recognized on accrual basis.

#### c) Investments and stock-in-trade

Investments in debt and equity securities are classified as current investment or long term investments.

Investments that are acquired with the intention of short term holding and trading are classified as stock-in-trade. All other investments are classified as long term investments. The securities held as stock-in-trade are carried at cost arrived at on weighted average basis or market value, whichever is lower.

Long term investments are carried at acquisition cost, inclusive of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs and is provided for in the statement profit and loss. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### d) Fixed assets and depreciation

##### (i) Tangible assets

Tangible assets are carried at cost 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 the assets on straight line basis.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of Profit and Loss.

Till the year ended March 31, 2014, depreciation rates prescribed under schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rate were justified by the estimated useful life of the assets. Schedule

II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statement.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. This change in accounting estimate did not have any material impact on financial statements of the Company.

Asset	Holding Company Depreciation rate	Subsidiaries Depreciation rate
<b>Tangible</b>		
Leasehold improvements	Over the lease period	10 years
Office equipments comprising air conditioners, photo-copying machines, etc.	5 years	3 years
Computers	3 years	3 years
Servers & Network	6 years	—
Furniture and fixtures	6.67 years	7 years
Motor vehicles	5 years	—

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- a) The motor vehicles are depreciated over the estimated useful lives of 5 years, which is lower than those indicated in schedule II.
- b) The Furniture and fixture are depreciated over the estimated useful lives of 6.67 years, which is lower than those indicated in schedule II.

##### (ii) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The amortization rates used are:

Intangible asset	Holding Company Depreciation rate	Subsidiaries Depreciation rate
Computer software	25%	33.33%
CMA Membership rights	20%	20.00%

#### e) Foreign exchange transactions

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Foreign currency income and expenditure items of integral foreign operations are translated at monthly average rates. Exchange differences arising on the settlement or restatement of monetary items of integral foreign operations are recognised as exchange gain / loss in the Statement of profit and loss.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing rate. Non monetary foreign currency assets and liabilities of domestic and integral foreign operations are reported at historical cost.

Income and expenditure of non-integral foreign operations are translated at monthly average rates. The assets and liabilities of non-integral foreign operations other the share capital and fixed assets are translated at closing exchange rates at the balance sheet date and the resultant profits / 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.

#### f) Accounting for derivative transactions

The Group enters into derivative contracts such as equity index / stock futures, equity index / stock options.

Derivative contracts entered into for trading purposes are marked to market and the resulting loss is accounted for in the statement of profit and loss. Gains are recognised only on settlement / expiry of the derivative contract.

Receivables / payables on the open positions are reported as current assets/ current liabilities.

#### g) Staff retirement and other benefits

##### Gratuity

The Group pays defined benefit plan to its employees who retire or resign after a minimum period of five years of continuous service and in the case

# notes



forming part of the accounts

*Continued* **I-SEC**

of employees at overseas locations as per rules in force in the respective countries. The Group makes contributions to the ICICI Securities Employees Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

The Group accounts for the gratuity liability as per an actuarial valuation by an actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method made at the end of each financial year.

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its national employees, the Company makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

#### **Compensated absence**

Accumulated compensated absences, which are exceeding the allowable limit of carry forward beyond 12 months from the end of the year are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of such unused entitlement that has accumulated at the reporting date.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

#### **Provident fund**

The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

#### **Long term incentives**

The Company has a long term incentive plan which is paid in three annual tranches. The year end provision is based on actuarial valuation. The Company accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding rate of interest and staff attrition. The actuarial losses / gains are recognised in the statement of profit and loss in the year in which they arise.

#### **h) Income taxes**

Income tax expense is the aggregate amount of current tax and deferred tax borne by the Company. 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 issued by the Institute of Chartered Accountants of India respectively. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis 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 the deferred tax assets and liabilities is recognised in the statement of profit and loss.

### **3. SHARE CAPITAL**

#### **Authorised:**

1,00,00,00,000 (March 31, 2014: 1,00,00,00,000 of ₹ 2/- each) equity shares of ₹ 2/- each  
5,00,00,000 (March 31, 2014 : 5,00,00,000 of ₹ 100/- each) 13.75% Cumulative non-convertible redeemable preference shares of ₹ 100/- each

#### **Issued, subscribed and fully paid-up shares:**

805,353,500 (March 31, 2014 : 805,353,500 of ₹ 2 each) equity shares of ₹ 2/- each fully paid

**Total**

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In accordance with the recommendations contained in Guidance note on accounting for credit available in respect of Minimum Alternative Tax ("MAT") issued by the Institute of Chartered Accountants of India, MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period in future. MAT credit is recognised as an asset by way of a credit to the statement of profit and loss and shown as MAT credit entitlement in the year in which MAT credit becomes eligible to be recognized as an asset.

#### **i) Impairment of assets**

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting to the statement of profit and loss and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

#### **j) Provisions, and contingent liabilities**

**Provisions:** 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 required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates. **Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements

#### **k) Earnings per share ("EPS")**

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

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### **l) Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### **m) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

#### **n) Segment reporting**

The group has prepared its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. The segments are identified based on the nature of services provided by the Group.

	₹ in million)	As at March 31, 2015	As at March 31, 2014
2,000.0	2,000.0		
500.0	500.0		
<b>2,500.0</b>	<b>2,500.0</b>		
1,610.7	1,610.7		
<b>1,610.7</b>	<b>1,610.7</b>		

# notes

## forming part of the accounts

*Continued*

### Reconciliation of the shares at the beginning and at the end of the reporting period

#### a. Equity shares

	As at March 31, 2015 Nos.	As at March 31, 2014 Nos.	(₹ in million)
At the beginning of the year	805,353,500	1,610.7	805,353,500
Issued during the period - Bonus issue	—	—	—
Issued during the period - ESOP	—	—	—
Outstanding at the end of the year	<b>805,353,500</b>	<b>1,610.7</b>	<b>805,353,500</b>
<b>Outstanding at the end of the year</b>	<b>805,353,500</b>	<b>1,610.7</b>	<b>805,353,500</b>
<b>Outstanding at the end of the year</b>	<b>805,353,500</b>	<b>1,610.7</b>	<b>805,353,500</b>

#### b. Cumulative non-convertible redeemable preference share

	As at March 31, 2015 Nos.	As at March 31, 2014 Nos.	(₹ in million)
At the beginning of the year	—	—	5,000,000
Issued during the period - Bonus issue	—	—	—
Issued during the period - ESOP	—	—	—
Redeemed during the year	—	—	(5,000,000)
<b>Outstanding at the end of the year</b>	<b>—</b>	<b>—</b>	<b>(500.0)</b>
<b>Outstanding at the end of the year</b>	<b>—</b>	<b>—</b>	<b>—</b>

All the above, 805,353,500 (March 31,2014: 805,353,500) Equity Shares of ₹ 2/- each are held by ICICI Bank Limited (Holding Company) and its nominees.

#### c. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2/- (March 31, 2014: ₹ 0.50).

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

	As at March 31, 2015	(₹ in million)	As at March 31, 2014	(₹ in million)	As at March 31, 2015	As at March 31, 2014
<b>4. RESERVES AND SURPLUS</b>						
Reserves and surplus consist of the following:						
(a) Securities premium account	244.0	244.0				
(b) Translation reserve						
Opening balance	54.7	44.7				
Add : Additions during the year (net)	5.5	10.0				
Closing balance	<b>60.2</b>	<b>54.7</b>				
(c) General reserve						
Opening balance	484.7	409.8				
Add : Additions during the year (net)	182.1	74.9				
Closing balance	<b>666.8</b>	<b>484.7</b>				
(d) Surplus/(Deficit) in statement of profit & loss						
Opening balance	99.5	(207.9)				
Add: profit for the year	<b>2,938.7</b>	<b>908.3</b>				
Less: Appropriations						
Dividend on preference shares	-	49.3				
Interim dividend on equity shares	<b>1,610.7</b>	<b>400.3</b>				
Tax on preference shares dividend	-	8.4				
Tax on equity dividend	<b>304.0</b>	<b>68.0</b>				
Transfer to general reserve	<b>182.1</b>	<b>74.9</b>				
Closing balance	<b>941.4</b>	<b>99.5</b>				
<b>TOTAL</b>	<b>1,912.4</b>	<b>882.9</b>				
<b>5. OTHER LONG TERM LIABILITIES</b>						
Other long-term liabilities consist of the following:						
Other liabilities	<b>525.0</b>	<b>431.3</b>				
<b>TOTAL</b>	<b>525.0</b>	<b>431.3</b>				
<b>6. LONG TERM PROVISION</b>						
Long-term provision consist of the following:						
(a) Provision for gratuity	151.7	116.6				
(b) Provision for compensated absence	9.0	12.5				
<b>TOTAL</b>	<b>160.7</b>	<b>129.1</b>				
<b>7. SHORT TERM BORROWINGS</b>						
Short-term borrowings consist of the following:						
(a) Unsecured loans						
Commercial paper						
(All commercial papers repayable within one year)	2,265.3					
<b>TOTAL</b>	<b>2,265.3</b>					
<b>8. TRADE PAYABLES</b>						
Trade payables consist of the following:						
(a) Trade Payables						
i) Micro, small and medium enterprises						
ii) Others	5,567.8					
<b>TOTAL</b>	<b>5,567.8</b>					
<b>9. OTHER CURRENT LIABILITIES</b>						
Other current liabilities consist of the following:						
(a) Income received in advance						
257.8						
(b) Other payables to						
i) Micro, small and medium enterprises						
ii) Others						
1) Statutory liabilities	243.5					
2) Employee related liabilities	941.0					
3) Other liabilities	103.5					
<b>TOTAL</b>	<b>1,288.0</b>					
<b>TOTAL</b>	<b>1,545.8</b>					
<b>10. SHORT TERM PROVISION</b>						
Short-term provision consist of the following:						
(a) Provision for employees benefits						
i) Provision for gratuity	31.4					
ii) Provision for compensated absence	9.5					
<b>TOTAL</b>	<b>40.9</b>					

**11. FIXED ASSETS**

Fixed assets consist of the following:

	As at March 31, 2014						As at March 31, 2015											
	Gross Block (At Cost)			Accumulated Depreciation			Net Block			Gross Block (At Cost)			Accumulated Depreciation			(₹ million)		
	April 1, 2013	Additions Adj*	Sale/ March 31, 2014	April 1, 2013	Additions Adj*	Sale/ March 31, 2014	April 1, 2014	Additions Adj*	Sale/ March 31, 2015	April 1, 2015	Additions Adj*	Sale/ March 31, 2014	April 1, 2014	Additions Adj*	Sale/ March 31, 2015	Adj*	Net Block	
<b>TANGIBLE</b>																		
Computers	147.6	32.7	19.3	161.0	101.2	11.3	19.1	93.4	67.6	161.0	69.0	17.7	212.3	93.4	31.5	1.4	123.5	
Furniture & fixtures	14.7	5.9	(0.0)	20.6	15.4	2.1	(1.6)	19.1	1.5	20.6	9.2	(0.4)	30.2	19.1	3.1	(1.9)	24.1	
Office equipment	29.2	8.7	0.2	37.7	5.7	4.0	(0.1)	9.8	27.9	37.7	22.0	3.8	55.9	9.8	10.4	(1.2)	21.4	
Vehicles	82.7	23.6	11.9	94.4	30.2	17.5	7.6	40.1	54.3	94.4	24.6	11.7	107.3	40.1	19.6	9.5	50.2	
Lease hold improvements	236.7	17.3	43.2	210.8	182.1	27.0	41.0	168.1	42.7	210.8	29.4	15.2	225.0	168.1	28.3	37.6	158.8	
<b>Total (A)</b>	<b>510.9</b>	<b>88.2</b>	<b>74.6</b>	<b>524.5</b>	<b>334.6</b>	<b>61.9</b>	<b>66.0</b>	<b>330.5</b>	<b>194.0</b>	<b>524.5</b>	<b>154.2</b>	<b>48.0</b>	<b>630.7</b>	<b>330.5</b>	<b>92.9</b>	<b>45.4</b>	<b>378.0</b>	
<b>INTANGIBLE</b>																	<b>252.7</b>	
Software	550.8	72.6	104.1	519.3	397.8	71.1	103.7	365.2	154.1	519.3	26.4	144.0	401.7	365.2	70.1	129.3	306.0	
CMA membership right	21.2	-	(2.2)	23.4	19.5	1.8	(2.1)	23.4	-	23.4	-	(0.9)	24.3	23.4	-	(0.9)	24.3	
<b>Total (B)</b>	<b>572.0</b>	<b>72.6</b>	<b>101.9</b>	<b>542.7</b>	<b>417.3</b>	<b>72.9</b>	<b>101.6</b>	<b>388.6</b>	<b>154.1</b>	<b>542.7</b>	<b>26.4</b>	<b>143.1</b>	<b>426.0</b>	<b>388.6</b>	<b>70.1</b>	<b>128.4</b>	<b>330.3</b>	
<b>Total (A + B)</b>	<b>1,082.9</b>	<b>160.8</b>	<b>176.5</b>	<b>1,067.2</b>	<b>751.9</b>	<b>134.8</b>	<b>167.6</b>	<b>719.1</b>	<b>348.1</b>	<b>1,067.2</b>	<b>180.6</b>	<b>191.1</b>	<b>1,056.7</b>	<b>719.1</b>	<b>163.0</b>	<b>173.8</b>	<b>708.3</b>	
<b>Total (A + B)</b>	<b>1,082.9</b>	<b>160.8</b>	<b>176.5</b>	<b>1,067.2</b>	<b>751.9</b>	<b>134.8</b>	<b>167.6</b>	<b>719.1</b>	<b>348.1</b>	<b>1,067.2</b>	<b>180.6</b>	<b>191.1</b>	<b>1,056.7</b>	<b>719.1</b>	<b>163.0</b>	<b>173.8</b>	<b>708.3</b>	
																	<b>348.4</b>	

\* Fixed assets sale/ adjustments includes effect of foreign currency translation amounting to ₹ 0.2 million (Previous year ₹ 0.7 million)

# notes

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*Continued*

		As at March 31, 2015	(₹ in million) As at March 31, 2014		As at March 31, 2015	(₹ in million) As at March 31, 2014
<b>12. NON-CURRENT INVESTMENTS</b>				<b>14 LONG TERM LOANS AND ADVANCES</b>		
Non-current investments consist of the following:			(₹ in million)	Long-term loans and advances consist of the following:		
		Quantity Nos.	Face value per unit	As at March 31, 2015	As at March 31, 2014	
<b>Name of the Company</b>						
a) Trade Investments				Unsecured, considered good		
In equity shares (valued at cost)				i) Security deposit for leased premises and assets	<b>286.8</b>	321.3
Others:				ii) Security deposit with stock exchanges	29.8	240.5
i) Bombay Stock Exchange Limited (unquoted)	22,828 (22,828)	₹ 1	0.0	iii) Advance tax (net of provision for tax)	810.6	862.6
ii) Universal Trustees Private Limited (unquoted)	180,000(Nil)	₹ 10	9.4	iv) Loans and advances to related parties	0.1	0.1
iii) Parabolic Drugs Limited (quoted)	794,000(794,000)	₹ 10	45.5	v) Other loans and advances		
			54.9	a) Prepaid expenses	3.6	6.1
			45.5	b) Other security deposit	10.4	17.3
Less : Provision for investment			42.7	c) Others	5.2	3.5
			12.2	vi) Capital advances	0.0	0.6
			2.8	<b>TOTAL</b>	<b>1,146.5</b>	<b>1,452.0</b>
b) Non Trade Investments				Loans and advances to related parties pertains to:		
In equity shares (valued at cost)				ICICI Lombard General Insurance Co. Ltd. ₹ 0.1 million (Previous year : ₹ 0.1 million)		
Others:						
i) First Source Solutions Limited (quoted)	100 (100)	₹ 10	0.0	<b>15. OTHER NON-CURRENT ASSETS</b>		
			0.0	Other non-current assets consist of the following:		
			12.2	(a) Interest receivable	3.0	1.0
<b>TOTAL</b>			2.8	(b) Fixed Deposits with banks (under lien)*		
1) Aggregate amount of quoted investments (market value ₹ 7.0 million, Previous year ₹ 3.5 million)			2.8	i) In India	150.5	111.1
2) Aggregate amount of unquoted investments (₹ 0 million indicates values are lower than ₹ 1 million)			9.4	ii) Outside India	8.1	7.8
3) Previous year's quantities are given in parenthesis.				<b>TOTAL</b>	<b>158.6</b>	<b>118.9</b>
					<b>161.6</b>	<b>119.9</b>
<b>13. DEFERRED TAX ASSETS (NET)</b>				* Fixed deposits under lien with stock exchanges amounted to ₹ 99.8 million (Previous year : ₹ 60.0 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 8.2 million (Previous year : ₹ 8.4 million) and others ₹ 50.6 million (Previous year ₹ 50.5 million)		
a) Deferred tax asset (net) consist of the following:						
<b>Deferred tax asset</b>						
i) Provision for doubtful debts	39.7		38.3			
ii) Provision for gratuity	63.4		43.9			
iii) Provision for compensated absence	6.4		9.0			
iv) Provision for lease rent escalation	27.7		32.6			
v) Depreciation	36.5		21.2			
vi) Provision for investments	4.9		4.6			
vii) Long term incentives	208.5		164.9			
<b>Total Deferred tax assets</b>	<b>387.1</b>		<b>314.5</b>			
<b>b) Deferred tax liability</b>	-		-			
<b>TOTAL</b>	<b>387.1</b>		<b>314.5</b>			
				Aggregate amount of unquoted investments (Face value ₹ Nil, Previous year ₹ 10)	—	1,000.0
					—	—
					—	—
					—	—

# notes

	As at March 31, 2015	(₹ in million)	As at March 31, 2014	(₹ in million)	As at March 31, 2015	As at March 31, 2014
<b>17. STOCK-IN-TRADE</b>						
Stock-in-trade consist of the following:						
(a) Equity shares (quoted)						
i) India Bulls Real Estate Limited	—	0.6				
ii) HDFC Bank Limited	<u>235.2</u>	<u>—</u>				
	<u>235.2</u>	<u>0.6</u>				
(b) Non-Convertible Preference Shares						
i) 9% L & T Holdings Limited (quoted)	—	81.9				
	<u>—</u>	<u>81.9</u>				
(c) Bond						
i) 8.82% REC LIMITED (quoted)	<u>102.9</u>	<u>95.4</u>				
(d) Debentures						
i) 11.60 % ECL Finance Limited (quoted)	—	99.1				
<b>TOTAL</b>	<u>338.1</u>	<u>277.0</u>				
1. Stock in trade are valued at cost or market value whichever is lower.						
2. The aggregate carrying value and market value of quoted securities as at March 31, 2015 is ₹ 338.1 million (Previous year: ₹ 277.0 million) and ₹ 338.3 million (Previous year ₹ 278.5 million) respectively.						
3. The above include securities on the Company's account due to trading errors on behalf of the customers.						
<b>18. TRADE RECEIVABLES</b>						
Trade receivables consist of the following:						
<b>Secured</b>						
(a) <b>Receivables outstanding for a period exceeding six months:</b>						
i) Considered good	—	—				
ii) Considered doubtful	—	—				
(b) <b>Others</b>						
i) Considered good	<u>1,375.0</u>	<u>767.7</u>				
ii) Considered doubtful	0.3	—				
Less: Provision for doubtful debt	<u>(0.3)</u>	<u>—</u>				
<b>TOTAL (A)</b>	<u>1,375.0</u>	<u>767.7</u>				
<b>Unsecured</b>						
(a) <b>Receivables outstanding for a period exceeding six months:</b>						
i) Considered good	11.2	7.5				
ii) Considered doubtful	<u>87.6</u>	<u>98.7</u>				
(b) <b>Others</b>						
i) Considered good	<u>345.1</u>	<u>4,609.7</u>				
ii) Considered doubtful	15.8	2.9				
Less: Provision for doubtful debt	<u>(103.4)</u>	<u>(101.6)</u>				
<b>TOTAL (B)</b>	<u>356.3</u>	<u>4,617.2</u>				
<b>TOTAL (A) + (B)</b>	<u>1,731.3</u>	<u>5,384.9</u>				
Dues from directors & officers ₹ Nil ( Previous year ₹ Nil )						
<b>19. CASH AND BANK BALANCE:</b>						
Cash and bank balances consist of the following:						
<b>Cash and cash equivalents</b>						
Cash and cheques on hand				0.5	1.1	
<b>Balances with Banks</b>						
(a) In Current accounts with banks						
i) In India				691.7	793.0	
ii) Outside India				129.2	90.9	
(b) Fixed Deposit with maturity less than 3 months				-	150.0	
				<u>821.4</u>	<u>1,035.0</u>	
<b>Other bank balances</b>						
Fixed deposits in India*				<u>7,709.2</u>	<u>4,931.6</u>	
<b>TOTAL</b>				<u>8,530.6</u>	<u>5,966.6</u>	
* Fixed deposits under lien with stock exchanges amounted to ₹ 7,679.9 million (Previous year : ₹ 4,800.5 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 0.8 million (Previous year : ₹ 0.2 million) and others ₹ 28.5 million (Previous year ₹ 25.9 million)						
* Fixed deposits having maturity more than 3 months ₹ Nil (Previous year ₹ 105.0 million)						
<b>20. SHORT-TERM LOANS AND ADVANCES:</b>						
Short-term loans and advances consist of the following:						
a) Unsecured, considered good						
i) Margin deposits with stock exchange				0.5	150.5	
ii) Security deposit for leased premises and assets				80.3	16.0	
iii) Other loans and advances						
a) Prepaid expenses				27.9	26.6	
b) Advance to creditors				59.5	114.1	
c) Other advances				<u>142.4</u>	<u>105.9</u>	
<b>TOTAL</b>				<u>310.6</u>	<u>413.1</u>	
<b>21. OTHER CURRENT ASSETS</b>						
Other current assets consist of the following:						
(a) Accrued income				332.9	264.3	
(b) Interest receivable				<u>292.3</u>	<u>169.7</u>	
<b>TOTAL</b>				<u>625.2</u>	<u>434.0</u>	
<b>22. INTEREST AND OTHER OPERATING INCOME</b>						
Interest and other operating income consist of the following:						
	<i>For the year ended March 31, 2015</i>			<i>For the year ended March 31, 2014</i>		
(a) Interest Income on						
i) Fixed deposits and application money				712.9	478.4	
ii) Securities held as stock-in-trade				12.3	12.3	
iii) Other advances and deposits				0.2	0.2	
iv) Interest on late payment				179.6	87.1	
(b) Dividend Income				1.0	3.5	
(c) Profit / (loss) on sale of fixed asset (net)				-	-	
(d) Other income				4.1	6.1	
<b>TOTAL</b>				<u>910.1</u>	<u>587.6</u>	

# notes

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*Continued*

## 23. EMPLOYEE BENEFITS EXPENSE

Employee benefits expense consist of the following:

	(₹ in million)	
	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
(a) Salaries, wages and bonus	3,544.9	2,903.9
(b) Contribution to provident and other funds	181.5	165.6
(c) Staff welfare expenses	194.3	204.2
<b>TOTAL</b>	<b>3,920.7</b>	<b>3,273.7</b>

## 24. OPERATING EXPENSES

Operating expenses consist of the following:

	412.0	499.1
(a) Procurement expenses	33.3	18.1
(c) Turnover fees and stamp duty	2.5	0.7
(d) Custodial and depository charges	383.0	217.5
(e) Call centre charges	105.5	108.4
(f) Franking charges (Net of recoveries ₹ 49.9 million, previous year ₹ 39.4 million)	14.8	55.4
(g) Rating agency fees	2.0	2.1
(h) Scanning expenses	36.5	44.8
(i) Other operating expenses	55.8	111.4
<b>TOTAL</b>	<b>1,045.4</b>	<b>1,057.5</b>

## 25. FINANCE COST

Finance cost consist of the following:

	303.5	238.5
(a) Interest expense	-	1.4
(c) Bank charges	7.5	6.7
<b>TOTAL</b>	<b>311.0</b>	<b>246.6</b>

## 26. OTHER EXPENSES

Other expenses consist of the following:

	855.4	722.4
(a) Rent and amenities	4.0	4.9
(c) Business promotion, traveling and conveyance expenses	287.4	272.9
(d) Repairs, maintenance, upkeep and others	357.3	289.8
(e) Rates and taxes	88.3	72.3
(f) Electricity expenses	84.1	93.3
(g) Communication expenses	131.2	170.8
(h) (Profit) / loss on sale of fixed asset (net)	15.2	4.7
(i) Advertisement and publicity	73.7	96.3
(j) Printing and stationery	32.3	42.0
(k) Subscription and periodicals	68.1	68.8
(l) Professional fees	83.2	89.9
(m) Auditors' remuneration	10.6	16.1
(n) Corporate social responsibility expenses	14.7	-
(o) Recruitment expense	40.1	31.8
(p) Foreign exchange (gain) / loss (net)	10.0	4.9
(q) Donation	0.6	6.6
(r) Miscellaneous expenses	2.0	0.9
<b>TOTAL</b>	<b>2,158.2</b>	<b>1,988.4</b>

\* Rent and amenities includes compensation paid to lessor of ₹ 112.2 million towards partial termination of lease agreement.

## 27. EARNINGS PER SHARE

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

Particulars	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>
<b>Basic &amp; diluted earning per share</b>		
Net profit after tax, before preference dividend (₹ million)	2,938.7	908.3
Preference dividend and tax on dividend (₹ million)	-	57.7
Net profit after tax and preference dividend (₹ million)	2,938.7	850.5
Weighted average no. of equity shares outstanding (in million)	805.4	805.4
Basic & diluted earnings per share (₹)	3.65	1.06
Nominal value per share (₹)	2.00	2.00

## 28. RELATED PARTY DISCLOSURES

As per accounting standard on related party disclosures (AS18), the names of the related parties of the Company are as follows:

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

Holding Company: ICICI Bank Limited  
Subsidiary Companies: ICICI Securities Holding Inc.; ICICI Securities Inc.

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

Fellow Subsidiaries:  
ICICI Home Finance Company Limited, ICICI Investment Management Company Limited, ICICI Lombard General Insurance Company Limited, ICICI Prudential Asset Management Company Limited, ICICI Prudential Life Insurance Company Limited, ICICI Securities Primary Dealership Limited, ICICI Venture Funds Management Company Limited

### C. Key Management Personnel

a) Anup Bagchi Managing Director & CEO  
b) Ajay Saraf Executive Director

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

Nature of Transaction	Holding Company March 31		Fellow Subsidiary Company March 31,	
	2015	2014	2015	2014
<b>Income from services and brokerage (commission and fees)</b>	115.1	105.0	36.9	39.9
ICICI Home Finance Company Limited			475.8	380.0
ICICI Prudential Life Insurance Company Limited			5.2	0.7
ICICI Securities Primary Dealership Limited			12.0	10.4
ICICI Lombard General Insurance Company Limited			24.9	8.0
ICICI Prudential Asset Management Company Limited			0.4	0.8
ICICI Prudential Trust Limited			0.5	4.0
ICICI Venture Funds Management Company Limited			0.2	-
ICICI Investment Management Company Limited			0.1	-
ICICI Bank UK				
<b>Interest income</b>	371.3	283.4		
<b>Staff expenses</b>	13.9	17.2		
ICICI Securities Primary Dealership Limited			(1.8)	(1.3)
ICICI Prudential Life Insurance Company Limited			2.2	2.3
ICICI Lombard General Insurance Company Limited			70.0	69.8
<b>Operating expenses</b>	545.4	360.4	8.6	24.7
ICICI Securities Primary Dealership Limited				
ICICI Investment Management Company Limited				
<b>Other expenses</b>	155.3	171.9		
ICICI Lombard General Insurance Company Limited			2.9	3.9
ICICI Securities Primary Dealership Limited			12.4	10.3
ICICI Prudential Life Insurance Company Limited			0.1	-
<b>Finance cost</b>	9.7	13.1		
<b>Proposed dividend</b>	-	250.1		
<b>Dividend paid</b>	1,610.7	150.1		
ICICI Home Finance Company Limited			-	49.3

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Nature of Transaction	(₹ in million)				Particulars	Year ended March 31, 2015	Year ended March 31, 2014			
	Holding Company		Fellow Subsidiary Company March 31,							
	2015	2014	2015	2014						
<b>Share capital</b>	<b>1,610.7</b>	<b>1,610.7</b>			<b>Change in Fair Value of Assets</b>					
Payables	94.6	117.1			Opening plans assets, at fair value	<b>55.7</b>	41.4			
ICICI Lombard General Insurance Company Limited			0.3	0.4	Expected return on plan assets	<b>2.6</b>	1.9			
ICICI Securities Primary Dealership Limited			3.1	8.1	Actuarial gain / (loss)	<b>10.6</b>	1.0			
<b>Fixed deposits</b>	<b>3,969.0</b>	<b>2,308.8</b>			Contributions by employer	-	21.7			
<b>Accrued interest Income</b>	<b>170.3</b>	<b>70.7</b>			Assets acquired on acquisition / (settled on divestiture)	-	-			
<b>Bank balance</b>	<b>685.7</b>	<b>774.9</b>			Benefits paid	(8.7)	(10.4)			
(Net of Current liabilities of ₹ 3.2 million (Previous year ₹ 9.2 million))					<b>Plan assets</b>	<b>60.3</b>	55.6			
<b>Deposit</b>					Fair value of plan assets at the end of the year	(60.3)	(55.6)			
ICICI Lombard General Insurance Company Limited			0.1	0.1	Present value of the defined benefit obligations at the end of the period	<b>240.8</b>	182.5			
<b>Loans &amp; advances (including prepaid expenses)</b>	<b>1.3</b>	<b>1.8</b>			<b>Unrecognised Past Service Cost</b>	-	-			
ICICI Lombard General Insurance Company Limited			4.7	3.3	<b>Asset / (liability)</b>	<b>(180.5)</b>	(126.9)			
ICICI Prudential Life Insurance Company Limited			1.9	1.5						
ICICI Securities Primary Dealership Limited			0.0	-						
<b>Receivables</b>										
ICICI Prudential Life Insurance Company Limited			1.1	52.2	<b>Cost for the period</b>					
ICICI Lombard General Insurance Company Limited			-	0.1	Service cost	<b>23.4</b>	19.9			
ICICI Prudential Asset Management Company Limited			1.6	5.1	Interest cost	<b>15.0</b>	10.8			
ICICI Home Finance Company Limited			9.5	-	Expected return on plan assets	(2.6)	(1.9)			
ICICI Securities Primary Dealership Limited			28.4	-	Actuarial (gain) / loss	<b>17.9</b>	15.0			
<b>Accrued income</b>	<b>11.4</b>	<b>13.0</b>			Past Service Cost	-	-			
ICICI Lombard General Insurance Company Limited			0.7	1.7	<b>Net cost</b>	<b>53.7</b>	43.8			
ICICI Prudential Life Insurance Company Limited			12.3	9.0						
ICICI Prudential Asset Management Company Limited			2.4	0.2						
ICICI Home Finance Company Limited			14.6	7.9						

Nature of Transaction	(₹ in million)				Particulars	Year ended March 31, 2015	Year ended March 31, 2014			
	Holding Company		Fellow Subsidiary Company March 31,							
	2015	2014	2015	2014						
<b>Purchase value of bond</b>	<b>72.8</b>	<b>16.3</b>	-	-						
ICICI Securities Primary Dealership Limited	-	-	111.0	146.2						
ICICI Prudential Life Insurance Company Limited	-	-	-	52.2						
<b>Sale value of bond</b>	<b>-</b>	<b>56.8</b>	-	-						
ICICI Securities Primary Dealership Limited	-	-	200.2	-						

#### Key Management Personnel

The compensation for the year ended March 31, 2015 to (1) Anup Bagchi, Managing Director & CEO and (2) Ajay Saraf, Executive Director is (1) ₹ 45.1 million (Previous year ₹ 32.3 million) and (2) ₹ 23.2 million (Previous year ₹ 19.0 million) respectively.

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

#### 29. EMPLOYEE BENEFITS (AS 15 REVISED)

The following table summarizes the components of net expenses for retirement benefits recognised in the Statement of profit and loss and the amounts recognised in the balance sheet.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014		(₹ in million)
	2015	2014	2015	2014	
<b>Change in Defined Benefit Obligation</b>					
Opening obligations	<b>182.5</b>	146.1			
Service cost	23.4	19.9			
Interest cost	15.0	10.8			
Actuarial (gain) / loss	28.6	16.1			
Past service cost	-	-			
Liabilities assumed on acquisition / (settled on divestiture)	-	-			
Benefits paid	(8.7)	(10.4)			
<b>Total Obligation</b>	<b>240.8</b>	182.5			
<b>Defined benefit obligation liability</b>	<b>240.8</b>	182.5			

Insurer Managed Funds	<b>99.00%</b>	99.00%
Others	<b>1.00%</b>	1.00%
<b>Assumptions</b>		
Interest rate (p.a.)	<b>8.05%</b>	8.70%
Salary escalation rate (p.a.)	<b>7.00%</b>	7.00%
Estimated rate of return on plan assets (p.a.)	<b>8.00%</b>	8.00%

The Company expects to contribute ₹ 20.0 million to Gratuity in 2015 - 2016

The expected rate of return on plan assets is based on our expectation of the average long term return expected on investments of the fund during the estimated term of the obligation.

The following table summarizes the experience adjustments

Particulars	(₹ in million)				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 20112	March 31, 2011
Defined benefit obligation	<b>240.8</b>	182.5	146.1	107.8	130.0
Plan assets	<b>60.3</b>	55.7	41.4	45.0	57.8
Surplus/(deficit)	(180.5)	(126.8)	(104.7)	(62.8)	(72.2)
Experience adjustments on plan liabilities	<b>24.1</b>	21.0	13.3	(16.9)	(15.9)
Experience adjustments on plan assets	<b>10.6</b>	1.0	(1.3)	(0.5)	(3.6)

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

#### b) Long Term Incentive Plan

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

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
Discount rate	7.85%	8.90%
Increase in Incentive amount	0.00%	0.00%

# notes

forming part of the accounts

*Continued*

## 30. REMUNERATION TO RELATED PARTIES AS PER COMPANIES ACT, 2013

Particulars	(₹ in million)	
	For the year ended March 31, 2015	March 31, 2014
Salary, perquisites and bonus	78.6	48.3
Contribution to provident fund and other funds	4.0	3.0
<b>Total</b>	<b>82.6</b>	<b>51.3</b>

As the future liability for gratuity and compensated absence is provided on an actuarial basis for the Company as a whole, the amount pertaining to the above related parties is not ascertainable and therefore not included above.

During the year ended March, 2009, the Company had incurred managerial remuneration which was in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The Company has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration paid to managerial personnel. The limits specified by the Companies Act, 1956 would be ₹ 4.4 million.

The Company has received correspondence in respect of A Murugappan from the Ministry of Corporate Affairs on April 21, 2011 and has sought clarifications on the same vide letter dated May 24, 2011 and letter dated February 8, 2012.

## 31. DERIVATIVE INSTRUMENTS

The following are the details of derivative position, for the periods indicated.

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Quantity	Market Value (₹)	March 31, 2015	Market Value (₹)
Futures (net)	(215,000)	(230.2)	14,500	97.7
Options (net)	(102,250)	6.4	(240,000)	6.3
Interest Rate Futures	-	-	150.00	30.00

## 32. LEASE

Office premises and office equipment are obtained on operating lease. There are no restrictions imposed by lease arrangements.

The following are the details of operating leases for the periods indicated.

Particulars	(₹ in million)	
	For the year ended March 31, 2015	March 31, 2014
Lease payments recognized in the Statement of Profit and Loss during the year		
- Minimum lease payments	841.0	687.8
- Contingent Rent		
Sub-lease payments received/receivable recognized in the Statement of Profit and Loss during the year	52.0	53.7
Minimum Lease Payments :		
- Not later than one year	251.2	276.5
- Later than one year but not later than five years	318.3	619.0
- Later than five years	-	-
- Total of future minimum sublease payments expected to be received as at balance sheet date	-	-

## 33. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 27.7 million (Previous year ₹ 19.1 million).

## 34. CONTINGENT LIABILITIES

The following are details of contingent liabilities.

- a. Direct tax matters disputed by the Company are ₹ 1,247.4 million (Previous year - ₹ 984.3 million).
- b. Indirect tax matters disputed by the Company are ₹ 157.7 million (Previous year - ₹ 128.8 million).
- c. ICICI Securities, Inc., the step down subsidiary of the Company, has sub-leased its premises. As per the prevailing practice in the New York City sub-lease market, the Company has provided guarantee in favour of sub lessee, amounting to US\$ 1.5 million (Previous year - US\$ 1.5 million) to secure ICICI Securities Inc.'s performance of its lease obligations.
- d. The Company has also issued a Standby Letter of Credit (SBL) of US\$ 1 million (Previous year - US\$ 1 million) to US Bank National Association, the sub lessee of ICICI Securities Inc., through ICICI Bank Limited. The said SBL is issued in favour of the sub lessee to secure ICICI Securities Inc.'s performance on its lease obligations.

## 35. CHANGE IN ACCOUNTING ESTIMATES

The Company reviewed the useful life of the assets in light of the introduction of Companies Act, 2013. Pursuant to the review the Company revised its estimates of the useful life of the assets for Computers (desktops and laptops) and Office equipment from 6 to 3 years and 10 to 5 years respectively. Due to the change in estimates the additional charge to the statement of profit and loss for the year ended March 31, 2015 amounts to ₹ 10.9 million.

## 36. ADDITIONAL DISCLOSURE

Additional statutory information disclosed in separate financial statements of the parent and subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

## 37. SEGMENT REPORTING

The Company is presenting consolidated financial statements and hence in accordance with Accounting Standard 17 – Segment Reporting, segment information is disclosed in the consolidated financial statements.

The Company's business is organised into three segments as mentioned below. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and internal financials reporting. Segment revenues, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis. The company generally accounts for Inter-segment transfers based on the revenue sharing arrangement agreed between the segments.

Business Segment	Principle activities
Investment & trading	Income from treasury, investment income
Broking & commission	Broking and other related activities including distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business
Advisory services	Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities

# notes

**ICICI Securities**

forming part of the accounts

I-SEC

Following are the disclosures for the three identified segments

(₹ in million)

Particulars		Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
1	Segment Revenue	<b>385.5</b>	139.8	<b>11,071.2</b>	7,389.5	<b>638.4</b>	593.3	-	-	<b>12,095.1</b>	8,122.6
2	Segment Results	<b>170.2</b>	75.7	<b>4,209.9</b>	1,381.7	<b>116.7</b>	(35.8)	-	-	<b>4,496.8</b>	1,421.6
3	Income Tax expenses (net of deferred tax credit)	-	-	-	-	-	-	<b>1,558.1</b>	513.3	<b>1,558.1</b>	513.3
4	Net profit (2) - (3)									<b>2,938.7</b>	908.3
5	Segment Assets	<b>2,412.6</b>	2,393.1	<b>9,811.1</b>	11,936.9	<b>207.2</b>	210.1	<b>1,197.7</b>	1,188.4	<b>13,628.6</b>	15,728.5
6	Segment Liabilities	<b>1,111.0</b>	1,273.2	<b>8,579.4</b>	11,596.6	<b>313.0</b>	322.5	<b>102.1</b>	42.5	<b>10,105.5</b>	13,234.8
7	Cost of Acquisition of segment assets	<b>0.6</b>	0.7	<b>171.4</b>	150.5	<b>8.6</b>	9.6	-	-	<b>180.6</b>	160.8
8	Depreciation	<b>0.5</b>	0.5	<b>155.3</b>	127.8	<b>7.2</b>	6.5	-	-	<b>163.0</b>	134.8

# notes

## forming part of the accounts

### 38 SUBSIDIARY PROPORTION IN ASSETS AND STATEMENT OF PROFIT AND LOSS

The Company is presenting consolidated financial statements and hence in accordance with Schedule III of Companies Act 2013 – subsidiaries proportion information is disclosed in the consolidated financial statements.

(₹ in million)

Name of the Entity	Type	Residential Status	Net Assets ( Value )		As (%) of consolidated Net Assets		Share in Statement of Profit and Loss		As (%) of consolidated Statement of Profit and Loss	
			As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
1 ICICI Securities Limited	Parent	Indian	<b>3,397.0</b>	2,392.1	<b>96%</b>	96%	<b>3,065.6</b>	1,021.3	<b>1,04%</b>	112%
2 ICICI Securities Holding Inc.	Subsidiary	Foreign	<b>31.6</b>	31.1	<b>1%</b>	1%	<b>(0.7)</b>	(0.8)	<b>-0%</b>	-0%
3 ICICI Securities Inc.	Step-down Subsidiary	Foreign	<b>94.5</b>	70.4	<b>3%</b>	3%	<b>(126.2)</b>	(112.2)	<b>-4%</b>	-12%
<b>Total</b>			<b>3,523.1</b>	2,493.6	<b>100%</b>	100%	<b>2,938.7</b>	908.3	<b>100%</b>	100%

The Company has regrouped / reclassified previous year figures wherever necessary.

As per our report attached

S. R. BATLIBOI & CO. LLP  
Firm Registration No.: 301003E  
Chartered Accountants

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, April 17, 2015

For and on behalf of the Board

CHANDA KOCHHAR  
Chairperson

UDAY CHITALE  
Director

ANUP BAGCHI  
Managing Director & CEO

AJAY SARAF  
Executive Director

RAJU NANWANI  
Company Secretary

PRASHANT MOHTA  
Chief Financial Officer

# consolidated cash flow statement



for the year ended March 31, 2015

I-SEC

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A Cash flow from operating activities</b>		
Profit before tax	4,496.8	1,421.6
- (Profit)/loss on sale of fixed assets	15.2	4.7
- (Profit)/loss on sale of Investment	(97.5)	-
- Depreciation	163.0	134.8
- Interest expense	303.5	238.5
- Translation reserve	5.5	10.0
- Provision for diminution in value of investment	-	22.6
- Foreign exchange (gain) / loss (net)	10.0	4.9
- Bad and doubtful debts (net)	-	-
Operating profit before changes in operating assets and liabilities	<u>4,896.5</u>	<u>1,837.1</u>
Adjustments for net change in operating assets and liabilities		
- Current assets excluding cash and cash equivalents	937.2	(5,533.1)
- Current liabilities relating to operations	<u>(2,042.6)</u>	<u>6,151.8</u>
Cash generated from operations	<u>(1,105.4)</u>	<u>618.7</u>
Payment of taxes (net)	3,791.1	2,455.8
<b>Net cash from operating activities</b>	<u>(1,578.6)</u>	<u>(531.0)</u>
	<u>2,212.5</u>	<u>1,924.8</u>
<b>B Cash flow from investment activities</b>		
- (Purchase) / sale of investments (net)	1,088.1	(1,000.0)
- (Purchase) / sale of fixed assets (net)	<u>(199.3)</u>	<u>(146.7)</u>
<b>Net cash used in investment activities</b>	<u>888.8</u>	<u>(1,146.7)</u>
<b>C Cash flow from financing activities</b>		
- Increase/ (decrease) in borrowings (net)	(906.0)	972.2
- Redemption of preference share capital	-	(500.0)
- Interest paid	(303.5)	(238.5)
- Dividends and dividend tax paid	<u>(2,105.4)</u>	<u>(276.6)</u>
<b>Net cash used in financing activities</b>	<u>(3,314.9)</u>	<u>(42.9)</u>
Net change in cash & cash equivalents	<u>(213.6)</u>	<u>735.2</u>
Cash and cash equivalents at the beginning of the period	1,035.0	299.8
Cash and cash equivalents at the end of the period	<u>821.4</u>	<u>1,035.0</u>
<b>Components of cash and cash equivalents (Note 19)</b>		
Cash and cheques on hand	0.5	1.1
In current account with banks		
- In India with scheduled banks	691.7	793.0
- Outside India	<u>129.2</u>	<u>90.9</u>
Fixed deposit with maturity less than 3 months	-	150.0
<b>Total Cash and cash equivalents</b>	<u>821.4</u>	<u>1,035.0</u>
Cash and cash equivalents at the end of the year excludes:		
- Fixed deposits under lien ₹ 7,867.8 millions (March 31, 2014 ₹ 4,945.5 millions) and		
- Fixed deposits having maturity more than 3 months ₹ Nil (March 31, 2014 ₹ 105.0 millions).		

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
*ICAI Firm Registration No.: 301003E*  
*Chartered Accountants*

Per SHRAWAN JALAN  
*Partner*  
*Membership No.: 102102*

Mumbai, April 17, 2015

For and on behalf of the Board of Directors

CHANDA KOCHHAR  
*Chairperson*

UDAY CHITALE  
*Director*

ANUP BAGCHI  
*Managing Director & CEO*

AJAY SARAF  
*Executive Director*

RAJU NANWANI  
*Company Secretary*

PRASHANT MOHTA  
*Chief Financial Officer*

# ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED

## 27TH ANNUAL REPORT AND ANNUAL ACCOUNTS 2014-2015

### Directors

Lalita D. Gupte, *Chairperson*  
 H. N. Sinor  
 K. N. Memani  
 S. Mukherji  
 Sridar Iyengar  
 K. Ramkumar  
 Rakesh Jha  
 Vishakha Mulye, *Managing Director & CEO*  
 Prashant Purker, *Executive Director*  
 Mohit Batra, *Executive Director*

### Auditors

B S R & Co. LLP  
*Chartered Accountants*

### Registered Office

ICICI Venture House  
 Appasaheb Marathe Marg  
 Prabhadevi  
 Mumbai – 400 025

### Regional Office

10th Floor, Prestige Obelisk  
 Kasturba Road  
 Bangalore - 560 001

## directors' report

### to the members

Your Directors are pleased to present the Twenty Seventh Annual Report of ICICI Venture Funds Management Company Limited together with the audited financial statements for the financial year ended March 31, 2015.

#### 1. FINANCIAL HIGHLIGHTS:

Particulars	Fiscal 2015	(₹ million)
Profit before taxation	69.5	382.6
Profit after taxation	8.7	329.8
Appropriations :		
General Reserve	Nil	33.0
Interim Dividend	1.0	10.0
Corporate tax on Dividend	0.2	1.7
Balance carried forward to next year	1,494.8	1,487.3

The Company earned profit after tax of ₹ 8.7 million for the year. After taking into account profit of ₹ 1,487.3 million brought forward, the Company's disposable profit stands at ₹ 1,494.8 million. During the financial year 2014-15, your Company paid interim dividend of ₹ 1 per share.

#### Analysis of Financial Performance:

During the year, your Company earned a total income of ₹ 1,186.4 million as compared to ₹ 1,363.4 million in the previous year. Of the total income, income from investments in venture capital funds was ₹ 10.6 million during the year, as compared to the previous year's income of ₹ 165.7 million. Fee income from funds under management (including newly established funds) was ₹ 804.9 million during the year, as compared to the previous year's income of ₹ 825.1 million. Operating expenses were at ₹ 1,070.2 million as compared to ₹ 869.6 million in the previous year. The increase in the operating expenses is due to the increase in the Company's borrowings and costs thereof during the year. Consequently, your Company's profit before tax for the year under review was ₹ 69.5 million as compared to the previous year's profit before tax of ₹ 382.6 million. After providing for tax, including deferred tax, for the current year, profit after tax was ₹ 8.7 million as compared to the previous year's profit after tax of ₹ 329.8 million. The Earnings per Share of your Company was ₹ 8.7 per share during fiscal 2015 as compared to ₹ 329.8 per share during the previous year.

As required under section 134 (3) of the Companies Act, 2013, there were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### 2. OPERATIONAL REVIEW :

##### Year in Retrospect:

While the Indian economy has experienced a period of slowdown during the last few years, improvements are beginning to take effect. It is expected that there is significant potential for the economy to resume its long term growth trajectory. In May 2014, the National Democratic Alliance, led by the Hon'ble Prime Minister Narendra Modi of the Bharatiya Janata Party, won a sweeping mandate. After almost 25 years of coalition rule, Mr. Modi's government now has a decisive majority mandate. The new centre-aligned government is viewed by most commentators as pro-business and pro-reform and is expected to be a positive factor for India's economy going forward.

Inflation rates and interest rates are another key area expected to play a role in Indian growth over the next few years. There was a sharp drop in inflation rates during the year with an over 500 basis points decline in Consumer Price Index (CPI) from its peak levels seen at the end of 2013 / early 2014 and the Wholesale price inflation (WPI) reaching near zero levels. This decline was on account of a decline in food prices as well as the dramatic decline in crude oil prices during

the year. Inflation expectations are moderating too. This triggered a change in the direction of interest rates in India with the Reserve Bank of India (RBI) initiating two repo rate cuts of 25 basis points each prior. These trends, coupled with a reduction in the Incremental Capital-Output Ratio (ICOR) (reducing due to an increase in project completion rates), is expected to be a driver of Gross Domestic Product (GDP) growth going forward.

In calendar 2014, an estimated USD 10.4 billion was invested across all alternative asset classes (private equity, real estate, infrastructure, venture capital, etc.) in India across around 406 reported transactions, both figures being about 20% higher than 2013. (Source: Industry Reports). During the year, there was a surge in the number of Venture Capital (VC) deals in the high growth E-commerce sector which attracted significant capital.

In conjunction with the expected improvements in the Indian macroeconomic and business environments, the Indian private equity industry has matured over the last few years in several important ways. Firstly, domestic private equity conditions, such as the availability of bigger ownership stakes and a greater talent pool for management teams, have improved. With a general maturing of the industry and a greater number of players at size ranges within the market, India has seen an opening up of exit options as well as a steady increase in the number of secondary transactions, creating an opportunity for experienced managers with a longstanding reputation and deep roots within the market. Also there has been significant deal activity in the mid-market private equity space across sectors during the last few years.

Secondly, the political and regulatory environment is expected to favour alternative investment funds to a greater extent than was previously the case. Initial actions taken by the government suggest that it will focus on activities that deliver broad and deep growth, which in turn could create significant investment opportunities. It is expected that such structural reforms proposed by the government in areas of infrastructure and foreign investment, as well as the ease of conducting business in general, is expected to improve business sentiment resulting in a more robust business environment for India's corporate sector.

##### Portfolio and Fund Strategy:

As on March 31, 2015, your Company had seven funds under active management in four asset classes – Private Equity, Real Estate, Infrastructure and Special Situations.

##### (A) Private Equity:

###### India Advantage Fund Series 1 (IAF Series 1)

IAF Series 1 has been largely exited with only one investment pending to be exited. The Fund has achieved a realized gross Internal Rate of Return (IRR) of approximately 47.8% and a Multiple of Capital Employed (MoC) of 3.3 times based on exits till date.

###### India Advantage Fund Series 2 (IAF Series 2)

During FY 2014-15, your Company concluded full exits from four portfolio companies and partial exits from three portfolio companies of IAF Series 2 which resulted in aggregate realizations of over ₹ 4.90 billion to the Fund. The Fund is currently focused on concluding exits from the residual portfolio companies during the resolution period ending in October 2015.

###### India Advantage Fund Series 3 (IAF Series 3)

Your Company successfully concluded its last two investments from IAF Series 3 in FY 2014-15. The first investment was in a chain of hospitals which is amongst the top 10 corporate tertiary healthcare hospitals in India. The second investment was in a holding company of a group of diversified consumer businesses with a market leading presence in the food services, beverages, dairy, healthcare, education and real estate sectors in India. With these

# directors' report



investments, the Fund is fully invested with a portfolio of nine investments. During the year, your Company successfully initiated exits from two portfolio companies which resulted in aggregate realizations of over ₹ 2.80 billion to the Fund at attractive returns. A third portfolio company successfully concluded its initial public offering, thereby resulting in listing of its shares providing the fund with a liquidity path in this company.

#### (B) Real Estate:

##### **India Advantage Fund III and IV (IAF III and IAF IV, and together referred to as IAF Real Estate Series 1)**

During the year, your Company continued to focus on project progress and exits from the Funds' investments. Your Company was able to conclude full exits from three portfolio companies of the Funds which resulted in aggregate realizations of over ₹ 3.00 billion to the Fund and is at an advanced stage of exits from two other portfolio companies. During the year, the life of the Funds was extended until 2017 with due investor approvals. In conjunction with this, your Company implemented a voluntary liquidity option for investors in the Funds which resulted in your Company acquiring units worth ₹ 2.67 billion across IAF III and IAF IV. This was funded through loan facilities secured by the Company with Kotak Mahindra Bank and ICICI Bank.

##### **India Advantage Fund Real Estate Series 2 (IAF RE S2)**

During the year, your Company has concluded three more investments from this Fund, thus cumulatively concluding eight investments from this Fund. Your Company has also concluded two exits from this Fund and repayments have started from two other deals. The distributions to investors accounted for over 51% of the drawdown amount.

#### (C) Infrastructure:

##### **Indian Infrastructure Advantage Fund (IIAF)**

During the year, your Company entered into an MOU with Tata Power Company Limited (TPC) one of India's oldest and largest independent power producers in the private sector to set up a co-sponsored power platform company. The proposed company would seek to acquire and consolidate assets in the Indian power generation and transmission and distribution sectors. Your Company is currently seeking to raise funds for the proposed power platform company in association with TPC. In addition, your Company continued its efforts to raise additional funds for its Indian Infrastructure Advantage Fund in order to achieve the requisite scale to commence investment operations.

#### (D) Special Situations Fund:

AION PE Fund (AION) is a Special Situations Fund where your company is a Strategic Advisor along with Apollo Global Management, one of the world's largest alternative asset managers with an AUM of USD 160 billion. AION is one of the largest India focused PE funds raised in recent years and has received commitments from a number of highly reputed international investors.

During the year, two new investments were successfully concluded from the Fund taking its overall portfolio to four companies. The first investment was in a USD 600 million revenue company present in offshore oil and gas services, coal mining and logistics. The second investment was in a company which is amongst India's largest wind power IPPs. Funding of the second investment was concluded after the close of the financial year.

While AION's four investments are early in the investment life cycle, these investments look promising and are currently performing well. The Fund has a strong pipeline of deals is actively evaluating a number of potential new investment opportunities across various sectors.

#### Fund Raising:

During the year, your Company concluded the final closing of the Special Situations Fund (AION) at USD 825 million with significant last round commitments from large global LPs. AION is one of the largest India focused alternative funds ever raised from the global investor community. AION was able to attract many first time investors in India with its contrarian investment thesis backed by two reputed institutions i.e. ICICI and Apollo. AION's deals have attracted significant co-investment interest from some of its LPs.

During the year, your Company initiated fund raising for the proposed power platform company which is to be co-sponsored on an equal basis by ICICI and Tata Power Company (TPC). Your Company tapped select large global investors for this offering. In addition, your Company continued its efforts to raise additional funds from Indian and international investors for its Indian Infrastructure Advantage Fund which shall focus primarily on rapidly growing opportunities for private sector investment in India's infrastructure. However, investor sentiment continues to remain weak in this asset class on account of the perceived challenges faced by the sector.

Having concluded investments from its third PE fund, India Advantage Fund Series 3, your Company also launched the fund raising process for its successor Fund, India Advantage Fund Series 4. Your Company proposes to raise capital for this Fund from both Indian as well as foreign investors. In general, investor feedback has been positive on account of the change in investor sentiment on

India after the national elections of 2014 and also on account of the strong exit track record of your Company in the period after 2009 during which time your Company has successfully concluded exits worth USD 995 million across 45 exit transactions across various funds managed or advised by the Company (including USD 790 million across 31 exit transactions in the PE vertical alone), using diverse exit strategies. This exit track record is considered to be unbeaten in the Indian mid-market space.

#### Outlook:

The Indian alternative investments market is poised for significant growth with the expected resurgence of growth in the Indian economy. Your Company has established itself as one of India's most diversified alternative asset managers with a presence across private equity, real estate, infrastructure and special situations. Your Company is well placed to leverage on emerging growth opportunities in the Indian market.

#### 3. PUBLIC DEPOSITS :

The Company has not accepted any deposit from the public during the year under review.

#### 4. DIRECTORS :

Section 149 of the Companies Act, 2013 ("the Act") read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 requires every public Company which has, in the aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees (as on the last date of latest audited financial statements) to appoint at least two Independent Directors.

The Company has borrowings in excess of ₹ 50 crores as on March 31, 2015, the existing Independent Directors shall be expressly appointed under Section 149 (10) / (11) of the Act read with Schedule IV of the Act subject to compliance with eligibility and other prescribed conditions. Accordingly, the Board has proposed the formal appointment of Lalita D. Gupte, K. N. Memani, H. N. Sinor, S. Mukherji and Sridar Iyengar (existing Independent Directors of the Company) as the Independent Directors as per the provisions of Companies Act, 2013 w.e.f. April 01, 2015 till the expiry of the residual term of their respective tenure as per the norms governing the Board of Directors of the Company. The Independent Directors will not be liable to retire by rotation as per the Companies Act, 2013. The above independent directors have submitted a declaration to the effect that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

Your Directors state that based on the 'Framework for Performance Evaluation of Directors and the Board', Mrs. Gupte, Mr. Memani, Mr. Sinor, Mr. Mukherji and Mr. Iyengar who are proposed to be appointed as Independent Directors as per the Act, possess appropriate balance of skills, expertise and knowledge and are qualified for appointment as Independent Directors.

Your Directors recommend the appointment of Mrs. Gupte, Mr. Memani, Mr. Sinor, Mr. Mukherji and Mr. Iyengar as Independent Directors w.e.f. April 01, 2015 till the expiry of the residual term of their respective tenure as per the norms governing the Board of Directors of the Company.

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee (erstwhile 'Compensation & Corporate Governance Committee') re-appointed Vishakha Mulye, Managing Director & CEO for the period of five years with effect from April 21, 2014. The Members of the Company had at the Annual General Meeting (AGM) held on June 26, 2014, approved the said re-appointment and terms of remuneration of Mrs. Mulye.

As per Section 152 of the Companies Act, 2013, K. Ramkumar retires by rotation at the ensuing AGM of the Company and, being eligible, offers himself for re-appointment.

#### 5. AUDITORS :

M/s. B S R & Co LLP, Chartered Accountants, Bangalore (Firm Registration Number: 101248W/W-100022), were appointed as statutory auditors of the Company for the FY 2014-15 to hold office till the conclusion of the ensuing AGM of the Company, pursuant to the casual vacancy caused on disqualification of M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore (Firm Registration Number: 008072S).

The Board of Directors recommend your approval for appointment of M/s. B S R & Co LLP, Chartered Accountants, Bangalore (Firm Registration Number: 101248W/W-100022), as statutory auditors of the Company, as per the provisions of Section 139 of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014, for a period of five (5) years AND to hold office from the conclusion of the ensuing AGM up to the conclusion of the thirty second (32nd) AGM of the Company, subject to the receipt of consent and eligibility certification and ratification of their appointment at every AGM. The proposal for their appointment has been included in the Notice convening the ensuing AGM for your approval. The Auditors have indicated their willingness to get their appointment approved by the members. You are requested to approve their appointment.

# directors' report

## 6. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is given below:

(₹ million)

Sr. No.	Particulars	Foreign Exchange earned in terms of actual inflows during the year	Foreign Exchange outgo during the year in terms of actual outflows
1	Foreign Currency Inflow	388.4	-
2	Foreign Currency outflow	-	71.9

## 7. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Since your Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, are not applicable and hence have not been given.

## 8. PERSONNEL:

Information required to be disclosed in accordance with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Directors' Report for the year ended March 31, 2015 is not applicable to the Company.

## 9. EMPLOYEE STOCK OPTION SCHEME:

The Company has not issued any Employee Stock Options during the year under review.

## 10. AUDIT COMMITTEE :

The Audit Committee comprises of K. N. Memani as Chairman, H. N. Sinor and S. Mukherji as Members of the Committee.

During fiscal 2015, the Audit Committee met on April 16, 2014, July 21, 2014, October 14, 2014, January 21, 2015 and February 12, 2015 i.e. five (5) times (excluding certain resolutions passed by circular). The Committee meets, inter alia, to review the accounts of the Company and to discuss the audit findings and recommendations of the internal and statutory auditors. The recommendation(s), if any, made by the Audit Committee had been accepted by the Board.

## 11. CORPORATE SOCIAL RESPONSIBILITY:

As per Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee consisting of Sridar Iyengar as Chairperson, Lalita D. Gupte, Member, K. N. Memani, Member, H. N. Sinor, Member and S. Mukherji, Member.

During fiscal 2015, the CSR Committee met twice i.e. on November 20, 2014 and February 12, 2015.

The CSR Policy of the Company has been put up on the website of the Company. The disclosure of contents of the CSR Policy as per Rule 9 of the Companies (Accounts) Rules and annual report on CSR activities as required under Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, as amended, forming part of the Directors' Report for the year ended March 31, 2015 is enclosed as an "Annexure 1" to this Report.

## 12. NOMINATION AND REMUNERATION COMMITTEE :

The constitution of Nomination and Remuneration Committee as per Section 178 (1) of the Companies Act, 2013 was not applicable for the Company during the Financial Year 2014-15. However, the Company had constituted Compensation and Corporate Governance Committee ('CCGC') which was renamed to Nomination and Remuneration Committee ('NRC') with effect from April 1, 2015 in order to align it with the provisions of the Companies Act, 2013.

The NRC comprises of H. N. Sinor as Chairperson, Lalita D. Gupte, Member, K. N. Memani, Member, S. Mukherji, Member, Sridar Iyengar, Member and K. Ramkumar, Member. During fiscal 2015, the CCGC (name changed to NRC) met twice i.e. on April 16, 2014 and November 20, 2014.

Your Company has formulated a Remuneration Policy for its Directors, Senior Management and other employees containing the criteria / basis of their appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 of the Companies Act, 2013.

## 13. NUMBER OF MEETINGS OF THE BOARD :

During fiscal 2015, the Board of your Company met Six (6) times on April 16, 2014, May 13, 2014, July 21, 2014, October 14, 2014, January 21, 2015 and February 13, 2015 (excluding certain resolutions passed by circular).

## 14. EXTRACT OF ANNUAL RETURN :

The extract of the annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended, forming part of the Directors' Report for the year ended March 31, 2015 is enclosed as an "Annexure 2" to this Report.

## 15. VIGIL MECHANISM :

As required under Section 177 of the Companies Act, 2013, the Company has established the vigil mechanism for directors and employees to report genuine concerns through the Whistle Blower Policy of the Company and the same has been disclosed by the Company on its website.

The Whistle Blower Policy of the Company provides for adequate safeguards against victimisation of persons who use such vigil mechanism and makes provision for direct access to the chairperson of the Audit Committee of the Company in appropriate or exceptional cases.

## 16. AUDITORS' REPORT :

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their report.

## 17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :

There were no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 during the year under review.

## 18. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

The particulars of contracts or arrangements with related parties in Form AOC-2 under sub-section (1) of Section 188 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, as amended, forming part of the Directors' Report for the year ended March 31, 2015 is enclosed as an "Annexure 3" to this Report.

## 19. RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has an operational risk management policy which provides for identification of operational risks and related controls. It has carried out self risk assessment to identify the operational risks faced by the Company and has put in place a mechanism to monitor the same.

Your Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Group Internal Audit Charter. To maintain its objectivity and independence, the IA function reports to the Chairperson of the Audit Committee of the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Key audit findings and corrective actions thereon are presented to the Audit Committee of the Board.

## 20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY :

There are no significant and / or material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

## 21. REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF JOINT VENTURE COMPANIES:

There are no subsidiaries, associates and joint venture companies of the Company which need to be reported.

## 22. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013 :

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 23. DIRECTORS RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation and that there are no material departures;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently

# directors' report



and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that financial year ended on that date;

- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis; and
- e) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 24. ACKNOWLEDGEMENTS :

The Board of Directors of your Company wishes to acknowledge and place on record its sense of appreciation for the commitment, dedication and professionalism of the employees of the Company. The Board also wishes

to thank ICICI Bank Limited, its parent company, other group companies, regulatory authorities and the Government for their co-operation and support. The Board is also grateful to the investors of the Funds managed and advised by the Company for their continued trust and support.

For and on behalf of the Board of Directors  
ICICI Venture Funds Management Company Limited

LALITA D. GUPTA  
Chairperson

*Mumbai, April 21, 2015*

## Annexure 1

### Annual Report on Corporate Social Responsibility (CSR) Activities:

**1. A BRIEF OUTLINE ON THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS:**

Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Venture and the ICICI Group and forms an integral part of our activities. The Group's contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Group and the broader community. ICICI Bank Limited (parent company) established the ICICI Foundation for Inclusive Growth (ICICI Foundation) in 2008 with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organizations.

The CSR Policy of ICICI Venture sets out the framework guiding the CSR activities. The CSR Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

The CSR Committee is the governing body that will articulate the scope of CSR activities for ICICI Venture and ensure compliance with the CSR Policy.

The CSR Committee would comprise of three or more Directors including at least one Independent Director.

The Company's CSR activities are largely focused in the areas of education, health, skill development & sustainable livelihoods and financial inclusion, support employee engagement in CSR activities, any specific needs such as natural disasters, through financial and logistical support and other activities as the Company may choose to select in fulfilling its CSR objectives.

The CSR policy was approved by the Committee in October 2014, and subsequently was posted to the Company's website. Web-link to the Company's CSR policy: [http://www.iciciv venture.com/about\\_social.php](http://www.iciciv venture.com/about_social.php)

**2. THE COMPOSITION OF THE CSR COMMITTEE:**

The Company's CSR Committee comprises of five independent Directors as follows:

- Sridar Iyengar, Chairperson
- Lalita D. Gupte, Member
- K. N. Memani, Member
- H. N. Sinor, Member
- S. Mukherji, Member

The Terms of Reference of CSR Committee include the following:

- Formulate and recommend to the Board and any amendments thereto;
- Indicate the activities to be undertaken by ICICI Venture as specified in the Act;
- Review and recommend the CSR plan to the Board;
- Monitor the CSR activities and compliance with the Corporate Social Responsibility Policy (CSR Policy).

**3. Average net profit of the Company for last three financial years:**

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 was ₹ 403.8 million

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

The prescribed CSR expenditure requirement for FY 2015 is ₹ 80,76,000

**5. Details of CSR spent during the financial year.**

**(a) Total amount to be spent for the financial year:**

Total amount to be spent towards CSR during FY 2015 was ₹ 80,76,000

**(b) Amount unspent, if any – NIL**

# directors' report



(c) Manner in which the amount spent during the financial year is detailed below:

(Amount - ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on project or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods; elementary education & healthcare	<ul style="list-style-type: none"> <li>Ten fully operational skill development centres opened. Centres located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg.</li> <li>Elementary education projects in Rajasthan and Chhattisgarh.</li> <li>Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra).</li> </ul>	6,461,000	6,461,000	6,461,000	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR.
2	Prime Minister's National Relief Fund	Relief & welfare	Jammu & Kashmir	1,029,667	1,029,667	1,029,667	Direct
3	Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods; elementary education & healthcare	<ul style="list-style-type: none"> <li>Ten fully operational skill development centres opened. Centres located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg.</li> <li>Elementary education projects in Rajasthan and Chhattisgarh.</li> <li>Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra).</li> </ul>	NA	585,333	585,333	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR.
Total				7,490,667	8,076,000	8,076,000	

\* Give details of implementing agency.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report. - NA
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the company.

Sd/-

Sd/-

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VISHAKHA MULYE  
Managing Director & CEO

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SRIDAR IYENGAR  
Chairperson - CSR Committee

# directors' report

## Annexure 2

### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	U72200MH1989PLC166901
Registration Date	January 5, 1988
Name of the Company	ICICI Venture Funds Management Company Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	ICICI Venture House, Ground Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. Tel. No. 022 – 6655 5050
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited, Tower # 5, 3rd to 6th Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703. Tel. No. 022 - 6792 8070

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Asset Management Services	65999	80.5%
2	Others	74999	17.2%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
ICICI Bank Limited, Landmark Race Course Circle, Alkapuri, Baroda, Gujarat – 390 015	L65190GJ1994PLC021012	Holding	100%	2(46)

# directors' report



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>999,994</b>	<b>6</b>	<b>1,000,000</b>	<b>100%</b>	<b>999,994</b>	<b>6</b>	<b>1,000,000</b>	<b>100%</b>	<b>—</b>
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>999,994</b>	<b>6</b>	<b>1,000,000</b>	<b>100%</b>	<b>999,994</b>	<b>6</b>	<b>1,000,000</b>	<b>100%</b>	<b>—</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FILs									
h) Foreign Venture Capital Funds									
i) Others (specify) – unlisted public companies									
<b>Sub-total (B)(1):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
<b>Sub-total (B)(2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Public Shareholding (B)=(B)(1)+(B) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total (A+B+C)</b>	<b>999,994</b>	<b>6</b>	<b>1,000,000</b>	<b>100%</b>	<b>999,994</b>	<b>6</b>	<b>1,000,000</b>	<b>100%</b>	<b>—</b>

# directors' report

**ii) Shareholding of Promoters :**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	ICICI Bank Limited (Along with its Nominees)	1,000,000	100%	—	1,000,000	100%	—	—
	Total	1,000,000	100%	—	1,000,000	100%	—	—

**iii) Change in Promoters' Shareholding ( please specify, if there is no change) - No change in the Promoters' Shareholding in the Company**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,000,000	100%	1,000,000	100%
	Date wise Increase / Decrease in Promoters Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Not Applicable	
	At the End of the year	1,000,000	100%	1,000,000	100%

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		—	—	—	—
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)		—	—	—	—
	At the End of the year (or on the date of separation, if separated during the year)		—	—	—	—

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			None of the Directors hold shares in the Company. KMP is not applicable to the Company.	
	At the End of the year				

# directors' report



## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,593.8	—	—	2,593.8
• Reduction	415.2	—	—	415.2
<b>Net Change</b>	2,178.6	—	—	2,178.6
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,178.6	—	—	2,178.6
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	0.7	—	—	0.7
<b>Total (i+ii+iii)</b>	2,179.3	—	—	2,179.3

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(₹ Million)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Vishakha Mulye, MD & CEO	Prashant Purker, Executive Director (WTD)	Mohit Batra, Executive Director (WTD)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.96	22.25	18.67	72.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	1.01	0.38	1.78
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of profit - others, specify...	—	—	—	—
5	Others, please specify – (Retirals & Other benefits)	2.90	1.65	2.62	7.17
	<b>Total (A)</b>	35.25	24.91	21.67	81.83
	Ceiling as per the Act	As per Schedule V of the Act	As per Schedule V of the Act	As per Schedule V of the Act	

### B. Remuneration to other directors:

(₹ Million)

Sl. No.	Particulars of Remuneration	Name of the Director					Total Amount
		Lalita Gupte	H. N. Sinor	K. N. Memani	S. Mukherji	Sridar Iyengar	
1.	Independent Directors ➤ Fee for attending board / committee meetings ➤ Commission ➤ Others, please specify	0.66 — —	0.62 — —	0.54 — —	0.76 — —	0.56 — —	3.1 — —
	<b>Total (1)</b>	0.66	0.62	0.54	0.76	0.56	3.1
2.	Other Non-Executive Directors ➤ Fee for attending board / committee meetings ➤ Commission ➤ Others, please specify			—			
	<b>Total (2)</b>			—			
	<b>Total (B)=(1+2)</b>						3.1

# directors' report

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD – Not Applicable

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	— — —	— — —	— — —	— — —	— — —
2	Stock Option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission - as % of profit - others, specify...	— —	— —	— —	— —	— —
5	Others, please specify	—	—	—	—	—

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Punishment	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Compounding	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>B. DIRECTORS</b>					
Penalty	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Punishment	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Compounding	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Punishment	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Compounding	—	Not Applicable	Not Applicable	Not Applicable	Not Applicable

## annexure 3

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: - NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

ICICI Venture Funds Management Company Limited ("Company" or "ICICI Venture") undertakes various transactions with related parties in the ordinary course of business. The Company has a Board approved policy on related party transactions. ICICI Venture, being a subsidiary of ICICI Bank Limited, also adheres to the Group's Arms' Length Policy which requires all the transactions with the Group companies to be at arm's length. The transactions between ICICI Venture and its related parties, during the year ended March 31, 2015, were based on the principles of arm's length.

The details of material related party transactions at an aggregate level for year ended March 31, 2015 are as follows:

Sr. no	Nature of contracts / transactions	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts/actions	(₹ million)
1	Loan taken	ICICI Bank Limited	Holding Company	5 years	Term loan facility at contractual interest rate	1,844.6
2	Interest towards Servicing of above loan & processing fee	ICICI Bank Limited	Holding Company	5 Years	At Contractual rate	175.5
3	Sale of Units of IAF III	ICICI Bank Limited	Holding Company	Not applicable	Sale of Units to ICICI Bank at Cost	499.1
4	Sale of Units of IAF IV	ICICI Bank Limited	Holding Company	Not applicable	Sale of Units to ICICI Bank at Cost	417.9

For and on behalf of the Board of Directors  
ICICI Venture Funds Management Company Limited

Place: Mumbai  
Date: April 21, 2015

LALITA D. GUPTA  
Chairperson

# independent auditors' report



to the members of ICICI Venture Funds Management Company Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Venture Funds Management Company Limited ("the Company"), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on the date.

## OTHER MATTERS

The financial statements and other financial information for the comparative year ended 31 March 2014, included in the accompanying financial statements were audited by another auditor whose reports have been furnished to B S R & Co. LLP Chartered Accountants, and which have been relied upon for the purpose of our audit of the financial statements. Our opinion is not qualified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.2 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP  
Chartered Accountants  
*Firm's registration number: 101248W/W-100022*

Sd/-  
Supreet Sachdev  
Partner  
*Membership number: 205385*

Bangalore, April 21, 2015

# annexure to the independent auditors' report

## The Annexure referred to in the Auditor's Report to the members of ICICI Venture Funds Management Company Limited ('the Company') for the year ended 31 March 2015.

We report as follows:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were observed on such verification.
2. The Company is an Asset Management Company ('AMC') and manages and advises Venture Capital and Private Equity Funds which invest in a wide spectrum of industrial sectors. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(2) of the Order is not applicable.
3. The Company has not granted any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Company has not accepted any deposits from the public.
6. The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, wealth tax, service tax and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees state insurance, sales tax, duty of customs, duty of excise, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax, service tax, and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees state insurance, sales tax, duty of customs, duty of excise, value added tax and cess.

- b) According to the information and explanations given to us, except income tax and service tax, there are no dues of, sales tax, wealth tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute:

Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax dues	1.276	2008-2009 (Financial year)	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax dues	6.352	2009-2010 (Financial year)	Income Tax Appellate Tribunal
The Finance Act, 1994	Service tax and interest	225.989*	2007-08 to 2012-13 (Financial year)	Customs, Excise and Service Tax Appellate Tribunal, Bangalore (CESTAT)

\* ₹ 16,949 million has been pre-deposited with CESTAT, Bangalore

- c) According to the information and explanations given to us, there is no amount the Company required to be transferred to investor education and protection fund within time in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Co. LLP  
Chartered Accountants  
Firm registration No. 101248W / W-100022

Sd/-

Supreet Sachdev  
Partner

Membership No. 205385

Bangalore, April 21, 2015

# balance sheet profit and loss account

**ICICI Venture**

as at March 31, 2015

for the year ended March 31, 2015

Particulars	Note No.	As at March 31, 2015	(₹ in million)	Particulars	Note No.	As at March 31, 2015	(₹ in million)
<b>A EQUITY &amp; LIABILITIES</b>				1 Revenue from operations	19	804.9	825.7
<b>1 Shareholders' funds</b>				2 Other income	20	381.5	538.3
(a) Share capital	3	10.0	10.0	<b>3 Total revenue (1+2)</b>		1,186.4	1,363.4
(b) Reserves and surplus	4	2,177.9	2,170.4				
		<u>2,187.9</u>	<u>2,180.4</u>				
<b>2 Non-current liabilities</b>				<b>4 Expenses</b>			
(a) Long-term borrowings	5	1,705.8	—	(a) Employee benefits expense	21	586.7	572.3
(b) Other long-term liabilities	6	3.2	0.8	(b) Finance costs	22	226.3	3.7
(c) Long-term provisions	7	184.9	145.2	(c) Depreciation and amortisation expense	12	46.7	111.2
		<u>1,893.9</u>	<u>146.0</u>	(d) Other expenses	23	257.2	293.6
<b>3 Current liabilities</b>				<b>Total expenses</b>		1,116.9	980.8
(a) Short- term borrowings	8	449.2	—				
(b) Trade payables	9	357.0	385.4	<b>5 Profit before tax (3-4)</b>		69.5	382.6
(c) Other current liabilities	10	241.8	156.9				
(d) Short-term provisions	11	10.7	9.7	<b>6 Tax expense :</b>			
		<u>1,058.7</u>	<u>552.0</u>	(a) Current tax expense for current year		62.2	80.0
<b>Total</b>		<u>5,140.5</u>	<u>2,878.4</u>	(b) Current tax expense relating to prior year		4.3	—
<b>B ASSETS</b>				(c) (Less): Minimum Alternate Tax Credit		—	(23.0)
<b>1 Non-current assets</b>				(d) Deferred tax		(5.7)	(4.2)
(a) Fixed assets						<u>60.8</u>	<u>52.8</u>
(i) Tangible assets	12	871.8	913.3	<b>7 Profit for the year(5-6)</b>		8.7	329.8
(ii) Intangible assets	12	0.6	1.4	Earnings per equity share (of ₹10/- each)			
		<u>872.4</u>	<u>914.7</u>	Basic and Diluted (₹)	24.11	8.7	329.8
(b) Non-current investments	13	2,283.1	11.7	Corporate Information & Significant accounting policies	182		
(c) Deferred tax assets (net)	24.7	49.9	44.2	Notes forming part of the Financial Statements	3 - 24		
(d) Long-term loans and advances	14	123.4	166.3				
		<u>2,456.4</u>	<u>222.2</u>				
<b>2 Current assets</b>							
(a) Current investments	15	1,769.2	1,543.9				
(b) Trade Receivables	16	10.0	62.9				
(c) Cash and cash equivalents	17	10.6	3.2				
(d) Short-term loans and advances	18	21.9	45.7				
(e) Other Current Assets		—	85.8				
		<u>1,811.7</u>	<u>1,741.5</u>				
<b>Total</b>		<u>5,140.5</u>	<u>2,878.4</u>				
Corporate Information & Significant accounting policies	182						
Notes forming part of the Financial Statements	3 - 24						

As per our report of even date attached

For and on behalf of Board of Directors

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

LALITA D GUPTE  
Chairperson

VISHAKHA MULYE  
Managing Director & CEO

SUPREET SACHDEV  
Partner  
Membership no : 205385

MADHUSUDHAN NAIR  
Company Secretary

BEENA M CHOTAI  
Chief Financial Officer

Bengaluru, April 21, 2015

Mumbai, April 21, 2015

# notes

## forming part of the financial statements

Continued

### 1 CORPORATE INFORMATION:

The Company is an Asset Management Company ('AMC') and manages and advises Venture Capital and Private Equity Funds which invest in a wide spectrum of industrial sectors. The accounts of these Funds are maintained separately and do not form part of the Company's financial statements. The Company is registered in Mumbai and has regional office in Bangalore.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the mandatory Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the 2013 Act (to the extent notified and applicable).

The financial statements have been prepared and presented on accrual basis under the historical cost convention, except where otherwise noted. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised in the financial statements in the period in which the changes are made, and, if material, their effects are disclosed in the notes to the financial statements.

#### 2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.4 Cash and cash equivalents (for the purpose of Cash Flow Statement)

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

#### 2.5 Depreciation and amortisation

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during a period is proportionately charged.

(a) Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

(b) In respect of assets taken on lease and any improvements thereto, depreciation is provided over the balance lease period on straight line basis. The Management estimates the useful lives for the other fixed assets as follows:

Nature of assets	Estimated useful life (in years)	Estimated useful life (in years) (As envisaged by Schedule II)
Building	60	60
Furniture & fixtures*	5 to 7	10
Vehicles*	5	8
Office equipment*		
- Cell phone	3	3
- Others	10	10
Computers*	3	3
Intangibles - software*	2.5	3

\*For these class of assets, based on internal assessment, the management believes that useful lives as given above best represent the period over which management expects to use the assets. Hence the useful life of these assets is different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

#### 2.6 Revenue recognition

(i) As an AMC, the Company is entitled for a Fee Income which consists of management fee as per the terms of Investment Management Agreement (IMA) entered with the Fund, advisory fees in respect of the Private Equity Funds advised by the Company, and any other fees as agreed with Funds under Management. The fee income is recognized as revenue when they contractually accrue except where the management

believes that there are uncertainties in its ultimate realisation, in which case, they are recognised when such uncertainties cease.

(ii) Income from Investment in Units of Venture Capital Funds and Private Equity Funds is recognized when the right to receive the same is established based on declaration of distribution by the Venture Capital Fund and when no significant uncertainty to the measurability or collectability exists.

(iii) Dividend income from investment in units of Mutual Funds and from shares of corporate bodies is recognized when the right to receive the same is established based on declaration by the Mutual Funds and Corporate bodies respectively.

(iv) Rental income and other income is recognized as per contractual terms.

(v) Interest income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.

#### 2.7 Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation. Additions, major renewals and improvements are capitalized, while maintenance and repairs are expensed. Upon disposal, the net book value of assets is removed and resultant gains and losses are reflected in the Statement of Profit and Loss.

#### 2.8 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Upon completion, these costs are transferred to the appropriate category of fixed assets.

#### 2.9 Intangible assets

Intangible assets comprising software purchased or developed are depreciated on a straight-line basis over the useful life of the software up to maximum of two and half years commencing from the month in which such software is first utilised.

#### 2.10 Foreign currency transactions Initial recognition:

Transactions in foreign currencies entered into by the Company are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement of foreign currency monetary items at the reporting date:

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the reporting date are restated at the year-end rates. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

#### 2.11 Investments

Investments are classified as long-term or current based on the intention of the management at the time of purchase.

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments determined separately for each individual investment.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Purchases and sales of investments are recorded on trade date. The gains or losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date.

#### 2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

##### a. Defined contribution plans

The Company's contribution to superannuation fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

##### b. Defined benefit plans

For defined benefit plans in the form of gratuity and exempt provident fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average year until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

# notes

**c. Short-term employee benefits**

For compensated absences, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**d. Long-term employee benefits**

For compensated absences, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

**2.13 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

**2.14 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**2.15 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period/ year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

**2.16 Taxes on income**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax, effects of timing differences between accounting income and taxable income for the period).

**Current tax**

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income-tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

**Deferred tax**

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each reporting date date and written down or written up to reflect the amount that is reasonable /virtually certain (as the case may be) to be realised.

**2.17 Impairment of assets**

The carrying values of assets / cash generating units at each reporting date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting years no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**2.18 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statement.

**2.19 Service tax input credit**

Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

**2.20 Operating Cycle**

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3 SHARE CAPITAL**

Particulars	March 31, 2015		March 31, 2014	
	No. of shares	₹ in million	No. of shares	₹ in million
(a) Authorised				
Equity shares of ₹ 10 each	20,000,000	200.0	20,000,000	200.0
<b>Total</b>		<b>200.0</b>		<b>200.0</b>
(b) Issued, subscribed and fully paid-up Equity Shares of ₹ 10/- each	1,000,000	10.0	1,000,000	10.0
(All the above shares are held by ICICI Bank Limited, the Holding Company and its nominees)				
<b>Total</b>		<b>10.0</b>		<b>10.0</b>

# notes

## forming part of the financial statements

*Continued*

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Opening balance	1,000,000	10.0	1,000,000	10.0
Issued/(redeemed) during year	—	—	—	—
Closing balance	1,000,000	10.0	1,000,000	10.0

- (ii) Terms/rights attached to equity shares:

The Company has only one class of Equity Share, having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. However, as on date no such preferential amounts exists. The distribution will be in proportion to number of equity shares held by the shareholders

- (iii) Details of shares held by each shareholder holding more than 5% of shares :

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	%	No. of Shares	%
ICICI Bank Limited, the holding company and its nominees	1,000,000	100.0%	1,000,000	100.0%

## 4 RESERVES AND SURPLUS

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
(a) Capital reserve		
Opening balance	7.8	7.8
Add : Additions during year	—	—
<b>Closing Balance</b>	<b>7.8</b>	<b>7.8</b>
(b) General reserve		
Opening balance	675.3	642.3
Add : Transferred from surplus in Statement of Profit and Loss	—	33.0
<b>Closing Balance</b>	<b>675.3</b>	<b>675.3</b>
(c) Surplus in Statement of Profit & Loss		
Opening balance	1,487.3	1,202.2
Add : Profit for the year	8.7	329.8
Less : Appropriations		
Interim dividend paid to equity shareholders (₹1/- per share) (Year Ended March 31, 2014 - ₹10/- per share)	1.0	10.0
Tax on dividend	0.2	1.7
Transferred to general reserve	—	33.0
<b>Closing balance</b>	<b>1,494.8</b>	<b>1,487.3</b>
<b>Total</b>	<b>2,177.9</b>	<b>2,170.4</b>

## 5 NON-CURRENT LIABILITIES

- (i) Long-term borrowings

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
(a) Term Loan:		
From banks		
- Secured	1,705.8	—
<b>Total</b>	<b>1,705.8</b>	<b>—</b>

- (ii) Details of terms of repayment in respect of the secured other long-term borrowings:

Particulars	No. of Instalments due after 12 months	(₹ in million)	
		March 31, 2015	March 31, 2014
Term loan from Bank:			
ICICI Bank Limited	3	1,445.4	—
Kotak Mahindra Bank Limited	81	260.4	—
<b>Total term loan</b>		<b>1,705.8</b>	
- Average rate of interest		13.7%	—

- (iii) Details of security given for term loan :

A During the year ended 31 March 2015, the Company has entered into an agreement to borrow :

- (a) Term Loan of ₹ 300 Million from Kotak Mahindra Bank Limited The loan is secured by a charge created over the lease rental income earned from 3rd and 4th Floor of ICICI Venture House, Mumbai.
- (b) Overdraft facility of ₹450 Million from Kotak Mahindra Bank Limited For the purpose of above loans, the Company has provided first pari-passu charge over basement, ground-floor, first-floor, second-floor, third-floor, fourth-floor, fifth-floor(part), Terrace(part) and all parking lots situated at corporate office at ICICI Venture House, Appasaheb Marathe Marg, Mumbai. The Company had also availed Bank Guarantee of ₹ 520.6 Million from Kotak Mahindra Bank Limited The Bank Guarantee is also secured by the charge created on the aforesaid floors of ICICI Venture House and ranks pari-passu with the borrowings. (Refer Note 24.1.B(ii)).

- B The Term Loan availed from ICICI Bank Limited is secured by first charge on units of India Advantage Fund III, India Advantage Fund IV and shares in Updater Services Pvt. Limited purchased through the proceeds of the borrowing, escrow Account and Debt Service Reserve Account of the Company maintained for the purpose of this loan. The Company has created a charge on the aforesaid units of India Advantage Fund III & India Advantage Fund IV and in shares of Updater Services Pvt. Limited. The Company has in the current year sold the shares of Updater Services Pvt. Limited and the charge on the same is vacated.

## 6 OTHER LONG-TERM LIABILITIES

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
(a) Other		
- Accrued salaries and benefits	3.2	0.8
<b>Total</b>	<b>3.2</b>	<b>0.8</b>

## 7 LONG-TERM PROVISIONS

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Provision for employee benefits:		
- Gratuity (net) (Refer Note 24.8.2)	130.3	95.3
- Compensated absences	54.6	49.9
<b>Total</b>	<b>184.9</b>	<b>145.2</b>

# notes



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Continued

## CURRENT LIABILITIES

### 8 SHORT-TERM BORROWINGS

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Loans repayables on demand:		
- Overdraft facilities from bank (Secured)	449.2	—
<b>Total</b>	<b>449.2</b>	<b>—</b>

Over draft facility from Kotak Mahindra Bank Limited carries an interest rate based on Base rate +2% computed on the actual amount utilized and is repayable on demand. These are secured by first pari-passu charge over basement, ground-floor, first-floor, second-floor, third-floor, fourth-floor, fifth-floor(part), Terrace(part) and all parking lots situated at corporate office at ICICI Venture House, Appasaheb Marathe Marg, Mumbai.

### 9 TRADE PAYABLES

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Trade payables:		
- Other than acceptances (Refer Note 24.12)	357.0	385.4
<b>Total</b>	<b>357.0</b>	<b>385.4</b>

### 12 FIXED ASSETS

Particulars	Gross block			Accumulated depreciation/amortisation				Net block	
	Balance As at April 01, 2014	Additions	Disposal	Balance As at March 31, 2015	Balance As at April 01, 2014	For the year	Deletions during the year	Balance As at March 31, 2015	Balance As at March 31, 2015
<b>Tangible assets:</b>									
Land - Freehold	108.3	—	—	108.3	—	—	—	—	108.3
Building (Refer Note 2)	1,364.9	—	—	1,364.9	628.2	26.6	—	654.8	710.1
Furniture & fixtures	50.2	1.6	6.4	45.4	39.6	2.8	3.3	39.1	6.3
Vehicles	51.7	4.2	12.1	43.8	27.2	6.7	6.5	27.4	16.4
Office equipment	91.0	3.3	6.7	87.6	61.0	7.7	6.5	62.2	25.4
Computers	36.4	4.3	11.4	29.3	33.2	2.1	11.3	24.0	5.3
<b>Total (A)</b>	<b>1,702.5</b>	<b>13.4</b>	<b>36.6</b>	<b>1,679.3</b>	<b>789.2</b>	<b>45.9</b>	<b>27.6</b>	<b>807.5</b>	<b>871.8</b>
Previous Year (A)	(1,705.5)	(16.5)	(19.5)	(1,702.5)	(694.7)	(110.5)	(16.0)	(789.2)	(913.3)
<b>Intangible assets:Others</b>									
Software	3.1	—	—	3.1	1.7	0.8	—	2.5	0.6
<b>Total (B)</b>	<b>3.1</b>	<b>—</b>	<b>—</b>	<b>3.1</b>	<b>1.7</b>	<b>0.8</b>	<b>—</b>	<b>2.5</b>	<b>0.6</b>
Previous Year (B)	(1.0)	(2.1)	—	(3.1)	(1.0)	(0.7)	—	(1.7)	(1.4)
<b>Total (A+B)</b>	<b>1,705.6</b>	<b>13.4</b>	<b>36.6</b>	<b>1,682.4</b>	<b>790.9</b>	<b>46.7</b>	<b>27.6</b>	<b>810.0</b>	<b>872.4</b>
Previous Year (A+B)	(1,706.5)	(18.6)	(19.5)	(1,705.6)	(695.7)	(111.2)	(16.0)	(790.9)	(914.7)

(Previous years figures are given in brackets.)

- Note:
- The Company has given on lease, 3<sup>rd</sup> and 4<sup>th</sup> Floor of ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai (Office building). Accordingly the mentioned floors in the Office building are owned by the Company but not used by the Company. Tangible assets also include a portion of office space given on operating lease and since this forms an integral part of the Building occupied/used by the Company, separate details for the space leased are not available. Other than the above, all the Fixed Assets are owned by the Company and used by the Company and employees of the Company.
  - Term Loan , Overdraft facility, Bank Guarantee availed from Kotak Mahindra Bank are all secured against the first pari-passu inter se' charge over basement, ground floor, first floor, second floor, third floor, fourth floor, fifth floor (part), Terrace (part) and all parking lots situated at registered office at ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai.
  - During the current year, the Company based an internal assessment reassessed the remaining useful life of assets with effect from April 1, 2014. Accordingly the useful lives of certain assets required a change from the previous estimates in order to align with the revised useful lives as envisaged in Schedule II of the Companies Act, 2013.  
The existing and revised useful lives are as below :

Category of Assets	Existing useful life (Years)	Revised useful life (Years)
<b>Tangible assets</b>		
Buildings	38	60
Furniture & fixtures	5 to 7	5 to 7
Vehicles	5	5
Office equipment		
- Cell phone	—	3
- Others	10	10
Computers	3	3
<b>Intangible assets</b>		
Intangibles - software	2.5	2.5

Had the Company continued with the previously assessed useful lives, charge for depreciation for the current year ended March 31, 2015 , would have been higher by ₹ 59.2 Million.

### 10 OTHER CURRENT LIABILITIES

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
(a) Current maturities of long term debt (Refer Note (i) below)		
(i) Term Loan	23.6	—
	23.6	—
(b) Interest accrued but not due	0.7	—
(c) Income received in advance	—	8.9
(d) Other payables		
(i) Security deposits		
- Related parties (Refer Note 24.8)	28.5	0.4
- Others	0.4	0.9
(ii) Statutory dues	12.4	8.5
(iii) Accrued salaries and benefits	144.4	138.2
(iv) Cash reserve (Refer Note(ii) below)	27.5	—
(v) Others	4.3	—
	218.2	156.9
<b>Total</b>	<b>241.8</b>	<b>156.9</b>

#### Note:

- Current maturities of long term debts, Refer Note 5 (iii) - Long-term borrowing for details of security.
- In accordance with the Liquidity Option offered to domestic Investors of India Advantage Fund III, ₹ 27.5 Million is held as Cash reserve to provide adequate cover to the Company for any potential tax related liabilities or any other unfunded liability which may arise in India Advantage Fund III.

### 11 SHORT-TERM PROVISIONS

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Compensated absences	10.7	9.7
<b>Total</b>	<b>10.7</b>	<b>9.7</b>

(₹ in million)

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
<b>Provision for employee benefits</b>		
- Compensated absences	10.7	9.7
<b>Total</b>	<b>10.7</b>	<b>9.7</b>

# notes

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*Continued*

## 13 NON-CURRENT INVESTMENTS (AT COST)

(₹ in million)

Particulars	March 31, 2015			March 31, 2014		
	Quantity	Face Value ₹ (per unit / Share)	Amount	Quantity	Face Value ₹ (per unit / Share)	Amount
<b>A Trade Investment in units of venture capital funds, Long Term, Unquoted, fully paid</b>						
1 India Advantage Fund III Class A Units {refer note (i) below}	6,358,735	100	572.6	37,403	100	3.0
2 India Advantage Fund III Class B Units	6,000	100	0.6	6,000	100	0.6
3 India Advantage Fund IV Class A Units {refer note (i) below}	18,439,803	100	1,469.7	—	—	—
4 India Advantage Fund IV Class B Units	6,000	100	0.6	6,000	100	0.6
5 India Advantage Fund V - Class B Units	—	—	—	23,413	100	2.2
6 India Advantage Fund VI-Class B units	—	—	—	14,972	100	1.3
7 India Advantage Fund S3 I-Class C units	5,000	100	0.5	5,000	100	0.5
8 India Advantage Fund VII (Mezzanine Fund 1)-Class A units	—	—	—	23	100	—
9 India Advantage Fund RES2	5,000	100	0.5	—	—	—
<b>Total (A)</b>			<b>2,044.5</b>			<b>8.2</b>
<b>B Other Investments - Investment in equity instruments, Long Term, Unquoted, fully paid</b>						
1 Microland Limited	2,976,812	100	3.5	2,976,812	100	3.5
2 Shri Renuga Textiles Limited*	48,674	100	—	48,674	100	—
3 ICICI Home Finance Company Limited**	100	10	—	—	—	—
4 ICICI Investment Management Company Limited **	100	10	—	—	—	—
5 ICICI Trusteeship Services Limited **	100	10	—	—	—	—
<b>C Investment in Compulsory Convertible Debentures</b>						
1 Tellapur Technocity Pvt. Limited {refer note (ii) below}	471,440,277	1	235.1	—	—	—
<b>Total (B)</b>			<b>238.6</b>			<b>3.5</b>
<b>Total - (A+B)</b>			<b>2,283.1</b>			<b>11.7</b>
Aggregate amount of unquoted investments			<b>2,283.1</b>			<b>11.7</b>
Aggregate provision for diminution in value of unquoted investments			—			—
<b>Total</b>			<b>2,283.1</b>			<b>11.7</b>

**Notes:**

- (i) The Company has created a charge on 3,378,159 units of India Advantage Fund III and 17,097,853 units of India Advantage Fund IV which are purchased from the proceeds of the loan facility availed from ICICI Bank Limited
- (ii) Investments include an amount of ₹ 235.1 Million paid for acquiring 471,440,277 Compulsory Convertible Debentures in Tellapur Technocity Pvt. Limited; the process for transfer of the CCDs in the name of the Company is in progress at the reporting date.

\* Shri Renuga Textiles Limited - The cost of shares held is Re 1.

\*\* These shares are received in capacity as a nominee shareholder for Nil consideration

## 14 LONG-TERM LOANS AND ADVANCES

(₹ in million)

Particulars	March 31, 2015		March 31, 2014	
<b>Unsecured, considered good</b>				
(a) Security deposit		14.3		12.1
(b) Prepaid expense		5.9		6.8
(c) Minimum Alternate Tax Credit Entitlement		—		23.0
(d) Balance with government authorities:				
Tax paid under protest (Refer Note 24.1 A(i))		16.9		—
(e) Advance Income Tax		86.3		124.4
(net of Provision for taxation ₹ 1,171.4 Million ; Previous Year ₹ 1,787.8 Million)				
<b>Total</b>		<b>123.4</b>		<b>166.3</b>

# notes

**15 CURRENT INVESTMENTS**

	March 31, 2015			March 31, 2014		
	Quantity	Face value ₹ (per unit)	Amount	Quantity	Face value ₹ (per unit)	Amount
<b>A Current Portion of long term investments (at cost)</b>						
<b>Investment in units of venture capital funds, (Unquoted), fully paid:</b>						
1 India Advantage Fund I- Class 'C' units	5,000	100	0.5	5,000	100	0.5
2 India Advantage Fund I-Class 'A' & 'A1' units	924	100	0.2	924	100	0.1
3 India Advantage Fund I-Class 'B' & 'B1' units	438	100	0.1	438	100	0.1
4 India Advantage Fund II - Class 'C' units	5,000	100	0.5	5,000	100	0.5
5 India Advantage Fund II - Class 'A, A1' & 'B, B1' units	1,355	100	0.1	1,355	100	0.1
6 India Advantage Fund V - Class B Units	9,390	100	0.9	—	—	—
7 India Advantage Fund VI-Class B units	10,689	100	0.9	—	—	—
8 India Advantage Fund VII	23	100	—	—	—	—
<b>Total (A)</b>			<b>3.2</b>			<b>1.3</b>
<b>B Other Current Investments</b>						
<b>Investment in mutual funds (unquoted):</b>						
1 Birla Sun Life Cash Plus-Institutional Premium-Growth	—	—	—	66,647	100	11.5
2 Birla Sun Life Cash Plus-Institutional Premium-Growth-Direct Plan *	714,713	100	140.6	714,713	100	140.6
3 DSP Black Rock-Liquidity Fund-IP Growth	46,582	1,000	74.6	111,955	1,000	177.2
4 DSP BlackRock Liquidity Fund - Direct Plan - Growth	45,662	1,000	85.4	—	—	—
5 HDFC Cash Management Fund - Savings Plan - Growth	3,118,232	10	73.8	4,764,286	10	111.0
6 HDFC CM Savings -Direct Plan - Growth Option	4,032,531	10	116.3	—	—	—
7 ICICI Prudential Liquid-Regular Plan-Growth	538,450	100	87.3	1,354,003	10	218.1
8 ICICI Prudential Liquid - Direct Plan - Growth **	837,414	1,000	166.6	—	—	—
9 IDFC Cash Fund -Direct Plan -Growth	24,770	1,000	36.9	153,980	1,000	222.2
10 Kotak Liquid Plan A-Growth	—	—	—	32,767	1,000	76.0
11 Kotak Liquid Plan A-Growth Direct	90,732	1,000	238.9	37,590	1,000	96.0
12 Reliance Liquidity Fund - Direct Plan Growth Option - Growth	101,742	1,000	189.1	126,678	1,000	228.3
13 SBI Premier Liquid Fund - Direct Plan -Growth	116,116	1,000	238.2	39,770	1,000	78.2
14 Tata Liquid Fund- Direct Plan- Growth	28,052	1,000	63.1	51,085	1,000	113.0
15 TATA Liquid Fund-Plan A-Growth	10,684	1,000	21.8	34,752	1,000	70.5
16 UTI Liquid Cash Plan Institutional - Growth Option	105,787	1,000	233.4	—	—	—
<b>Total (B)</b>			<b>1,766.0</b>			<b>1,542.6</b>
<b>Total (A) + (B)</b>			<b>1,769.2</b>			<b>1,543.9</b>
Aggregate Value of Investments :						
Aggregate amount of unquoted investments						
Aggregate provision for diminution in value of unquoted investments						
NAV of investments in Mutual Funds						

\* The Company has conditionally received during the current year ₹ 71.9 Million and ₹ 13.9 Million as distribution from investment in units of venture capital funds, IAF I, IAF II and IAF VII respectively. The Company has marked a lien in favour of Trustees of the Fund for the amount received.

\*\* As on March 31, 2015, Investment includes an amount of ₹ 51.7 Million earmarked towards Debt- Service Reserve Account, which is required as per the terms of credit arrangement with ICICI Bank and an amount of ₹ 27.5 Million held as Cash reserve in accordance with the Liquidity Option offered to domestic Investors of India Advantage Fund III, to provide adequate cover to the Company for any potential tax related liabilities or any other unfunded liability which may arise in India Advantage Fund III .

**16 TRADE RECEIVABLES**

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Other Trade receivables		
Unsecured, considered good - Less than six months	10.0	62.9
<b>Total</b>	<b>10.0</b>	<b>62.9</b>

**17 CASH AND CASH EQUIVALENTS**

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
(a) Cash on hand	0.1	—
(b) Balance with banks:		
(i) In current accounts	10.5	3.2
(ii) In escrow accounts	—	—
<b>Total</b>	<b>10.6</b>	<b>3.2</b>

Note: Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 10.6 Million (Year ended March 31, 2014, ₹ 3.2 Million)

**18 SHORT-TERM LOANS AND ADVANCES**

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Unsecured, considered good		
(a) Security deposits	0.6	0.6
(b) Prepaid expenses		
- To related parties	5.8	7.0
- To others	4.2	3.5
	10.0	10.5
(c) Balance with government authorities	2.3	1.5
(d) Other receivables	9.0	33.1
<b>Total</b>	<b>21.9</b>	<b>45.7</b>

**19 REVENUE FROM OPERATIONS**

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Fee income	804.9	825.1
<b>Total</b>	<b>804.9</b>	<b>825.1</b>

**20 OTHER INCOME**

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
(a) Income from long-term investments		
Distribution from investment in units of venture capital funds (including gain on sale of such units)	10.6	165.7
(b) Interest income	27.5	1.0
(c) Dividend income	5.2	—
(d) Net gain on sale of current investments (others)	127.2	98.6
(e) Other non-operating income:		
(i) Rental income from operating leases (Refer Note - 24.6.2)	60.2	32.4
(ii) Miscellaneous income	25.8	0.2
(iii) Provisions no longer required written back	125.0	239.2
(f) Profit on sale of fixed assets	—	1.2
<b>Total</b>	<b>381.5</b>	<b>538.3</b>

# notes

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## 21 EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Salaries and wages	510.3	522.1
Contributions to provident and other funds (Refer Note - 24.8.3)	56.1	27.7
Staff welfare expenses	20.3	22.5
<b>Total</b>	<b>586.7</b>	<b>572.3</b>

## 22 FINANCE COSTS

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Interest expense on borrowings	216.1	3.7
Other borrowing costs	10.2	—
<b>Total</b>	<b>226.3</b>	<b>3.7</b>

## 23 OTHER EXPENSES

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Power charges	8.4	7.4
Rent including lease rentals (Refer Note - 24.6.1)	13.1	11.8
Repairs and maintenance - building	19.4	18.6
Repairs and maintenance - others	8.1	8.7
Insurance	2.2	2.1
Rates and taxes	4.0	2.2
Communication expense	5.6	5.2
Travelling and conveyance	16.6	14.8
Printing and stationery	0.8	1.2
Advertisement and business promotion	5.6	4.5
Seminar expenses	1.1	3.9
Marketing and distribution expenses	50.4	76.8
Legal and professional charges	70.5	88.6
Payment to auditors:		
- As auditors - statutory audit	0.4	0.3
- For taxation matters	—	0.1
- Other services	0.4	0.3
- Reimbursement of expenses	0.2	0.1
Recruitment and training	2.7	3.6
Memberships and subscriptions	14.7	18.9
Loss on sale of fixed assets	0.1	—
Loss on sale of investments - non- current	0.2	—
Loss on Foreign Exchange Fluctuation	8.3	0.1
CSR expenditure	8.1	—
Miscellaneous expenses	16.3	24.4
<b>Total</b>	<b>257.2</b>	<b>293.6</b>

## 24 OTHER NOTES

### 24.1 Contingent liabilities and commitments ( to the extent not provided for)

#### A Contingent Liabilities

##### (i) Disputed Statutory Dues

As at March 31, 2015, the Company has disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities and service tax authorities amounting to ₹ 7.6 Million (Year ended March 31, 2014 – ₹ 7.6 Million) and ₹ 225.9 Million (Year ended March 31, 2014 – ₹ Nil) respectively.

#### B Commitments

- (i) The AMC is an investor in IAF I and IAF II ("the Funds"). During year ended March 31, 2012, the Funds declared a distribution of ₹ 645.7 Million, to the AMC as the it's share of income from investments in units of Funds, which was recognised in full, as income during the year ended March 31, 2012. Of the above, ₹ 125.1 Million has been received free of any encumbrances, and the balance of ₹ 520.6 Million was conditionally receivable upon the Company furnishing a Bank Guarantee and a General Indemnity to the trustees of Funds to cover present and future potential liabilities of the Funds. The Bank Guarantee of ₹ 520.6 Million and a General Indemnity has been furnished by the Company in favour of the Trustees of the Funds. The Bank Guarantee is secured by First Charge over basement, ground floor, first floor, second floor, third floor, fourth floor, fifth floor (part), Terrace (part) and all parking lots situated at corporate office at ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai.

The aforesaid charge mentioned ranks pari-paas with the charge created on borrowing availed from Kotak Mahindra Bank Limited (Refer 5(iii) A).

During the year ended March 31, 2014, the Funds further declared a distribution of income of ₹ 163.4 Million, to the AMC as the it's share of income from investments in units of Funds, which was recognised as income in the same year. Of the above, ₹ 91.5 Million has been received free of any encumbrances, and the balance of ₹ 71.9 Million was conditionally receivable upon the Company furnishing an appropriate collateral to the trustees of Funds to cover present and future potential liabilities of the Funds. The Lien marked on Mutual fund of ₹ 71.9 Million and a General Indemnity has been furnished by the Company in favour of the Trustees of the Funds.

- (ii) The AMC is an investor in IAF VII. During year ended March 31, 2013, IAF VII declared a distribution of capital of ₹ 63.7 Million, to the AMC as the AMC's share. Of the above, ₹ 50.3 Million has been received free of any encumbrances, and the balance of ₹ 13.4 Million was conditionally receivable upon the Company furnishing an appropriate collateral and a General Indemnity to the trustees of Funds to cover present and future potential liabilities of the Funds. The Lien marked on Mutual fund of ₹ 13.4 Million and a General Indemnity has been furnished by the Company in favour of the Trustees of the Funds.

During the year ended March 31, 2014, the Funds have further declared a distribution of income of ₹ 0.7 Million, to the AMC as the AMC's share of income from investments in units of Funds, which is recognised as income during the year ended March 31, 2014. Of the above, ₹ 0.2 Million has been received free of any encumbrances, and the balance of ₹ 0.5 Million was conditionally receivable upon the Company furnishing an appropriate collateral and a General Indemnity to the trustees of Funds to cover present and future potential liabilities of the Funds. The Lien marked on Mutual fund of ₹ 0.5 Million and a General Indemnity has been furnished by the Company in favour of the Trustees of the Funds.

- 24.2 The Company, Dynamic India Fund III ( DIF III ) and 3 other entities has been served with a Plaintiff filed by 69 investors of DIF III for US\$ 103.6 Million before the Supreme Court of Mauritius. DIF III is an investor in India Advantage Fund III, a fund managed by the Company. DIF III has filed an application for stay before the Bankruptcy Division of the Supreme Court of Mauritius on the grounds that the Suit is procedurally defective and the Original Civil Suit Division of the Supreme Court is not the appropriate forum for hearing the Plaintiff. The Company along with the other defendants have supported DIF III 's application. The Company's legal advisers are of the opinion that the Company has a strong defense to the plaint and the possibility of the liability crystallizing on the Company is remote.

### 24.3 Earnings in Foreign Currency

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Fee income	362.4	21.1
Miscellaneous income	24.6	—
<b>Total</b>	<b>387.0</b>	<b>21.1</b>

### 24.4 Expenditure in Foreign Currency

Particulars	(₹ in million)	
	March 31, 2015	March 31, 2014
Advertisement and business promotion	2.4	1.5
Seminar expenses	0.3	0.3
Travelling expenses	0.2	0.1
Marketing and distribution expenses	32.6	29.3
Legal and professional charges	35.8	3.4
Membership and Subscription expenses	3.3	2.3
Others	—	2.3
<b>Total</b>	<b>74.6</b>	<b>39.2</b>

24.5 Miscellaneous expenses include ₹ 2.6 Million. (Year ended March 31, 2014 – ₹ 1.7 Million), being the Company's share of various common corporate expenses incurred by ICICI Bank Limited, the holding company.

#### 24.6.1 Lease Rental expense

The Company has entered into cancellable operating leases in respect of office premises. As per the terms and conditions mentioned in the renewed lease agreement effective September 2014, the lease is renewed for a further period of 3 years. The lease rentals charged to the Statement of Profit & Loss in respect of these leases amount to ₹ 13.1 Million (Year ended March 31, 2014, ₹ 11.8 Million).

#### 24.6.2 Lease Rental Income

During the year ended March 31, 2014, the Company leased under operating lease agreements the 3rd and the 4th floor of the office premises known as ICICI Venture House situated at A.M Marg,Prabhadevi,Mumbai.

# notes



forming part of the financial statements

*Continued*

The details of the same are summarised in the table below:

	(₹ in million)	
	March 31, 2015	March 31, 2014
Gross book value	414.1	414.1
Accumulated depreciation	202.8	195.1
Depreciation Expense	7.7	26.3

Future lease rental receipts will be recognized in the Statement of Profit and Loss of subsequent years as follows:

	(₹ in million)	
	March 31, 2015	March 31, 2014
Due not later than one year	56.2	56.2
Due later than one year but not later than five years	28.0	84.2
Later than five years	—	—
	<b>84.2</b>	<b>140.4</b>

A charge has been created on the 3rd and 4th Floor of the ICICI Venture House, Appasaheb Marg, Prabhadevi, Mumbai, in favour of Kotak Mahindra Bank Limited for the term loan obtained from the bank. Furthermore, a charge has been created in favour of Kotak Mahindra Bank Limited over the Lease Rental income earned from the above.

## 24.8.2 Defined benefit plans

The Company offers the following benefit plan to its employees. The following tables sets out the funded status of the defined benefit plan and amount recognised in the financial statements:

	(₹ in million)	
	March 31, 2015	March 31, 2014
<b>Particulars</b>		
<b>A (i) Gratuity</b>		
Components of employer expense	13.2	14.7
Current service cost	14.5	12.4
Interest cost	(3.9)	(4.1)
Expected return on plan assets	11.3	(18.4)
Actuarial losses/(gains)	—	—
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>35.1</b>	<b>4.6</b>
Actual contribution and benefit payments for the year	(19.3)	(7.4)
Actual benefit payments	—	0.3
Actual contributions	—	—
<b>Net asset/(liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	151.5	145.4
Fair value of plan assets	21.2	50.1
Funded status [Surplus / (Deficit)]	(130.3)	(95.3)
Unrecognised past service costs	—	—
Net asset / (liability) recognised in the Balance Sheet	(130.3)	(95.3)
<b>Net liability is bifurcated as follows</b>		
Current	—	—
Non-current	(130.3)	(95.3)
<b>Total</b>	<b>(130.3)</b>	<b>(95.3)</b>
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	145.4	143.8
Current service cost	13.2	14.7
Interest cost	14.5	12.4
Acquisitions	(13.6)	(0.3)
Actuarial (gains) / losses	11.3	(17.8)
Benefits paid	(19.3)	(7.4)
<b>Present value of DBO at the end of the year</b>	<b>151.5</b>	<b>145.4</b>
Change in fair value of assets during the year		
Plan assets at beginning of the year	50.2	52.9
Acquisition adjustment	(13.6)	(0.3)
Expected return on plan assets	3.9	4.1
Actual company contributions	—	0.3
Actuarial gain / (loss)	(0.0)	0.6
Benefits paid	(19.3)	(7.4)
<b>Plan assets at the end of the year</b>	<b>21.2</b>	<b>50.2</b>
Actual return on plan assets	3.9	4.8
Composition of the plan assets is as follows:		
Central government securities	23.86%	23.86%
State government securities	16.14%	16.14%
Government guaranteed securities	1.21%	1.21%
Debentures and bonds	39.32%	39.32%
Equity shares	4.67%	4.67%
Fixed deposits	14.20%	14.20%
Mutual fund	0.58%	0.58%
Money market instruments	0.02%	0.02%
	<b>100.00%</b>	<b>100.00%</b>
<b>Actuarial assumptions:</b>		
Discount rate	7.8%	9.3%
Expected return on plan assets	7.5%	7.5%
Salary escalation	10.0%	10.0%
Estimate of amount of contribution in the immediate next year (₹ In Million)	5.0	10.0
Attrition rate : Age in years - 21-30: 15%, 31-34: 10%, 35-44: 5%, 45-50: 3%, 51-54: 2%, 55-57: 1%		

# notes

forming part of the financial statements

*Continued*

Mortality tables: Published rate under the LIC (1994-96) mortality tables:

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Present value of DBO	(151.5)	(145.4)	(143.8)	(116.6)	(74.3)
Fair value of plan assets	21.2	50.1	52.8	46.9	39.5
Funded status [Surplus / Deficit]	(130.3)	(95.3)	(91.0)	(69.7)	(34.8)
Experience gain / (loss) adjustments on plan liabilities	(8.8)	3.0	(3.3)	20.0	(19.2)
Experience gain / (loss) adjustments on plan assets	(0.0)	0.6	0.8	0.6	0.3

**B Actuarial assumptions for long-term compensated absences**

Particulars	March 31, 2015	March 31, 2014
Discount rate	7.8%	9.3%
Salary escalation	10.0%	10.0%
Attrition rate : Age in years - 21-30: 15%, 31-34: 10%, 35-44: 5%, 45-50: 3%, 51-54: 2%, 55-57: 1%		

**Note:**

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**24.8.3 Provident Fund**

	(₹ in million)	
Particulars	March 31, 2015	March 31, 2014
<b>Components of employer expense</b>		
Current service cost	16.2	18.3
Interest cost	34.5	26.1
Expected return on plan assets	(34.0)	(29.5)
Actuarial losses/(gains)	(0.5)	3.4
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>16.2</b>	<b>18.3</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	427.9	361.5
Fair value of plan assets	427.9	361.5
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>—</b>	<b>—</b>
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	361.5	326.3
Current service cost	16.2	18.3
Interest cost	34.5	26.1
Actuarial (gains) / losses	(2.1)	3.7
Employee contribution	27.0	27.1
Liabilities assumed on acquisition / (settled on divestiture)	5.0	(2.3)
Benefits paid	(14.2)	(37.7)
<b>Present value of DBO at the end of the year</b>	<b>427.9</b>	<b>361.5</b>
Change in fair value of assets during the year :		
Plan assets at beginning of the year	361.5	326.3
Expected return on plan assets	34.0	29.5
Actuarial gain / (loss)	(1.6)	0.2
Employer contributions during the year	16.2	18.3
Employee contributions during the year	27.0	27.1
Assets assumed on acquisition / (distributed on divestiture)	5.0	(2.2)
Benefits paid	(14.2)	(37.7)
<b>Plan assets at the end of the year</b>	<b>427.9</b>	<b>361.5</b>
Actual return on plan assets	32.4	29.8
Expected contribution next year	15.0	15.0
<b>Composition of the plan assets is as follows:</b>		
Government of India securities	193.5	164.5
Corporate bonds	212.1	181.4
Special deposit scheme	2.5	2.5
Equity shares of listed companies	—	—
Others	19.8	13.1
<b>Plan assets at the end of the year</b>	<b>427.9</b>	<b>361.5</b>
Actuarial assumptions:		
Discount rate	7.80%	9.30%
Expected return on plan assets	8.83%	9.04%
Discount rate for the remaining term to maturity of the investments	7.80%	9.12%
Average historic yield on the investments	8.83%	8.86%
Guaranteed rate of returns	8.75%	8.75%

# notes



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*Continued*

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Experience adjustments				
Present value of DBO	427.9	361.5	326.3	282.0
Fair value of plan assets	427.9	361.5	326.3	282.0
Funded status [Surplus / Deficit)]	—	—	—	—
Experience gain / (loss) adjustments on plan liabilities	(2.1)	3.7	6.2	—
Experience gain / (loss) adjustments on plan assets	(1.5)	0.2	4.9	—

## 24.9 Related Party Transactions

### List of Related Parties

#### (a) Parties where control exists:

ICICI Bank Limited (Holding Company)  
India Advantage Fund IV (Associate) (related party with effect from July 17, 2014)

#### (b) Entities having common control :

ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited, ICICI Securities Primary Dealership Limited, ICICI Prudential Asset Management Company Limited, ICICI Home Finance Company Limited, ICICI Investment Management Company Limited, ICICI Bank Canada, ICICI Securities Limited, ICICI Securities Holding Inc, ICICI Securities Inc, ICICI Trusteeship Services Limited, ICICI International Limited, ICICI Bank UK PLC, ICICI Bank Eurasia LLC, ICICI Prudential Trust Limited, ICICI Kinfras Limited, ICICI Prudential Pension Funds Management Company Limited, I-Ven Biotech Limited , ICICI Equity Fund, ICICI Strategic Investments Fund.

#### (c) Executive Directors:

Vishakha Mulye  
Mohit Batra  
Prashant Purker

#### (d) Independent Directors:

Lalita Gupte  
H.N Sinor  
K.N. Memani  
Sridar Iyengar  
S. Mukherji

#### (e) Non Executive Directors:

K Ramkumar  
Rakesh Jha

#### (f) Executive Directors of the Holding Company

Chanda Kochhar  
N.S Kannan

Rajiv Sabharwal

Sanker Parmeswaran

#### (g) Relatives of Directors

Dileep Madhukar Gupte, Nishad Dileep Gupte, Asheeta Dileep Gupte, Anupam Bokil, Ashok Joshi, Nekchecher Hoshang Sinor, Dara Noshirwan Sinor, Dinoo Rusi Unwala, Peshotan Noshirwan Sinor, Kiran Memani, Rajiv Memani, Shilpa Memani, Ritu Memani, Nina Iyengar, Viji Iyengar , Rama Iyengar, Reena Mukherji, Nakul Chandra Mukherji, Barunava Mukherji, Aditya Mukherji, Anita Madalena Iyengar, Ritankar Chatterjee, R. Krishnaswamy, J. Krishnaswamy, R. Shyam, R. Suchithra, K Jayakumar, Shanthi Venugopal , Pushpa Muralidharan, Malathy Vinod, Narendra Kumar Jha, Pushpa Jha, Sachchit Jha, Rajesh Jha, Aparna Jha, Manisha M. Palekar, Vignesh Mulye, Vriddhi Mulye, Gauresh M. Palekar, Shalaka S. Gadekar, Bharati Purker, Kamla Purker, Amiya Purker, Sanjana Purker, Shrikant Purker, Nishikant Purker, Vandana Batra, Lt. General R.N.Batra, Usha Batra, Neel Batra, Ishita Baijal, Jaya Ram Kumar, Swati Jha, Vivek Mulye, Deepak Kochhar, Arjun Kochhar, Aarti Kochhar, Mahesh Advani, Varuna Karna, Rangarajan Kumudalakshmi, Aditi Kannan, Narayanan Raghuvaran, Narayanan Rangarajan, Narayanan Sudha, Sangeeta Sabharwal, Kartik Sabharwal, Arnav Sabharwal, Sanjiv Sabharwal, Sarla Sabharwal, Chitra Sanker, Parmesh Sanker, P.Subramaniam, Vasanth Subramaniam

#### (h) Other related parties:

KNM Advisory Private Limited  
Tuksai Agri Partners  
Swadhaar Finserve Private Limited  
East West Ethnic Foods Private Limited  
3i Infotech Holdings Private Limited  
JM Financial asset Reconstruction Private Limited  
Mahindra Gears & Transmission Private Limited  
Crest Geartech Private Limited  
BTI Payments Private Limited  
Walkwater Properties Private Limited  
AION India Investment Advisors Private Limited

The transactions and balances outstanding as at March 31, 2015, are as follows :

Sl. No.	Name of the related party	Particulars	(₹ in million)	
			March 31, 2015	March 31, 2014
(a)	Parties where control exists :			
	ICICI Bank Limited	Share capital	10.0	10.0
		Loan availed	1,844.6	—
		Repayment of borrowings	399.2	—
		Interest on term loan	167.2	—
		Loan processing fees	8.3	—
		Interest accrued but not due	0.5	—
		Sale of investments	917.0	—
		Amount receivable towards rent	—	28.1
		Security deposit received towards lease rentals	28.1	—
		Rental income	59.7	31.9
		Rent expense	0.1	0.4
		Common corporate income	—	0.8
		Common corporate expense	2.6	1.7
		Payable towards common corporate expense	0.7	0.8
		Custodial charges	0.1	0.0
		Payable towards custodial charges	0.1	0.0
		Bank charges	0.2	0.1
		Purchase of tangible assets	0.7	—
		Prepaid marketing fee	—	1.8
		Marketing and distribution expense	0.7	6.6
		Referral fees	—	8.4
		Referral fees payable	1.5	5.9
		Deputed staff cost	—	1.1
		Dividend paid	1.0	10.0

# notes

## forming part of the financial statements

*Continued*

Sl. No.	Name of the related party	Particulars	March 31, 2015	March 31, 2014
	India Advantage Fund IV (IAF IV)	Fee income	10.2	—
		Investments in units	<b>1,552.4</b>	—
		Redemption of Units	80.2	—
(b)	<b>Entities under common control :</b>			
	ICICI Prudential Life Insurance Company Limited	Insurance charges	1.3	2.6
		Prepaid insurance	0.2	0.8
	ICICI Lombard General Insurance Company Limited	Insurance charges	10.1	10.9
		Prepaid insurance	5.6	6.2
		Insurance premium refund due	0.1	—
		Insurance claims received	0.1	0.1
	ICICI Securities Primary Dealership Limited	Other income -Rent	0.5	0.5
		Security deposit received towards lease rentals	0.4	0.4
	ICICI Securities Limited	Marketing and distribution expense	—	4.4
	ICICI Equity Fund VCF	Fee income	38.4	74.6
	ICICI Strategic Investment Fund	Fee income	10.4	10.0
	ICICI Home Finance Co. Limited	100 Shares held as nominee of Holding Company	—	—
	ICICI Investment Management Co. Limited	100 Shares held as nominee of Holding Company	—	—
	ICICI Trusteeship Services Limited	100 Shares held as nominee of Holding Company	—	—
(c)	<b>Executive Directors :</b>			
	Vishakha Mulye	Remuneration to Managing director	35.3	29.2
	Prashant Purker	Remuneration to Executive director	24.9	20.1
	Mohit Batra	Remuneration to Executive director	21.7	19.0
(d)	<b>Independent Directors</b>			
	Lalita Gupte	Sitting Fees	0.7	—
	H.N Sinor	Sitting Fees	0.6	—
	K.N. Memani	Sitting Fees	0.5	—
	Sridar Iyengar	Sitting Fees	0.6	—
	S. Mukherji	Sitting Fees	0.8	—
(e)	<b>Other Related Parties</b>			
	AION India Investment Advisors Private Limited	Repayment of advances	22.3	—
		Sale of Fixed Assets	5.4	—
	Sanjana Purker	Scholarship as per HR policy	0.5	—
	KNM Advisory Private Limited	Directors expenses	0.5	—

### 24.10 Segment information

The Company has identified business segments as its primary segment. Business segments are primarily Asset Management Service (AMC) and Other Activities. AMC segment consists of management fees and advisory fees from various funds managed and advised by the Company. Other Activities consists of treasury income (income from investment in mutual funds), profit on sale of investment in equity instruments and rental income. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. The Company operates only in one geographical, i.e., India, hence geographical segment disclosure is not applicable.

# notes

(₹ in million)

Particulars	March 31, 2015	March 31, 2014
<b>Segment revenue</b>		
Asset Management Services	954.5	1,065.7
Others	204.4	297.7
Unallocable Revenue	27.5	—
<b>Total revenue</b>	<b>1,186.4</b>	<b>1,363.4</b>
<b>Segment results</b>		
Asset Management Services	71.6	88.6
Others	(5.8)	297.7
Unallocable Revenue	27.5	—
<b>Total operating profit</b>	<b>93.3</b>	<b>386.3</b>
Less: Finance cost	(23.8)	(3.7)
<b>Profit before tax</b>	<b>69.5</b>	<b>382.6</b>
Less: Income taxes	(60.8)	(52.8)
Net profit for the year	8.7	329.8
<b>Segment assets:</b>		
Asset Management Services	740.6	849.4
Others	4,263.7	1,860.5
<b>Unallocable Assets :</b>		
Deferred tax assets	49.9	44.2
Advance tax and TDS (Net of provision for taxation)	86.3	124.4
<b>Total assets</b>	<b>5,140.5</b>	<b>2,878.5</b>
<b>Segment liabilities:</b>		
Asset Management Services	774.0	698.1
<b>Unallocable Liabilities :</b>		
Loan Liability	2,178.6	—
<b>Total liabilities</b>	<b>2,952.6</b>	<b>698.1</b>
<b>Capital Expenditure</b>		
Asset Management Services	13.4	18.4
<b>Depreciation</b>		
Asset Management Services	39.0	111.2
Others	7.7	—

# notes

## forming part of the financial statements

*Continued*

### 24.11 Earnings per share

Particulars	March 31, 2015	March 31, 2014
Basic		
Weighted average no. of equity shares outstanding (of ₹ 10 each)	1,000,000	1,000,000
Par value per share (₹)	10	10
Net profit (₹ In Million)	8.7	329.8
<b>Basic earnings per share</b>	<b>8.7</b>	<b>329.8</b>

The Company does not have potentially dilutive equity shares outstanding during the year ended March 31, 2015 and year ended March 31, 2014.

### 24.12 Details on derivatives instruments and unhedged foreign currency exposures

- (i) During the year the company has not entered into any derivative contract and therefore no disclosure pertaining to the same is applicable for the current year.
- (ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	March 31, 2015		March 31, 2014	
	Amount (Foreign currency)	₹ In million	Amount (Foreign currency)	₹ In million
<b>Liabilities:</b>				
Payables towards various expenses	US\$ 3,000,173	190.5	US\$ 3,109,263	186.3
	GBP 186,573	17.3	GBP 160,256	16.0

24.13 There are no dues to Micro and Small Enterprises. This information disclosure with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.

24.14 The Company has domestic transactions with associated enterprises which are subject to transfer pricing regulations in India. These regulations inter alia require maintenance of prescribed information and the documents for the basis of establishing arm's length price including furnishing a report from an accountant within the due date of filing the return of Income. The Company has undertaken necessary steps to comply with the transfer pricing regulations and the prescribed certificate from the accountant will be obtained for the year ended March 31, 2015. The management is of the opinion that its specified domestic transactions are at arm's length and hence the aforesaid legislations are not expected to have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

As per our report of even date attached

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

SUPREET SACHDEV  
*Partner*  
Membership no : 205385

For and on behalf of Board of Directors

LALITA D GUPTE  
*Chairperson*

VISHAKHA MULYE  
*Managing Director & CEO*

MADHUSUDHAN NAIR  
*Company Secretary*

BEENA M CHOTAI  
*Chief Financial Officer*

Bengaluru, April 21, 2015

Mumbai, April 21, 2015

# cash flow statement

**ICICI Venture** for the year ended March 31, 2015

	For the Year Ended March 31, 2015	₹ in Millions) For the Year Ended March 31, 2014
<b>A Cash flows from operating activities</b>		
Net profit before taxation	69.5	382.6
<b>Adjustments for:</b>		
Depreciation and amortisation	46.7	111.2
Dividend Income	(5.2)	-
Profit on sale of current investments	(127.2)	(98.6)
Distribution from investment in units of venture capital funds	(10.6)	(165.7)
Interest income	-	(1.0)
Provisions no longer required written back	(125.0)	(239.2)
Rental income	(60.2)	(32.4)
Finance charges	226.3	3.7
Unrealised loss on account of Foreign Exchange Fluctuation	8.1	-
(Profit) / loss on sale of assets	0.1	(1.2)
Operating profit before working capital changes	<u>22.5</u>	<u>(40.6)</u>
<b>Changes in working capital:</b>		
Adjustment for (increase)/ decrease in operating assets:		
Trade Receivables	52.9	(62.9)
Short-term loans and advances	23.8	97.1
Long-term loans and advances	(18.2)	4.3
Other Current Assets	85.8	(0.7)
Adjustment for increase/ (decrease) in operating liabilities:		
Trade payables	87.8	180.8
Other long term liabilities	2.4	(0.8)
Other current liabilities	60.6	(24.4)
Long-term provisions	39.7	(7.2)
Short-term provisions	1.0	(2.3)
Cash generated from operations	<u>358.3</u>	<u>143.3</u>
Net income taxes (paid)	<u>(5.5)</u>	<u>(99.4)</u>
Net cash flow from operating activities	<u>352.8</u>	<u>43.9</u>
<b>B Cash flows from investing activities</b>		
Purchase of fixed assets	(13.4)	(17.6)
Proceeds from sale of fixed assets	8.9	4.7
Distribution from investment in units of venture capital funds	7.3	94.2
Rental income	60.2	0.8
Interest Income	-	1.0
Dividend income	5.2	-
Purchase of current investments	(1,696.5)	(1,349.4)
Sale of current investments	1,600.5	1,387.5
Purchase of non-current investment	(4,906.1)	(0.5)
Sale of non-current investments	2,636.0	1.2
<b>Net cash flow (used in) / from investing activities</b>	<u>(2,297.9)</u>	<u>121.9</u>
<b>C Cash flows from financing activities</b>		
Proceeds from borrowings	2,593.8	-
Repayment of borrowings	(415.2)	(148.0)
Finance cost	(224.9)	(3.7)
Dividends paid	(1.0)	(10.0)
Tax paid on dividends	(0.2)	(1.7)
<b>Net Cash flow used in financing activities</b>	<u>1,952.5</u>	<u>(163.4)</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<u>7.4</u>	<u>2.4</u>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<u>3.2</u>	<u>0.8</u>
<b>Cash &amp; cash equivalents at the end of the year*</b>	<u>10.6</u>	<u>3.2</u>
* Comprises :		
(a) Cash on hand	0.1	-
(b) Balances with banks in current accounts	10.5	3.2
Corporate information and significant accounting policies	<u>1 &amp; 2</u>	<u>3 - 24</u>
Notes forming part of the financial statements		

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & CO, LLP  
*Chartered Accountants*  
Firm registration no : 101248W/W-100022

LALITA D GUPTE  
*Chairperson*

VISHAKHA MULYE  
*Managing Director & CEO*

SUPREET SACHDEV  
*Partner*  
Membership no : 205385

MADHUSUDHAN NAIR  
*Company Secretary*

BEENA M CHOTAI  
*Chief Financial Officer*

Bengaluru, April 21, 2015

Mumbai, April 21, 2015

## ICICI INTERNATIONAL LIMITED

### 20TH ANNUAL REPORT AND ACCOUNTS 2014-2015

Directors	Date of appointment	Date of resignation	Auditors	Bankers	Registered Office
Couldiplall Basanta Lala	18 January 1996	30 April 2014	Crowe Horwath (Mur) Co. Member of Crowe Horwath International 2nd Floor, Ebene Esplanade 24 Cybercity Ebene Mauritius	<b>Deutsche Bank (Mauritius) Limited</b> 4th Floor, Barkly Wharf East Caudan Waterfront Port Louis Mauritius	IFS Court TwentyEight Cybercity Ebene Mauritius
Kapildeo Joory	18 January 1996	25 August 2014	-		
Suresh Kumar	23 July 2001	-			
Ranjit Fernando	30 July 2007	-			
Sanker Parameswaran	22 January 2014	-			
Zakir Hussein Niamut	30 April 2014	-			
Yashwant Kumar Beeharee	25 August 2014	-			
			<b>Administrator, Secretary &amp; Mauritian Tax Agent</b> International Financial Services Limited IFS Court TwentyEight Cybercity Ebene Mauritius	<b>SBI (Mauritius) Limited</b> 7th Floor, Wing 2 SBI Tower Mindspace Building Ebene Mauritius	<b>ICICI Bank Limited</b> F/7 Empire Complex 1st Floor, 414 Senapati Bapat Marg Mumbai 400013 India

## commentary of the directors

### for the year ended March 31, 2015

The directors present the audited financial statements of ICICI INTERNATIONAL LIMITED (the "Company") for the financial year ended 31 March 2015.

#### PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and to act as CIS Manager.

#### RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

#### DIRECTORS

The present membership of the Board is set out on page 2. Couldiplall Basanta Lala had resigned on 30 April 2014 and Zakir Hussein Niamut was appointed as new director in his stead with effect from 30 April 2014.

Kapildeo Joory had resigned on 25 August 2014 and Yashwant Kumar Beeharee was appointed as new director in his stead with effect from 25 August 2014.

#### STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

## independent auditors' report

### to the shareholders of icici international limited

We have audited the accompanying financial statements of ICICI INTERNATIONAL LIMITED (the "Company"), which comprise of the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended as set out on pages 7 to 10, and a summary of significant accounting policies and other explanatory information as set out on pages 11 to 25.

#### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001, and for designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for keeping proper accounting records and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

The auditors, Crowe Horwath (Mur) Co., have indicated their willingness to continue in office until the next Annual Meeting.

#### CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of ICICI INTERNATIONAL LIMITED under the Mauritius Companies Act 2001, during the financial year ended 31 March 2015.

for International Financial Services Limited  
*Secretary*

*Registered office:*

April IIFS Court Twenty Eight Cybercity Ebene Mauritius

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

#### Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

This report is made solely for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

We do not express any opinion on the INR figures as they are shown as additional information for the sole purpose of the holding company which prepares consolidated financial statements.

Crowe Horwath (Mur) Co.  
Public Accountants  
April  
Ebene, Mauritius

K. S. Sewraz, FCCA  
Signing Partner  
Licensed by FRC

# statement of profit

# statement of financial

or loss and other comprehensive income for the year ended 31 march 2015

position as at 31 march 2015

	Notes	31 March 2015 US\$	March 31, 2015 ₹*	March 31, 2014 US\$	March 31, 2014 ₹*		Notes	March 31, 2015 US\$	March 31, 2015 ₹*	March 31, 2014 US\$	March 31, 2014 ₹*
		(₹ in 000's)						(₹ in 000's)			
<b>Income</b>											
Management fee	6 (a)	195,235	11,941,471	357,808	21,617,901	ASSETS					
Consultancy income	6 (c)	-	-	1,905	115,095	Non-current asset					
Sub account income	6 (b)	41,150	2,516,923	47,808	2,888,445	Investments	7	93	5,813	94	5,632
Bank interest income		21,061	1,288,188	22,980	1,388,396						
<b>Total income</b>		<b>257,446</b>	<b>15,746,582</b>	<b>430,501</b>	<b>26,009,837</b>						
<b>Expenses</b>						Current assets					
Licence fees		4,100	250,775	4,300	259,796	Receivables and prepayments	8	60,870	3,804,375	68,317	4,093,213
Professional fees	6 (d)/14	43,897	2,684,942	71,045	4,292,368	Cash and cash equivalents	9	1,457,262	91,078,875	1,599,216	95,817,027
Bank charges		1,643	100,493	2,363	142,767	<b>Total current assets</b>		<b>1,518,132</b>	<b>94,883,250</b>	<b>1,667,533</b>	<b>99,910,240</b>
Audit fees		6,900	422,036	6,900	416,881	<b>TOTAL ASSETS</b>		<b>1,518,225</b>	<b>94,889,063</b>	<b>1,667,627</b>	<b>99,915,872</b>
Salaries		154,510	9,450,542	138,930	8,393,817						
General expenses		39,973	2,444,933	49,610	2,997,317						
Advisory fees	6 (e)	51,443	3,146,490	99,228	5,995,118						
Trailer fees	6 (f)	51,821	3,169,611	85,224	5,149,030						
Insurance fees		15,085	922,668	15,319	925,537						
Loss on exchange		12,842	785,477	2,691	162,584						
<b>Total expenses</b>		<b>382,214</b>	<b>23,377,967</b>	<b>475,610</b>	<b>28,735,215</b>						
<b>Loss from operations</b>		<b>(124,768)</b>	<b>(7,631,385)</b>	<b>(45,109)</b>	<b>(2,725,378)</b>						
Receivable written off	4	(5,000)	(305,823)	-	-						
Investment written off	7	(1)	(61)	-	-						
Payable written back		1	61	-	-						
<b>Loss before taxation</b>		<b>(129,768)</b>	<b>(7,937,208)</b>	<b>(45,109)</b>	<b>(2,725,378)</b>						
<b>Taxation</b>											
Taxation	5	-	-	(67)	(4,048)						
<b>Loss for the year</b>		<b>(129,768)</b>	<b>(7,937,208)</b>	<b>(45,176)</b>	<b>(2,729,426)</b>						
<b>Other comprehensive income:</b>											
Items that will not be reclassified subsequently to profit or loss		-	-	-	-						
Items that may be classified subsequently to profit or loss		-	-	-	-						
Total comprehensive loss for the year		<b>(129,768)</b>	<b>(7,937,208)</b>	<b>(45,176)</b>	<b>(2,729,426)</b>						

\*The corresponding amounts in Indian rupee ("INR") are shown as additional information for the sole purpose of the holding company which prepares consolidated financial statements.

The notes on pages 11 to 25 form an integral part of these financial statements.

# statement of changes in equity

for the year ended March 31, 2015

**At 1 April 2013**

Total comprehensive loss for the year

**At 31 March 2014**

Total comprehensive loss for the year

**At 31 March 2015**

	Stated capital US\$	Retained earnings US\$	Total US\$
	900,000	763,269	1,663,269
	—	(45,176)	(45,176)
	900,000	718,093	1,618,093
	—	(129,768)	(129,768)
	900,000	588,325	1,488,325

# cash flow statement

for the year ended March 31, 2015

	March 31, 2015 US\$	March 31, 2014 US\$
<b>Cash flows from operating activities</b>		
Loss before taxation	(129,768)	(45,109)
Adjustment for:		
Bank interest income	(21,061)	(22,980)
Investments written off	1	-
<b>Operating loss before working capital changes</b>	<u>(150,828)</u>	<u>(68,089)</u>
Decrease/(increase) in receivables and prepayments	7,447	(24,255)
Decrease in payables	(19,634)	(38,322)
<b>Cash absorbed by operations</b>	<u>(163,015)</u>	<u>(130,666)</u>
Tax paid	-	(696)
<b>Net cash used in operating activities</b>	<u>(163,015)</u>	<u>(131,362)</u>
<b>Cash flows from investing activities</b>		
Interest received	21,061	22,980
<b>Net cash from investing activities</b>	<u>21,061</u>	<u>22,980</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(141,954)</u>	<u>(108,382)</u>
Cash and cash equivalents at beginning of the year	1,599,216	1,707,598
<b>Cash and cash equivalents at end of the year</b>	<u>1,457,262</u>	<u>1,599,216</u>

## notes to the financial statements

for the year ended March 31, 2015

### 1. GENERAL

The Company was incorporated in Mauritius on 18 January 1996 as a private company with liability limited by shares. It holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company is licensed to act as CIS Manager pursuant to the Securities Act 2005. The Company has been granted by the Securities and Exchange Board of India a Certificate of Perpetual Registration as a Foreign Institutional Investor (FII). The Company's registered office is at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The Company has subscribed to non-redeemable management shares of India Optima Fund (IOF) (Mauritius), India Opportunities Fund Limited (Jersey) and Emerging India Fund Company Limited (Mauritius). The Company also provides investment management services to IOF and TP Hold Co (Mauritius) Ltd and has acted as promoter to Emerging India Fund Company Limited, a company incorporated in Mauritius, and settlor to The Emerging India Fund Trust. The Company also offers sub-account services as a FII to IOF.

The financial statements of the Company are expressed in United States dollar ("US\$"). The Company's functional currency is the US\$, the currency of the primary economic environment in which the Company operates. The corresponding amounts in Indian rupee ("INR") are shown as additional information for the sole purpose of the holding company.

### 2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The preparation of the financial statements in accordance with IFRS requires the directors to make estimates and assumptions that could affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Basis of accounting

The financial statements are prepared under the historical cost convention as modified for the measurement at fair values of financial instruments carried on the statement of financial position.

#### Payables

Payables are stated at their nominal value.

#### Investments

The investments are classified as available-for-sale investments. This category determines subsequent measurement and whether any resulting income and expense is recognised in the profit or loss.

The investment is measured at fair value and the resulting temporary unrealised gains/(losses) (including unrealised foreign exchange gains/(losses) on retranslation at the closing rate, if any) are reported as a separate component of equity until the underlying investment is sold or permanently written off, when the total realised gains/(losses) are included in the profit or loss.

The valuation of investments may not necessarily represent the amounts that may eventually be realised from sales or other dispositions.

#### Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States dollar ("US\$"), which is the Company's functional currency and presentation currency.

# notes to the financial statements



for the year ended March 31, 2015

## (ii) Transactions and balances

Transactions denominated in foreign currencies are translated in US\$ at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at reporting date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to US\$ at the foreign exchange rate ruling at the date of the transaction. Differences on exchange are dealt with in equity as 'Translation reserve'.

## Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

## Receivables

Receivables are stated at original invoiced amount less allowances made for doubtful receivables based on a review of all outstanding amounts at the year end. An allowance for doubtful receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

## Stated capital

Ordinary shares are classified as equity.

## Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks. Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## Revenue recognition

Interest income, management fee, sub account income and consultancy fee are recognised as they accrue unless collectibility is in doubt.

## Expense recognition

All expenses are accounted for in the profit or loss on an accrual basis.

## Related parties

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

## Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, where appropriate.

Financial instruments carried on the statement of financial position include investments, receivables, cash and cash equivalents and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 12.

## Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following relevant new and revised Standards have been adopted in these financial statements. Their application has not had any material impact on the amounts reported for the current period or prior years but may affect the accounting for future transactions or arrangements.

### IAS 32 Financial Instruments: Presentation

The amendment clarifies the accounting requirements for offsetting financial instruments. New guidance in IAS 32 clarifies that the right of set-off:

- Must not be contingent on a future event; and
- Must be legally enforceable in all of the following circumstances:
  - (i) The normal course of business;
  - (ii) The event of default; and
  - (iii) The event of insolvency or bankruptcy of the entity and all of the counterparties.

### IAS 36 Impairment of Assets

Under the amendments, the recoverable amount of an asset (or CGU) is required to be disclosed only in periods in which an impairment provision has been either recorded or reversed in respect of that asset.

### Clarification of disclosure requirements – fair value less costs of disposal

The amendments to IAS 36 would require an entity to make disclosures for fair value less costs of disposal that are consistent with those currently required for an asset where the recoverable amount has been determined on the basis of value in use.

The amended also require disclosure of the level of the fair value hierarchy within which the fair value measurement of the asset is categorised in its entirety

- For fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, disclosure is required of that change and the reason(s) for making it
- For fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's recoverable amount is most sensitive
- The discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.

# notes to the financial statements

for the year ended March 31, 2015

## New standards and interpretations not yet adopted

The standards and interpretations which could impact on these financial statements that have been issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

## Portfolio exemption

The amendment clarifies that the portfolio exemption applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

## IAS 24 Related Party Disclosures

The amendment clarifies that an entity that provides key management personnel services ('management entity') to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and:

- Would require separate disclosure of amounts recognised as an expense for key management personnel services provided by a separate management entity
- Would not require disaggregated disclosures by the categories set out in IAS 24.

## Effective date for accounting periods beginning on or after 1 January 2016

### IFRS 7 Financial Instruments: Disclosures

#### Servicing contracts

The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset.

The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment need not to be applied for any period beginning before the annual period in which the entity first applies the amendments.

### IFRS 10 Consolidated Financial Statements

The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method.

In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows:

The retained interest is accounted for as an associate or joint venture using the equity method:

The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture

The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments:

The parent recognises the gain or loss in full in profit or loss.

### IAS 27 Separate Financial Statements

The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment.

Prior to the amendments, entities either accounted for its investments in subsidiaries, joint ventures or associates at cost or in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for those entities that have yet to adopted IFRS 9). The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial

position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss.

## Effective date for accounting periods beginning on or after 1 January 2018

### IFRS 9 Financial Instruments

IFRS 9 Financial Instruments (2014) incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting. IFRS 9 (2014) adds to the existing IFRS 9:

- New impairment requirements for all financial assets that are not measured at fair value through profit or loss
- Amendments to the previously finalised classification and measurement requirements for financial assets.

Other standards and IFRIC interpretations that are not yet effective and that would be expected not to have a material impact on the Company have not been analysed

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

### Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

#### Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2(i), the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (US\$).

#### Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The directors have not obtained any objective evidence of impairment of its existing financial assets during the year.

#### Receivable written off

Receivable amounting to US\$ 5,000 was written off during the year as this amount had been brought forward since long and it was not expected to recover the amount.

## 5. TAXATION

### Income tax

Under current laws and regulations, the Company is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income, thus reducing its maximum effective tax rate to 3%. Capital gains from sales of units and securities are exempt from income tax in Mauritius.

The Company has received tax residence certificate from the Mauritian authorities confirming that it is a tax resident of Mauritius, which is renewable on an annual basis subject to meeting certain conditions and under which the Company is eligible to obtain benefits under the double tax treaty between Mauritius and India.

The tax expense for the year ended 31 March 2015 amounted to US\$ NIL (31 March 2014: US\$ 67).

Tax loss of US\$201,071 will be carried forward to be netted off against future taxable income as follows:

# notes to the financial statements



for the year ended March 31, 2015

	US\$
Up to the year ending 31 March 2019	66,110
Up to the year ending 31 March 2020	<u>134,961</u>
	<u>201,071</u>

## Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2015, no deferred tax asset had been recognised in respect of the tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

## Income tax reconciliation

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of 15% as follows:

	March 31, 2015 US\$	March 31, 2014 US\$
Loss for the year before tax	<u>(129,768)</u>	<u>(45,109)</u>
Income tax at 15%	<u>(19,465)</u>	<u>(6,766)</u>
Tax effect of:		
Non allowable expenses	84	229
Exempt income	<u>(3,159)</u>	<u>(3,447)</u>
Receivable written off	750	-
Outside scope of taxation	1,546	68
Deemed tax credit	<u>20,244</u>	<u>9,983</u>
Income tax expense	-	67
At 1 April	-	629
Income tax expense during the year	-	67
Paid during the year	-	<u>(696)</u>
At 31 March	-	-

## 6. AGREEMENTS

### (a) Investment Management Agreements

The Company has entered into several investment management agreements with different companies to provide investment management services. Management fees accrued to the Company are included in the financial statements as per the investment management agreements. Where the companies under management are not activated, no investment management fee is accrued.

### (b) Investment Facilitation Agreement

The Company has entered into an investment facilitation agreement for providing sub account services as foreign institutional investor.

### (c) Consultancy Services Agreement

Pursuant to a consultancy services agreement, the Company is entitled to consultancy income on expenses incurred and/or payable (or likely to be incurred) by the Company in relation to the funds under its management.

### (d) Administration Agreement

The Company has entered into an administration agreement with an Administrator to procure administrative services. In consideration of the services being performed by the Administrator, the Company pays the Administrator a fee as per industry norms.

### (e) Advisory Agreements

The Company has entered into advisory agreements with two leading asset management companies in India to provide non-binding investment advisory services to the Company.

### (f) Global Distribution Agreements

The Company has also entered into other distribution agreements with distributors pursuant to which it pays the distributors trailer fees as per the agreements.

The above fees are paid on an arms' length basis and according to industry norms.

The above fees are paid on an arms' length basis and according to industry norms.

## 7. INVESTMENTS

Investments consist of:

- (a) 49% of management shares in India Optima Fund, a company incorporated in Mauritius, for a consideration of US\$ 71.
- (b) 49% of management shares in India Opportunities Fund Limited, a company incorporated in Jersey, for a consideration of US\$ 13.
- (c) Contribution of US\$ 9 to The Emerging India Fund Trust for the acquisition of 90% of management shares of EIFCL for the benefit of the Beneficiaries of the Trust.

At directors' valuation	March 31, 2015 US\$	March 31, 2014 US\$
<b>At directors' valuation</b>		
Available for sale investments:		
India Optima Fund	71	71
India Opportunities Fund Limited	13	13
Emerging India Fund Company Limited (see note below)	-	1
	<u>84</u>	<u>85</u>
<b>Other investment:</b>		
The Emerging India Fund Trust	9	9
<b>Total investments</b>	<u>93</u>	<u>94</u>
<b>Investments at cost and fair value</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<u>93</u>	<u>94</u>

The Company had investment of 10% management shares in Emerging India Fund Company Limited ("EIFCL"), a company incorporated in Mauritius, for a consideration of US\$ 1.

The shareholders of Emerging India Fund Company Limited had on 29 June 2012 approved the winding up of the company. EIFCL has wound up on 10 October 2014 and the investment of US\$ 1 has been written off.

One of the share classes of the India Optima Fund was closed on 10 June 2014.

## 8. RECEIVABLES AND PREPAYMENTS

	March 31, 2015 US\$	March 31, 2014 US\$
Sundry debtors	5,000	7,410
Receivable written off	(5,000)	-
Deposit	6,925	2,590
Management fees receivable	15,217	21,595
Sub account income receivable	7,539	7,898
Interest receivable on short term bank deposits (see note 9)	19,298	19,244
Other prepayments	11,891	9,580
	<u>60,870</u>	<u>68,317</u>

The directors believe receivables and prepayments approximate to their fair values.

## 9. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise the following:

	March 31, 2015 US\$	March 31, 2014 US\$
Cash at bank	157,262	71,709
Short term bank deposits (see note below)	1,300,000	1,527,507
	<u>1,457,262</u>	<u>1,599,216</u>

The short term bank deposits comprise of a fixed deposit of US\$ 1,300,000 held by the Company with SBI (Mauritius) Ltd, with an interest rate of 1.60% per annum and maturity date of 2 May 2015.

# notes to the financial statements

for the year ended March 31, 2015

## 10. STATED CAPITAL

**Issued and fully paid**  
90,000 Ordinary shares of US\$ 10 each

	March 31, 2015 US\$	March 31, 2014 US\$
	<b>900,000</b>	<b>900,000</b>

The fully paid ordinary shares carry voting rights and the holders are entitled to receive dividends.

## 11. PAYABLES

	March 31, 2015 US\$	March 31, 2014 US\$
Sundry creditors	9	10
Accruals	7,799	6,112
Trailer fees	11,235	16,212
Advisory fees	10,857	27,200
	<b>29,900</b>	<b>49,534</b>

The directors believe payables to approximate to their fair values.

## 12. FINANCIAL INSTRUMENTS

### Fair values

The carrying amounts of investments, receivables, cash and cash equivalents and payables approximate their fair values due to their short-term nature.

### Currency profile

The currency profile of the Company's financial assets and liabilities is summarized as follows:

	Financial assets March 31, 2015 US\$	Financial liabilities March 31, 2015 US\$	Financial assets March 31, 2014 US\$	Financial liabilities March 31, 2014 US\$
Indian rupee (INR)	370	-	385	-
Mauritian rupee (MUR)	13,881	-	27,721	-
United States dollar (US\$)	1,492,083	29,900	1,629,941	49,534
	<b>1,506,334</b>	<b>29,900</b>	<b>1,658,047</b>	<b>49,534</b>

Prepayments amounting US\$11,891 (31 March 2014: US\$9,580) have not been included in financial assets.

### Risk management

The Board is ultimately responsible for risk management, which includes the Company's risk governance structure and maintaining an appropriate internal control framework. Management's responsibility is to manage risk on behalf of the Board.

The Company's activities expose it to a variety of risks management policies, including:

- (i) Credit risk
- (ii). Liquidity risk
- (iii). Foreign exchange risk
- (iv). Interest rate risk
- (v). Foreign currency sensitivity analysis

### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets.

	Carrying amount March 31, 2015 Notes US\$	Carrying amount March 31, 2014 US\$
Receivables	8 48,979	58,737

The Company's credit risk is primarily attributable to its management fees receivable and other receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

### (ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through the adequate amount of committed credit facilities.

The total below illustrates the aged analysis of the Company's financial liabilities.

	March 31, 2014 US\$	March 31, 2013 US\$	Remaining contractual maturity
Liability Payables (note 11)	29,900	49,534	Less than 1year
	<b>29,900</b>	<b>49,534</b>	

### (iii) Foreign exchange risk

The Company's assets and liabilities are mostly denominated in United States dollar and consequently, the Company is not exposed to the risk that the exchange rate of the US\$ changes relative to any other currency.

### (iv) Interest rate risk

Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates.

### (v) Interest rate sensitivity analysis

The impact of a 5% fluctuation in the interest rates would be as follows:

	5% increase March 31, 2015 US\$	5% decrease March 31, 2015 US\$	5% increase March 31, 2014 US\$	5% decrease March 31, 2014 US\$
US\$ denominated				
Bank interest income	1,053	(1,053)	1,149	(1,149)
Effect on profit before tax	<b>1,053</b>	<b>(1,053)</b>	<b>1,149</b>	<b>(1,149)</b>

### Fair value hierarchy

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the assets or liability.

The following tables set out the fair values of financial instruments that are analysed by the level in the fair value hierarchy into which each fair value measurement is categorised:

Financial asset	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
	US\$	US\$	US\$	US\$
Investments	-	-	93	93
Total	<b>-</b>	<b>-</b>	<b>93</b>	<b>93</b>

# notes to the financial statements



for the year ended March 31, 2015

The fair values of receivables, cash and cash equivalents and payables approximate their carrying values due to their short term nature.

## 13. CAPITAL MANAGEMENT

The principal activity of the Company is to provide investment management services and to hold investments.

The Company invests its surplus funds in short term fixed deposits with the banks, with a view to maximise interest income.

The assets of the Company are managed by its Board of directors who also takes investments/divestments decisions.

The Company has an externally imposed capital requirement in that it should maintain a minimum stated and unimpaired capital of at least Mauritian rupees 1 million or an equivalent amount. As at 31 March 2015, the Company's stated capital is in excess of this minimum requirement.

## 14. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of ICICI Bank Limited. Transactions with the related parties were carried out on commercial terms and conditions and at market prices. During the year under review, the Company traded with related parties. The nature, volume of transactions and balance with the related parties are as follows:

Nature of Relationship	Nature of transaction	Balance as at 31 March 2014 US\$	Volume of transactions US\$	Balances as at 31 March 2015 US\$	Payable (P)/ Receivable (R)
Fellow subsidiary	Advisory Fees	(27,200)	51,443	(10,857)	P
Parent company	Trailer fees	(16,212)	51,821	(11,235)	P
Secretary, Administrator and Mauritian Tax Agent	Administration, Secretary, MLRO and tax filing fees	(2,110)	47,997	(2,500)	P

The services below from International Financial Services Limited, the Administrator, are provided on commercial terms and conditions.

	31 March 2015 US\$	31 March 2014 US\$
Directors' fees	3,333	10,000
MLRO fees	500	1,500
Secretarial fees	500	1,500
Tax filing fees	667	2,000
Administration fees	38,897	56,045

The above fees also represent the breakdown of the professional fees as presented in the profit or loss.

Kapildeo Joory, one of the directors of the Company, has resigned on 25 August 2014. He is also a director of International Financial Services Limited (the "Administrator") and hence deemed to have beneficial interests in the Administration Agreement between the Company and the Administrator.

Couldiplall Basanta Lala who is also a director of the Administrator has resigned as director of the Company on 30 April 2014.

## 15. HOLDING AND ULTIMATE HOLDING COMPANY

The directors consider ICICI Bank Limited, incorporated in India as the immediate holding and ultimate holding company.

## 16. EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2015.

# ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

## 15TH ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Chanda Kochhar, <i>Chairperson</i> <i>DIN: 00043617</i>	Keki Dadiseth <i>DIN: 00052165</i>	Puneet Nanda, <i>Executive Director</i> <i>DIN: 02578795</i>
N. S. Kannan <i>DIN: 00066009</i>	Marti G. Subrahmanyam <i>DIN: 0036761</i>	Sandeep Batra, <i>Executive Director</i> <i>DIN: 03620913</i>
K. Ramkumar <i>DIN: 00244711</i>	Rama Bijapurkar <i>DIN: 00001835</i>	
Rajiv Sabharwal <i>DIN: 00057333</i>	Vinod Kumar Dhall <i>DIN: 02591373</i>	
Barry Stowe <i>DIN: 00953024</i>	V. Sridar <i>DIN: 02241339</i>	
Adrian O'Connor <i>DIN: 02417554</i>	Sandeep Bakhshi, <i>Managing Director &amp; CEO</i> <i>DIN: 00109206</i>	

	<b>Auditors</b>
	S.R. Batliboi & Co. LLP <i>Chartered Accountants</i> (registration no. 301003E)

**Registered & Corporate Office**  
ICICI PruLife Towers,  
1089 Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400 025.

BSR & CO. LLP <i>Chartered Accountants</i> (registration no. 101248W/W-100022)
M. Sanaulla Khan <i>Company Secretary</i>

## directors' report

### to the members

#### ICICI Prudential Life Insurance Company Limited

Your Directors have pleasure in presenting the fourteenth Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2015.

#### PERFORMANCE

##### Industry in FY2015

The new business premiums of life insurance industry declined by 10.3% in FY2015 in terms of retail weighted received premium (RWRP). Private players registered a growth of 15.9% compared to a decline of 3.4% in FY2014. Some of the key industry trends were:

- Increase in linked products mix: The declining trend in linked mix was reversed and linked mix increased to 11% for the industry (based on new business premium) for 9m-2015 as compared to 7% for FY2014. For the private players, the linked mix increased to 36% for 9m-2015 from 29% for FY2014.
- Increase in bancassurance mix: Contribution by bancassurance channel to the new business premium of the private players has increased to 47% for 9m-2015 compared to 44% for FY2014\*.

##### Company in FY2015

The Company registered an increase in market share to 11.3% for FY2015 from 7.2% in FY2014 based on RWRP. The Company's RWRP registered a strong growth of 41.3% to ₹ 45.96 bn in FY2015 as compared to ₹ 32.53 bn in FY2014. Among the private players, the market share increased to 23.0% from 18.9% in FY2014.

Total gross premium collected by the company registered a growth of 23.2% to ₹ 153.06 bn in FY2015 from ₹ 124.29 bn in FY2014. Our continued focus on customer retention has resulted in increase in retail renewal premium by 18.2% to ₹ 95.71 bn in FY2015 from ₹ 81.00 bn in FY2014. The 13th month persistency ratios has also improved significantly to 79.3% in 11m-2015 compared to 71.5% in FY2014.

Agency channel was able to arrest the year on year declining trend with a growth of 22.1% in FY2015 as against decline of 19.7% last year. The Company successfully integrated a new bancassurance relationship with Standard Chartered Bank which further strengthened the franchise. Bancassurance emerged as the predominant channel with a contribution of 59.2% and a growth of 53.0% compared to 19.5% in FY2014.

Total expenses remained flat at ₹ 22.58 bn in FY2015 as compared to ₹ 22.55 bn in FY2014. This was despite a strong growth in new business premium as well as total premium. As a result Cost to RWRP ratio improved significantly to 49.1% for FY2015 as compared to 69.3% in FY2014. Profit after tax (PAT) for the Company registered a 4.3% growth and increased to ₹ 16.34 bn in FY2015 compared to ₹ 15.67 bn in FY2014. The Company was able to wipe out the accumulated losses with the balance in the P&L account of ₹ 0.48 bn as at March 31, 2015.

A summary of key parameters is as set out below:

Particulars	FY2014	FY2015
RWRP	32.53	45.96
Total retail premium	116.85	145.03
Non unit expenses	22.55	22.58
Stand alone profit after tax	15.67	16.34
<i>Sum assured in force</i>	2,682.80	3,065.31
Assets held	805.97	1,001.83
<i>Cost to RWRP</i>	69.3%	49.1%
Expense ratio	18.8%	15.4%

#### CONSOLIDATED FINANCIALS

Particulars	Standalone		Consolidated	
	FY2014	FY2015	FY2014	FY2015
Profit before tax (PBT)	15.29	15.85	15.28	15.85
Provision for tax	0.38	0.49	0.38	0.49
Profit after tax (PAT)	15.67	16.34	15.66	16.34
Balance brought forward from previous year	(11.64)	(10.33)	(11.64)	(10.34)
Profit available for appropriations	4.03	6.01	4.02	6.00
Interim Equity Dividend	(7.93)	(5.36)	(7.93)	(5.36)
Proposed Final Dividend	(3.00)	(3.01)	(3.00)	(3.01)
Tax on Equity Dividends	(1.86)	(1.61)	(1.86)	(1.61)
General Reserve	(1.57)	4.45	(1.57)	4.45
Surplus carried to next year's account	(10.33)	0.48	(10.34)	0.47

The financial position of the Company remained strong with a solvency margin of 336.9% in FY2015 compared to 372.3% for FY2014 against regulatory requirement of 150%. The Company has been able to maintain healthy return on invested capital at 33.9% for FY2015.

The assets under management reached a significant milestone this year with the Company becoming the only private life insurer to have an AUM of ₹ one trillion in March 2015. The AUM increased to ₹ 1,001.83 bn as at March 31, 2015 from ₹ 805.97 bn as at March 31, 2014.

Digitization has been a major cornerstone of our strategy to deliver superior value to our customers. The end to end use of technology from on boarding of customers to payouts has yielded significant gains.

\*As per IRDAI circular IRDA/ALT/CPR/035/01/2014 dated January 23, 2014

# directors' report



Continued

- New business applications initiated using the digital platform stood at 93% for FY2015
- 50% of our renewal premium payment was completed through standing instructions and online payment mode.
- 92% of our payouts were made through electronic mode.

## Outlook for the industry and the Company

The Indian economy and capital markets performed well in FY2015 which aided the return of retail investor to financial investment avenues. It is expected that this trend would continue going forward as well. Life insurance industry is an important component of financial saving and is expected to gain from the shift in trend. Recent events like opening of insurance sector for foreign investments, enhanced incentives for financial saving, focus on increasing financial inclusion, improving customer proposition of insurance products coupled with fundamental strengths of Indian economy (High GDP growth rate, high savings and investment rate, favourable demography) are expected to provide fillip to growth of Insurance industry in India.

The Company would continue to focus on its strategic priorities, namely:

**Enhance market leadership:** The Company would continue to focus on growth opportunities in the market with a customised regional strategy to strengthen relative position in every geography.

**Providing superior value proposition to customers:** The Company would continue to focus on providing superior customer value proposition through product design and service architecture.

**Strengthen multi-channel architecture:** The Company would strengthen its multichannel distribution by non-linear scale up of agency and proprietary sales force, leveraging the bancassurance franchise and focusing on quality third party distribution.

**Continued focus on efficiency of operations:** The Company would focus on cost efficiency and in particular would leverage the digital platform to improve customer experience and efficiency of operations.

**Customer retention:** The Company would strengthen mechanisms to improve the AUM growth by increasing renewal premium and curtailing surrenders.

**Superior risk adjusted fund performance:** The Company has in place a robust risk and investment management frame work and would continue to deliver superior risk adjusted returns to customers.

## OUR REACH

The Company reaches its customers through 547 offices in 480 locations at March 31, 2015. At March 31, 2015, the Company had over 10,863 employees and over 132,463 advisors to cater to the needs of customers. The Company distributes its products through agents, corporate agents, banks, brokers, proprietary sales force (PSF) and online channels.

## PRODUCTS

During the year, the Company started with a complete range of long term savings products. The bouquet of linked products allowed us to capitalize on the positive macro economic environment and enhance our market share. Recognizing the importance of protection for customers, the Company enhanced customers' onboarding experience by devising a risk calibrated underwriting approach. Further, the Company will continue to design products that will provide good value proposition to our customers to help them plan for their goals.

The linked mix increased to 84.8% in FY2015 up from 66.5% in FY2014. Company has focused on increasing the overall protection component of its business as a result of which the Sum assured in force increased to ₹ 3065.31 bn from ₹ 2682.80 bn in FY2014.

## DIVIDEND

The operations have resulted in a profit after tax of ₹ 16.34 billion as compared to a profit after tax of ₹ 15.67 billion for the previous year. The Board had approved for payment of interim dividend of ₹ 1.05 per share and a special dividend of ₹ 0.80 on September 15, 2014. Further, the Board at its meeting held on October 17, 2014 had approved payment of interim dividend of ₹ 1.10 per share and a special dividend of ₹ 0.80 per share respectively. The Board at its Meeting held on April 24, 2015 recommended a final dividend of ₹ 1.05 per share and a special dividend of ₹ 1.05 per share. Total dividend for the year is ₹ 5.85 per share aggregating to ₹ 8.37 billion for FY2015.

## CLAIMS

The Company believes that claim settlement is the ultimate promise which needs to be delivered to policyholders/beneficiaries. Towards this objective, we have designed and developed robust claims processes and systems which ensure settlement of genuine claims at the earliest, thereby protecting the interest of policyholders.

The Company has demonstrated its commitment by settling over 11,500 individual mortality claims in FY2015. For non-investigated claims, the settlement was completed within an average turnaround time of 5.6 days from receipt of last requirement as compared to the regulatory norm of 30 days.

At 94.1% the company had the highest claim settlement ratio for FY2014 amongst private life insurance players.

## SUBSIDIARY

The Company's wholly owned unlisted subsidiary, ICICI Prudential Pension Funds Management Company Limited (PFM) acts as a pension fund manager under the National Pension System (NPS).

During the year ended March 31, 2015, the subscribers' funds managed by PFM have increased by 108.7% to ₹ 3,690.0 million (previous year: ₹ 1,768.2 million). PFM has registered a profit of ₹ 1.0 million (previous year: loss of ₹ 10.7 million).

During FY2014, the PFRDA appointed eight Pension Funds to manage the pension assets of the Private Sector NPS through competitive bidding. The lowest bid for Investment Management Fees was 0.01% per annum on assets under management. As required by the terms and conditions of the bidding process, the Company has accepted the lowest bid and accordingly has been appointed as Sponsor of Pension Fund by PFRDA for the period of five years. The investment management fee has been revised to 0.01% p.a. with effect from August 01, 2014.

## AUDITORS

B S R & Co. LLP and S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed as joint statutory auditors of the Company for FY2015 at the Fourteenth Annual General Meeting to hold office upto the conclusion of the ensuing Annual General Meeting. Pursuant to circular dated July 25, 2005 regarding the appointment of statutory auditors by insurance companies, The Insurance Regulatory & Development Authority of India (IRDAI) requires that the joint statutory auditors should retire after completion of five years and are eligible for reappointment after a cooling off period of two years. The Board proposes to re-appoint B S R & Co. LLP and S. R. Batliboi & Associates LLP, Chartered Accountants, as the Joint Statutory Auditor (being eligible for appointment and re-appointment) on the recommendation of the Audit Committee of the Company.

## Secretarial Audit

As required by the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed K. R. Chandratre, Company Secretary in Practice to undertake Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure A.

## Admission of equity shares with Central Depository Services (India) Limited

The Company's equity shares were admitted on the records of the Central Depository Services (India) Limited ("CDSL") in December 2014, to facilitate transfer of shares, where the transferee is holding shares in demat form with CDSL registered Depository Participant. As the members may be aware, the equity shares of the Company are already admitted on records of the National Securities Depository Limited ("NSDL").

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure B.

## PARTICULARS OF EMPLOYEES

As required by the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014, the names and relevant particulars of the employees are set out in the Annexure to the Directors' Report.

## RURAL AND SOCIAL BUSINESS

138,442 policies were issued in rural areas, constituting 22% of total policy issuances. The Company also covered more than 89,700 lives falling within the norm of 'social sector' business.

## INCREASE IN SHARE CAPITAL

The paid-up capital of the Company increased by ₹ 24.61 million (face value) pursuant to exercise of stock options granted under the Employee Stock Option Scheme taking the paid-up capital to ₹ 14.32 billion (face value) at March 31, 2015.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits under Section 73 of the Companies Act, 2013.

## Corporate Social Responsibility Initiatives

The Corporate Social Responsibility policy as approved by the Board is uploaded on the Company's website.

The Annual Report on Corporate Social Responsibility is annexed herewith as Annexure C.

## Particulars of contracts or arrangements with related parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is disclosed in Form No. AOC -2 appended as Annexure D.

# directors' report

## forming part of the accounts

Continued

### Statement in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has established a governance framework and a control environment, commensurate with the size, scale and complexity of its operations. The corporate governance framework of the Company is based on an effective independent Board, separation of Board's supervisory role from the executive management and constitution of Board Committees, generally comprising a majority of independent/non-executive directors and chaired by independent directors to oversee critical areas. The Board committees are supported by executive committees to oversee at an operational level. All employees are bound by the Code of business conduct and ethics approved by the Board of Directors.

The internal financial controls with reference to financial statements of the Company comprises multiple levels of oversight as follows:

1. The Company has a reporting and review framework comprising quarterly reporting and review of audited financials and investment returns to regulator and shareholders. The financials prepared are audited by joint statutory auditors, and are reviewed by Audit Committee. They are also submitted to IRDAI Internal audit team acts exercises independent control over operational and financial processes and significant internal audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Investment operations is subject to concurrent audit certification on a daily basis.
2. The Company has deployed automation in most of the transaction processing aspects including policy administration, investment management, actuarial computations, expense processing, claims management, annuity, human resources process and accounting. System and process controls have been put in place for various sub processes.
3. The Company has also implemented the COSO 1992 framework for ensuring compliance with Sarbanes Oxley Act, 2002/Clause 49. All business processes having implication on financial results are subject to quarterly reviews. Any deficiency is discussed at Audit Committee.
4. Self-assessment through detailed compliance checklist and certification by MD are done quarterly.
5. A formal Risk and Control Self- assessment is carried out to identify and assess operational risk in all aspects related to financial controls.

### Auditor's Report

There are no qualification, reservation or adverse remark or disclaimer made by the auditors in their report.

### Internal audit and compliance framework

**Internal Audit:** The Company has in place an internal audit framework with a risk based audit approach. The basic philosophy of risk based internal audit is to provide reasonable assurance to the Board Audit Committee and top management about the adequacy and effectiveness of the risk management and control framework in the Company.

Review of controls is undertaken by internal audit through execution of internal audits as per risk based audit plan. The internal audit covers auditing of processes, transactions and systems. Key audit observations and recommendations made are reported to the Board Audit Committee every quarter. Implementation of the recommendations is actively monitored.

The internal audit function is capable of reviewing and assessing the adequacy and effectiveness of, and the Company's adherence to its internal controls as well as reporting on its policies and procedures.

**Compliance:** The Board Audit Committee oversees the compliance framework of the Company. The Company has formulated various internal policies/procedures and an employee code of conduct, which govern day-to-day activities to ensure compliance. The Compliance function disseminates relevant laws, regulations and circulars related to insurance, anti-money laundering and other regulatory requirements, to various functions. It also serves as a reference point for the staff of various functions for seeking clarifications on applicable laws, regulations and circulars issued by the regulatory authorities. The Compliance team also monitors the adequacy of the compliance framework across the Company. Key issues observed as part of this monitoring are reported to the Board Audit Committee, and implementation of recommendations is actively monitored. A compliance certificate signed by the Managing Director & CEO, based on the certification from respective functional heads, is placed at the Board Audit Committee on a quarterly basis.

### Risk Management

The details of Risk Management are provided in the of Enterprise Risk Management report which is a part of the annual report.

### Whistle Blower Policy

The Company has formulated a Whistle blower Policy to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. As per the Policy, employees can raise concerns related to breach of any law, statute or regulation, Issues related to accounting policies and procedures, Acts resulting in financial loss or loss of reputation, misuse of office, suspected/

actual fraud and criminal offences, non-compliance to Anti-bribery & anti-corruption policy by the Company or its employees to the Board Audit Committee through specified channels. This mechanism has been communicated and posted on the Company's intranet.

### Code of Conduct for Personal Investments

The Company has a Code of Conduct for personal investments. The objective of the Code is to prohibit insider trading in any manner by the Access Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a "need to know" basis. The Code is applicable to all "Access Persons" and their "Family Members" as defined in this Code.

### Code of business conduct and ethics

The Board of Directors has approved a Code of Business Conduct and Ethics for Directors and employees of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the Company.

The Code lays down the broad framework of general guiding principles.

### Sexual Harassment Policy

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at work place and has communicated to all its employees about the same. The Company believes in providing a safe working environment at the workplace. On an ongoing basis, the Company creates education & awareness amongst employees through training program/seminars, e-mail campaigns.

### CORPORATE GOVERNANCE

The corporate governance framework of the Company is based on an effective independent Board, the separation of Board's supervisory role from the executive management and the constitution of Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent Directors, to oversee critical areas.

### Philosophy of Corporate Governance

The Company is committed to adopting the highest business, governance, ethical and legal standards. The Company's corporate governance philosophy encompasses not only regulatory and legal requirements but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders, legally, ethically and on a sustainable basis, while ensuring fairness. The IRDAI issued corporate governance guidelines dated August 5, 2009.

### Board of Directors

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013 and in accordance with (IRDAI) Corporate governance guideline, 2009. The Board comprises of fourteen Directors; four nominated by ICICI Bank Limited, two nominated by Prudential Plc, five independent Directors, the Managing Director & CEO and two Executive Directors. Except the Managing Director & CEO and two Executive Directors, all other Directors including the Chairperson of the Board are non-executive Directors. There is a clear segregation of responsibility and authority between the non-executive Directors and the executive management. The Board is responsible for overall corporate strategy and other responsibilities as laid down by (IRDAI) under the Corporate Governance guidelines. The Managing Director & CEO and the Executive Directors oversee implementation of strategy, achievement of the business plan and day-to-day operations. There is an appropriate mix of executive, non-executive and independent Directors to maintain the professionalism and independence of the Board. The independent Directors are eminent personalities with significant expertise in the fields of finance, insurance, law, strategy and marketing. None of the Directors are related to any other Director or employee of the Company.

The Board functions either as a full Board or through various Committees constituted to oversee specific operational areas. The Board has constituted eight Committees, namely, Board Audit Committee, Board Risk Management Committee, Board Investment Committee, Board Customer Service & Policyholders' Protection Committee, Board Nomination and Remuneration Committee, Board Corporate Social Responsibility Committee Share Transfer Committee and With Profits Committee. These Committees were constituted with all or majority of members being independent/non-executive director and all the Committees are chaired as independent Directors,

There were four Meetings of the Board during FY2015 - on April 22, 2014, July 23, 2014, October 17, 2014 and January 16, 2015. The maximum interval between any two meetings did not exceed 120 days. The names of the Directors and their attendance at Board Meetings during the year are set out in the following table:

# directors' report



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*Continued*

Name of the Director	Board Meetings attended/held during the year	Number of other directorships		Number of other committee <sup>3</sup> memberships
		Of Indian public limited companies <sup>1</sup>	Of other companies <sup>2</sup>	
<b>Nominee Directors</b>				
Chanda Kochhar, Chairperson	3/4	4	3	—
N. S. Kannan	4/4	4	1	2
K. Ramkumar	3/4	2	—	—
Rajiv Sabharwal	4/4	2	—	—
Barry Stowe	1/4	1	—	—
Adrian O'Connor	3/4	—	—	—
<b>Independent Directors</b>				
Keki Dadiseth	3/4	9	—	8
Marti G. Subrahmanyam	4/4	2	1	—
Rama Bijapurkar	4/4	2	1	1
Vinod Kumar Dhall	4/4	7	—	8
V. Sridar	4/4	8	1	8
<b>Executive Directors</b>				
Sandeep Bakhshi, Managing Director & CEO	4/4	2	—	1
Puneet Nanda	4/4	1	—	1
Sandeep Batra	4/4	2	1	1

1. Comprises public limited companies incorporated in India.
2. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
3. Comprises only Audit Committee and Shareholders'/Investors' Grievance Committee of Indian public companies.

In terms of the section 152 provisions of the Companies Act, 2013 Adrian O'Connor (DIN: 02417554) and Puneet Nanda (DIN: 02578795) would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Adrian O'Connor (02417554) and Puneet Nanda (02578795) has offered himself for re-appointment.

The Company has obtained the declarations from Independent Directors as per section 149 (6) of the Companies Act, 2013. Further, in terms of section 149 and 152 provisions of the Companies Act, 2013, the existing Independent Directors were re-appointed by the members at the Extraordinary General Meeting held on January 24, 2015 the details of tenure of these Directors are set out in the following table:

Sr. No.	Name of Director	Date of first Appointment	Date of completion of tenure of the independent directors as per Board Governance norms.
1.	Keki Dadiseth	April 26, 2006	April 25, 2016
2.	Marti G. Subrahmanyam	July 26, 2007	July 25, 2017
3.	Rama Bijapurkar	January 17, 2008	January 16, 2018
4.	Vinod Kumar Dhall	March 05, 2009	March 04, 2019
5.	V. Sridar	April 18, 2013	January 15, 2020*

\*One term of five years. Can be re-appointed for another uncompleted term of five years.

#### Annual evaluation by the Board

There is a well defined framework for Performance evaluation of the Board/Chairperson/whole-time directors and Independent Directors. The evaluation of the Board/Chairperson/whole-time directors and Independent Directors for the financial year 2014-2015 was completed through an online survey portal.

#### Meeting of Independent Directors

There was one Independent Directors Meetings during FY2015 on March 23, 2015. The names of the Independent Directors and their attendance at Independent Directors Meetings during the year are set out in the following table:

Name of the member	Number of meetings attended/held
Keki Dadiseth	1/1
Marti G. Subrahmanyam*	0/1
Rama Bijapurkar	1/1
Vinod Kumar Dhall	1/1
V. Sridar	1/1

\*Participated through call.

#### Board Committees

The details of Board Committees are as follows:

##### a) Board Audit Committee

The primary objective of the Committee is to monitor and provide an effective supervision of the financial reporting process, with high levels of transparency, integrity and quality of financial reporting. The Committee shall oversee the work of internal audit & compliance functions and ensure deployment of policies for an effective control mechanism including mechanism to address potential conflict of interest among stakeholders. The Committee has the authority and responsibility to select, evaluate and recommend the statutory auditors in accordance with law. The Committee shall ensure independence of control functions demonstrated by a credible reporting arrangement.

##### Terms of reference:

###### I. Accounts & Audit

- Oversee the financial statements, financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis.
- Recommend the appointment, re-appointment and, if required, the replacement or removal; remuneration, performance and oversight of the work of the auditors (internal/statutory/concurrent).
- Oversight of the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the Company, whether raised by the auditors or by any other person.
- Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern.
- Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
- Changes, if any, in accounting policies and practices and reasons for the same.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements to the extent applicable.
- Disclosure of any related party transactions.
- To the extent applicable review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

###### II. Internal Audit

- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review with the management, performance of internal auditors, and the adequacy of the internal control systems.
- Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower mechanism.

###### III. Compliance & Ethics

- Monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies, including the Company's code of ethics or conduct.

# directors' report

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- Review reports on the above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same.
- Supervise and monitor matters reported using the Company's whistle blowing or other confidential mechanisms for employees and others to report ethical and compliance concerns or potential breaches or violations.
- Advise the Board on the effect of the above on the Company's conduct of business and helping the Board set the correct "tone at the top" by communicating, or supporting the communication, throughout the Company of the importance of ethics and compliance.
- Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters.
- Review key transactions involving conflict of interest.
- Review the Anti Money Laundering (AML)/Counter – Financing of Terrorism (CFT) policy annually and review the implementation of the Companies AML/CFT programme.
- Review compliance of Insurance Regulatory & Development Authority (IRDA) Corporate Governance guidelines.
- Monitor the directives issued/penalties imposed/penal action taken against the Company under various laws and statutes and action taken for corrective measures.

### **Composition**

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Keki Dadiseth – Chairman	5/6
K. Ramkumar	4/6
Adrian O'Connor	2/6
V. Sridar	6/6
Vinod Kumar Dhali*	0/0

\* Appointed w.e.f January 16, 2015.

The Board of Directors at its Meeting held on January 16, 2015 re-constituted the Board Audit Committee effective January 16, 2015 pursuant to which Vinod Kumar Dhali was appointed as a Member of the Committee.

**b) Board Risk Management Committee**

The Committee formulates the Risk Management policy of the Company, including Asset Liability Management (ALM), to monitor all risks across the various lines of business of the Company and establish appropriate systems to mitigate such risks. The Committee also defines the risk appetite and risk profile of the Company. The Committee oversees the effective operation of the risk management system and advises the Board on key risk issues.

**Terms of reference:**

**A. Risk Management**

- i. Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;
- ii. Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
- iii. Reporting to the Board details of the risk exposures and the actions taken to manage the exposures;
- iv. Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;

**B. Asset Liability Management (ALM)**

- i. Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives;
- ii. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits;
- iii. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM; and
- iv. Placing information pertaining to ALM before the Board at periodic intervals.
- v. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations.
- vi. Quantifying the level of risk exposure.

### **Composition**

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Marti G. Subrahmanyam – Chairman	4/4
Rama Bijapurkar	4/4
N. S. Kannan	3/4
Adrian O'Connor	1/4

**c) Board Investment Committee**

The Investment Committee assists the Board in fulfilling its oversight responsibility for the investment assets of the Company. The Committee is responsible for formulating the overall investment policy and establishing a framework for its investment operations with adequate controls. The Committee also monitors investment performance against the applicable benchmarks and provide guidance for protection of shareholders' and policyholders' funds.

**Terms of reference:**

- Responsible for the statement and review of the Investment Policy and operational framework for the investment operations of the Company. The Investment Policy and operational framework should, inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments in line with policyholders' reasonable expectations and above all protection of policyholders' funds.
- Put in place an effective reporting system to ensure compliance with the Investment Policy set out by it apart from Internal/Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations.
- To furnish a report to the Board on the performance of Investments atleast on a quarterly basis and provide an analysis of its Investment portfolio and on the future outlook.

### **Composition**

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Marti G. Subrahmanyam – Chairman	4/4
N. S. Kannan	3/4
Adrian O'Connor	1/4
Sandeep Bakhshi	4/4
Sandeep Batra	4/4
Satyam Jambunathan*	4/4
Manish Kumar*	4/4
Binay Agarwala*	4/4

\* As per IRDAI regulation Board Investment Committee shall also have Appointed Actuary, Chief Investment Officer and Chief Financial Officer as members.

**d) Board Customer Service & Policyholders' Protection Committee**

The Board Customer Service & Policyholders' Protection Committee will assist the Board to protect the interests of the policyholders and improve their experiences in dealing with the company at all stages and levels of their relationship with the Company. In this connection, the Committee aims to upgrade and monitor policies and procedures for grievance redressal and resolution of disputes, disclosure of "material information" to the policy holders, and compliance with the regulatory requirements

**Terms of reference:**

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including misselling by intermediaries
- Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection
- Review of the mechanism at periodic intervals
- Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals
- Review the status of complaints of the policyholders at periodic intervals
- Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority

# directors' report

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- Provide details of insurance ombudsmen to the policyholders
- Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry
- Oversee the functions of the customer service council
- Review measures for enhancing the quality of customer service
- Provide guidance to improve in the overall satisfaction level of customers

### Grievance Redressal Committee (GRC)

Grievance Redressal Committee is formed to provide effective grievance redressal to the policyholders. The Committee consists of two external members and three members from senior management team of the Company. R. Narayanan, an external member, chairs the Committee. As part of the grievance redressal mechanism, the GRC constituted as the final authority to address the policyholders' grievances before approaching the Ombudsman office. Additionally, the GRC focuses on building and strengthening customer service orientation in the Company by initiating various measures including simplifying processes for improvement in customer service levels. The Committee meets on a quarterly basis with the following terms of reference:

- Evaluate feedback on quality of customer service and claims experience.
- Review and approve representations received on claims repudiations.
- Ensure that the Company follows all prescribed regulatory requirements on policyholder service.
- Submit report on its performance to the Customer Service & Policyholder Protection Committee (CS & PPC) on a quarterly basis.

The key discussions of the GRC Meeting are put up at the Board Customer Service & Policyholders' Protection Committee for information.

### Composition

The Board Customer Service & Policyholders' Protection Committee comprise of one independent Director and at March 31, 2015 was chaired by Vinod Kumar Dhall, an independent Director. There were four Meetings of the Committee during the year.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Vinod Kumar Dhall – Chairman	4/4
K. Ramkumar	3/4
Adrian O'Connor	2/4

### e) Board Nomination and Remuneration Committee

#### Terms of reference:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To approve the compensation programme and to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### Composition

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Rama Bijapurkar – Chairperson	5/5
Marti G. Subrahmanyam	4/5
Vinod Kumar Dhall	5/5
K. Ramkumar	3/5
Adrian O'Connor	3/5

### f) Board Corporate Social Responsibility (CSR) Committee

The purpose of the Committee is to formulate and recommend to the Board the CSR policy of the Company. It will also formulate the annual CSR plan, and monitor the CSR activities and compliance with the CSR policy from time to time. Corporate Social Responsibility Policy of the Company as per section 135 of the Companies Act, 2013 is appended as Annexure C to this Report.

#### Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

### Composition

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended/held
Vinod Kumar Dhall	2/2
K. Ramkumar	2/2
Adrian O'Connor	1/2

### g) Share Transfer Committee

#### Terms of reference:

- Approval and rejection of transfer and transmission of shares in physical form
- Approval and rejection of requests for split and consolidation of share certificates
- Approval and rejection of issue of duplicate share certificates
- Any other activities which are incidental or ancillary thereto

#### Members:

Vinod Kumar Dhall (Chairman)

Keki Dadiseth

Sandeep Bakhshi, Managing Director & CEO

During the year, no Meetings of the Committee were held as there were no request for the activities listed above.

### h) With Profits Committee

#### Terms of reference:

- Maintaining the asset shares, at policy level, and ensuring that only the portion of expenses representing this business shall be allocated and interest rate credits to these asset shares represent the underlying assets of these funds.
- Determining the asset share for each product in accordance with the guidance or practice standards, etc. issued by the Institute of Actuaries of India.
- Providing approval for the detailed working of the asset share, the expense allowed for, the investment income earned on the fund, etc. which were represented in the asset share.

### Composition

Name of the member	Number of meetings attended
V. Sridar, Chairman	1/1
Adrian O' Connor	0/1
Sandeep Bakhshi	1/1
N. S. Kannan	1/1
N. M. Govardhan*	1/1
Satyam Jambunathan*	1/1

\*As per IRDAI regulations With Profits Committee shall comprises of Independent Actuary and Appointed Actuary as members.

### Criteria for appointment of Directors & Senior Management

The Company has a well defined Policy for determining criteria for appointment of Directors & Senior Management personnel.

### Compensation & Benefits Policy

The Compensation & Benefits Policy is applicable to the Whole time Directors, Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) and other employees.

### Philosophy on compensation and benefits

The Company's philosophy on compensation and benefits is based on the ethos of meritocracy. The twin pillars of the performance management system and talent management system are closely intertwined with the compensation and benefits policy of the Company. The Company follows the cost to company approach while determining the compensation and benefits structure. While the Company aims to ensure internal and external equity consistent with emerging market trends, the Company's business model and affordability based on business performance sets the overarching boundary conditions.

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## Compensation structure

To meet the organisational objective of attracting, rewarding and retaining talent, compensation is delivered through a holistic composition of instruments as given below:

- Annual Guaranteed Pay
- Variable Pay
- Long-term Pay
- Non-cash Benefits
- Malus and Claw back

## Review of compensation & benefits' practices

The review of compensation decisions involve:

- Review of the prevalent and emerging trends in the market with specific reference to compensation and benefits provided
- Review of compensation and benefits policies in line with emerging employee needs and organisational priorities
- Decisions pertaining to annual increments, bonus payout, stock option grants, promotions and benefits at various levels

As provided under Article 135 of the Articles of Association of the Company, the fees payable to the Non-Executive Directors (other than nominee Directors of ICICI Bank Limited and Prudential plc i.e. the promoter group) for attending a Meeting of the Board or Committee thereof are decided by the Board of Directors from time to time within the limits prescribed by the Companies Act, 2013 or the Central Government. The Board of Directors has approved the payment of ₹ 1,00,000 as sitting fees for each Meeting of Board and ₹ 20,000 as sitting fees for each Meeting of Committee attended. This amount is within the limits prescribed as per rule 4 of Companies (Appointment & Remuneration) Rules, 2014 of the Companies Act, 2013. Other than the sitting fee no other remuneration is paid to the Non-Executive Directors.

**Sitting fees paid to independent Directors during the financial year ended March 31, 2015:**

Name of the member	Amount (in ₹)
Keki Dadiseth	4,00,000
Marti G. Subrahmanyam	6,40,000
Rama Bijapurkar	5,80,000
Vinod Kumar Dhall	6,20,000
V. Sridar	5,40,000
N. M. Govardhan	1,00,000

## General Body Meetings

The details of the last three Annual General Meetings (AGM) are given below::

Financial Year ended	Day, Date	Start time	Venue
Twelfth AGM	Monday, June 18, 2012	11.00 a.m.	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Thirteenth AGM	Thursday, June 20, 2013	11.00 a.m.	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Fourteenth AGM	Monday, June 23, 2014	4.30 p.m.	ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

The following special resolutions were passed by the members during the last three Annual General Meeting:

Annual General Meeting held on June 18, 2012

- Revision in remuneration payable to Sandeep Bakhshi, Managing Director & CEO.
- Revision in remuneration payable to Puneet Nanda, Executive Director.
- Revision in remuneration payable to Madhivanan Balakrishnan, Executive Director.

Annual General Meeting held on June 20, 2013

- Revision in remuneration payable to Sandeep Bakhshi, Managing Director & CEO.
- Revision in remuneration payable to Puneet Nanda, Executive Director.

Annual General Meeting held on June 23, 2014

- Revision in remuneration payable to Sandeep Bakhshi, Managing Director & CEO.
- Revision in remuneration payable to Puneet Nanda, Executive Director.
- Revision in remuneration payable to Sandeep Batra, Executive Director.

## General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Fifteenth AGM	Thursday, June 25, 2015, 10.00 a.m.	ICICI Prulife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

## Extra Ordinary General Meeting

The details of the last Extra Ordinary General Meeting (EGM) is given below:

Day, Date	Start time	Venue
Tuesday, January 24, 2015	4.30 p.m.	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025

The following special resolutions was passed by the members during the last Extra Ordinary General Meeting:

- Appointment of Independent Directors as per Companies Act, 2013.
- Amendment to ESOS 2005 Scheme.

## Share Transfer System

The Company's investor services are handled by 3i Infotech Limited (3i Infotech). 3i Infotech is a SEBI registered Category I - Registrar to an Issue & Share Transfer (R&T) Agent.

## Registrar and Transfer Agent

The address of the Registrar and Transfer Agent of the Company is as follows.

3i Infotech Limited  
International Infotech Park  
Tower 5, 3rd Floor  
Vashi Railway Station Complex  
Vashi, Navi Mumbai 400 703  
Maharashtra, India  
Tel No. : +91-22-6792 8000  
Fax No. : +91-22-6792 8099

## ADDITIONAL INFORMATION

### Conservation of Energy and Technology absorption

In view of the nature of business activity of the Company, the information relating to the conservation of energy and technology absorption, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not required to be given.

### Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo required under section 134(3)(m) of The Companies Act, 2013 read with rule 8(3) of The Companies (Accounts) Rules, 2014 are as under:

Particulars	FY2015	FY2014
Foreign exchange earnings and outgo		
- Earnings	52,925	34,660
- Outgo	695,007	473,859

### Employee Stock Option Schemes

The Company has an employee stock option scheme. The Employee Stock Option Scheme – 2005 (ESOS 2005) was approved by the shareholders vide a special resolution on March 28, 2005. In the interest of the option holders, during the year the Company has extended period for a further period of 3 years for the options granted between years 2005 to 2007 by modifying the definition of exercise period. The summary information on ESOS 2005 is provided as Annexure E to this Report.

### Events after Balance Sheet date

There have been no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the Balance Sheet relates and the date of this report.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the Companies Act, 2013 and the Corporate Governance Guidelines, the Board of Directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# directors' report



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## ACKNOWLEDGEMENTS

The Directors are grateful to the Insurance Regulatory & Development Authority of India, Reserve Bank of India and Government of India for their continued co-operation, support and advice.

The Directors would also like to take this opportunity to express sincere thanks to its valued customers for their continued patronage.

The Directors express their gratitude for the valuable advice and guidance received from time to time, from the auditors and the statutory authorities. The Directors express their deep sense of appreciation to all employees and distributors, who continue to display outstanding professionalism and commitment, enabling the organisation to retain market leadership in its business operations. The Directors also wish to express their gratitude to ICICI Bank Limited and Prudential Corporation Holdings Limited for their continued trust and support.

For and on behalf of the Board

Place: Mumbai  
Date: April 24, 2015

CHANDA KOCHHAR  
Chairperson  
DIN:00043617

SANDEEP BAKHSHI  
Managing Director & CEO  
DIN:00109206

## "Compliance with the Code of Business Conduct and Ethics"

I confirm that all Directors and members of the senior management have affirmed compliance with Code of Business Conduct and Ethics for the year ended March 31, 2015.

Place: Mumbai  
Date: April 24, 2015

M. Sanaulla Khan  
Company Secretary

## "Certification for compliance of the Corporate Governance Guidelines"

I, M. Sanaulla Khan, hereby certify that the Company has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Place: Mumbai  
Date: April 24, 2014

# secretarial audit report

## for the financial year ended 31 March 2015

## ANNEXURE A

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
ICICI Prudential Life Insurance Company Limited  
1089, Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai – 400 025

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICICI Prudential Life Insurance Company Limited ('the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extant of Foreign Direct Investment.

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

- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the Audit Period as the Company is not a listed entity:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (v) The following were not applicable to the Company during the Audit Period:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Stock Exchanges.
  - (vi) The Company, being a life insurance company, has complied with the Insurance Act, 1938 and regulations, guidelines and directions issued by the Insurance Regulatory & Development Authority of India (IRDAI). The company has its own robust compliance system and the Company is also subject to monitoring by and reporting of compliances to IRDAI.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company has no specific event/action, which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Date: April 24, 2015  
Place: Pune

CHANDA KOCHHAR  
FCS No. 1370, C P No: 5144

# directors' report

## forming part of the accounts

## ANNEXURE B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U66010MH2000PLC127837
ii)	Registration Date	July 20, 2000
iii)	Name of the Company	ICICI Prudential Life Insurance Company Limited
iv)	Category / Sub-Category of the Company	Insurance Company Limited
v)	Address of the Registered office and contact details	ICICI Prulife Towers 1089, Appasaheb Marathe Marg Prabhadevi Mumbai- 400 025 Tel. :(+91 - 22) 6662 1600 Fax :(+91 - 22) 2437 6638
vi)	Whether listed company Yes/No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited Tower #5, 3rd floor, International Infotech Park, Vashi Railway Station Complex, Vashi, Navi Mumbai - 400703. India Tel. : (+91 - 22) 6792 8000 Fax : (+91 - 22) 6792 8098

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding.

S. No.	Category of shareholders	No. of Shares held at the beginning of the year April 01, 2014				No. of Shares held at the end of the year March 31, 2015				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	<b>Indian</b>									
a)	Individual / HUF	—	—	—	—	—	—	—	—	—
b)	Central Govt	—	—	—	—	—	—	—	—	—
c)	State Govt(s)	—	—	—	—	—	—	—	—	—
d)	Bodies Corp.	—	—	—	—	—	—	—	—	—
e)	Banks/Fl	1,055,310,900	7	1,055,310,907	73.84	1,055,310,900	7	1,055,310,907	73.71	(0.13)
f)	Any Other	—	—	—	—	—	—	—	—	—
	Sub-total (A) (1) :-	1,055,310,900	7	1,055,310,907	73.84	1,055,310,900	7	1,055,310,907	73.71	(0.13)
(2)	<b>Foreign</b>									
a)	NRIs - Individuals	—	—	—	—	—	—	—	—	—
b)	Other - Individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corp.	370,784,884	—	370,784,884	25.94	370,784,884	—	370,784,884	25.90	(0.04)
d)	Banks/Fl	—	—	—	—	—	—	—	—	—
e)	Any Other	—	—	—	—	—	—	—	—	—
	Sub-total (A) (2):-	370,784,884	—	370,784,884	25.94	370,784,884	—	370,784,884	25.90	(0.04)
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1,426,095,784	7	1,426,095,791	99.78	1,426,095,784	7	1,426,095,791	99.61	(0.17)
B	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds / UTI-II	—	—	—	—	—	—	—	—	—
b)	Banks /FI / UTI-I	—	—	—	—	—	—	—	—	—
c)	Central Govt	—	—	—	—	—	—	—	—	—
d)	State Govt(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FII's	—	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i)	Other (specify)	—	—	—	—	—	—	—	—	—
	Foreign Banks	—	—	—	—	—	—	—	—	—
	FII - DR	—	—	—	—	—	—	—	—	—

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Life Insurance Company	65110	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	ICICI Prudential Pension Funds Management Company Limited	U66000MH-2009PLC191935	Subsidiary	100	2 (87)
	ICICI Prulife Towers 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.				

# directors' report



forming part of the accounts

*Continued*

S. No.	Category of shareholders	No. of Shares held at the beginning of the year April 01, 2014				No. of Shares held at the end of the year March 31, 2015				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	<b>Sub-total (B) (1) :-</b>	—	—	—	—	—	—	—	—	—
(2)	<b>Non-Institutions</b>				—				—	—
a	Bodies Corp.				—				—	—
i	Indian	6,000	—	6,000	0.00	27,609	—	27,609	0.00	0.00
ii	Overseas	—	—	—	—	—	—	—	—	—
b	Individuals	—	—	—	—	—	—	—	—	—
i	Individual shareholders holding nominal share capital upto ₹1 lakh	441,356	102,771	544,127	0.04	751,858	102,771	854,629	0.06	0.02
ii	Individual shareholders holding nominal share capital excess of ₹1 lakh	2,364,277	172,992	2,537,269	0.18	4,130,120	172,992	4,303,112	0.30	0.12
c	Others (specify)								—	—
	Trust	—	—	—	—	—	—	—	—	—
	Directors & their Relatives (Resident)	—	—	—	—	—	—	—	—	—
	Non-Resident Indian Directors	—	—	—	—	—	—	—	—	—
	Foreign Nationals	—	—	—	—	—	—	—	—	—
	Non-Resident Indians	70,475	—	70,475	0.00	406,225	—	406,225	0.03	0.02
	Clearing Member	—	—	—	—	—	—	—	—	—
	Hindu Undivided Families	2,025	—	2,025	0.00	29,625	—	29,625	0.00	0.00
	Foreign Bodies- DR	—	—	—	—	—	—	—	—	—
	NRI - DR	—	—	—	—	—	—	—	—	—
	<b>Sub-total (B) (2) :-</b>	2,884,133	275,763	3,159,896	0.22	5,345,437	275,763	5,621,200	0.39	0.17
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	2,884,133	275,763	3,159,896	0.22	5,345,437	275,763	5,621,200	0.39	0.17
d	Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	<b>Grand Total (A+B+C)</b>	<b>1,428,979,917</b>	<b>275,770</b>	<b>1,429,255,687</b>	<b>100.00</b>	<b>1,431,441,221</b>	<b>275,770</b>	<b>1,431,716,991</b>	<b>100.00</b>	<b>—</b>

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year April 01, 2014			Shareholding at the end of the year March 31, 2015				% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares		
1	ICICI Bank Limited	1,055,310,907	73.84	—	1,055,310,907	73.71	—	—	—
2	Prudential Corporation Holdings Limited	370,784,884	25.94	—	370,784,884	25.90	—	—	—
	<b>Total</b>	<b>1,426,095,791</b>	<b>99.78</b>	<b>—</b>	<b>1,426,095,791</b>	<b>99.61</b>	<b>—</b>	<b>—</b>	<b>—</b>

Note: There is no change in the number of shares held by the promoter companies. However, the percentage of the shareholding has changed during the year due to ESOP allotments

iii) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	Shareholding at the beginning of the year April 01, 2014			Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			Shareholding at the end of the year March 31, 2015	
	For Each of the top 10 Shareholders	No. of Shares of FV ₹10	% of total shares of the company				No. of Shares of FV ₹10	% of total shares of the company
1	Shuba Rao Mayya	175,000	0.01	—	—	—	175,000	0.01
2	Tarun Chugh	137,000	0.01	—	—	—	137,000	0.01
3	Anita Sudhir Pai	127,500	0.01	—	—	—	127,500	0.01
4	Pankaj Jain	125,187	0.01	June 11, 2014	14,063	ESOS	139,250	0.01
5	Sanjay Khatau Asher	120,525	0.01	November 14, 2014	(3,400)	Transfer		
				February 27, 2015	(10,000)	Transfer		
				March 6, 2015	(7,000)	Transfer	100,125	0.01
6	Kalpana Bharat Sampat	115,000	0.01	November 4, 2014	20,000	ESOS	235,000	0.02
				March 5, 2015	100,000	ESOS		
7	Pankaj Sharma	111,875	0.01	—	—	—	111,875	0.01
8	Rishi Srivastava	91,875	0.01	—	—	—	91,875	0.01
9	Sachin Padmakar Joglekar	80,000	0.01	—	—	—	80,000	0.01

# directors' report

## forming part of the accounts

## ANNEXURE B

Sl. No.	Shareholding at the beginning of the year April 01, 2014			Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			Shareholding at the end of the year March 31, 2015	
	For Each of the top 10 Shareholders	No. of Shares of FV ₹10 each	% of total shares of the company				No. of Shares of FV ₹10 each	% of total shares of the company
10	Anup Rau	76,875	0.01	—	—	—	76,875	0.01
11	Binayak Dutta	—	—	February 11, 2015	328,750	ESOS	328,750	0.02
12	V Rajagopalan	1,000	0.00	September 29, 2014	50,000	ESOS	—	—
				March 5, 2015	79,000	ESOS	130,000	0.01
13	Binay Kumar Agarwala	—	—	January 2, 2015	125,000	ESOS	125,000	0.01

### iv) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year April 01, 2014		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Shareholding at the end of the year March 31, 2015		Cummulative Shareholding during the year	
		Name of the Director / KMP	No. of Shares of FV ₹10 each	% of total shares of the company	No. of Shares of FV ₹10 each	% of total shares of the company	No. of share	% of total shares of the company
1	Sandeep Bakhshi	—	—	—	—	—	—	—
2	Puneet Nanda	—	—	January 2, 2015 87,500 ESOS March 5, 2015 160,000 ESOS	247,500	0.02	—	—
3	Sandeep Batra	60,500	0.00	April 4, 2014 (1,000) Transfer April 11, 2014 (17,000) Transfer April 18, 2014 (11,000) Transfer May 2, 2014 (27,500) Transfer June 11, 2014 21,000 ESOS September 12, 2014 (5,000) Transfer September 19, 2014 (20,000) Transfer March 5, 2015 30,000 ESOS	30,000	0.00	—	—
4	Sanaulla Khan	—	—	—	—	—	—	—
5	Binay Agarwala	—	—	January 2, 2015 125,000 ESOS	125,000	0.01	—	—

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹'000)
		Sandeep Bakhshi, Managing Director & CEO	Puneet Nanda, Executive Director	Sandeep Batra, Executive Director	
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	62,050 280	37,984 388	22,500 422	1,22,534 1,090
2.	Stock Options*		26,610	10,874	37,484
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify				
5.	Others, please specify **	3,406	1,874	851	6,131
	<b>Total (A)</b>	<b>65,736</b>	<b>66,856</b>	<b>34,647</b>	<b>1,67,239</b>

\* The perquisites relate to the stock options granted by the Company and as exercised in FY2015.

\*\* Include – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme

Note: - The holding company i.e. ICICI Bank Limited (Bank) had granted the stock options during the FY2015 as follows to: Mr. Sandeep Bakhshi – 1,75,000; Mr. Puneet Nanda – 58,000 and Mr. Sandeep Batra – 49,000

# directors' report



forming part of the accounts

*Continued*

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Keki Dadiseth	Marti G. Subrahmanyam	Rama Bijapurkar	Vinod Kumar Dhall	V. Sridar	
1.	Independent Directors • Fee for attending board & committee meetings • Commission • Others, please specify	4,00,000	6,40,000	5,80,000	6,20,000	5,40,000	27,80,000
	<b>Total (1)</b>	<b>4,00,000</b>	<b>6,40,000</b>	<b>5,80,000</b>	<b>6,20,000</b>	<b>5,40,000</b>	<b>27,80,000</b>
2	Others Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	—	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B) = (1+2)</b>	<b>4,00,000</b>	<b>6,40,000</b>	<b>5,80,000</b>	<b>6,20,000</b>	<b>5,40,000</b>	<b>27,80,000</b>

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹'000)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
1	Gross salary d) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 e) Value of perquisites u/s 17(2) Income-tax Act, 1961 f) Profits in lieu of salary under section 17(3) Income	7,086	17,883	24,969
2.	Stock Options*		15,301	15,301
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify**	395	603	998
	<b>Total</b>	<b>7,517</b>	<b>33,880</b>	<b>41,397</b>

\*The perquisites relate to the stock options granted by the Company and as exercised in FY2015.

\*\* Include – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any
<b>A. COMPANY</b>					
Penalty Punishment Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			NIL		

# directors' report

## forming part of the accounts

## ANNEXURE C

### ANNUAL REPORT ON CORPORAET SOCIAL RESPONSIBILITY ACTIVITIES

1. CSR has been a long-standing commitment at the ICICI Group and forms an integral part of the Company's activities. The Group's Contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company, the Group and the broader community. ICICI Foundation for Inclusive Growth (ICICI Foundation) was established in 2008 by ICICI Bank with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organizations.

The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The CSR policy of the Company sets the framework guiding the Company's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The Company's CSR activities are largely focused in the areas of education, health, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives. The Company supports programs and initiatives keeping "protection" as the core proposition and cornerstone of all its CSR initiatives as "protection" is core to the Company's business.

The CSR policy was approved by the Committee in October 2014, and subsequently was put up on the Company website. Web link for the Company's CSR policy-

[http://www.iciciprulife.com/public/About-us/Corporate-Social-Responsibility.htm/ICICI\\_Prudential\\_Life\\_CSR\\_Policy.pdf](http://www.iciciprulife.com/public/About-us/Corporate-Social-Responsibility.htm/ICICI_Prudential_Life_CSR_Policy.pdf)

### 2. Composition of the CSR Committee.

The Company's CSR Committee comprises of three Directors including one independent Director. The CSR Committee is chaired by the independent Director. The composition of the Committee is set out below:

Chairman : Vinod Kumar Dhall (Independent Director)  
Member : K. Ramkumar (Director)  
Member : Adrian O'Connor (Director)

The functions of the Committee include: formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the company and recommendation of the amount of the expenditure to be incurred on such activities; reviewing and recommending the annual CSR plan to the Board; monitoring the CSR activities, implementation of and compliance with the CSR Policy; and reviewing and implementing, if required, any other matter related to CSR initiatives.

### 3. Average net profit of the company for last three financial years

The average net profit of the company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 15412.2 mn

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

The prescribed CSR expenditure requirement for FY2015 is ₹ 308.2 mn

### 5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year  
Total amount spent towards CSR during FY2015 was ₹ 310.5 mn
- (b) Amount unspent , if any;  
Not Applicable
- (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs  1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise (in ₹)	Amount spent on the projects or programs Sub-heads  1. Direct expenditure on projects or programs 2. Overheads (₹ mn)	Cumulative expenditure to the reporting period (in ₹)	Amount spent Direct or through implement-ing agency*
1.	Projects of ICICI Foundation for Inclusive Growth	Skill development and sustainable livelihood; elementary Education	<ul style="list-style-type: none"> <li>• Ten fully operational skill development centres opened. Centres located in Jaipur, Narsobawadi, Hyderabad, Chennai, Bangalore, Pune, Coimbatore, Patna, Guwahati and Durg</li> <li>• Elementary education projects in Rajasthan, Chhattisgarh</li> </ul>	222.3 mn	236.3 mn	236.3 mn	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR.
2.	Education and Primary Health	Education and Health	<ul style="list-style-type: none"> <li>• Indore, Katni, Jabalpur, Chhindwara, Ujjain and Khandwa in Madhya Pradesh</li> <li>• Orthanadu block of Thanjavur in Tamil Nadu</li> </ul>	12.7 mn	11.9 mn	11.9 mn	<ul style="list-style-type: none"> <li>• Catalysts for Social Action (Mumbai) for enhancing childcare conditions and rehabilitation outcomes of children living in Child Care Institutes in Madhya Pradesh .</li> <li>• Sughavazhu (Tamil Nadu) viable health care model for rural India to address primary healthcare issues</li> </ul>
3.	Consumer Awareness and Education on eIA	Consumer Protection	PAN India	51.0 mn	53.8 mn	53.8 mn	Direct
4.	Other Projects	<ul style="list-style-type: none"> <li>• Prime Minister's Relief Fund for J&amp;K support;</li> <li>• Education &amp; health,</li> </ul>	<ul style="list-style-type: none"> <li>• Jammu and Kashmir;</li> <li>• PAN India</li> </ul>	10.4 mn	8.4 mn	8.4 mn	<ul style="list-style-type: none"> <li>• Direct,</li> <li>• GiveIndia (Mumbai);</li> <li>• Catalysts for Social Action (Mumbai)</li> </ul>

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.  
Not applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.  
The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the company

# directors' report



forming part of the accounts

ANNEXURE D

Form No. AOC - 2

## Related party transactions

The details of material related party transactions at arm's length principles for the year ended March 31, 2015 on an aggregate basis is given below:

Sr. no.	Nature of contracts/transactions	Name of the related party	Nature of relationship	Duration of contracts	Silent term of contracts/transactions	₹ in million
1	Administration support expenses	ICICI Bank Limited	Holding company	6 years	The Bank provides space at its branches and ATMs for displaying publicity materials of ICICI Prudential Life Insurance's products such as pamphlets, standees, posters and danglers at an agreed fees per branch/ ATM.	3,243.4
2	Commission expenses	ICICI Bank Limited	Holding company	3 years	The Bank acts as a corporate agent for ICICI Prudential Life Insurance to solicit and procure the sale and distribution of the policies and provide such other services as permitted. Commission rates for such services are based guidance under section 40A of the Insurance Act, 1938.	3,065.5
3	Redemption of Term deposits	ICICI Bank	Holding company	368 days	Coupon rate: 9.30%	1,097.1
4	Sale of certificate of deposits, bonds and debentures of third parties	ICICI Bank	Holding company	—	At market price	1,180.0
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	—	At market price	2,462.1
		ICICI Securities Primary Dealership Limited	Fellow Subsidiary	—	At market price	519.1
5	Purchases of government securities, bonds/debentures of third parties	ICICI Bank	Holding company	—	At market price	1,500.0
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	—	At market price	1,523.6
		ICICI Securities Primary Dealership Limited	Fellow Subsidiary	—	At market price	5,117.8
6	Bank Balance	ICICI Bank	Holding company	—	Outstanding balance at March 31, 2015 in current account	745.2
7	Purchase of foreign currencies transactions	ICICI Bank	Holding company	—	At market rates	2,169.1

# directors' report

## forming part of the accounts

## ANNEXURE E

### EMPLOYEE STOCK OPTION SCHEMES

A. Information required to be disclosed under Rule 9 of Companies (Share Capital & Debentures) Rules, 2014

Sr. No.	Description	Founder	FY2004-2005	FY2005-2006	FY2006-2007	Founder II	FY2007-2008	Total
	Exercise price (in ₹)	30	42	70	130	130	400	
1	Options granted	2662500	3782400	4633250	6534675	470000	6101000	24183825
	Granted during the year FY2015	0	0	0	0	0	0	0
2	Options vested	2114375	2889850	3819500	5257600	390500	4715375	19187200
	Vested during the year FY2015	0	0	0	0	0	0	0
3	Options exercised	2022437	2464225	2302189	1352963	88909	0	8230723
	Exercised during the year	101452	555460	1057488	813347	28784	0	2556531
4	Options lapsed	611625	1163000	1225134	2581926	197875	3116125	8895685
	Lapsed during the year FY2015	0	9000	23875	110375	12000	432750	588000
5	Outstanding as on March 31, 2015	28438	155175	1105927	2599786	183216	2984875	7057417
6	Total exercise price received during the year	3043560	23329320	74024160	105735110	3741920	0	209874070

B. Employee wise details of options to key managerial personnel:-

Sr. No.	Emp. Name	Scheme	Exercise price	No. of Grants	Granted during the year	Grant Vested	Vested during the year	Total exercises till date	Exercised during the year	Outstanding as on March 31, 2015
1.	Binay Agarwala	Founder (30)	30	40,000	—	40,000	—	40,000	10000	—
	Binay Agarwala	FY 2004-2005(42)	42	60,000	—	60,000	—	60,000	45000	—
	Binay Agarwala	FY 2005-2006(70)	70	75,000	—	75,000	—	70,000	70000	5,000
	Binay Agarwala	FY 2006-2007(130)	130	90,000	—	90,000	—	—		90,000
	Binay Agarwala	FY 2007-2008(400)	400	66,000	—	66,000	—	—		66,000
2.	Sandeep Batra	Founder (30)	30	70,000	—	70,000	—	70,000		—
	Sandeep Batra	FY 2004-2005(42)	42	100,000	—	100,000	—	100,000	25000	—
	Sandeep Batra	FY 2005-2006(70)	70	130,000	—	130,000	—	80,000	70000	50,000
3.	Puneet Nanda	Founder (30)	30	50,000	—	50,000	—	50,000	12500	—
	Puneet Nanda	FY 2004-2005(42)	42	100,000	—	100,000	—	100,000	75000	—
	Puneet Nanda	FY 2005-2006(70)	70	110,000	—	110,000	—	110,000	110000	—
	Puneet Nanda	FY 2006-2007(130)	130	150,000	—	150,000	—	50,000	50000	100,000
	Puneet Nanda	FY 2007-2008(400)	400	110,000	—	110,000	—	—		110,000

# management report

for the year ended March 31, 2015

In accordance with the Insurance Regulatory and Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted for the financial year ended March 31, 2015:

## 1. CERTIFICATE OF REGISTRATION

The Certificate of Registration under Section 3 of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) granted by IRDAI on November 24, 2000 is valid at March 31, 2015 and as on the date of this report.

## 2. STATUTORY LIABILITIES/DUES

We hereby certify that all dues payable to the statutory authorities have been duly paid except those under dispute or disclosed under contingent liabilities.

## 3. SHAREHOLDING PATTERN

We hereby confirm that the shareholding pattern of the Company and any transfer of shares during the year are in accordance with statutory requirements.

There was no capital infusion by the promoters during the year.

The Company has allotted 2,461,304 shares (FY2014: 316,438 shares) during the year under the Employees Stock Option Scheme.

The shareholding pattern of the Company was as follows:

Particulars	At March 31, 2015	At March 31, 2014
ICICI Bank Limited	73.71%	73.84%
Prudential Corporation Holdings Limited	25.90%	25.94%
Others	0.39%	0.22%

## 4. INVESTMENTS OUTSIDE INDIA

We hereby declare that no investments, directly or indirectly have been made outside India from the funds of the holders of policies issued in India.

## 5. SOLVENCY MARGIN

We hereby confirm that the Company has maintained adequate assets to cover both its liabilities and required solvency margin as prescribed under Section 64VA of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) and the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

The actual solvency ratio as compared to required minimum solvency ratio of 150% are as below:

Particulars	March 31, 2015	March 31, 2014
Actual solvency ratio	336.9%	372.3%

## 6. VALUATION OF ASSETS IN THE BALANCE SHEET

We certify that the values of all assets have been reviewed on the date of the Balance Sheet and to best of our knowledge and belief the assets set forth in the Balance Sheets are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – "Loans", "Investments", "Agents Balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Cash" and items specified under "Other Accounts" except debt securities held in non-linked and shareholder funds.

As required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, all debt securities and redeemable preference shares made from Policyholders' non-linked funds and Shareholders' funds are considered as 'held to maturity' and accordingly measured at historical cost, subject to amortisation of premium or accretion of discount.

The book value and the market value of these investments is as follows:

Particulars	₹ in '000)			
	March 31, 2015	Market Sheet value	Balance Sheet value	Market value
Debt investments in non-linked and shareholder funds	207,503,020	215,585,397	166,432,925	160,597,928

## 7. APPLICATION AND INVESTMENTS OF LIFE INSURANCE FUNDS

We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), relating to the application and investments of the life insurance funds.

## 8. OVERALL RISK EXPOSURE AND STRATEGY ADOPTED TO MITIGATE THE SAME

The Company recognises that risk is an integral element of the business and managed acceptance of risk is essential for the generation of shareholder value. The risk governance structure of the Company consists of the Board, the Board Risk Management Committee (BRMC), the Executive Risk Committee (ERC) and its sub-committees. The Board approved risk policy details identification, measurement, monitoring and control standards relating to the various individual risks, namely investment (market, credit and liquidity), insurance and operational risks.

### 8.1. Investment risk

Investment risk is the risk arising out of variations in the level or volatility of market prices of assets and financial instruments, including the risk arising from any mismatch between assets and liabilities, due to external market and economic

factors. The Company faces limited liquidity risk due to the nature of its liabilities. The key mitigation approaches for this risk are as follows::

- (a) **Product approval process:** Launching new products can significantly alter the risk profile of the Company's Balance Sheet. Investment risks inherent in the new products or significant modifications to existing products are identified at the product design stage and products are launched only after approval by the ERC.
- (b) **Asset Liability Management (ALM):** The Company has detailed Investment Specifications that govern the investment strategy and limits for each fund depending on the profile of the liability backed by those assets. For each category of products, the Investment Specifications specify limits to permissible exposures to various asset classes, duration guidelines for fixed income instruments and minimum investment in liquid assets.
- (c) Exposure limits have been defined for companies, groups and industries in accordance with IRDAI guidelines and the Company's internal Investment Policy. The Company restricts investments primarily to securities rated AA and above.
- (d) The Company has a liquidity contingency plan in place.

### 8.2. Insurance Risk

Insurance risk is the risk arising because of mis-estimation of the best estimate or because of random fluctuations in the frequency, size and timing of insurance liabilities. Insurance risk is composed of the following components: mortality, morbidity, persistency and expense risk. These risks are mitigated through:

- (a) **Product approval process:** Insurance risks inherent in the new products or significant modifications to existing products are identified at the product design stage and products are launched only after approval by the ERC. The Company in its product design incorporates product features and uses appropriate policy wordings to mitigate insurance risk.
- (b) **Reinsurance:** The Company uses appropriate reinsurances arrangements, including catastrophe reinsurance, to manage insurance risk. The arrangements are with select and financially sound reinsurers. The Company's reinsurance exposures are considered and approved by the ERC periodically.
- (c) **Underwriting and claims controls:** Underwriting and claims policies and procedures are in place to assess and manage mortality and morbidity risks. The Company seeks to minimise these risks by diversifying its business portfolio and adhering to appropriate and segmented underwriting norms. The Company conducts periodic reviews of both underwriting and claims procedures.
- (d) **Experience analysis:** The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing, reserving and embedded value reporting are in line with experience. The Company actively monitors its claims experience, persistency levels and expense ratios.
- (e) **Aligning key performance indicators:** The Company uses appropriate key performance indicators for different levels of hierarchy in sales and operations to align interests and ensure adequate focus on insurance risk specially, persistency and expense.

### 8.3. Operational risk:

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

The Company uses the following approaches to manage the risk:

- (a) The Company develops and monitors mitigation plans for high risk items identified through the Risk Control Self-Assessment (RCSA) done by each business function or loss events or audit findings.
- (b) The Company actively promotes a risk awareness culture by improving understanding through communication and education amongst management, employees, contractors and vendors.
- (c) **Use of insurance:** The Company periodically evaluates the purchase of insurance to mitigate operational risk.
- (d) **Fraud Management:** The Company follows both a proactive and reactive approach to manage fraud. Proactive management is done by using triggers to identify suspected frauds and through random sample checks. Reactive management is done through incident management. Investigation is done for identification of process/system failures and/or identification of responsible internal/external parties. The Company ensures implementation of controls to prevent repeat incidents, financial recovery process and disciplinary action against involved employees in accordance with Malpractice Matrix.

# management report

for the year ended March 31, 2015

*Continued*

- (e) **Outsourcing Risk:** Processes of the Company are outsourced as permitted under the regulatory guidelines. The Company carries out required due-diligence for any new activity or vendor empanelment.
- (f) **Business Continuity Management (BCM):** The Company has a BCM framework to ensure resilience and continuity of key products and services at minimum acceptable level to achieve business-as usual presence in the market place and safety of human resources. This includes systems and processes including use of disaster recovery sites and business continuity drills for critical processes.
- (g) **Information Security:** The Company has an information security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization.

Whistle-blower policy that facilitates reporting of observed breaches. Employee Code of Conduct that is laid out with a malpractice matrix prescribing disciplinary action including caution, deterrent action and termination based on the nature and seriousness of non-compliant behaviour.

## 9. OPERATIONS ABROAD

The Company has representative offices in the Kingdom of Bahrain and the United Arab Emirates. These representative offices do not contract liability overseas and all the policies are underwritten and issued in India.

## 10. CLAIMS

The average time taken by the Company from the date of submission of the final requirement by the claimant to despatch of claim payment, in respect of mortality and morbidity claims, was as follows:

Period	Average time taken for claim settlement (in days)
FY 2015	6
FY 2014	6
FY 2013	4
FY 2012	5
FY 2011	7
FY 2010	7

The ageing of mortality and morbidity claims registered and not settled at March 31, 2015 has been detailed herein below:

Linked business:		(₹ in '000)		
		At March 31, 2015		
Period	Number of Claims	Amount	Number of Claims	Amount
Upto 30 days	332	30,622	287	38,737
Greater than 30 days and upto 6 months	161	22,168	100	23,613
Greater than 6 months and upto 1 year	1	252	—	—
Greater than 1 year and upto 5 years	—	—	—	—
Greater than 5 years	1	857	1	633

Non Linked business:		(₹ in '000)		
		At March 31, 2015		
Period	Number of Claims	Amount	Number of Claims	Amount
Upto 30 days	38	33,405	54	124,490
Greater than 30 days and upto 6 months	78	87,684	110	172,614
Greater than 6 months and upto 1 year	3	3,649	2	16,721
Greater than 1 year and upto 5 years	4	13,504	1	808
Greater than 5 years	—	—	—	—

Claims remain unpaid for greater than 6 months for want of proof of title or the cause of death or pending other necessary documentation, to determine the claim liability.

## 11. VALUATION OF INVESTMENTS

### 11.1. Non-linked investments

We hereby certify that as prescribed under the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, all debt securities including government securities and redeemable preference shares made from Policyholders' non-linked funds and Shareholders' funds are considered as 'held to maturity' and accordingly measured at historical cost,

subject to amortisation of premium or accretion of discount over the remaining period of maturity/holding based on Yield to Maturity (effective interest rate method).

Money market instruments are valued at historical cost, subject to accretion of discount over the remaining period till maturity based on effective interest rate method.

Listed equity shares at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case the securities are not listed on NSE, the last quoted closing price on the BSE Limited ('BSE') is used). Unlisted equity shares are stated at historical cost. Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued at the latest available net asset values of the respective fund.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

Investment property is held to earn rental income or for capital appreciation and is not occupied by the Company. Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet. Investments in venture fund units are valued at historical cost.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Fixed deposits with banks are valued at cost.

### 11.2. Linked investments

We certify that the investments in linked business are valued on mark-to-market basis.

Central and State government securities are valued as per the valuation price provided by CRISIL Limited ('CRISIL').

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL Limited ('CRISIL') on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on effective interest rate method over the remaining term of the instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on effective interest rate method.

Listed equity shares are valued at market value, being the last quoted closing price on the NSE (in case of securities not listed on NSE, the last quoted closing price on the BSE is used). Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued at the latest available net asset values of the respective fund.

Venture fund units are valued at the latest available net asset value of the respective fund.

Securities with call option are valued at the lower of the value as obtained by valuing the security upto final maturity date or the call option date. In case there are multiple call options, the security is valued at the lowest value obtained by valuing the security at various call dates or upto the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security upto final maturity date or the put option date. In case there are multiple put options, the security is valued at the highest value obtained by valuing the security at various put dates or upto the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call date and would be valued on a yield to maturity basis, by using spreads over the benchmark rate based on the matrix released by CRISIL.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Unrealised gains and losses are recognised in the Revenue account as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002.

Fixed deposits with banks are valued at cost.

## 12. REVIEW OF ASSET QUALITY AND PERFORMANCE OF INVESTMENTS

All investments are made in accordance with the regulatory norms, Investment Policy, fund objectives of unit linked funds, asset liability management guidelines and risk profile of the respective fund.

### 12.1. Asset composition

The portfolio mix of assets of the Company at March 31, 2015 is as follows:

# management report



for the year ended March 31, 2015

Continued

Asset class	Linked funds	Non-Linked funds	Shareholders funds	Total	Amount (₹ in billion)
Equity shares	58.7%	12.7%	17.0%	47.3%	473.98
Government securities	16.0%	56.7%	36.7%	25.1%	251.96
Debentures and bonds*	6.7%	20.7%	29.6%	10.8%	108.34
Money market instruments	10.5%	4.0%	5.7%	8.9%	89.51
Fixed deposits	4.7%	1.1%	5.9%	4.1%	40.80
Mutual funds ^	1.8%	1.0%	0.7%	1.6%	15.63
Investment property	0.0%	0.9%	1.2%	0.3%	2.53
Loan against policies	0.0%	0.1%	0.0%	0.0%	0.20
Net current assets and other investments	1.6%	2.7%	3.2%	1.9%	18.88
<b>Total</b>	<b>747.77</b>	<b>193.63</b>	<b>60.43</b>	<b>100.0%</b>	<b>1,001.83</b>
<b>Fund mix (%)</b>	<b>74.7%</b>	<b>19.3%</b>	<b>6.0%</b>	<b>100.0%</b>	<b>—</b>

^ includes equity exchange traded funds (ETF)

\* includes non-convertible preference shares and fully convertible debentures

The Company has a well-diversified portfolio spread across various asset classes, companies, groups and industries. Investments in equity and related instruments are targeted at long term capital appreciation with a "value-oriented" investment style to target superior long-term returns. 82.3% of the equity investments are held in companies forming part of CNX Nifty 50 and 98.1% in companies forming part of CNX 500 index.

The Company maintains a fixed income portfolio of superior asset quality at all point of time. 93.8% of the fixed income portfolio is held in highest credit rated securities (Sovereign/AAA or equivalent). The Company's investments in debt instruments are largely restricted to a minimum rating of AA and above which accounts for 99.6% of the Company's fixed income portfolio. The Company does not hold any non-performing assets in its debt portfolio.

## 12.2. Fund performance

### Linked funds

At March 31, 2015, funds representing 95% of the linked assets performed better than the respective benchmark over trailing three year and 98% since inception.

The fund performance of major linked funds as against the benchmarks over three years and since inception is as follows:

Fund name	SFIN	Assets held* (₹ billion)	Annualised returns			
			3 year return		Since inception return	
			Fund	Benchmark	Fund	Benchmark
<b>Equity funds</b>						
Maximiser Fund	ULIF 001 22/10/01 LMaximis1 105	49.92	20.7%	17.4%	20.2%	17.2%
Maximiser Fund V	ULIF 114 15/03/11 LMaximis5 105	46.16	21.8%	17.4%	20.9%	16.4%
Dynamic P/E Fund	ULIF 097 11/01/10 LDynamicPE 105	27.37	16.1%	15.5%	10.5%	9.7%
Multi Cap Growth Fund	ULIF 085 24/11/09 LMCapGro 105	27.23	21.0%	18.2%	13.2%	10.1%
Pension Flexi Growth Fund	ULIF 029 20/03/07 PFlexiGro1 105	24.34	20.8%	18.2%	11.9%	10.8%
Flexi Growth Fund	ULIF 026 20/03/07 LFlexiGro1 105	20.17	20.9%	18.2%	12.1%	10.8%
Pension Flexi Growth Fund II	ULIF 030 20/03/07 PFlexiGro2 105	20.08	22.0%	18.2%	13.0%	10.8%
Pension Maximiser Fund II	ULIF 013 17/05/04 PMaximis2 105	19.15	22.3%	17.4%	19.7%	17.2%
Pension Multi Cap Growth Fund	ULIF 091 11/01/10 PMCapGro 105	18.94	20.8%	18.2%	13.1%	9.1%
Pension RICH Fund	ULIF 052 17/03/08 PRICH1 105	17.02	21.8%	17.9%	12.6%	9.8%
Pension Dynamic P/E Fund	ULIF 098 11/01/10 PDynmicPE 105	15.39	16.2%	15.5%	10.2%	9.7%
Maximiser Fund II	ULIF 012 17/05/04 LMaximis2 105	13.23	21.9%	17.4%	19.2%	17.2%
Flexi Growth Fund II	ULIF 027 20/03/07 LFlexiGro2 105	12.67	21.4%	18.2%	12.7%	10.8%
Flexi Growth Fund IV	ULIF 038 27/08/07 LFlexiGro4 105	10.77	21.3%	18.2%	11.2%	9.2%
Pension RICH Fund II	ULIF 053 17/03/08 PRICH2 105	10.70	22.7%	17.9%	13.4%	9.8%
RICH Fund II	ULIF 049 17/03/08 LRICH2 105	8.94	18.7%	17.9%	11.5%	9.7%
Multiplier Fund	ULIF 042 22/11/07 LMultip1 105	8.57	18.0%	17.0%	6.6%	5.5%
Pension Opportunities Fund	ULIF 092 11/01/10 POpport 105	6.61	22.5%	17.9%	12.7%	9.3%
RICH Fund	ULIF 048 17/03/08 LRICH1 105	6.57	17.6%	17.9%	10.6%	9.7%
Pension Maximiser Fund	ULIF 004 03/05/02 PMaximis1 105	6.30	21.3%	17.4%	21.2%	18.0%
Opportunities Fund	ULIF 086 24/11/09 LOpport 105	5.98	21.1%	17.9%	12.6%	10.0%
Pension Multiplier Fund	ULIF 043 25/02/08 PMultip1 105	5.19	16.7%	17.0%	6.6%	7.2%
<b>Debt funds</b>						
Income Fund	ULIF 089 24/11/09 LIncome 105	26.60	10.4%	9.3%	9.1%	7.9%
Group Debt Fund	ULGF 002 03/04/03 GDebt 105	15.37	10.6%	9.3%	8.2%	6.4%
Pension Protector Fund	ULIF 006 03/05/02 PProtect1 105	14.32	10.0%	9.3%	7.8%	6.8%
Pension Income Fund	ULIF 095 11/01/10 PIincome 105	9.23	10.6%	9.3%	9.2%	8.0%
Protector Fund	ULIF 003 22/10/01 LProtect1 105	7.44	10.0%	9.3%	7.7%	6.8%
Pension Protector Fund II	ULIF 017 17/05/04 PProtect2 105	5.90	11.3%	9.3%	8.2%	6.3%
Invest Shield Cash Fund	ULIF 020 03/01/05 LInvCash 105	5.41	10.0%	9.3%	8.2%	6.8%
<b>Balanced funds</b>						
Highest NAV Fund B	ULIF 116 15/03/11 LHighNavB 105	46.53	12.1%	NA	8.1%	NA
Group Balanced Fund	ULGF 001 03/04/03 GBalancer 105	21.48	11.8%	10.6%	10.8%	8.7%
Balancer Fund	ULIF 002 22/10/01 LBalancer1 105	11.69	13.1%	12.4%	12.5%	10.9%
Pinnacle Fund	ULIF 081 26/10/09 LPinnacle 105	11.24	13.0%	NA	8.6%	NA
Pinnacle Fund II	ULIF 105 26/10/10 LPinnacle2 105	8.18	14.0%	NA	6.4%	NA
Group Growth Fund	ULGF 004 30/10/03 GGrowth 105	6.88	17.6%	14.0%	16.0%	12.4%
Pension Balancer Fund II	ULIF 015 17/05/04 PBalancer2 105	5.90	12.9%	12.4%	12.0%	10.7%
Pension Balancer Fund	ULIF 005 03/05/02 PBalancer1 105	5.51	11.3%	12.4%	12.1%	11.3%
<b>Liquid funds</b>						
Money Market Fund	ULIF 090 24/11/09 LMoneyMkt 105	16.15	9.0%	8.9%	8.3%	7.9%
Pension Preserver Fund	ULIF 011 17/05/04 PPreserv 105	8.03	9.1%	8.9%	8.0%	7.0%
Group Short Term Debt Fund	ULGF 003 03/04/03 GSTDebt 105	5.94	8.5%	8.9%	7.2%	6.6%
Preserver Fund	ULIF 010 17/05/04 LPreserv1 105	5.47	9.1%	8.9%	8.2%	7.0%
Pension Money Market Fund	ULIF 096 11/01/10 PMoneyMkt 105	5.38	9.0%	8.9%	8.5%	8.1%

\* Assets held at March 31, 2015

Non-linked and Shareholders' funds

# management report

for the year ended March 31, 2015

*Continued*

The fund performance of non-linked Policyholders' and Shareholders' funds are as follows:

Particulars	Assets held* (₹ billion)	1 year return		3 years return ^	
		Market value	Book value	Market value	Book value
<b>Policyholders' fund</b>					
Participating	82.17	20.4%	9.3%	12.7%	9.1%
Non-participating	111.46	20.5%	8.0%	12.6%	8.1%
<b>Shareholders' fund</b>	<b>60.43</b>	<b>18.5%</b>	<b>10.0%</b>	<b>12.7%</b>	<b>9.0%</b>

\* Assets held at March 31, 2015

^ annualised

## 13. PAYMENTS MADE TO PARTIES IN WHICH DIRECTORS ARE INTERESTED

The details of such payments for the year ended March 31, 2015 are given below:

Sr. No.	Name of Director	Entity in which Director is interested	Interested as	(₹ in '000)	
				FY2015	FY2014
1	Chanda Kochhar	ICICI Bank Limited	Managing Director & CEO	10,592,248	13,192,890
		ICICI Lombard General Insurance Company Limited	Chairperson	195,788	188,762
		ICICI Securities Limited	Chairperson	477,982	381,893
		ICICI Prudential Asset Management Company Limited	Chairperson	240	—
		The Willingdon Sports Club	Member	57	38
		ICICI Foundation for Inclusive Growth	Member- Governing Council	236,337	96,840
2	Keki Dadiseth	The Indian Hotels Company Limited	Non-Executive Director	1,634	11,940
		PIEMS Hotels Limited	Non-Executive Director	384	—
		PwC- Price Waterhouse Coopers Private Limited	Member, India Advisory Board	28,957	18,535
		ICICI Bank Limited	Director	10,592,248	13,192,890
3.	K. Ramkumar	ICICI Venture Funds Management Company Limited	Director	5	—
		Mumbai Cricket Association	Member	27	—
		ICICI Foundation for Inclusive Growth	Member- Governing Council	236,337	96,840
		ICICI Bank Limited	Director	10,592,248	13,192,890
		ICICI Lombard General Insurance Company Limited	Director	195,788	188,762
4.	N. S. Kannan	ICICI Prudential Asset Management Company Limited	Director	240	—
		The Willingdon Sports Club	Corporate Member	57	38
		ICICI Foundation for Inclusive Growth	Member - Governing Council	236,337	96,840
		ICICI Bank Limited	Director	10,592,248	13,192,890
5.	Vinod Kumar Dhall	Schneider Electric Infrastructure Limited	Non-Executive Chairman	343	171
		ICICI Securities Limited	Director	477,982	381,893
		Advani Hotels & Resorts (Inida) Limited	Director	754	—
		ICICI Bank Limited	Director	10,592,248	13,192,890
6	Rajiv Sabharwal	ICICI Home Finance Company Limited	Chairman	720	118
		The Willingdon Sports Club	Corporate Member	57	38
		ICICI Foundation for Inclusive Growth	Member- Governing Council	236,337	96,840
		ICICI Bank Limited	Director	10,592,248	13,192,890
7	V. Sridhar	Indian Institute of Management, Indore	Member-Board of Governors	1,119	1,502
		Willingdon Sports Club	Member	57	38
		MCA Club	Member	27	27
8	Sandeep Bakhshi	ICICI Foundation for Inclusive Growth	Member, Governing Council	236,337	96,840
		NIR-SBU Governing Board of NSDL Database	User Representative on behalf of "ICICI Prudential Life Insurance Co. Limited"	1,231	3
		Management Limited	Corporate Member	59	71
9	Puneet Nanda	Khar Gymkhana	Trustee		
		ICICI Prudential Life Insurance Company Limited			
10	Sandeep Batra	Employees Provident Fund			

## 14. MANAGEMENT RESPONSIBILITY STATEMENT

The Management confirms that:

- i. In the preparation of financial statements, the applicable accounting standards, principles and policies are followed along with proper explanations relating to material departures, if any;
- ii. The management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;
- iii. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Companies Act 2013 and Companies Act, 1956 to the extent applicable, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The management has prepared the financial statements on a going concern basis;
- v. The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

For and on behalf of the Board of Directors

CHANDA KOCHHAR  
Chairperson  
DIN:00043617

KEKI DADISETH  
Director  
DIN:00052165

SANDEEP BAKHSHI  
Managing Director & CEO  
DIN:00109206

SANDEEP BATRA  
Executive Director  
DIN:03620913

SATYAN JAMBUNATHAN  
Appointed Actuary

BINAY AGARWALA  
Chief Financial Officer

# independent auditors' report

to the members of ICICI Prudential Life Insurance Company Limited

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of ICICI Prudential Life Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938 (the "Insurance Act") (amended by the Insurance Laws (Amendment) Act, 2015), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard, and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, the relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Act to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of Revenue Account, of the net surplus for the year ended on that date;
- (c) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

## OTHER MATTER

The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2015 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on standalone financial statements of the Company.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated April 24, 2015 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDA Financial Statements Regulations, read with section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
  - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders / directions issued by IRDAI in this regard;
  - (e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and / or orders / directions issued by IRDAI in this regard;
  - (f) On the basis of written representations received from the Directors of the Company, as on March 31, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer schedule 16 note 3.43 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer schedule 16 note 3.44 to the financial statements;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Batliboi & CO. LLP  
*Chartered Accountants*  
*ICAI Firm Registration No: 301003E*

per SHRAWAN JALAN  
*Partner*  
*Membership No.: 102102*

*Place: Mumbai,*  
*Date: April 24, 2015*

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

VENKATARAMANAN VISHWANATH  
*Partner*  
*Membership No: 113156*

*Place: Mumbai,*  
*Date: April 24, 2015*

# independent auditors' certificate

## to the members of ICICI Prudential Life Insurance Company Limited

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 24, 2015)

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "Regulations") read with regulation 3 of the Regulations.

Management of the Company is responsible for complying with the provisions of The Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI').

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by ICICI Prudential Life Insurance Company Limited ('the Company') for the year ended March 31, 2015, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2015, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;

2. Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by Insurance Regulatory and Development Authority of India (IRDAI);
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2015, by actual inspection or on the basis of certificates / confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be. As at March 31, 2015, the Company does not have reversions and life interests;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the Policyholders' Funds.

For S. R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No: 301003E

per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Place: Mumbai,  
Date: April 24, 2015

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

VENKATARAMAN VISHWANATH  
Partner  
Membership No: 113156

Place: Mumbai,  
Date: April 24, 2015

# independent auditors' certificate

To  
The Board of Directors,  
ICICI Prudential Life Insurance Company Limited,  
ICICI Pru Life Towers,  
1089, Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai - 400 025

Dear Sirs,

[Ref: Certificate in accordance with the Regulation 13 (D) (7) of the IRDA (Investment) (5th Amendment) Regulations ("the Regulations"), 2013]

1. At the request of ICICI Prudential Life Insurance Company Limited ('the Company'), we have performed the procedures stated in paragraph 2 below, for the purpose of issuing a certificate in connection with the Regulations, regarding the declaration of the Net Asset Value ('NAV') of the schemes of the Company as at March 31, 2015.
2. In this connection, we have performed the following procedures:
  - a) Obtained representation from the management that the Company has declared March 31, 2015 as a business day for accepting application forms and that it has declared NAV for March 31, 2015;
  - b) Obtained the list of applications for New Business, Renewal premium, Top up , Surrender, Free – Look Cancellation, Fund Switches, Withdrawal, and Partial Withdrawal in respect of Unit Linked Products on March 31, 2015 (together referred to as "Application Forms"), from the Management;
  - c) Selected samples of Application Forms from the listing mentioned in paragraph 2(b) above and verified whether:
    - i) The applications received on Tuesday, March 31, 2015, upto 3.00 p.m. have been appropriately stamped; and the NAV of March 31, 2015 is applied for such applications for the selected samples; and
    - ii) The applications received on Tuesday, March 31, 2015, after 3.00 p.m. have been appropriately stamped; and the NAV of April 1, 2015 is applied for such applications for the selected samples.
3. The compliance with conditions stated in the circular is the responsibility of the Company's management. Our responsibility is to perform the above-mentioned procedures on the particulars and state our findings. We performed the above-mentioned procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The above-mentioned procedures include examining evidence supporting the particulars on a test basis. Further,

our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

4. Based on the procedures performed by us, as mentioned in paragraph 2 above, according to the information and explanations provided to us and representation by the Company's management, we confirm that:
  - (a) The Company had declared March 31, 2015 as a business day for accepting proposal forms
  - (b) The Company has declared NAV for March 31, 2015;
  - (c) The applications received on Tuesday, March 31, 2015 upto 3.00 p.m. have been stamped as such and that the NAV of March 31, 2015 is applied for proposals received upto 3.00 p.m.; and
  - (d) The application received on Tuesday, March 31, 2015 after 3.00 p.m. have been stamped as such and that the NAV of next financial year i.e. April 01, 2015 is applied for proposal received after 3.00 p.m.
5. The concurrent auditors of the Company, M/s. Maheshwari and Associates, Chartered Accountants have issued a certificate dated April 20, 2015 confirming the compliance with requirements of Regulation 13 (D) (5) of the Regulations. We have read the certificate and found the same to be in order.
6. This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts as per Regulation 13 (D) (7) of the Regulations and is not intended to be used or distributed for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S. R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No: 301003E

per SHRAWAN JALAN  
Partner  
Membership No: 102102

Place: Mumbai,  
Date: April 24, 2015

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

VENKATARAMAN VISHWANATH  
Partner  
Membership No: 113156

Place: Mumbai,  
Date: April 24, 2015

# revenue account



for the year ended March 31, 2015

**FORM A-RA**

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Regn.No. 105 dated 24.11.2000

**Policyholders' Account (Technical Account)**

(₹ in '000)

Particulars	Schedule	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
<b>Premiums earned (Net of service tax)</b>											
(a) Premium	1	16,398,514	385,239	22,270,343	2,199,364	169,167	92,521,834	10,137,150	1,670,171	7,314,393	<b>153,066,175</b>
(b) Reinsurance ceded		(4,288)	(22)	(740,900)	—	(39,386)	(359,769)	(81)	(316,350)	(914)	<b>(1,461,710)</b>
(c) Reinsurance accepted		—	—	—	—	—	—	—	—	—	—
<b>Sub-total</b>		<b>16,394,226</b>	<b>385,217</b>	<b>21,529,443</b>	<b>2,199,364</b>	<b>129,781</b>	<b>92,162,065</b>	<b>10,137,069</b>	<b>1,353,821</b>	<b>7,313,479</b>	<b>151,604,465</b>
<b>Income from Investments</b>											
(a) Interest, dividend & rent - Gross		3,858,089	1,271,634	4,523,955	1,553,027	54,469	13,226,802	6,620,365	193,341	4,101,036	<b>35,402,718</b>
(b) Profit on sale/redemption of investments		708,195	170,078	439,015	49,147	4,068	45,869,040	28,498,142	510,562	3,419,528	<b>79,667,775</b>
(c) (Loss) on sale/redemption of investments		(93,194)	(21,067)	(235,590)	(25,574)	(7,800)	(3,030,772)	(1,400,626)	(18,728)	(198,050)	<b>(5,031,401)</b>
(d) Transfer/gain on revaluation/change in fair value		—	—	—	—	41,322,245	28,290,340	1,245,677	1,544,416	72,402,678	
(e) Accretion of discount/(amortisation of premium (Net))		6,733	215,876	(35,641)	(29,101)	(1,052)	2,707,633	1,052,425	13,830	871,985	<b>4,802,688</b>
- Refer note 2.1 of schedule 16											
<b>Sub-total</b>		<b>4,479,823</b>	<b>1,636,521</b>	<b>4,691,739</b>	<b>1,547,499</b>	<b>49,685</b>	<b>100,094,948</b>	<b>63,060,646</b>	<b>1,944,682</b>	<b>9,738,915</b>	<b>187,244,458</b>
<b>Other income</b>											
Contribution from the Shareholders' account		—	—	—	414,567	—	—	—	—	—	<b>414,567</b>
Fees and charges		57,258	1,361	86,989	—	304	774	—	—	—	<b>146,686</b>
Miscellaneous income		7,592	53	2,241	121	70	19,717	2,089	213	425	<b>32,521</b>
<b>Sub-total</b>		<b>64,850</b>	<b>1,414</b>	<b>89,230</b>	<b>414,688</b>	<b>374</b>	<b>20,491</b>	<b>2,089</b>	<b>213</b>	<b>425</b>	<b>593,774</b>
<b>Total (A)</b>		<b>20,938,899</b>	<b>2,023,152</b>	<b>26,310,412</b>	<b>4,161,551</b>	<b>179,840</b>	<b>192,277,504</b>	<b>73,199,804</b>	<b>3,298,716</b>	<b>17,052,819</b>	<b>339,442,697</b>
Commission	2	1,687,699	2,958	853,054	2,470	4,562	2,877,172	84,580	19,178	50	<b>5,531,723</b>
Operating expenses related to Insurance business	3	3,412,167	27,475	1,161,183	53,313	35,712	10,680,602	874,002	97,444	178,327	<b>16,520,225</b>
Provision for doubtful debts		(44,398)	(406)	(55,673)	(388)	850	(54,101)	32,655	(613)	147	<b>(121,927)</b>
Bad debts written off		31,483	303	43,649	16	3,805	71,906	(34,773)	154	119	<b>116,662</b>
Provisions (other than taxation)											
(a) For diminution in the value of investments (Net) - Refer note 3.24 of schedule 16		54,998	—	12,500	—	—	—	—	—	—	<b>67,498</b>
(b) Others		—	—	—	—	—	—	—	—	—	
Service tax charge on linked charges		—	—	—	—	1,987,984	852,629	125,040	103,705	—	<b>3,069,358</b>
<b>Total (B)</b>		<b>5,141,949</b>	<b>30,330</b>	<b>2,014,713</b>	<b>55,411</b>	<b>44,929</b>	<b>15,563,563</b>	<b>1,809,093</b>	<b>241,203</b>	<b>282,348</b>	<b>25,183,539</b>
Benefits paid (Net)	4	3,654,354	1,837,987	1,017,976	1,196,092	37,546	47,847,413	56,053,598	316,668	10,495,596	<b>122,457,230</b>
Interim bonus paid		113,336	3,055	—	—	—	—	—	—	—	<b>116,391</b>
Change in valuation of policy liabilities											
(a) Policy liabilities (Non-Unit/Mathematical reserves) (Gross)		10,988,192	(202,177)	23,213,899	2,910,048	(89,029)	621,613	(333,347)	20,477	(57,493)	<b>37,072,183</b>
(b) Amount ceded in reinsurance		—	—	(2,609,515)	—	—	—	—	—	—	<b>(2,609,515)</b>
(c) Amount accepted in reinsurance		—	—	—	—	—	—	—	—	—	
(d) Fund reserve		—	—	—	—	115,709,760	9,428,418	2,286,956	5,976,444	133,401,578	
(e) Funds for discontinued policies		—	—	—	—	11,394,237	302,549	—	—	—	<b>11,696,786</b>
<b>Total (C)</b>		<b>14,755,882</b>	<b>1,638,865</b>	<b>21,622,360</b>	<b>4,106,140</b>	<b>(51,483)</b>	<b>175,573,023</b>	<b>65,451,218</b>	<b>2,624,101</b>	<b>16,414,547</b>	<b>302,134,653</b>
<b>Surplus/(deficit) (D) = (A)-(B)-(C)</b>		<b>1,041,068</b>	<b>353,957</b>	<b>2,673,339</b>	<b>—</b>	<b>186,394</b>	<b>1,140,918</b>	<b>5,939,493</b>	<b>433,412</b>	<b>355,924</b>	<b>12,124,505</b>
Provision for taxation		(490,087)	—	—	—	—	—	—	—	—	<b>(490,087)</b>
(a) Current tax credit/charge) - Refer note 3.6 of schedule 16		—	—	—	—	—	—	—	—	—	<b>(13,957)</b>
(b) Deferred tax credit/charge) - Refer note 3.6 of schedule 16		—	—	—	—	(13,957)	—	—	—	—	<b>(13,957)</b>
<b>Surplus/(deficit) after tax</b>		<b>550,981</b>	<b>353,957</b>	<b>2,673,339</b>	<b>—</b>	<b>186,394</b>	<b>1,126,961</b>	<b>5,939,493</b>	<b>433,412</b>	<b>355,924</b>	<b>11,620,461</b>
<b>Apropiations</b>											
Transfer to Shareholders' account		280,134	110,944	1,956,402	—	186,394	1,510,276	6,543,169	442,719	355,924	<b>11,385,962</b>
Transfer to other Reserves		270,847	243,013	716,937	—	—	(383,315)	(603,676)	(9,307)	—	<b>234,499</b>
Balance being funds for future appropriation		<b>550,981</b>	<b>353,957</b>	<b>2,673,339</b>	<b>—</b>	<b>186,394</b>	<b>1,126,961</b>	<b>5,939,493</b>	<b>433,412</b>	<b>355,924</b>	<b>11,620,461</b>
<b>Details of Surplus before tax</b>											
(a) Interim bonuses paid		113,336	3,055	—	—	—	—	—	—	—	<b>116,391</b>
(b) Allocation of bonus to policyholders'		2,407,870	995,448	—	—	—	—	—	—	—	<b>3,403,318</b>
(c) Surplus shown in the Revenue Account		1,041,068	353,957	2,673,339	—	186,394	1,140,918	5,939,493	433,412	355,924	<b>12,124,505</b>
<b>Total Surplus</b>		<b>3,562,274</b>	<b>1,352,460</b>	<b>2,673,339</b>	<b>—</b>	<b>186,394</b>	<b>1,140,918</b>	<b>5,939,493</b>	<b>433,412</b>	<b>355,924</b>	<b>15,644,214</b>
<b>Funds for future appropriation</b>											
Opening balance as at April 1, 2014		1,757,603	1,265,353	950,929	—	—	392,596	617,061	56,849	—	<b>5,040,391</b>
Add: Current period appropriation		270,847	243,013	716,937	—	—	(383,315)	(603,676)	(9,307)	—	<b>234,499</b>
<b>Balance carried forward to Balance Sheet</b>		<b>2,028,450</b>	<b>1,508,366</b>	<b>1,667,866</b>	<b>—</b>	<b>—</b>	<b>9,281</b>	<b>13,385</b>	<b>47,542</b>	<b>—</b>	<b>5,274,890</b>
<b>Significant accounting policies &amp; notes</b>	16										

The schedules and accompanying notes referred to herein form an integral part of the Revenue Account.

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Revenue Account as expenses.

As per our report of even date attached.

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E

For B S R & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. 101248W/W-100022

For and on behalf of the Board of Directors  
KEKI DADISETH  
Director  
DIN:00052165

SANDEEP BAKHSHI  
Managing Director and CEO  
DIN:00109206

per SHRAWAN JALAN  
Partner  
Membership No. 102102

VENKATARAMAN VISHWANATH  
Partner  
Membership No. 113156

CHANDA KOCHHAR  
Chairperson  
DIN:00043617

SANDEEP BATRA  
Executive Director  
DIN:03620913

SATYAN JAMBUNATHAN  
Appointed Actuary

Place : Mumbai  
Date : April 24, 2015

BINAY AGARWALA  
Chief Financial Officer

SANAULLA KHAN  
Company Secretary

# revenue account

for the year ended March 31, 2014

## FORM A-RA

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Regn.No. 105 dated 24.11.2000

### Policyholders' Account (Technical Account)

Particulars	Schedule	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
<b>(₹ in '000)</b>											
<b>Premiums earned (Net of service tax)</b>											
(a) Premium	1	12,184,130	1,585,685	24,433,749	2,281,257	189,443	62,692,450	13,997,513	1,991,223	4,931,045	124,286,495
(b) Reinsurance ceded		(2,081)	(26)	(749,489)	—	(42,382)	(330,026)	(110)	(335,179)	(675)	(1,459,968)
(c) Reinsurance accepted		—	—	—	—	—	—	—	—	—	—
<b>Sub-total</b>		<b>12,182,049</b>	<b>1,585,659</b>	<b>23,684,260</b>	<b>2,281,257</b>	<b>147,061</b>	<b>62,362,424</b>	<b>13,997,403</b>	<b>1,656,044</b>	<b>4,930,370</b>	<b>122,826,527</b>
<b>Income from Investments</b>											
(a) Interest, dividend & rent - Gross		3,227,242	1,469,132	2,910,319	1,296,386	49,112	11,232,350	7,518,089	144,297	3,846,247	31,693,174
(b) Profit on sale/redemption of investments		333,354	167,151	239,568	66,719	12,489	23,274,962	17,023,566	152,956	1,930,782	43,201,547
(c) (Loss) on sale/redemption of investments		(322,489)	(47,622)	(71,737)	(50,739)	—	(8,230,536)	(4,990,958)	(119,390)	(1,214,805)	(15,048,276)
(d) Transfer/gain on revaluation/change in fair value		32,660	123,045	(10,488)	4,922	7,102	1,324,059	990,333	11,448	711,525	3,194,606
(e) Accretion of discount/(amortisation of premium) (Net)		—	—	—	—	—	—	—	—	—	—
<b>Sub-total</b>		<b>3,270,767</b>	<b>1,711,706</b>	<b>3,067,662</b>	<b>1,317,288</b>	<b>68,703</b>	<b>46,011,688</b>	<b>30,247,809</b>	<b>608,209</b>	<b>5,863,605</b>	<b>92,167,437</b>
<b>Other income</b>											
Contribution from the Shareholders' account		—	—	346,958	599,565	—	—	—	—	—	946,523
Fees and charges		27,611	650	27,263	—	183	671	—	—	—	56,378
Miscellaneous income		11,620	37,805	23,934	192	150	33,766	6,110	1,696	820	116,093
<b>Sub-total</b>		<b>39,231</b>	<b>38,455</b>	<b>398,155</b>	<b>599,757</b>	<b>333</b>	<b>34,437</b>	<b>6,110</b>	<b>1,696</b>	<b>820</b>	<b>1,118,994</b>
<b>Total (A)</b>		<b>15,492,047</b>	<b>3,335,820</b>	<b>27,150,077</b>	<b>4,198,302</b>	<b>216,097</b>	<b>108,408,549</b>	<b>44,251,322</b>	<b>2,265,949</b>	<b>10,794,795</b>	<b>216,112,958</b>
Commission	2	1,520,049	3,376	2,131,500	1,266	6,004	2,424,515	137,874	50,199	67	6,274,850
Operating expenses related to Insurance business	3	3,457,729	29,990	3,336,802	39,695	31,281	7,548,935	1,269,831	281,630	172,712	16,168,605
Provision for doubtful debts		1,144	(45)	14,294	(131)	(1,398)	(24,593)	(40,113)	(360)	—	(51,202)
Bad debts written off		3,238	20	3,400	138	1,253	32,577	40,380	838	—	81,844
Provisions (other than taxation)											
(a) For diminution in the value of investments (Net) - Refer note 3.24 of schedule 16		58,634	5,820	20,537	—	—	—	—	—	—	84,991
(b) Others		—	—	—	—	—	—	—	—	—	—
Service tax charge on linked charges		—	—	—	—	1,728,767	1,105,769	135,237	96,341	3,066,114	
<b>Total (B)</b>		<b>5,040,794</b>	<b>39,161</b>	<b>5,506,533</b>	<b>40,968</b>	<b>37,140</b>	<b>11,710,201</b>	<b>2,513,741</b>	<b>467,544</b>	<b>269,120</b>	<b>25,625,202</b>
Benefits paid (Net)	4	2,892,201	4,449,258	1,134,462	1,015,106	34,185	50,731,467	52,103,528	273,604	8,105,814	120,739,625
Interim bonus paid		85,775	7,995	—	—	—	—	—	—	—	93,770
Change in valuation of policy liabilities											
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		6,048,533	(1,685,979)	21,029,070	3,142,228	(190,995)	1,213,978	(264,227)	38,570	(11,389)	29,319,789
(b) Amount ceded in reinsurance		—	—	(1,470,917)	—	—	—	—	—	—	(1,470,917)
(c) Amount accepted in reinsurance		—	—	—	—	—	—	—	—	—	—
(d) Fund reserve		—	—	—	—	36,020,218	(17,545,525)	1,186,288	2,128,639	21,789,620	
(e) Funds for discontinued policies		—	—	—	—	6,977,091	1,761	—	—	—	6,978,852
<b>Total (C)</b>		<b>9,026,509</b>	<b>2,771,274</b>	<b>20,692,615</b>	<b>4,157,334</b>	<b>(156,810)</b>	<b>94,942,754</b>	<b>34,295,537</b>	<b>1,498,462</b>	<b>10,223,064</b>	<b>177,450,739</b>
<b>Surplus/(deficit) (D) = (A)-(B)-(C)</b>		<b>1,424,744</b>	<b>525,385</b>	<b>950,929</b>	<b>—</b>	<b>335,767</b>	<b>1,702,408</b>	<b>7,442,044</b>	<b>299,943</b>	<b>302,611</b>	<b>13,037,017</b>
Provision for taxation		(384,181)	—	—	—	—	—	—	—	—	(384,181)
(a) Current tax credit/(charge) - Refer note 3.6 of schedule 16		—	—	—	—	(53,186)	—	—	—	—	(53,186)
(b) Deferred tax credit/(charge) - Refer note 3.6 of schedule 16		—	—	—	—	—	—	—	—	—	—
<b>Surplus/(deficit) after tax</b>		<b>1,040,563</b>	<b>525,385</b>	<b>950,929</b>	<b>—</b>	<b>335,767</b>	<b>1,702,408</b>	<b>7,442,044</b>	<b>299,943</b>	<b>302,611</b>	<b>12,599,650</b>
<b>Appropriations</b>											
Transfer to Shareholders' account		188,637	115,355	—	—	335,767	2,573,560	8,813,558	312,315	302,611	12,641,803
Transfer to other Reserves		851,926	410,030	950,929	—	—	(871,152)	(1,371,514)	(12,372)	—	(42,153)
Balance being funds for future appropriation		<b>1,040,563</b>	<b>525,385</b>	<b>950,929</b>	<b>—</b>	<b>335,767</b>	<b>1,702,408</b>	<b>7,442,044</b>	<b>299,943</b>	<b>302,611</b>	<b>12,599,650</b>
<b>Total</b>											
<b>Details of Surplus before tax</b>											
(a) Interim bonuses paid		85,775	7,995	—	—	—	—	—	—	—	93,770
(b) Allocation of bonus to policyholders'		1,611,957	1,030,202	—	—	—	—	—	—	—	2,642,159
(c) Surplus shown in the Revenue Account		1,424,744	525,385	950,929	—	335,767	1,755,594	7,442,044	299,943	302,611	13,037,017
<b>Total Surplus</b>		<b>3,122,476</b>	<b>1,563,582</b>	<b>950,929</b>	<b>—</b>	<b>335,767</b>	<b>1,755,594</b>	<b>7,442,044</b>	<b>299,943</b>	<b>302,611</b>	<b>15,772,946</b>
<b>Funds for future appropriation</b>											
Opening balance as at April 1, 2013		905,677	855,323	—	—	—	1,263,748	1,988,575	69,221	—	5,082,544
Add: Current period appropriation		851,926	410,030	950,929	—	—	(871,152)	(1,371,514)	(12,372)	—	(42,153)
<b>Balance carried forward to Balance Sheet</b>		<b>1,757,603</b>	<b>1,265,353</b>	<b>950,929</b>	<b>—</b>	<b>335,767</b>	<b>1,755,594</b>	<b>7,442,044</b>	<b>299,943</b>	<b>302,611</b>	<b>5,040,391</b>
<b>Significant accounting policies &amp; notes</b>	16										

The schedules and accompanying notes referred to herein form an integral part of the Revenue Account.

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Revenue Account as expenses.

As per our report of even date attached.

For S.R.Battiboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E

per SHRAWAN JALAN  
Partner  
Membership No. 102102

For B S R & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. 101248W/W-100022

VENKATARAMANAN VISHWANATH  
Partner  
Membership No. 113156

For and on behalf of the Board of Directors  
KEKI DADISETH  
Director  
DIN:00052165

SANDEEP BAKHSHI  
Managing Director and CEO  
DIN:00109206

CHANDA KOCHHAR  
Chairperson  
DIN:00043617

SANDEEP BATRA  
Executive Director  
DIN:03620913

SATYAN JAMBUNATHAN  
Appointed Actuary

BINAY AGARWALA  
Chief Financial Officer

SANAULLA KHAN  
Company Secretary

Place : Mumbai  
Date : April 24, 2015

# profit & loss account      balance sheet



for the year ended March 31, 2015

at March 31, 2015

**Form A-PL**

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Regn.No. 105 dated 24.11.2000

Shareholders' Account (Non-Technical Account)

Particulars	Schedule	March 31, 2015	March 31, 2014	(₹ in '000)
Amounts transferred from Policyholders' account (Technical account)		<b>11,385,962</b>	<b>12,641,803</b>	
<b>Income from investments</b>				
(a) Interest, dividend & rent - Gross		<b>3,769,054</b>	<b>3,592,152</b>	
(b) Profit on sale/redemption of investments		<b>1,429,604</b>	<b>1,432,038</b>	
(c) (Loss) on sale/redemption of investments		<b>(171,776)</b>	<b>(1,318,724)</b>	
(d) Accretion of discount/(amortisation of premium) (Net)		<b>303,641</b>	<b>169,417</b>	
Other income		<b>4,603</b>	<b>99,067</b>	
<b>Total (A)</b>		<b>16,721,088</b>	<b>16,615,753</b>	
Expenses other than those directly related to the insurance business	3A	<b>453,693</b>	<b>114,134</b>	
Bad debts written-off		—	—	
Provisions (other than taxation)				
(a) For diminution in value of investments (Net) - Refer note 3.24 of schedule 16		—	<b>263,006</b>	
(b) Provision for doubtful debts		—	—	
Contribution to Policyholders' account (Technical account)		<b>414,567</b>	<b>946,523</b>	
<b>Total (B)</b>		<b>868,260</b>	<b>1,323,663</b>	
Profit before Tax		<b>15,852,828</b>	<b>15,292,090</b>	
Provision for Taxation				
(a) Current tax credit/(charge) - Refer note 3.6 of schedule 16		<b>490,087</b>	<b>384,181</b>	
(b) Deferred tax credit/(charge) - Refer note 3.6 of schedule 16		—	<b>(9,716)</b>	
<b>Profit after Tax</b>		<b>16,342,915</b>	<b>15,666,555</b>	
<b>Appropriations</b>				
(a) Balance at the beginning of the period		<b>(10,334,578)</b>	<b>(11,643,468)</b>	
(b) Interim dividends paid during the period - Refer note 3.39 of schedule 16		<b>5,361,133</b>	<b>7,931,517</b>	
(c) Proposed final dividend - Refer note 3.39 of schedule 16		<b>3,006,835</b>	<b>3,001,437</b>	
(d) Final dividend - Refer note 3.39 of schedule 16		284	—	
(e) Dividend distribution tax - Refer note 3.39 of schedule 16		<b>1,604,836</b>	<b>1,858,055</b>	
(f) Transfer to/(from) general reserve - Refer schedule 6		<b>(4,446,769)</b>	<b>1,566,656</b>	
<b>Profit/ (Loss) carried to Balance Sheet</b>		<b>482,018</b>	<b>(10,334,578)</b>	
<b>Earnings per equity share - Refer note 3.18 of schedule 16</b>				
Basic earnings per equity share ₹		<b>11.43</b>	<b>10.96</b>	
Diluted earnings per equity share ₹		<b>11.41</b>	<b>10.94</b>	
Nominal value per equity share ₹		<b>10.00</b>	<b>10.00</b>	
<b>Significant accounting policies &amp; notes</b>	16			

**Form A-BS**

Particulars	Schedule	March 31, 2015	March 31, 2014	(₹ in '000)
<b>Sources of funds</b>				
Shareholders' funds :				
Share capital	5	<b>14,317,170</b>	<b>14,292,557</b>	
Share application money		<b>11,658</b>	<b>984</b>	
Reserve and surplus	6	<b>34,320,453</b>	<b>33,663,847</b>	
Credit/(debit) fair value change account		<b>4,028,965</b>	<b>1,860,657</b>	
<b>Sub - total</b>		<b>52,678,246</b>	<b>49,878,045</b>	
Borrowings	7	—	—	
Policyholders' funds :				
Credit/(debit) fair value change account		<b>11,754,692</b>	<b>4,794,024</b>	
Revaluation reserve - Investment property - Refer note 3.23 of schedule 16		<b>562,079</b>	<b>668,879</b>	
Policy liabilities (A)+(B)+(C)		<b>920,340,233</b>	<b>740,779,201</b>	
Non unit liabilities (mathematical reserves) (A)		<b>172,587,540</b>	<b>138,124,872</b>	
Provision for linked liabilities (fund reserves) (B)		<b>724,775,230</b>	<b>591,373,652</b>	
(a) Provision for linked liabilities		<b>584,006,002</b>	<b>523,002,342</b>	
(b) Credit/(debit) fair value change account (Linked)		<b>140,769,228</b>	<b>68,371,310</b>	
Funds for discontinued policies (C) - Refer note 3.36 of schedule 16		<b>22,977,463</b>	<b>11,280,677</b>	
(a) Discontinued on account of non-payment of premium		<b>22,977,463</b>	<b>11,285,434</b>	
(b) Other discontinuance		—	—	
(c) Credit/(debit) fair value change account		—	<b>(4,757)</b>	
Total linked liabilities (B)+(C)		<b>747,752,693</b>	<b>602,654,329</b>	
<b>Sub - total</b>		<b>932,657,004</b>	<b>746,242,104</b>	
Funds for Future Appropriations				
Linked - Refer note 3.3 of schedule 16		<b>22,666</b>	<b>449,992</b>	
Non linked - Refer note 3.3 of schedule 16		<b>5,252,224</b>	<b>4,590,399</b>	
<b>Sub - total</b>		<b>5,274,890</b>	<b>5,040,397</b>	
<b>Total</b>		<b>990,610,140</b>	<b>801,100,540</b>	
<b>Application of funds</b>				
Investments		—	—	
Shareholders'	8	<b>58,567,710</b>	<b>53,527,703</b>	
Policyholders'	8A	<b>188,579,514</b>	<b>144,567,076</b>	
Asset held to cover linked liabilities	8B	<b>747,775,359</b>	<b>603,104,321</b>	
Loans	9	<b>201,121</b>	<b>119,076</b>	
Fixed assets - net block	10	<b>2,149,900</b>	<b>2,015,439</b>	
Deferred tax asset - Refer note 3.6 of schedule 16		1,338	15,295	
Current assets				
Cash and Bank balances	11	<b>2,554,800</b>	<b>1,934,384</b>	
Advances and Other assets	12	<b>12,328,015</b>	<b>9,642,058</b>	
<b>Sub-Total (A)</b>		<b>14,882,815</b>	<b>11,576,442</b>	
Current liabilities	13	<b>17,781,603</b>	<b>16,066,435</b>	
Provisions	14	<b>3,766,014</b>	<b>3,646,186</b>	
<b>Sub-Total (B)</b>		<b>21,547,617</b>	<b>19,712,621</b>	
Net Current Assets (C) = (A-B)		<b>(6,664,802)</b>	<b>(8,136,179)</b>	
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	—	—	
Debit Balance in Profit & Loss Account (Shareholders' account)		—	<b>5,887,809</b>	
<b>Total</b>		<b>990,610,140</b>	<b>801,100,540</b>	
Contingent liabilities - Refer note 3.1 of schedule 16		<b>1,932,394</b>	<b>1,987,827</b>	
<b>Significant accounting policies &amp; notes</b>	16			

The Schedules and accompanying notes referred to herein form an integral part of the Balance Sheet.

As per our report of even date attached.

For S.R.Batllobi & Co, LLP  
 Chartered Accountants  
 ICAI Firm Registration No.301003E

For B S R & Co, LLP  
 Chartered Accountants  
 ICAI Firm Reg. No. 101248W/W-100022

For and on behalf of the Board of Directors

per SHRAWAN JALAN  
 Partner  
 Membership No. 102102

VENKATARAMAN VISHWANATH  
 Partner  
 Membership No. 113156

CHANDA KOCHHAR  
 Chairperson  
 DIN:00043617

KEKI DADISETH  
 Director  
 DIN:00052165

SANDEEP BAKHSHI  
 Managing Director and CEO  
 DIN:00109206

SANDEEP BATRA  
 Executive Director  
 DIN:03620913

SATYAN JAMBUNATHAN  
 Appointed Actuary

Place : Mumbai  
 Date : April 24, 2015

BINAY AGARWALA  
 Chief Financial Officer

SANAULLA KHAN  
 Company Secretary

# receipts & payments account

for the year ended March 31, 2015

(₹ in '000)

Sr. No.	Particulars	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
A.	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	<b>Cash receipts from customers:</b>		
	Premium and other receipts	178,363,395	149,914,523
	<b>Cash paid towards operating activities:</b>		
	Commission paid	(5,646,719)	(6,388,108)
	Policy benefits paid	(123,489,027)	(120,826,433)
	Other expenses	(40,434,658)	(42,103,430)
	Service tax paid	(3,326,182)	(3,386,938)
	Reinsurance premium ceded (net of recovery amount)	(420,387)	(704,627)
	Advances and deposits	6,005	(3,036)
	Taxes paid	—	(83,203)
	<b>Net cash from/(used in) operating activities (A)</b>	<b>5,052,427</b>	<b>(23,581,252)</b>
B.	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(568,946)	(786,859)
	Sale of fixed assets	42,897	35,455
	Purchase of investments	(526,049)	(751,404)
	Loan	(899,642,699)	(956,390,141)
	Sale of investments	(82,045)	(31,607)
	Advance paid towards investment property	881,899,222	986,816,468
	Interest & rent received (net of Tax deducted at source)	(188,367)	(36,374)
	Dividend received	31,512,025	28,645,504
	Investments in money market instruments and in liquid mutual funds (Net)*	5,945,238	6,294,042
	Expense related to investment	(36,955,452)	(4,381,580)
	<b>Net cash from/(used in) investing activities (B)</b>	<b>(159,029)</b>	<b>(123,568)</b>
	<b>Net cash used in financing activities (C)</b>	<b>(18,197,156)</b>	<b>60,041,340</b>
D.	<b>Effect of foreign exchange rates on cash and cash equivalents (net) (D)</b>	<b>627</b>	<b>490</b>
E.	Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	(22,799,821)	25,548,923
F.	Cash and cash equivalents at beginning of the year	41,580,197	16,031,274
G.	<b>Cash and cash equivalents at end of the year</b>	<b>18,780,376</b>	<b>41,580,197</b>
	<b>Note:</b>		
	<b>Cash and cash equivalents at the end of the year</b>		
	- Cash (Including cheques in hand and stamps in hand)	1,363,056	1,515,512
	- Bank Balances and Money at call and short notice	1,193,031	1,436,209
	[Including bank balance for linked business of		
	₹ 1,287 thousands (₹ 1,017,337 thousands at March 31, 2014)		
	- Other short term liquid investment.		
	[Forming part of investments in financials]	16,224,289	38,628,476
	<b>Total</b>	<b>18,780,376</b>	<b>41,580,197</b>
	For Cash and cash equivalents - Refer note 2.19 of Schedule 16		

The above Receipts and payments account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of financial statements and auditor's report of insurance companies) Regulations, 2002 under the "Direct method" in accordance with Accounting Standard 3 Cash Flow Statements.

As per our report of even date attached.

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E

For B S R & Co. LLP  
Chartered Accountants  
ICAI Firm Reg. No. 101248W/W-100022

For and on behalf of the Board of Directors

per SHRAWAN JALAN  
Partner  
Membership No. 102102

VENKATARAMANAN VISHWANATH  
Partner  
Membership No. 113156

CHANDA KOCHHAR  
Chairperson  
DIN:00043617

KEKI DADISETH  
Director  
DIN:00052165

SANDEEP BAKHSHI  
Managing Director and CEO  
DIN:00109206

Place : Mumbai  
Date : April 24, 2015

BINAY AGARWALA  
Chief Financial Officer

SANAULLA KHAN  
Company Secretary

# schedules



forming part of the financial statements

*Continued*

**SCHEDULE – 1**

**PREMIUM (Net of service tax)**

**For the year ended March 31, 2015**

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,157,827	(63)	724,811	—	170	38,299,991	505,487	3,496	40,000	45,731,719
Renewal premiums	10,240,687	385,302	20,957,818	—	168,997	53,068,265	9,371,968	1,666,675	3,885,184	99,744,896
Single premiums	—	—	587,714	2,199,364	—	1,153,578	259,695	—	3,389,209	7,589,560
<b>Total Premium</b>	<b>16,398,514</b>	<b>385,239</b>	<b>22,270,343</b>	<b>2,199,364</b>	<b>169,167</b>	<b>92,521,834</b>	<b>10,137,150</b>	<b>1,670,171</b>	<b>7,314,393</b>	<b>153,066,175</b>
<b>Premium Income from business written:</b>										
In India	16,398,514	385,239	22,270,343	2,199,364	169,167	92,521,834	10,137,150	1,670,171	7,314,393	153,066,175
Outside India	—	—	—	—	—	—	—	—	—	—
<b>Total Premium</b>	<b>16,398,514</b>	<b>385,239</b>	<b>22,270,343</b>	<b>2,199,364</b>	<b>169,167</b>	<b>92,521,834</b>	<b>10,137,150</b>	<b>1,670,171</b>	<b>7,314,393</b>	<b>153,066,175</b>

**For the year ended March 31, 2014**

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,034,010	6	4,808,718	—	4,513	20,792,023	516,552	186,881	509,043	32,851,746
Renewal premiums	6,150,120	1,585,679	18,437,975	—	184,930	40,972,797	13,212,047	1,804,342	4,342,683	86,690,573
Single premiums	—	—	1,187,056	2,281,257	—	927,630	268,914	—	79,319	4,744,176
<b>Total Premium</b>	<b>12,184,130</b>	<b>1,585,685</b>	<b>24,433,749</b>	<b>2,281,257</b>	<b>189,443</b>	<b>62,692,450</b>	<b>13,997,513</b>	<b>1,991,223</b>	<b>4,931,045</b>	<b>124,286,495</b>
<b>Premium Income from business written:</b>										
In India	12,184,130	1,585,685	24,433,749	2,281,257	189,443	62,692,450	13,997,513	1,991,223	4,931,045	124,286,495
Outside India	—	—	—	—	—	—	—	—	—	—
<b>Total Premium</b>	<b>12,184,130</b>	<b>1,585,685</b>	<b>24,433,749</b>	<b>2,281,257</b>	<b>189,443</b>	<b>62,692,450</b>	<b>13,997,513</b>	<b>1,991,223</b>	<b>4,931,045</b>	<b>124,286,495</b>

Note: Refer Schedule 16 Note 2.3.1 for accounting policy on Premium recognition.

**SCHEDULE – 2**

**COMMISSION EXPENSES**

**For the year ended March 31, 2015**

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission										
Direct – First year premiums	1,302,568	(10)	47,439	—	54	2,183,204	7,642	426	—	3,541,323
– Renewal premiums	385,131	2,968	803,975	—	4,508	681,947	76,024	18,752	—	1,973,305
– Single premiums	—	—	1,640	2,470	—	12,021	914	—	50	17,095
<b>Total</b>	<b>1,687,699</b>	<b>2,958</b>	<b>853,054</b>	<b>2,470</b>	<b>4,562</b>	<b>2,877,172</b>	<b>84,580</b>	<b>19,178</b>	<b>50</b>	<b>5,531,723</b>
Add: Commission on re-insurance accepted	—	—	—	—	—	—	—	—	—	—
Less: Commission on re-insurance ceded	—	—	—	—	—	—	—	—	—	—
<b>Net Commission</b>	<b>1,687,699</b>	<b>2,958</b>	<b>853,054</b>	<b>2,470</b>	<b>4,562</b>	<b>2,877,172</b>	<b>84,580</b>	<b>19,178</b>	<b>50</b>	<b>5,531,723</b>
<b>Break-up of the commission by distribution network</b>										
Individual agents	618,850	2,524	182,638	937	3,095	605,623	43,647	17,028	—	1,474,342
Corporate agents	863,027	419	549,229	1,506	1,309	2,233,203	32,370	1,283	—	3,682,346
Brokers	205,822	15	121,187	27	158	38,346	8,563	867	50	375,035
<b>Total Commission</b>	<b>1,687,699</b>	<b>2,958</b>	<b>853,054</b>	<b>2,470</b>	<b>4,562</b>	<b>2,877,172</b>	<b>84,580</b>	<b>19,178</b>	<b>50</b>	<b>5,531,723</b>

**For the year ended March 31, 2014**

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission										
Direct – First year premiums	1,297,549	—	1,441,015	—	1,210	1,912,818	17,828	26,755	6	4,697,181
– Renewal premiums	222,500	3,376	686,875	—	4,794	501,356	119,300	23,444	—	1,561,645
– Single premiums	—	—	3,610	1,266	—	10,341	746	—	61	16,024
<b>Total</b>	<b>1,520,049</b>	<b>3,376</b>	<b>2,131,500</b>	<b>1,266</b>	<b>6,004</b>	<b>2,424,515</b>	<b>137,874</b>	<b>50,199</b>	<b>67</b>	<b>6,274,850</b>
Add: Commission on re-insurance accepted	—	—	—	—	—	—	—	—	—	—
Less: Commission on re-insurance ceded	—	—	—	—	—	—	—	—	—	—
<b>Net Commission</b>	<b>1,520,049</b>	<b>3,376</b>	<b>2,131,500</b>	<b>1,266</b>	<b>6,004</b>	<b>2,424,515</b>	<b>137,874</b>	<b>50,199</b>	<b>67</b>	<b>6,274,850</b>
<b>Break-up of the commission by distribution network</b>										
Individual agents	741,134	2,836	590,416	897	4,301	443,108	63,925	45,140	6	1,891,763
Corporate agents	626,854	526	1,221,035	350	1,450	1,950,262	54,421	2,346	—	3,857,244
Brokers	152,061	14	320,049	19	253	31,145	19,528	2,713	61	525,843
<b>Total Commission</b>	<b>1,520,049</b>	<b>3,376</b>	<b>2,131,500</b>	<b>1,266</b>	<b>6,004</b>	<b>2,424,515</b>	<b>137,874</b>	<b>50,199</b>	<b>67</b>	<b>6,274,850</b>

Note: Refer Schedule 16 Note 2.4 for accounting policy on Acquisition cost.

# schedules

forming part of the financial statements

*Continued*

## SCHEDULE – 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2015

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	1,612,092	19,224	510,872	17,085	25,899	4,051,167	454,072	49,531	92,550	6,832,492
Travel, conveyance and vehicle running expenses	46,833	195	21,413	784	71	240,687	21,452	1,457	13,221	346,113
Agents training, recruitment and incentives	307,712	2	49,225	958	149	576,714	29,255	1,531	—	965,546
Rents, rates and taxes	107,686	842	51,504	2,466	1,047	476,387	51,269	4,270	10,633	706,104
Repairs	43,663	350	23,930	1,156	449	185,575	23,233	1,918	3,936	284,210
Printing and stationery	11,823	228	9,826	325	279	26,186	7,158	927	18,840	75,592
Communication expenses	131,843	2,289	75,437	3,863	2,692	322,711	67,170	8,889	1,418	616,312
Legal and professional charges	115,290	925	48,294	3,133	974	231,367	32,650	3,759	5,480	441,872
Medical fees	1,824	—	13,188	—	—	8,533	16	—	77	23,638
Auditors' fees, expenses etc :										
(a) as auditor	2,880	41	1,484	86	49	6,030	1,108	155	—	11,833
(b) as advisor or in any other capacity, in respect of										
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—
(iii) Management Services; and	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity (for Certification)	—	—	—	—	—	—	—	—	—	—
Advertisement and publicity	83,535	7	30,271	536	176	375,822	37,091	1,772	4	529,214
Interest and bank charges	18,205	464	23,545	3,980	185	98,087	13,448	962	9,565	168,441
Others										
Administration support expenses	478,899	—	62,914	8,188	—	2,848,386	45,341	—	—	3,443,728
Business conferences and meetings	170,278	1	27,109	341	77	331,786	15,049	771	2,930	548,342
Information technology cost	106,879	744	41,313	3,604	902	211,856	21,544	2,834	1,585	391,261
Office running expenses	45,499	348	22,756	1,222	449	165,052	21,306	1,817	3,176	261,625
Data entry related expenses	26,800	580	17,569	749	699	58,803	15,455	2,206	3,472	126,333
Miscellaneous expenses	31,372	797	128,541	1,373	1,258	181,840	6,872	1,645	3,602	357,300
Depreciation	63,182	467	21,523	1,365	521	284,504	16,757	1,716	5,950	395,985
Service tax expenses	5,872	(29)	(19,531)	2,099	(164)	(891)	(6,244)	11,284	1,888	(5,716)
<b>Total</b>	<b>3,412,167</b>	<b>27,475</b>	<b>1,161,183</b>	<b>53,313</b>	<b>35,712</b>	<b>10,680,602</b>	<b>874,002</b>	<b>97,444</b>	<b>178,327</b>	<b>16,520,225</b>

For the year ended March 31, 2014

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	1,573,671	19,815	1,628,252	12,301	16,653	3,023,471	611,013	165,230	76,304	7,126,710
Travel, conveyance and vehicle running expenses	51,735	244	59,868	638	1,039	178,810	28,961	4,511	13,980	339,786
Agents training, recruitment and incentives	236,068	3	139,147	1,095	245	182,587	18,426	12,656	1,823	592,050
Rents, rates and taxes	144,621	800	162,909	2,450	1,371	438,006	69,810	10,284	9,612	839,863
Repairs	40,013	846	31,127	212	603	156,603	47,908	3,934	3,216	284,462
Printing and stationery	9,418	157	12,002	234	273	16,477	7,838	1,025	32,940	80,364
Communication expenses	126,011	2,163	116,230	1,448	3,930	257,721	85,518	13,275	1,561	607,857
Legal and professional charges	154,620	1,519	110,403	2,709	2,097	210,723	64,064	9,994	7,881	564,010
Medical fees	3,247	—	8,843	89	103	5,812	45	1,175	237	19,551
Auditors' fees, expenses etc :										
(a) as auditor	2,920	43	2,388	57	50	4,657	1,473	283	—	11,871
(b) as advisor or in any other capacity, in respect of										
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—
(iii) Management Services; and	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity (for Certification)	36	—	38	—	2	93	50	6	—	225
Advertisement and publicity	183,745	30	231,473	1,374	377	541,513	95,348	7,427	1,013	1,062,300
Interest and bank charges	13,440	461	28,381	2,587	251	71,694	21,350	1,521	7,986	147,671
Others										
Administration support expenses	433,689	—	325,210	5,169	192	1,446,103	50,664	10,962	—	2,271,989
Business conferences and meetings	132,472	2	56,736	197	202	162,812	13,221	2,307	396	368,345
Information technology cost	113,083	725	69,980	2,535	1,519	144,433	26,839	5,683	(129)	364,668
Office running expenses	58,576	356	63,030	1,033	676	162,971	31,840	4,193	3,173	325,848
Data entry related expenses	34,065	727	32,967	492	1,142	65,247	25,221	3,743	2,876	166,480
Miscellaneous expenses	53,868	244	159,863	3,434	344	186,230	57,610	4,907	4,484	470,984
Depreciation	89,064	478	83,030	1,460	707	260,165	23,402	4,593	5,314	468,213
Service tax expenses	3,367	1,377	14,925	181	(495)	32,807	(10,770)	13,921	45	55,358
<b>Total</b>	<b>3,457,729</b>	<b>29,990</b>	<b>3,336,802</b>	<b>39,695</b>	<b>31,281</b>	<b>7,548,935</b>	<b>1,269,831</b>	<b>281,630</b>	<b>172,712</b>	<b>16,168,605</b>

## SCHEDULE – 3A

### EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

For the year ended March 31, 2015

(₹ in '000)

Particulars	March 31, 2015	March 31, 2014
Employees' remuneration and welfare benefits	140,035	65,638
Travel, conveyance and vehicle running expenses	1	13
Rent, rates and taxes	262	290
Printing and stationery	1	4
Communication expenses	32	46
Legal and professional charges	480	299
Interest and bank charges	1,033	883
CSR expenses	310,559	—
Others	1,142	46,802
Depreciation	148	159
<b>Total</b>	<b>453,693</b>	<b>114,134</b>

# schedules



**forming part of the financial statements**

*Continued*

**SCHEDULE – 4  
BENEFITS PAID [NET]**

**For the year ended March 31, 2015**

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
<b>1 Insurance claims</b>										
(a) Claims by death	288,662	10,908	1,165,363	69,046	—	1,565,526	832,975	6,035	81,046	4,019,561
(b) Claims by maturity	734,329	150,899	9,035	—	—	717,446	1,538,904	—	—	3,150,613
(c) Annuities/Pension payment	—	—	—	1,126,588	—	—	—	—	—	1,126,588
(d) Other benefits										
- Surrender/Withdrawal	1,229,141	1,674,981	348,789	749	—	45,748,514	53,679,916	—	10,414,550	113,096,640
- Survival	1,380,353	—	—	—	—	—	—	—	—	1,380,353
- Rider	21,869	1,199	34,092	(291)	—	33,625	1,803	—	—	92,297
- Health	—	—	9,786	—	68,947	—	—	580,760	—	659,493
<b>Sub Total (A)</b>	<b>3,654,354</b>	<b>1,837,987</b>	<b>1,567,065</b>	<b>1,196,092</b>	<b>68,947</b>	<b>48,065,111</b>	<b>56,053,598</b>	<b>586,795</b>	<b>10,495,596</b>	<b>123,525,545</b>
<b>2 (Amount ceded in reinsurance)</b>										
(a) Claims by death	—	—	(547,589)	—	—	(217,698)	—	—	—	(765,287)
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d) Other benefits										
- Surrender/Withdrawal	—	—	—	—	—	—	—	—	—	—
- Survival	—	—	—	—	—	—	—	—	—	—
- Rider	—	—	—	—	—	—	—	—	—	—
- Health	—	—	(1,500)	—	(31,401)	—	—	(270,127)	—	(303,028)
<b>Sub Total (B)</b>	<b>—</b>	<b>—</b>	<b>(549,089)</b>	<b>—</b>	<b>(31,401)</b>	<b>(217,698)</b>	<b>—</b>	<b>(270,127)</b>	<b>—</b>	<b>(1,068,315)</b>
<b>3 Amount accepted in reinsurance</b>										
(a) Claims by death	—	—	—	—	—	—	—	—	—	—
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d) Other benefits										
<b>Sub Total (C)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total (A) + (B) + (C)</b>	<b>3,654,354</b>	<b>1,837,987</b>	<b>1,017,976</b>	<b>1,196,092</b>	<b>37,546</b>	<b>47,847,413</b>	<b>56,053,598</b>	<b>316,668</b>	<b>10,495,596</b>	<b>122,457,230</b>
<b>Benefits paid to claimants:</b>										
In India	3,654,354	1,837,987	1,567,065	1,196,092	68,947	48,065,111	56,053,598	586,795	10,495,596	123,525,545
Outside India	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>3,654,354</b>	<b>1,837,987</b>	<b>1,567,065</b>	<b>1,196,092</b>	<b>68,947</b>	<b>48,065,111</b>	<b>56,053,598</b>	<b>586,795</b>	<b>10,495,596</b>	<b>123,525,545</b>

**For the year ended March 31, 2014**

(₹ in '000)

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
<b>1 Insurance claims</b>										
(a) Claims by death	212,368	15,060	1,124,238	62,738	—	1,378,555	778,803	4,685	84,094	3,660,541
(b) Claims by maturity	525,074	134,486	8,197	—	—	330,513	1,036,026	—	—	2,034,296
(c) Annuities/Pension payment	—	—	—	952,368	—	—	—	—	—	952,368
(d) Other benefits										
- Surrender/Withdrawal	967,032	4,298,117	329,948	—	—	49,162,625	50,285,398	—	8,022,713	113,065,833
- Survival	1,166,136	—	—	—	—	—	—	—	—	1,166,136
- Rider	21,591	1,595	24,555	—	—	42,164	3,301	—	—	93,206
- Health	—	—	9,305	—	67,946	—	—	523,728	—	600,979
<b>Sub Total (A)</b>	<b>2,892,201</b>	<b>4,449,258</b>	<b>1,496,243</b>	<b>1,015,106</b>	<b>67,946</b>	<b>50,913,857</b>	<b>52,103,528</b>	<b>528,413</b>	<b>8,106,807</b>	<b>121,573,359</b>
<b>2 (Amount ceded in reinsurance)</b>										
(a) Claims by death	—	—	(359,706)	—	—	(182,390)	—	—	(993)	(543,089)
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d) Other benefits										
- Surrender/Withdrawal	—	—	—	—	—	—	—	—	—	—
- Survival	—	—	—	—	—	—	—	—	—	—
- Rider	—	—	—	—	—	—	—	—	—	—
- Health	—	—	(2,075)	—	(33,761)	—	—	(254,809)	—	(290,645)
<b>Sub Total (B)</b>	<b>—</b>	<b>—</b>	<b>(361,781)</b>	<b>—</b>	<b>(33,761)</b>	<b>(182,390)</b>	<b>—</b>	<b>(254,809)</b>	<b>(993)</b>	<b>(833,734)</b>
<b>3 Amount accepted in reinsurance</b>										
(a) Claims by death	—	—	—	—	—	—	—	—	—	—
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d) Other benefits										
<b>Sub Total (C)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total (A) + (B) + (C)</b>	<b>2,892,201</b>	<b>4,449,258</b>	<b>1,134,462</b>	<b>1,015,106</b>	<b>34,185</b>	<b>50,731,467</b>	<b>52,103,528</b>	<b>273,604</b>	<b>8,105,814</b>	<b>120,739,625</b>
<b>Benefits paid to claimants:</b>										
In India	2,892,201	4,449,258	1,496,243	1,015,106	67,946	50,913,857	52,103,528	528,413	8,106,807	121,573,359
Outside India	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>2,892,201</b>	<b>4,449,258</b>	<b>1,496,243</b>	<b>1,015,106</b>	<b>67,946</b>	<b>50,913,857</b>	<b>52,103,528</b>	<b>528,413</b>	<b>8,106,807</b>	<b>121,573,359</b>

Note: Refer Schedule 16 Note 2.8 for accounting policy on Benefits paid.

# schedules

forming part of the financial statements

*Continued*

## SCHEDULE – 5 SHARE CAPITAL

Particulars	March 31, 2015	March 31, 2014	(₹ in '000)
<b>Authorised capital</b>			
1,500,000,000 Equity shares of ₹ 10 each	<b>15,000,000</b>	<b>15,000,000</b>	
<b>Issued, subscribed and called-up capital</b>			
1,431,716,991 Equity shares of ₹ 10 each fully paid up (March 31, 2014: 1,429,255,687 Equity shares)	<b>14,317,170</b>	<b>14,292,557</b>	
<b>Total</b>	<b>14,317,170</b>	<b>14,292,557</b>	

Out of the total equity share capital, 1,055,310,907 equity shares (March 31, 2014 - 1,055,310,907 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

## SCHEDULE – 5A PATTERN OF SHAREHOLDING [As certified by the Management]

Shareholder	March 31, 2015	March 31, 2014		
	Number of shares	% of holding	Number of shares	% of holding
<b>Promoters</b>				
Indian (ICICI Bank Limited)	<b>1,055,310,907</b>	<b>73.71</b>	<b>1,055,310,907</b>	<b>73.84</b>
Foreign (Prudential Corporation Holdings Limited)	<b>370,784,884</b>	<b>25.90</b>	<b>370,784,884</b>	<b>25.94</b>
<b>Others</b>	<b>5,621,200</b>	<b>0.39</b>	<b>3,159,896</b>	<b>0.22</b>
<b>Total</b>	<b>1,431,716,991</b>	<b>100.00</b>	<b>1,429,255,687</b>	<b>100.00</b>

## SCHEDULE 6 RESERVES AND SURPLUS

Particulars	March 31, 2015	March 31, 2014	(₹ in '000)
Capital reserves	—	—	
Capital redemption reserve	—	—	
Share premium	<b>33,838,435</b>	<b>33,663,847</b>	
Revaluation reserve	—	—	
General reserve			
Opening balance	<b>4,446,769</b>	<b>2,880,113</b>	
Add: Transfer from/(to) Profit and Loss <sup>1</sup>	(4,446,769)	1,566,656	
Closing balance	—	<b>4,446,769</b>	
Less: Debit balance in Profit and Loss Account	—	(4,446,769)	
Less: Amount utilized for buy-back	—	—	
Catastrophe reserve	—	—	
Other reserves	—	—	
Balance of profit in Profit and Loss Account	<b>482,018</b>	—	
<b>Total</b>	<b>34,320,453</b>	<b>33,663,847</b>	

1. Credit balance of General reserve has been adjusted against Debit balance in Profit and Loss Account

## SCHEDULE 7 BORROWINGS

Particulars	March 31, 2015	March 31, 2014	(₹ in '000)
Debentures/Bonds	—	—	
Banks	—	—	
Financial Institutions	—	—	
<b>Total</b>	—	—	

## SCHEDULE - 8 INVESTMENTS- SHAREHOLDERS

Particulars	March 31, 2015	March 31, 2014	(₹ in '000)
<b>Long term investment</b>			
<b>Government securities</b> <sup>1,2</sup>	<b>22,149,645</b>	<b>12,502,889</b>	
(Market value at March 31, 2015: ₹ 23,505,561 thousands) (Market value at March 31, 2014: ₹ 12,136,145 thousands)			
<b>Other approved securities</b>	<b>649,868</b>	<b>1,703,767</b>	
(Market value at March 31, 2015: ₹ 700,425 thousands) (Market value at March 31, 2014: ₹ 1,721,809 thousands)			
<b>Other approved investments</b>			
Equity shares	<b>8,740,101</b>	<b>7,840,062</b>	
(Historical value at March 31, 2015: ₹ 4,999,840 thousands) (Historical value at March 31, 2014: ₹ 5,998,770 thousands)			
Preference shares	<b>286,593</b>	—	
(Market value at March 31, 2015: ₹ 294,455 thousands) (Market value at March 31, 2014: ₹ Nil)			
Debentures/Bonds	<b>3,956,056</b>	<b>4,351,641</b>	
(Market value at March 31, 2015: ₹ 4,093,623 thousands) (Market value at March 31, 2014: ₹ 4,343,012 thousands)			
Investments in subsidiary <sup>5</sup>	<b>270,000</b>	<b>270,000</b>	
(Market value at March 31, 2015: ₹ 70,029 thousands) (Market value at March 31, 2014: ₹ 70,029 thousands)			
CCIL deposit	<b>70,029</b>	<b>70,029</b>	
(Market value at March 31, 2015: ₹ 70,029 thousands) (Market value at March 31, 2014: ₹ 70,029 thousands)			
Fixed deposits <sup>3</sup>	<b>1,014,500</b>	<b>1,140,200</b>	
(Market value at March 31, 2015: ₹ 1,014,500 thousands) (Market value at March 31, 2014: ₹ 1,140,200 thousands)			
Property	<b>703,632</b>	—	
(Historical value at March 31, 2015: ₹ 703,632 thousands) (Historical value at March 31, 2014: ₹ Nil)			

Particulars	March 31, 2015	March 31, 2014	(₹ in '000)
<b>Investments in infrastructure/housing sector</b>			
<b>Other approved Investments</b>			
Debentures/Bonds	<b>8,470,264</b>	<b>7,905,914</b>	
(Market value at March 31, 2015: ₹ 8,818,287 thousands) (Market value at March 31, 2014: ₹ 7,751,837 thousands)			
Equity shares	<b>339,244</b>	<b>306,464</b>	
(Historical value at March 31, 2015: ₹ 271,710 thousands) (Historical value at March 31, 2014: ₹ 328,048 thousands)			
<b>Other investments</b>			
Debentures/Bonds	<b>100,000</b>	—	
(Market value at March 31, 2015: ₹ 108,426 thousands) (Market value at March 31, 2014: ₹ Nil)			
Equity shares	<b>887,880</b>	—	
(Historical value at March 31, 2015: ₹ 666,710 thousands) (Historical value at March 31, 2014: ₹ Nil)			
<b>Other investments</b>			
Debentures/Bonds	<b>1,400,000</b>	<b>1,000,000</b>	
(Market value at March 31, 2015: ₹ 1,500,163 thousands) (Market value at March 31, 2014: ₹ 1,051,563 thousands)			
Equity shares	<b>21,665</b>	<b>687,195</b>	
(Historical value at March 31, 2015: ₹ 21,665 thousands) (Historical value at March 31, 2014: ₹ 647,057 thousands)			
<b>Short term investment</b>			
<b>Government securities</b>	<b>2,917</b>	<b>1,844,616</b>	
(Market value at March 31, 2015: ₹ 2,918 thousands) (Market value at March 31, 2014: ₹ 1,844,444 thousands)			
<b>Other approved securities</b>	<b>1,692</b>	<b>545</b>	
(Market value at March 31, 2015: ₹ 1,695 thousands) (Market value at March 31, 2014: ₹ 544 thousands)			
<b>Other approved investments</b>			
Debentures/Bonds	<b>922,098</b>	<b>450,064</b>	
(Market value at March 31, 2015: ₹ 937,525 thousands) (Market value at March 31, 2014: ₹ 447,464 thousands)			
Fixed deposits	<b>2,565,418</b>	<b>4,961,979</b>	
(Market value at March 31, 2015: ₹ 2,565,418 thousands) (Market value at March 31, 2014: ₹ 4,961,979 thousands)			
Certificate of deposits	<b>2,617,068</b>	<b>4,863,509</b>	
(Market value at March 31, 2015: ₹ 2,617,068 thousands) (Market value at March 31, 2014: ₹ 4,863,509 thousands)			
Commercial papers	—	<b>1,197,393</b>	
(Market value at March 31, 2015: ₹ Nil) (Market value at March 31, 2014: ₹ 1,197,393 thousands)			
Collateralized borrowing and lending obligation	—	<b>80,238</b>	
(Market value at March 31, 2015: ₹ Nil) (Market value at March 31, 2014: ₹ 80,238 thousands)			
Mutual fund	<b>417,780</b>	—	
(Historical value at March 31, 2015: ₹ 417,780 thousands) (Historical value at March 31, 2014: ₹ Nil)			
<b>Investments in infrastructure/housing sector</b>			
<b>Other approved Investments</b>			
Debentures/Bonds	<b>2,143,207</b>	<b>840,295</b>	
(Market value at March 31, 2015: ₹ 2,218,272 thousands) (Market value at March 31, 2014: ₹ 839,263 thousands)			
Commercial papers	<b>838,053</b>	—	
(Market value at March 31, 2015: ₹ 838,053 thousands) (Market value at March 31, 2014: ₹ Nil)			
<b>Other investments</b>			
Debentures/Bonds	—	<b>14,137</b>	
(Market value at March 31, 2015: ₹ Nil) (Market value at March 31, 2014: ₹ 14,174,174 thousands)			
Mutual fund	—	<b>1,496,766</b>	
(Historical value at March 31, 2015: ₹ Nil) (Historical value at March 31, 2014: ₹ 1,495,956 thousands)			
<b>Total</b>	<b>58,567,710</b>	<b>53,527,703</b>	
In India	<b>58,567,710</b>	<b>53,527,703</b>	
<b>Total</b>	<b>58,567,710</b>	<b>53,527,703</b>	

- Includes ₹ 110,798 thousands (Market value: ₹ 106,124 thousands) of securities under Section 7 of Insurance Act, 1938 at March 31, 2015. [At March 31, 2014: ₹ 102,361 thousands (Market value: ₹ 102,189 thousands)] - Refer 3.25 of Schedule 16
- Government securities of ₹ 953,061 thousands with market value of ₹ 1,037,600 thousands at March 31, 2015 (at March 31, 2014: ₹ Nil with market value of ₹ Nil) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. - Refer 3.25 of Schedule 16
- Includes Fixed deposit of ₹ 1,050,200 thousands at March 31, 2015 [At March 31, 2014: ₹ 1,050,200 thousands] and ₹ 299,000 thousands at March 31, 2015 [At March 31, 2014: ₹ 300,100 thousands] deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement - Refer 3.25 of Schedule 16
- Aggregate amount of Company's investments and the market value thereof:

Particulars	March 31, 2015	March 31, 2014	(₹ in '000)
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	<b>47,187,425</b>	<b>42,927,216</b>	
Market value of above Investments	<b>49,286,418</b>	<b>42,463,603</b>	
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	<b>7,351,337</b>	<b>8,739,831</b>	
Investments in subsidiary at cost is ₹ 270,000 thousands at March 31, 2015 [At March 31, 2014 : ₹ 270,000 thousands]. For Investments in holding company and other related entities refer note 3.9 of schedule 16.			
Investments made out of Catastrophe reserve is ₹ Nil. (At March 31, 2015 and at March 31, 2014)			
Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.			

Note: Refer schedule 16 note 2.11 for accounting policy related to investments

# schedules



forming part of the financial statements

*Continued*

**SCHEDULE - 8A  
INVESTMENTS - POLICYHOLDERS**

(₹ in '000)

Particulars	March 31, 2015									
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
<b>Long term investment</b>										
Government securities <sup>1</sup> (Market value: ₹ 107,523,338 thousands)	33,355,357	6,046,687	44,247,267	14,788,118	393,760	3,433,818	679,342	110,992	—	103,055,341
Other approved securities (Market value: ₹ 7,466,563 thousands)	1,808,668	1,276,042	2,993,236	1,095,323	—	21,388	—	—	—	7,194,657
<b>Other approved investments</b>										
Equity shares (Historical value: ₹ 11,397,327 thousands)	8,489,140	1,150,288	12,849,862	—	—	—	—	—	—	22,489,290
Preference shares (Market value: ₹ 98,025 thousands)	86,418	—	880	—	—	—	—	—	—	87,298
Debentures/Bonds (Market value: ₹ 12,725,462 thousands)	3,937,729	2,859,263	3,677,426	1,064,348	76,643	316,504	204,862	51,004	178,255	12,366,034
Property (Historical value: ₹ 1,262,956 thousands)	1,451,235	373,800	—	—	—	—	—	—	—	1,825,035
CCIL deposit (Market value: ₹ 71 thousands)	—	—	—	—	—	51	18	—	2	71
Fixed deposits (Market value: ₹ 1,892,000 thousands)	725,400	243,500	345,100	356,000	—	173,000	49,000	—	—	1,892,000
<b>Investments in infrastructure/housing sector</b>										
<b>Other approved investments</b>										
Equity shares (Historical value: ₹ 1,028,216 thousands)	430,026	45,196	840,858	—	—	—	—	—	—	1,316,080
Debentures/Bonds (Market value: ₹ 25,709,139 thousands)	8,406,386	3,184,459	8,787,756	2,249,397	100,000	1,503,262	422,705	9,712	225,961	24,889,638
<b>Other investments</b>										
Equity shares (Historical value: ₹ 356,029 thousands)	219,983	—	482,189	—	—	—	—	—	—	702,172
Debentures/Bonds (Market value: ₹ 206,864 thousands)	210,000	—	—	—	—	—	—	—	—	210,000
<b>Other investments</b>										
Equity shares (Historical value: ₹ 8,500 thousands)	37,222	—	—	—	—	—	—	—	—	37,222
Debentures/Bonds (Market value: ₹ 138,128 thousands)	113,650	—	25,000	—	—	—	—	—	—	138,650
Venture fund (Market value: ₹ 226,001 thousands)	215,954	—	—	—	—	—	—	—	—	215,954
<b>Short term investment</b>										
<b>Government securities</b>	—	499,096	—	—	—	—	—	—	—	499,096
Other approved securities (Market value: ₹ 399 thousands)	—	397	—	—	—	—	—	—	—	397
<b>Other approved investments</b>										
Debentures/Bonds (Market value: ₹ 474,624 thousands)	7,856	53,510	299,016	—	—	70,000	30,000	—	—	460,382
Fixed deposits (Market value: ₹ 300,000 thousands)	—	50,000	250,000	—	—	—	—	—	—	300,000
Certificate of deposits (Market value: ₹ 3,364,118 thousands)	478,746	—	463,849	—	—	1,673,999	571,602	49,854	126,068	3,364,118
Reverse repo (Market value: ₹ 261,190 thousands)	—	261,190	—	—	—	—	—	—	—	261,190
Collateralized borrowing and lending obligation (Market value: ₹ 1,990,514 thousands)	677,026	669,687	599,101	44,700	—	—	—	—	—	1,990,514
Mutual fund (Historical value: ₹ 1,894,105 thousands)	412,277	—	1,289,585	—	16,216	105,188	50,812	3,495	16,532	1,894,105
<b>Investments in infrastructure/housing sector</b>										
<b>Other approved investments</b>										
Debentures/Bonds (Market value: ₹ 1,629,600 thousands)	890,147	298,398	392,092	—	—	25,000	—	—	—	1,605,637
Commercial papers (Market value: ₹ 1,704,178 thousands)	—	1,000,332	170,263	—	—	150,080	222,699	—	160,804	1,704,178
<b>Other investments</b>										
Venture fund (Market value: ₹ 89,670 thousands)	80,455	—	—	—	—	—	—	—	—	80,455
<b>Total</b>	<b>62,033,675</b>	<b>18,011,845</b>	<b>77,713,480</b>	<b>19,597,886</b>	<b>586,619</b>	<b>7,472,290</b>	<b>2,231,040</b>	<b>225,057</b>	<b>707,622</b>	<b>188,579,514</b>
In India	62,033,675	18,011,845	77,713,480	19,597,886	586,619	7,472,290	2,231,040	225,057	707,622	188,579,514
<b>Total</b>	<b>62,033,675</b>	<b>18,011,845</b>	<b>77,713,480</b>	<b>19,597,886</b>	<b>586,619</b>	<b>7,472,290</b>	<b>2,231,040</b>	<b>225,057</b>	<b>707,622</b>	<b>188,579,514</b>

1. Government securities of ₹ 475,846 thousands with market value of ₹ 518,800 thousands (at March 31, 2014: ₹ 1,321,747 thousands with market value of ₹ 1,227,178 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 207,080 thousands with market value of ₹ 209,850 thousands (at March 31, 2014: ₹ 207,303 thousands with market value of ₹ 185,182 thousands) has been deposited with CCIL for trades in the Collateralized borrowing and lending obligation segment - Refer 3.25 of Schedule 16
2. Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ in '000)		
	March 31, 2015	March 31, 2014	
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary , investment in property and derivative instruments	160,315,627	123,505,709	
Market value of above Investments	166,298,979	118,134,325	
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	15,947,133	15,598,464	

3. For Investments in holding company and other related entities - Refer note 3.9 of schedule 16.
  4. Investments made out of Catastrophe reserve is ₹ Nil. (at March 31, 2015 and at March 31, 2014)
  5. Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- Note: Refer schedule 16 note 2.11 for accounting policy related to investments

# schedules

forming part of the financial statements

*Continued*

**SCHEDULE - 8A  
INVESTMENTS - POLICYHOLDERS**

(₹ in '000)

Particulars	March 31, 2014										Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
<b>Long term investment</b>											
<b>Government securities<sup>1</sup></b> (Market value: ₹ 61,316,479 thousands)	21,058,528	4,056,025	25,264,433	10,696,431	495,709	2,663,595	921,930	—	265,945	65,422,596	
<b>Other approved securities</b> (Market value: ₹ 10,229,683 thousands)	4,727,702	2,261,814	2,565,706	1,117,565	—	21,434	6,521	—	—	10,700,742	
<b>Other approved investments</b>											
Equity shares (Historical value: ₹ 7,883,275 thousands)	5,236,980	927,194	6,431,288	—	—	—	—	—	—	—	12,595,462
Preference shares (Market value: ₹ 18,496 thousands)	9,269	—	—	—	—	—	—	—	—	—	9,269
Debentures/Bonds (Market value: ₹ 13,219,519 thousands)	4,550,646	3,474,854	3,004,064	1,432,497	80,000	485,174	279,764	15,000	216,547	13,538,546	
Property (Historical value: ₹ 185,521 thousands)	427,200	427,200	—	—	—	—	—	—	—	—	854,400
CCIL deposit (Market value: ₹ 71 thousands)	—	—	—	—	—	51	18	—	2	71	
Fixed deposits (Market value: ₹ 2,131,500 thousands)	715,500	293,500	544,500	356,000	—	173,000	49,000	—	—	—	2,131,500
<b>Investments in infrastructure/housing sector</b>											
Equity shares (Historical value: ₹ 1,896,245 thousands)	565,010	86,762	1,186,888	—	—	—	—	—	—	—	1,838,660
Debentures/Bonds (Market value: ₹ 19,055,050 thousands)	6,051,696	3,547,752	5,736,365	2,133,135	150,000	1,378,846	371,544	19,802	124,601	19,513,741	
<b>Other investments</b>											
Equity shares (Historical value: ₹ 456,622 thousands)	170,972	—	422,139	—	—	—	—	—	—	—	593,111
Debentures/Bonds (Market value: ₹ 365,034 thousands)	349,741	—	37,500	—	—	—	—	—	—	—	387,241
Venture fund (Market value: ₹ Nil)	—	—	—	—	—	—	—	—	—	—	—
<b>Short term investment</b>											
<b>Government securities</b> (Market value: ₹ 1,003,049 thousands)	—	—	1,003,049	—	—	—	—	—	—	—	1,003,049
<b>Other approved securities</b> (Market value: ₹ 366,707 thousands)	—	—	370,958	—	—	—	—	—	—	—	370,958
<b>Other approved investments</b>											
Debentures/Bonds (Market value: ₹ 605,748 thousands)	250,000	—	257,699	—	—	70,000	30,000	—	—	—	607,699
Fixed deposits (Market value: ₹ 1,086,200 thousands)	489,000	—	497,200	—	—	100,000	—	—	—	—	1,086,200
Certificate of Deposits (Market value: ₹ 4,964,564 thousands)	816,854	1,796,771	28,184	818,528	—	1,107,464	310,256	63,419	23,088	4,964,564	
Reverse repo (Market value: ₹ Nil)	—	—	—	—	—	—	—	—	—	—	—
Collateralized borrowing and lending obligation (Market value: ₹ 5,885 thousands)	—	5,885	—	—	—	—	—	—	—	—	5,885
Mutual fund (Historical value: ₹ 2,089,795 thousands)	—	—	2,081,341	—	—	7,406	1,933	256	—	—	2,090,936
<b>Investments in infrastructure/housing sector</b>											
Debentures/Bonds (Market value: ₹ 2,305,971 thousands)	391,028	170,151	1,650,268	—	—	100,000	—	—	—	—	2,311,447
Commercial paper (Market value: ₹ 922,369 thousands)	146,063	776,306	—	—	—	—	—	—	—	—	922,369
<b>Other investments</b>											
Mutual fund (Historical value: ₹ 3,087,006 thousands)	1,617,080	—	1,454,072	—	17,486	—	—	—	160	3,088,798	
Venture fund (Market value: ₹ 538,000 thousands)	529,832	—	—	—	—	—	—	—	—	—	529,832
<b>Total</b>	<b>48,103,101</b>	<b>17,824,214</b>	<b>52,535,654</b>	<b>16,554,156</b>	<b>743,195</b>	<b>6,106,970</b>	<b>1,970,966</b>	<b>98,477</b>	<b>630,343</b>	<b>144,567,076</b>	
In India	48,103,101	17,824,214	52,535,654	16,554,156	743,195	6,106,970	1,970,966	98,477	630,343	144,567,076	
<b>Total</b>	<b>48,103,101</b>	<b>17,824,214</b>	<b>52,535,654</b>	<b>16,554,156</b>	<b>743,195</b>	<b>6,106,970</b>	<b>1,970,966</b>	<b>98,477</b>	<b>630,343</b>	<b>144,567,076</b>	

1. Government securities of ₹ 475,846 thousands with market value of ₹ 518,800 thousands (at March 31, 2014: ₹ 1,321,747 thousands with market value of ₹ 1,227,178 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 207,080 thousands with market value of ₹ 209,850 thousands (at March 31, 2014: ₹ 207,303 thousands with market value of ₹ 185,182 thousands) has been deposited with CCIL for trades in the Collateralized borrowing and lending obligation segment - Refer 3.25 of Schedule 16

2. Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ in '000)	
	March 31, 2015	March 31, 2014
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	160,315,627	123,505,709
Market value of above Investments	166,298,979	118,134,325
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	15,947,133	15,598,464

3. For Investments in holding company and other related entities - Refer note 3.9 of schedule 16.

4. Investments made out of Catastrophe reserve is ₹ Nil. (at March 31, 2015 and at March 31, 2014)

5. Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.

Note: Refer schedule 16 note 2.11 for accounting policy related to investments

# schedules



## forming part of the financial statements

*Continued*

### SCHEDULE - 8B ASSETS HELD TO COVER LINKED LIABILITIES

(₹ in '000)

Particulars	March 31, 2015				
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
<b>Long term investments</b>					
<b>Government securities</b> (Historical value: ₹ 117,389,930 thousands)	75,624,502	23,658,600	785,328	19,873,518	<b>119,941,948</b>
<b>Other approved securities</b> (Historical value: ₹ 439,307 thousands)	2,110	269,206	—	190,934	<b>462,250</b>
<b>Other approved investments</b>					
Equity shares <sup>2</sup> (Historical value: ₹ 255,387,205 thousands)	242,865,023	128,909,306	4,385,870	6,357,510	<b>382,517,709</b>
Preference shares (Historical value: ₹ 605,561 thousands)	301,406	220,754	6,954	211,204	<b>740,318</b>
Debentures/Bonds (Historical value: ₹ 19,033,926 thousands)	7,863,510	5,686,202	138,823	6,010,791	<b>19,699,326</b>
Fixed deposits (Historical value: ₹ 6,964,075 thousands)	3,200,005	1,843,590	12,900	1,907,580	<b>6,964,075</b>
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Equity shares <sup>2</sup> (Historical value: ₹ 17,011,998 thousands)	12,237,594	7,871,895	190,685	196,363	<b>20,496,537</b>
Debentures/Bonds (Historical value: ₹ 16,908,567 thousands)	8,258,402	4,189,942	171,174	4,979,042	<b>17,598,560</b>
<b>Other investments</b>					
Equity shares (Historical value: ₹ 26,483,697 thousands)	21,398,927	9,604,509	358,556	932,410	<b>32,294,402</b>
<b>Debentures/Bonds</b> (Historical value: ₹ 37,028 thousands)	—	—	—	39,725	<b>39,725</b>
<b>Other investments</b>					
Equity shares (Historical value: ₹ 3,736,898 thousands)	2,503,762	1,290,467	74,592	3,587	<b>3,872,408</b>
Debentures/Bonds (Historical value: ₹ 120,673 thousands)	79,131	35,358	7,072	—	<b>121,561</b>
Mutual fund (Historical value: ₹ 2,292,944 thousands)	1,945,684	239,690	13,752	—	<b>2,199,126</b>
<b>Short term Investments</b>					
<b>Government securities</b> (Historical value: ₹ 1,951,698 thousands)	1,956,155	—	—	—	<b>1,956,155</b>
Other approved securities (Historical value at March 31, 2015: ₹ Nil)	—	—	—	—	—
<b>Other approved investments</b>					
Debentures/Bonds (Historical value: ₹ 5,521,473 thousands)	3,715,528	538,026	88,312	1,235,009	<b>5,576,875</b>
Certificate of deposits (Historical value: ₹ 45,064,489 thousands)	33,492,862	6,044,680	220,996	5,519,588	<b>45,278,126</b>
Commercial papers (Historical value: ₹ 55,02,235 thousands)	3,107,178	1,403,708	20,847	1,028,212	<b>5,559,945</b>
Fixed deposits (Historical value: ₹ 28,060,800 thousands)	15,544,250	5,686,207	123,700	6,706,643	<b>28,060,800</b>
Collateralized borrowing and lending obligation (Historical value: ₹ 6,489 thousands)	82	6,407	—	—	<b>6,489</b>
Mutual fund (Historical value: ₹ 5,652,432 thousands)	3,804,474	1,658,368	69,556	120,034	<b>5,652,432</b>
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Debentures/Bonds (Historical value: ₹ 5,909,019 thousands)	3,494,532	1,183,856	89,047	1,348,167	<b>6,115,602</b>
Commercial papers (Historical value: ₹ 23,375,567 thousands)	12,217,323	6,051,798	122,028	5,315,969	<b>23,707,118</b>
<b>Other investments</b>					
Commercial papers (Historical value: ₹ 1,720,139 thousands)	698,280	991,600	33,447	—	<b>1,723,327</b>
Mutual fund (Historical value: ₹ 5,463,682 thousands)	3,364,713	1,661,882	305,569	131,518	<b>5,463,682</b>
Venture fund (Historical value: ₹ 14,198 thousands)	15,824	—	—	—	<b>15,824</b>
<b>Net current asset</b>	5,524,939	2,865,667	73,196	3,247,237	<b>11,711,039</b>
<b>Total</b>	<b>463,216,196</b>	<b>211,911,718</b>	<b>7,292,404</b>	<b>65,355,041</b>	<b>747,775,359</b>
In India	463,216,196	211,911,718	7,292,404	65,355,041	747,775,359
<b>Total</b>	<b>463,216,196</b>	<b>211,911,718</b>	<b>7,292,404</b>	<b>65,355,041</b>	<b>747,775,359</b>

- For Investments in holding company and other related entities refer note 3.9 of schedule 16.
- Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - refer note 3.27 of schedule 16.

Note: Refer schedule 16 note 2.11 for accounting policy related to investments

# schedules

forming part of the financial statements

*Continued*

**SCHEDULE - 8B  
ASSETS HELD TO COVER LINKED LIABILITIES**

(₹ in '000)

Particulars	<i>March 31, 2014</i>				
	<i>Linked Life Funds</i>	<i>Linked Pension Funds</i>	<i>Linked Health Funds</i>	<i>Linked Group Funds</i>	<i>Total</i>
<b>Long term Investments</b>					
<b>Government securities</b>	34,602,593	9,809,727	300,164	6,529,422	51,241,906
(Historical value: ₹ 51,912,462 thousands)					
<b>Other approved securities</b>	3,194,478	2,676,669	60,714	2,010,767	7,942,628
(Historical value: ₹ 7,845,552 thousands)					
<b>Other approved investments</b>					
Equity shares <sup>2</sup>	181,231,303	111,941,548	2,740,528	6,798,378	302,711,757
(Historical value: ₹ 227,354,351 thousands)					
Preference shares	134,318	51,036	1,585	—	186,939
(Historical value: ₹ 110,824 thousands)					
Debentures/Bonds	9,260,561	6,829,856	153,109	6,365,824	22,609,350
(Historical value: ₹ 22,657,852 thousands)					
Fixed deposit	3,599,976	1,741,006	10,111	2,134,307	7,485,400
(Historical value: ₹ 7,485,400 thousands)					
<b>Investments in infrastructure/housing sector</b>					
Equity shares	16,450,046	12,933,299	307,265	243,045	29,933,655
(Historical value: ₹ 35,625,880 thousands)					
Debenture/Bonds	14,832,104	7,718,522	171,981	6,372,800	29,095,407
(Historical value: ₹ 29,094,566 thousands)					
<b>Other investments</b>					
Equity shares	12,159,002	7,653,376	340,222	663,419	20,816,019
(Historical value: ₹ 21,360,717 thousands)					
Debentures/Bonds	138,661	49,970	9,994	37,126	235,751
(Historical value: ₹ 238,054 thousands)					
Venture fund	—	—	—	—	—
(Historical value: ₹ Nil)					
<b>Short term investments</b>					
<b>Government securities</b>	3,921,317	336,425	1,766	4,209	4,263,717
(Historical value: ₹ 4,219,206 thousands)					
<b>Other approved investments</b>					
Debentures/Bonds	1,588,553	1,834,710	14,897	1,322,703	4,760,863
(Historical value: ₹ 4,741,181 thousands)					
Certificate of deposit	13,681,873	8,389,956	234,465	6,701,098	29,007,392
(Historical value: ₹ 28,796,669 thousands)					
Commercial papers	5,393,870	4,110,869	69,942	2,576,546	12,151,227
(Historical value: ₹ 11,890,751 thousands)					
Fixed deposits	16,115,881	12,558,961	174,338	8,793,278	37,642,458
(Historical value: ₹ 37,642,458 thousands)					
Collateralized borrowing and lending obligation	324,129	432,254	8,879	148,287	913,549
(Historical value: ₹ 912,355 thousands)					
Mutual fund	1,769,565	806,014	47,681	265,036	2,888,296
(Historical value: ₹ 2,886,513 thousands)					
<b>Investments in infrastructure/housing sector</b>					
Debentures/Bonds	3,571,767	3,090,426	76,932	2,207,845	8,946,970
(Historical value: ₹ 8,925,106 thousands)					
Commercial papers	6,770,162	5,885,815	12,989	2,823,890	15,492,856
(Historical value: ₹ 15,045,569 thousands)					
<b>Other investments</b>					
Debentures/Bonds	319,137	253,654	6,021	550,210	1,129,022
(Historical value: ₹ 1,157,734 thousands)					
Mutual fund	1,167,983	524,975	101,325	502,932	2,297,215
(Historical value: ₹ 2,295,730 thousands)					
Venture fund	15,735	—	—	—	15,735
(Historical value: ₹ 14,294 thousands)					
<b>Net current asset</b>	5,967,718	2,880,478	160,540	2,327,473	11,336,209
<b>Total</b>	<b>336,210,732</b>	<b>202,509,546</b>	<b>5,005,448</b>	<b>59,378,595</b>	<b>603,104,321</b>
In India	336,210,732	202,509,546	5,005,448	59,378,595	603,104,321
<b>Total</b>	<b>336,210,732</b>	<b>202,509,546</b>	<b>5,005,448</b>	<b>59,378,595</b>	<b>603,104,321</b>

1. For Investments in holding company and other related entities refer note 3.9 of schedule 16.

2. Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - refer note 3.27 of schedule 16.

Refer schedule 16 note 2.11 for accounting policy related to investments

# schedules



forming part of the financial statements

*Continued*

## SCHEDULE - 9 LOANS

Particulars	March 31, 2015	March 31, 2014
<b>1. Security-wise classifications</b>		
Secured		
(a) On mortgage of property		
(aa) In India	—	—
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt Securities, etc.	—	—
(c) Loans against policies	201,121	119,076
(d) Others	—	—
Unsecured	—	—
<b>Total</b>	<b>201,121</b>	<b>119,076</b>
<b>2. Borrower wise classification</b>		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Companies	—	—
(e) Policyholders - Loans against policies	201,121	119,076
(f) Others	—	—
<b>Total</b>	<b>201,121</b>	<b>119,076</b>

## SCHEDULE - 10 FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	At April 1, 2014	Additions	Deductions	At March 31, 2015	At April 1, 2014	For the year*	Deductions	At March 31, 2015	At March 31, 2015	At April 1, 2014
<b>Intangible assets</b>										
Goodwill	—	—	—	—	—	—	—	—	—	—
Software <sup>1</sup>	870,505	113,973	—	984,478	680,605	98,215	—	778,820	205,658	189,900
<b>Tangible assets</b>										
Freehold land	903,280	—	—	903,280	—	—	—	—	903,280	903,280
Improvements to leasehold property	1,375,571	212,836	301,263	1,287,144	1,103,251	118,411	299,070	922,592	364,552	272,320
Office buildings on freehold land	89,000	—	—	89,000	10,165	1,467	—	11,632	77,368	78,835
Furniture and fixtures	150,878	79,016	10,511	219,383	132,599	12,566	10,053	135,112	84,271	18,279
Information technology equipment	404,798	23,595	50,674	377,719	187,587	90,005	19,146	258,446	119,273	217,211
Motor vehicles	54,730	3,565	9,304	48,991	27,256	10,259	6,348	31,167	17,824	27,474
Office equipment	263,979	100,011	14,236	349,754	195,573	25,966	13,019	208,520	141,234	68,406
Communication networks	289,888	22,731	42	312,577	96,544	39,244	42	135,746	176,831	193,344
<b>Total</b>	<b>4,402,629</b>	<b>555,727</b>	<b>386,030</b>	<b>4,572,326</b>	<b>2,433,580</b>	<b>396,133</b>	<b>347,678</b>	<b>2,482,035</b>	<b>2,090,291</b>	<b>1,969,049</b>
Capital work in progress including capital advances	—	—	—	—	—	—	—	—	59,609	46,390
<b>Total</b>	<b>4,402,629</b>	<b>555,727</b>	<b>386,030</b>	<b>4,572,326</b>	<b>2,433,580</b>	<b>396,133</b>	<b>347,678</b>	<b>2,482,035</b>	<b>2,149,900</b>	<b>2,015,439</b>
At March 31, 2014	3,851,512	804,689	253,572	4,402,629	2,199,098	468,372	233,890	2,433,580	—	—

1. All software are other than those generated internally.

\* Refer note 2.2 of schedule 16

## SCHEDULE - 11

### CASH AND BANK BALANCES

Particulars	March 31, 2015	March 31, 2014
Cash (including cheques, drafts and stamps)	1,363,056	1,515,512
<b>Bank Balance</b>		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	—	—
(bb) Others	—	—
(b) Current accounts	1,191,744	418,872
(c) Others	—	—
<b>Money at call and short notice</b>		
(a) With Banks	—	—
(b) With other Institutions	—	—
<b>Others</b>	—	—
<b>Total</b>	<b>2,554,800</b>	<b>1,934,384</b>
Balances with non-scheduled banks included above	7,840	6,910
<b>CASH AND BANK BALANCES</b>		
In India	2,537,903	1,918,561
Outside India	16,897	15,823
<b>Total</b>	<b>2,554,800</b>	<b>1,934,384</b>

Particulars	March 31, 2015	March 31, 2014
<b>3. Performance-Wise Classification</b>		
(a) Loans classified as standard		
(aa) In India	201,121	119,076
(bb) Outside India	—	—
(b) Non-standard loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
<b>Total</b>	<b>201,121</b>	<b>119,076</b>
<b>4. Maturity-wise classification</b>		
(a) Short-term	11,959	6,513
(b) Long-term	189,162	112,563
<b>Total</b>	<b>201,121</b>	<b>119,076</b>

Note : Refer Schedule 16 Note 2.12 for accounting policy on loan.

## SCHEDULE - 12 ADVANCES AND OTHER ASSETS

Particulars	March 31, 2015	March 31, 2014
<b>Advances</b>		
Reserve deposits with ceding companies	—	—
Application money for investments (including advance for investment property)	188,367	36,374
Prepayments	180,464	180,733
Advances to Directors/Officers	—	—
Advance tax paid and taxes deducted at source	1,565,047	1,554,406
<b>Deposits</b>		
Gross	409,229	415,249
Less: Provision for doubtful deposits	(39,754)	(48,873)
Net	369,475	366,376
<b>Other advances</b>		
Gross	255,716	104,962
Less: Provision for doubtful advances	(9,088)	(13,479)
Net	246,628	91,483
<b>Other receivables</b>		
Gross	56,338	176,582
Less: Provision for doubtful receivables	(14,155)	(59,740)
Net	42,183	116,842
<b>Total (A)</b>	<b>2,592,164</b>	<b>2,346,214</b>

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## SCHEDULE - 12 (contd.) ADVANCES AND OTHER ASSETS

Particulars	March 31, 2015	March 31, 2014
<b>Other assets</b>		
Income accrued on investments and deposits	6,101,116	4,900,399
Outstanding premiums	1,408,251	1,624,361
Agents' balances		
Gross	88,553	154,569
Less: Provision for doubtful agents' balance	(77,224)	(140,056)
Net	11,329	14,513
Foreign agencies balances	—	—
Due from other entities carrying on insurance business (including reinsurers)	44,450	45,933
Due from subsidiary - Refer note 3.9 of Schedule 16	4,636	29,307
Deposit with Reserve Bank of India	—	—
Receivable towards investments sold	1,910,113	526,027
Service tax un-utilised credit	255,956	155,324
<b>Total (B)</b>	<b>9,735,851</b>	<b>7,295,844</b>
<b>Total (A+B)</b>	<b>12,328,015</b>	<b>9,642,058</b>

## SCHEDULE - 13 CURRENT LIABILITIES

Particulars	March 31, 2015	March 31, 2014
Agents' balances	754,441	872,621
Balances due to reinsurance companies	50,086	78,561
Deposits held on re-insurance ceded	—	—
Premium received in advance	1,099,924	1,277,842
Unallocated premium	782,429	281,326
Sundry creditors	88,678	144,237
Due to holding company - Refer note 3.9 of Schedule 16	515,703	451,496
Claims outstanding	197,287	377,912
Due to Officers/ Directors	—	—
Deposits	13,243	13,243
Expenses payable	4,726,057	4,418,697
TDS payable	180,829	199,481
Payable towards investments purchased	1,544,592	1,012,117
Unclaimed amount of Policyholders - Refer note 3.5 of schedule 16	5,134,131	4,324,693
Payable to unit fund	2,618,487	2,322,379
Service tax payable	4,741	4,263
Other liabilities	70,975	287,567
<b>Total</b>	<b>17,781,603</b>	<b>16,066,435</b>

## SCHEDULE - 14 PROVISIONS

Particulars	March 31, 2015	March 31, 2014
For taxation	—	—
For proposed dividends	3,006,835	3,001,437
For dividend distribution tax	612,192	510,094
For leave encashment and gratuity - Refer note 3.15 of schedule 16	146,987	134,655
<b>Total</b>	<b>3,766,014</b>	<b>3,646,186</b>

## SCHEDULE - 15 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	March 31, 2015	March 31, 2014
Discount allowed in issue of shares / debentures	—	—
Others	—	—
<b>Total</b>	<b>—</b>	<b>—</b>

## SCHEDULE: 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2015

### 1. Corporate Information

ICICI Prudential Life Insurance Company Limited ('the Company') is a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited, was incorporated on July 20, 2000 as a Company under the Companies Act, 1956 ('the Act'). The Company is licensed by the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying life insurance business in India. The license has been renewed and is in force as at March 31, 2015.

The Company carries on business of providing life insurance, pensions and health insurance to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the Company's proprietary sales force and the Company website.

### 2. Summary of significant accounting policies

#### 2.1. Basis of preparation

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The company has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except for the change in accounting policy as explained below:

#### Amortisation of debt investments:

The Company till year ended March 31, 2014, was following an accounting policy of recognizing the amortisation of premium or accretion of discount on debt securities over the remaining period to maturity on a straight line basis.

During the year ended March 31, 2015, the basis of amortization of premium or accretion of discount has been changed from Straight Line Method to Yield to Maturity (effective interest rate method) over the remaining period to maturity. The company has applied the change in accounting policy with retrospective effect.

Management believes that by amortizing the discount at the market interest rate, a company's accounting statements more closely reflect the economic reality of the securities invested.

Due to change in method of amortisation, income and corresponding value of investment is lower by ₹ 294,846 thousand, as detailed below at segment level.

Segment	Amount
Par Life	93,157
Par Pension	17,392
Non Par	49,946
Annuity Non Par	34,146
Health	2,191
Linked Life	17,631
Linked Pension	6,020
Linked Health	75
Linked Group	6,685
Shareholders	67,602
<b>Total</b>	<b>294,846</b>

Had the company continued straight line basis of amortization, profit before tax would have been higher by ₹ 159,803 thousand. Similarly, profit after tax would have been higher by ₹ 159,803 thousand. Consequently Company's basic and diluted earnings per share would have been ₹ 11.54 and ₹ 11.52 respectively.

#### 2.2. Use of estimates

The Company's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities, and disclosures relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively. The significant change in estimate is given below:

#### Depreciation on fixed assets:

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current

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year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Pursuant to the Companies Act, 2013 and amendment thereof, the Company has reassessed the useful life of its' fixed assets and has aligned it with the useful life specified in Schedule II of the Companies Act 2013, other than for motor vehicles and assets costing upto ₹ 5,000.

Had the Company continued its earlier policy of depreciation, the profit after tax would have been higher by ₹ 40,938 thousand. The carrying value of assets as on April 1, 2014 is being depreciated over the revised remaining useful life.

Schedule II of the Companies Act 2013 specifies the useful life of eight years for motor vehicle. As per Company policy, the motor vehicle is transferred to employee on completion of five years or at written down value (WDV) in case of separation of employee before five years. Accordingly, the Company has depreciated the motor vehicle over five years. Assets costing upto ₹ 5,000 are considered to be immaterial in value and hence fully depreciated in the year of acquisition.

### 2.3. Revenue recognition

#### 2.3.1. Premium income

Premium for non-linked policies is recognised as income when due from policyholders. For unit linked business, premium is recognised as income when the associated units are created.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Products having regular premium paying plans with limited premium payment term and/or pre-determined policy term are treated as regular business with due classification of premium into first year and renewal. Premium income on products other than aforesaid is classified as single premium.

Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

#### 2.3.2. Reinsurance premium ceded

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

#### 2.3.3. Income from investments

Interest income on investments is recognised on accrual basis. Amortisation of premium or accretion of discount on debt securities is recognised over the remaining term of such instruments on the basis of effective interest rate method.

Dividend income, in respect of other than unit linked business, is recognised when the right to receive dividend is established. Dividend income, in respect of unit linked business, is recognised on the 'ex-dividend date'.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on a straight-line basis.

Lease rentals on investment property is recognised on accrual basis and include only the realised rent and does not include any notional rent, as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002. Costs related to operating and maintenance of investment property are recognised as expense in the Revenue Account.

Profit or loss on sale/redemption of debt securities for other than unit linked business is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale. Profit or loss on sale/redemption of debt securities for unit linked business is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale/redemption of equity shares and mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale. In respect of other than unit linked business, the profit or loss includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

#### 2.3.4. Income from unit linked policies

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the unit linked funds in accordance with terms and conditions of policies issued and are recognised when due.

#### 2.3.5. Fees and charges

Interest income on loans is recognised on an accrual basis. Fees and charges include policy reinstatement fee and loan processing fee which are recognised on receipt basis.

### 2.4. Acquisition cost

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

### 2.5. Employee benefits

#### 2.5.1. Short term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

#### 2.5.2. Long term employee benefits: Post-employment

The Company has both defined contribution and defined benefit plans.

##### Defined contribution plan

The Company has a defined contribution scheme for Superannuation for its employees. Contributions to the Superannuation scheme are made on a monthly basis, when due, and charged to Revenue account and Profit and Loss account, as applicable. The expenses are booked on an undiscounted basis. The Company has no further obligation beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation Scheme.

##### Defined benefit plans

Gratuity and Provident fund are defined benefit obligations.

Gratuity: The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972 or the Company's gratuity plan, whichever is higher. The gratuity liability of the Company is actuarially determined at each Balance Sheet date using projected unit credit method.

The Company contributes towards net liabilities to ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme.

The Company recognises the net obligation of the Scheme in Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15 (revised 2005), 'Employee benefits'. The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognised in the Revenue account and Profit or Loss account for the period in which they emerge. Expected long-term rate-of-return on assets has been determined based on historical experience and available market information. Provident fund: The Company's defined benefit obligation towards interest rate guarantee on the exempt provident fund is actuarially determined and measured in accordance with the Guidance Note (GN 29) on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by The Institute of Actuaries of India.

#### 2.5.3. Other long term employee benefits

Other long term employee benefits includes accumulated compensated absences that are entitled to be carried forward for future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term retention incentive payable to employees on fulfilment of criteria prescribed by the Company. The Company's liability towards accumulated compensated absences entitlement outstanding at the close of the year and long term retention incentive are determined actuarially and are recognised as a liability at the present value of the obligation as at the Balance Sheet date.

#### 2.5.4. Employee share based payments

The Employee Stock Option Scheme ('the Scheme') provides that eligible employees are granted options to subscribe to equity shares of the Company which vest in a graded manner. The vested options may be exercised within a specified period.

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the Company follows the intrinsic value method to account for its share-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 value of the shares is determined based on an external valuation report.

### 2.6. Operating lease expenses

Leases where the lessor effectively retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating lease including escalations are recognised as an expense, on a straight line basis, over the lease term.

### 2.7. Provision for doubtful debts

The Company regularly evaluates the probability of recovery and provides for doubtful deposits, advances and others receivables.

### 2.8. Benefits paid

Benefits paid comprise of policy benefits and claim settlement costs, if any.

Death and rider claims are accounted for on receipt of intimation. Survival and maturity benefits are accounted when due. Withdrawals and surrenders under non linked policies are accounted on the receipt of intimation. Withdrawals and surrenders under unit linked policies are accounted in the respective schemes when the associated units are cancelled.

### 2.9. Actuarial liability valuation

The actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), regulations notified by the Insurance Regulatory and Development Authority of India and Actuarial Practice Standards of the Institute of Actuaries of India.

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## 2.10. Funds for Future Appropriations (FFA)

### FFA (Linked)

Amounts estimated by Appointed Actuary as FFA in respect of lapsed unit linked policies, are set aside in the Balance Sheet and are not available for distribution to Shareholders until the expiry of the maximum revival period. After expiry of the revival period, the Company may appropriate as surplus on the Appointed Actuary's recommendation.

### FFA (Non-linked)

Based on the recommendation of Appointed Actuary unappropriated profits are held in the Balance Sheet as Funds for Future Appropriations.

## 2.11. Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority (Investments) Regulations, 2000 amended from time to time, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment Policy of the Company and various other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any, but excludes interest accrued as on the date of acquisition.

Broken period interest paid/received is debited/credited to interest receivable account.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

Rights entitlements are recognised as investments on the 'ex-rights date'.

Any front end discount on investments is reduced from the cost of such investments.

### 2.11.1. Classification

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to dispose them off within twelve months from the Balance Sheet date are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

### 2.11.2. Valuation - Other than Unit Linked business

All debt securities including government securities and redeemable preference shares are considered as 'held to maturity' and stated at historical cost, subject to amortisation of premium or accretion of discount over the remaining period to maturity on effective interest rate method.

Money market instruments are valued at historical cost, subject to accretion of discount over the remaining period to maturity based on effective interest rate method.

Listed equity shares at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case the securities are not listed on NSE, the last quoted closing price on the BSE Limited ('BSE') is used). Unlisted equity shares are stated at historical cost. Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities. Mutual fund units are valued at the latest available net asset values of the respective fund.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

Investment property is held to earn rental income or for capital appreciation and is not occupied by the Company. Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet.

Investments in venture fund units are valued at historical cost.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Fixed deposits with banks are valued at cost.

The Company assesses at each Balance Sheet date whether there is any evidence of impairment of any investments. In case of impairment, the carrying value of such investment is reduced to its fair value and the impairment loss is recognised in the Revenue/Profit and Loss account after adjusting it with previously recognised revaluation reserve/Fair value change account. However, at the Balance Sheet date if there is any indication that a previously recognised impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

### 2.11.3. Valuation - Unit Linked business

Central and State government securities are valued as per the valuation price provided by CRISIL.

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL Limited ('CRISIL') on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on effective interest rate method over the remaining period to maturity of instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on effective interest rate method.

Listed equity shares are valued at market value, being the last quoted closing price on the NSE (in case of securities not listed on NSE, the last quoted closing price on the BSE is used). Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued at the latest available net asset values of the respective fund.

Venture fund units are valued at the latest available net asset value of the respective fund.

Securites with call option are valued at the lower of the value as obtained by valuing the security upto final maturity date or the call option date. In case there are multiple call options, the security is valued at the lowest value obtained by valuing the security at various call dates or upto the final maturity date.

Securites with put option are valued at the higher of the value as obtained by valuing the security upto final maturity date or the put option date. In case there are multiple put options, the security is valued at the highest value obtained by valuing the security at various put dates or upto the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call date and would be valued on a yield to maturity basis, by using spreads over the benchmark rate based on the matrix released by CRISIL.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Unrealised gains and losses are recognised in the Revenue account as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002.

Fixed deposits with banks are valued at cost.

### 2.11.4. Transfer of investments

Transfer of investments from Shareholders' fund to the Policyholders' fund to meet the deficit in the Policyholders' account is made at amortised/book cost or market price, whichever is lower. The transfer of investments between unit linked funds is done at the prevailing market price. No transfer of investments is carried out between non-linked policyholders' funds.

## 2.12. Loans

Loans are stated at historical cost, subject to provision for impairment, if any.

## 2.13. Fixed assets and Impairment

### 2.13.1. Tangible assets and depreciation

Tangible assets are stated at acquisition cost less accumulated depreciation and impairment loss, if any. Cost includes the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any cost directly attributable to bring the asset to its working condition for its intended use and other incidental expenses incurred upto that date. Subsequent expenditure incurred on tangible assets is expensed out except where such expenditure results in an increase in future benefits from the existing assets beyond its previously assessed standard of performance. Asset costing upto ₹ 5,000 are fully depreciated in the year of acquisition. Pursuant to the Companies Act, 2013 and amendment thereof, the Company has revised the useful life of some asset categories (Refer note 2.2). The revised useful life of various category of assets is as below:

Asset	Useful life
Office buildings on freehold land	60
Improvement to leasehold properties	Lease period, subject to maximum of 9 years
Furniture and fixtures	10
Office equipment	5
Information technology equipment	3
Communication networks and servers	6
Motor vehicles	5

Depreciation is provided using straight-line method ('SLM') prorated from the date of being ready to use, upto the date of sale, based on estimated useful life for each class of asset.

### 2.13.2. Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortised over the remaining useful life of original software. Software expenses are amortised using SLM over a period of 4 years from the date of being ready to use.

### 2.13.3. Capital work in progress

Assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

### 2.13.4. Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

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### 2.14. Taxation

#### 2.14.1. Direct taxes

Income tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

The deferred tax asset and liabilities are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax asset in respect of unabsorbed depreciation or carried forward loss are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

The Company allocates tax to the participating lines of business in order to ensure that the expenses pertaining to and identifiable with a particular line of business are represented as such to enable a more appropriate presentation of the financial statements. Accordingly, tax charge/credit on surplus/deficit arising from the participating line of business is disclosed separately in the Revenue account.

#### 2.14.2. Indirect taxes

Service Tax liability on life insurance service is set-off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward for future set-off, where there is reasonable certainty of utilisation.

### 2.15. Provisions and contingencies

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the management estimate of amount required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. A disclosure of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed.

### 2.16. Segmental reporting

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 ('the Regulations') read with AS 17 on "Segmental Reporting" notified under section 133 of the Companies Act 2013 and rules thereunder, the Company has classified and disclosed segmental information separately for Shareholders' and Policyholders'. Within Policyholders', the businesses are further segmented into Participating (Life and Pension for Group and Retail segments put together), Non-Participating, Linked (Life, Pension, Health and Group), Health and Annuity.

There are no reportable geographical segments, since all business is written in India. The allocation of revenue, expenses, assets and liabilities to specific segments is done in the following manner, which is applied on a consistent basis.

- Revenue, expenses, assets and liabilities that are directly identifiable to the segment are allocated on actual basis;
- Other revenue, expenses (including depreciation and amortisation), assets and liabilities that are not directly identifiable to a segment are allocated based on the relevant drivers which includes:
  - Number of policies
  - Weighted annualised first year premium income
  - Annualised premium since inception
  - Sum assured
  - Total premium income
  - Medical cases
  - Funds under management
  - Commission
  - Total operating expenses (for assets and liabilities)
  - Use of asset (for depreciation expense)

### 2.17. Foreign exchange transactions

Initial recognition: Foreign currency transactions are recorded in Indian Rupees, by applying to the foreign currency amount the exchange rate between the Indian Rupee and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences: Exchange differences are recognised as income or as expenses in the period in which they arise.

### 2.18. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

### 2.19. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Receipts and Payments account include cash and cheques in hand, bank balances, liquid mutual funds and other investments with original maturity of three months or less which are subject to insignificant risk of changes in value.

### 3. Notes to accounts

#### 3.1. Contingent liabilities

(₹ in '000)

Particulars	At March 31, 2015	At March 31, 2014
Partly-paid up investments	—	—
Claims, other than those under policies, not acknowledged as debts comprising of:		
- Claims made by vendors for disputed payments <sup>1</sup>	425	101,258
- Claims for damages made by landlords (of premises taken on lease)	40,079	43,675
- Claims made by employees and advisors for disputed dues and compensation	3,305	4,086
Underwriting commitments outstanding (in respect of shares and securities)	—	—
Guarantees given by or on behalf of the Company by various banks in favour of government authorities, hospital and court	—	—
Statutory demands/liabilities in dispute, not provided for <sup>2</sup>	1,536,996	1,536,996
Reinsurance obligations to the extent not provided for	—	—
Policy related claims under litigation in different consumer forums:		
- Claims for service deficiency	137,772	155,220
- Claims against repudiation	213,817	146,586
Others	—	—
<b>Total</b>	<b>1,932,394</b>	<b>1,987,821</b>

1. A vendor claim amounting to ₹ 100,819 thousand was settled through arbitration during the year ended March 31, 2015.
2. ₹ 1,536,996 thousand is on account of objections raised by office of the Commissioner of Service tax, Mumbai (through the Service Tax audit under EA-2000) on certain positions taken by the Company.

#### 3.2. Actuarial method and assumptions

The actuarial liability in respect of both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, morbidity, expense and inflation and, in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The liability for the unexpired portion of the risk for the non-unit liabilities of linked business and attached riders is the greater of liability calculated using discounted cash flows and unearned premium reserves.

An unexpired risk reserve and a reserve in respect of claims incurred but not reported is held for one year renewable group term insurance.

The unit liability in respect of linked business is the value of the units standing to the credit of policyholders, using the Net Asset Value ('NAV') prevailing at the valuation date.

A brief of the assumptions used in actuarial valuation is as below:

- a) The interest rates used for valuing the liabilities are in the range of 4.47% to 5.39% per annum. The interest rates used at March 31, 2014 were in the range of 4.87% to 5.77% per annum.
  - b) Mortality rates used are based on the published "Indian Assured Lives Mortality (2006 – 2008) Ult." mortality table for assurances and LIC (a) 96-98 table for annuities adjusted to reflect expected experience. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.
  - c) Expenses are provided for at least at the current levels in respect of renewal expenses, with no allowance for any future improvement but with an allowance for any expected worsening. Per policy renewal expenses are assumed to inflate at 4.49% per annum. The expense inflation assumption used at March 31, 2014 was 4.84%.
  - d) No allowance is made for expected lapses in the future.
  - e) The bonus rates for participating business to be declared in the future is consistent with the valuation assumptions.
  - f) The tax rate applicable for valuation at March 31, 2015 is 14.42% p.a.
- Certain explicit additional provisions are made, which include the following:
- a. Reserves for additional expenses that the Company may have to incur if it were to close to new business twelve months after the valuation date.

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*Continued*

- b. Reserves for guarantees available to individual and group insurance policies.
- c. Reserves for cost of non-negative claw back additions.
- d. Reserves for free look option given to policyholders calculated using a free look cancellation rate of 3.70 %. The free look cancellation assumption used at March 31, 2014 was 3.10%.
- e. Reserves for lapsed policies eligible for revivals.

### 3.3. Funds for Future Appropriations ('FFA')

The cumulative balance of linked FFA at March 31, 2015 of ₹ 22,666 thousand (March 31, 2014: ₹ 449,992 thousand) and non-linked FFA at March 31, 2015 of ₹ 5,252,224 thousand (March 31, 2014: ₹ 4,590,399 thousand) is not available for distribution to Shareholders. Such amount is classified under Funds for Future appropriations, in the Balance Sheet.

### 3.4. Claims settled and remaining unpaid

Claims settled and remaining unpaid for a period of more than six months as at March 31, 2015 is ₹ 463 thousand (March 31, 2014: ₹ 114 thousand).

### 3.5. Unclaimed amount of policyholders

In accordance with circular IRDA/F&F/CIR/CMP/174/11/2010 issued by the IRDAI on November 4, 2010, the age wise analysis of unclaimed amount of the policyholders at March 31, 2015 is tabulated as below:

- a. Claims settled but not paid to the policyholders/insured due to any reasons except under litigation from the insured/policyholders:

At	Total amount	Age-wise analysis (₹ '000)								
		Outstanding period in months								
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36	
March 31, 2015	5,603	5,603	—	—	—	—	—	—	—	
March 31, 2014	5,157	2,631	2,526	—	—	—	—	—	—	

- b. Sum due to the insured/policyholders on maturity or otherwise:

At	Total amount	Age-wise analysis (₹ '000)								
		Outstanding period in months								
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36	
March 31, 2015	2,121,325	820,163	531,884	147,190	270,193	59,576	136,728	36,930	118,661	
March 31, 2014	1,710,265	738,042	395,507	208,714	227,045	51,218	42,718	13,150	93,871	

- c. Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far:

At	Total amount	Age-wise analysis (₹ '000)								
		Outstanding period in months								
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36	
March 31, 2015	51,719	45,748	5,619	113	2	203	23	—	11	
March 31, 2014	73,586	70,448	2,528	290	146	31	32	44	67	

- d. Cheques issued but not encashed by the policyholder / insured:

At	Total amount	Age-wise analysis (₹ '000)								
		Outstanding period in months								
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36	
March 31, 2015	4,333,873	1,281,206	170,269	282,522	611,335	312,307	154,360	230,856	1,291,008	
March 31, 2014	4,658,455	1,949,058	447,729	292,654	254,755	310,647	300,389	416,162	687,061	

The cheques issued but not encashed by policyholder/insured category include ₹ 1,378,389 thousand pertaining to cheques which are within the validity period but not yet encashed by the policyholders at March 31, 2015 (March 31, 2014: ₹ 2,122,770 thousand). This amount forms part of bank reconciliation and consequently not considered in unclaimed amount of policyholders as disclosed under Schedule 13 - Current liabilities.

### 3.6. Direct taxes

Deferred tax asset is recognised on the Company's eligible tax losses to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax position and the movement for the year ended March 31, 2015 is summarised below:

Deferred tax asset	At April 1, 2014	(Charge)/ Credit for the period	(₹ '000)	
			At March 31, 2015	At March 31, 2014
Linked funds for future appropriation	15,295	(13,957)	1,338	15,295

Deferred tax charge for the year ended March 2015 is ₹ 13,957 thousand (year ended March 31, 2014: ₹ 62,902 thousand).

An amount of ₹ 490,087 thousand for the year ended March 2015 (year ended March 31, 2014: ₹ 384,181 thousand) has been charged on the total surplus in the participating line of business in line with the Company's accounting policy. As the Company has unabsorbed losses as per Income Tax Act, there is no current tax liability. Tax on total surplus of participating line of business has been offset by a corresponding credit in the Profit and Loss account.

### 3.7. Operating lease commitments

The Company takes premises, motor vehicles, office equipment's, computers, servers and modular furniture on operating lease. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancellable and non-cancellable operating lease arrangements are charged to the Revenue account and the Profit and Loss account over the lease term on a straight line basis. The total operating lease rentals charged for the year ended March 31, 2015 is ₹ 683,563 thousand (year ended March 31, 2014: ₹ 823,552 thousand).

Lease rentals pertaining to non-cancellable leases charged to the Revenue account and the Profit and Loss account for the year ended March 31, 2015 is ₹ 207,709 thousand (year ended March 31, 2014: ₹ 299,104 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

Particulars	At March 31, 2015	At March 31, 2014
Not later than one year	201,650	217,472
Later than one year but not later than five years	—	201,650
Later than five years	—	—

### 3.8. Assets given on operating lease

The Company has entered into an agreement in the nature of leave and license for leasing out the investment property. This is in the nature of operating lease and lease arrangement contains provisions for renewal. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency. The total lease payments received in respect of such lease recognised in Revenue account for the year ended March 31, 2015 is ₹ 52,973 thousand (year ended March 31, 2014: ₹ 52,973 thousand).

### 3.9. Details of related parties and transactions with related parties

#### Related parties and nature of relationship:

Nature of relationship	Name of the related party
Holding company	ICICI Bank Limited
Substantial interest	Prudential Corporation Holdings Limited
Subsidiary	ICICI Prudential Pension Funds Management Company Limited
Fellow subsidiaries and entities jointly controlled by holding company	ICICI Securities Limited ICICI Securities Inc. ICICI Securities Holding Inc. ICICI Venture Funds Management Company Limited ICICI Home Finance Company Limited ICICI Trusteeship Services Limited ICICI Securities Primary Dealership Limited ICICI Investment Management Company Limited ICICI International Limited ICICI Bank UK PLC. ICICI Bank Canada ICICI Bank Eurasia Limited Liability Company ICICI Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited
Consolidated under AS-21 by holding company	ICICI Equity Fund ICICI Strategic Investments Fund I-Ven Biotech Limited ICICI Kinra Limited
Key management personnel as per AS-18 disclosure	Sandeep Bakhshi, Managing Director and CEO Puneet Nanda, Executive Director Sandeep Batra, Executive Director (effective January 1, 2014) Judhajit Das, Chief – Human Resources Satyan Jambunathan, Appointed Actuary (appointed as Appointed Actuary, effective April 22, 2013)
Significant influence	ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme ICICI Prudential Life Insurance Company Limited Employees' Provident Fund ICICI Prudential Life Insurance Company Limited Superannuation Scheme ICICI Prudential Life Insurance Advisors Benefit trust

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The following represents significant transactions between the Company and its related parties:

(₹ in '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable / (payable)	
			FY2015	FY2014	At March 31, 2015	At March 31, 2014
ICICI Bank Limited	Holding company	Premium income	111,190	84,397	(6,314)	(497)
		Claims	(83,414)	(70,948)	—	—
		Interest income on investments	181,039	20,443	14,050	19,305
		Recovery of expenses*				
		- Rent, rates and taxes	3,480	800	808	494
		- Employees' remuneration and welfare benefits	—	15	—	—
		Agents training, recruitment and incentives	—	1,010	—	—
		Reimbursement of other expenses				
		- Legal and Professional Charges	(5,481)	(1,201)	(374)	(138)
		- Employees' remuneration and welfare benefits	(9,841)	(24,478)	(11,057)	(27,503)
		- Rent, rates and taxes	(1,811)	(759)	(544)	(46)
		- Information technology cost	(198,176)	(216,553)	(52,552)	(64,384)
		Advertisement & Publicity	(9,877)	—	(11,098)	—
		Administration support expenses	(3,243,414)	(1,464,408)	(362,462)	(291,109)
		Commission expenses	(3,065,545)	(3,318,815)	(66,658)	(59,320)
		Bank charges	(100,688)	(93,548)	(5,452)	(8,993)
		Dividend	(3,957,415)	(8,073,128)	—	—
		Purchase of fixed assets	—	(2,212)	—	—
		Sale of fixed assets	23,017	1,745	—	—
		Purchase of investments	(2,902,669)	(6,138,806)	—	—
		Sale of investments	4,118,381	2,448,412	—	—
		Redemption of investments	—	500,000	—	—
		Outstanding investments	—	—	1,580,410	1,245,356
		Cash & bank balances	—	—	789,653	(230,266)
		Proposed dividend	—	—	(2,216,153)	(2,216,153)
ICICI Securities Limited	Fellow subsidiary	Premium income	2,419	2,472	(276)	(173)
		Recovery of expenses*				
		- Rent, rates and taxes	100	—	—	—
		Reimbursement of other expenses				
		- Rent, rates and taxes	(12)	—	—	—
		Administration support expenses	(85,947)	(8,964)	(112)	—
		Advertisement & Publicity	(168,330)	(100,981)	—	(51,196)
		Commission expenses	(209,741)	(260,457)	(11,558)	(9,444)
		Brokerage	(13,952)	(11,491)	(1,002)	(429)
		Sale of investments	—	52,467	—	—
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	651	2,023	(737)	(718)
		Claims	(2,250)	—	—	—
		Reimbursement of other expenses				
		- Rent, rates and taxes	(5)	—	(6)	—
ICICI Home Finance Company Limited	Fellow subsidiary	Interest income on investments	4,182	63,856	—	37,068
		Commission Expenses	(330)	(118)	(9)	(5)
		Brokerage	(390)	—	—	—
		Sale of investments	500,000	2,50,000	—	—
		Outstanding investments	—	—	—	499,123

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*Continued*

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable / (payable)	
			FY2015	FY2014	At March 31, 2015	At March 31, 2014
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	260	314	(32)	(255)
		Interest income on investments	58,590	75,350	30,867	35,967
		Purchase of investments	(6,600,905)	(3,330,056)	—	—
		Subscription to primary market issuance	—	(2,50,000)	—	—
		Sale of investments	2,758,281	2,064,848	—	—
		Outstanding investments	—	—	628,924	782,816
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	3,631	2,471	(623)	(479)
		Claims	(450)	—	—	—
		Reimbursement of other expenses	—	—	—	—
		- Employees' remuneration and welfare benefits	(240)	—	—	—
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	5,389	5,139	(102)	(591)
		Claims	(3,000)	—	—	—
		Claims received (loss of asset)	426	607	—	—
		Reimbursement of other expenses	—	—	—	—
		- Rent, rates and taxes	(3,749)	(5,826)	(290)	(257)
		Employees' remuneration and welfare benefits	(192,039)	(182,935)	44,075	53,755
		Purchase of investments	(2,509,507)	—	—	—
		Sale of investments	2,691,901	676,905	—	—
ICICI Prudential Pension Funds Management Company Limited	Subsidiary	Security Deposit outstanding	—	(115)	891	1,157
		Recovery of expenses*	—	—	—	—
		- Communication expenses	90	120	21	136
		- Employees's remuneration and welfare benefits	17,954	21,395	4,155	21,905
		- Information technology related expenditure	487	1,844	61	2,051
		- Legal and Professional Charges	4	316	0	355
		- Miscellaneous Expenditure	10	43	1	48
		- Rent, rates and taxes	2,025	3,589	339	3,674
		- Travel, conveyance and vehicle running	230	1,013	57	1,138
Prudential Corporation Holdings Limited	Substantial interest	Recovery of expenses*	—	7,684	—	1,465
		- Employees's remuneration and welfare benefits	—	—	—	—
		Reimbursement of other expenses	—	—	—	—
		- Employees's remuneration and welfare benefits	(2,551)	(1,918)	—	(1,494)
		- Agents training, recruitment and incentives	(24,844)	(17,018)	—	(13,629)
		Dividend	(1,390,443)	(2,836,504)	—	—
		Proposed Dividend	—	—	(778,648)	(778,648)
		Premium income	50,418	109,152	(272)	(287)
		Contribution to trust	(50,406)	(109,134)	—	—
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	7,695	8,830	—	—
		Contribution to trust	(7,695)	(8,830)	—	—

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(₹ in '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable / (payable)	
			FY2015	FY2014	At March 31, 2015	At March 31, 2014
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(187,567)	(205,435)	(33,111)	(32,061)
ICICI Prudential life Insurance advisor benefit trust	Significant influence	Premium income	6,901	—	—	—
		Contribution to trust	(7,754)	—	—	—
Key management personnel	Key management personnel	Premium income	2,272	1,292	—	—
		Dividend	(470)	(144)	(744)	(127)
		Managerial remuneration	(220,804)	(156,629)	—	—
		Employee stock options outstanding (numbers)	—	—	701,000	1,195,375
		Employee stock options exercised <sup>1</sup>	—	—	419,375	77,500
Key management personnel	Relatives of key management personnel	Premium income	140	257	—	—
		Claims expense	—	(5)	—	—

### 3.10. Segmental reporting

Segment wise information of various items as required under AS 17 "Segmental reporting" are given below:

For the year ended March 31, 2015

(₹ in '000)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	20,938,899	2,023,152	26,310,412	3,746,984	179,840	192,277,504	73,199,804	3,298,716	17,052,819	5,335,126	344,363,256
Segment result -											
Surplus/ Deficit (net of contribution from the Shareholders' account)	1,041,068	353,957	2,673,339	(414,567)	186,394	1,140,918	5,939,493	433,412	355,924	4,881,433	16,591,371
Depreciation/ Amortisation	63,182	467	21,523	1,365	521	284,504	16,757	1,716	5,950	148	396,133
Significant non-cash expenses*	11,030,275	(202,280)	20,604,860	2,909,676	(84,374)	127,743,415	9,395,502	2,306,974	5,919,217	—	179,623,265

For the year ended March 31, 2014

(₹ in '000)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	15,492,047	3,335,820	26,803,119	3,598,737	216,097	108,408,549	44,251,322	2,265,949	10,794,795	3,973,950	219,140,385
Segment result -											
Surplus/ Deficit (net of contribution from the Shareholders' account)	1,424,744	525,385	603,971	(599,565)	335,767	1,755,594	7,442,044	299,943	302,611	3,596,810	15,687,304
Depreciation/ Amortisation	89,064	478	83,030	1,460	707	260,165	23,402	4,593	5,314	159	468,372
Significant non-cash expenses*	6,111,549	(1,680,184)	19,596,384	3,142,235	(191,140)	44,219,271	(17,807,724)	1,225,336	2,117,250	263,006	56,995,983

\* comprises of change in valuation of policy liabilities, provisions for diminution in the value of investments (net), provision for doubtful debts and bad debts written off.

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## 3.11 SEGMENTAL BALANCE SHEET

Segmental Balance Sheet at March 31, 2015

Particulars	Segments									Shareholder	(₹ in '000)
	Par Life	Par Pension	Non-Par	Annuities Non -Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
<b>Sources of funds</b>											
Shareholders' funds :											
Share capital	—	—	—	—	—	—	—	—	—	14,317,170	14,317,170
Share application money	—	—	—	—	—	—	—	—	—	11,658	11,658
Reserve and surplus	—	—	—	—	—	—	—	—	—	34,320,453	34,320,453
Credit/[debit] fair value change account	—	—	—	—	—	—	—	—	—	4,028,965	4,028,965
<b>Sub - total</b>	—	—	—	—	—	—	—	—	—	52,678,246	52,678,246
Borrowings	—	—	—	—	—	—	—	—	—	—	—
Policyholders' funds :											
Credit/[debit] fair value change account	5,858,385	830,056	5,066,251	—	—	—	—	—	—	—	11,754,692
Revaluation reserve - Investment property	281,040	281,039	—	—	—	—	—	—	—	—	562,079
Policy liabilities (A)+(B)+(C)	54,022,293	15,692,995	74,718,289	20,396,980	542,075	469,415,982	212,723,503	7,433,451	65,394,665	—	920,340,233
Non unit liabilities (mathematical reserves) (A)	54,022,293	15,692,995	74,718,289	20,396,980	542,075	6,209,067	825,166	141,052	39,623	—	172,587,540
Provision for linked liabilities (fund reserves) (B)	—	—	—	—	—	440,533,761	211,594,028	7,292,399	65,355,042	—	724,775,230
(a) Provision for linked liabilities	—	—	—	—	—	360,541,189	155,522,028	5,475,198	62,467,587	—	584,006,002
(b) Credit/[debit] fair value change account (Linked)	—	—	—	—	—	79,992,572	56,072,000	1,817,201	2,887,455	—	140,769,228
Funds for discontinued policies (C) - Refer note 3.36 of schedule 16	—	—	—	—	—	22,673,154	304,309	—	—	—	22,977,463
(a) Discontinued on account of non-payment of premium	—	—	—	—	—	22,673,154	304,309	—	—	—	22,977,463
(b) Other discontinuance	—	—	—	—	—	—	—	—	—	—	—
(c) Credit/[debit] fair value change account	—	—	—	—	—	—	—	—	—	—	—
Total linked liabilities (B)+(C)	—	—	—	—	—	463,206,915	211,898,337	7,292,399	65,355,042	—	747,752,693
<b>Sub - total</b>	<b>60,161,718</b>	<b>16,804,090</b>	<b>79,784,540</b>	<b>20,396,980</b>	<b>542,075</b>	<b>469,415,982</b>	<b>212,723,503</b>	<b>7,433,451</b>	<b>65,394,665</b>	—	<b>932,657,004</b>
Funds for Future Appropriations	—	—	—	—	—	—	—	—	—	—	—
Linked - Refer note 3.3 of schedule 16	—	—	—	—	—	9,281	13,385	—	—	—	22,666
Non linked - Refer note 3.3 of schedule 16	2,028,450	1,508,366	1,667,866	—	—	—	—	47,542	—	—	5,252,224
<b>Sub - total</b>	<b>2,028,450</b>	<b>1,508,366</b>	<b>1,667,866</b>	—	—	<b>9,281</b>	<b>13,385</b>	<b>47,542</b>	—	—	<b>5,274,890</b>
<b>Total</b>	<b>62,190,168</b>	<b>18,312,456</b>	<b>81,452,406</b>	<b>20,396,980</b>	<b>542,075</b>	<b>469,425,263</b>	<b>212,736,888</b>	<b>7,480,993</b>	<b>65,394,665</b>	<b>52,678,246</b>	<b>990,610,140</b>
<b>Application of funds</b>											
Investments	—	—	—	—	—	—	—	—	—	58,567,710	58,567,710
Shareholders'	—	—	—	—	—	—	—	—	—	—	—
Policyholders'	62,033,675	18,011,845	77,713,480	19,597,886	586,619	7,472,290	2,231,040	225,057	707,622	—	188,579,514
Asset held to cover linked liabilities	—	—	—	—	—	463,216,196	211,911,722	7,292,399	65,355,042	—	747,775,359
Loans	130,167	—	62,462	—	—	8,492	—	—	—	—	201,121
Fixed assets - net block	—	—	—	—	—	—	—	—	—	2,149,900	2,149,900
Deferred tax asset - Refer note 3.6 of schedule 16	—	—	—	—	—	—	—	—	—	1,338	1,338
Current assets	—	—	—	—	—	—	—	—	—	—	—
Cash and Bank balances	5,366	1,263	4,206	161	61	15,155	1,390	147	262	2,526,789	2,554,800
Advances and Other assets	2,610,731	1,615,064	2,835,009	648,286	28,563	794,386	119,769	9,538	29,383	3,637,286	12,328,015
Sub-Total (A)	<b>2,616,097</b>	<b>1,616,327</b>	<b>2,839,215</b>	<b>648,447</b>	<b>28,624</b>	<b>809,541</b>	<b>121,159</b>	<b>9,685</b>	<b>29,645</b>	<b>6,164,075</b>	<b>14,882,815</b>
Current liabilities	2,559,566	1,315,473	(847,528)	(151,119)	72,852	1,986,767	1,518,477	45,293	696,072	10,585,750	17,781,603
Provisions	30,205	243	10,279	472	316	94,489	8,556	855	1,572	3,619,027	3,766,014
Sub-Total (B)	<b>2,589,771</b>	<b>1,315,716</b>	<b>(837,249)</b>	<b>(150,647)</b>	<b>73,168</b>	<b>2,081,256</b>	<b>1,527,033</b>	<b>46,148</b>	<b>697,644</b>	<b>14,204,777</b>	<b>21,547,617</b>
Net Current Assets (C) = (A-B)	26,326	300,611	3,676,464	799,094	(44,544)	(1,271,715)	(1,405,874)	(36,463)	(667,999)	(8,040,702)	(6,664,802)
Miscellaneous expenditure (to the extent not written-off or adjusted)	—	—	—	—	—	—	—	—	—	—	—
Debit Balance in Profit & Loss Account (Shareholders' account)	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>62,190,168</b>	<b>18,312,456</b>	<b>81,452,406</b>	<b>20,396,980</b>	<b>542,075</b>	<b>469,425,263</b>	<b>212,736,888</b>	<b>7,480,993</b>	<b>65,394,665</b>	<b>52,678,246</b>	<b>990,610,140</b>

# schedules



forming part of the financial statements

*Continued*

## 3.11 SEGMENTAL BALANCE SHEET

Segmental Balance Sheet as at March 31, 2014

(₹ in '000)

Particulars	Segments									Shareholder	Total
	Par Life	Par Pension	Non-Par	Annuities Non - Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
<b>Sources of funds</b>											
Shareholders' funds :											
Share capital	—	—	—	—	—	—	—	—	—	14,292,557	14,292,557
Share application money	—	—	—	—	—	—	—	—	—	984	984
Reserve and surplus	—	—	—	—	—	—	—	—	—	33,663,847	33,663,847
Credit/[debit] fair value change account	—	—	—	—	—	—	—	—	—	1,860,657	1,860,657
<b>Sub - total</b>	—	—	—	—	—	—	—	—	—	<b>49,818,045</b>	<b>49,818,045</b>
Borrowings	—	—	—	—	—	—	—	—	—	—	—
Policyholders' funds :											
Credit/[debit] fair value change account	2,924,785	553,231	1,315,994	—	9	4	1	—	—	—	4,794,024
Revaluation reserve - Investment property	334,438	334,441	—	—	—	—	—	—	—	—	668,879
Policy liabilities (A)+(B)+(C)	43,034,113	15,895,170	54,113,907	17,486,932	631,104	341,690,189	203,326,063	5,126,022	59,475,701	—	740,779,201
Non unit liabilities (mathematical reserves) (A)	43,034,113	15,895,170	54,113,907	17,486,932	631,104	5,587,454	1,158,512	120,574	97,106	—	138,124,872
Provision for linked liabilities (fund reserves) (B)	—	—	—	—	—	324,823,819	202,165,790	5,005,448	59,378,595	—	591,373,652
(a) Provision for linked liabilities	—	—	—	—	—	286,148,735	174,384,130	4,433,922	58,035,555	—	523,002,342
(b) Credit/[debit] fair value change account (Linked)	—	—	—	—	—	38,675,084	27,781,660	571,526	1,343,040	—	68,371,310
Funds for discontinued policies (C) - Refer note 3.36 of schedule 16	—	—	—	—	—	11,278,916	1,761	—	—	—	11,280,677
(a) Discontinued on account of non-payment of premium	—	—	—	—	—	11,283,673	1,761	—	—	—	11,285,434
(b) Other discontinuance	—	—	—	—	—	—	—	—	—	—	—
(c) Credit/[debit] fair value change account	—	—	—	—	—	(4,757)	—	—	—	—	(4,757)
Total linked liabilities (B)+(C)	—	—	—	—	—	336,102,735	202,167,551	5,005,448	59,378,595	—	602,654,329
<b>Sub - total</b>	<b>46,293,336</b>	<b>16,782,842</b>	<b>55,429,901</b>	<b>17,486,932</b>	<b>631,113</b>	<b>341,690,193</b>	<b>203,326,064</b>	<b>5,126,022</b>	<b>59,475,701</b>	—	<b>746,242,104</b>
Funds for Future Appropriations	—	—	—	—	—	—	—	—	—	—	—
Linked - Refer note 3.3 of schedule 16	—	—	—	—	—	107,997	341,995	—	—	—	449,992
Non linked - Refer note 3.3 of schedule 16	1,757,603	1,265,353	950,929	—	—	284,599	275,066	56,849	—	—	4,590,399
<b>Sub - total</b>	<b>1,757,603</b>	<b>1,265,353</b>	<b>950,929</b>	—	—	<b>392,596</b>	<b>617,061</b>	<b>56,849</b>	—	—	<b>5,040,391</b>
<b>Total</b>	<b>48,050,939</b>	<b>18,048,195</b>	<b>56,380,830</b>	<b>17,486,932</b>	<b>631,113</b>	<b>342,082,789</b>	<b>203,943,125</b>	<b>5,182,871</b>	<b>59,475,701</b>	<b>49,818,045</b>	<b>801,100,540</b>
<b>Application of funds</b>											
Investments	—	—	—	—	—	—	—	—	—	53,527,703	53,527,703
Shareholders'	—	—	—	—	—	—	—	—	—	—	—
Policyholders'	48,103,101	17,824,214	52,535,654	16,554,156	743,195	6,106,970	1,970,966	98,477	630,343	—	144,567,076
Asset held to cover linked liabilities	—	—	—	—	—	336,210,732	202,509,546	5,005,448	59,378,595	—	603,104,321
Loans	109,254	—	2,742	—	—	7,080	—	—	—	—	119,076
Fixed assets - net block	—	—	—	—	—	—	—	—	—	2,015,439	2,015,439
Deferred tax asset - Refer note 3.6 of schedule 16	—	—	—	—	—	—	—	—	—	15,295	15,295
Current assets	—	—	—	—	—	—	—	—	—	—	—
Cash and Bank balances	41,289	6,826	10,941	6,840	52	10,022	1,722	384	240	1,856,068	1,934,384
Advances and Other assets	1,829,022	466,462	2,735,676	543,769	27,511	663,038	151,699	16,992	43,062	3,164,827	9,642,058
Sub-Total (A)	<b>1,870,311</b>	<b>473,288</b>	<b>2,746,617</b>	<b>550,609</b>	<b>27,563</b>	<b>673,060</b>	<b>153,421</b>	<b>17,376</b>	<b>43,302</b>	<b>5,020,895</b>	<b>11,576,442</b>
Current liabilities	2,002,877	249,056	(1,123,658)	(382,498)	139,384	852,368	680,157	(63,915)	575,098	13,137,566	16,066,435
Provisions	28,850	251	27,841	331	261	62,685	10,651	2,345	1,441	3,511,530	3,646,186
Sub-Total (B)	<b>2,031,727</b>	<b>249,307</b>	<b>(1,095,817)</b>	<b>(382,167)</b>	<b>139,645</b>	<b>915,053</b>	<b>690,808</b>	<b>(61,570)</b>	<b>576,539</b>	<b>16,649,096</b>	<b>19,712,621</b>
Net Current Assets (C) = (A-B)	(161,416)	223,981	3,842,434	932,776	(112,082)	(241,993)	(537,387)	78,946	(533,237)	(11,628,201)	(8,136,179)
Miscellaneous expenditure (to the extent not written-off or adjusted)	—	—	—	—	—	—	—	—	—	—	—
Debit Balance in Profit & Loss Account (Shareholders' account)	—	—	—	—	—	—	—	—	—	5,887,809	5,887,809
<b>Total</b>	<b>48,050,939</b>	<b>18,048,195</b>	<b>56,380,830</b>	<b>17,486,932</b>	<b>631,113</b>	<b>342,082,789</b>	<b>203,943,125</b>	<b>5,182,871</b>	<b>59,475,701</b>	<b>49,818,045</b>	<b>801,100,540</b>

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2015

### Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
		ULIF 072 28/04/09	ULIF 002 22/10/01	ULIF 014 17/05/04	ULIF 023 13/03/06	ULIF 039 27/08/07	ULIF 087 24/11/09	ULIF 008 11/08/03	ULIF 100 01/07/10	ULIF 097 11/01/10	ULIF 031 20/03/07	ULIF 032 20/03/07	ULIF 033 20/03/07
		LAnmolNiv 105	LBalancer1 105	LBalancer2 105	LBalancer3 105	LBalancer4 105	LBluChip 105	LCashPlus 105	LDiscont 105	LDynamicPE 105	LFlexiBal1 105	LFlexiBal2 105	LFlexiBal3 105
<b>Sources of funds</b>													
<b>Policyholders' funds</b>													
Policyholder contribution	F-1	10,265	(2,403,877)	(573,906)	(87,844)	683,480	3,555,417	1,795,307	20,494,115	20,945,481	412,208	488,030	4,336
Revenue account		1,229	14,089,670	4,535,337	359,988	388,394	853,109	1,032,692	2,179,039	6,421,162	790,035	432,809	50,002
<b>Total</b>		<b>11,494</b>	<b>11,685,793</b>	<b>3,961,431</b>	<b>272,144</b>	<b>1,071,874</b>	<b>4,408,526</b>	<b>2,827,999</b>	<b>22,673,154</b>	<b>27,366,643</b>	<b>1,202,243</b>	<b>920,839</b>	<b>54,338</b>
<b>Application of funds</b>													
Investments	F-2	9,492	11,344,766	3,835,150	259,924	1,040,675	4,385,273	2,719,861	22,843,093	27,247,405	1,178,691	906,157	53,272
Current assets	F-3	2,002	434,842	152,923	14,264	40,131	36,329	156,232	50,016	240,697	34,285	24,876	1,681
Less: Current liabilities and provisions	F-4	-	93,815	26,642	2,044	8,932	13,076	48,094	219,955	121,459	10,733	10,194	615
<b>Net current assets</b>		<b>2,002</b>	<b>341,027</b>	<b>126,281</b>	<b>12,220</b>	<b>31,199</b>	<b>23,253</b>	<b>108,138</b>	<b>(169,939)</b>	<b>119,238</b>	<b>23,552</b>	<b>14,682</b>	<b>1,066</b>
<b>Total</b>		<b>11,494</b>	<b>11,685,793</b>	<b>3,961,431</b>	<b>272,144</b>	<b>1,071,874</b>	<b>4,408,526</b>	<b>2,827,999</b>	<b>22,673,154</b>	<b>27,366,643</b>	<b>1,202,243</b>	<b>920,839</b>	<b>54,338</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		11,494	11,685,793	3,961,431	272,144	1,071,874	4,408,526	2,827,999	22,673,154	27,366,643	1,202,243	920,839	54,338
(b) Number of Units outstanding (in '000)		735	226,490	107,094	11,381	48,170	271,272	120,872	1,634,290	1,627,226	54,850	37,467	2,503
(c) NAV per unit (a)/(b) (₹)		15.64	51.60	36.99	23.91	22.25	16.25	23.40	13.87	16.82	21.92	24.58	21.71

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Invest Life Fund	Growth Fund	Life Secure Fund
		ULIF 040 27/08/07	ULIF 026 20/03/07	ULIF 027 20/03/07	ULIF 028 20/03/07	ULIF 038 27/08/07	ULIF 116 15/03/11	ULIF 089 24/11/09	ULIF 020 03/01/05	ULIF 018 03/01/05	ULIF 134 19/09/13	ULIF 135 19/09/13	ULIF 136 11/20/14
		LFlexiBal4 105	LFlexiGro1 105	LFlexiGro2 105	LFlexiGro3 105	LFlexiGro4 105	LHighNavB 105	LIncome 105	LInvCash 105	LInvShld 105	LGF 105	LSF 105	MIF 105
<b>Sources of funds</b>													
<b>Policyholders' funds</b>													
Policyholder contribution	F-1	208,066	1,067,127	5,926,963	132,174	4,280,315	39,899,819	24,636,049	4,255,139	1,923,716	3,895,080	3,350,410	618,108
Revenue account		140,396	19,106,761	6,745,246	843,781	6,491,557	6,628,233	1,962,764	1,155,391	1,011,980	338,058	100,417	(19,180)
<b>Total</b>		<b>348,462</b>	<b>20,173,888</b>	<b>12,672,209</b>	<b>975,955</b>	<b>10,771,872</b>	<b>46,528,052</b>	<b>26,598,813</b>	<b>5,410,530</b>	<b>2,935,696</b>	<b>4,233,138</b>	<b>3,450,827</b>	<b>598,928</b>
<b>Application of funds</b>													
Investments	F-2	341,571	19,892,356	12,591,156	976,482	10,637,109	45,774,065	25,651,670	5,231,245	2,857,566	4,291,434	3,357,165	594,355
Current assets	F-3	11,238	346,586	121,820	4,573	170,579	1,120,843	1,490,519	285,049	139,929	69,845	223,948	29,629
Less: Current liabilities and provisions	F-4	4,347	65,054	40,767	5,100	35,816	366,856	543,376	105,764	61,799	128,141	130,286	25,056
<b>Net current assets</b>		<b>6,891</b>	<b>281,532</b>	<b>81,053</b>	<b>(527)</b>	<b>134,763</b>	<b>753,987</b>	<b>947,143</b>	<b>179,285</b>	<b>78,130</b>	<b>(58,296)</b>	<b>93,662</b>	<b>4,573</b>
<b>Total</b>		<b>348,462</b>	<b>20,173,888</b>	<b>12,672,209</b>	<b>975,955</b>	<b>10,771,872</b>	<b>46,528,052</b>	<b>26,598,813</b>	<b>5,410,530</b>	<b>2,935,696</b>	<b>4,233,138</b>	<b>3,450,827</b>	<b>598,928</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		348,462	20,173,888	12,672,209	975,955	10,771,872	46,528,052	26,598,813	5,410,530	2,935,696	4,233,138	3,450,827	598,928
(b) Number of Units outstanding (in '000)		16,041	807,811	483,532	38,527	481,621	3,399,686	1,668,071	242,302	107,273	296,216	295,298	60,644
(c) NAV per unit (a)/(b) (₹)		21.72	24.97	26.21	25.33	22.37	13.69	15.95	22.33	27.37	14.29	11.69	9.88

# schedules



forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2015

### Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV
		ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105
<b>Sources of funds</b>													
<b>Policyholders' funds</b>													
Policyholder contribution	F-1	(11,762,456)	(2,576,295)	(883,686)	129,767	40,793,270	15,370,409	3,773,733	19,290,561	547,296	1,135,926	24,623	452,250
Revenue account		61,679,647	15,803,800	2,820,169	482,083	5,367,649	778,731	1,030,752	7,939,467	8,023,999	1,123,887	111,180	557,216
<b>Total</b>		<b>49,917,191</b>	<b>13,227,505</b>	<b>1,936,483</b>	<b>611,850</b>	<b>46,160,919</b>	<b>16,149,140</b>	<b>4,804,485</b>	<b>27,230,028</b>	<b>8,571,295</b>	<b>2,259,813</b>	<b>135,803</b>	<b>1,009,466</b>
<b>Application of funds</b>													
Investments	F-2	49,950,118	13,233,170	1,939,687	611,638	45,915,441	15,719,612	4,687,278	27,292,541	8,536,914	2,250,909	136,206	1,011,611
Current assets	F-3	35,276	13,820	1,321	598	711,959	429,898	177,969	372,801	40,014	15,681	14	947
Less: Current liabilities and provisions	F-4	68,203	19,485	4,525	386	466,481	370	60,762	435,314	5,633	6,777	417	3,092
<b>Net current assets</b>		<b>(32,927)</b>	<b>(5,665)</b>	<b>(3,204)</b>	<b>212</b>	<b>245,478</b>	<b>429,528</b>	<b>117,207</b>	<b>(62,513)</b>	<b>34,381</b>	<b>8,904</b>	<b>(403)</b>	<b>(2,145)</b>
<b>Total</b>		<b>49,917,191</b>	<b>13,227,505</b>	<b>1,936,483</b>	<b>611,850</b>	<b>46,160,919</b>	<b>16,149,140</b>	<b>4,804,485</b>	<b>27,230,028</b>	<b>8,571,295</b>	<b>2,259,813</b>	<b>135,803</b>	<b>1,009,466</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		49,917,191	13,227,505	1,936,483	611,850	46,160,919	16,149,140	4,804,485	27,230,028	8,571,295	2,259,813	135,803	1,009,466
(b) Number of Units outstanding (in '000)		428,243	195,328	65,092	25,169	2,333,654	1,052,686	273,298	1,402,809	536,871	121,334	7,714	54,499
(c) NAV per unit (a)/(b) (₹)		116.56	67.72	29.75	24.31	19.78	15.34	17.58	19.41	15.97	18.62	17.60	18.52

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund IV
		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 069 31/03/09 LRGF(T4) 105
<b>Sources of funds</b>													
<b>Policyholders' funds</b>													
Policyholder contribution	F-1	2,149,733	4,209,796	8,696,558	6,739,536	3,174,756	151,385	575,988	1,934,085	1,036,926	65,264	2,984,323	(42,331)
Revenue account		1,264,641	1,766,626	2,539,254	1,443,341	2,291,485	122,090	115,690	5,507,236	2,323,460	289,011	1,165,865	42,331
<b>Total</b>		<b>3,414,374</b>	<b>5,976,422</b>	<b>11,235,812</b>	<b>8,182,877</b>	<b>5,466,241</b>	<b>273,475</b>	<b>691,678</b>	<b>7,441,321</b>	<b>3,360,386</b>	<b>354,275</b>	<b>4,150,188</b>	—
<b>Application of funds</b>													
Investments	F-2	3,347,440	5,942,749	11,186,454	8,088,446	5,403,359	262,184	683,886	7,104,370.00	3,263,885.00	340,314.00	4,007,778.00	—
Current assets	F-3	125,074	33,920	170,609	136,425	72,648	11,297	8,342	458,096	143,533	18,740	199,698	—
Less: Current liabilities and provisions	F-4	58,140	247	121,251	41,994	9,766	6	550	121,145	47,032	4,779	57,288	—
<b>Net current assets</b>		<b>66,934</b>	<b>33,673</b>	<b>49,358</b>	<b>94,431</b>	<b>62,882</b>	<b>11,291</b>	<b>7,792</b>	<b>336,951</b>	<b>96,501</b>	<b>13,961</b>	<b>142,410</b>	—
<b>Total</b>		<b>3,414,374</b>	<b>5,976,422</b>	<b>11,235,812</b>	<b>8,182,877</b>	<b>5,466,241</b>	<b>273,475</b>	<b>691,678</b>	<b>7,441,321</b>	<b>3,360,386</b>	<b>354,275</b>	<b>4,150,188</b>	—
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		3,414,374	5,976,422	11,235,812	8,182,877	5,466,241	273,475	691,678	7,441,321	3,360,386	354,275	4,150,188	—
(b) Number of Units outstanding (in '000)		142,482	317,234	717,980	622,497	234,954	13,134	36,942	255,162	141,866	17,131	209,714	—
(c) NAV per unit (a)/(b) (₹)		23.96	18.84	15.65	13.15	23.27	20.82	18.72	29.16	23.69	20.68	19.79	—

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2015

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	
		ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 13/01/11 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 121 19/04/11 LRGF(S4) 105	
<b>Sources of funds</b>													
<b>Policyholders' funds</b>													
Policyholder contribution	F-1	(10,190)	(16,006)	(6,059)	858,957	236,410	1,149,669	118,266	2,399,650	419,333	1,148,187	20,160	
Revenue account		10,190	16,006	6,059	307,081	93,320	402,766	46,446	804,398	147,367	334,928	4,236	
<b>Total</b>		—	—	—	<b>1,166,038</b>	<b>329,730</b>	<b>1,552,435</b>	<b>164,712</b>	<b>3,204,048</b>	<b>566,700</b>	<b>1,483,115</b>	<b>24,396</b>	
<b>Application of funds</b>													
Investments	F-2	—	—	—	1,078,566	299,299	1,432,697	151,429	2,899,065	518,997	1,393,558	22,808	
Current assets	F-3	—	—	—	87,563	30,446	119,914	13,297	305,189	47,741	89,625	1,590	
Less: Current liabilities and provisions	F-4	—	—	—	91	15	176	14	206	38	68	2	
<b>Net current assets</b>		—	—	—	<b>87,472</b>	<b>30,431</b>	<b>119,738</b>	<b>13,283</b>	<b>304,983</b>	<b>47,703</b>	<b>89,557</b>	<b>1,588</b>	
<b>Total</b>		—	—	—	<b>1,166,038</b>	<b>329,730</b>	<b>1,552,435</b>	<b>164,712</b>	<b>3,204,048</b>	<b>566,700</b>	<b>1,483,115</b>	<b>24,396</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		—	—	—	1,166,038	329,730	1,552,435	164,712	3,204,048	566,700	1,483,115	24,396	
(b) Number of Units outstanding (in '000)		—	—	—	84,982	23,380	113,093	11,675	232,147	40,187	108,507	1,773	
(c) NAV per unit (a)/(b) (₹)		—	—	—	13.72	14.10	13.73	14.11	13.80	14.10	13.67	13.76	

(₹ in '000)

Particulars	Schedule	Linked Life Funds								Total
		RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
		ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
<b>Sources of funds</b>										
<b>Policyholders' funds</b>										
Policyholder contribution	F-1	2,031,606	5,454,340	(37)	2,598,448	214,107	24,483	106,080	<b>250,234,799</b>	
Revenue account		4,541,366	3,484,664	369,628	1,944,771	197,057	11,322	31,312	<b>212,981,397</b>	
<b>Total</b>		<b>6,572,972</b>	<b>8,939,004</b>	<b>369,591</b>	<b>4,543,219</b>	<b>411,164</b>	<b>35,805</b>	<b>137,392</b>	<b>463,216,196</b>	
<b>Application of funds</b>										
Investments	F-2	6,555,672	8,924,119	369,782	4,542,646	399,463	35,387	131,846	<b>457,691,257</b>	
Current assets	F-3	17,755	15,298	36	783	19,599	487	5,860	<b>9,136,699</b>	
Less: Current liabilities and provisions	F-4	455	413	227	210	7,898	69	314	<b>3,611,760</b>	
<b>Net current assets</b>		<b>17,300</b>	<b>14,885</b>	<b>(191)</b>	<b>573</b>	<b>11,701</b>	<b>418</b>	<b>5,546</b>	<b>5,524,939</b>	
<b>Total</b>		<b>6,572,972</b>	<b>8,939,004</b>	<b>369,591</b>	<b>4,543,219</b>	<b>411,164</b>	<b>35,805</b>	<b>137,392</b>	<b>463,216,196</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		6,572,972	8,939,004	369,591	4,543,219	411,164	35,805	137,392	<b>463,216,196</b>	
(b) Number of Units outstanding (in '000)		323,397	414,505	18,170	210,951	17,731	2,029	8,495		
(c) NAV per unit (a)/(b) (₹)		20.32	21.57	20.34	21.54	23.19	17.64	16.17		

# schedules



forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2015

### Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds												
		Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement Secure Fund	Easy Retirement SP Fund	Easy Retirement Balanced Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund
		ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 136 25/03/13 ERSPBF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	
<b>Sources of funds</b>														
<b>Policyholders' funds</b>														
Policyholder contribution	F-1	289,687 14,621	1,015,987 102,446	202,521 16,425	5,391 756	292,041 234,975	1,735,263 3,775,462	282,521 5,622,107	2,007,276 474,848	12,598,206 2,787,106	695,350 494,972	362,865 918,131	10,379,433 13,964,051	
<b>Total</b>		<b>304,308</b>	<b>1,118,433</b>	<b>218,946</b>	<b>6,147</b>	<b>527,016</b>	<b>5,510,725</b>	<b>5,904,628</b>	<b>2,482,124</b>	<b>15,385,312</b>	<b>1,190,322</b>	<b>1,280,996</b>	<b>24,343,484</b>	
<b>Application of funds</b>														
Investments	F-2	305,361	1,059,581	198,125	6,102	498,799	5,310,261	5,646,678	2,463,400	15,323,512	1,158,033	1,239,163	24,312,875	
Current assets	F-3	16	74,234	20,831	49	28,902	214,499	276,267	19,566	62,475	32,782	41,876	132,482	
Less: Current liabilities and provisions	F-4	1,069	15,382	10	4	685	14,035	18,317	842	675	493	43	101,873	
<b>Net current assets</b>		<b>(1,053)</b>	<b>58,852</b>	<b>20,821</b>	<b>45</b>	<b>28,217</b>	<b>200,464</b>	<b>257,950</b>	<b>18,724</b>	<b>61,800</b>	<b>32,289</b>	<b>41,833</b>	<b>30,609</b>	
<b>Total</b>		<b>304,308</b>	<b>1,118,433</b>	<b>218,946</b>	<b>6,147</b>	<b>527,016</b>	<b>5,510,725</b>	<b>5,904,628</b>	<b>2,482,124</b>	<b>15,385,312</b>	<b>1,190,322</b>	<b>1,280,996</b>	<b>24,343,484</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		304,308	1,118,433	218,946	6,147	527,016	5,510,725	5,904,628	2,482,124	15,385,312	1,190,322	1,280,996	24,343,484	
(b) Number of Units outstanding (in '000)		27,187	84,623	18,025	497	19,073	126,799	172,727	157,231	927,654	53,856	53,155	984,188	
(c) NAV per unit (a)/(b) (₹)		11.19	13.22	12.15	12.36	27.63	43.46	34.18	15.79	16.59	22.10	24.10	24.73	

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund
		ULIF 030 20/03/07 PflexiGro2 105	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMmaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POppor 105	ULIF 011 17/05/04 PPreserv 105
<b>Sources of funds</b>													
<b>Policyholders' funds</b>													
Policyholder contribution	F-1	728,252	305,520	8,263,007	(415,493)	(2,861,960)	4,865,415	2,025,842	13,440,082	2,794,375	853,932	4,558,945	5,624,822
Revenue account		19,353,274	164,210	966,082	6,717,689	22,010,842	518,898	694,961	5,499,300	2,395,499	1,624,724	2,053,491	2,408,276
<b>Total</b>		<b>20,081,526</b>	<b>469,730</b>	<b>9,229,089</b>	<b>6,302,196</b>	<b>19,148,882</b>	<b>5,384,313</b>	<b>2,720,803</b>	<b>18,939,382</b>	<b>5,189,874</b>	<b>2,478,656</b>	<b>6,612,436</b>	<b>8,033,098</b>
<b>Application of funds</b>													
Investments	F-2	20,091,658	464,769	8,719,274	6,303,614	19,117,651	5,346,099	2,642,744	18,973,484	5,187,529	2,476,332	6,592,264	7,882,561
Current assets	F-3	58,925	5,719	511,972	6,144	87,187	66,167	82,699	80,998	5,831	2,977	20,447	159,820
Less: Current liabilities and provisions	F-4	69,057	758	2,157	7,562	55,956	27,953	4,640	115,100	3,486	653	275	9,283
<b>Net current assets</b>		<b>(10,132)</b>	<b>4,961</b>	<b>509,815</b>	<b>(1,418)</b>	<b>31,231</b>	<b>38,214</b>	<b>78,059</b>	<b>(34,102)</b>	<b>2,345</b>	<b>2,324</b>	<b>20,172</b>	<b>150,537</b>
<b>Total</b>		<b>20,081,526</b>	<b>469,730</b>	<b>9,229,089</b>	<b>6,302,196</b>	<b>19,148,882</b>	<b>5,384,313</b>	<b>2,720,803</b>	<b>18,939,382</b>	<b>5,189,874</b>	<b>2,478,656</b>	<b>6,612,436</b>	<b>8,033,098</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		20,081,526	469,730	9,229,089	6,302,196	19,148,882	5,384,313	2,720,803	18,939,382	5,189,874	2,478,656	6,612,436	8,033,098
(b) Number of Units outstanding (in '000)		754,135	29,795	584,342	53,374	271,087	352,502	161,985	998,314	329,070	146,178	354,340	348,575
(c) NAV per unit (a)/(b) (₹)		26.63	15.77	15.79	118.08	70.64	15.27	16.80	18.97	15.77	16.96	18.66	23.05

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2015

### Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds									
		Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	
		ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 070 31/03/09 PRGF4	ULIF 074 29/04/09 PRGF5	ULIF 079 17/06/09 PRGF6	ULIF 083 16/11/09 PRGF7	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	
<b>Sources of funds</b>											
<b>Policyholders' funds</b>											
Policyholder contribution	F-1	8,322,621	2,195,944	(153,943)	(60,517)	(86,141)	(127,071)	128,420	38,720	93,250	
Revenue account		5,999,553	3,700,159	153,943	60,517	86,141	127,071	52,540	16,281	35,985	
<b>Total</b>		<b>14,322,174</b>	<b>5,896,103</b>	—	—	—	—	<b>180,960</b>	<b>55,001</b>	<b>129,235</b>	
<b>Application of funds</b>											
Investments	F-2	13,446,157	5,580,091	—	—	—	—	165,462	50,203	119,178	
Current assets	F-3	880,918	327,103	—	—	—	—	15,506	4,801	10,063	
Less: Current liabilities and provisions	F-4	4,901	11,091	—	—	—	—	8	3	6	
<b>Net current assets</b>		<b>876,017</b>	<b>316,012</b>	—	—	—	—	<b>15,498</b>	<b>4,798</b>	<b>10,057</b>	
<b>Total</b>		<b>14,322,174</b>	<b>5,896,103</b>	—	—	—	—	<b>180,960</b>	<b>55,001</b>	<b>129,235</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		14,322,174	5,896,103	—	—	—	—	180,960	55,001	129,235	
(b) Number of Units outstanding (in '000)		548,064	251,802	—	—	—	—	12,785	3,912	9,202	
(c) NAV per unit (a)/(b) (₹)		26.13	23.42	—	—	—	—	14.15	14.06	14.04	

(₹ in '000)

Particulars	Schedule	Linked Pension Funds					Total
		Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	
		ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105	
<b>Sources of funds</b>							
<b>Policyholders' funds</b>							
Policyholder contribution	F-1	9,207	6,100,779	1,138,754	548,732	40,445	<b>88,238,480</b>
Revenue account		3,889	10,921,551	9,559,172	56,475	86,815	<b>123,673,238</b>
<b>Total</b>		<b>13,096</b>	<b>17,022,330</b>	<b>10,697,926</b>	<b>605,207</b>	<b>127,260</b>	<b>211,911,718</b>
<b>Application of funds</b>							
Investments	F-2	11,987	17,005,054	10,657,907	569,066	121,077	<b>209,046,051</b>
Current assets	F-3	1,110	18,454	40,513	36,172	6,222	<b>3,333,727</b>
Less: Current liabilities and provisions	F-4	1	1,178	494	31	39	<b>468,060</b>
<b>Net current assets</b>		<b>1,109</b>	<b>17,276</b>	<b>40,019</b>	<b>36,141</b>	<b>6,183</b>	<b>2,865,667</b>
<b>Total</b>		<b>13,096</b>	<b>17,022,330</b>	<b>10,697,926</b>	<b>605,207</b>	<b>127,260</b>	<b>211,911,718</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		13,096	17,022,330	10,697,926	605,207	127,260	<b>211,911,718</b>
(b) Number of Units outstanding (in '000)		953	740,433	440,792	48,150	5,667	
(c) NAV per unit (a)/(b) (₹)		13.74	22.99	24.27	12.57	22.46	

# schedules



forming part of the financial statements

*Continued*

3.12 FUND BALANCE SHEET AT MARCH 31, 2015

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Health Funds												Total	
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII				
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105				
<b>Sources of funds</b>															
<b>Policyholders' funds</b>															
Policyholder contribution	F-1	405,371 (101,916)	541,216 (128,343)	5,732,798 (1,120,318)	691,041 (155,067)	81,434 (21,170)	1,951,223 (583,865)	22,121 (22,121)	12,383 (12,383)	7,148 (7,148)	3,845 (3,845)	9,448,580 (2,156,176)			
<b>Total</b>		<b>303,455</b>	<b>412,873</b>	<b>4,612,480</b>	<b>535,974</b>	<b>60,264</b>	<b>1,367,358</b>	—	—	—	—	<b>7,292,404</b>			
<b>Application of funds</b>															
Investments	F-2	298,624	399,854	4,591,872	534,027	56,639	1,338,192	—	—	—	—	7,219,208			
Current assets	F-3	12,649	18,191	20,820	3,545	3,626	70,777	—	—	—	—	129,608			
Less: Current liabilities and provisions	F-4	7,818	5,172	212	1,598	1	41,611	—	—	—	—	56,412			
<b>Net current assets</b>		<b>4,831</b>	<b>13,019</b>	<b>20,608</b>	<b>1,947</b>	<b>3,625</b>	<b>29,166</b>	—	—	—	—	<b>73,196</b>			
<b>Total</b>		<b>303,455</b>	<b>412,873</b>	<b>4,612,480</b>	<b>535,974</b>	<b>60,264</b>	<b>1,367,358</b>	—	—	—	—	<b>7,292,404</b>			
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		303,455	412,873	4,612,480	535,974	60,264	1,367,358	—	—	—	—	7,292,404			
(b) Number of Units outstanding (in '000)		13,674	15,799	135,300	17,054	3,649	74,254	—	—	—	—				
(c) NAV per unit (a)/(b) (₹)		22.19	26.13	34.09	31.43	16.51	18.41	—	—	—	—				

(₹ in '000)

Particulars	Schedule	Linked Group Funds															
		Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Debt Fund III	Group Capital Growth Fund	Group Capital Growth Fund II	Group Capital Growth Fund III	Group Capital Short Fund	Group Capital Short Fund III	Group Capital Short Term Debt Fund	Group Capital Short Term Debt Fund II	
		ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCCBal1 105	ULGF 010 21/03/07 GCCBal2 105	ULGF 049 27/08/13 GCCBal3 105	ULGF 007 28/10/05 GCCDebt1 105	ULGF 011 21/03/07 GCCDebt2 105	ULGF 048 27/08/13 GCCDebt3 105	ULGF 008 11/12/06 GCCGrowth1 105	ULGF 012 05/07/07 GCCGrowth2 105	ULGF 050 27/08/13 GCCGrowth3 105	ULGF 005 24/02/04 GCCSTDebt1 105	ULGF 009 16/03/07 GCCSTDebt2 105	ULGF 031 01/03/12 GCCSTDebt3 105		
<b>Sources of funds</b>																	
<b>Policyholders' funds</b>																	
Policyholder contribution	F-1	11,270,782	86,179	(5,137)	997,687	113,126	11,942	346,780	201,810	21,143	49,789	2,103	35,435	2,585,786	104,847		
Revenue account		10,207,320	8,607	102,067	967,407	6,535	8,657	604,704	10,150	18,272	41,313	115	92,467	1,557,300	6,891		
<b>Total</b>		<b>21,478,102</b>	<b>94,786</b>	<b>96,930</b>	<b>1,965,094</b>	<b>119,661</b>	<b>20,599</b>	<b>951,484</b>	<b>211,960</b>	<b>39,415</b>	<b>91,102</b>	<b>2,218</b>	<b>127,902</b>	<b>4,143,086</b>	<b>111,738</b>		
<b>Application of funds</b>																	
Investments	F-2	20,300,953	89,785	91,265	1,860,506	115,510	19,501	898,736	197,612	37,783	87,061	1,931	126,531	4,044,609	110,740		
Current assets	F-3	1,183,444	5,074	5,671	105,125	4,187	1,790	52,802	14,358	1,646	4,070	291	1,376	98,660	1,003		
Less: Current liabilities and provisions	F-4	6,295	73	6	537	36	692	54	10	14	29	4	5	183	5		
<b>Net current assets</b>		<b>1,177,149</b>	<b>5,001</b>	<b>5,665</b>	<b>104,588</b>	<b>4,151</b>	<b>1,098</b>	<b>52,748</b>	<b>14,348</b>	<b>1,632</b>	<b>4,041</b>	<b>287</b>	<b>1,371</b>	<b>98,477</b>	<b>998</b>		
<b>Total</b>		<b>21,478,102</b>	<b>94,786</b>	<b>96,930</b>	<b>1,965,094</b>	<b>119,661</b>	<b>20,599</b>	<b>951,484</b>	<b>211,960</b>	<b>39,415</b>	<b>91,102</b>	<b>2,218</b>	<b>127,902</b>	<b>4,143,086</b>	<b>111,738</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		21,478,102	94,786	96,930	1,965,094	119,661	20,599	951,484	211,960	39,415	91,102	2,218	127,902	4,143,086	111,738		
(b) Number of Units outstanding (in '000)		627,573	7,805	4,219	93,410	9,763	749	42,768	17,456	1,785	4,309	202	5,786	221,459	10,019		
(c) NAV per unit (a)/(b) (₹ )		34.22	12.14	22.97	21.04	12.26	27.51	22.25	12.14	22.08	21.14	10.99	22.11	18.71	11.15		

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2015

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Group Funds									
		Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	
		ULGF 002 03/04/03 GDebt 105	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	
<b>Sources of funds</b>											
<b>Policyholders' funds</b>											
Policyholder contribution	F-1	9,551,530	1,012,295	1,633,112	17,592	673,739	127,062	(38,861)	(648,959)	(27,420)	
Revenue account		5,817,921	126,685	5,243,193	1,254	418,626	49,580	181,592	648,959	27,420	
<b>Total</b>		<b>15,369,451</b>	<b>1,138,980</b>	<b>6,876,305</b>	<b>18,846</b>	<b>1,092,365</b>	<b>176,642</b>	<b>142,731</b>	—	—	
<b>Application of funds</b>											
Investments	F-2	14,462,645	1,073,346	6,649,028	18,724	998,104	167,887	126,242	—	—	
Current assets	F-3	907,543	65,793	230,548	150	94,413	8,764	16,495	—	—	
Less: Current liabilities and provisions	F-4	737	159	3,271	28	152	9	6	—	—	
<b>Net current assets</b>		<b>906,806</b>	<b>65,634</b>	<b>227,277</b>	<b>122</b>	<b>94,261</b>	<b>8,755</b>	<b>16,489</b>	—	—	
<b>Total</b>		<b>15,369,451</b>	<b>1,138,980</b>	<b>6,876,305</b>	<b>18,846</b>	<b>1,092,365</b>	<b>176,642</b>	<b>142,731</b>	—	—	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		15,369,451	1,138,980	6,876,305	18,846	1,092,365	176,642	142,731	—	—	
(b) Number of Units outstanding (in '000)		596,004	92,838	126,670	1,457	55,510	10,192	9,635	—	—	
(c) NAV per unit (a)/(b) (₹)		25.79	12.27	54.29	12.94	19.68	17.33	14.81	—	—	

(₹ in '000)

Particulars	Schedule	Linked Group Funds								Total	Grand Total
		Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Fund III	Group Superannuation Corporate Bond Fund			
		ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 046 27/08/13 GSTDebt2 105	ULGF 039 30/04/13 GSTDebt3 105	ULGF 015 22/12/08 GSACorBon 105			
<b>Sources of funds</b>											
<b>Policyholders' funds</b>											
Policyholder contribution	F-1	(639,615)	128,716	466,476	2,517,000	1,814,845	13,347	1,739,091	34,162,222	382,084,081	
Revenue account		639,615	43,191	152,503	3,423,021	83,730	852	702,872	31,192,819	365,691,278	
<b>Total</b>		—	<b>171,907</b>	<b>618,979</b>	<b>5,940,021</b>	<b>1,898,575</b>	<b>14,199</b>	<b>2,441,963</b>	<b>65,355,041</b>	<b>747,775,359</b>	
<b>Application of funds</b>											
Investments	F-2	—	155,902	585,992	5,838,558	1,838,444	13,525	2,196,884	62,107,804	736,064,320	
Current assets	F-3	—	16,013	33,020	101,699	60,212	675	245,176	3,259,998	15,860,032	
Less: Current liabilities and provisions	F-4	—	8	33	236	81	1	97	12,761	4,148,993	
<b>Net current assets</b>		—	<b>16,005</b>	<b>32,987</b>	<b>101,463</b>	<b>60,131</b>	<b>674</b>	<b>245,079</b>	<b>3,247,237</b>	<b>11,711,039</b>	
<b>Total</b>		—	<b>171,907</b>	<b>618,979</b>	<b>5,940,021</b>	<b>1,898,575</b>	<b>14,199</b>	<b>2,441,963</b>	<b>65,355,041</b>	<b>747,775,359</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		—	171,907	618,979	5,940,021	1,898,575	14,199	2,441,963	65,355,041	747,775,359	
(b) Number of Units outstanding (in '000)		—	12,805	46,483	259,090	181,481	1,329	175,483	—	—	
(c) NAV per unit (a)/(b) (₹)		—	13.43	13.32	22.93	10.46	10.69	13.92	—	—	

# schedules



forming part of the financial statements

*Continued*

Schedule F - 1

POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds												
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III	
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDisccont 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105	
Opening balance	8,714	(511,336)	40,045	(27,955)	842,410	2,288,845	2,069,686	10,493,639	19,584,517	553,951	572,030	27,416	
Add: Additions during the year*	1,712	462,123	190,217	2,987	91,603	1,624,111	202,037	10,035,195	4,499,940	93,307	92,996	821	
Less: Deductions during the year**	(161)	(2,354,664)	(804,168)	(62,876)	(250,533)	(357,539)	(476,416)	(34,719)	(3,138,976)	(235,050)	(176,996)	(23,901)	
<b>Closing balance</b>	<b>10,265</b>	<b>(2,403,877)</b>	<b>(573,906)</b>	<b>(87,844)</b>	<b>683,480</b>	<b>3,555,417</b>	<b>1,795,307</b>	<b>20,494,115</b>	<b>20,945,481</b>	<b>412,208</b>	<b>488,030</b>	<b>4,336</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds												
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximise India Fund	
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 27/08/07 LFlexiGro3 105	ULIF 038 15/03/11 LFlexiGro4 105	ULIF 116 24/11/09 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 136 11/20/14 MIF 105	
Opening balance	237,344	4,719,121	7,595,837	347,928	6,694,562	32,067,295	18,058,058	4,401,787	1,983,587	625,526	533,874	—	
Add: Additions during the year*	32,582	1,386,001	960,241	40,182	978,994	12,319,131	17,780,774	324,309	189,103	3,277,911	2,821,635	618,464	
Less: Deductions during the year**	(61,860)	(5,037,995)	(2,629,115)	(255,936)	(3,393,241)	(4,486,607)	(11,202,783)	(470,957)	(248,974)	(8,357)	(5,099)	(356)	
<b>Closing balance</b>	<b>208,066</b>	<b>1,067,127</b>	<b>5,926,963</b>	<b>132,174</b>	<b>4,280,315</b>	<b>39,899,819</b>	<b>24,636,049</b>	<b>4,255,139</b>	<b>1,923,716</b>	<b>3,895,080</b>	<b>3,350,410</b>	<b>618,108</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds												
	Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	
	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	
Opening balance	(6,372,112)	(1,768,278)	(547,009)	195,207	8,746,255	10,463,890	2,602,126	15,610,733	2,444,410	1,431,352	49,529	615,250	
Add: Additions during the year*	2,935,408	894,116	52,105	83,496	33,925,374	13,818,276	1,537,846	8,230,931	444,298	160,226	14,117	86,958	
Less: Deductions during the year**	(8,325,752)	(1,702,133)	(388,782)	(148,936)	(1,878,359)	(8,911,757)	(366,239)	(4,551,103)	(2,341,412)	(455,652)	(39,023)	(249,958)	
<b>Closing balance</b>	<b>(11,762,456)</b>	<b>(2,576,295)</b>	<b>(883,686)</b>	<b>129,767</b>	<b>40,793,270</b>	<b>15,370,409</b>	<b>3,773,733</b>	<b>19,290,561</b>	<b>547,296</b>	<b>1,135,926</b>	<b>24,623</b>	<b>452,250</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds												
	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund IV	
	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 17/05/04 LPreserv1 105	ULIF 010 13/03/06 LPreserv3 105	ULIF 021 27/08/07 LPreserv4 105	ULIF 036 22/10/01 LProtect1 105	ULIF 003 17/05/04 LProtect2 105	ULIF 016 13/03/06 LProtect3 105	ULIF 024 27/08/07 LProtect4 105	ULIF 041 31/03/09 LRGF(T4) 105		
Opening balance	2,274,137	3,613,572	10,572,417	5,610,576	5,717,417	309,415	740,747	4,323,967	2,216,729	201,805	3,359,110	(42,113)	
Add: Additions during the year*	171,547	1,203,458	48,281	1,436,790	362,792	13,711	147,734	223,788	110,404	16,478	875,736	—	
Less: Deductions during the year**	(295,951)	(607,234)	(1,924,140)	(307,830)	(2,905,453)	(171,741)	(312,493)	(2,613,670)	(1,290,207)	(153,019)	(1,250,523)	(218)	
<b>Closing balance</b>	<b>2,149,733</b>	<b>4,209,796</b>	<b>8,696,558</b>	<b>6,739,536</b>	<b>3,174,756</b>	<b>151,385</b>	<b>575,988</b>	<b>1,934,085</b>	<b>1,036,926</b>	<b>65,264</b>	<b>2,984,323</b>	<b>(42,331)</b>	

\* Represents unit creation

\*\* Represents unit cancellations

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 1

### POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2015

Particulars	Linked Life Funds												₹ in '000
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund X (5 Yrs)	
	ULIF 073 29/04/09	ULIF 078 17/06/09	ULIF 082 16/11/09	ULIF 103 12/10/10	ULIF 104 12/10/10	ULIF 106 22/12/10	ULIF 107 22/12/10	ULIF 111 13/01/11	ULIF 112 13/01/11	ULIF 120 17/03/11	ULIF 121 19/04/11	ULIF 121 19/04/11	
	LRGF(T5) 105	LRGF(T6) 105	LRGF(T7) 105	LRGF(T8) 105	LRGF(S1) 105	LRGF(T9) 105	LRGF(S2) 105	LRGF(T10) 105	LRGF(S3) 105	LRGF(T11) 105	LRGF(S4) 105	LRGF(S4) 105	
Opening balance	56,696	59,474	26,966	890,384	247,018	1,190,414	123,161	2,457,866	427,157	1,189,696	21,599		
Add: Additions during the year*	—	—	—	—	—	—	—	—	—	—	—	—	
Less: Deductions during the year**	(66,886)	(75,480)	(33,025)	(31,427)	(10,608)	(40,745)	(4,895)	(58,216)	(7,824)	(41,509)	(1,439)		
<b>Closing balance</b>	<b>(10,190)</b>	<b>(16,006)</b>	<b>(6,059)</b>	<b>858,957</b>	<b>236,410</b>	<b>1,149,669</b>	<b>118,266</b>	<b>2,399,650</b>	<b>419,333</b>	<b>1,148,187</b>	<b>20,160</b>		

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Life Funds								₹ in '000	
	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total		
	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105			
Opening balance	4,086,089	7,433,317	125,382	3,511,920	295,060	41,393	168,804	207,928,409		
Add: Additions during the year*	352,227	592,054	2,735	349,399	28,449	3,174	7,506	126,155,790		
Less: Deductions during the year**	(2,406,710)	(2,571,031)	(128,154)	(1,262,871)	(109,402)	(20,084)	(70,230)	(83,849,400)		
<b>Closing balance</b>	<b>2,031,606</b>	<b>5,454,340</b>	<b>(37)</b>	<b>2,598,448</b>	<b>214,107</b>	<b>24,483</b>	<b>106,080</b>	<b>250,234,799</b>		

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Pension Funds												₹ in '000
	Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement SP Balanced Fund	Easy Secure Fund	Invest Shield Retirement Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Flexi Balanced Fund	Pension Flexi Growth Fund	
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 105	ULIF 136 25/03/13 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PlnvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGr01 105	
Opening balance	1,709	312,157	—	103,470	360,562	2,737,368	3,152,322	2,288,608	15,888,791	858,657	635,656	13,781,921	
Add: Additions during the year*	289,873	731,805	5,396	117,528	38,132	359,026	362,108	196,986	1,185,878	85,590	83,335	3,312,382	
Less: Deductions during the year**	(1,895)	(27,975)	(5)	(18,477)	(106,653)	(1,361,131)	(3,231,909)	(478,318)	(4,476,463)	(248,897)	(356,126)	(6,714,870)	
<b>Closing balance</b>	<b>289,687</b>	<b>1,015,987</b>	<b>5,391</b>	<b>202,521</b>	<b>292,041</b>	<b>1,735,263</b>	<b>282,521</b>	<b>2,007,276</b>	<b>12,598,206</b>	<b>695,350</b>	<b>362,865</b>	<b>10,379,433</b>	

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Pension Funds												₹ in '000
	Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multi Cap Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	
	ULIF 030 20/03/07 105	ULIF 127 01/12/11 105	ULIF 095 11/01/10 Pincome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 045 11/01/10 POpport 105	ULIF 092 11/01/10 PPreserv 105	
Opening balance	4,837,992	390,195	10,313,083	(42,293)	892,275	6,727,736	2,320,813	14,379,872	3,678,999	1,582,995	5,759,853	10,102,589	
Add: Additions during the year*	1,596,431	162,675	1,412,769	511,107	1,229,017	813,580	164,188	4,468,899	295,568	143,360	438,184	679,869	
Less: Deductions during the year**	(5,706,171)	(247,350)	(3,462,845)	(884,307)	(4,983,252)	(2,675,901)	(459,159)	(5,408,689)	(1,180,192)	(872,423)	(1,639,092)	(5,157,636)	
<b>Closing balance</b>	<b>728,252</b>	<b>305,520</b>	<b>8,263,007</b>	<b>(415,493)</b>	<b>(2,861,960)</b>	<b>4,865,415</b>	<b>2,025,842</b>	<b>13,440,082</b>	<b>2,794,375</b>	<b>853,932</b>	<b>4,558,945</b>	<b>5,624,822</b>	

\* Represents unit creation

\*\* Represents unit cancellations

# schedules



forming part of the financial statements

*Continued*

Schedule F - 1

POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Pension Funds									
	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	
	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	
Opening balance	11,679,164	4,740,843	(153,391)	150,604	210,687	424,439	129,768	41,331	94,083	
Add: Additions during the year*	1,804,325	388,118	—	—	—	—	—	—	—	
Less: Deductions during the year**	(5,160,868)	(2,933,017)	(552)	(211,121)	(296,828)	(551,510)	(1,348)	(2,611)	(833)	
Closing balance	8,322,621	2,195,944	(153,943)	(60,517)	(86,141)	(127,071)	128,420	38,720	93,250	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Pension Funds									
	Pension Return Guarantee Fund XI (10 Yrs)		Pension RICH Fund		Pension RICH Fund II		Pension Secure Fund		Secure Plus Pension Fund	Total
	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105	ULIF 073 13/01/11 PRGF(S3) 105	ULIF 080 22/12/10 PRGF(S2) 105	ULIF 084 16/11/09 PRGF(S1) 105	ULIF 099 17/11/03 PRGF(S4) 105	
Opening balance	9,689	10,200,400	5,025,614	393,198	62,732	134,074,491				
Add: Additions during the year*	—	902,446	547,596	287,259	7,081	22,620,511				
Less: Deductions during the year**	(482)	(5,002,067)	(4,434,456)	(131,725)	(29,368)	(68,456,522)				
Closing balance	9,207	6,100,779	1,138,754	548,732	40,445	88,238,480				

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Health Funds									
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105
Opening balance	333,486	428,693	4,929,436	589,224	76,893	1,510,064	22,086	15,123	8,592	4,954
Add: Additions during the year*	77,783	118,262	1,006,382	108,033	13,315	474,693	—	—	—	—
Less: Deductions during the year**	(5,898)	(5,739)	(203,020)	(6,216)	(8,774)	(33,534)	35	(2,740)	(1,444)	(1,109)
Closing balance	405,371	541,216	5,732,798	691,041	81,434	1,951,223	22,121	12,383	7,148	3,845

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds															
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Fund	Group Capital Balanced Fund	Group Capital Guarantee Fund II	Group Capital Balanced Fund III	Group Capital Guarantee Fund Debt Fund	Group Capital Guarantee Fund II Debt Fund	Group Capital Growth Fund	Group Capital Guarantee Fund III	Group Capital Growth Fund II	Group Capital Guarantee Fund Short Term Debt Fund	Group Capital Growth Fund III Short Term Debt Fund	Group Capital Guarantee Fund Short Term Debt Fund II	Group Capital Growth Fund III Short Term Debt Fund III	
	ULGF 001 03/04/03 GBalancer1 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCBal1 105	ULGF 010 21/03/07 GCBal2 105	ULGF 049 27/08/13 GCBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 050 27/08/13 GCGGrowth3 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 031 01/03/12 GCGSTDebt3 105		
Opening balance	10,027,311	10,015	4,768	1,180,861	2,970	12,973	465,893	11,368	18,759	40,874	—	44,567	2,559,122	44,936		
Add: Additions during the year*	3,715,855	81,992	3,657	166,677	112,524	2,693	40,387	199,518	3,791	13,541	2,103	4,463	271,015	90,128		
Less: Deductions during the year**	(2,472,384)	(5,828)	(13,562)	(349,851)	(2,368)	(3,724)	(159,500)	(9,076)	(1,407)	(4,626)	—	(13,595)	(244,351)	(30,217)		
Closing balance	11,270,782	86,179	(5,137)	997,687	113,126	11,942	346,780	201,810	21,143	49,789	2,103	35,435	2,585,786	104,847		

\* Represents unit creation

\*\* Represents unit cancellations

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 1

### POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Group Funds										
	Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	
	ULGF 002 03/04/03 GDebt	ULGF 040 30/04/13 GDebt2	ULGF 004 30/10/03	ULGF 042 30/04/13	ULGF 013 02/04/08 GLEBal	ULGF 014 02/04/08	ULGF 024 26/02/10 Glest	ULGF 021 10/02/09 GRGF1	ULGF 022 30/03/09 GRGF2	ULGF 023 16/06/09 GRGF3	
Opening balance	10,729,101	10,072	4,613,304	86	626,195	68,649	621,504	(375,266)	(22,068)	(606,591)	
Add: Additions during the year*	1,483,996	1,100,601	244,708	17,508	47,566	58,514	259,627	—	—	—	
Less: Deductions during the year**	(2,661,567)	(98,378)	(3,224,900)	(2)	(22)	(101)	(919,992)	(273,693)	(5,352)	(33,024)	
<b>Closing balance</b>	<b>9,551,530</b>	<b>1,012,295</b>	<b>1,633,112</b>	<b>17,592</b>	<b>673,739</b>	<b>127,062</b>	<b>(38,861)</b>	<b>(648,959)</b>	<b>(27,420)</b>	<b>(639,615)</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds							Total	Grand Total
	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Fund III	Group Superannuation Corporate Bond Fund			
	ULGF 026 GRGF5 105	ULGF 028 GRGFS7 105	ULGF 003 GSTDebt 105	ULGF 046 GSTDebt2 105	ULGF 039 GSTDebt3 105	ULGF 015 GSACorBon 105			
Opening balance	127,601	462,930	4,531,083	—	—	1,741,123	36,952,140	386,873,591	
Add: Additions during the year*	1,115	3,546	791,134	1,814,845	25,239	—	10,556,743	161,131,512	
Less: Deductions during the year**	—	—	(2,805,217)	—	(11,892)	(2,032)	(13,346,661)	(165,921,022)	
<b>Closing balance</b>	<b>128,716</b>	<b>466,476</b>	<b>2,517,000</b>	<b>1,814,845</b>	<b>13,347</b>	<b>1,739,091</b>	<b>34,162,222</b>	<b>382,084,081</b>	

\* Represents unit creation

\*\* Represents unit cancellations

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds												
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III	
	ULIF 072 28/04/09 LAnmolNiv	ULIF 002 22/10/01 LBalancer1	ULIF 014 17/05/04 LBalancer2	ULIF 023 13/03/06 LBalancer3	ULIF 039 27/08/07 LBalancer4	ULIF 087 24/11/09 LBBluChip	ULIF 008 11/08/03 LCashPlus	ULIF 100 01/07/10 LDisccont	ULIF 097 11/01/10 LDynamicPE	ULIF 031 20/03/07 LFlexiBal1	ULIF 032 20/03/07 LFlexiBal2	ULIF 033 20/03/07 LFlexiBal3	
<b>Approved investments</b>													
Government bonds	—	3,456,143	1,165,857	81,397	311,606	—	1,333,362	—	3,758,873	250,390	192,359	11,573	
Corporate bonds	—	1,132,364	388,850	22,354	113,571	—	544,749	—	—	130,182	99,201	5,495	
Infrastructure bonds	—	620,314	161,592	10,840	40,053	3,501	324,811	—	44,202	42,858	25,172	1,229	
Equity	—	3,789,630	1,281,940	88,074	346,853	3,862,247	—	—	22,352,020	557,256	426,742	26,136	
Money market	1,311	1,125,820	411,060	30,554	166,614	—	415,639	22,630,884	—	108,903	95,239	4,175	
Mutual funds	150	6,355	1,825	3,588	812	57,826	1,300	—	218,490	600	501	719	
Deposit with banks	7,980	560,000	200,000	6,100	—	—	100,000	212,209	—	—	—	—	
Preference shares	—	120,790	41,243	2,953	10,995	—	—	—	—	11,689	8,714	538	
<b>Total</b>	<b>9,441</b>	<b>10,811,416</b>	<b>3,652,367</b>	<b>245,860</b>	<b>990,504</b>	<b>3,923,574</b>	<b>2,719,861</b>	<b>22,843,093</b>	<b>26,373,585</b>	<b>1,101,878</b>	<b>847,928</b>	<b>49,865</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	533,350	182,783	12,523	50,171	294,506	—	—	873,820	76,813	58,229	3,300	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	51	—	—	1,541	—	167,193	—	—	—	—	—	—	107
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>51</b>	<b>533,350</b>	<b>182,783</b>	<b>14,064</b>	<b>50,171</b>	<b>461,699</b>	<b>—</b>	<b>—</b>	<b>873,820</b>	<b>76,813</b>	<b>58,229</b>	<b>3,407</b>	
<b>Grand total</b>	<b>9,492</b>	<b>11,344,766</b>	<b>3,835,150</b>	<b>259,924</b>	<b>1,040,675</b>	<b>4,385,273</b>	<b>2,719,861</b>	<b>22,843,093</b>	<b>27,247,405</b>	<b>1,178,691</b>	<b>906,157</b>	<b>53,272</b>	
% of approved investments to Total	99.46%	95.30%	95.23%	94.59%	95.18%	89.47%	100.00%	100.00%	96.79%	93.48%	93.57%	93.60%	
% of other investments to Total	0.54%	4.70%	4.77%	5.41%	4.82%	10.53%	0.00%	0.00%	3.21%	6.52%	6.43%	6.40%	

(₹ in '000)

Particulars	Linked Life Funds												
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximise India Fund	
	ULIF 040 27/08/07 LFlexiBal4	ULIF 026 20/03/07 LFlexiGro1	ULIF 027 20/03/07 LFlexiGro2	ULIF 028 20/03/07 LFlexiGro3	ULIF 038 27/08/07 LFlexiGro4	ULIF 116 15/03/11 LHighNavB	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 136 11/20/14 MIF 105	
<b>Approved investments</b>													
Government bonds	73,378	—	—	—	—	28,285,532	11,760,424	2,535,836	1,155,065	—	1,448,905	—	—
Corporate bonds	43,043	160,620	74,932	803	105,452	—	4,766,524	1,024,261	518,695	285	433,102	—	—
Infrastructure bonds	7,160	4,280	11,875	197	7,389	15,757	2,161,159	451,581	118,689	—	345,236	—	—
Equity	164,983	17,261,309	10,819,910	824,131	9,324,810	16,388,306	—	—	424,327	3,528,911	—	511,265	—
Money market	24,754	563,079	286,240	—	—	—	4,840,570	756,802	505,124	—	661,652	—	—
Mutual funds	2,424	265,725	167,015	12,886	141,990	437,467	13,062	2,765	979	54,943	3,180	7,506	—
Deposit with banks	—	—	—	—	—	—	2,030,800	460,000	100,000	—	465,090	—	—
Preference shares	3,301	9,142	2,087	239	1,790	—	—	—	9,738	—	—	—	—
<b>Total</b>	<b>319,043</b>	<b>18,264,155</b>	<b>11,362,059</b>	<b>838,256</b>	<b>9,581,431</b>	<b>45,127,062</b>	<b>25,572,539</b>	<b>5,231,245</b>	<b>2,832,617</b>	<b>3,584,139</b>	<b>3,357,165</b>	<b>518,771</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	79,131	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	22,528	1,015,088	666,458	57,236	575,536	647,003	—	—	24,949	483,579	—	49,501	—
Money market	—	332,519	85,751	—	54,261	—	—	—	—	—	—	—	—
Mutual funds	—	280,594	476,888	80,990	425,881	—	—	—	—	223,716	—	26,083	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>22,528</b>	<b>1,628,201</b>	<b>1,229,097</b>	<b>138,226</b>	<b>1,055,678</b>	<b>647,003</b>	<b>79,131</b>	<b>—</b>	<b>24,949</b>	<b>707,295</b>	<b>—</b>	<b>75,584</b>	
<b>Grand total</b>	<b>341,571</b>	<b>19,892,356</b>	<b>12,591,156</b>	<b>976,482</b>	<b>10,637,109</b>	<b>45,774,065</b>	<b>25,651,670</b>	<b>5,231,245</b>	<b>2,857,566</b>	<b>4,291,434</b>	<b>3,357,165</b>	<b>594,355</b>	
% of approved investments to Total	93.40%	91.81%	90.24%	85.84%	90.08%	98.59%	99.69%	100.00%	99.13%	83.52%	100.00%	87.28%	
% of other investments to Total	6.60%	8.19%	9.76%	14.16%	9.92%	1.41%	0.31%	0.00%	0.87%	16.48%	0.00%	12.72%	

# schedules

forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds												
	Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	
	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	
<b>Approved investments</b>													
Government bonds	—	—	—	—	—	—	956,843	41,860	—	—	—	—	—
Corporate bonds	1,636	85	—	—	7,976	603,730	497,422	7,877	—	—	—	—	—
Infrastructure bonds	—	—	—	—	126,607	62,367	190,810	146,614	7,909	2,015	121	932	—
Equity	42,706,679	11,345,084	1,668,550	519,066	38,585,300	—	2,258,243	22,926,557	7,660,175	2,017,146	120,420	901,764	—
Money market	26,853	—	—	—	695,288	8,751,163	474,078	1,561,459	—	—	—	—	—
Mutual funds	658,610	174,436	25,307	8,070	359,025	26,652	2,201	357,315	70,173	20,967	1,793	13,319	—
Deposit with banks	—	—	—	—	260,000	6,275,700	—	99,000	—	—	—	—	—
Preference shares	—	—	—	—	—	—	34,207	10,770	—	—	—	—	—
<b>Total</b>	<b>43,393,778</b>	<b>11,519,605</b>	<b>1,693,857</b>	<b>527,136</b>	<b>40,034,196</b>	<b>15,719,612</b>	<b>4,413,804</b>	<b>25,151,452</b>	<b>7,738,257</b>	<b>2,040,128</b>	<b>122,334</b>	<b>916,015</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	5,728,343	1,509,785	227,025	71,192	5,193,360	—	251,056	1,505,278	566,666	151,693	9,335	68,175	—
Money market	130,793	—	—	—	—	—	—	94,956	—	—	—	—	—
Mutual funds	697,204	203,780	18,805	13,310	687,885	—	22,418	540,855	231,991	59,088	4,537	27,421	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>6,556,340</b>	<b>1,713,565</b>	<b>245,830</b>	<b>84,502</b>	<b>5,881,245</b>	<b>—</b>	<b>273,474</b>	<b>2,141,089</b>	<b>798,657</b>	<b>210,781</b>	<b>13,872</b>	<b>95,596</b>	
<b>Grand total</b>	<b>49,950,118</b>	<b>13,233,170</b>	<b>1,939,687</b>	<b>611,638</b>	<b>45,915,441</b>	<b>15,719,612</b>	<b>4,687,278</b>	<b>27,292,541</b>	<b>8,536,914</b>	<b>2,250,909</b>	<b>136,206</b>	<b>1,011,611</b>	
% of approved investments to Total	86.87%	87.05%	87.33%	86.18%	87.19%	100.00%	94.17%	92.16%	90.64%	90.64%	89.82%	90.55%	
% of other investments to Total	13.13%	12.95%	12.67%	13.82%	12.81%	0.00%	5.83%	7.84%	9.36%	9.36%	10.18%	9.45%	

(₹ in '000)

Particulars	Linked Life Funds												
	New Invest Shield Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund IV	
	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 069 31/03/09 LRGF(T4) 105	
<b>Approved investments</b>													
Government bonds	1,074,027	—	6,265,968	3,861,476	—	—	—	3,507,941	1,632,345	173,834	1,909,621	—	—
Corporate bonds	468,842	1,022	—	—	369,667	7,156	43,565	1,376,003	782,826	75,242	689,382	—	—
Infrastructure bonds	129,266	—	4,605	3,852	105,622	10,059	—	784,062	341,590	46,786	407,933	—	—
Equity	1,006,010	4,934,820	4,604,246	4,014,994	—	—	—	—	—	—	—	—	—
Money market	544,703	—	—	—	3,069,356	136,710	381,316	772,386	405,659	44,345	536,526	—	—
Mutual funds	26,534	78,257	128,441	49,430	5,814	19	4,455	3,978	1,465	107	4,316	—	—
Deposit with banks	—	—	—	—	1,852,900	108,240	254,550	660,000	100,000	—	460,000	—	—
Preference shares	23,194	2,856	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>3,272,576</b>	<b>5,016,955</b>	<b>11,003,260</b>	<b>7,929,752</b>	<b>5,403,359</b>	<b>262,184</b>	<b>683,886</b>	<b>7,104,370</b>	<b>3,263,885</b>	<b>340,314</b>	<b>4,007,778</b>	<b>—</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	59,040	512,008	183,194	158,694	—	—	—	—	—	—	—	—	—
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	—	413,786	—	—	—	—	—	—	—	—	—	—	—
Venture fund	15,824	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>74,864</b>	<b>925,794</b>	<b>183,194</b>	<b>158,694</b>	<b>—</b>	<b>—</b>							
<b>Grand total</b>	<b>3,347,440</b>	<b>5,942,749</b>	<b>11,186,454</b>	<b>8,088,446</b>	<b>5,403,359</b>	<b>262,184</b>	<b>683,886</b>	<b>7,104,370</b>	<b>3,263,885</b>	<b>340,314</b>	<b>4,007,778</b>	<b>—</b>	
% of approved investments to Total	97.76%	84.42%	98.36%	98.04%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	—
% of other investments to Total	2.24%	15.58%	1.64%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	—

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XII (10 Yrs)	Return Guarantee Fund XIII (10 Yrs)	Return Guarantee Fund XIV (10 Yrs)	Return Guarantee Fund XV (10 Yrs)	Return Guarantee Fund XVI (10 Yrs)
	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 121 19/04/11 LRGF(S4) 105	
	—	—	—	—	—	—	—	—	—	—	—	—
<b>Approved investments</b>												
Government bonds	—	—	—	—	21,937	—	22,561	—	99,465	—	—	4,492
Corporate bonds	—	—	—	268,025	23,609	214,825	3,079	533,679	34,369	345,231	—	3,108
Infrastructure bonds	—	—	—	50,770	58,881	240,606	26,272	45,022	97,632	15,618	—	2,214
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money market	—	—	—	43,141	27,286	32,465	13,597	263,802	46,802	233,750	—	2,035
Mutual funds	—	—	—	15,384	4,348	20,482	2,173	42,278	7,472	19,565	322	—
Deposit with banks	—	—	—	594,500	161,490	813,000	82,820	1,925,611	230,225	715,050	8,990	—
Preference shares	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>971,820</b>	<b>297,551</b>	<b>1,321,378</b>	<b>150,502</b>	<b>2,810,392</b>	<b>515,965</b>	<b>1,329,214</b>	<b>21,161</b>	
<b>Other investments</b>												
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	—	—	—	106,746	1,748	111,319	927	88,673	3,032	64,344	1,647	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>106,746</b>	<b>1,748</b>	<b>111,319</b>	<b>927</b>	<b>88,673</b>	<b>3,032</b>	<b>64,344</b>	<b>1,647</b>	
<b>Grand total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,078,566</b>	<b>299,299</b>	<b>1,432,697</b>	<b>151,429</b>	<b>2,899,065</b>	<b>518,997</b>	<b>1,393,558</b>	<b>22,808</b>	
% of approved investments to Total	—	—	—	90.10%	99.42%	92.23%	99.39%	96.94%	99.42%	95.38%	92.78%	
% of other investments to Total	—	—	—	9.90%	0.58%	7.77%	0.61%	3.06%	0.58%	4.62%	7.22%	

(₹ in '000)

Particulars	Linked Life Funds								Total
	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
<b>Approved investments</b>									
Government bonds	—	—	—	—	166,228	5,277	59,927	—	<b>75,624,502</b>
Corporate bonds	—	—	—	—	49,496	1,483	10,254	—	<b>15,984,072</b>
Infrastructure bonds	—	—	—	—	35,471	58	8,421	—	<b>7,350,010</b>
Equity	5,711,748	7,756,135	322,982	3,919,685	71,736	24,617	47,810	—	<b>255,102,617</b>
Money market	—	—	—	—	76,263	3,144	3,053	—	<b>50,773,600</b>
Mutual funds	86,538	117,755	4,875	59,877	269	2	342	—	<b>3,804,474</b>
Deposit with banks	—	—	—	—	—	—	—	—	<b>18,744,255</b>
Preference shares	2,469	3,044	141	1,506	—	—	—	—	<b>301,406</b>
<b>Total</b>	<b>5,800,755</b>	<b>7,876,934</b>	<b>327,998</b>	<b>3,981,068</b>	<b>399,463</b>	<b>34,581</b>	<b>129,807</b>	<b>—</b>	<b>427,684,936</b>
<b>Other investments</b>									
Corporate bonds	—	—	—	—	—	—	—	—	<b>79,131</b>
Infrastructure bonds	—	—	—	—	—	—	—	—	—
Equity	665,226	913,451	37,316	461,634	—	806	2,039	—	<b>23,902,689</b>
Money market	—	—	—	—	—	—	—	—	<b>698,280</b>
Mutual funds	89,691	133,734	4,468	99,944	—	—	—	—	<b>5,310,397</b>
Venture fund	—	—	—	—	—	—	—	—	<b>15,824</b>
<b>Total</b>	<b>754,917</b>	<b>1,047,185</b>	<b>41,784</b>	<b>561,578</b>	<b>—</b>	<b>806</b>	<b>2,039</b>	<b>—</b>	<b>30,006,321</b>
<b>Grand total</b>	<b>6,555,672</b>	<b>8,924,119</b>	<b>369,782</b>	<b>4,542,646</b>	<b>399,463</b>	<b>35,387</b>	<b>131,846</b>	<b>—</b>	<b>457,691,257</b>
% of approved investments to Total	88.48%	88.27%	88.70%	87.64%	100.00%	97.72%	98.45%	—	<b>93.44%</b>
% of other investments to Total	11.52%	11.73%	11.30%	12.36%	0.00%	2.28%	1.55%	—	<b>6.56%</b>

# schedules

forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Pension Funds												
	Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement SP Balanced Fund	Easy Retirement Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Flexi Fund	Pension Flexi Fund II	Pension Flexi Growth Fund
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 136 25/03/13 ERSPB 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShd 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	
<b>Approved investments</b>													
Government bonds	—	205,681	2,872	104,962	286,311	1,877,543	2,384,864	—	2,061,870	292,794	329,366	—	—
Corporate bonds	—	92,477	43	30,504	58,240	716,226	579,272	—	—	124,750	96,556	—	—
Infrastructure bonds	—	6,065	—	2,491	39,401	302,161	204,522	—	5,732	17,284	23,349	17,639	—
Equity	—	423,480	2,501	—	75,626	1,865,588	2,028,895	2,174,335	12,732,100	576,635	624,443	21,330,043	—
Money market	305,361	257,010	278	46,062	32,701	228,069	162,652	—	—	79,335	80,351	778,838	—
Mutual funds	—	1,254	63	2,786	52	2,101	2,008	14,791	33,311	646	311	321,454	—
Deposit with banks	—	8,235	—	10,176	—	160,000	100,000	—	—	—	10,000	—	—
Preference shares	—	1,600	—	—	1,930	47,598	62,658	168	—	11,812	13,583	11,676	—
<b>Total</b>	<b>305,361</b>	<b>995,802</b>	<b>5,757</b>	<b>196,981</b>	<b>494,261</b>	<b>5,199,286</b>	<b>5,524,871</b>	<b>2,189,294</b>	<b>14,833,013</b>	<b>1,103,256</b>	<b>1,177,959</b>	<b>22,459,650</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	60,152	345	—	4,538	110,975	121,807	274,106	490,499	54,777	61,204	939,361	—
Money market	—	—	—	—	—	—	—	—	—	—	—	440,990	—
Mutual funds	—	3,627	—	1,144	—	—	—	—	—	—	—	472,874	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>63,779</b>	<b>345</b>	<b>1,144</b>	<b>4,538</b>	<b>110,975</b>	<b>121,807</b>	<b>274,106</b>	<b>490,499</b>	<b>54,777</b>	<b>61,204</b>	<b>1,853,225</b>	
<b>Grand total</b>	<b>305,361</b>	<b>1,059,581</b>	<b>6,102</b>	<b>198,125</b>	<b>498,799</b>	<b>5,310,261</b>	<b>5,646,678</b>	<b>2,463,400</b>	<b>15,323,512</b>	<b>1,158,033</b>	<b>1,239,163</b>	<b>24,312,875</b>	
% of approved investments to Total	100.00%	93.98%	94.35%	99.42%	99.09%	97.91%	97.84%	88.87%	96.80%	95.27%	95.06%	92.38%	
% of other investments to Total	0.00%	6.02%	5.65%	0.58%	0.91%	2.09%	2.16%	11.13%	3.20%	4.73%	4.94%	7.62%	

Particulars	Linked Pension Funds												
	Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	
	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	
<b>Approved investments</b>													
Government bonds	—	—	4,856,802	—	—	—	638,281	—	—	—	—	—	—
Corporate bonds	—	—	1,574,363	—	181,765	350,111	174,897	3,499	—	—	—	1,477	233,586
Infrastructure bonds	12,327	—	927,238	—	—	27,160	20,412	14,148	—	—	—	—	165,978
Equity	17,861,946	387,072	—	5,458,713	16,542,825	—	1,317,305	16,208,392	4,482,947	2,158,008	5,893,123	—	—
Money market	110,124	—	854,771	—	—	3,097,866	297,450	787,369	—	—	—	—	4,385,342
Mutual funds	264,446	6,129	10,742	83,131	67,153	62	899	249,766	68,431	32,671	87,011	—	13,555
Deposit with banks	67	—	460,000	—	—	1,870,900	10,000	251,000	—	—	—	—	3,084,100
Preference shares	11,710	—	—	—	—	—	25,734	16,500	—	—	4,400	—	—
<b>Total</b>	<b>18,260,620</b>	<b>393,201</b>	<b>8,683,916</b>	<b>5,541,844</b>	<b>16,791,743</b>	<b>5,346,099</b>	<b>2,484,978</b>	<b>17,530,674</b>	<b>4,551,378</b>	<b>2,190,679</b>	<b>5,986,011</b>	<b>7,882,561</b>	
<b>Other investments</b>													
Corporate bonds	—	—	35,358	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	765,860	54,507	—	702,185	2,194,063	—	144,388	1,102,137	590,986	275,602	509,532	—	—
Money market	466,797	—	—	—	—	—	—	83,813	—	—	—	—	—
Mutual funds	598,381	17,061	—	59,585	131,845	—	13,378	256,860	45,165	10,051	96,721	—	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>1,831,038</b>	<b>71,568</b>	<b>35,358</b>	<b>761,770</b>	<b>2,325,908</b>	<b>—</b>	<b>157,766</b>	<b>1,442,810</b>	<b>636,151</b>	<b>285,653</b>	<b>606,253</b>	<b>—</b>	
<b>Grand total</b>	<b>20,091,658</b>	<b>464,769</b>	<b>8,719,274</b>	<b>6,303,614</b>	<b>19,117,651</b>	<b>5,346,099</b>	<b>2,642,744</b>	<b>18,973,484</b>	<b>5,187,529</b>	<b>2,476,332</b>	<b>6,592,264</b>	<b>7,882,561</b>	
% of approved investments to Total	90.89%	84.60%	99.59%	87.92%	87.83%	100.00%	94.03%	92.40%	87.74%	88.46%	90.80%	100.00%	
% of other investments to Total	9.11%	15.40%	0.41%	12.08%	12.17%	0.00%	5.97%	7.60%	12.26%	11.54%	9.20%	0.00%	

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Pension Funds									
	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	
	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	
<b>Approved investments</b>										
Government bonds	7,303,684	2,937,180	—	—	—	—	6,580	4,181	22,148	
Corporate bonds	2,266,668	1,223,666	—	—	—	—	27,058	7,299	6,301	
Infrastructure bonds	1,546,499	550,852	—	—	—	—	24,930	11,322	24,609	
Equity	—	—	—	—	—	—	—	—	—	
Money market	1,299,033	483,517	—	—	—	—	14,984	4,532	10,729	
Mutual funds	899	24,876	—	—	—	—	1,120	454	1,704	
Deposit with banks	1,029,374	360,000	—	—	—	—	90,790	22,415	47,320	
Preference shares	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>13,446,157</b>	<b>5,580,091</b>	—	—	—	—	<b>165,462</b>	<b>50,203</b>	<b>112,811</b>	
<b>Other investments</b>										
Corporate bonds	—	—	—	—	—	—	—	—	—	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	
Equity	—	—	—	—	—	—	—	—	—	
Money market	—	—	—	—	—	—	—	—	—	
Mutual funds	—	—	—	—	—	—	—	—	6,367	
Venture fund	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,367</b>	
<b>Grand total</b>	<b>13,446,157</b>	<b>5,580,091</b>	—	—	—	—	<b>165,462</b>	<b>50,203</b>	<b>119,178</b>	
% of approved investments to Total	100.00%	100.00%	—	—	—	—	100.00%	100.00%	94.66%	
% of other investments to Total	0.00%	0.00%	—	—	—	—	0.00%	0.00%	5.34%	

(₹ in '000)

Particulars	Linked Pension Funds						Total
	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund		
	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSplus 105		
<b>Approved investments</b>							
Government bonds	2,193	—	—	279,137	62,362		<b>23,658,811</b>
Corporate bonds	1,026	23,868	18,607	87,764	13,879		<b>7,893,902</b>
Infrastructure bonds	1,107	—	—	10,435	17,458		<b>3,973,119</b>
Equity	—	15,099,355	9,519,394	—	18,475		<b>136,781,201</b>
Money market	1,110	—	—	181,145	7,964		<b>13,506,593</b>
Mutual funds	173	224,045	140,800	585	939		<b>1,658,368</b>
Deposit with banks	5,420	—	—	10,000	—		<b>7,529,797</b>
Preference shares	—	6,084	5,301	—	—		<b>220,754</b>
<b>Total</b>	<b>11,029</b>	<b>15,353,352</b>	<b>9,684,102</b>	<b>569,066</b>	<b>121,077</b>		<b>195,222,545</b>
<b>Other investments</b>							
Corporate bonds	—	—	—	—	—		<b>35,358</b>
Infrastructure bonds	—	—	—	—	—		—
Equity	—	1,525,819	912,133	—	—		<b>10,894,976</b>
Money market	—	—	—	—	—		<b>991,600</b>
Mutual funds	958	125,883	61,672	—	—		<b>1,901,572</b>
Venture fund	—	—	—	—	—		—
<b>Total</b>	<b>958</b>	<b>1,651,702</b>	<b>973,805</b>	<b>—</b>	<b>—</b>		<b>13,823,506</b>
<b>Grand total</b>	<b>11,987</b>	<b>17,005,054</b>	<b>10,657,907</b>	<b>569,066</b>	<b>121,077</b>		<b>209,046,051</b>
% of approved investments to Total	92.01%	90.29%	90.86%	100.00%	100.00%		<b>93.39%</b>
% of other investments to Total	7.99%	9.71%	9.14%	0.00%	0.00%		<b>6.61%</b>

# schedules

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*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Health Funds											Total
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII		
	ULIF 059 15/01/09 HFlexiBal 105	ULIF 060 15/01/09 HFlexiGro 105	ULIF 057 15/01/09 HMultip 105	ULIF 058 15/01/09 HPreserv 105	ULIF 056 15/01/09 HProtect 105	ULIF 061 15/01/09 HProtect 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105		
<b>Approved investments</b>												
Government bonds	87,966	82,236	—	—	—	615,126	—	—	—	—	—	785,328
Corporate bonds	48,098	37,175	1,058	—	3,036	243,272	—	—	—	—	—	332,639
Infrastructure bonds	17,676	16,472	—	461	—	120,108	—	—	—	—	—	154,717
Equity	95,622	187,959	3,820,181	472,793	—	—	—	—	—	—	—	4,576,555
Money market	41,449	44,449	—	—	30,163	247,810	—	—	—	—	—	363,871
Mutual funds	280	289	60,498	7,045	340	1,104	—	—	—	—	—	69,556
Deposit with banks	—	9,800	—	—	23,100	103,700	—	—	—	—	—	136,600
Preference shares	1,968	3,261	1,716	9	—	—	—	—	—	—	—	6,954
<b>Total</b>	<b>293,059</b>	<b>381,641</b>	<b>3,883,453</b>	<b>480,308</b>	<b>56,639</b>	<b>1,331,120</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,426,220</b>
<b>Other investments</b>												
Corporate bonds	—	—	—	—	—	7,072	—	—	—	—	—	7,072
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	5,565	18,213	374,853	34,517	—	—	—	—	—	—	—	433,148
Money market	—	—	33,447	—	—	—	—	—	—	—	—	33,447
Mutual funds	—	—	300,119	19,202	—	—	—	—	—	—	—	319,321
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>5,565</b>	<b>18,213</b>	<b>708,419</b>	<b>53,719</b>	<b>—</b>	<b>7,072</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>792,988</b>
<b>Grand total</b>	<b>298,624</b>	<b>399,854</b>	<b>4,591,872</b>	<b>534,027</b>	<b>56,639</b>	<b>1,338,192</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,219,208</b>
% of approved investments to Total	98.14%	95.45%	84.57%	89.94%	100.00%	99.47%	—	—	—	—	—	89.02%
% of other investments to Total	1.86%	4.55%	15.43%	10.06%	0.00%	0.53%	—	—	—	—	—	10.98%

(₹ in '000)

Particulars	Linked Group Funds													Group Capital Guarantee Short Term Debt Fund III
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Debt Fund III	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II		
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 049 27/08/13 GCGBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 050 27/08/13 GCGGrowth3 105	ULGF 009 16/03/07 GCGSTDDebt1 105	ULGF 047 27/08/13 GCGSTDDebt2 105	
<b>Approved investments</b>														
Government bonds	8,600,956	52,195	45,703	868,914	48,877	15,625	464,886	115,209	15,390	34,410	440	—	—	
Corporate bonds	3,051,605	12,132	15,787	323,263	13,542	1,163	116,695	57,756	669	9,139	—	5,060	409,571	
Infrastructure bonds	906,072	—	9,315	135,071	4,185	698	62,000	2,054	2,077	5,161	—	—	2,012	
Equity	2,804,260	12,935	12,727	256,264	16,623	—	—	—	11,869	27,528	691	—	—	
Money market	1,694,570	10,302	5,061	215,808	29,375	1,573	241,627	15,543	5,640	5,828	—	67,153	2,268,758	
Mutual funds	8,487	393	196	650	741	269	3,528	205	73	286	29	1,677	7,580	
Deposit with banks	2,664,761	—	—	10,000	—	—	10,000	6,845	—	—	500	44,500	1,358,700	
Preference shares	123,528	—	622	12,399	—	—	—	—	363	768	—	—	—	
<b>Total</b>	<b>19,854,239</b>	<b>87,957</b>	<b>89,411</b>	<b>1,822,369</b>	<b>113,343</b>	<b>19,328</b>	<b>898,736</b>	<b>197,612</b>	<b>36,081</b>	<b>83,120</b>	<b>1,660</b>	<b>118,390</b>	<b>4,044,609</b>	
<b>Other investments</b>														
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	
Infrastructure bonds	39,725	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	406,989	1,828	1,854	38,137	2,167	173	—	—	1,702	3,941	271	8,141	—	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	—	—	—	—	—	173	—	—	—	—	187	8,141	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>446,714</b>	<b>1,828</b>	<b>1,854</b>	<b>38,137</b>	<b>2,167</b>	<b>173</b>	<b>—</b>	<b>—</b>	<b>1,702</b>	<b>3,941</b>	<b>271</b>	<b>8,141</b>	<b>—</b>	
<b>Grand total</b>	<b>20,300,953</b>	<b>89,785</b>	<b>91,265</b>	<b>1,860,506</b>	<b>115,510</b>	<b>19,501</b>	<b>898,736</b>	<b>197,612</b>	<b>37,783</b>	<b>87,061</b>	<b>1,931</b>	<b>126,531</b>	<b>4,044,609</b>	
% of approved investments to Total	97.80%	97.96%	97.97%	97.95%	98.12%	99.11%	100.00%	100.00%	95.50%	95.47%	85.97%	93.57%	100.00%	
% of other investments to Total	2.20%	2.04%	2.03%	2.05%	1.88%	0.89%	0.00%	0.00%	4.50%	4.53%	14.03%	6.43%	0.00%	

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Group Funds										
	Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	
	ULGF 002 03/04/03 GDebt 105	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	
<b>Approved investments</b>											
Government bonds	6,927,666	526,608	1,633,200	6,249	420,625	96,565	—	—	—	—	
Corporate bonds	3,226,957	190,190	764,138	71	161,497	31,963	28,091	—	—	—	
Infrastructure bonds	1,496,672	142,709	150,086	—	93,955	12,595	—	—	—	—	
Equity	—	—	3,263,732	9,259	137,985	—	—	—	—	—	
Money market	1,643,318	199,810	309,657	1,943	147,877	26,391	20,034	—	—	—	
Mutual funds	22,978	14,029	2,532	74	157	373	1,156	—	—	—	
Deposit with banks	1,145,054	—	—	—	10,000	—	76,961	—	—	—	
Preference shares	—	—	67,259	—	6,265	—	—	—	—	—	
<b>Total</b>	<b>14,462,645</b>	<b>1,073,346</b>	<b>6,190,604</b>	<b>17,596</b>	<b>978,361</b>	<b>167,887</b>	<b>126,242</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Other investments</b>											
Corporate bonds	—	—	—	—	—	—	—	—	—	—	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	
Equity	—	—	458,424	1,128	19,743	—	—	—	—	—	
Money market	—	—	—	—	—	—	—	—	—	—	
Mutual funds	—	—	—	—	—	—	—	—	—	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>—</b>	<b>—</b>	<b>458,424</b>	<b>1,128</b>	<b>19,743</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Grand total</b>	<b>14,462,645</b>	<b>1,073,346</b>	<b>6,649,028</b>	<b>18,724</b>	<b>998,104</b>	<b>167,887</b>	<b>126,242</b>	<b>—</b>	<b>—</b>	<b>—</b>	
% of approved investments to Total	100.00%	100.00%	93.11%	93.98%	98.02%	100.00%	100.00%	—	—	—	
% of other investments to Total	0.00%	0.00%	6.89%	6.02%	1.98%	0.00%	0.00%	—	—	—	

(₹ in '000)

Particulars	Linked Group Funds							Total	Grand Total
	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Fund III	Group Superannuation Corporate Bond Fund			
	ULGF 026 14/03/11 GRGFs 105	ULGF 028 01/07/11 GRGFs 7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 046 27/08/13 GSTDebt2 105	ULGF 039 30/04/13 GSTDebt3 105	ULGF 015 22/12/08 GSACorBon 105			
<b>Approved investments</b>									
Government bonds	—	—	—	—	—	—	19,873,518	119,942,159	
Corporate bonds	27,384	83,162	441,581	138,557	—	693,900	9,810,942	34,021,555	
Infrastructure bonds	12,485	88,344	213,256	—	—	614,254	3,953,001	15,430,847	
Equity	—	—	—	—	—	—	6,553,873	403,014,246	
Money market	23,402	97,126	3,389,073	1,004,905	7,042	366,170	11,863,769	76,507,833	
Mutual funds	2,253	8,119	10,348	1,162	28	32,085	120,034	5,652,432	
Deposit with banks	83,800	283,600	1,784,300	693,820	6,455	399,677	8,614,223	35,024,875	
Preference shares	—	—	—	—	—	—	211,204	740,318	
<b>Total</b>	<b>149,324</b>	<b>560,351</b>	<b>5,838,558</b>	<b>1,838,444</b>	<b>13,525</b>	<b>2,106,086</b>	<b>61,000,564</b>	<b>690,334,265</b>	
<b>Other investments</b>									
Corporate bonds	—	—	—	—	—	—	—	121,561	
Infrastructure bonds	—	—	—	—	—	—	39,725	39,725	
Equity	—	—	—	—	—	—	935,997	36,166,810	
Money market	—	—	—	—	—	—	—	1,723,327	
Mutual funds	6,578	25,641	—	—	—	90,798	131,518	7,662,808	
Venture fund	—	—	—	—	—	—	—	15,824	
<b>Total</b>	<b>6,578</b>	<b>25,641</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>90,798</b>	<b>1,107,240</b>	<b>45,730,055</b>	
<b>Grand total</b>	<b>155,902</b>	<b>585,992</b>	<b>5,838,558</b>	<b>1,838,444</b>	<b>13,525</b>	<b>2,196,884</b>	<b>62,107,804</b>	<b>736,064,320</b>	
% of approved investments to Total	95.78%	95.62%	100.00%	100.00%	100.00%	95.87%	98.22%	93.79%	
% of other investments to Total	4.22%	4.38%	0.00%	0.00%	0.00%	4.13%	1.78%	6.21%	

# schedules

forming part of the financial statements

*Continued*

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2015

Particulars	Linked Life Funds												₹ in '000)	
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III		
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscoun 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105		
Accrued interest	1,894	138,075	50,736	5,601	11,581	6	66,807	50,011	104,004	10,108	8,003	513		
Cash & Bank balance	10	10	10	10	10	10	10	5	10	10	10	10		
Dividend receivable	—	9,278	3,169	227	845	121	—	—	2,352	959	722	44		
Receivable for sale of investments	—	280,749	99,007	8,426	27,695	7,006	89,415	—	—	20,723	16,141	1,114		
Unit collection a/c	98	6,727	—	—	—	29,183	—	—	134,321	2,485	—	—		
Other current assets (for Investments)	—	3	1	—	—	3	—	—	10	—	—	—		
<b>Total</b>	<b>2,002</b>	<b>434,842</b>	<b>152,923</b>	<b>14,264</b>	<b>40,131</b>	<b>36,329</b>	<b>156,232</b>	<b>50,016</b>	<b>240,697</b>	<b>34,285</b>	<b>24,876</b>	<b>1,681</b>		

Particulars	Linked Life Funds												₹ in '000)	
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximise India Fund		
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 136 11/20/14 MIF 105		
Accrued interest	2,904	6,916	2,784	—	3,468	766,408	606,128	116,230	42,202	—	66,841	—		
Cash & Bank balance	10	10	10	10	10	10	10	10	10	10	10	10		
Dividend receivable	270	2,064	1,069	89	923	1,477	—	—	765	275	—	40		
Receivable for sale of investments	7,517	318,637	109,960	4,473	165,293	—	482,682	168,180	96,952	384	98,869	—		
Unit collection a/c	537	18,938	7,984	—	873	352,948	401,696	628	—	69,165	58,227	29,577		
Other current assets (for Investments)	—	21	13	1	12	—	3	1	—	11	1	2		
<b>Total</b>	<b>11,238</b>	<b>346,586</b>	<b>121,820</b>	<b>4,573</b>	<b>170,579</b>	<b>1,120,843</b>	<b>1,490,519</b>	<b>285,049</b>	<b>139,929</b>	<b>69,845</b>	<b>223,948</b>	<b>29,629</b>		

Particulars	Linked Life Funds												₹ in '000)	
	Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV		
	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMPcapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105		
Accrued interest	(99)	—	—	—	3,600	189,168	37,981	4,975	13	3	—	1		
Cash & Bank balance	10	10	10	10	10	10	10	10	10	10	10	10		
Dividend receivable	2,334	779	116	37	2,731	—	2,812	2,458	254	66	4	29		
Receivable for sale of investments	31,154	7,516	1,194	362	8,340	—	103,490	234,448	39,033	14,472	—	—		
Unit collection a/c	1,861	5,511	—	189	697,239	240,720	33,674	130,865	700	1,128	—	906		
Other current assets (for Investments)	16	4	1	—	39	—	2	45	4	2	—	1		
<b>Total</b>	<b>35,276</b>	<b>13,820</b>	<b>1,321</b>	<b>598</b>	<b>711,959</b>	<b>429,898</b>	<b>177,969</b>	<b>372,801</b>	<b>40,014</b>	<b>15,681</b>	<b>14</b>	<b>947</b>		

Particulars	Linked Life Funds												₹ in '000)	
	New Invest Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund IV			
	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LPreserv1 105	ULIF 016 17/05/04 LProtect1 105	ULIF 024 17/05/04 LProtect2 105	ULIF 041 27/08/07 LProtect3 105	ULIF 069 31/03/09 LRGF(T4) 105		
Accrued interest	37,113	—	170,156	109,144	72,638	10,139	8,332	187,898	73,446	8,069	78,857	—		
Cash & Bank balance	10	10	10	10	10	10	10	10	10	10	10	10		
Dividend receivable	1,822	854	443	357	—	—	—	—	—	—	—	—		
Receivable for sale of investments	85,861	—	—	—	—	—	—	264,335	70,077	10,661	118,049	—		
Unit collection a/c	268	33,056	—	26,914	—	1,148	—	5,852	—	—	2,782	—		
Other current assets (for Investments)	—	—	—	—	—	—	1	—	—	—	—	—		
<b>Total</b>	<b>125,074</b>	<b>33,920</b>	<b>170,609</b>	<b>136,425</b>	<b>72,648</b>	<b>11,297</b>	<b>8,342</b>	<b>458,096</b>	<b>143,533</b>	<b>18,740</b>	<b>199,698</b>	<b>—</b>		

# schedules



forming part of the financial statements

*Continued*

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Fund X (5 Yrs)	Return Guarantee Fund X (10 Fund XI (5 Yrs)	Return Guarantee Fund X (10 Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (10 Yrs)	
	ULIF 073 29/04/09	ULIF 078 17/06/09	ULIF 082 16/11/09	ULIF 103 12/10/10	ULIF 104 12/10/10	ULIF 106 22/12/10	ULIF 107 22/12/10	ULIF 111 13/01/11	ULIF 112 13/01/11	ULIF 120 17/03/11	ULIF 121 19/04/11	
LRGF(T5) 105	LRGF(T6) 105	LRGF(T7) 105	LRGF(T8) 105	LRGF(S1) 105	LRGF(T9) 105	LRGF(S2) 105	LRGF(T10) 105	LRGF(S3) 105	LRGF(T11) 105	LRGF(S4) 105		
Accrued interest	—	—	—	87,553	30,381	119,904	13,287	305,179	47,731	89,552	1,580	
Cash & Bank balance	—	—	—	10	10	10	10	10	10	10	10	
Dividend receivable	—	—	—	—	—	—	—	—	—	—	—	
Receivable for sale of investments	—	—	—	—	—	—	—	—	—	—	—	
Unit collection a/c	—	—	—	—	55	—	—	—	—	—	63	
Other current assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	—	—	—	<b>87,563</b>	<b>30,446</b>	<b>119,914</b>	<b>13,297</b>	<b>305,189</b>	<b>47,741</b>	<b>89,625</b>	<b>1,590</b>	

(₹ in '000)

Particulars	Linked Life Funds								Total
	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBui 105	ULIF 076 29/05/09 LSSavGtee 105		
Accrued interest	—	—	—	—	—	5,973	184	1,882	<b>3,755,860</b>
Cash & Bank balance	10	10	10	10	10	10	10	10	<b>615</b>
Dividend receivable	462	604	26	304	—	3	3	3	<b>41,187</b>
Receivable for sale of investments	9,102	9,102	—	—	13,616	290	3,965	3,965	<b>3,028,290</b>
Unit collection a/c	8,179	5,580	—	469	—	—	—	—	<b>2,310,546</b>
Other current assets (for Investments)	2	2	—	—	—	—	—	—	<b>201</b>
<b>Total</b>	<b>17,755</b>	<b>15,298</b>	<b>36</b>	<b>783</b>	<b>19,599</b>	<b>487</b>	<b>5,860</b>	<b>5,860</b>	<b>9,136,699</b>

(₹ in '000)

Particulars	Linked Pension Funds												
	Discontinued Fund - Pension	Easy Retirement Fund	Easy Retirement Fund	Easy Retirement Fund	Invest Shield Fund - Pension Fund	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic Fund	Pension P/E Fund	Pension Balanced Fund	Pension Flexi Fund	Pension Flexi Fund II
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 136 25/03/13 ERSPB 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/05/02 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	
Accrued interest	—	12,264	38	7,951	9,833	96,009	83,861	—	55,298	11,094	14,350	30	
Cash & Bank balance	16	10	10	10	10	10	10	10	10	10	10	10	
Dividend receivable	—	153	—	—	151	3,727	4,879	13	1,382	980	1,122	2,522	
Receivable for sale of investments	—	18,541	1	5,347	18,908	114,752	187,516	14,968	—	20,697	26,027	129,899	
Unit collection a/c	—	43,264	—	7,523	—	—	—	4,575	5,785	—	366	—	
Other current assets (for Investments)	—	2	—	—	—	1	1	—	—	1	1	21	
<b>Total</b>	<b>16</b>	<b>74,234</b>	<b>49</b>	<b>20,831</b>	<b>28,902</b>	<b>214,499</b>	<b>276,267</b>	<b>19,566</b>	<b>62,475</b>	<b>32,782</b>	<b>41,876</b>	<b>132,482</b>	

(₹ in '000)

Particulars	Linked Pension Funds												
	Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Fund	Pension Multi Cap Fund	Pension Multi GrowthFund	Pension Multiplier Fund II	Pension Multiplier Fund	Pension Opportunities Fund	Pension Preserver Fund
	ULIF 030 20/03/07 PflexiGro2 105	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	
Accrued interest	54	—	212,567	—	5,144	66,157	22,950	882	—	—	—	—	159,810
Cash & Bank balance	10	10	10	10	10	10	10	10	10	10	10	10	10
Dividend receivable	2,358	32	—	452	1,159	—	2,079	2,637	—	—	1,083	—	—
Receivable for sale of investments	16,126	258	299,395	3,563	80,856	—	41,847	63,995	2,932	1,460	16,321	—	—
Unit collection a/c	40,367	5,419	—	2,117	—	—	15,812	13,448	2,888	1,507	3,030	—	—
Other current assets (for Investments)	10	—	—	2	18	—	1	26	1	—	3	—	—
<b>Total</b>	<b>58,925</b>	<b>5,719</b>	<b>511,972</b>	<b>6,144</b>	<b>87,187</b>	<b>66,167</b>	<b>82,699</b>	<b>80,998</b>	<b>5,831</b>	<b>2,977</b>	<b>20,447</b>	<b>159,820</b>	

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 3

### CURRENT ASSETS AT MARCH 31, 2015

Particulars	Linked Pension Funds										₹ in '000)	
	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)		
	ULIF 006 03/05/02	ULIF 017 17/05/04	ULIF 070 31/03/09	ULIF 074 29/04/09	ULIF 079 17/06/09	ULIF 083 16/11/09	ULIF 102 12/10/10	ULIF 108 22/12/10	ULIF 113 13/01/11	ULIF 006 03/05/02		
PPProtect1 105	PPProtect2 105	PRGF4 105	PRGF5 105	PRGF6 105	PRGF7 105	PRGF(S1) 105	PRGF(S2) 105	PRGF(S3) 105				
Accrued interest	402,188	148,854	—	—	—	—	—	15,496	4,791	10,053		
Cash & Bank balance	10	10	—	—	—	—	—	10	10	10		
Dividend receivable	—	—	—	—	—	—	—	—	—	—		
Receivable for sale of investments	478,720	178,239	—	—	—	—	—	—	—	—		
Unit collection a/c	—	—	—	—	—	—	—	—	—	—		
Other current assets (for Investments)	—	—	—	—	—	—	—	—	—	—		
<b>Total</b>	<b>880,918</b>	<b>327,103</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,506</b>	<b>4,801</b>	<b>10,063</b>		

Particulars	Linked Pension Funds					₹ in '000)	
	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund		
	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105		
Accrued interest	1,100	—	—	11,100	2,434		
Cash & Bank balance	10	10	10	10	10		
Dividend receivable	—	2,605	1,637	—	—		
Receivable for sale of investments	—	—	28,160	17,656	3,778		
Unit collection a/c	—	15,839	10,702	7,406	—		
Other current assets (for Investments)	—	—	4	—	—		
<b>Total</b>	<b>1,110</b>	<b>18,454</b>	<b>40,513</b>	<b>36,172</b>	<b>6,222</b>		<b>3,333,727</b>

Particulars	Linked Health Funds										₹ in '000)	
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Fund IV	Health Return Fund V	Health Return Fund VI	Health Return Fund VII	Total	
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 071 105	ULIF 075 105	ULIF 080 105	ULIF 084 105		
Accrued interest	3,663	8,208	1	1	3,559	27,530	—	—	—	—		<b>42,962</b>
Cash & Bank balance	10	10	10	10	10	10	—	—	—	—		<b>60</b>
Dividend receivable	155	274	627	15	—	—	—	—	—	—		<b>1,071</b>
Receivable for sale of investments	7,255	7,609	—	1,051	—	35,624	—	—	—	—		<b>51,539</b>
Unit collection a/c	1,566	2,090	20,182	2,468	57	7,613	—	—	—	—		<b>33,976</b>
Other current assets (for Investments)	—	—	—	—	—	—	—	—	—	—		
<b>Total</b>	<b>12,649</b>	<b>18,191</b>	<b>20,820</b>	<b>3,545</b>	<b>3,626</b>	<b>70,777</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>129,608</b>

Particulars	Linked Group Funds													₹ in '000)	
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Fund	Group Capital Guarantee Fund II	Group Capital Guarantee Fund III	Group Capital Debt Fund	Group Capital Debt Fund II	Group Capital Debt Fund III	Group Capital Growth Fund	Group Capital Growth Fund II	Group Capital Growth Fund III	Group Capital Short Term Fund	Group Capital Short Term Fund II	Group Capital Short Term Fund III	
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 049 27/08/13 GCGBal3 105	ULGF 007 28/10/05 GCCDebt1 105	ULGF 011 21/03/07 GCCDebt2 105	ULGF 048 27/08/13 GCCDebt3 105	ULGF 008 11/12/06 GCGrowth1 105	ULGF 012 05/07/07 GCGrowth2 105	ULGF 012 27/08/13 GCGrowth3 105	ULGF 050 24/02/04 GCGSTDebt1 105	ULGF 005 16/03/07 GCGSTDebt2 105	ULGF 009 01/03/12 GCGSTDebt3 105	
Accrued interest	496,933	1,598	1,965	38,035	1,921	354	18,771	9,854	397	1,349	237	538	63,983	707	
Cash & Bank balance	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Dividend receivable	9,428	—	47	945	1	—	—	—	28	59	—	—	—	—	
Receivable for sale of investments	515,907	3,153	2,911	52,307	2,041	1,281	27,767	3,916	937	2,081	—	—	—	—	
Unit collection a/c	161,164	313	738	13,828	214	145	6,254	578	274	571	44	828	34,667	286	
Other current assets (for Investments)	2	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>1,183,444</b>	<b>5,074</b>	<b>5,671</b>	<b>105,125</b>	<b>4,187</b>	<b>1,790</b>	<b>52,802</b>	<b>14,358</b>	<b>1,646</b>	<b>4,070</b>	<b>291</b>	<b>1,376</b>	<b>98,660</b>	<b>1,003</b>	

# schedules



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*Continued*

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Group Funds									
	Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III
	ULGF 002 03/04/03 GDebt 105	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105
Accrued interest	406,462	22,970	74,284	103	20,846	3,477	15,274	—	—	—
Cash & Bank balance	10	10	10	5	10	10	10	—	—	—
Dividend receivable	—	—	5,223	1	478	—	—	—	—	—
Receivable for sale of investments	422,296	34,731	101,763	—	25,514	4,447	—	—	—	—
Unit collection a/c	78,775	8,082	49,267	41	47,565	830	1,211	—	—	—
Other current assets (for Investments)	—	—	1	—	—	—	—	—	—	—
<b>Total</b>	<b>907,543</b>	<b>65,793</b>	<b>230,548</b>	<b>150</b>	<b>94,413</b>	<b>8,764</b>	<b>16,495</b>	<b>—</b>	<b>—</b>	<b>—</b>

(₹ in '000)

Particulars	Linked Group Funds							Total	Grand Total
	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Fund III	Group Superannuation Corporate Bond Fund			
	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 046 27/08/13 GSTDebt2 105	ULGF 039 30/04/13 GSTDebt3 105	ULGF 015 22/12/08 GSACorBon 105			
Accrued interest	14,888	29,463	60,637	48,635	498	236,373	1,570,552	6,723,682	
Cash & Bank balance	10	10	10	10	10	10	265	1,286	
Dividend receivable	—	—	—	—	—	—	16,210	87,439	
Receivable for sale of investments	—	—	—	—	—	—	1,201,052	6,050,843	
Unit collection a/c	1,115	3,547	41,052	11,567	167	8,793	471,916	2,996,486	
Other current assets (for Investments)	—	—	—	—	—	—	3	296	
<b>Total</b>	<b>16,013</b>	<b>33,020</b>	<b>101,699</b>	<b>60,212</b>	<b>675</b>	<b>245,176</b>	<b>3,259,998</b>	<b>15,860,032</b>	

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2015

Particulars	Linked Life Funds													(₹ in '000)
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III		
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBuChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscnt 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105		
Payable for purchase of investments	—	(93,006)	(24,454)	(1,940)	(8,885)	(12,894)	(46,459)	(73)	(120,327)	(10,650)	(8,735)	(320)		
Other current liabilities	—	(809)	(122)	(19)	(33)	(182)	(109)	(352)	(1,132)	(83)	(28)	(4)		
Unit payable a/c	—	—	(2,066)	(85)	(14)	—	(1,526)	(219,530)	—	—	(1,431)	(291)		
<b>Total</b>	—	(93,815)	(26,642)	(2,044)	(8,932)	(13,076)	(48,094)	(219,955)	(121,459)	(10,733)	(10,194)	(615)		

Particulars	Linked Life Funds													(₹ in '000)
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximise India Fund		
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LflexiGro1 105	ULIF 027 20/03/07 LflexiGro2 105	ULIF 028 20/03/07 LflexiGro3 105	ULIF 038 27/08/07 LflexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 136 11/20/14 MIF 105		
Payable for purchase of investments	(4,336)	(63,658)	(40,182)	(3,278)	(35,319)	(364,226)	(542,287)	(105,556)	(50,582)	(127,904)	(130,093)	(25,032)		
Other current liabilities	(11)	(1,396)	(585)	(68)	(497)	(2,630)	(1,089)	(208)	(113)	(237)	(193)	(24)		
Unit payable a/c	—	—	—	(1,754)	—	—	—	—	(11,104)	—	—	—		
<b>Total</b>	(4,347)	(65,054)	(40,767)	(5,100)	(35,816)	(366,856)	(543,376)	(105,764)	(61,799)	(128,141)	(130,286)	(25,056)		

Particulars	Linked Life Funds													(₹ in '000)
	Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV		
	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105		
Payable for purchase of investments	(64,745)	(18,874)	(2,162)	(358)	(464,592)	(3)	(60,564)	(434,188)	(5,039)	(6,673)	(406)	(3,045)		
Other current liabilities	(3,458)	(611)	(134)	(28)	(1,889)	(367)	(198)	(1,126)	(594)	(104)	(9)	(47)		
Unit payable a/c	—	—	(2,229)	—	—	—	—	—	—	—	—	(2)		
<b>Total</b>	(68,203)	(19,485)	(4,525)	(386)	(466,481)	(370)	(60,762)	(435,314)	(5,633)	(6,777)	(417)	(3,092)		

Particulars	Linked Life Funds													(₹ in '000)
	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund IV		
	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 069 31/03/09 LRGF(T4) 105		
Payable for purchase of investments	(58,009)	—	(114,478)	(41,630)	—	—	—	(120,802)	(40,769)	(4,437)	(57,192)	—		
Other current liabilities	(131)	(247)	(502)	(364)	(126)	(6)	(16)	(343)	(78)	(16)	(96)	—		
Unit payable a/c	—	—	(6,271)	—	(9,640)	—	(534)	—	(6,185)	(326)	—	—		
<b>Total</b>	(58,140)	(247)	(121,251)	(41,994)	(9,766)	(6)	(550)	(121,145)	(47,032)	(4,779)	(57,288)	—		

# schedules



forming part of the financial statements

*Continued*

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guaranteed Fund VII	Return Guaranteed Fund VIII	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	
	ULIF 073 29/04/09	ULIF 078 17/06/09	ULIF 082 16/11/09	ULIF 103 12/10/10	ULIF 104 12/10/10	ULIF 106 22/12/10	ULIF 107 22/12/10	ULIF 111 13/01/11	ULIF 112 13/01/11	ULIF 120 17/03/11	ULIF 121 19/04/11	
Payable for purchase of investments	—	—	—	—	—	—	—	—	—	—	—	
Other current liabilities	—	—	—	(54)	(15)	(72)	(8)	(148)	(26)	(68)	(1)	
Unit payable a/c	—	—	—	(37)	—	(104)	(6)	(58)	(12)	—	(1)	
<b>Total</b>	—	—	—	(91)	(15)	(176)	(14)	(206)	(38)	(68)	(2)	

(₹ in '000)

Particulars	Linked Life Funds							Total
	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	
	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Payable for purchase of investments	—	—	—	—	(3,535)	—	(1)	(3,321,698)
Other current liabilities	(455)	(413)	(26)	(210)	(16)	(1)	(7)	(21,934)
Unit payable a/c	—	—	(201)	—	(4,347)	(68)	(306)	(268,128)
<b>Total</b>	(455)	(413)	(227)	(210)	(7,898)	(69)	(314)	(3,611,760)

(₹ in '000)

Particulars	Linked Pension Funds											
	Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement SP Balanced Fund	Easy Retirement Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II
	ULIF 101 01/07/10 PDiscount 105	ULIF 132 02/11/12 ERBF 105	ULIF 136 25/03/13 ERSPB 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PflexGro1 105
Payable for purchase of investments	—	(15,321)	(4)	(1)	(358)	(13,090)	(4,171)	(739)	(36)	(3)	(4)	(85,520)
Other current liabilities	(5)	(61)	—	(9)	(20)	(382)	(182)	(103)	(639)	(82)	(39)	(1,687)
Unit payable a/c	(1,064)	—	—	—	(307)	(563)	(13,964)	—	—	(408)	—	(14,666)
<b>Total</b>	(1,069)	(15,382)	(4)	(10)	(685)	(14,035)	(18,317)	(842)	(675)	(493)	(43)	(101,873)

(₹ in '000)

Particulars	Linked Pension Funds												
	Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Cap Balanced Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund
	ULIF 030 20/03/07 PflexGro2 105	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	
Payable for purchase of investments	(68,132)	(739)	(82)	(7,126)	(29,856)	(1)	(4,528)	(114,313)	(3,127)	(539)	—	—	
Other current liabilities	(925)	(19)	(384)	(436)	(885)	(125)	(112)	(787)	(359)	(114)	(275)	(186)	
Unit payable a/c	—	—	(1,691)	—	(25,215)	(27,827)	—	—	—	—	—	(9,097)	
<b>Total</b>	(69,057)	(758)	(2,157)	(7,562)	(55,956)	(27,953)	(4,640)	(115,100)	(3,486)	(653)	(275)	(9,283)	

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2015

Particulars	Linked Pension Funds										(₹ in '000)
	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Fund XI (10 Yrs)	
	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	—	
Payable for purchase of investments	(110)	(48)	—	—	—	—	—	—	—	—	(—)
Other current liabilities	(662)	(136)	—	—	—	—	—	(8)	(3)	(6)	(—)
Unit payable a/c	(4,129)	(10,907)	—	—	—	—	—	—	—	—	(—)
<b>Total</b>	<b>(4,901)</b>	<b>(11,091)</b>	—	—	—	—	—	(8)	(3)	(6)	(—)

Particulars	Linked Pension Funds										(₹ in '000)	
	Pension Return Guarantee Fund XI (10 Yrs)		Pension RICH Fund		Pension RICH Fund II		Pension Secure Fund		Secure Plus Pension Fund			
	ULIF 122 19/04/11 PRGF(S4) 105		ULIF 052 17/03/08 PRICH1 105		ULIF 053 17/03/08 PRICH2 105		ULIF 128 01/12/11 PSECURE 105		ULIF 009 17/11/03 PSecPlus 105			
Payable for purchase of investments	—	—	—	—	—	—	(6)	—	(1)	(347,855)	(—)	
Other current liabilities	(1)	(1,178)	(1,178)	(494)	(494)	(25)	(25)	(5)	(5)	(10,334)	(—)	
Unit payable a/c	—	—	—	—	—	—	—	(33)	(33)	(109,871)	(—)	
<b>Total</b>	<b>(1)</b>	<b>(1,178)</b>	<b>(1,178)</b>	<b>(494)</b>	<b>(494)</b>	<b>(31)</b>	<b>(31)</b>	<b>(39)</b>	<b>(39)</b>	<b>(468,060)</b>	(—)	

Particulars	Linked Health Funds										(₹ in '000)
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	
Payable for purchase of investments	(7,809)	(5,159)	—	(1,573)	—	(41,580)	—	—	—	—	(56,121)
Other current liabilities	(9)	(13)	(212)	(25)	(1)	(31)	—	—	—	—	(291)
Unit payable a/c	—	—	—	—	—	—	—	—	—	—	(—)
<b>Total</b>	<b>(7,818)</b>	<b>(5,172)</b>	<b>(212)</b>	<b>(1,598)</b>	<b>(1)</b>	<b>(41,611)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(56,412)</b>

Particulars	Linked Group Funds																(₹ in '000)
	Group Balanced Fund	Group Balanced Fund II	Group Guaranteed Balanced Fund	Group Capital Balanced Fund	Group Capital Balanced Fund II	Group Capital Balanced Fund III	Group Capital Debt Fund	Group Capital Debt Fund II	Group Capital Debt Fund III	Group Capital Growth Fund	Group Capital Growth Fund II	Group Capital Growth Fund III	Group Capital Short Term Debt Fund	Group Capital Short Term Debt Fund II	Group Capital Short Term Debt Fund III	Group Capital Short Term Debt Fund IV	
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCBal1 105	ULGF 010 21/03/07 GCBal2 105	ULGF 049 27/08/13 GCBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 050 27/08/13 GCGGrowth3 105	ULGF 009 24/02/04 GCGSTDebt1 105	ULGF 031 16/03/07 GCGSTDebt2 105	ULGF 031 01/03/12 GCGSTDebt3 105	ULGF 031 01/03/12 GCGSTDebt3 105		
Payable for purchase of investments	(5,442)	(69)	—	(435)	(31)	(691)	(9)	(1)	(11)	(23)	(4)	—	—	—	—	(—)	
Other current liabilities	(853)	(4)	(6)	(102)	(5)	(1)	(45)	(9)	(3)	(6)	(5)	(5)	(183)	(5)	(5)	(—)	
Unit payable a/c	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(—)	
<b>Total</b>	<b>(6,295)</b>	<b>(73)</b>	<b>(6)</b>	<b>(537)</b>	<b>(36)</b>	<b>(692)</b>	<b>(54)</b>	<b>(10)</b>	<b>(14)</b>	<b>(29)</b>	<b>(4)</b>	<b>(5)</b>	<b>(183)</b>	<b>(5)</b>	<b>(5)</b>	<b>(—)</b>	

# schedules



forming part of the financial statements

*Continued*

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Group Funds									
	Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III
	ULGF 002 03/04/03 GDebt 105	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105
Payable for purchase of investments	(125)	(114)	(2,998)	(27)	(110)	(2)	—	—	—	—
Other current liabilities	(612)	(45)	(273)	(1)	(42)	(7)	(6)	—	—	—
Unit payable a/c	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>(737)</b>	<b>(159)</b>	<b>(3,271)</b>	<b>(28)</b>	<b>(152)</b>	<b>(9)</b>	<b>(6)</b>	<b>—</b>	<b>—</b>	<b>—</b>

(₹ in '000)

Particulars	Linked Group Funds							Total	Grand Total
	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Fund III	Group Superannuation Corporate Bond Fund			
	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 046 27/08/13 GSTDebt2 105	ULGF 039 30/04/13 GSTDebt3 105	ULGF 015 22/12/08 GSACorBon 105			
Payable for purchase of investments	—	—	—	—	—	—	(10,092)	(3,735,766)	
Other current liabilities	(8)	(33)	(236)	(81)	(1)	(97)	(2,669)	(35,228)	
Unit payable a/c	—	—	—	—	—	—	—	(377,999)	
<b>Total</b>	<b>(8)</b>	<b>(33)</b>	<b>(236)</b>	<b>(81)</b>	<b>(1)</b>	<b>(97)</b>	<b>(12,761)</b>	<b>(4,148,993)</b>	

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
		ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDisccont 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	8,714	(511,336)	40,045	(27,955)	842,410	2,288,845	2,069,686	10,493,639	19,584,517	553,951	572,030	27,416
Revenue account		613	11,917,595	3,773,644	308,267	184,778	46,156	715,790	785,277	1,529,460	490,184	204,673	34,219
<b>Total</b>		<b>9,327</b>	<b>11,406,259</b>	<b>3,813,689</b>	<b>280,312</b>	<b>1,027,188</b>	<b>2,335,001</b>	<b>2,785,476</b>	<b>11,278,916</b>	<b>21,113,977</b>	<b>1,044,135</b>	<b>776,703</b>	<b>61,635</b>
Application of funds													
Investments	F-2	7,737	11,152,110	3,728,359	273,830	1,005,411	2,308,072	2,692,893	11,308,552	20,880,258	1,017,946	760,425	62,312
Current assets	F-3	1,602	271,732	91,699	11,107	21,904	27,313	93,185	87,830	632,561	26,479	16,509	2,932
Less: Current liabilities and provisions	F-4	12	17,583	6,369	4,625	127	384	602	117,466	398,842	290	231	3,609
<b>Net current assets</b>		<b>1,590</b>	<b>254,149</b>	<b>85,330</b>	<b>6,482</b>	<b>21,777</b>	<b>26,929</b>	<b>92,583</b>	<b>(29,636)</b>	<b>233,719</b>	<b>26,189</b>	<b>16,278</b>	<b>(677)</b>
<b>Total</b>		<b>9,327</b>	<b>11,406,259</b>	<b>3,813,689</b>	<b>280,312</b>	<b>1,027,188</b>	<b>2,335,001</b>	<b>2,785,476</b>	<b>11,278,916</b>	<b>21,113,977</b>	<b>1,044,135</b>	<b>776,703</b>	<b>61,635</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		9,327	11,406,259	3,813,689	280,312	1,027,188	2,335,001	2,785,476	11,278,916	21,113,977	1,044,135	776,703	61,635
(b) Number of units outstanding (in '000)		647	267,362	126,304	14,213	56,562	194,159	136,137	882,191	1,577,172	62,436	41,943	3,739
(c) NAV per unit (a)/(b) (₹)		14.41	42.66	30.19	19.72	18.16	12.03	20.46	12.79	13.39	16.72	18.52	16.49

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximiser Fund
		ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 001 22/10/01 LMaximis1 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	237,344	4,719,121	7,595,837	347,928	6,694,562	32,067,295	18,058,058	4,401,787	1,983,587	625,526	533,874	(6,372,112)
Revenue account		53,124	12,509,960	2,812,281	512,882	2,926,836	429,657	140,757	664,106	610,686	11,114	(4,253)	47,922,916
<b>Total</b>		<b>290,468</b>	<b>17,229,081</b>	<b>10,408,118</b>	<b>860,810</b>	<b>9,621,398</b>	<b>32,496,952</b>	<b>18,198,815</b>	<b>5,065,893</b>	<b>2,594,273</b>	<b>636,640</b>	<b>529,621</b>	<b>41,550,804</b>
Application of funds													
Investments	F-2	281,412	17,232,819	10,233,032	857,609	9,622,608	31,727,642	17,189,279	4,885,682	2,524,745	585,296	412,058	41,359,494
Current assets	F-3	9,411	13,971	177,045	10,038	15,692	1,166,994	1,012,562	181,017	69,930	106,529	117,664	255,523
Less: Current liabilities and provisions	F-4	355	17,709	1,959	6,837	16,902	397,684	3,026	806	402	55,185	101	64,213
<b>Net current assets</b>		<b>9,056</b>	<b>(3,738)</b>	<b>175,086</b>	<b>3,201</b>	<b>(1,210)</b>	<b>769,310</b>	<b>1,009,536</b>	<b>180,211</b>	<b>69,528</b>	<b>51,344</b>	<b>117,563</b>	<b>191,310</b>
<b>Total</b>		<b>290,468</b>	<b>17,229,081</b>	<b>10,408,118</b>	<b>860,810</b>	<b>9,621,398</b>	<b>32,496,952</b>	<b>18,198,815</b>	<b>5,065,893</b>	<b>2,594,273</b>	<b>636,640</b>	<b>529,621</b>	<b>41,550,804</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		290,468	17,229,081	10,408,118	860,810	9,621,398	32,496,952	18,198,815	5,065,893	2,594,273	636,640	529,621	41,550,804
(b) Number of units outstanding (in '000)		17,721	981,796	568,432	49,183	616,382	2,894,073	1,310,160	259,281	111,649	59,825	52,325	482,448
(c) NAV per unit (a)/(b) (₹)		16.39	17.55	18.31	17.50	15.61	11.23	13.89	19.54	23.24	10.64	10.12	86.12

# schedules



forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund
		ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	(1,768,278) 12,255,515	(547,009) 2,263,267	195,207 312,791	8,746,255 870,068	10,463,890 269,081	2,602,126 215,345	15,610,733 794,910	2,444,410 5,492,506	1,431,352 503,401	49,529 71,526	615,250 271,172	2,274,137 722,497
Revenue account													
<b>Total</b>		<b>10,487,237</b>	<b>1,716,258</b>	<b>507,998</b>	<b>9,616,323</b>	<b>10,732,971</b>	<b>2,817,471</b>	<b>16,405,643</b>	<b>7,936,916</b>	<b>1,934,753</b>	<b>121,055</b>	<b>886,422</b>	<b>2,996,634</b>
Application of funds													
Investments	F-2	10,455,990	1,713,077	506,463	9,527,455	10,088,649	2,760,975	16,254,305	7,877,911	1,930,005	119,523	886,512	2,924,952
Current assets	F-3	55,636	11,755	3,418	290,689	645,278	82,021	154,118	85,954	5,105	1,622	789	72,147
Less: Current liabilities and provisions	F-4	24,389	8,574	1,883	201,821	956	25,525	2,780	26,949	357	90	879	465
<b>Net current assets</b>		<b>31,247</b>	<b>3,181</b>	<b>1,535</b>	<b>88,868</b>	<b>644,322</b>	<b>56,496</b>	<b>151,338</b>	<b>59,005</b>	<b>4,748</b>	<b>1,532</b>	<b>(90)</b>	<b>71,682</b>
<b>Total</b>		<b>10,487,237</b>	<b>1,716,258</b>	<b>507,998</b>	<b>9,616,323</b>	<b>10,732,971</b>	<b>2,817,471</b>	<b>16,405,643</b>	<b>7,936,916</b>	<b>1,934,753</b>	<b>121,055</b>	<b>886,422</b>	<b>2,996,634</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		10,487,237	1,716,258	507,998	9,616,323	10,732,971	2,817,471	16,405,643	7,936,916	1,934,753	121,055	886,422	2,996,634
(b) Number of units outstanding (in '000)		210,923	78,318	28,584	656,684	761,949	209,085	1,236,226	673,109	141,402	9,308	65,289	152,522
(c) NAV per unit (a)/(b) (₹)		49.72	21.91	17.77	14.64	14.09	13.48	13.27	11.79	13.68	13.01	13.58	19.65

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II
		ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09	ULIF 105 26/10/10	ULIF 010 17/05/04	ULIF 021 13/03/06	ULIF 036 27/08/07	ULIF 003 22/10/01	ULIF 016 17/05/04	ULIF 024 13/03/06	ULIF 041 27/08/07	ULIF 054 18/12/08	ULIF 063 27/01/09
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	3,613,572	10,572,417	5,610,576	5,717,417	309,415	740,747	4,323,967	2,216,729	201,805	3,359,110	(128,961)	(122,747)
Revenue account		191,039	313,858	174,358	1,771,978	93,891	61,733	4,485,935	1,827,684	237,250	665,650	128,961	122,747
<b>Total</b>		<b>3,804,611</b>	<b>10,886,275</b>	<b>5,784,934</b>	<b>7,489,395</b>	<b>403,306</b>	<b>802,480</b>	<b>8,809,902</b>	<b>4,044,413</b>	<b>439,055</b>	<b>4,024,760</b>	—	—
Application of funds													
Investments	F-2	3,749,977	10,814,664	5,699,964	7,362,800	344,570	734,768	8,554,272	3,886,873	415,004	3,889,802	—	—
Current assets	F-3	63,625	244,052	174,581	127,288	58,770	67,786	257,297	157,933	24,133	135,351	15,193	12,539
Less: Current liabilities and provisions	F-4	8,991	172,441	89,611	693	34	74	1,667	393	82	393	15,193	12,539
<b>Net current assets</b>		<b>54,634</b>	<b>71611</b>	<b>84,970</b>	<b>126,595</b>	<b>58,736</b>	<b>67,712</b>	<b>255,630</b>	<b>157,540</b>	<b>24,051</b>	<b>134,958</b>	—	—
<b>Total</b>		<b>3,804,611</b>	<b>10,886,275</b>	<b>5,784,934</b>	<b>7,489,395</b>	<b>403,306</b>	<b>802,480</b>	<b>8,809,902</b>	<b>4,044,413</b>	<b>439,055</b>	<b>4,024,760</b>	—	—
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		3,804,611	10,886,275	5,784,934	7,489,395	403,306	802,480	8,809,902	4,044,413	439,055	4,024,760	—	—
(b) Number of units outstanding (in '000)		290,593	850,665	547,052	350,647	21,078	46,648	345,225	197,973	24,383	233,528	—	—
(c) NAV per unit (a)/(b) (₹)		13.09	12.80	10.57	21.36	19.13	17.20	25.52	20.43	18.01	17.23	—	—

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

### Form A-BS(UL)

Particulars	Schedule	Linked Life Funds													
		Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	
		ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 121 19/04/11 LRGF(S4) 105		
<b>Sources of funds</b>															
<b>Policyholders' funds</b>															
Policyholder contribution	F-1	(124,155)	(42,113)	123,161	1,190,414	56,696	59,474	26,966	247,018	890,384	427,157	2,457,866	21,599		
Revenue account		124,155	42,113	26,499	277,554	9,872	14,904	4,826	55,167	215,657	80,547	551,371	1,476		
<b>Total</b>		—	—	<b>149,660</b>	<b>1,467,968</b>	<b>66,568</b>	<b>74,378</b>	<b>31,792</b>	<b>302,185</b>	<b>1,106,041</b>	<b>507,704</b>	<b>3,009,237</b>	<b>23,075</b>		
<b>Application of funds</b>															
Investments	F-2	—	149,988	140,389	1,363,095	60,565	62,716	26,979	281,094	1,041,726	471,191	2,765,288	21,570		
Current assets	F-3	2,599	15,083	9,335	105,409	6,222	11,840	4,892	21,493	64,519	36,634	244,656	1,509		
Less: Current liabilities and provisions	F-4	2,599	165,071	64	536	219	178	79	402	204	121	707	4		
<b>Net current assets</b>		—	(149,988)	9,271	104,873	6,003	11,662	4,813	21,091	64,315	36,513	243,949	1,505		
<b>Total</b>		—	—	<b>149,660</b>	<b>1,467,968</b>	<b>66,568</b>	<b>74,378</b>	<b>31,792</b>	<b>302,185</b>	<b>1,106,041</b>	<b>507,704</b>	<b>3,009,237</b>	<b>23,075</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		—	—	149,660	1,467,968	66,568	74,378	31,792	302,185	1,106,041	507,704	3,009,237	23,075		
(b) Number of units outstanding (in '000)		—	—	12,064	116,397	4,828	5,407	2,392	24,210	87,457	40,987	237,438	1,914		
(c) NAV per unit (a)/(b) (₹)		—	—	12.41	12.61	13.79	13.75	13.29	12.48	12.65	12.39	12.67	12.06		

Particulars	Schedule	Linked Life Funds									Total
		Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
		ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
<b>Sources of funds</b>											
<b>Policyholders' funds</b>											
Policyholder contribution	F-1	1,189,696	4,086,089	7,433,317	125,382	3,511,920	295,060	41,393	168,804	207,552,546	
Revenue account		217,973	2,475,598	868,932	253,684	598,445	132,831	2,705	5,992	128,658,186	
<b>Total</b>		<b>1,407,669</b>	<b>6,561,687</b>	<b>8,302,249</b>	<b>379,066</b>	<b>4,110,365</b>	<b>427,891</b>	<b>44,098</b>	<b>174,796</b>	<b>336,210,732</b>	
<b>Application of funds</b>											
Investments	F-2	1,265,909	6,574,782	8,295,127	377,264	4,094,410	428,283	43,399	171,147	330,243,014	
Current assets	F-3	142,020	12,565	8,651	1,907	18,271	15,180	706	4,139	7,895,939	
Less: Current liabilities and provisions	F-4	260	25,660	1,529	105	2,316	15,572	7	490	1,928,221	
<b>Net current assets</b>		<b>141,760</b>	<b>(13,095)</b>	<b>7,122</b>	<b>1802</b>	<b>15,955</b>	<b>(392)</b>	<b>699</b>	<b>3,649</b>	<b>5,967,718</b>	
<b>Total</b>		<b>1,407,669</b>	<b>6,561,687</b>	<b>8,302,249</b>	<b>379,066</b>	<b>4,110,365</b>	<b>427,891</b>	<b>44,098</b>	<b>174,796</b>	<b>336,210,732</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		1,407,669	6,561,687	8,302,249	379,066	4,110,365	427,891	44,098	174,796	336,210,732	
(b) Number of units outstanding (in '000)		112,466	441,238	530,857	25,497	263,137	21,726	3,088	12,780		
(c) NAV per unit (a)/(b) (₹)		12.52	14.87	15.64	14.87	15.62	19.70	14.28	13.68		

# schedules



forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds													
		Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Flexi Fund	Pension Flexi Fund II	Pension Growth Fund	Pension Growth Fund II	
		ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PlnVShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105		
Sources of funds															
Policyholders' funds															
Policyholder contribution	F-1	1,709	312,157	103,470	360,562	2,737,368	3,152,322	2,288,608	15,888,791	858,657	635,656	13,781,921	4,837,992		
Revenue account		53	7,623	1,160	157,431	2,769,387	4,148,803	(215,075)	(237,882)	213,204	571,900	6,303,418	12,410,215		
<b>Total</b>		<b>1,762</b>	<b>319,780</b>	<b>104,630</b>	<b>517,993</b>	<b>5,506,755</b>	<b>7,301,125</b>	<b>2,073,533</b>	<b>15,650,909</b>	<b>1,071,861</b>	<b>1,207,556</b>	<b>20,085,339</b>	<b>17,248,207</b>		
Application of funds															
Investments	F-2	1,788	280,567	90,441	503,674	5,367,338	7,023,934	2,070,225	15,657,759	1,039,757	1,172,002	19,844,663	16,907,010		
Current assets	F-3	6	49,271	14,205	14,399	179,897	278,089	3,652	319,172	32,400	35,703	246,354	348,590		
Less: Current liabilities and provisions	F-4	32	10,058	16	80	40,480	898	344	326,022	296	149	5,678	7,393		
<b>Net current assets</b>		<b>(26)</b>	<b>39,213</b>	<b>14,189</b>	<b>14,319</b>	<b>139,417</b>	<b>277,191</b>	<b>3,308</b>	<b>(6,850)</b>	<b>32,104</b>	<b>35,554</b>	<b>240,676</b>	<b>341,197</b>		
<b>Total</b>		<b>1,762</b>	<b>319,780</b>	<b>104,630</b>	<b>517,993</b>	<b>5,506,755</b>	<b>7,301,125</b>	<b>2,073,533</b>	<b>15,650,909</b>	<b>1,071,861</b>	<b>1,207,556</b>	<b>20,085,339</b>	<b>17,248,207</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		1,762	319,780	104,630	517,993	5,506,755	7,301,125	2,073,533	15,650,909	1,071,861	1,207,556	20,085,339	17,248,207		
(b) Number of units outstanding (in '000)		170	29,527	9,863	22,125	153,210	262,683	182,729	1,186,790	63,125	65,890	1,161,911	936,326		
(c) NAV per unit (a)/(b) (₹)		10.36	10.83	10.61	23.41	35.94	27.79	11.35	13.19	16.98	18.33	17.29	18.42		

(₹ in '000)

Particulars	Schedule	Linked Pension Funds													
		Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund		
		ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PlnIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 PMultip1 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105		
Sources of funds															
Policyholders' funds															
Policyholder contribution	F-1	390,195	10,313,083	(42,293)	892,275	6,727,736	2,320,813	14,379,872	3,678,999	1,582,995	5,759,853	10,102,589	11,679,164		
Revenue account		51,617	56,850	5,047,347	16,151,641	230,167	83,587	(178,341)	847,240	778,762	(131,925)	1,690,074	4,326,034		
<b>Total</b>		<b>441,812</b>	<b>10,369,933</b>	<b>5,005,054</b>	<b>17,043,916</b>	<b>6,957,903</b>	<b>2,404,400</b>	<b>14,201,531</b>	<b>4,526,239</b>	<b>2,361,757</b>	<b>5,627,928</b>	<b>11,792,663</b>	<b>16,005,198</b>		
Application of funds															
Investments	F-2	448,403	10,093,241	5,003,372	16,952,076	6,869,222	2,357,316	14,188,617	4,514,844	2,360,615	5,596,350	11,576,174	15,377,501		
Current assets	F-3	13,443	301,382	34,088	109,228	89,323	47,483	15,337	12,647	1,578	59,233	217,579	630,785		
Less: Current liabilities and provisions	F-4	20,034	24,690	32,406	17,388	642	399	2,423	1,252	436	27,655	1,090	3,088		
<b>Net current assets</b>		<b>(6,591)</b>	<b>276,692</b>	<b>1,682</b>	<b>91,840</b>	<b>88,681</b>	<b>47,084</b>	<b>12,914</b>	<b>11,395</b>	<b>1,142</b>	<b>31,578</b>	<b>216,489</b>	<b>627,697</b>		
<b>Total</b>		<b>441,812</b>	<b>10,369,933</b>	<b>5,005,054</b>	<b>17,043,916</b>	<b>6,957,903</b>	<b>2,404,400</b>	<b>14,201,531</b>	<b>4,526,239</b>	<b>2,361,757</b>	<b>5,627,928</b>	<b>11,792,663</b>	<b>16,005,198</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		441,812	10,369,933	5,005,054	17,043,916	6,957,903	2,404,400	14,201,531	4,526,239	2,361,757	5,627,928	11,792,663	16,005,198		
(b) Number of units outstanding (in '000)		37,830	754,267	57,090	330,003	495,787	186,821	1,095,055	398,026	195,588	442,185	557,464	696,511		
(c) NAV per unit (a)/(b) (₹)		11.68	13.75	87.67	51.65	14.03	12.87	12.97	11.37	12.08	12.73	21.15	22.98		

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

Form A-BS(UL)

Particulars	Schedule	Linked Pension Funds										(₹ in '000)
		Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund IX	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII		
		ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105		
<b>Sources of funds</b>												
<b>Policyholders' funds</b>												
Policyholder contribution	F-1	4,740,843	(544,102)	(547,961)	(493,717)	(153,391)	41,331	150,604	210,687	424,439		
Revenue account		2,745,464	544,102	547,961	493,717	153,391	9,666	58,786	81,740	105,293		
<b>Total</b>		<b>7,486,307</b>	—	—	—	—	<b>50,997</b>	<b>209,390</b>	<b>292,427</b>	<b>529,732</b>		
<b>Application of funds</b>												
Investments	F-2	7,219,791	—	—	—	370,725	47,502	187,153	261,977	518,420		
Current assets	F-3	267,240	655	374	369	42,356	3,504	22,909	30,946	12,144		
Less: Current liabilities and provisions	F-4	724	655	374	369	413,081	9	672	496	832		
<b>Net current assets</b>		<b>266,516</b>	—	—	—	(370,725)	<b>3,495</b>	<b>22,237</b>	<b>30,450</b>	<b>11,312</b>		
<b>Total</b>		<b>7,486,307</b>	—	—	—	—	<b>50,997</b>	<b>209,390</b>	<b>292,427</b>	<b>529,732</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		7,486,307	—	—	—	—	50,997	209,390	292,427	529,732		
(b) Number of units outstanding (in '000)		370,105	—	—	—	—	4,116	15,181	21,291	40,037		
(c) NAV per unit (a)/(b) (₹)		20.23	—	—	—	—	12.39	13.79	13.74	13.23		

Particulars	Schedule	Linked Pension Funds							(₹ in '000)
		Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	
		ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105	
<b>Sources of funds</b>									
<b>Policyholders' funds</b>									
Policyholder contribution	F-1	129,768	94,083	9,689	10,200,400	5,025,614	393,198	62,732	<b>132,488,711</b>
Revenue account		31,621	20,375	2,378	4,752,631	5,313,268	10,457	66,695	<b>70,020,835</b>
<b>Total</b>		<b>161,389</b>	<b>114,458</b>	<b>12,067</b>	<b>14,953,031</b>	<b>10,338,882</b>	<b>403,655</b>	<b>129,427</b>	<b>202,509,546</b>
<b>Application of funds</b>									
Investments	F-2	149,896	107,547	10,735	14,745,115	10,208,583	375,537	129,198	<b>199,629,068</b>
Current assets	F-3	11,523	6,939	1,353	217,972	132,199	28,183	4,836	<b>3,837,346</b>
Less: Current liabilities and provisions	F-4	30	28	21	10,056	1,900	65	4,607	<b>956,868</b>
<b>Net current assets</b>		<b>11,493</b>	<b>6,911</b>	<b>1,332</b>	<b>207,916</b>	<b>130,299</b>	<b>28,118</b>	<b>229</b>	<b>2,880,478</b>
<b>Total</b>		<b>161,389</b>	<b>114,458</b>	<b>12,067</b>	<b>14,953,031</b>	<b>10,338,882</b>	<b>403,655</b>	<b>129,427</b>	<b>202,509,546</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		161,389	114,458	12,067	14,953,031	10,338,882	403,655	129,427	<b>202,509,546</b>
(b) Number of units outstanding (in '000)		12,886	9,269	991	964,775	634,229	36,567	6,795	
(c) NAV per unit (a)/(b) (₹)		12.52	12.35	12.17	15.50	16.30	11.04	19.05	

# schedules



forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Health Funds															Total	
		Health Balancer Fund	Health Balanced Fund	Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII				
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 29/01/09 HRGF1 105	ULIF 065 26/02/09 HRGF2 105	ULIF 068 31/03/09 HRGF3 105	ULIF 071 29/04/09 HRGF4 105	ULIF 075 17/06/09 HRGF5 105	ULIF 080 16/11/09 HRGF6 105	ULIF 084 HRGF7 105				
Sources of funds																		
Policyholders' funds																		
Policyholder contribution	F-1	333,486 (108,878)	428,693 (151,092)	4,929,436 (1,833,300)	589,224 (215,609)	76,893 (16,990)	1,510,064 (541,792)	40,479 (40,479)	49,203 (49,203)	49,333 (49,333)	22,086 (22,086)	15,123 (12,371)	8,592 (7,163)	4,954 (3,822)	8,057,566 (3,052,118)			
Revenue account																		
<b>Total</b>		<b>224,608</b>	<b>277,601</b>	<b>3,096,136</b>	<b>373,615</b>	<b>59,903</b>	<b>968,272</b>	—	—	—	—	—	<b>2,752</b>	<b>1,429</b>	<b>1,132</b>	<b>5,005,448</b>		
Application of funds																		
Investments	F-2	217,522	266,626	2,968,184	386,729	53,195	939,570	—	—	—	7,842	2,739	1,427	1,074	4,844,908			
Current assets	F-3	7,263	11,879	166,298	269	6,713	28,796	72	41	799	10	82	52	79	222,353			
Less: Current liabilities and provisions	F-4	177	904	38,346	13,383	5	94	72	41	799	7,852	69	50	21	61,813			
<b>Net current assets</b>		<b>7,086</b>	<b>10,975</b>	<b>127,952</b>	<b>(13,114)</b>	<b>6,708</b>	<b>28,702</b>	—	—	—	(7,842)	13	2	58	160,540			
<b>Total</b>		<b>224,608</b>	<b>277,601</b>	<b>3,096,136</b>	<b>373,615</b>	<b>59,903</b>	<b>968,272</b>	—	—	—	—	—	<b>2,752</b>	<b>1,429</b>	<b>1,132</b>	<b>5,005,448</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		224,608	277,601	3,096,136	373,615	59,903	968,272	—	—	—	—	—	2,752	1,429	1,132	5,005,448		
(b) Number of units outstanding (in '000)		12,469	14,055	131,516	16,074	3,948	60,558	—	—	—	—	—	196	104	85			
(c) NAV per unit (a)/(b) (₹)		18.01	19.75	23.54	23.24	15.17	15.99	—	—	—	—	—	14.07	13.79	13.27			

(₹ in '000)

Particulars	Schedule	Linked Group Funds															Group Debt Fund
		Group Capital Fund	Group Capital Fund II	Group Capital Fund III	Group Capital Fund IV	Group Capital Fund V	Group Capital Fund VI	Group Capital Fund VII	Group Capital Fund VIII	Group Capital Fund IX	Group Capital Fund X	Group Capital Fund XI	Group Capital Fund XII	Group Capital Fund XIII	Group Capital Fund XIV	Group Capital Fund XV	
		Guaranteed Fund	Balanced Fund	Balanced Fund II	Balanced Fund III	Balanced Fund IV	Balanced Fund V	Balanced Fund VI	Balanced Fund VII	Balanced Fund VIII	Balanced Fund IX	Balanced Fund X	Balanced Fund XI	Balanced Fund XII	Balanced Fund XIII	Balanced Fund XIV	
Sources of funds																	
Policyholders' funds																	
Policyholder contribution	F-1	10,027,311	10,015	4,768	1,180,861	2,970	12,973	465,893	11,368	18,759	40,874	44,567	2,559,122	44,936	10,729,101		
Revenue account		7,270,302	22	87,322	671,642	104	5,641	488,872	299	11,865	26,781	82,483	1,252,803	691	3,658,658		
<b>Total</b>		<b>17,297,613</b>	<b>10,037</b>	<b>92,090</b>	<b>1,852,503</b>	<b>3,074</b>	<b>18,614</b>	<b>954,765</b>	<b>11,667</b>	<b>30,624</b>	<b>67,655</b>	<b>127,050</b>	<b>3,811,925</b>	<b>45,627</b>	<b>14,387,759</b>		
Application of funds																	
Investments	F-2	16,604,710	9,357	88,717	1,780,422	2,520	18,333	920,494	11,196	29,927	65,876	123,919	3,724,469	42,947	13,750,985		
Current assets	F-3	695,800	2,164	3,397	72,468	555	285	34,456	473	707	1,796	3,150	88,131	2,688	639,117		
Less: Current liabilities and provisions	F-4	2,897	1,484	24	387	1	4	185	2	10	17	19	675	8	2,343		
<b>Net current assets</b>		<b>692,903</b>	<b>680</b>	<b>3,373</b>	<b>72,081</b>	<b>554</b>	<b>281</b>	<b>34,271</b>	<b>471</b>	<b>697</b>	<b>1,779</b>	<b>3,131</b>	<b>87,456</b>	<b>2,680</b>	<b>636,774</b>		
<b>Total</b>		<b>17,297,613</b>	<b>10,037</b>	<b>92,090</b>	<b>1,852,503</b>	<b>3,074</b>	<b>18,614</b>	<b>954,765</b>	<b>11,667</b>	<b>30,624</b>	<b>67,655</b>	<b>127,050</b>	<b>3,811,925</b>	<b>45,627</b>	<b>14,387,759</b>		
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		17,297,613	10,037	92,090	1,852,503	3,074	18,614	954,765	11,667	30,624	67,655	127,050	3,811,925	45,627	14,387,759		
(b) Number of units outstanding (in '000)		590,156	978	4,705	103,016	293	789	48,648	1,103	1,665	3,871	6,219	220,070	4,416	640,937		
(c) NAV per unit (a)/(b) (₹)		29.31	10.26	19.57	17.98	10.49	23.61	19.63	10.57	18.40	17.48	20.43	17.32	10.33	22.45		

# schedules

forming part of the financial statements

*Continued*

## 3.12 FUND BALANCE SHEET AT MARCH 31, 2014

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Group Funds							
		Group Debt Fund II		Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II
		ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105
<b>Sources of funds</b>									
Policyholders' funds									
Policyholder contribution	F-1	10,072	4,613,304	86	626,195	68,649	621,504	(375,266)	(22,068)
Revenue account		606	3,666,888	1	265,891	29,954	132,945	645,448	27,353
<b>Total</b>		<b>10,678</b>	<b>8,280,192</b>	<b>87</b>	<b>892,086</b>	<b>98,603</b>	<b>754,449</b>	<b>270,182</b>	<b>5,285</b>
<b>Application of funds</b>									
Investments	F-2	10,287	8,050,968	75	857,927	96,303	705,934	245,678	4,453
Current assets	F-3	393	230,544	12	34,302	2,316	48,635	24,562	833
Less: Current liabilities and provisions	F-4	2	1,320	-	143	16	120	58	1
<b>Net current assets</b>		<b>391</b>	<b>229,224</b>	<b>12</b>	<b>34,159</b>	<b>2,300</b>	<b>48,515</b>	<b>24,504</b>	<b>832</b>
<b>Total</b>		<b>10,678</b>	<b>8,280,192</b>	<b>87</b>	<b>892,086</b>	<b>98,603</b>	<b>754,449</b>	<b>270,182</b>	<b>5,285</b>
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		10,678	8,280,192	87	892,086	98,603	754,449	270,182	5,285
(b) Number of units outstanding (in '000)		1,007	193,553	8	53,094	6,582	55,149	18,415	373
(c) NAV per unit (a)/(b) (₹)		10.60	42.78	10.27	16.80	14.98	13.68	14.67	14.15

(₹ in '000)

Particulars	Schedule	Linked Group Funds						Total	Grand Total
		Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Superannuation Corporate Bond Fund			
		ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105			
<b>Sources of funds</b>									
Policyholders' funds									
Policyholder contribution	F-1	(606,591)	127,601	462,930	4,531,083	1,741,123	36,952,140	385,050,963	
Revenue account		639,232	29,688	102,095	2,856,856	472,013	22,426,455	218,053,358	
<b>Total</b>		<b>32,641</b>	<b>157,289</b>	<b>565,025</b>	<b>7,387,939</b>	<b>2,213,136</b>	<b>59,378,595</b>	<b>603,104,321</b>	
<b>Application of funds</b>									
Investments	F-2	19,575	144,244	526,239	7,188,847	2,026,720	57,051,122	591,768,112	
Current assets	F-3	13,070	13,076	38,907	200,262	186,769	2,338,868	14,294,506	
Less: Current liabilities and provisions	F-4	4	31	121	1,170	353	11,395	2,958,297	
<b>Net current assets</b>		<b>13,066</b>	<b>13,045</b>	<b>38,786</b>	<b>199,092</b>	<b>186,416</b>	<b>2,327,473</b>	<b>11,336,209</b>	
<b>Total</b>		<b>32,641</b>	<b>157,289</b>	<b>565,025</b>	<b>7,387,939</b>	<b>2,213,136</b>	<b>59,378,595</b>	<b>603,104,321</b>	
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ '000)		32,641	157,289	565,025	7,387,939	2,213,136	59,378,595	603,104,321	
(b) Number of units outstanding (in '000)		2,241	12,722	46,216	348,750	175,638			
(c) NAV per unit (a)/(b) (₹)		14.56	12.36	12.23	21.18	12.60			

# schedules



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*Continued*

Schedule F - 1

POLICYHOLDER CONTRIBUTION AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Balancer Fund		Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
	ULIF 072 28/04/09 105	ULIF 002 22/10/01 105	ULIF 014 17/05/04 105	ULIF 023 13/03/06 105	ULIF 039 27/08/07 105	ULIF 087 24/11/09 105	ULIF 008 11/08/03 105	ULIF 100 01/07/10 105	ULIF 097 11/01/10 105	ULIF 031 20/03/07 105	ULIF 032 20/03/07 105	ULIF 033 20/03/07 105
Opening balance	6,285	1,328,064	346,386	55,360	796,296	1,775,441	2,035,946	4,126,244	17,801,077	789,191	671,404	33,993
Add: Additions during the year*	2,956	580,287	333,047	15,005	199,234	859,779	236,849	6,378,190	4,880,980	76,312	76,513	17,895
Less: Deductions during the year**	(527)	(2,419,687)	(639,388)	(98,320)	(153,120)	(346,375)	(203,109)	(10,795)	(3,097,540)	(311,552)	(175,887)	(24,472)
<b>Closing balance</b>	<b>8,714</b>	<b>(511,336)</b>	<b>40,045</b>	<b>(27,955)</b>	<b>842,410</b>	<b>2,288,845</b>	<b>2,069,686</b>	<b>10,493,639</b>	<b>19,584,517</b>	<b>553,951</b>	<b>572,030</b>	<b>27,416</b>

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds												
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Cash Fund	Shield Fund - Life	Invest LInvCash	Growth Fund	Life Secure Fund	Maximiser Fund
	ULIF 040 27/08/07 105	ULIF 026 20/03/07 105	ULIF 027 20/03/07 105	ULIF 028 20/03/07 105	ULIF 038 27/08/07 105	ULIF 116 15/03/11 105	ULIF 089 24/11/09 105	ULIF 020 03/01/05 105	ULIF 018 03/01/05 105	ULIF 134 19/09/13 105	ULIF 135 19/09/13 105	ULIF 001 22/10/01 105	
Opening balance	234,992	11,100,706	10,064,815	755,099	8,849,698	21,889,202	8,823,074	4,382,091	1,853,727	—	—	3,827,817	
Add: Additions during the year*	48,505	1,160,995	943,223	26,233	1,259,603	13,128,651	12,604,472	383,866	201,811	626,282	534,001	2,061,720	
Less: Deductions during the year**	(46,153)	(7,542,580)	(3,412,201)	(433,404)	(3,414,739)	(2,950,558)	(3,369,488)	(364,170)	(71,951)	(756)	(127)	(12,261,649)	
<b>Closing balance</b>	<b>237,344</b>	<b>4,719,121</b>	<b>7,595,837</b>	<b>347,928</b>	<b>6,694,562</b>	<b>32,067,295</b>	<b>18,058,058</b>	<b>4,401,787</b>	<b>1,983,587</b>	<b>625,526</b>	<b>533,874</b>	<b>(6,372,112)</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds											
	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund
	ULIF 012 17/05/04 105	ULIF 022 13/03/06 105	ULIF 037 27/08/07 105	ULIF 114 15/03/11 105	ULIF 090 24/11/09 105	ULIF 088 24/11/09 105	ULIF 085 24/11/09 105	ULIF 042 22/11/07 105	ULIF 044 25/02/08 105	ULIF 046 25/02/08 105	ULIF 047 25/02/08 105	ULIF 025 21/08/06 105
Opening balance	295,341	77,944	386,857	2,959,864	2,908,816	1,672,511	12,789,134	6,053,770	1,855,935	102,006	858,050	2,299,567
Add: Additions during the year*	506,098	6,328	32,482	6,525,177	9,183,876	1,116,659	5,026,883	514,143	192,675	10,024	110,834	187,579
Less: Deductions during the year**	(2,569,717)	(631,281)	(224,132)	(738,786)	(1,628,802)	(187,044)	(2,205,284)	(4,123,503)	(617,258)	(62,501)	(353,634)	(213,009)
<b>Closing balance</b>	<b>(1,768,278)</b>	<b>(547,009)</b>	<b>195,207</b>	<b>8,746,255</b>	<b>10,463,890</b>	<b>2,602,126</b>	<b>15,610,733</b>	<b>2,444,410</b>	<b>1,431,352</b>	<b>49,529</b>	<b>615,250</b>	<b>2,274,137</b>

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds											
	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II
	ULIF 086 24/11/09 105	ULIF 081 26/10/09 105	ULIF 105 26/10/10 105	ULIF 010 17/05/04 105	ULIF 021 13/03/06 105	ULIF 036 27/08/07 105	ULIF 003 22/10/01 105	ULIF 016 17/05/04 105	ULIF 024 13/03/06 105	ULIF 041 27/08/07 105	ULIF 054 18/12/08 105	ULIF 063 27/01/09 105
Opening balance	3,314,192	11,567,418	4,516,015	2,471,058	132,331	237,755	4,832,758	2,152,172	226,830	3,458,872	348,452	404,423
Add: Additions during the year*	1,028,346	157,805	1,455,284	5,745,958	304,251	755,073	2,693,375	1,240,172	157,991	966,567	19	71
Less: Deductions during the year**	(728,966)	(1,152,806)	(360,723)	(2,499,599)	(127,167)	(252,081)	(3,202,166)	(1,175,615)	(183,016)	(1,066,329)	(477,432)	(527,241)
<b>Closing balance</b>	<b>3,613,572</b>	<b>10,572,417</b>	<b>5,610,576</b>	<b>5,717,417</b>	<b>309,415</b>	<b>740,747</b>	<b>4,323,967</b>	<b>2,216,729</b>	<b>201,805</b>	<b>3,359,110</b>	<b>(128,961)</b>	<b>(122,747)</b>

\* Represents unit creation

\*\* Represents unit cancellations

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 1

### POLICYHOLDER CONTRIBUTION AT MARCH 31, 2014

Particulars	Linked Life Funds											(₹ in '000)
	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	
	ULIF 066 26/02/09	ULIF 069 31/03/09	ULIF 107 22/12/10	ULIF 106 22/12/10	ULIF 073 29/04/09	ULIF 078 17/06/09	ULIF 082 16/11/09	ULIF 104 12/10/10	ULIF 103 12/10/10	ULIF 112 13/01/11	ULIF 111 13/01/11	
LRGF(T3) 105	LRGF(T4) 105	LRGF(S2) 105	LRGF(T9) 105	LRGF(T5) 105	LRGF(T6) 105	LRGF(S1) 105	LRGF(T8) 105	LRGF(S3) 105	LRGF(T10) 105			
Opening balance	373,150	151,905	125,537	1,202,548	76,838	75,854	32,955	253,616	911,097	434,817	2,483,010	
Add: Additions during the year*	46	85	—	—	158	78	7	25	—	—	123	
Less: Deductions during the year**	(497,351)	(194,103)	(2,376)	(12,134)	(20,300)	(16,458)	(5,996)	(6,623)	(20,713)	(7,660)	(25,267)	
<b>Closing balance</b>	<b>(124,155)</b>	<b>(42,113)</b>	<b>123,161</b>	<b>1,190,414</b>	<b>56,696</b>	<b>59,474</b>	<b>26,966</b>	<b>247,018</b>	<b>890,384</b>	<b>427,157</b>	<b>2,457,866</b>	

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Life Funds											(₹ in '000)
	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total		
	ULIF 121 19/04/11	ULIF 120 17/03/11	ULIF 048 17/03/08	ULIF 049 17/03/08	ULIF 050 17/03/08	ULIF 051 17/03/08	ULIF 007 11/08/03	ULIF 077 29/05/09	ULIF 076 29/05/09			
LRGF(S4) 105	LRGF(T11) 105	105	105	105	105	105	LSecPlus 105	LSSavBuild 105	LSSavGtee 105			
Opening balance	22,730	1,217,761	7,258,384	9,421,890	325,876	4,357,675	348,533	37,865	155,290	196,736,310		
Add: Additions during the year*	1	—	653,175	906,451	35,795	605,164	36,877	6,959	28,811	86,827,834		
Less: Deductions during the year**	(1,132)	(28,065)	(3,825,470)	(2,895,024)	(236,289)	(1,450,919)	(90,350)	(3,431)	(15,297)	(76,011,598)		
<b>Closing balance</b>	<b>21,599</b>	<b>1,189,696</b>	<b>4,086,089</b>	<b>7,433,317</b>	<b>125,382</b>	<b>3,511,920</b>	<b>295,060</b>	<b>41,393</b>	<b>168,804</b>	<b>207,552,546</b>		

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Pension funds												(₹ in '000)	
	Discontinued Fund - Pension	Easy Retirement Fund	Invest Fund	Shield Fund	Pension Balancer Fund	Pension Balancer Fund	Pension Bluechip Fund	Pension Dynamic Fund	Pension P/E Fund	Pension Balanced Fund	Pension Flexi Fund	Pension Flexi Fund	Pension Growth Fund	Pension Flexi Fund
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PlnvShld 105	ULIF 005 03/05/02 PBalancer1	ULIF 015 17/05/04 105	ULIF 093 11/01/10 105	ULIF 098 11/01/10 105	ULIF 034 20/03/07 105	ULIF 035 20/03/07 105	ULIF 029 20/03/07 105	ULIF 030 20/03/07 105		
Opening balance	—	—	—	340,327	4,203,587	4,057,316	2,658,632	19,505,956	1,044,945	903,099	19,379,582	11,576,602		
Add: Additions during the year*	1,709	312,279	103,520	40,862	483,188	776,849	263,622	1,973,285	114,436	128,813	2,351,963	1,485,950		
Less: Deductions during the year**	—	(122)	(50)	(20,627)	(1,949,407)	(1,681,843)	(633,646)	(5,590,450)	(300,724)	(396,256)	(7,949,624)	(8,224,560)		
<b>Closing balance</b>	<b>1,709</b>	<b>312,157</b>	<b>103,470</b>	<b>360,562</b>	<b>2,737,368</b>	<b>3,152,322</b>	<b>2,288,608</b>	<b>15,888,791</b>	<b>858,657</b>	<b>635,656</b>	<b>13,781,921</b>	<b>4,837,992</b>		

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Pension funds												(₹ in '000)
	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund	Pension Money Market Fund	Pension Multi Cap Fund	Pension Multi Cap Fund	Pension Multi Cap Fund	Pension Multiplier Fund	Pension Multiplier Fund	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund
	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 Pincome 105	ULIF 004 03/05/02 PMaximis1	ULIF 013 17/05/04 PMaximis2	ULIF 096 11/01/10 PMoneyMkt	ULIF 094 11/01/10 PMCapBal	ULIF 091 11/01/10 PMCapGro	ULIF 043 25/02/08 105	ULIF 045 25/02/08 105	ULIF 092 11/01/10 PMultip1 105	ULIF 011 11/01/10 PMultip2 105	ULIF 006 11/01/10 POpport 105	ULIF 011 11/01/10 PPreserv 105
Opening balance	208,805	9,126,507	1,611,858	4,934,882	2,589,069	2,483,503	16,624,216	5,335,413	2,655,444	7,222,871	4,592,211	13,081,708	
Add: Additions during the year*	205,211	3,048,242	229,716	967,526	5,280,556	222,186	1,868,195	416,526	284,646	661,753	9,944,651	3,556,130	
Less: Deductions during the year**	(23,821)	(1,861,666)	(1,883,867)	(5,010,133)	(1,141,889)	(384,876)	(4,112,539)	(2,072,940)	(1,357,095)	(2,124,771)	(4,434,273)	(4,958,674)	
<b>Closing balance</b>	<b>390,195</b>	<b>10,313,083</b>	<b>(42,293)</b>	<b>892,275</b>	<b>6,727,736</b>	<b>2,320,813</b>	<b>14,379,872</b>	<b>3,678,999</b>	<b>1,582,995</b>	<b>5,759,853</b>	<b>10,102,589</b>	<b>11,679,164</b>	

\* Represents unit creation

\*\* Represents unit cancellations

# schedules



forming part of the financial statements

*Continued*

Schedule F - 1

POLICYHOLDER CONTRIBUTION AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Pension funds																	
	Pension Protector Fund II		Pension Return Guarantee Fund		Pension Return Guarantee Fund II		Pension Return Guarantee Fund III		Pension Return Guarantee Fund IV		Pension Return Guarantee Fund IX (10 Yrs)		Pension Return Guarantee Fund V		Pension Return Guarantee Fund VI		Pension Return Guarantee Fund VII	
	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	
	055 18/12/08 PRGF1 105	064 27/01/09 PRGF2 105	067 26/02/09 PRGF3 105	070 31/03/09 PRGF4 105	074 29/04/09 PRGF5 105	079 17/06/09 PRGF6 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	083 16/11/09 PRGF7 105	
	5,590,678	1,018,512	931,684	879,522	354,836	41,503	201,659	275,888	562,285									
Opening balance																		
Add: Additions during the year*	2,797,065	1,020	990	1,192	—	109	121	121	211									
Less: Deductions during the year**	(3,646,900)	(1,563,634)	(1,480,635)	(1,374,431)	(508,227)	(281)	(51,176)	(65,322)	(138,057)									
Closing balance	<b>4,740,843</b>	<b>(544,102)</b>	<b>(547,961)</b>	<b>(493,717)</b>	<b>(153,391)</b>	<b>41,331</b>	<b>150,604</b>	<b>210,687</b>	<b>424,439</b>									

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Pension funds								Total	
	Pension Return Guarantee Fund VIII		Pension Return Guarantee Fund X (10 Yrs)		Pension Return Guarantee Fund XI (10 Yrs)		Pension RICH Fund			
	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSECPlus 105			
	130,414	96,207	10,996	16,203,179	9,848,339	186,928	137,779		170,606,942	
Opening balance										
Add: Additions during the year*	12	—	152	1,452,608	1,356,626	209,814	9,857		40,551,712	
Less: Deductions during the year**	(658)	(2,124)	(1,459)	(7,455,387)	(6,179,351)	(3,544)	(84,904)		(78,669,943)	
Closing balance	<b>129,768</b>	<b>94,083</b>	<b>9,689</b>	<b>10,200,400</b>	<b>5,025,614</b>	<b>393,198</b>	<b>62,732</b>		<b>132,488,711</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Health Funds														Total	
	Health Balancer Fund	Health Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Guarantee Fund	Health Return Fund	Health Return Fund	Health Return Fund	Health Return Fund	Health Return Fund	Health Return Fund	Health Return Fund		
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HflexiBal 105	ULIF 057 15/01/09 HflexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 063 29/01/09 HRGF2 105	ULIF 064 29/01/09 HRGF3 105	ULIF 065 29/01/09 HRGF4 105	ULIF 066 29/01/09 HRGF5 105	ULIF 067 29/01/09 HRGF6 105	ULIF 068 29/01/09 HRGF7 105		Total	
	244,297	295,009	3,835,480	472,032	40,987	1,113,555	52,994	62,526	65,501	30,263	15,186	8,657	4,981		6,241,468	
Opening balance																
Add: Additions during the year*	92,032	136,739	1,199,995	132,301	37,826	419,299	841	—	2	—	19	30	—		2,019,084	
Less: Deductions during the year**	(2,843)	(3,055)	(106,039)	(15,109)	(1,920)	(22,790)	(13,356)	(13,323)	(16,170)	(8,177)	(82)	(95)	(27)		(202,986)	
Closing balance	<b>333,486</b>	<b>428,693</b>	<b>4,929,436</b>	<b>589,224</b>	<b>76,893</b>	<b>1,510,064</b>	<b>40,479</b>	<b>49,203</b>	<b>49,333</b>	<b>22,086</b>	<b>15,123</b>	<b>8,592</b>	<b>4,954</b>		<b>8,057,566</b>	

\* Represents unit creation

\*\* Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds														Group Debt Fund
	Group Capital Fund	Group Capital Fund II	Group Capital Fund Balanced	Group Capital Fund II	Group Capital Fund Balanced	Group Capital Fund II	Group Capital Fund Balanced	Group Capital Fund II	Group Capital Fund Balanced	Group Capital Fund II	Group Capital Fund Balanced	Group Capital Fund II	Group Capital Fund Balanced	Group Capital Fund II	
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 049 27/08/13 GCGBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 031 01/03/12 GCGSTDebt3 105	ULGF 002 03/04/03 GDebt 105	
	10,309,917	—	20,042	1,137,435	—	9,010	509,518	—	19,078	37,550	38,595	2,103,029	—	10,867,357	
Opening balance															
Add: Additions during the year*	1,743,122	10,015	4,738	165,695	2,970	5,026	69,356	11,379	2,459	14,082	11,109	836,216	44,936	1,967,477	
Less: Deductions during the year**	(2,025,728)	—	(20,012)	(122,269)	—	(1,063)	(112,981)	(11)	(2,778)	(10,758)	(5,137)	(380,123)	—	(2,105,733)	
Closing balance	<b>10,027,311</b>	<b>10,015</b>	<b>4,768</b>	<b>1,180,861</b>	<b>2,970</b>	<b>12,973</b>	<b>465,893</b>	<b>11,368</b>	<b>18,759</b>	<b>40,874</b>	<b>44,567</b>	<b>2,559,122</b>	<b>44,936</b>	<b>10,729,101</b>	

\* Represents unit creation

\*\* Represents unit cancellations

# schedules

forming part of the financial statements

*Continued*

Schedule F - 1

POLICYHOLDER CONTRIBUTION AT MARCH 31, 2014

Particulars	Linked Group Funds								(₹ in '000)
	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	
	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth2 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	
Opening balance	—	4,919,441	—	618,979	68,164	614,066	(374,170)	(21,889)	
Add: Additions during the year*	10,072	509,236	86	12,757	1,249	10,250	3,991	88	
Less: Deductions during the year**	—	(815,373)	—	(5,541)	(764)	(2,812)	(5,087)	(267)	
<b>Closing balance</b>	<b>10,072</b>	<b>4,613,304</b>	<b>86</b>	<b>626,195</b>	<b>68,649</b>	<b>621,504</b>	<b>(375,266)</b>	<b>(22,068)</b>	

\* Represents unit creation

\*\* Represents unit cancellations

Particulars	Linked Group Funds						Total	Grand Total
	Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Superannuation Fund	Group Corporate Bond Fund		
	ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105			
Opening balance	2,111,385	126,574	459,663	4,177,452	1,991,268	39,742,464	39,742,464	413,327,184
Add: Additions during the year*	39,899	1,976	6,307	2,930,893	16,838	8,432,222	8,432,222	137,830,852
Less: Deductions during the year**	(2,757,875)	(949)	(3,040)	(2,577,262)	(266,983)	(11,222,546)	(11,222,546)	(166,107,073)
<b>Closing balance</b>	<b>(606,591)</b>	<b>127,601</b>	<b>462,930</b>	<b>4,531,083</b>	<b>1,741,123</b>	<b>36,952,140</b>	<b>36,952,140</b>	<b>385,050,963</b>

\* Represents unit creation

\*\* Represents unit cancellations

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
	ULIF 072 22/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDisccont 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
<b>Approved investments</b>												
Government bonds	—	1,925,061	641,400	49,073	166,428	—	729,219	69	1,053,376	120,888	89,268	6,931
Corporate bonds	—	2,675,510	838,002	66,832	227,822	—	897,663	330,835	414,796	188,396	139,199	7,714
Infrastructure bonds	—	626,322	164,737	16,146	33,935	—	313,363	—	67,909	36,488	19,836	1,003
Equity	—	3,696,839	1,272,944	93,848	333,983	2,073,751	—	—	18,596,071	535,777	397,827	30,952
Money market	1,896	224,834	84,100	6,738	89,323	—	217,414	10,342,052	198,669	19,924	20,330	13,044
Mutual funds	123	19,013	9,280	389	2,224	30,265	15,034	—	23,506	3,051	1,854	159
Deposit with banks	5,431	1,500,400	550,400	29,900	110,000	—	520,200	545,274	—	70,000	60,000	—
Preference shares	—	70,000	24,500	1,890	7,000	—	—	—	—	176	126	11
<b>Total</b>	<b>7,450</b>	<b>10,737,979</b>	<b>3,585,363</b>	<b>264,816</b>	<b>970,715</b>	<b>2,104,016</b>	<b>2,692,893</b>	<b>11,218,230</b>	<b>20,354,327</b>	<b>974,700</b>	<b>728,440</b>	<b>59,814</b>
<b>Other investments</b>												
Corporate bonds	—	71,505	19,570	—	3,011	—	—	90,322	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	342,626	123,426	9,014	31,685	76,690	—	—	525,931	43,246	31,985	2,498
Money market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	287	—	—	—	—	127,366	—	—	—	—	—	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>287</b>	<b>414,131</b>	<b>142,996</b>	<b>9,014</b>	<b>34,696</b>	<b>204,056</b>	<b>—</b>	<b>90,322</b>	<b>525,931</b>	<b>43,246</b>	<b>31,985</b>	<b>2,498</b>
<b>Grand total</b>	<b>7,737</b>	<b>11,152,110</b>	<b>3,728,359</b>	<b>273,830</b>	<b>1,005,411</b>	<b>2,308,072</b>	<b>2,692,893</b>	<b>11,308,552</b>	<b>20,880,258</b>	<b>1,017,946</b>	<b>760,425</b>	<b>62,312</b>
% of approved investments to Total	96.29%	96.29%	96.16%	96.71%	96.55%	91.16%	100.00%	99.20%	97.48%	95.75%	95.79%	95.99%
% of other investments to Total	3.71%	3.71%	3.84%	3.29%	3.45%	8.84%	0.00%	0.80%	2.52%	4.25%	4.21%	4.01%

(₹ in '000)

Particulars	Linked Life Funds											
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximiser Fund
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 001 22/10/01 LMaximis1 105
<b>Approved investments</b>												
Government bonds	32,751	—	—	—	—	12,630,717	4,554,465	1,329,953	563,916	—	61,150	—
Corporate bonds	54,137	—	—	—	—	—	5,121,929	1,715,175	753,727	—	97,740	128,158
Infrastructure bonds	5,927	—	—	—	—	—	1,266,843	492,235	97,352	—	58,029	73,993
Equity	147,970	16,339,835	9,816,617	818,728	9,022,934	18,408,757	—	—	387,659	461,993	—	36,422,316
Money market	8,485	—	—	—	39,848	—	2,618,921	321,868	272,768	8,312	155,200	681,896
Mutual funds	746	188,300	10,116	5,551	125,773	203,493	6,982	6,251	759	6,957	439	147,487
Deposit with banks	19,900	—	—	—	—	—	3,513,900	1,020,200	420,300	—	39,500	300,000
Preference shares	44	7,999	1,827	209	1,566	—	—	—	134	—	—	—
<b>Total</b>	<b>269,960</b>	<b>16,536,134</b>	<b>9,828,560</b>	<b>824,488</b>	<b>9,190,121</b>	<b>31,242,967</b>	<b>17,083,040</b>	<b>4,885,682</b>	<b>2,496,615</b>	<b>477,262</b>	<b>412,058</b>	<b>37,753,850</b>
<b>Other investments</b>												
Corporate bonds	—	—	—	—	—	—	106,239	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	11,452	696,685	404,472	33,121	432,487	484,675	106,239	—	28,130	57,050	—	3,605,644
Money market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	84,026	—	—	—	—	50,984	—	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>11,452</b>	<b>696,685</b>	<b>404,472</b>	<b>33,121</b>	<b>432,487</b>	<b>484,675</b>	<b>106,239</b>	<b>—</b>	<b>28,130</b>	<b>108,034</b>	<b>—</b>	<b>3,605,644</b>
<b>Grand total</b>	<b>281,412</b>	<b>17,232,819</b>	<b>10,233,032</b>	<b>857,609</b>	<b>9,622,608</b>	<b>31,727,642</b>	<b>17,189,279</b>	<b>4,885,682</b>	<b>2,524,745</b>	<b>585,296</b>	<b>412,058</b>	<b>41,359,494</b>
% of approved investments to Total	95.93%	95.96%	96.05%	96.14%	95.51%	98.47%	99.38%	100.00%	98.89%	81.54%	100.00%	91.28%
% of other investments to Total	4.07%	4.04%	3.95%	3.86%	4.49%	1.53%	0.62%	0.00%	1.11%	18.46%	0.00%	8.72%

# schedules

forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds												
	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield	Balanced Fund
	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	
<b>Approved investments</b>													
Government bonds	—	—	—	—	—	285,911	—	—	—	—	—	—	518,456
Corporate bonds	—	—	—	121,862	738,603	363,122	—	—	—	—	—	—	631,295
Infrastructure bonds	—	—	—	—	59,650	29,473	—	—	—	—	—	—	102,899
Equity	9,205,225	1,544,924	454,713	8,054,750	—	1,390,741	15,050,084	7,589,985	1,806,136	113,813	836,431	924,414	
Money market	287,882	—	—	395,949	5,868,854	198,997	183,057	—	—	—	—	—	166,928
Mutual funds	66,370	17,778	6,661	122,494	242	863	212,175	28,825	25,331	681	11,634	16,360	
Deposit with banks	—	—	—	—	3,421,300	380,400	—	—	—	—	—	—	480,400
Preference shares	—	—	—	—	—	342	9,424	—	—	—	—	—	306
<b>Total</b>	<b>9,559,477</b>	<b>1,562,702</b>	<b>461,374</b>	<b>8,695,055</b>	<b>10,088,649</b>	<b>2,649,849</b>	<b>15,454,740</b>	<b>7,618,810</b>	<b>1,831,467</b>	<b>114,494</b>	<b>848,065</b>	<b>2,841,058</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	896,513	150,375	43,715	791,069	—	111,126	658,240	259,101	64,316	5,029	29,600	68,159	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	—	—	1,374	41,331	—	—	141,325	—	34,222	—	8,847	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	15,735	
<b>Total</b>	<b>896,513</b>	<b>150,375</b>	<b>45,089</b>	<b>832,400</b>	<b>—</b>	<b>111,126</b>	<b>799,565</b>	<b>259,101</b>	<b>98,538</b>	<b>5,029</b>	<b>38,447</b>	<b>83,894</b>	
<b>Grand total</b>	<b>10,455,990</b>	<b>1,713,077</b>	<b>506,463</b>	<b>9,527,455</b>	<b>10,088,649</b>	<b>2,760,975</b>	<b>16,254,305</b>	<b>7,877,911</b>	<b>1,930,005</b>	<b>119,523</b>	<b>886,512</b>	<b>2,924,952</b>	
% of approved investments to Total	91.43%	91.22%	91.10%	91.26%	100.00%	95.98%	95.08%	96.71%	94.89%	95.79%	95.66%	97.13%	
% of other investments to Total	8.57%	8.78%	8.90%	8.74%	0.00%	4.02%	4.92%	3.29%	5.11%	4.21%	4.34%	2.87%	

Particulars	Linked Life Funds												
	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	
	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	
<b>Approved investments</b>													
Government bonds	—	3,601,484	1,376,667	—	—	—	2,310,943	1,014,608	117,220	1,066,094	—	—	
Corporate bonds	—	—	—	608,351	27,886	55,877	2,929,059	1,237,789	146,955	1,305,399	—	—	
Infrastructure bonds	—	—	—	57,861	—	—	1,081,540	490,092	57,032	449,765	—	—	
Equity	3,026,314	7,025,692	4,185,103	—	—	—	—	—	—	—	—	—	
Money market	298,004	—	—	4,455,985	234,499	594,349	699,577	279,478	19,083	278,186	—	—	
Mutual funds	49,098	2,498	28,202	103	45	42	9,628	9,015	751	5,320	—	—	
Deposit with banks	—	—	—	2,240,500	82,140	84,500	1,460,300	830,300	70,200	760,200	—	—	
Preference shares	2,499	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>3,375,915</b>	<b>10,629,674</b>	<b>5,589,972</b>	<b>7,362,800</b>	<b>344,570</b>	<b>734,768</b>	<b>8,491,047</b>	<b>3,861,282</b>	<b>411,241</b>	<b>3,864,964</b>	<b>—</b>	<b>—</b>	
<b>Other investments</b>													
Corporate bonds	—	—	—	—	—	—	63,225	25,591	3,763	24,838	—	—	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	366,659	184,990	109,992	—	—	—	—	—	—	—	—	—	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	7,403	—	—	—	—	—	—	—	—	—	—	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>374,062</b>	<b>184,990</b>	<b>109,992</b>	<b>—</b>	<b>—</b>	<b>63,225</b>	<b>25,591</b>	<b>3,763</b>	<b>24,838</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Grand total</b>	<b>3,749,977</b>	<b>10,814,664</b>	<b>5,699,964</b>	<b>7,362,800</b>	<b>344,570</b>	<b>734,768</b>	<b>8,554,272</b>	<b>3,886,873</b>	<b>415,004</b>	<b>3,889,802</b>	<b>—</b>	<b>—</b>	
% of approved investments to Total	90.02%	98.29%	98.07%	100.00%	100.00%	100.00%	99.26%	99.34%	99.09%	99.36%	—	—	
% of other investments to Total	9.98%	1.71%	1.93%	0.00%	0.00%	0.00%	0.74%	0.66%	0.91%	0.64%	—	—	

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	
	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 111 13/01/11 LRGF(T10) 105	
<b>Approved investments</b>												
Government bonds	—	—	75,388	19,031	—	—	—	126,937	29,724	247,307	—	—
Corporate bonds	—	—	12,752	528,433	2,001	7,986	2,022	53,930	468,867	70,075	1,087,316	—
Infrastructure bonds	—	—	20,452	424,208	9,877	10,900	11,387	43,006	131,424	70,706	679,086	—
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money market	—	132,296	—	102,638	40,532	25,487	7,280	—	161,251	—	—	122,821
Mutual funds	—	2,178	1,976	19,364	881	984	420	3,994	14,584	6,698	39,695	—
Deposit with banks	—	—	21,020	169,400	900	10,200	2,810	47,790	129,200	70,115	545,387	—
Preference shares	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	—	<b>134,474</b>	<b>131,588</b>	<b>1,263,074</b>	<b>54,191</b>	<b>55,557</b>	<b>23,919</b>	<b>275,657</b>	<b>935,050</b>	<b>464,901</b>	<b>2,474,305</b>	—
<b>Other investments</b>												
Corporate bonds	—	—	—	49,734	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	—	15,514	8,801	50,287	6,374	7,159	3,060	5,437	106,676	6,290	290,983	—
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	—	<b>15,514</b>	<b>8,801</b>	<b>100,021</b>	<b>6,374</b>	<b>7,159</b>	<b>3,060</b>	<b>5,437</b>	<b>106,676</b>	<b>6,290</b>	<b>290,983</b>	—
<b>Grand total</b>	—	<b>149,988</b>	<b>140,389</b>	<b>1,363,095</b>	<b>60,565</b>	<b>62,716</b>	<b>26,979</b>	<b>281,094</b>	<b>1,041,726</b>	<b>471,191</b>	<b>2,765,288</b>	—
% of approved investments to Total	—	89.66%	93.73%	92.66%	89.48%	88.59%	88.66%	98.07%	89.76%	98.67%	89.48%	—
% of other investments to Total	—	10.34%	6.27%	7.34%	10.52%	11.41%	11.34%	1.93%	10.24%	1.33%	10.52%	—

(₹ in '000)

Particulars	Linked Life Funds										Total
	Return Guarantee Fund XI XI (10 Yrs)	Return Guarantee Fund XI XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
<b>Approved investments</b>											
Government bonds	9,038	—	—	—	—	—	—	98,594	2,187	19,513	<b>34,873,767</b>
Corporate bonds	8,614	552,324	—	—	—	—	—	109,091	5,086	32,762	<b>24,765,092</b>
Infrastructure bonds	985	366,204	—	—	—	—	—	24,806	2,895	13,618	<b>7,411,984</b>
Equity	—	—	5,969,802	7,474,552	343,160	3,658,150	82,921	27,522	58,109	<b>197,681,342</b>	—
Money market	—	123,764	—	—	—	—	51,149	3,922	32,979	<b>30,090,569</b>	—
Mutual funds	303	18,569	70,476	108,276	3,227	53,675	1,522	200	675	<b>1,769,565</b>	—
Deposit with banks	2,390	130,700	—	—	—	—	60,200	—	10,100	<b>19,715,857</b>	—
Preference shares	—	—	2,160	2,664	123	1,318	—	—	—	<b>134,318</b>	—
<b>Total</b>	<b>21,330</b>	<b>1,191,561</b>	<b>6,042,438</b>	<b>7,585,492</b>	<b>346,510</b>	<b>3,713,143</b>	<b>428,283</b>	<b>41,812</b>	<b>167,756</b>	<b>316,442,494</b>	—
<b>Other investments</b>											
Corporate bonds	—	—	—	—	—	—	—	—	—	—	<b>457,798</b>
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—
Equity	—	—	532,344	666,413	30,754	328,840	—	1,587	3,391	<b>12,159,004</b>	—
Money market	—	—	—	—	—	—	—	—	—	—	—
Mutual funds	240	74,348	—	43,222	—	52,427	—	—	—	<b>1,167,983</b>	—
Venture fund	—	—	—	—	—	—	—	—	—	<b>15,735</b>	—
<b>Total</b>	<b>240</b>	<b>74,348</b>	<b>532,344</b>	<b>709,635</b>	<b>30,754</b>	<b>381,267</b>	<b>—</b>	<b>1,587</b>	<b>3,391</b>	<b>13,800,520</b>	—
<b>Grand total</b>	<b>21,570</b>	<b>1,265,909</b>	<b>6,574,782</b>	<b>8,295,127</b>	<b>377,264</b>	<b>4,094,410</b>	<b>428,283</b>	<b>43,399</b>	<b>171,147</b>	<b>330,243,014</b>	—
% of approved investments to Total	98.89%	94.13%	91.90%	91.45%	91.85%	90.69%	100.00%	96.34%	98.02%	<b>95.82%</b>	—
% of other investments to Total	1.11%	5.87%	8.10%	8.55%	8.15%	9.31%	0.00%	3.66%	1.98%	<b>4.18%</b>	—

# schedules

forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Pension Funds													
	Discontinued Fund - Pension	Easy Retirement Fund	Easy Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II		
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105		
<b>Approved investments</b>														
Government bonds	—	10,561	6,161	74,764	722,366	842,341	—	610,619	88,874	98,912	—	—	—	
Corporate bonds	—	16,263	21,207	119,014	1,309,022	1,836,472	—	60,000	147,774	163,074	—	—	—	
Infrastructure bonds	—	8,827	3,923	53,634	309,481	437,045	—	—	25,838	33,837	—	—	—	
Equity	—	113,098	—	77,359	1,882,071	2,330,137	1,925,000	14,407,164	515,939	580,892	19,077,334	16,392,063	—	
Money market	1,788	88,710	46,578	141,460	215,152	249,799	—	149,002	141,751	178,920	—	95,818	—	
Mutual funds	—	3,570	1,211	1,858	11,085	11,013	27,092	23,438	4,462	4,311	27,400	15,122	—	
Deposit with banks	—	—	2,511	30,000	713,800	1,041,900	—	—	60,000	50,000	250,189	211	—	
Preference shares	—	—	—	27	127	86	147	—	660	895	10,217	10,246	—	
<b>Total</b>	<b>1,788</b>	<b>241,029</b>	<b>81,591</b>	<b>498,116</b>	<b>5,163,104</b>	<b>6,748,793</b>	<b>1,952,239</b>	<b>15,250,223</b>	<b>985,298</b>	<b>1,110,841</b>	<b>19,365,140</b>	<b>16,513,460</b>		
<b>Other investments</b>														
Corporate bonds	—	—	—	—	48,172	83,548	—	—	—	—	—	—	—	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	—	13,392	—	5,558	156,062	191,593	82,909	407,536	54,459	61,161	479,523	393,550	—	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	—	26,146	8,850	—	—	—	35,077	—	—	—	—	—	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>—</b>	<b>39,538</b>	<b>8,850</b>	<b>5,558</b>	<b>204,234</b>	<b>275,141</b>	<b>117,986</b>	<b>407,536</b>	<b>54,459</b>	<b>61,161</b>	<b>479,523</b>	<b>393,550</b>		
<b>Grand total</b>	<b>1,788</b>	<b>280,567</b>	<b>90,441</b>	<b>503,674</b>	<b>5,367,338</b>	<b>7,023,934</b>	<b>2,070,225</b>	<b>15,657,759</b>	<b>1,039,757</b>	<b>1,172,002</b>	<b>19,844,663</b>	<b>16,907,010</b>		
% of approved investments to Total	100.00%	85.91%	90.21%	98.90%	96.19%	96.08%	94.30%	97.40%	94.76%	94.78%	97.58%	97.67%		
% of other investments to Total	0.00%	14.09%	9.79%	1.10%	3.81%	3.92%	5.70%	2.60%	5.24%	5.22%	2.42%	2.33%		

Particulars	Linked Pension Funds													
	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund		
	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/10/10 Pincome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultipl1 105	ULIF 045 25/02/08 PMultipl2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105		
<b>Approved investments</b>														
Government bonds	—	2,251,016	—	—	—	164,885	—	—	—	—	—	—	3,162,751	
Corporate bonds	—	3,100,935	—	263,750	636,088	293,548	—	—	—	—	—	958,402	5,059,265	
Infrastructure bonds	—	684,488	—	—	79,808	89,524	—	—	—	—	—	—	1,923,295	
Equity	368,592	—	4,467,449	15,108,671	—	1,235,425	13,323,760	4,221,726	2,209,985	4,800,960	—	—	—	
Money market	—	1,875,770	—	—	4,772,893	258,494	99,335	—	—	48,887	6,375,299	2,272,981	—	
Mutual funds	5,636	18,162	65,845	43,170	33	6,461	129,463	59,102	30,917	73,597	73	21,172	—	
Deposit with banks	—	2,112,900	—	100,000	1,380,400	210,500	—	—	—	—	4,242,400	2,816,103	—	
Preference shares	—	—	—	—	—	384	14,438	—	—	3,850	—	—	—	
<b>Total</b>	<b>374,228</b>	<b>10,043,271</b>	<b>4,533,294</b>	<b>15,515,591</b>	<b>6,869,222</b>	<b>2,259,221</b>	<b>13,566,996</b>	<b>4,280,828</b>	<b>2,240,902</b>	<b>4,927,294</b>	<b>11,576,174</b>	<b>15,255,567</b>		
<b>Other investments</b>														
Corporate bonds	—	49,970	—	—	—	—	—	—	—	—	—	—	121,934	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	41,766	—	439,338	1,436,485	—	98,095	621,621	193,449	98,714	501,539	—	—	—	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	32,409	—	30,740	—	—	—	—	40,567	20,999	167,517	—	—	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>74,175</b>	<b>49,970</b>	<b>470,078</b>	<b>1,436,485</b>	<b>—</b>	<b>98,095</b>	<b>621,621</b>	<b>234,016</b>	<b>119,713</b>	<b>669,056</b>	<b>—</b>	<b>121,934</b>		
<b>Grand total</b>	<b>448,403</b>	<b>10,093,241</b>	<b>5,003,372</b>	<b>16,952,076</b>	<b>6,869,222</b>	<b>2,357,316</b>	<b>14,188,617</b>	<b>4,514,844</b>	<b>2,360,615</b>	<b>5,596,350</b>	<b>11,576,174</b>	<b>15,377,501</b>		
% of approved investments to Total	83.46%	99.50%	90.60%	91.53%	100.00%	95.84%	95.62%	94.82%	94.93%	88.04%	100.00%	99.21%		
% of other investments to Total	16.54%	0.50%	9.40%	8.47%	0.00%	4.16%	4.38%	5.18%	5.07%	11.96%	0.00%	0.79%		

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Pension Funds								
	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII
	ULIF 017 17/05/04 PPProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105
<b>Approved investments</b>									
Government bonds	1,599,497	—	—	—	—	18,210	—	—	—
Corporate bonds	2,741,471	—	—	—	—	9,650	20,007	29,991	113,817
Infrastructure bonds	989,995	—	—	—	35,945	7,932	50,535	58,529	143,072
Equity	—	—	—	—	—	—	—	—	—
Money market	691,681	—	—	—	290,353	—	93,694	141,523	191,377
Mutual funds	10,000	—	—	—	5,450	673	2,771	3,864	6,998
Deposit with banks	1,187,147	—	—	—	—	7,515	—	—	11,861
Preference shares	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>7,219,791</b>	—	—	—	<b>331,748</b>	<b>43,980</b>	<b>167,007</b>	<b>233,907</b>	<b>467,125</b>
<b>Other investments</b>									
Corporate bonds	—	—	—	—	—	—	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—
Money market	—	—	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	38,977	3,522	20,146	28,070	51,295
Venture fund	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>38,977</b>	<b>3,522</b>	<b>20,146</b>	<b>28,070</b>	<b>51,295</b>
<b>Grand total</b>	<b>7,219,791</b>	—	—	—	<b>370,725</b>	<b>47,502</b>	<b>187,153</b>	<b>261,977</b>	<b>518,420</b>
% of approved investments to Total	100.00%	—	—	—	89.49%	92.59%	89.24%	89.29%	90.11%
% of other investments to Total	0.00%	—	—	—	10.51%	7.41%	10.76%	10.71%	9.89%

(₹ in '000)

Particulars	Linked Pension Funds							Total
	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	
	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105	
<b>Approved investments</b>								
Government bonds	52,144	55,901	5,815	—	—	48,210	28,095	9,841,122
Corporate bonds	48,863	15,560	2,563	—	—	105,209	28,298	17,100,243
Infrastructure bonds	14,752	13,604	—	—	—	31,555	23,511	5,019,130
Equity	—	—	—	12,960,227	8,855,225	—	21,771	124,874,848
Money market	—	—	—	318,244	248,599	149,539	17,083	19,154,730
Mutual funds	2,131	1,511	160	48,267	134,473	5,085	440	806,016
Deposit with banks	24,990	15,520	1,920	—	—	30,100	10,000	14,299,967
Preference shares	—	—	—	5,323	4,638	—	—	51,038
<b>Total</b>	<b>142,880</b>	<b>102,096</b>	<b>10,458</b>	<b>13,332,061</b>	<b>9,242,935</b>	<b>369,698</b>	<b>129,198</b>	<b>191,147,094</b>
<b>Other investments</b>								
Corporate bonds	—	—	—	—	—	—	—	303,624
Infrastructure bonds	—	—	—	—	—	—	—	—
Equity	—	—	—	1,413,054	963,572	—	—	7,653,376
Money market	—	—	—	—	—	—	—	—
Mutual funds	7,016	5,451	277	—	2,076	5,839	—	524,974
Venture fund	—	—	—	—	—	—	—	—
<b>Total</b>	<b>7,016</b>	<b>5,451</b>	<b>277</b>	<b>1,413,054</b>	<b>965,648</b>	<b>5,839</b>	<b>—</b>	<b>8,481,974</b>
<b>Grand total</b>	<b>149,896</b>	<b>107,547</b>	<b>10,735</b>	<b>14,745,115</b>	<b>10,208,583</b>	<b>375,537</b>	<b>129,198</b>	<b>199,629,068</b>
% of approved investments to Total	95.32%	94.93%	97.42%	90.42%	90.54%	98.45%	100.00%	95.75%
% of other investments to Total	4.68%	5.07%	2.58%	9.58%	9.46%	1.55%	0.00%	4.25%

# schedules

forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Health Funds														Total
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Guaranteed Fund	Health Return Fund II	Health Return Fund III	Health Return Fund IV	Health Return Fund V	Health Return Fund VI	Health Return Fund VII		
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105		
<b>Approved investments</b>															
Government bonds	34,927	26,418	—	—	—	238,819	—	—	—	—	406	198	79	300,847	
Corporate bonds	40,088	31,859	38,942	—	3,978	285,029	—	—	—	—	—	—	41	399,937	
Infrastructure bonds	6,925	4,967	—	—	1,995	63,127	—	—	—	—	—	—	—	77,014	
Equity	72,814	127,359	2,505,617	342,002	—	—	—	—	—	—	—	—	—	3,047,792	
Money market	37,097	42,394	—	—	43,772	194,446	—	—	—	7,010	1,770	897	655	328,041	
Mutual funds	380	248	40,397	4,913	33	1,534	—	—	—	104	37	20	15	47,681	
Deposit with banks	20,000	19,800	—	—	3,417	140,600	—	—	—	—	267	140	225	184,449	
Preference shares	24	51	1,502	8	—	—	—	—	—	—	—	—	—	1,585	
<b>Total</b>	<b>212,255</b>	<b>253,096</b>	<b>2,586,458</b>	<b>346,923</b>	<b>53,195</b>	<b>923,555</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,114</b>	<b>2,480</b>	<b>1,296</b>	<b>974</b>	<b>4,387,346</b>	
<b>Other investments</b>															
Corporate bonds	—	—	—	—	—	16,015	—	—	—	—	—	—	—	16,015	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	5,267	13,530	306,922	14,503	—	—	—	—	—	—	—	—	—	340,222	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	—	—	74,804	25,303	—	—	—	—	—	728	259	131	100	101,325	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>5,267</b>	<b>13,530</b>	<b>381,726</b>	<b>39,806</b>	<b>—</b>	<b>16,015</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>728</b>	<b>259</b>	<b>131</b>	<b>100</b>	<b>457,562</b>	
<b>Grand total</b>	<b>217,522</b>	<b>266,626</b>	<b>2,968,184</b>	<b>386,729</b>	<b>53,195</b>	<b>939,570</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,842</b>	<b>2,739</b>	<b>1,427</b>	<b>1,074</b>	<b>4,844,908</b>	
% of approved investments to Total	97.58%	94.93%	87.14%	89.71%	100.00%	98.30%	—	—	—	90.72%	90.54%	90.83%	90.69%	90.56%	
% of other investments to Total	2.42%	5.07%	12.86%	10.29%	0.00%	1.70%	—	—	—	9.28%	9.46%	9.17%	9.31%	9.44%	

(₹ in '000)

Particulars	Linked Group Funds														Group Debt Fund
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Debt Fund III	Group Capital Guarantee Short Term Growth Fund	Group Capital Guarantee Short Term Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Short Term Debt Fund III		
	ULGF 001 03/04/03 GBalancer	ULGF 041 30/04/13 GBalancer2	ULGF 006 03/10/05 GCCBal1	ULGF 010 21/03/07 GCCBal2	ULGF 049 27/08/13 GCCBal3	ULGF 007 28/10/05 CCGDebt1	ULGF 011 21/03/07 CCGDebt2	ULGF 048 27/08/13 CCGDebt3	ULGF 008 11/12/06 CCGGrowth1	ULGF 012 05/07/07 CCGGrowth2	ULGF 005 24/02/04 CCGSTDebt1	ULGF 009 16/03/07 CCGSTDebt2	ULGF 031 01/03/12 CCGSTDebt3	ULGF 002 03/04/03 GDebt	
<b>Approved investments</b>															
Government bonds	2,450,477	—	15,249	255,536	69	3,745	221,559	1,495	3,358	7,274	—	—	—	2,823,741	
Corporate bonds	4,828,902	—	32,239	631,258	—	2,914	198,841	4,053	3,063	17,324	9,957	126,673	—	5,251,341	
Infrastructure bonds	838,358	—	11,731	154,819	—	1,005	61,545	—	1,930	4,867	2,993	126,697	—	1,272,644	
Equity	2,504,238	1,487	13,617	270,145	425	—	—	—	9,996	22,300	—	—	—	—	
Money market	2,052,358	620	14,255	262,937	283	9,482	282,620	3,910	9,101	10,918	88,396	2,486,665	42,251	1,579,726	
Mutual funds	31,347	132	381	10,078	41	244	60	154	400	346	73	22,634	567	30,375	
Deposit with banks	3,235,100	6,151	—	170,100	1,639	—	150,600	1,357	—	—	22,500	961,800	—	2,793,158	
Preference shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>15,940,780</b>	<b>8,390</b>	<b>87,472</b>	<b>1,754,873</b>	<b>2,457</b>	<b>17,390</b>	<b>915,225</b>	<b>10,969</b>	<b>27,848</b>	<b>63,029</b>	<b>123,919</b>	<b>3,724,469</b>	<b>42,818</b>	<b>13,750,985</b>	
<b>Other investments</b>															
Corporate bonds	427,768	—	—	—	—	—	5,269	—	753	753	—	—	—	—	
Infrastructure bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	236,162	9	1,245	25,549	56	—	—	—	930	2,094	—	—	—	—	
Money market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual funds	—	958	—	—	7	943	—	227	396	—	—	—	129	—	
Venture fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>663,930</b>	<b>967</b>	<b>1,245</b>	<b>25,549</b>	<b>63</b>	<b>943</b>	<b>5,269</b>	<b>227</b>	<b>2,079</b>	<b>2,847</b>	<b>—</b>	<b>—</b>	<b>129</b>	<b>—</b>	
<b>Grand total</b>	<b>16,604,710</b>	<b>9,357</b>	<b>88,717</b>	<b>1,780,422</b>	<b>2,520</b>	<b>18,333</b>	<b>920,494</b>	<b>11,196</b>	<b>29,927</b>	<b>65,876</b>	<b>123,919</b>	<b>3,724,469</b>	<b>42,947</b>	<b>13,750,985</b>	
% of approved investments to Total	96.00%	89.67%	98.60%	98.57%	97.50%	94.86%	99.43%	97.97%	93.05%	95.68%	100.00%	100.00%	99.70%	100.00%	
% of other investments to Total	4.00%	10.33%	1.40%	1.43%	2.50%	5.14%	0.57%	2.03%	6.95%	4.32%	0.00%	0.00%	0.30%	0.00%	

# schedules



forming part of the financial statements

*Continued*

Schedule: F-2

INVESTMENTS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Group Funds							
	Group Debt Fund II		Group Growth Fund		Group Growth Fund II		Group Leave Encashment Income Fund	
	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 Glest 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105
<b>Approved investments</b>								
Government bonds	2,529	598,707	3	124,896	20,783	—	—	—
Corporate bonds	5,071	1,394,606	—	276,528	27,721	90,862	37,975	—
Infrastructure bonds	—	234,736	—	97,520	10,832	31,924	42,911	3,000
Equity	—	4,091,122	46	128,048	—	—	—	—
Money market	1,742	287,219	—	177,686	25,760	229,624	125,619	656
Mutual funds	141	15,311	—	2,656	1,294	9,857	3,548	69
Deposit with banks	692	901,000	25	30,200	—	281,306	9,915	710
Preference shares	—	—	—	—	—	—	—	—
<b>Total</b>	<b>10,175</b>	<b>7,522,701</b>	<b>74</b>	<b>837,534</b>	<b>86,390</b>	<b>643,573</b>	<b>219,968</b>	<b>4,435</b>
<b>Other investments</b>								
Corporate bonds	—	143,009	—	8,279	1,505	—	—	—
Infrastructure bonds	—	—	—	—	—	—	—	—
Equity	—	385,258	1	12,114	—	—	—	—
Money market	—	—	—	—	—	—	—	—
Mutual funds	112	—	—	—	8,408	62,361	25,710	18
Venture fund	—	—	—	—	—	—	—	—
<b>Total</b>	<b>112</b>	<b>528,267</b>	<b>1</b>	<b>20,393</b>	<b>9,913</b>	<b>62,361</b>	<b>25,710</b>	<b>18</b>
<b>Grand total</b>	<b>10,287</b>	<b>8,050,968</b>	<b>75</b>	<b>857,927</b>	<b>96,303</b>	<b>705,934</b>	<b>245,678</b>	<b>4,453</b>
% of approved investments to Total	98.91%	93.44%	98.67%	97.62%	89.71%	91.17%	89.54%	99.60%
% of other investments to Total	1.09%	6.56%	1.33%	2.38%	10.29%	8.83%	10.46%	0.40%

(₹ in '000)

Particulars	Linked Group Funds						Total	Grand Total
	Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Superannuation Corporate Bond Fund			
	ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105			
<b>Approved investments</b>								
Government bonds	—	—	—	—	—	—	6,529,421	51,545,157
Corporate bonds	—	65,374	214,995	495,353	807,110	—	14,522,160	56,787,432
Infrastructure bonds	—	11,737	127,823	197,527	523,180	—	3,757,779	16,265,907
Equity	—	—	—	—	—	—	7,041,424	332,645,406
Money market	17,482	25,575	68,953	4,396,454	53,737	—	12,254,029	61,827,369
Mutual funds	259	2,061	7,411	96,501	29,098	—	265,038	2,888,300
Deposit with banks	—	24,400	73,973	1,862,600	400,359	—	10,927,585	45,127,858
Preference shares	—	—	—	—	—	—	—	186,941
<b>Total</b>	<b>17,741</b>	<b>129,147</b>	<b>493,155</b>	<b>7,048,435</b>	<b>1,813,484</b>	<b>55,297,436</b>	<b>567,274,370</b>	
<b>Other investments</b>								
Corporate bonds	—	—	—	—	—	—	587,336	1,364,773
Infrastructure bonds	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	663,418	20,816,020
Money market	—	—	—	—	—	—	—	—
Mutual funds	1,834	15,097	33,084	140,412	213,236	—	502,932	2,297,214
Venture fund	—	—	—	—	—	—	—	15,735
<b>Total</b>	<b>1,834</b>	<b>15,097</b>	<b>33,084</b>	<b>140,412</b>	<b>213,236</b>	<b>1,753,686</b>	<b>24,493,742</b>	
<b>Grand total</b>	<b>19,575</b>	<b>144,244</b>	<b>526,239</b>	<b>7,188,847</b>	<b>2,026,720</b>	<b>57,051,122</b>	<b>591,768,112</b>	
% of approved investments to Total	90.63%	89.53%	93.71%	98.05%	89.48%	—	96.93%	95.86%
% of other investments to Total	9.37%	10.47%	6.29%	1.95%	10.52%	—	3.07%	4.14%

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 3

### CURRENT ASSETS AT MARCH 31, 2014

Particulars	Linked Life Funds													(₹ in '000)
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Lite	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III		
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscoun 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105		
Accrued interest	1,592	176,707	61,662	8,987	14,144	—	70,176	83,660	36,778	16,237	12,127	404		
Cash & Bank balance	10	10,364	2,777	10	10	765	13	4,170	10	10	10	10		
Dividend receivable	—	3,563	1,293	91	345	1,671	—	—	14,009	443	326	27		
Receivable for sale of investments	—	81,096	25,967	2,019	6,315	—	22,996	—	394,962	8,328	4,046	2,491		
Unit collection a/c	—	—	—	—	1,090	24,877	—	—	186,752	1,460	—	—		
Other current assets (for Investments)	—	2	—	—	—	—	—	—	50	1	—	—		
<b>Total</b>	<b>1,602</b>	<b>271,732</b>	<b>91,699</b>	<b>11,107</b>	<b>21,904</b>	<b>27,313</b>	<b>93,185</b>	<b>87,830</b>	<b>632,561</b>	<b>26,479</b>	<b>16,509</b>	<b>2,932</b>		

Particulars	Linked Life Funds													(₹ in '000)
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximiser Fund		
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 001 22/10/01 LMaximis1 105		
Accrued interest	6,767	—	—	—	—	234,797	314,606	135,692	46,742	—	14,144	25,988		
Cash & Bank balance	10	6,046	169,006	350	10,900	10	10	10	10	10	10	10		
Dividend receivable	121	7,302	5,180	357	4,792	13,779	—	—	298	371	—	32,186		
Receivable for sale of investments	1,480	623	—	9,330	—	394,368	134,928	42,027	18,425	294	11,670	197,324		
Unit collection a/c	1,033	—	2,859	—	—	523,986	563,017	3,288	4,455	105,850	91,840	—		
Other current assets (for Investments)	—	—	—	1	—	54	1	—	—	4	—	15		
<b>Total</b>	<b>9,411</b>	<b>13,971</b>	<b>177,045</b>	<b>10,038</b>	<b>15,692</b>	<b>1,166,994</b>	<b>1,012,562</b>	<b>181,017</b>	<b>69,930</b>	<b>106,529</b>	<b>117,664</b>	<b>255,523</b>		

Particulars	Linked Life Funds													(₹ in '000)
	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	Multiplier Fund V	New Invest Shield Balanced Fund	
	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105		
Accrued interest	—	—	—	9,583	140,426	25,363	—	—	—	—	—	—	51,823	
Cash & Bank balance	10	10	10	10	50,717	10	2,739	80,677	444	50	212	10		
Dividend receivable	8,276	1,392	407	7,383	—	1,147	8,003	5,277	1,251	82	577	711		
Receivable for sale of investments	47,346	10,352	3,001	17,005	—	8,927	—	—	—	1,490	—	18,758		
Unit collection a/c	—	—	—	256,690	454,134	46,570	143,376	—	3,410	—	—	844		
Other current assets (for Investments)	4	1	—	18	1	4	—	—	—	—	—	—	1	
<b>Total</b>	<b>55,636</b>	<b>11,755</b>	<b>3,418</b>	<b>290,689</b>	<b>645,278</b>	<b>82,021</b>	<b>154,118</b>	<b>85,954</b>	<b>5,105</b>	<b>1,622</b>	<b>789</b>	<b>72,147</b>		

Particulars	Linked Life Funds													(₹ in '000)
	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II		
	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2	ULIF 010 17/05/04 LPreserv1	ULIF 021 13/03/06 LPreserv3	ULIF 036 27/08/07 LPreserv4	ULIF 003 22/10/01 LProtect1	ULIF 016 17/05/04 LProtect2	ULIF 024 13/03/06 LProtect3	ULIF 041 27/08/07 LProtect4	ULIF 054 18/12/08 LProtect4 105	ULIF 063 27/01/09 LRGF1 105 LRGF(T2) 105		
Accrued interest	—	92,640	33,744	108,944	11,109	6,880	187,043	89,946	12,697	95,819	(2)	(2)		
Cash & Bank balance	950	10	10	19	10	54,828	23	10	10	10	15,195	12,541		
Dividend receivable	2,598	5,376	3,153	—	—	—	—	—	—	—	—	—		
Receivable for sale of investments	21,765	146,006	81,622	—	—	70,138	32,944	3,659	33,623	—	—	—		
Unit collection a/c	38,308	—	56,040	18,325	47,651	6,078	93	35,033	7,767	5,899	—	—		
Other current assets (for Investments)	4	20	12	—	—	—	—	—	—	—	—	—		
<b>Total</b>	<b>63,625</b>	<b>244,052</b>	<b>174,581</b>	<b>127,288</b>	<b>58,770</b>	<b>67,786</b>	<b>257,297</b>	<b>157,933</b>	<b>24,133</b>	<b>135,351</b>	<b>15,193</b>	<b>12,539</b>		

# schedules



forming part of the financial statements

*Continued*

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	
	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(T8) 105	ULIF 103 12/10/10 LRGF(S3) 105	ULIF 112 13/01/11 LRGF(T10) 105	ULIF 111 13/01/11 LRGF(T10) 105	
Accrued interest	—	(2)	9,325	99,797	731	4,978	2,040	20,560	56,946	33,633	234,665	
Cash & Bank balance	2,599	15,085	10	5,612	5,491	6,862	2,852	933	7,223	2,060	9,991	
Dividend receivable	—	—	—	—	—	—	—	—	—	—	—	
Receivable for sale of investments	—	—	—	—	—	—	—	—	—	941	—	
Unit collection a/c	—	—	—	—	—	—	—	—	—	350	—	
Other current assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>2,599</b>	<b>15,083</b>	<b>9,335</b>	<b>105,409</b>	<b>6,222</b>	<b>11,840</b>	<b>4,892</b>	<b>21,493</b>	<b>64,519</b>	<b>36,634</b>	<b>244,656</b>	

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund			
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBu1 105	ULIF 076 29/05/09 LSSavGtee 105	Total		
Accrued interest	1,195	76,777	—	—	—	—	—	9,600	509	3,500	2,681,477	
Cash & Bank balance	215	65,115	10	10	10	10	10	10	12	10	547,176	
Dividend receivable	—	—	2,350	2,932	136	1,444	117	32	70	70	138,868	
Receivable for sale of investments	—	—	10,204	—	1,725	16,816	5,453	61	559	559	1,891,084	
Unit collection a/c	99	128	—	5,709	36	—	—	92	—	—	2,637,139	
Other current assets (for Investments)	—	—	1	—	—	1	—	—	—	—	195	
<b>Total</b>	<b>1,509</b>	<b>142,020</b>	<b>12,565</b>	<b>8,651</b>	<b>1,907</b>	<b>18,271</b>	<b>15,180</b>	<b>706</b>	<b>4,139</b>	<b>7,895,939</b>		

(₹ in '000)

Particulars	Linked Pension Funds												
	Discontinued Fund - Pension	Easy Retirement Fund	Easy Retirement Fund	Invest Secure Fund	Pension Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Balanced Fund	Pension Flexi Fund II	Pension Flexi Fund II
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynamicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiBal2 105	ULIF 030 20/03/07 PFlexiGro1 105	
Accrued interest	—	278	1,136	11,640	143,763	199,794	—	6,786	13,950	13,890	28,105	72	
Cash & Bank balance	6	10	10	10	10	10	430	10	10	10	6,213	173,726	
Dividend receivable	—	94	—	59	2,492	2,786	1,552	11,006	459	496	8,769	6,695	
Receivable for sale of investments	—	369	211	2,403	33,631	46,678	—	301,332	12,797	16,556	166,815	168,071	
Unit collection a/c	—	48,519	12,848	287	—	28,820	1,670	—	5,183	4,750	36,424	—	
Other current assets (for Investments)	—	1	—	—	1	1	—	38	1	1	28	26	
<b>Total</b>	<b>6</b>	<b>49,271</b>	<b>14,205</b>	<b>14,399</b>	<b>179,897</b>	<b>278,089</b>	<b>3,652</b>	<b>319,172</b>	<b>32,400</b>	<b>35,703</b>	<b>246,354</b>	<b>348,590</b>	

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multi Cap Fund	Pension Multiplier Fund	Pension Multiplier Opportunities Fund	Pension Preserver Fund	Pension Protector Fund
	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 Pincome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105
Accrued interest	—	257,925	—	24,948	68,933	31,385	—	—	—	—	183,131	515,365
Cash & Bank balance	10	10	216	777	10	10	2,458	100	10	938	9	15
Dividend receivable	325	—	4,077	13,278	—	1,014	6,719	2,922	1,527	4,281	—	—
Receivable for sale of investments	1,711	43,447	29,792	70,219	—	6,579	—	—	—	54,009	—	81,390
Unit collection a/c	11,395	—	—	—	20,379	8,495	6,160	9,625	41	—	34,439	34,015
Other current assets (for Investments)	2	—	3	6	1	—	—	—	—	5	—	—
<b>Total</b>	<b>13,443</b>	<b>301,382</b>	<b>34,088</b>	<b>109,228</b>	<b>89,323</b>	<b>47,483</b>	<b>15,337</b>	<b>12,647</b>	<b>1,578</b>	<b>59,233</b>	<b>217,579</b>	<b>630,785</b>

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2014

Particulars	Linked Pension Funds										₹ in '000)
	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII		
	ULIF 017 17/05/04 PPProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105		
	215,153	37	(85)	18	2,603	3,492	3,713	4,897	7,980	10	19,196
Accrued interest											
Cash & Bank balance		10	618	459	351	39,753	10	19,196	26,049		4,164
Dividend receivable	—	—	—	—	—	—	—	—	—	—	—
Receivable for sale of investments	45,088	—	—	—	—	—	—	—	—	—	—
Unit collection a/c	6,989	—	—	—	—	—	2	—	—	—	—
Other current assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>267,240</b>	<b>655</b>	<b>374</b>	<b>369</b>	<b>42,356</b>	<b>3,504</b>	<b>22,909</b>	<b>30,946</b>	<b>12,144</b>		

Particulars	Linked Pension Funds								₹ in '000)	
	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	Total		
	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105			
Accrued interest	10,299	6,929	872	—	—	8,142	3,125	1,768,276		
Cash & Bank balance	1,222	10	10	30,667	2,234	10	10	309,791		
Dividend receivable	—	—	—	13,271	9,434	—	24	91,280		
Receivable for sale of investments	—	—	471	174,017	106,233	1,718	1,677	1,365,214		
Unit collection a/c	2	—	—	—	14,292	18,313	—	302,648		
Other current assets (for Investments)	—	—	—	17	6	—	—	137		
<b>Total</b>	<b>11,523</b>	<b>6,939</b>	<b>1,353</b>	<b>217,972</b>	<b>132,199</b>	<b>28,183</b>	<b>4,836</b>		<b>3,837,346</b>	

Particulars	Linked Health Funds												₹ in '000)	
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 072 29/04/09 HRGF5 105	ULIF 075 17/06/09 HRGF6 105	ULIF 080 17/06/09 HRGF7 105	
Accrued interest	3,935	5,655	4,075	—	1,410	21,081	—	—	—	—	72	42	69	36,339
Cash & Bank balance	10	85	137,796	10	4,121	10	72	41	799	10	10	10	10	142,984
Dividend receivable	57	110	2,356	258	—	—	—	—	—	—	—	—	—	2,781
Receivable for sale of investments	1,078	1,535	22,064	—	—	7,565	—	—	—	—	—	—	—	32,242
Unit collection a/c	2,183	4,494	—	—	1,182	140	—	—	—	—	—	—	—	7,999
Other current assets (for Investments)	—	—	7	1	—	—	—	—	—	—	—	—	—	8
<b>Total</b>	<b>7,263</b>	<b>11,879</b>	<b>166,298</b>	<b>269</b>	<b>6,713</b>	<b>28,796</b>	<b>72</b>	<b>41</b>	<b>799</b>	<b>10</b>	<b>82</b>	<b>52</b>	<b>79</b>	<b>222,353</b>

Particulars	Linked Group Funds														₹ in '000)
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Debt Fund	Group Capital Debt Fund II	Group Capital Debt Fund III	Group Capital Growth Fund	Group Capital Growth Fund II	Group Capital Short Term Debt Fund	Group Capital Short Term Debt Fund II	Group Capital Short Term Debt Fund III	Group Capital Term Debt Fund	
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 049 27/08/13 GCGBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGGSTDebt1 105	ULGF 009 16/03/07 GCGGSTDebt2 105	ULGF 031 01/03/12 GCGGSTDebt3 105	ULGF 002 03/04/03 GDebt 105	
Accrued interest	475,477	2,154	2,117	47,185	544	75	22,606	427	345	1,019	2,297	58,208	—	389,740	
Cash & Bank balance	158	10	15	92	10	10	10	10	10	12	16	10	10	11	
Dividend receivable	2,637	—	11	254	—	—	—	—	9	21	—	—	—	—	
Receivable for sale of investments	91,858	—	535	9,386	—	71	4,865	26	121	287	—	—	—	80,761	
Unit collection a/c	125,668	—	719	15,551	1	129	6,975	10	222	457	837	29,913	2,678	168,605	
Other current assets (for Investments)	2	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>695,800</b>	<b>2,164</b>	<b>3,397</b>	<b>72,468</b>	<b>555</b>	<b>285</b>	<b>34,456</b>	<b>473</b>	<b>707</b>	<b>1,796</b>	<b>3,150</b>	<b>88,131</b>	<b>2,688</b>	<b>639,117</b>	

# schedules



forming part of the financial statements

*Continued*

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Group Funds							
	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II
	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105
Accrued interest	285	131,791	7	22,406	1,358	41,187	9,534	778
Cash & Bank balance	10	528	5	26	10	10	13,715	10
Dividend receivable	—	3,762	—	121	—	—	—	—
Receivable for sale of investments	93	39,928	—	4,451	390	—	—	—
Unit collection a/c	5	54,533	—	7,298	558	7,438	1,313	45
Other current assets (for Investments)	—	2	—	—	—	—	—	—
<b>Total</b>	<b>393</b>	<b>230,544</b>	<b>12</b>	<b>34,302</b>	<b>2,316</b>	<b>48,635</b>	<b>24,562</b>	<b>833</b>

(₹ in '000)

Particulars	Linked Group Funds						Total	Grand Total
	Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Superannuation Corporate Bond Fund			
	ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105			
Accrued interest	12	11,086	35,456	125,017	177,384		<b>1,558,495</b>	<b>6,044,587</b>
Cash & Bank balance	10	963	183	15	1,510		<b>17,379</b>	<b>1,017,330</b>
Dividend receivable	—	—	—	—	—		<b>6,815</b>	<b>239,744</b>
Receivable for sale of investments	—	—	—	—	—		<b>232,772</b>	<b>3,521,312</b>
Unit collection a/c	13,048	1,027	3,268	75,229	7,875		<b>523,402</b>	<b>3,471,188</b>
Other current assets (for Investments)	—	—	—	1	—		<b>5</b>	<b>345</b>
<b>Total</b>	<b>13,070</b>	<b>13,076</b>	<b>38,907</b>	<b>200,262</b>	<b>186,769</b>		<b>2,338,868</b>	<b>14,294,506</b>

# schedules

forming part of the financial statements

*Continued*

## Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2014

Particulars	Linked Life Funds												₹ in '000)
	Anmol Nivesh Balancer Fund Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III		
	ULIF 072 28/04/09 LANmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscnt 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105	
Payable for purchase of investments	—		(19)	(5)	—	(1)	—	(14)	(17)	(395,365)	(1)	(1)	—
Other current liabilities	(1)		(3,162)	(470)	(79)	(126)	(384)	(429)	(701)	(3,477)	(289)	(95)	(18)
Unit payable a/c	(11)		(14,402)	(5,894)	(4,546)	—	—	(159)	(116,748)	—	—	(135)	(3,591)
Total	(12)		(17,583)	(6,369)	(4,625)	(127)	(384)	(602)	(117,466)	(398,842)	(290)	(231)	(3,609)

Particulars	Linked Life Funds												₹ in '000)
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximiser Fund	
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 001 22/10/01 LMaximis1 105	
Payable for purchase of investments	(319)		—	—	—	(390,401)	(91)	(27)	(4)	(55,063)	—	—	—
Other current liabilities	(36)		(4,898)	(1,959)	(240)	(1,817)	(7,283)	(2,935)	(779)	(398)	(122)	(101)	(11,584)
Unit payable a/c	—		(12,811)	—	(6,597)	(15,085)	—	—	—	—	—	—	(52,629)
Total	(355)		(17,709)	(1,959)	(6,837)	(16,902)	(397,684)	(3,026)	(806)	(402)	(55,185)	(101)	(64,213)

Particulars	Linked Life Funds												₹ in '000)
	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	
	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneymkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	
Payable for purchase of investments	—		—	(200,265)	(5)	(25,065)	(1)	—	—	—	—	(4)	—
Other current liabilities	(1,938)		(477)	(94)	(1,556)	(951)	(460)	(2,779)	(2,208)	(357)	(34)	(164)	(461)
Unit payable a/c	(22,451)		(8,097)	(1,789)	—	—	—	(24,741)	—	(56)	(715)	—	—
Total	(24,389)		(8,574)	(1,883)	(201,821)	(956)	(25,525)	(2,780)	(26,949)	(357)	(90)	(879)	(465)

Particulars	Linked Life Funds												₹ in '000)
	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	
	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	
Payable for purchase of investments	(8,367)		(148,909)	(88,589)	(3)	—	—	(41)	(23)	(2)	(22)	—	—
Other current liabilities	(624)		(1,945)	(1,022)	(690)	(34)	(74)	(1,626)	(370)	(80)	(371)	(2)	(2)
Unit payable a/c	—		(21,587)	—	—	—	—	—	—	—	—	(15,191)	(12,537)
Total	(8,991)		(172,441)	(89,611)	(693)	(34)	(74)	(1,667)	(393)	(82)	(393)	(15,193)	(12,539)

# schedules



forming part of the financial statements

*Continued*

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	
	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 111 13/01/11 LRGF(T10) 105	
Payable for purchase of investments	—	—	—	—	—	—	—	—	—	—	—	
Other current liabilities	—	(30)	(28)	(271)	(12)	(14)	(6)	(56)	(204)	(94)	(556)	
Unit payable a/c	(2,599)	(165,041)	(36)	(265)	(207)	(164)	(73)	(346)	—	(27)	(151)	
<b>Total</b>	<b>(2,599)</b>	<b>(165,071)</b>	<b>(64)</b>	<b>(536)</b>	<b>(219)</b>	<b>(178)</b>	<b>(79)</b>	<b>(402)</b>	<b>(204)</b>	<b>(121)</b>	<b>(707)</b>	

(₹ in '000)

Particulars	Linked Life Funds										Total
	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
Payable for purchase of investments	—	—	—	—	—	—	—	(1)	—	—	(1,312,625)
Other current liabilities	(4)	(260)	(1,819)	(1,529)	(105)	(758)	(68)	(7)	(38)	(65,561)	
Unit payable a/c	—	—	(23,841)	—	—	(1,558)	(15,503)	—	(452)	(550,035)	
<b>Total</b>	<b>(4)</b>	<b>(260)</b>	<b>(25,660)</b>	<b>(1,529)</b>	<b>(105)</b>	<b>(2,316)</b>	<b>(15,572)</b>	<b>(7)</b>	<b>(490)</b>	<b>(1,928,221)</b>	

(₹ in '000)

Particulars	Linked Pension Funds												
	Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	
Payable for purchase of investments	—	(9,996)	—	—	(4)	(4)	—	(304,615)	—	(1)	—	—	
Other current liabilities	—	(62)	(16)	(80)	(1,534)	(894)	(344)	(2,602)	(296)	(148)	(5,678)	(3,206)	
Unit payable a/c	(32)	—	—	—	(38,942)	—	—	(18,805)	—	—	—	(4,187)	
<b>Total</b>	<b>(32)</b>	<b>(10,058)</b>	<b>(16)</b>	<b>(80)</b>	<b>(40,480)</b>	<b>(898)</b>	<b>(344)</b>	<b>(326,022)</b>	<b>(296)</b>	<b>(149)</b>	<b>(5,678)</b>	<b>(7,393)</b>	

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund
	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105
Payable for purchase of investments	(19,962)	(23)	—	—	(1)	(1)	—	—	—	—	(4)	(140)
Other current liabilities	(72)	(1,727)	(1,393)	(3,169)	(641)	(398)	(2,423)	(1,252)	(436)	(936)	(1,086)	(2,948)
Unit payable a/c	—	(22,940)	(31,013)	(14,219)	—	—	—	—	—	(26,719)	—	—
<b>Total</b>	<b>(20,034)</b>	<b>(24,690)</b>	<b>(32,406)</b>	<b>(17,388)</b>	<b>(642)</b>	<b>(399)</b>	<b>(2,423)</b>	<b>(1,252)</b>	<b>(436)</b>	<b>(27,655)</b>	<b>(1,090)</b>	<b>(3,088)</b>

# schedules

forming part of the financial statements

*Continued*

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2014

Particulars	Linked Pension Funds									
	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	
	ULIF 017 17/05/04 PPProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	
Payable for purchase of investments	(34)	—	—	—	—	—	—	—	—	
Other current liabilities	(690)	—	—	—	(76)	(9)	(39)	(54)	(98)	
Unit payable a/c	—	(655)	(374)	(369)	(413,005)	—	(633)	(442)	(734)	
Total	(724)	(655)	(374)	(369)	(413,081)	(9)	(672)	(496)	(832)	

Particulars	Linked Pension Funds								Total
	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund		
	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105		
Payable for purchase of investments	—	—	—	—	—	(1)	—	(334,786)	
Other current liabilities	(30)	(21)	(2)	(4,130)	(1,900)	(64)	(21)	(38,475)	
Unit payable a/c	—	(7)	(19)	(5,926)	—	—	(4,586)	(583,607)	
Total	(30)	(28)	(21)	(10,056)	(1,900)	(65)	(4,607)	(956,868)	

Particulars	Linked Health Funds														Total
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII		
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105		
Payable for purchase of investments	(150)	(870)	(33,333)	(11,484)	—	(5)	—	—	—	—	—	—	—	—	(45,842)
Other current liabilities	(27)	(34)	(571)	(69)	(5)	(89)	—	—	—	(1)	(1)	(1)	—	—	(797)
Unit payable a/c	—	—	(4,442)	(1,830)	—	—	(72)	(41)	(799)	(7,851)	(68)	(50)	(21)	(15,174)	
Total	(177)	(904)	(38,346)	(13,383)	(5)	(94)	(72)	(41)	(799)	(7,852)	(69)	(50)	(21)	(61,813)	

Particulars	Linked Group Funds															Total
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Debt Fund III	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Term Debt Fund	Group Capital Guarantee Term Debt Fund II	Group Capital Debt Fund	
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCBal1 105	ULGF 010 21/03/07 GCBal2 105	ULGF 049 27/08/13 GCBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 031 01/03/12 GCGSTDebt3 105	ULGF 002 03/04/03 GDebt 105		
Payable for purchase of investments	(150)	(1,482)	—	(2)	—	(4)	—	—	—	—	—	—	—	—	(67)	
Other current liabilities	(2,747)	(2)	(24)	(385)	(1)	(4)	(181)	(2)	(10)	(17)	(19)	(675)	(8)	(2,276)		
Total	(2,897)	(1,484)	(24)	(387)	(1)	(4)	(185)	(2)	(10)	(17)	(19)	(675)	(8)	(2,343)		

# schedules



forming part of the financial statements

*Continued*

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Group Funds							
	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II
	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEbal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105
Payable for purchase of investments	—	(5)	—	(1)	—	—	—	—
Other current liabilities	(2)	(1,315)	—	(142)	(16)	(120)	(58)	(1)
Unit payable a/c	—	—	—	—	—	—	—	—
<b>Total</b>	<b>(2)</b>	<b>(1,320)</b>	—	<b>(143)</b>	<b>(16)</b>	<b>(120)</b>	<b>(58)</b>	<b>(1)</b>

(₹ in '000)

Particulars	Linked Group Funds						Total	Grand Total
	Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Superannuation Corporate Bond Fund			
	ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGF5 105	ULGF 028 01/07/11 GRGF7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105			
Payable for purchase of investments	—	—	—	—	—		(1,711)	(1,694,964)
Other current liabilities	(4)	(31)	(121)	(1,170)	(353)		(9,684)	(114,517)
Unit payable a/c	—	—	—	—	—		—	(1,148,816)
<b>Total</b>	<b>(4)</b>	<b>(31)</b>	<b>(121)</b>	<b>(1,170)</b>	<b>(353)</b>		<b>(11,395)</b>	<b>(2,958,297)</b>

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
		ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBLuChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
<b>Income from investments</b>													
Interest income		895	621,176	209,447	14,309	54,833	403	239,124	1,487,703	167,290	43,856	33,356	2,010
Dividend income		—	62,460	21,194	1,497	5,738	41,739	—	—	314,793	8,903	6,662	468
Profit/(loss) on sale of investment		59	1,442,265	479,007	38,067	122,255	330,466	142,870	(2,188)	2,607,557	82,013	68,901	5,940
Profit/(loss) on inter fund transfer/ sale of investment		1	2,754	1,172	211	(26)	17,838	1,176	—	4,908	11,604	8,886	1,204
Unrealised gain/(loss)*		—	377,190	137,486	6,519	44,261	585,246	37,544	4,757	2,684,818	185,503	133,602	8,071
<b>Total income (A)</b>		<b>955</b>	<b>2,505,845</b>	<b>848,306</b>	<b>60,603</b>	<b>227,061</b>	<b>975,692</b>	<b>420,714</b>	<b>1,490,272</b>	<b>5,779,366</b>	<b>331,879</b>	<b>251,407</b>	<b>17,693</b>
Fund management expenses		102	116,534	39,679	6,262	10,609	45,798	35,496	85,894	335,391	25,514	8,641	1,297
Fund administration expenses		—	145,667	—	—	—	—	—	—	—	—	—	—
Other charges	F-5	190	32,219	36,875	1,645	10,147	102,488	55,765	—	449,034	2,723	11,955	404
Service tax		47	39,350	10,059	975	2,689	20,453	12,551	10,616	103,239	3,791	2,675	209
<b>Total expenditure (B)</b>		<b>339</b>	<b>333,770</b>	<b>86,613</b>	<b>8,882</b>	<b>23,445</b>	<b>168,739</b>	<b>103,812</b>	<b>96,510</b>	<b>887,664</b>	<b>32,028</b>	<b>23,271</b>	<b>1,910</b>
<b>Net income for the year (A-B)</b>		<b>616</b>	<b>2,172,075</b>	<b>761,693</b>	<b>51,721</b>	<b>203,616</b>	<b>806,953</b>	<b>316,902</b>	<b>1,393,762</b>	<b>4,891,702</b>	<b>299,851</b>	<b>228,136</b>	<b>15,783</b>
Add: Fund revenue account at the beginning of the year		613	11,917,595	3,773,644	308,267	184,778	46,156	715,790	785,277	1,529,460	490,184	204,673	34,219
<b>Fund revenue account at the end of the year</b>		<b>1,229</b>	<b>14,089,670</b>	<b>4,535,337</b>	<b>359,988</b>	<b>388,394</b>	<b>853,109</b>	<b>1,032,692</b>	<b>2,179,039</b>	<b>6,421,162</b>	<b>790,035</b>	<b>432,809</b>	<b>50,002</b>

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Life Funds												
		Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Fund	Invest Cash Fund	Invest Fund - Life	Life Growth Fund	Life Secure Fund	Maximise India Fund
		ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShield 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 136 11/20/14 MIF 105	
<b>Income from investments</b>														
Interest income		12,546	37,269	20,762	16	9,015	1,631,298	1,738,248	442,399	199,071	1,809	137,201	135	
Dividend income		2,509	255,243	153,272	12,459	136,267	277,784	—	—	6,246	19,030	—	657	
Profit/(loss) on sale of investment		25,182	2,729,346	1,588,216	134,534	1,630,933	3,150,263	1,189,179	261,362	197,957	132,525	122,311	239	
Profit/(loss) on inter fund transfer/ sale of investment		2,964	271,314	78,438	47,147	108,063	9,424	1,672	2,767	2,561	1,633	1,971	—	
Unrealised gain/(loss)*		51,103	3,832,666	2,504,862	167,530	1,998,005	3,191,736	229,387	66,100	94,335	372,118	15,628	(7,431)	
<b>Total income (A)</b>		<b>94,304</b>	<b>7,125,838</b>	<b>4,345,550</b>	<b>361,686</b>	<b>3,882,283</b>	<b>8,260,505</b>	<b>3,158,486</b>	<b>772,628</b>	<b>500,170</b>	<b>527,115</b>	<b>277,111</b>	<b>(6,400)</b>	
Fund management expenses		3,275	432,460	177,714	20,977	156,646	729,415	280,317	65,429	35,331	39,432	31,547	570	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	—	
Other charges	F-5	2,899	34,098	188,226	6,435	124,051	1,061,843	851,827	183,865	52,146	116,571	103,072	6,575	
Service tax		858	62,479	46,645	3,375	36,865	270,671	204,335	32,049	11,399	44,168	37,822	5,635	
<b>Total expenditure (B)</b>		<b>7,032</b>	<b>529,037</b>	<b>412,585</b>	<b>30,787</b>	<b>317,562</b>	<b>2,061,929</b>	<b>1,336,479</b>	<b>281,343</b>	<b>98,876</b>	<b>200,171</b>	<b>172,441</b>	<b>12,780</b>	
<b>Net income for the year (A-B)</b>		<b>87,272</b>	<b>6,596,801</b>	<b>3,932,965</b>	<b>330,899</b>	<b>3,564,721</b>	<b>6,198,576</b>	<b>1,822,007</b>	<b>491,285</b>	<b>401,294</b>	<b>326,944</b>	<b>104,670</b>	<b>(19,180)</b>	
Add: Fund revenue account at the beginning of the year		53,124	12,509,960	2,812,281	512,882	2,926,836	429,657	140,757	664,106	610,686	11,114	(4,253)	—	
<b>Fund revenue account at the end of the year</b>		<b>140,396</b>	<b>19,106,761</b>	<b>6,745,246</b>	<b>843,781</b>	<b>6,491,557</b>	<b>6,628,233</b>	<b>1,962,764</b>	<b>1,155,391</b>	<b>1,011,980</b>	<b>338,058</b>	<b>100,417</b>	<b>(19,180)</b>	

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

### Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV
		ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105
<b>Income from investments</b>													
Interest income		75,325	8,042	17	4	67,989	1,178,437	141,255	91,929	2,126	16	1	6
Dividend income		565,441	143,957	22,608	6,788	220,679	—	26,576	240,734	115,141	29,361	1,809	13,127
Profit/(loss) on sale of investment		9,065,831	2,239,132	419,398	119,582	1,789,561	29,769	351,492	2,097,680	1,663,910	396,218	25,110	172,804
Profit/(loss) on inter fund transfer/ sale of investment		299,456	28,575	6,648	1,757	29,144	4,532	5,491	42,103	61,835	15,931	1,983	14,775
Unrealised gain/(loss)*		5,059,111	1,457,703	166,154	57,491	3,941,202	(302)	477,910	5,634,900	919,008	254,529	15,021	113,835
<b>Total income (A)</b>		<b>15,065,164</b>	<b>3,877,409</b>	<b>614,825</b>	<b>185,622</b>	<b>6,048,575</b>	<b>1,212,436</b>	<b>1,002,724</b>	<b>8,107,346</b>	<b>2,762,020</b>	<b>696,055</b>	<b>43,924</b>	<b>314,547</b>
Fund management expenses		470,245	183,423	42,495	8,642	324,227	97,251	50,817	292,604	191,152	32,859	3,019	14,612
Fund administration expenses		587,807	—	—	—	—	—	—	—	—	—	—	—
Other charges	F-5	95,623	108,405	9,081	5,831	960,880	484,642	111,556	551,041	12,248	34,162	783	10,637
Service tax		154,758	37,296	6,347	1,857	265,887	120,893	24,944	119,144	27,127	8,548	468	3,254
<b>Total expenditure (B)</b>		<b>1,308,433</b>	<b>329,124</b>	<b>57,923</b>	<b>16,330</b>	<b>1,550,994</b>	<b>702,786</b>	<b>187,317</b>	<b>962,789</b>	<b>230,527</b>	<b>75,569</b>	<b>4,270</b>	<b>28,503</b>
<b>Net income for the year (A-B)</b>		<b>13,756,731</b>	<b>3,548,285</b>	<b>556,902</b>	<b>169,292</b>	<b>4,497,581</b>	<b>509,650</b>	<b>815,407</b>	<b>7,144,557</b>	<b>2,531,493</b>	<b>620,486</b>	<b>39,654</b>	<b>286,044</b>
Add: Fund revenue account at the beginning of the year		47,922,916	12,255,515	2,263,267	312,791	870,068	269,081	215,345	794,910	5,492,506	503,401	71,526	271,172
<b>Fund revenue account at the end of the year</b>		<b>61,679,647</b>	<b>15,803,800</b>	<b>2,820,169</b>	<b>482,083</b>	<b>5,367,649</b>	<b>778,731</b>	<b>1,030,752</b>	<b>7,939,467</b>	<b>8,023,999</b>	<b>1,123,887</b>	<b>111,180</b>	<b>557,216</b>

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		New Invest Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Protector Fund IV
		Invest Shield Balanced Fund	LInvShldNw 105	ULIF 025 21/08/06 LPopport 105	ULIF 086 24/11/09 105	ULIF 081 26/10/09 105	ULIF 105 26/10/10 105	ULIF 010 17/05/04 105	ULIF 021 13/03/06 105	ULIF 036 27/08/07 105	ULIF 003 22/10/01 105	ULIF 016 17/05/04 105	ULIF 024 13/03/06 105
<b>Income from investments</b>													
Interest income		181,707	6,203	405,010	195,606	604,472	28,973	69,192	671,974	309,740	32,113	346,673	(16)
Dividend income		14,833	64,754	94,963	61,597	—	—	—	—	—	—	—	—
Profit/(loss) on sale of investment		298,581	317,579	1,472,927	563,663	12,563	1,361	2,540	402,645	213,297	22,667	202,664	29
Profit/(loss) on inter fund transfer/ sale of investment		7,113	12,317	29,145	(4,169)	468	148	—	8,431	5,146	1,014	20	—
Unrealised gain/(loss)*		181,429	1,387,395	487,313	684,149	(1,477)	(221)	(198)	108,319	47,808	4,979	51,797	(12)
<b>Total income (A)</b>		<b>683,663</b>	<b>1,788,248</b>	<b>2,489,358</b>	<b>1,500,846</b>	<b>616,026</b>	<b>30,261</b>	<b>71,534</b>	<b>1,191,369</b>	<b>575,991</b>	<b>60,773</b>	<b>601,154</b>	<b>1</b>
Fund management expenses		40,587	66,611	155,206	91,859	49,118	2,435	5,755	19,899	27,649	5,855	30,702	1
Fund administration expenses		—	—	11,497	6,804	—	—	—	99,493	—	—	—	—
Other charges	F-5	84,912	120,935	68,229	103,060	36,038	(835)	9,823	30,547	43,530	2,171	58,464	(195)
Service tax		16,020	25,115	29,030	30,140	11,363	462	1,999	20,129	9,036	986	11,773	(23)
<b>Total expenditure (B)</b>		<b>141,519</b>	<b>212,661</b>	<b>263,962</b>	<b>231,863</b>	<b>96,519</b>	<b>2,062</b>	<b>17,577</b>	<b>170,068</b>	<b>80,215</b>	<b>9,012</b>	<b>100,939</b>	<b>(217)</b>
<b>Net income for the year (A-B)</b>		<b>542,144</b>	<b>1,575,587</b>	<b>2,225,396</b>	<b>1,268,983</b>	<b>519,507</b>	<b>28,199</b>	<b>53,957</b>	<b>1,021,301</b>	<b>495,776</b>	<b>51,761</b>	<b>500,215</b>	<b>218</b>
Add: Fund revenue account at the beginning of the year		722,497	191,039	313,858	174,358	1,771,978	93,891	61,733	4,485,935	1,827,684	237,250	665,650	42,113
<b>Fund revenue account at the end of the year</b>		<b>1,264,641</b>	<b>1,766,626</b>	<b>2,539,254</b>	<b>1,443,341</b>	<b>2,291,485</b>	<b>122,090</b>	<b>115,690</b>	<b>5,507,236</b>	<b>2,323,460</b>	<b>289,011</b>	<b>1,165,865</b>	<b>42,331</b>

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	
		ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 121 19/04/11 LRGF(S4) 105	
<b>Income from investments</b>													
Interest income		410	1,236	1,504	88,719	27,038	120,323	13,116	243,770	45,623	122,041	1,921	
Dividend income		—	—	—	—	—	—	—	—	—	—	—	
Profit/(loss) on sale of investment		60	67	136	35,532	4,601	42,890	5,605	114,830	5,262	21,485	940	
Profit/(loss) on inter fund transfer/ sale of investment		(127)	(34)	(53)	(2,055)	6,990	3,247	2,164	2,566	8,738	2,473	300	
Unrealised gain/(loss)*		120	171	145	(10,038)	5,513	(13,137)	2,131	(43,678)	18,934	5,478	312	
<b>Total income (A)</b>		<b>463</b>	<b>1,440</b>	<b>1,732</b>	<b>112,158</b>	<b>44,142</b>	<b>153,323</b>	<b>23,016</b>	<b>317,488</b>	<b>78,557</b>	<b>151,477</b>	<b>3,473</b>	
Fund management expenses		79	232	284	17,110	4,775	22,650	2,377	46,691	8,062	21,687	352	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	
Other charges	F-5	49	65	160	1,308	552	2,363	354	10,669	2,437	9,012	282	
Service tax		17	41	55	2,316	662	3,098	338	7,101	1,238	3,823	79	
<b>Total expenditure (B)</b>		<b>145</b>	<b>338</b>	<b>499</b>	<b>20,734</b>	<b>5,989</b>	<b>28,111</b>	<b>3,069</b>	<b>64,461</b>	<b>11,737</b>	<b>34,522</b>	<b>713</b>	
<b>Net income for the year (A-B)</b>		<b>318</b>	<b>1,102</b>	<b>1,233</b>	<b>91,424</b>	<b>38,153</b>	<b>125,212</b>	<b>19,947</b>	<b>253,027</b>	<b>66,820</b>	<b>116,955</b>	<b>2,760</b>	
Add: Fund revenue account at the beginning of the year		9,872	14,904	4,826	215,657	55,167	277,554	26,499	551,371	80,547	217,973	1,476	
<b>Fund revenue account at the end of the year</b>		<b>10,190</b>	<b>16,006</b>	<b>6,059</b>	<b>307,081</b>	<b>93,320</b>	<b>402,766</b>	<b>46,446</b>	<b>804,398</b>	<b>147,367</b>	<b>334,928</b>	<b>4,236</b>	

\* Net change in mark to market value of investments

Particulars	Schedule	Linked Life Funds								Total
		RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
		ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
<b>Income from investments</b>										
Interest income		71	1,450	4	68	29,317	905	7,965	<b>12,226,446</b>	
Dividend income		84,625	110,870	5,003	55,409	979	427	900	<b>3,207,502</b>	
Profit/(loss) on sale of investment		1,038,496	1,213,817	62,671	599,854	30,070	4,096	11,970	<b>41,552,644</b>	
Profit/(loss) on inter fund transfer/ sale of investment		34,505	35,516	3,510	15,613	45	72	190	<b>1,263,205</b>	
Unrealised gain/(loss)*		1,090,403	1,597,824	56,966	812,454	16,371	4,205	9,192	<b>41,322,245</b>	
<b>Total income (A)</b>		<b>2,248,100</b>	<b>2,959,477</b>	<b>128,154</b>	<b>1,483,398</b>	<b>76,782</b>	<b>9,705</b>	<b>30,217</b>	<b>99,572,042</b>	
Fund management expenses		149,629	132,365	8,477	66,572	5,403	512	2,737	<b>5,381,347</b>	
Fund administration expenses		—	—	—	—	—	—	—	<b>851,268</b>	
Other charges	F-5	11,075	172,488	2,393	54,825	5,629	459	1,628	<b>6,652,369</b>	
Service tax		21,628	38,892	1,340	15,675	1,524	117	532	<b>1,987,984</b>	
<b>Total expenditure (B)</b>		<b>182,332</b>	<b>343,745</b>	<b>12,210</b>	<b>137,072</b>	<b>12,556</b>	<b>1,088</b>	<b>4,897</b>	<b>14,872,968</b>	
<b>Net income for the year (A-B)</b>		<b>2,065,768</b>	<b>2,615,732</b>	<b>115,944</b>	<b>1,346,326</b>	<b>64,226</b>	<b>8,617</b>	<b>25,320</b>	<b>84,699,074</b>	
Add: Fund revenue account at the beginning of the year		2,475,598	868,932	253,684	598,445	132,831	2,705	5,992	<b>128,282,323</b>	
<b>Fund revenue account at the end of the year</b>		<b>4,541,366</b>	<b>3,484,664</b>	<b>369,628</b>	<b>1,944,771</b>	<b>197,057</b>	<b>11,322</b>	<b>31,312</b>	<b>212,981,397</b>	

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds												
		Discontinued Fund - Pension	Easy Retirement Balanced Fund	Easy Retirement SP Balanced Fund	Easy Retirement Secure Fund	Easy Shield Fund	Invest - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund
		ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 136 25/03/13 ERSPBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	
<b>Income from investments</b>														
Interest income		15,631	25,151	175	11,584	36,344	302,991	388,006	23	77,001	41,383	47,328	51,555	
Dividend income		—	2,810	21	—	1,229	30,481	39,645	29,574	216,980	9,328	10,465	314,611	
Profit/(loss) on sale of investment		(8)	33,388	242	7,066	34,254	467,473	718,659	448,315	2,611,085	108,478	123,072	3,313,671	
Profit/(loss) on inter fund transfer/ sale of investment		—	476	1	—	581	4,379	14,005	36,943	13,931	13,252	25,789	223,962	
Unrealised gain/(loss)*		—	59,986	390	2,752	26,239	396,929	409,703	305,031	1,046,014	156,068	157,748	4,718,915	
<b>Total income (A)</b>		<b>15,623</b>	<b>121,811</b>	<b>829</b>	<b>21,402</b>	<b>98,647</b>	<b>1,202,253</b>	<b>1,570,018</b>	<b>819,886</b>	<b>3,965,011</b>	<b>328,509</b>	<b>364,402</b>	<b>8,622,714</b>	
Fund management expenses		939	11,324	64	2,089	6,828	55,915	70,795	32,635	218,018	25,905	12,876	519,249	
Fund administration expenses		—	—	—	—	—	69,893	—	—	—	—	—	—	
Other charges	F-5	—	11,186	1	3,068	11,918	48,403	14,917	83,122	619,345	15,686	3,323	337,180	
Service tax		116	4,478	8	980	2,357	21,967	11,002	14,206	102,660	5,150	1,972	105,652	
<b>Total expenditure (B)</b>		<b>1,055</b>	<b>26,988</b>	<b>73</b>	<b>6,137</b>	<b>21,103</b>	<b>196,178</b>	<b>96,714</b>	<b>129,963</b>	<b>940,023</b>	<b>46,741</b>	<b>18,171</b>	<b>962,081</b>	
<b>Net income for the year (A-B)</b>		<b>14,568</b>	<b>94,823</b>	<b>756</b>	<b>15,265</b>	<b>77,544</b>	<b>1,006,075</b>	<b>1,473,304</b>	<b>689,923</b>	<b>3,024,988</b>	<b>281,768</b>	<b>346,231</b>	<b>7,660,633</b>	
Add: Fund revenue account at the beginning of the year		53	7,623	—	1,160	157,431	2,769,387	4,148,803	(215,075)	(237,882)	213,204	571,900	6,303,418	
<b>Fund revenue account at the end of the year</b>		<b>14,621</b>	<b>102,446</b>	<b>756</b>	<b>16,425</b>	<b>234,975</b>	<b>3,775,462</b>	<b>5,622,107</b>	<b>474,848</b>	<b>2,787,106</b>	<b>494,972</b>	<b>918,131</b>	<b>13,964,051</b>	

\* Net change in mark to market value of investments

Particulars	Schedule	Linked Pension Funds											
		Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund
		ULIF 030 20/03/07 PflexiGro2 105	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105
<b>Income from investments</b>													
Interest income		31,714	5	833,546	841	11,718	584,054	96,433	51,344	572	143	2,101	929,923
Dividend income		271,016	5,106	—	69,518	238,994	—	20,534	200,940	63,512	33,079	85,247	—
Profit/(loss) on sale of investment		3,116,797	72,410	379,977	1,120,189	4,107,027	10,372	349,384	1,970,960	1,057,028	583,834	735,495	12,400
Profit/(loss) on inter fund transfer/ sale of investment		173,421	6,512	34,355	3	54,130	965	10,275	38,911	45,727	38,697	99,558	1,466
Unrealised gain/(loss)*		3,728,508	47,142	246,748	643,040	1,810,405	(48)	269,092	4,400,744	581,576	240,133	1,588,699	(1,948)
<b>Total income (A)</b>		<b>7,321,456</b>	<b>131,175</b>	<b>1,494,626</b>	<b>1,833,591</b>	<b>6,222,274</b>	<b>595,343</b>	<b>745,718</b>	<b>6,662,899</b>	<b>1,748,415</b>	<b>895,886</b>	<b>2,511,100</b>	<b>941,841</b>
Fund management expenses		291,163	5,669	131,500	58,539	287,640	47,891	36,226	234,886	113,659	38,076	86,828	74,959
Fund administration expenses		—	—	—	73,174	—	—	—	—	—	—	—	—
Other charges	F-5	43,323	10,367	389,929	12,882	34,424	225,727	83,370	642,516	64,551	6,136	203,389	124,474
Service tax		43,911	2,546	63,965	18,654	41,009	32,994	14,748	107,856	21,946	5,712	35,467	24,206
<b>Total expenditure (B)</b>		<b>378,397</b>	<b>18,582</b>	<b>585,394</b>	<b>163,249</b>	<b>363,073</b>	<b>306,612</b>	<b>134,344</b>	<b>985,258</b>	<b>200,156</b>	<b>49,924</b>	<b>325,684</b>	<b>223,639</b>
<b>Net income for the year (A-B)</b>		<b>6,943,059</b>	<b>112,593</b>	<b>909,232</b>	<b>1,670,342</b>	<b>5,859,201</b>	<b>288,731</b>	<b>611,374</b>	<b>5,677,641</b>	<b>1,548,259</b>	<b>845,962</b>	<b>2,185,416</b>	<b>718,202</b>
Add: Fund revenue account at the beginning of the year		12,410,215	51,617	56,850	5,047,347	16,151,641	230,167	83,587	(178,341)	847,240	778,762	(131,925)	1,690,074
<b>Fund revenue account at the end of the year</b>		<b>19,353,274</b>	<b>164,210</b>	<b>966,082</b>	<b>6,717,689</b>	<b>22,010,842</b>	<b>518,898</b>	<b>694,961</b>	<b>5,499,300</b>	<b>2,395,499</b>	<b>1,624,724</b>	<b>2,053,491</b>	<b>2,408,276</b>

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds									
		Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	
		ULIF 006 03/05/02	ULIF 017 17/05/04	ULIF 070 31/03/09	ULIF 074 29/04/09	ULIF 079 17/06/09	ULIF 083 16/11/09	ULIF 102 12/10/10	ULIF 108 22/12/10	ULIF 113 13/01/11	
<b>Income from investments</b>											
Interest income		1,300,281	568,176	(41)	1,285	4,951	24,023	14,683	4,389	10,011	
Dividend income		—	—	—	—	—	—	—	—	—	
Profit/(loss) on sale of investment		465,111	218,826	74	193	876	3,655	1,427	714	3,312	
Profit/(loss) on inter fund transfer/ sale of investment		649	20,898	1,145	(139)	(749)	9,017	4,508	861	1,883	
Unrealised gain/(loss)*		416,792	213,284	(1,174)	126	831	(7,575)	3,205	1,541	2,488	
<b>Total income (A)</b>		<b>2,182,833</b>	<b>1,021,184</b>	<b>4</b>	<b>1,465</b>	<b>5,909</b>	<b>29,120</b>	<b>23,823</b>	<b>7,505</b>	<b>17,694</b>	
Fund management expenses		37,606	49,642	5	250	915	4,695	2,574	788	1,830	
Fund administration expenses		188,032	—	—	—	—	—	—	—	—	
Other charges	F-5	227,969	8,692	(482)	(534)	402	1,867	11	4	25	
Service tax		55,707	8,155	(71)	18	191	780	319	98	229	
<b>Total expenditure (B)</b>		<b>509,314</b>	<b>66,489</b>	<b>(548)</b>	<b>(266)</b>	<b>1,508</b>	<b>7,342</b>	<b>2,904</b>	<b>890</b>	<b>2,084</b>	
<b>Net income for the year (A-B)</b>		<b>1,673,519</b>	<b>954,695</b>	<b>552</b>	<b>1,731</b>	<b>4,401</b>	<b>21,778</b>	<b>20,919</b>	<b>6,615</b>	<b>15,610</b>	
Add: Fund revenue account at the beginning of the year		4,326,034	2,745,464	153,391	58,786	81,740	105,293	31,621	9,666	20,375	
<b>Fund revenue account at the end of the year</b>		<b>5,999,553</b>	<b>3,700,159</b>	<b>153,943</b>	<b>60,517</b>	<b>86,141</b>	<b>127,071</b>	<b>52,540</b>	<b>16,281</b>	<b>35,985</b>	

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Pension Funds					Total
		Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	
		ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105	
<b>Income from investments</b>							
Interest income		1,038	11,177	2,581	37,239	9,054	<b>5,528,413</b>
Dividend income		—	225,177	146,194	—	307	<b>2,014,768</b>
Profit/(loss) on sale of investment		343	2,026,070	1,387,205	18,990	7,918	<b>25,516,282</b>
Profit/(loss) on inter fund transfer/ sale of investment		170	316,162	386,799	(651)	42	<b>1,577,934</b>
Unrealised gain/(loss)*		198	4,274,859	2,535,106	10,820	5,973	<b>28,290,340</b>
<b>Total income (A)</b>		<b>1,749</b>	<b>6,853,445</b>	<b>4,457,885</b>	<b>66,398</b>	<b>23,294</b>	<b>62,927,737</b>
Fund management expenses		190	373,555	161,961	6,200	1,626	<b>3,005,510</b>
Fund administration expenses		—	—	—	—	—	<b>331,099</b>
Other charges	F-5	22	235,588	24,993	11,355	1,167	<b>3,500,316</b>
Service tax		26	75,382	25,027	2,825	381	<b>852,629</b>
<b>Total expenditure (B)</b>		<b>238</b>	<b>684,525</b>	<b>211,981</b>	<b>20,380</b>	<b>3,174</b>	<b>7,689,554</b>
<b>Net income for the year (A-B)</b>		<b>1,511</b>	<b>6,168,920</b>	<b>4,245,904</b>	<b>46,018</b>	<b>20,120</b>	<b>55,238,183</b>
Add: Fund revenue account at the beginning of the year		2,378	4,752,631	5,313,268	10,457	66,695	<b>68,435,055</b>
<b>Fund revenue account at the end of the year</b>		<b>3,889</b>	<b>10,921,551</b>	<b>9,559,172</b>	<b>56,475</b>	<b>86,815</b>	<b>123,673,238</b>

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Health Funds												Total
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII			
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105			
<b>Income from investments</b>														
Interest income		13,540	12,921	5,656	51	5,317	97,157	(1)	17	24	57			<b>134,739</b>
Dividend income		1,268	2,817	50,866	6,034	—	—	—	—	—	—			<b>60,985</b>
Profit/(loss) on sale of investment		23,209	21,271	280,194	57,928	287	65,922	2	3	2	3			<b>448,821</b>
Profit/(loss) on inter fund transfer/ sale of investment		450	2,670	30,982	2,852	19	41	—	(8)	(2)	—			<b>37,004</b>
Unrealised gain/(loss)*		18,295	57,820	1,084,116	74,316	(6)	11,122	(1)	9	4	2			<b>1,245,677</b>
<b>Total income (A)</b>		<b>56,762</b>	<b>97,499</b>	<b>1,451,814</b>	<b>141,181</b>	<b>5,617</b>	<b>174,242</b>	—	<b>21</b>	<b>28</b>	<b>62</b>			<b>1,927,226</b>
Fund management expenses		2,636	3,456	58,546	6,987	453	8,711	—	3	4	10			<b>80,806</b>
Fund administration expenses		—	—	—	—	—	—	—	—	—	—			—
Other charges	F-5	41,626	63,080	602,431	65,127	8,247	183,810	31	27	8	66			<b>964,453</b>
Service tax		5,538	8,214	77,855	8,525	1,097	23,794	4	3	1	9			<b>125,040</b>
<b>Total expenditure (B)</b>		<b>49,800</b>	<b>74,750</b>	<b>738,832</b>	<b>80,639</b>	<b>9,797</b>	<b>216,315</b>	<b>35</b>	<b>33</b>	<b>13</b>	<b>85</b>			<b>1,170,299</b>
<b>Net income for the year (A-B)</b>		<b>6,962</b>	<b>22,749</b>	<b>712,982</b>	<b>60,542</b>	<b>(4,180)</b>	<b>(42,073)</b>	<b>(35)</b>	<b>(12)</b>	<b>15</b>	<b>(23)</b>			<b>756,927</b>
Add: Fund revenue account at the beginning of the year		(108,878)	(151,092)	(1,833,300)	(215,609)	(16,990)	(541,792)	(22,086)	(12,371)	(7,163)	(3,822)			<b>(2,913,103)</b>
<b>Fund revenue account at the end of the year</b>		<b>(101,916)</b>	<b>(128,343)</b>	<b>(1,120,318)</b>	<b>(155,067)</b>	<b>(21,170)</b>	<b>(583,865)</b>	<b>(22,121)</b>	<b>(12,383)</b>	<b>(7,148)</b>	<b>(3,845)</b>			<b>(2,156,176)</b>

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Group Funds														
		Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Fund	Group Capital Guarantee Fund II	Group Capital Guarantee Fund III	Group Capital Debt Fund	Group Capital Debt Fund II	Group Capital Debt Fund III	Group Capital Guarantee Fund	Group Capital Guarantee Fund II	Group Capital Growth Fund	Group Capital Growth Fund II	Group Capital Short Term Fund	Group Capital Short Term Fund II	Group Capital Short Term Fund III
		ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 049 27/08/13 GCGBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 050 27/08/13 GCGGrowth3 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 031 01/03/12 GCGSTDebt3 105	
<b>Income from investments</b>																
Interest income		1,405,910	3,454	6,526	137,160	2,962	1,605	78,482	6,096	1,784	4,041	51	11,156	361,297	6,944	
Dividend income		43,402	53	222	4,466	51	—	—	—	181	384	2	—	—	—	
Profit/(loss) on sale of investment		1,070,142	2,737	6,103	123,685	1,592	1,252	31,570	2,538	3,283	6,771	17	565	9,219	537	
Profit/(loss) on inter fund transfer/ sale of investment		4,749	—	80	1,428	70	57	115	82	(18)	—	—	—	(3)	—	
Unrealised gain/(loss)*		692,661	3,092	4,060	65,191	2,463	491	21,828	2,333	2,266	5,130	61	(31)	(1,564)	7	
<b>Total income (A)</b>		<b>3,216,864</b>	<b>9,336</b>	<b>16,991</b>	<b>331,930</b>	<b>7,138</b>	<b>3,405</b>	<b>131,995</b>	<b>11,049</b>	<b>7,496</b>	<b>16,326</b>	<b>131</b>	<b>11,690</b>	<b>368,949</b>	<b>7,488</b>	
Fund management expenses		248,937	668	1,999	32,187	629	346	14,385	1,066	969	1,597	14	1,518	57,362	1,146	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other charges	F-5	157	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service tax		30,752	83	247	3,978	78	43	1,778	132	120	197	2	188	7,090	142	
<b>Total expenditure (B)</b>		<b>279,846</b>	<b>751</b>	<b>2,246</b>	<b>36,165</b>	<b>707</b>	<b>389</b>	<b>16,163</b>	<b>1,198</b>	<b>1,089</b>	<b>1,794</b>	<b>16</b>	<b>1,706</b>	<b>64,452</b>	<b>1,288</b>	
<b>Net income for the year (A-B)</b>		<b>2,937,018</b>	<b>8,585</b>	<b>14,745</b>	<b>295,765</b>	<b>6,431</b>	<b>3,016</b>	<b>115,832</b>	<b>9,851</b>	<b>6,407</b>	<b>14,532</b>	<b>115</b>	<b>9,984</b>	<b>304,497</b>	<b>6,200</b>	
Add: Fund revenue account at the beginning of the year		7,270,302	22	87,322	671,642	104	5,641	488,872	299	11,865	26,781	—	82,483	1,252,803	691	
<b>Fund revenue account at the end of the year</b>		<b>10,207,320</b>	<b>8,607</b>	<b>102,067</b>	<b>967,407</b>	<b>6,535</b>	<b>8,657</b>	<b>604,704</b>	<b>10,150</b>	<b>18,272</b>	<b>41,313</b>	<b>115</b>	<b>92,467</b>	<b>1,557,300</b>	<b>6,891</b>	

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Group Funds									
		Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	
		ULGF 002 03/04/13 GDebt 105	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	
<b>Income from investments</b>											
Interest income		1,340,579	72,366	254,988	230	68,536	10,752	52,199	3,828	81	
Dividend income		—	—	46,304	18	2,236	—	—	—	—	
Profit/(loss) on sale of investment		590,380	43,499	1,100,534	290	54,303	7,059	5,152	1,076	7	
Profit/(loss) on inter fund transfer/ sale of investment		(6,354)	440	87,169	47	441	(30)	422	(28)	—	
Unrealised gain/(loss)*		460,227	22,559	186,315	762	41,421	3,769	(84)	(404)	(1)	
<b>Total income (A)</b>		<b>2,384,832</b>	<b>138,864</b>	<b>1,675,310</b>	<b>1,347</b>	<b>166,937</b>	<b>21,550</b>	<b>57,689</b>	<b>4,472</b>	<b>87</b>	
Fund management expenses		200,756	11,379	88,114	84	12,640	1,712	7,916	855	18	
Fund administration expenses		—	—	—	—	—	—	—	—	—	
Other charges	F-5	—	—	—	—	—	—	131	—	—	
Service tax		24,813	1,406	10,891	10	1,562	212	995	106	2	
<b>Total expenditure (B)</b>		<b>225,569</b>	<b>12,785</b>	<b>99,005</b>	<b>94</b>	<b>14,202</b>	<b>1,924</b>	<b>9,042</b>	<b>961</b>	<b>20</b>	
<b>Net income for the year (A-B)</b>		<b>2,159,263</b>	<b>126,079</b>	<b>1,576,305</b>	<b>1,253</b>	<b>152,735</b>	<b>19,626</b>	<b>48,647</b>	<b>3,511</b>	<b>67</b>	
Add: Fund revenue account at the beginning of the year		3,658,658	606	3,666,888	1	265,891	29,954	132,945	645,448	27,353	
<b>Fund revenue account at the end of the year</b>		<b>5,817,921</b>	<b>126,685</b>	<b>5,243,193</b>	<b>1,254</b>	<b>418,626</b>	<b>49,580</b>	<b>181,592</b>	<b>648,959</b>	<b>27,420</b>	

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Group Funds								Total	Grand total
		Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Fund III	Group Superannuation Corporate Bond Fund			
		ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 046 27/08/13 GSTDebt2 105	ULGF 039 30/04/13 GSTDebt3 105	ULGF 015 22/12/08 GSACorBon 105			
<b>Income from investments</b>											
Interest income		443	12,610	43,299	655,712	101,618	985	188,196	<b>4,833,890</b>	<b>22,723,488</b>	
Dividend income		—	—	—	—	—	—	—	<b>97,319</b>	<b>5,380,574</b>	
Profit/(loss) on sale of investment		52	5,094	19,963	15,222	4,002	29	38,301	<b>3,144,974</b>	<b>70,662,721</b>	
Profit/(loss) on inter fund transfer/ sale of investment		—	(37)	1,190	(237)	(785)	—	(3)	<b>88,795</b>	<b>2,966,938</b>	
Unrealised gain/(loss)*		(1)	(1,213)	(2,424)	251	(3,112)	—	38,363	<b>1,544,416</b>	<b>72,402,678</b>	
<b>Total income (A)</b>		<b>494</b>	<b>16,454</b>	<b>62,028</b>	<b>670,948</b>	<b>101,723</b>	<b>1,014</b>	<b>264,857</b>	<b>9,709,394</b>	<b>174,136,399</b>	
Fund management expenses		99	2,626	10,342	93,254	16,014	144	30,258	<b>839,034</b>	<b>9,306,697</b>	
Fund administration expenses		—	—	—	—	—	—	—	<b>—</b>	<b>1,182,367</b>	
Other charges	F-5	—	—	—	3	—	—	—	<b>291</b>	<b>11,117,429</b>	
Service tax		12	325	1,278	11,526	1,979	18	3,740	<b>103,705</b>	<b>3,069,358</b>	
<b>Total expenditure (B)</b>		<b>111</b>	<b>2,951</b>	<b>11,620</b>	<b>104,783</b>	<b>17,993</b>	<b>162</b>	<b>33,998</b>	<b>943,030</b>	<b>24,675,851</b>	
<b>Net income for the year (A-B)</b>		<b>383</b>	<b>13,503</b>	<b>50,408</b>	<b>566,165</b>	<b>83,730</b>	<b>852</b>	<b>230,859</b>	<b>8,766,364</b>	<b>149,460,548</b>	
Add: Fund revenue account at the beginning of the year		639,232	29,688	102,095	2,856,856	—	—	472,013	<b>22,426,455</b>	<b>216,230,730</b>	
<b>Fund revenue account at the end of the year</b>		<b>639,615</b>	<b>43,191</b>	<b>152,503</b>	<b>3,423,021</b>	<b>83,730</b>	<b>852</b>	<b>702,872</b>	<b>31,192,819</b>	<b>365,691,278</b>	

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2015

(₹ in '000)

Particulars	Linked Life Funds												
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III	
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDisccont 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105	
Policy administration charge	131	5	10,705	495	4,380	44,512	6,241	—	202,096	—	3,827	109	
Surrender charge	—	236	827	12	73	4,277	34,577	—	14,111	73	282	3	
Switching charge	—	85	37	8	7	134	—	—	125	30	11	1	
Mortality charge	54	32,354	18,232	1,130	5,945	43,360	14,679	—	184,658	2,608	4,703	291	
Rider premium charge	—	7,703	9,162	—	93	1,789	—	—	13,175	628	3,232	—	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	—	—	3,464	—	—	9,140	—	—	—	
Policy foreclosure charges	5	(4,004)	(28)	—	(110)	5,061	268	—	26,235	(258)	(92)	—	
Miscellaneous charges	—	(4,160)	(2,060)	—	(241)	(109)	—	—	(506)	(358)	(8)	—	
<b>Total</b>	<b>190</b>	<b>32,219</b>	<b>36,875</b>	<b>1,645</b>	<b>10,147</b>	<b>102,488</b>	<b>55,765</b>	<b>—</b>	<b>449,034</b>	<b>2,723</b>	<b>11,955</b>	<b>404</b>	

(₹ in '000)

Particulars	Linked Life Funds												
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximise India Fund	
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 Lincome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 136 11/20/14 MIF 105	
Policy administration charge	1,331	—	69,333	2,724	65,518	377,047	344,947	34,566	13,844	53,495	43,088	1,993	
Surrender charge	11	961	4,320	52	871	—	11,944	99,314	25,013	—	—	—	
Switching charge	5	252	98	17	61	2	422	—	—	—	—	—	
Mortality charge	1,943	33,441	71,619	3,642	62,318	649,463	442,026	49,600	11,063	62,880	59,817	2,579	
Rider premium charge	60	9,477	43,105	—	2,873	—	7,537	147	1,561	—	—	2,003	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	—	—	36,015	35,946	—	—	101	68	—	
Policy foreclosure charges	—	(5,149)	(165)	—	(1,146)	—	9,318	181	(63)	—	—	—	
Miscellaneous charges	(451)	(4,884)	(84)	—	(6,444)	(684)	(313)	57	728	95	99	—	
<b>Total</b>	<b>2,899</b>	<b>34,098</b>	<b>188,226</b>	<b>6,435</b>	<b>124,051</b>	<b>1,061,843</b>	<b>851,827</b>	<b>183,865</b>	<b>52,146</b>	<b>116,571</b>	<b>103,072</b>	<b>6,575</b>	

(₹ in '000)

Particulars	Linked Life Funds												
	Maximiser Fund	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	
	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal	ULIF 085 24/11/09 LMCapGro	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	
Policy administration charge	3	33,083	3,625	2,404	375,150	197,464	46,001	249,152	—	11,254	348	4,399	
Surrender charge	(1)	835	(3)	—	—	10,289	2,200	32,268	270	738	18	60	
Switching charge	564	130	38	23	233	807	88	473	111	38	3	25	
Mortality charge	98,062	57,145	5,421	3,233	555,891	250,126	53,628	195,826	12,033	13,578	414	6,753	
Rider premium charge	28,897	21,920	—	221	184	4,203	2,308	16,984	3,111	8,507	—	314	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	22	—	—	29,580	15,806	4,286	16,731	—	—	—	—	
Policy foreclosure charges	(1,378)	(667)	—	(21)	—	5,996	3,207	41,662	(2,964)	(25)	(469)	—	
Miscellaneous charges	(30,524)	(4,063)	—	(29)	(158)	(49)	(162)	(2,055)	(313)	72	—	(445)	
<b>Total</b>	<b>95,623</b>	<b>108,405</b>	<b>9,081</b>	<b>5,831</b>	<b>960,880</b>	<b>484,642</b>	<b>111,556</b>	<b>551,041</b>	<b>12,248</b>	<b>34,162</b>	<b>783</b>	<b>10,637</b>	

(₹ in '000)

Particulars	Linked Life Funds												
	New Invest Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund IV		
	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LPopport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 22/10/01 LProtect2 105	ULIF 024 17/05/04 LProtect3 105	ULIF 041 13/03/06 LProtect4 105	ULIF 069 27/08/07 LRGF(T4) 105	
Policy administration charge	19,720	52,237	(89)	43,487	6,534	383	3,868	3	10,729	598	26,687	(2)	
Surrender charge	49,620	9,910	26,059	—	1,147	12	90	298	869	27	382	—	
Switching charge	—	83	—	—	903	48	92	457	154	25	55	—	
Mortality charge	15,489	40,161	31,150	59,272	22,007	929	5,956	27,821	23,920	1,521	33,172	2	
Rider premium charge	—	3,684	—	—	7,269	(2,207)	176	5,562	9,061	—	1,081	—	
Partial withdrawal charge	—	—	—	298	—	—	—	—	—	—	—	—	
Discontinued charges	—	3,863	—	—	—	—	—	—	—	—	—	—	
Policy foreclosure charges	(110)	11,206	11,109	—	(155)	—	—	(1,226)	(310)	—	(169)	(195)	
Miscellaneous charges	193	(209)	—	3	(1,667)	—	(359)	(2,368)	(893)	—	(2,744)	—	
<b>Total</b>	<b>84,912</b>	<b>120,935</b>	<b>68,229</b>	<b>103,060</b>	<b>36,038</b>	<b>(835)</b>	<b>9,823</b>	<b>30,547</b>	<b>43,530</b>	<b>2,171</b>	<b>58,464</b>	<b>(195)</b>	

# schedules

forming part of the financial statements

*Continued*

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OTHER EXPENSES AT MARCH 31, 2015

Particulars	Linked Life Funds											
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Fund X (5 Yrs)	Return Guarantee Fund IX (10 Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (10 Yrs)	
	ULIF 073 29/04/09 LRGF(T5)	ULIF 078 17/06/09 LRGF(T6)	ULIF 082 16/11/09 LRGF(T7)	ULIF 103 12/10/10 LRGF(T8)	ULIF 104 22/12/10 LRGF(S1)	ULIF 106 22/12/10 LRGF(T9)	ULIF 107 13/01/11 LRGF(S2)	ULIF 111 13/01/11 LRGF(T10)	ULIF 112 17/03/11 LRGF(S3)	ULIF 120 19/04/11 LRGF(T11)	ULIF 121 19/04/11 LRGF(S4)	
	105	105	105	105	105	105	105	105	105	105	105	
Policy administration charge	22	37	57	96	11	110	14	439	291	3,721	140	
Surrender charge	15	37	42	10	—	—	—	—	—	—	—	
Switching charge	—	—	—	—	—	—	—	—	—	—	—	
Mortality charge	28	64	58	1,216	542	2,262	338	10,206	2,135	5,211	124	
Rider premium charge	11	29	35	1	2	—	2	4	8	36	12	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	(15)	(3)	(9)	—	20	3	45	6	
Policy foreclosure charges	(27)	(102)	(32)	—	—	—	—	—	—	—	—	
Miscellaneous charges	—	—	—	—	—	—	—	—	—	(1)	—	
<b>Total</b>	<b>49</b>	<b>65</b>	<b>160</b>	<b>1,308</b>	<b>552</b>	<b>2,363</b>	<b>354</b>	<b>10,669</b>	<b>2,437</b>	<b>9,012</b>	<b>282</b>	

Particulars	Linked Life Funds								Total
	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund		
	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105		
	—	68,778	1,170	25,184	1,218	396	1,515	2,470,624	
Policy administration charge	—	1,106	4,936	66	159	2,544	78	341,302	
Surrender charge	72	44	7	26	—	—	—	5,794	
Switching charge	11,144	56,166	1,150	30,398	1,816	—	—	3,394,773	
Mortality charge	2,666	42,517	—	1,125	—	—	—	260,268	
Rider premium charge	—	—	—	—	—	—	—	—	
Partial withdrawal charge	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	—	—	—	—	—	
Policy foreclosure charges	(3,674)	54	—	(625)	55	(15)	(151)	91,027	
Miscellaneous charges	(239)	(7)	—	(1,442)	(4)	—	—	(66,786)	
<b>Total</b>	<b>11,075</b>	<b>172,488</b>	<b>2,393</b>	<b>54,825</b>	<b>5,629</b>	<b>459</b>	<b>1,628</b>	<b>6,652,369</b>	

Particulars	Linked Pension Funds												Total
	Discontinued Fund - Pension Fund	Easy Retirement Balanced Fund	Easy Retirement SP Balanced Fund	Easy Retirement Secure Fund	Invest Shield Fund - Pension Fund	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Balanced Fund	Pension Flexi Balanced Fund	Pension Flexi Fund II	
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 136 25/03/13 ERSPB 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	
	—	10,878	1	2,916	1,751	22,392	10,525	52,638	370,402	7,196	1,957	165,471	
Policy administration charge	—	—	—	—	9,272	29,374	5,641	15,175	119,656	9,046	288	188,921	
Surrender charge	—	2	—	3	—	43	37	89	90	23	19	299	
Switching charge	—	—	—	—	463	695	1,066	235	1,774	13	319	89	
Mortality charge	—	—	—	—	74	382	321	—	1	6	70	52	
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	306	—	149	—	—	—	—	—	—	—	—	
Policy foreclosure charges	—	—	—	—	(4,482)	(1,556)	15,349	129,712	(598)	1,248	(17,652)	—	
Miscellaneous charges	—	—	—	—	358	(1)	(1,117)	(364)	(2,290)	(578)	—	—	
<b>Total</b>	<b>—</b>	<b>11,186</b>	<b>1</b>	<b>3,068</b>	<b>11,918</b>	<b>48,403</b>	<b>14,917</b>	<b>83,122</b>	<b>619,345</b>	<b>15,686</b>	<b>3,323</b>	<b>337,180</b>	

Particulars	Linked Pension Funds												Total
	Pension Flexi Growth Fund II	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	
	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 Pincome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	
	46,079	5,834	240,796	7,172	27,141	144,683	55,249	377,299	35,313	5,789	132,074	48,659	
Policy administration charge	4,112	(36)	86,218	4,352	8,314	54,842	13,551	137,053	34,245	711	52,124	76,762	
Surrender charge	185	—	191	96	240	512	45	354	101	65	78	881	
Switching charge	6,768	2,058	2,091	1,142	2,239	575	170	3,548	13	1,084	577	791	
Mortality charge	1,319	—	—	776	1,069	—	—	—	7	193	—	152	
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	2,511	—	—	—	—	—	—	—	—	—	—	
Policy foreclosure charges	(11,257)	—	62,758	(656)	(4,579)	25,410	14,789	127,752	(5,128)	(991)	19,409	(2,283)	
Miscellaneous charges	(3,883)	—	(2,125)	—	—	(295)	(434)	(3,490)	—	(715)	(873)	(488)	
<b>Total</b>	<b>43,323</b>	<b>10,367</b>	<b>389,929</b>	<b>12,882</b>	<b>34,424</b>	<b>225,727</b>	<b>83,370</b>	<b>642,516</b>	<b>64,551</b>	<b>6,136</b>	<b>203,389</b>	<b>124,474</b>	

# schedules



forming part of the financial statements

*Continued*

Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2015

Particulars	Linked Pension Funds										₹ in '000	
	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)		
	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF		
	Policy administration charge	102,035	12,198	(12)	78	412	1,118	8	3	23		
Surrender charge	132,631	1,707	—	70	497	1,695	3	—	—	2		
Switching charge	267	216	—	—	—	—	—	—	—	—		
Mortality charge	728	2,342	—	2	1	1	—	—	1	—		
Rider premium charge	413	235	—	—	—	—	—	—	—	—		
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—		
Discontinued charges	—	—	—	—	—	—	—	—	—	—		
Policy foreclosure charges	(8,104)	(6,127)	(470)	(684)	(508)	(947)	—	—	—	—		
Miscellaneous charges	(1)	(1,879)	—	—	—	—	—	—	—	—		
<b>Total</b>	<b>227,969</b>	<b>8,692</b>	<b>(482)</b>	<b>(534)</b>	<b>402</b>	<b>1,867</b>	<b>11</b>	<b>4</b>	<b>25</b>			

Particulars	Linked Pension Funds						₹ in '000	
	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	Total		
	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105			
	Policy administration charge	15	112,520	30,885	6,557	211	2,038,266	
Surrender charge	7	145,500	5,061	(36)	756	—	1,137,514	
Switching charge	—	118	75	—	—	—	4,029	
Mortality charge	—	2	4,824	2,276	219	—	36,106	
Rider premium charge	—	—	1,016	—	—	—	6,086	
Partial withdrawal charge	—	—	—	—	—	—		
Discontinued charges	—	—	—	2,558	—	—	5,524	
Policy foreclosure charges	—	(22,551)	(14,575)	—	—	—	293,279	
Miscellaneous charges	—	(1)	(2,293)	—	—	(19)	(20,488)	
<b>Total</b>	<b>22</b>	<b>235,588</b>	<b>24,993</b>	<b>11,355</b>	<b>1,167</b>	<b>—</b>	<b>3,500,316</b>	

Particulars	Linked Health Funds										₹ in '000	
	Health Balancer Fund	Health Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Fund IV	Health Return Fund V	Health Return Fund VI	Health Return Fund VII	Total	
	ULIF 059 15/01/09	ULIF 060 15/01/09	ULIF 057 15/01/09	ULIF 058 15/01/09	ULIF 056 15/01/09	ULIF 061 15/01/09	ULIF 071 31/03/09	ULIF 075 29/04/09	ULIF 080 17/06/09	ULIF 084 16/11/09		
	HBalancer 105	HFlexiBal 105	HFlexiGro 105	HMultip 105	HPreserv 105	HProtect 105	HRGF5 105	HRGF6 105	HRGF7 105			
Policy administration charge	4,235	6,608	62,739	6,698	827	17,992	3	1	1	7	99,111	
Surrender charge	—	—	—	—	—	—	—	—	—	—		
Switching charge	2	1	17	12	18	15	—	—	—	—	65	
Mortality charge	34,299	49,566	473,058	52,391	7,197	152,548	28	26	7	59	769,179	
Rider premium charge	—	—	—	—	—	—	—	—	—	—		
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—		
Discontinued charges	—	—	—	—	—	—	—	—	—	—		
Policy foreclosure charges	2,701	6,457	62,762	5,830	196	12,277	—	—	—	—	90,223	
Miscellaneous charges	389	448	3,855	196	9	978	—	—	—	—	5,875	
<b>Total</b>	<b>41,626</b>	<b>63,080</b>	<b>602,431</b>	<b>65,127</b>	<b>8,247</b>	<b>183,810</b>	<b>31</b>	<b>27</b>	<b>8</b>	<b>66</b>	<b>964,453</b>	

Particulars	Linked Group Funds												₹ in '000	
	Group Balanced Fund	Group Balanced Fund II	Group Capital Balanced Fund	Group Capital Balanced Fund II	Group Capital Balanced Fund III	Group Capital Debt Fund	Group Capital Debt Fund II	Group Capital Debt Fund III	Group Capital Growth Fund	Group Capital Growth Fund II	Group Capital Growth Fund III	Total		
	ULGF 001 03/04/03	ULGF 041 30/04/13	ULGF 006 03/10/05	ULGF 010 21/03/07	ULGF 049 27/08/13	ULGF 007 28/10/05	ULGF 011 GCGBal1	ULGF 048 GCGBal2	ULGF 008 GCGBal3	ULGF 012 GCGDebt1	ULGF 009 GCGDebt2	ULGF 013 GCGDebt3		
	105	105	105	105	105	105	105	105	105	105	105	105		
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	—		
Surrender charge	157	—	—	—	—	—	—	—	—	—	—	—		
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—		
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	—		
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—		
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—		
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—	—		
Policy foreclosure charges	—	—	—	—	—	—	—	—	—	—	—	—		
Miscellaneous charges	—	—	—	—	—	—	—	—	—	—	—	—		
<b>Total</b>	<b>157</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		

# schedules

forming part of the financial statements

*Continued*

Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2015

Particulars	Linked Group Funds												(₹ in '000)
	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Short Term Debt Fund III	Group Debt Fund	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	
	ULGF 005 24/02/04 GCGSTDDebt1	ULGF 009 16/03/07 GCGSTDDebt2	ULGF 031 01/03/12 GCGSTDDebt3	ULGF 002 03/04/03 GDebt	ULGF 040 30/04/13 GDDebt2	ULGF 004 30/10/03 GGrowth	ULGF 042 30/04/13 GGrowth2	ULGF 013 02/04/08 GLEBal	ULGF 014 02/04/08 GLEIncome	ULGF 024 26/02/10 GLEST	ULGF 021 10/02/09 GRGF1	ULGF 021 10/02/09 GRGF1	
	105	105	105	105	105	105	105	105	105	105	105	105	
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	131	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—	—	—
Policy foreclosure charges	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charges	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	—	—	—	—	—	—	—	<b>131</b>	—

Particulars	Linked Group Funds								Total	Grand Total	(₹ in '000)	
	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Short Term Debt Fund II	Group Short Term Debt Superannuation Fund III	Group Corporate Bond Fund				
	ULGF 022 30/03/09 GRGF2	ULGF 023 16/06/09 GRGF3	ULGF 026 14/03/11 GRGFS5	ULGF 028 01/07/11 GRGFS7	ULGF 003 03/04/03 GSTDebt	ULGF 046 27/08/13 GSTDebt2	ULGF 039 30/04/13 GSTDebt3	ULGF 015 22/12/08\\ GSACorBon				
	105	105	105	105	105	105	105	105				
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	4,608,001
Surrender charge	—	—	—	—	3	—	—	—	—	291	1,479,107	—
Switching charge	—	—	—	—	—	—	—	—	—	—	9,888	—
Mortality charge	—	—	—	—	—	—	—	—	—	—	4,200,058	—
Rider premium charge	—	—	—	—	—	—	—	—	—	—	266,354	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	160,891
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—	474,529
Policy foreclosure charges	—	—	—	—	—	—	—	—	—	—	—	(81,399)
<b>Total</b>	—	—	—	—	3	—	—	—	—	291	11,117,429	—

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

### Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
		ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDisccont 105	ULIF 097 11/01/10 LDynamicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
<b>Income from investments</b>													
Interest income		670	643,999	202,184	15,723	47,721	398	233,636	633,463	105,197	38,045	26,590	1,880
Dividend income		—	59,692	19,380	1,624	4,758	32,603	—	—	284,128	10,557	7,343	537
Profit/(loss) on sale of investment		56	441,704	136,759	13,592	30,001	53,753	(31,624)	23,640	182,739	32,311	19,768	2,137
Profit/(loss) on inter fund transfer/ sale of investment		—	34,610	7,231	369	931	(1,387)	574	(1,395)	858	(2,735)	(1,283)	37
Unrealised gain/(loss)*		—	300,095	116,253	6,249	36,696	204,705	(23,381)	(3,923)	2,649,837	75,424	56,863	3,731
<b>Total income (A)</b>		<b>726</b>	<b>1,480,100</b>	<b>481,807</b>	<b>37,557</b>	<b>120,107</b>	<b>290,072</b>	<b>179,205</b>	<b>651,785</b>	<b>3,222,759</b>	<b>153,602</b>	<b>109,281</b>	<b>8,322</b>
Fund management expenses		77	116,776	37,961	6,943	9,466	25,505	34,497	37,427	249,952	24,257	7,701	1,267
Fund administration expenses		—	145,971	—	—	—	—	—	—	—	—	—	—
Other charges	F-5	248	100,135	57,461	2,073	11,694	91,957	93,362	34	582,695	5,944	20,266	528
Service tax		67	48,388	12,852	1,110	3,062	15,982	17,341	4,628	111,014	4,106	3,727	222
<b>Total expenditure (B)</b>		<b>392</b>	<b>411,270</b>	<b>108,274</b>	<b>10,126</b>	<b>24,222</b>	<b>133,444</b>	<b>145,200</b>	<b>42,089</b>	<b>943,661</b>	<b>34,307</b>	<b>31,694</b>	<b>2,017</b>
<b>Net income for the year (A-B)</b>		<b>334</b>	<b>1,068,830</b>	<b>373,533</b>	<b>27,431</b>	<b>95,885</b>	<b>156,628</b>	<b>34,005</b>	<b>609,696</b>	<b>2,279,098</b>	<b>119,295</b>	<b>77,587</b>	<b>6,305</b>
Add: Fund revenue account at the beginning of the year		279	10,848,765	3,400,111	280,836	88,893	(110,472)	681,785	175,581	(749,638)	370,889	127,086	27,914
<b>Fund revenue account at the end of the year</b>		<b>613</b>	<b>11,917,595</b>	<b>3,773,644</b>	<b>308,267</b>	<b>184,778</b>	<b>46,156</b>	<b>715,790</b>	<b>785,277</b>	<b>1,529,460</b>	<b>490,184</b>	<b>204,673</b>	<b>34,219</b>

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Fund - Life	Life Growth Fund	Life Secure Fund	Maximiser Fund
		ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 134 19/09/13 LGF 105	ULIF 135 19/09/13 LSF 105	ULIF 001 22/10/01 LMaximis1 105
<b>Income from investments</b>													
Interest income		8,908	9,804	6,644	5	15,263	996,895	1,045,372	425,853	165,255	170	1,948	98,508
Dividend income		2,529	370,706	210,947	19,684	192,467	212,163	—	—	6,647	411	—	555,831
Profit/(loss) on sale of investment		6,136	1,828,144	1,012,359	122,986	812,194	(278,556)	(98,212)	(66,429)	(7,977)	279	290	5,453,093
Profit/(loss) on inter fund transfer/ sale of investment		155	18,024	19,467	8,784	10,224	(6,150)	(179)	2,855	2,303	—	—	188,749
Unrealised gain/(loss)*		20,653	795,846	471,217	1,644	545,001	1,692,017	(54,556)	(37,815)	41,760	19,617	1,739	3,768,393
<b>Total income (A)</b>		<b>38,381</b>	<b>3,022,524</b>	<b>1,720,634</b>	<b>153,103</b>	<b>1,575,149</b>	<b>2,616,369</b>	<b>892,425</b>	<b>324,464</b>	<b>207,988</b>	<b>20,477</b>	<b>3,977</b>	<b>10,064,574</b>
Fund management expenses		2,684	414,096	159,259	21,465	146,943	472,110	167,973	63,131	30,703	517	430	412,553
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	515,692
Other charges	F-5	3,627	85,106	298,028	9,483	178,924	1,168,452	712,825	215,173	53,617	3,480	3,202	383,660
Service tax		926	67,912	59,417	3,810	45,453	270,551	149,973	35,903	11,647	5,366	4,598	173,824
<b>Total expenditure (B)</b>		<b>7,237</b>	<b>567,114</b>	<b>516,704</b>	<b>34,758</b>	<b>371,320</b>	<b>1,911,113</b>	<b>1,030,771</b>	<b>314,207</b>	<b>95,967</b>	<b>9,363</b>	<b>8,230</b>	<b>1,485,729</b>
<b>Net income for the year (A-B)</b>		<b>31,144</b>	<b>2,455,410</b>	<b>1,203,930</b>	<b>118,345</b>	<b>1,203,829</b>	<b>705,256</b>	<b>(138,346)</b>	<b>10,257</b>	<b>112,021</b>	<b>11,114</b>	<b>(4,253)</b>	<b>8,578,845</b>
Add: Fund revenue account at the beginning of the year		21,980	10,054,550	1,608,351	394,537	1,723,007	(275,599)	279,103	653,849	498,665	—	—	39,344,071
<b>Fund revenue account at the end of the year</b>		<b>53,124</b>	<b>12,509,960</b>	<b>2,812,281</b>	<b>512,882</b>	<b>2,926,836</b>	<b>429,657</b>	<b>140,757</b>	<b>664,106</b>	<b>610,686</b>	<b>11,114</b>	<b>(4,253)</b>	<b>47,922,916</b>

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

### Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds												
		Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	
		ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	
<b>Income from investments</b>														
Interest income		14,445	1,237	18	9,124	464,123	74,826	25,234	1,097	1,327	2	67	151,375	
Dividend income		137,069	25,313	7,498	64,214	—	19,241	236,536	173,099	36,943	2,554	16,945	17,414	
Profit/(loss) on sale of investment		1,447,098	271,378	80,118	300,317	38,499	36,255	342,034	1,035,953	168,440	17,503	84,976	35,212	
Profit/(loss) on inter fund transfer/ sale of investment		22,775	5,247	700	10,187	658	(148)	4,557	16,405	6,730	607	(923)	4,178	
Unrealised gain/(loss)*		872,346	135,875	40,597	1,013,901	3,099	199,353	1,536,624	120,874	84,664	198	36,133	117,259	
<b>Total income (A)</b>		<b>2,493,733</b>	<b>439,050</b>	<b>128,931</b>	<b>1,397,743</b>	<b>506,379</b>	<b>329,527</b>	<b>2,144,985</b>	<b>1,347,428</b>	<b>298,104</b>	<b>20,864</b>	<b>137,198</b>	<b>325,438</b>	
Fund management expenses		151,342	40,331	7,911	71,173	40,726	28,200	184,420	199,208	29,768	2,941	13,756	36,182	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	—	
Other charges	F-5	130,803	12,334	7,370	342,649	276,877	95,280	614,356	29,499	55,376	1,167	14,964	93,155	
Service tax		36,298	6,466	1,990	66,813	62,103	18,479	111,568	30,995	11,102	505	3,970	16,585	
<b>Total expenditure (B)</b>		<b>318,443</b>	<b>59,131</b>	<b>17,271</b>	<b>480,635</b>	<b>379,706</b>	<b>141,959</b>	<b>910,344</b>	<b>259,702</b>	<b>96,246</b>	<b>4,613</b>	<b>32,690</b>	<b>145,922</b>	
<b>Net income for the year (A-B)</b>		<b>2,175,290</b>	<b>379,919</b>	<b>111,660</b>	<b>917,108</b>	<b>126,673</b>	<b>187,568</b>	<b>1,234,641</b>	<b>1,087,726</b>	<b>201,858</b>	<b>16,251</b>	<b>104,508</b>	<b>179,516</b>	
Add: Fund revenue account at the beginning of the year		10,080,225	1,883,348	201,131	(47,040)	142,408	27,777	(439,731)	4,404,780	301,543	55,275	166,664	542,981	
<b>Fund revenue account at the end of the year</b>		<b>12,255,515</b>	<b>2,263,267</b>	<b>312,791</b>	<b>870,068</b>	<b>269,081</b>	<b>215,345</b>	<b>794,910</b>	<b>5,492,506</b>	<b>503,401</b>	<b>71,526</b>	<b>271,172</b>	<b>722,497</b>	

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Life Funds												
		Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	
		ULIF 086 24/11/09 Lopport 105	ULIF 081 26/10/09 LPopport 105	ULIF 105 26/10/10 LPinnacle 105	ULIF 010 17/05/04 LPinnacle2 105	ULIF 021 13/03/06 LPreserv1 105	ULIF 036 27/08/07 LPreserv3 105	ULIF 003 27/08/07 LPreserv4 105	ULIF 016 22/10/01 LPreserv1 105	ULIF 024 17/05/04 LPreserv2 105	ULIF 024 13/03/06 LPreserv3 105	ULIF 041 27/08/07 LPreserv4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105
<b>Income from investments</b>														
Interest income		9,621	367,255	122,974	475,841	23,106	39,890	798,646	335,974	37,140	339,320	28,106	25,231	
Dividend income		57,038	105,828	50,498	—	—	—	—	—	—	—	—	—	
Profit/(loss) on sale of investment		63,068	11,009	(26,837)	31,111	1,789	4,759	(133,741)	(19,254)	(3,862)	(51,283)	765	7,804	
Profit/(loss) on inter fund transfer/ sale of investment		(8,302)	(22,065)	(3,298)	3,021	154	239	11,083	3,598	396	4,622	2,363	4,698	
Unrealised gain/(loss)*		433,989	677,974	451,272	1,924	79	217	(70,731)	(24,749)	(4,751)	(31,098)	(2,188)	(5,099)	
<b>Total income (A)</b>		<b>555,414</b>	<b>1,140,001</b>	<b>594,609</b>	<b>511,897</b>	<b>25,128</b>	<b>45,105</b>	<b>605,257</b>	<b>295,569</b>	<b>28,923</b>	<b>261,561</b>	<b>29,046</b>	<b>32,634</b>	
Fund management expenses		45,978	146,809	62,727	41,016	2,047	3,640	23,322	30,195	6,780	30,329	4,866	5,510	
Fund administration expenses		—	10,875	4,646	—	—	—	116,606	—	—	—	—	—	
Other charges	F-5	153,075	218,355	111,669	41,257	1,427	6,798	51,661	63,982	2,925	82,211	4,810	6,595	
Service tax		26,572	46,988	27,449	11,104	419	1,499	25,721	12,225	1,187	16,069	1,201	1,508	
<b>Total expenditure (B)</b>		<b>225,625</b>	<b>423,027</b>	<b>206,491</b>	<b>93,377</b>	<b>3,893</b>	<b>11,937</b>	<b>217,310</b>	<b>106,402</b>	<b>10,892</b>	<b>128,609</b>	<b>10,877</b>	<b>13,613</b>	
<b>Net income for the year (A-B)</b>		<b>329,789</b>	<b>716,974</b>	<b>388,118</b>	<b>418,520</b>	<b>21,235</b>	<b>33,168</b>	<b>387,947</b>	<b>189,167</b>	<b>18,031</b>	<b>132,952</b>	<b>18,169</b>	<b>19,021</b>	
Add: Fund revenue account at the beginning of the year		(138,750)	(403,116)	(213,760)	1,353,458	72,656	28,565	4,097,988	1,638,517	219,219	532,698	110,792	103,726	
<b>Fund revenue account at the end of the year</b>		<b>191,039</b>	<b>313,858</b>	<b>174,358</b>	<b>1,771,978</b>	<b>93,891</b>	<b>61,733</b>	<b>4,485,935</b>	<b>1,827,684</b>	<b>237,250</b>	<b>665,650</b>	<b>128,961</b>	<b>122,747</b>	

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

### Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund XI (5 Yrs)
		ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 111 13/01/11 LRGF(T10) 105	
<b>Income from investments</b>													
Interest income		28,347	14,841	12,889	118,897	5,921	6,712	2,771	26,511	86,901	44,142	238,142	
Dividend income		—	—	—	—	—	—	—	—	—	—	—	
Profit/(loss) on sale of investment		2,960	2,212	(1,290)	1,023	(77)	758	448	(4,776)	5,277	1,933	8,536	
Profit/(loss) on inter fund transfer/ sale of investment		8,760	(908)	(233)	(886)	55	(192)	(39)	(279)	1,478	(847)	4,917	
Unrealised gain/(loss)*		(4,473)	(898)	(3,991)	(5,755)	471	(329)	(303)	(6,299)	(5,451)	(20,211)	(11,223)	
<b>Total income (A)</b>		<b>35,594</b>	<b>15,247</b>	<b>7,375</b>	<b>113,279</b>	<b>6,370</b>	<b>6,949</b>	<b>2,877</b>	<b>15,157</b>	<b>88,205</b>	<b>25,017</b>	<b>240,372</b>	
Fund management expenses		6,083	2,598	2,228	21,434	1,107	1,214	516	4,518	16,236	7,562	43,957	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	
Other charges	F-5	5,263	4,420	771	7,138	3,257	2,929	1,105	1,149	3,596	4,008	23,241	
Service tax		1,445	917	370	3,556	558	537	210	704	2,513	1,369	8,293	
<b>Total expenditure (B)</b>		<b>12,791</b>	<b>7,935</b>	<b>3,369</b>	<b>32,128</b>	<b>4,922</b>	<b>4,680</b>	<b>1,831</b>	<b>6,371</b>	<b>22,345</b>	<b>12,939</b>	<b>75,491</b>	
<b>Net income for the year (A-B)</b>		<b>22,803</b>	<b>7,312</b>	<b>4,006</b>	<b>81,151</b>	<b>1,448</b>	<b>2,269</b>	<b>1,046</b>	<b>8,786</b>	<b>65,860</b>	<b>12,078</b>	<b>164,881</b>	
Add: Fund revenue account at the beginning of the year		101,352	34,801	22,493	196,403	8,424	12,635	3,780	46,381	149,797	68,469	386,490	
<b>Fund revenue account at the end of the year</b>		<b>124,155</b>	<b>42,113</b>	<b>26,499</b>	<b>277,554</b>	<b>9,872</b>	<b>14,904</b>	<b>4,826</b>	<b>55,167</b>	<b>215,657</b>	<b>80,547</b>	<b>551,371</b>	

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Life Funds										Total
		Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Builder Fund	Secure Save Guarantee Fund		
		ULIF 121 19/04/11 LRGF(S4) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGree 105		
<b>Income from investments</b>												
Interest income		2,048	116,071	289	(9,596)	13	849	30,260	974	8,360	<b>8,805,452</b>	
Dividend income		—	—	121,622	138,267	7,032	65,944	1,409	451	958	<b>3,277,880</b>	
Profit/(loss) on sale of investment		(219)	24,065	476,809	418,454	30,976	187,542	(5,164)	1,062	2,224	<b>14,585,007</b>	
Profit/(loss) on inter fund transfer/ sale of investment		(123)	(748)	34,828	30,699	1,950	15,992	58	—	—	<b>444,006</b>	
Unrealised gain/(loss)*		(722)	(31,801)	707,559	971,694	37,321	484,305	14,495	3,555	7,082	<b>18,410,853</b>	
<b>Total income (A)</b>		<b>984</b>	<b>107,587</b>	<b>1,341,107</b>	<b>1,549,518</b>	<b>77,292</b>	<b>754,632</b>	<b>41,058</b>	<b>6,042</b>	<b>18,624</b>	<b>45,523,198</b>	
Fund management expenses		351	20,732	165,776	127,972	9,533	61,717	5,701	506	2,929	<b>4,155,540</b>	
Fund administration expenses		—	—	—	—	—	—	—	—	—	<b>793,790</b>	
Other charges	F-5	503	16,045	51,500	325,079	4,254	66,160	8,640	1,923	7,973	<b>7,039,523</b>	
Service tax		109	4,589	30,050	58,853	1,698	18,684	1,996	291	1,330	<b>1,728,767</b>	
<b>Total expenditure (B)</b>		<b>963</b>	<b>41,366</b>	<b>247,326</b>	<b>511,904</b>	<b>15,485</b>	<b>146,561</b>	<b>16,337</b>	<b>2,720</b>	<b>12,232</b>	<b>13,717,620</b>	
<b>Net income for the year (A-B)</b>		<b>21</b>	<b>66,221</b>	<b>1,093,781</b>	<b>1,037,614</b>	<b>61,807</b>	<b>608,071</b>	<b>24,721</b>	<b>3,322</b>	<b>6,392</b>	<b>31,805,578</b>	
Add: Fund revenue account at the beginning of the year		1,455	151,752	1,381,817	(168,682)	191,877	(9,626)	108,110	(617)	(400)	<b>96,852,608</b>	
<b>Fund revenue account at the end of the year</b>		<b>1,476</b>	<b>217,973</b>	<b>2,475,598</b>	<b>868,932</b>	<b>253,684</b>	<b>598,445</b>	<b>132,831</b>	<b>2,705</b>	<b>5,992</b>	<b>128,658,186</b>	

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Discontinued Fund - Pension	Easy Retirement Fund	Easy Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II
		ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105
<b>Income from investments</b>													
Interest income		56	1,870	1,190	32,233	362,877	425,770	171	56,645	40,392	46,730	22,656	8,043
Dividend income		—	134	—	1,326	36,414	42,462	37,809	269,278	10,449	11,687	410,152	367,615
Profit/(loss) on sale of investment		—	1,903	786	4,131	19,627	15,092	75,323	553,986	27,621	35,271	1,837,046	1,849,320
Profit/(loss) on inter fund transfer/ sale of investment		—	(34)	—	132	11,379	5,506	(6,613)	24,660	(13,933)	(19,620)	74,792	82,674
Unrealised gain/(loss)*		—	6,806	222	5,981	171,136	220,147	190,869	1,883,372	76,495	88,801	1,113,072	832,262
<b>Total income (A)</b>		<b>56</b>	<b>10,679</b>	<b>2,198</b>	<b>43,803</b>	<b>601,433</b>	<b>708,977</b>	<b>297,559</b>	<b>2,787,941</b>	<b>141,024</b>	<b>162,869</b>	<b>3,457,718</b>	<b>3,139,914</b>
Fund management expenses		3	829	213	6,148	62,317	73,271	28,832	221,851	24,833	12,517	468,406	275,556
Fund administration expenses		—	—	—	—	77,896	—	—	—	—	—	—	—
Other charges	F-5	—	1,205	443	9,568	78,322	24,191	133,016	1,019,807	23,552	2,692	559,189	93,819
Service tax		—	1,022	382	2,056	27,582	13,084	20,061	152,794	5,951	2,349	127,010	49,471
<b>Total expenditure (B)</b>		<b>3</b>	<b>3,056</b>	<b>1,038</b>	<b>17,772</b>	<b>246,117</b>	<b>110,546</b>	<b>181,909</b>	<b>1,394,452</b>	<b>54,336</b>	<b>17,558</b>	<b>1,154,605</b>	<b>418,846</b>
<b>Net income for the year (A-B)</b>		<b>53</b>	<b>7,623</b>	<b>1,160</b>	<b>26,031</b>	<b>355,316</b>	<b>598,431</b>	<b>115,650</b>	<b>1,393,489</b>	<b>86,688</b>	<b>145,311</b>	<b>2,303,113</b>	<b>2,721,068</b>
Add: Fund revenue account at the beginning of the year		—	—	—	131,400	2,414,071	3,550,372	(330,725)	(1,631,371)	126,516	426,589	4,000,305	9,689,147
<b>Fund revenue account at the end of the year</b>		<b>53</b>	<b>7,623</b>	<b>1,160</b>	<b>157,431</b>	<b>2,769,387</b>	<b>4,148,803</b>	<b>(215,075)</b>	<b>(237,882)</b>	<b>213,204</b>	<b>571,900</b>	<b>6,303,418</b>	<b>12,410,215</b>

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Opportunities Fund	Pension Fund II	Pension Preserver Fund	Pension Protector Fund
		ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105
<b>Income from investments</b>													
Interest income		28	895,860	4,880	37,631	391,495	81,900	3,549	1,470	150	20,875	739,230	1,469,371
Dividend income		3,513	—	75,212	237,766	—	22,219	264,177	88,888	49,269	96,856	—	—
Profit/(loss) on sale of investment		19,020	(55,391)	778,572	2,123,963	25,953	76,090	715,638	276,301	149,941	283,273	44,173	(38,307)
Profit/(loss) on inter fund transfer/ sale of investment		462	2,521	19,756	71,148	3,246	(466)	21,724	3,445	5,047	(15,280)	10,579	4,007
Unrealised gain/(loss)*		51,379	(90,349)	410,326	1,601,027	1,808	174,712	1,049,201	375,415	215,241	614,850	2,208	(151,675)
<b>Total income (A)</b>		<b>74,402</b>	<b>752,641</b>	<b>1,288,746</b>	<b>4,071,535</b>	<b>422,502</b>	<b>354,455</b>	<b>2,054,289</b>	<b>745,519</b>	<b>419,648</b>	<b>1,000,574</b>	<b>796,190</b>	<b>1,283,396</b>
Fund management expenses		3,844	140,133	53,054	249,593	33,766	31,578	195,858	110,524	39,175	81,268	63,513	42,644
Fund administration expenses		—	—	66,317	—	—	—	—	—	—	—	—	213,220
Other charges	F-5	8,773	628,045	19,364	51,638	196,680	117,504	950,414	107,540	12,517	370,826	137,401	403,877
Service tax		2,310	94,081	18,039	39,006	28,238	18,289	141,119	26,692	7,459	54,890	24,021	80,507
<b>Total expenditure (B)</b>		<b>14,927</b>	<b>862,259</b>	<b>156,774</b>	<b>340,237</b>	<b>258,684</b>	<b>167,371</b>	<b>1,287,391</b>	<b>244,756</b>	<b>59,151</b>	<b>506,984</b>	<b>224,935</b>	<b>740,248</b>
<b>Net income for the year (A-B)</b>		<b>59,475</b>	<b>(109,618)</b>	<b>1,131,972</b>	<b>3,731,298</b>	<b>163,818</b>	<b>187,084</b>	<b>766,898</b>	<b>500,763</b>	<b>360,497</b>	<b>493,590</b>	<b>571,255</b>	<b>543,148</b>
Add: Fund revenue account at the beginning of the year		(7,858)	166,468	3,915,375	12,420,343	66,349	(103,497)	(945,239)	346,477	418,265	(625,515)	1,118,819	3,782,886
<b>Fund revenue account at the end of the year</b>		<b>51,617</b>	<b>56,850</b>	<b>5,047,347</b>	<b>16,151,641</b>	<b>230,167</b>	<b>83,587</b>	<b>(178,341)</b>	<b>847,240</b>	<b>778,762</b>	<b>(131,925)</b>	<b>1,690,074</b>	<b>4,326,034</b>

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

### Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds									
		Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	
		ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	
<b>Income from investments</b>											
Interest income		691,985	91,821	77,545	74,588	35,694	4,354	18,471	25,664	48,582	
Dividend income		—	—	—	—	—	—	—	—	—	
Profit/(loss) on sale of investment		(32,123)	1,827	23,633	13,802	7,907	(65)	3,336	2,988	(6,525)	
Profit/(loss) on inter fund transfer/ sale of investment		5,750	16,244	11,469	24,725	861	(76)	(1,652)	(435)	(259)	
Unrealised gain/(loss)*		(84,734)	(16,182)	(10,808)	(18,098)	(6,892)	(1,694)	(739)	(1,360)	6,572	
<b>Total income (A)</b>		<b>580,878</b>	<b>93,710</b>	<b>101,839</b>	<b>95,017</b>	<b>37,570</b>	<b>2,519</b>	<b>19,416</b>	<b>26,857</b>	<b>48,370</b>	
Fund management expenses		60,640	15,683	16,646	16,412	6,575	754	3,395	4,757	8,940	
Fund administration expenses		—	—	—	—	—	—	—	—	—	
Other charges	F-5	28,970	3,348	2,030	3,058	4,379	62	8,167	9,116	8,592	
Service tax		12,050	2,653	2,849	2,995	1,565	101	1,369	1,704	2,090	
<b>Total expenditure (B)</b>		<b>101,660</b>	<b>21,684</b>	<b>21,525</b>	<b>22,465</b>	<b>12,519</b>	<b>917</b>	<b>12,931</b>	<b>15,577</b>	<b>19,622</b>	
<b>Net income for the year (A-B)</b>		<b>479,218</b>	<b>72,026</b>	<b>80,314</b>	<b>72,552</b>	<b>25,051</b>	<b>1,602</b>	<b>6,485</b>	<b>11,280</b>	<b>28,748</b>	
Add: Fund revenue account at the beginning of the year		2,266,246	472,076	467,647	421,165	128,340	8,064	52,301	70,460	76,545	
<b>Fund revenue account at the end of the year</b>		<b>2,745,464</b>	<b>544,102</b>	<b>547,961</b>	<b>493,717</b>	<b>153,391</b>	<b>9,666</b>	<b>58,786</b>	<b>81,740</b>	<b>105,293</b>	

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Pension Funds							Total
		Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund	
		ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105	
<b>Income from investments</b>									
Interest income		13,942	9,874	1,100	29,912	10,412	20,515	12,013	<b>5,811,544</b>
Dividend income		—	—	—	288,339	203,368	—	571	<b>2,517,504</b>
Profit/(loss) on sale of investment		(410)	(1,285)	(151)	1,538,508	1,007,277	3,948	(1,071)	<b>11,380,928</b>
Profit/(loss) on inter fund transfer/ sale of investment		(412)	(63)	(97)	90,576	186,819	1,436	(289)	<b>619,729</b>
Unrealised gain/(loss)*		(4,916)	(3,259)	(297)	615,518	386,543	(891)	4,710	<b>9,706,779</b>
<b>Total income (A)</b>		<b>8,204</b>	<b>5,267</b>	<b>555</b>	<b>2,562,853</b>	<b>1,794,419</b>	<b>25,008</b>	<b>15,934</b>	<b>30,036,484</b>
Fund management expenses		2,380	1,703	189	371,346	173,081	3,468	2,299	<b>2,907,994</b>
Fund administration expenses		—	—	—	—	—	—	—	<b>357,433</b>
Other charges	F-5	127	565	50	436,462	122,684	8,193	1,562	<b>5,587,748</b>
Service tax		310	280	29	99,592	39,102	2,143	524	<b>1,105,769</b>
<b>Total expenditure (B)</b>		<b>2,817</b>	<b>2,548</b>	<b>268</b>	<b>907,400</b>	<b>334,867</b>	<b>13,804</b>	<b>4,385</b>	<b>9,958,944</b>
<b>Net income for the year (A-B)</b>		<b>5,387</b>	<b>2,719</b>	<b>287</b>	<b>1,655,453</b>	<b>1,459,552</b>	<b>11,204</b>	<b>11,549</b>	<b>20,077,540</b>
Add: Fund revenue account at the beginning of the year		26,234	17,656	2,091	3,097,178	3,853,716	(747)	55,146	<b>49,943,295</b>
<b>Fund revenue account at the end of the year</b>		<b>31,621</b>	<b>20,375</b>	<b>2,378</b>	<b>4,752,631</b>	<b>5,313,268</b>	<b>10,457</b>	<b>66,695</b>	<b>70,020,835</b>

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Health Funds														Total
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII		
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105		
<b>Income from investments</b>																
Interest income		9,116	7,871	2,465	162	3,351	68,285	834	655	976	721	270	143	107	<b>94,956</b>	
Dividend income		1,119	2,110	43,497	5,413	—	—	—	—	—	—	—	—	—	<b>52,139</b>	
Profit/(loss) on sale of investment		1,865	(527)	32,009	17,792	459	(29)	74	330	263	15	13	8	10	<b>52,282</b>	
Profit/(loss) on inter fund transfer/ sale of investment		82	(774)	(16,649)	(2)	7	1	42	242	335	29	9	(2)	(4)	<b>(16,684)</b>	
Unrealised gain/(loss)*		10,094	19,157	370,560	23,992	28	(4,428)	(35)	(229)	(217)	—	(14)	(8)	(2)	<b>418,898</b>	
<b>Total income (A)</b>		<b>22,276</b>	<b>27,837</b>	<b>431,882</b>	<b>47,357</b>	<b>3,845</b>	<b>63,829</b>	<b>915</b>	<b>998</b>	<b>1,357</b>	<b>765</b>	<b>278</b>	<b>141</b>	<b>111</b>	<b>601,591</b>	
Fund management expenses		1,878	2,259	39,152	4,778	313	6,249	141	171	229	121	46	25	19	<b>55,381</b>	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	<b>—</b>	
Other charges	F-5	44,090	64,320	642,265	70,086	8,076	203,406	1,316	1,682	2,069	1,510	1,081	607	275	<b>1,040,783</b>	
Service tax		5,978	9,252	83,284	8,909	979	25,969	166	209	252	117	61	37	24	<b>135,237</b>	
<b>Total expenditure (B)</b>		<b>51,946</b>	<b>75,831</b>	<b>764,701</b>	<b>83,773</b>	<b>9,368</b>	<b>235,624</b>	<b>1,623</b>	<b>2,062</b>	<b>2,550</b>	<b>1,748</b>	<b>1,188</b>	<b>669</b>	<b>318</b>	<b>1,231,401</b>	
<b>Net income for the year (A-B)</b>		<b>(29,670)</b>	<b>(47,994)</b>	<b>(332,819)</b>	<b>(36,416)</b>	<b>(5,523)</b>	<b>(171,795)</b>	<b>(708)</b>	<b>(1,064)</b>	<b>(1,193)</b>	<b>(983)</b>	<b>(910)</b>	<b>(528)</b>	<b>(207)</b>	<b>(629,810)</b>	
Add: Fund revenue account at the beginning of the year		(79,208)	(103,098)	(1,500,481)	(179,193)	(11,467)	(369,997)	(39,771)	(48,139)	(48,140)	(21,103)	(11,461)	(6,635)	(3,615)	<b>(2,422,308)</b>	
<b>Fund revenue account at the end of the year</b>		<b>(108,878)</b>	<b>(151,092)</b>	<b>(1,833,300)</b>	<b>(215,609)</b>	<b>(16,990)</b>	<b>(541,792)</b>	<b>(40,479)</b>	<b>(49,203)</b>	<b>(49,333)</b>	<b>(22,086)</b>	<b>(12,371)</b>	<b>(7,163)</b>	<b>(3,822)</b>	<b>(3,052,118)</b>	

\* Net change in mark to market value of investments

Particulars	Schedule	Linked Group Funds														(₹ in '000)
		Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Debt Fund III	Group Capital Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Short Term Debt Fund	Group Capital Short Term Debt Fund II	Group Capital Short Term Debt Fund III	Group Capital Short Term Debt Fund IV	
		ULGF 001 03/04/03 GBalancer	ULGF 041 30/04/13 GBalancer2	ULGF 006 03/10/05 GCCBal1	ULGF 010 21/03/07 GCCBal2	ULGF 049 27/08/13 GCCBal3	ULGF 007 28/10/05 GCCDebt1	ULGF 011 21/03/07 GCCDebt2	ULGF 048 27/08/13 GCCDebt3	ULGF 008 11/12/06 GCCGrowth1	ULGF 012 05/07/07 GCCGrowth2	ULGF 005 24/02/04 GCCSTDebt1	ULGF 009 16/03/07 GCCSTDebt2	ULGF 031 01/03/12 GCCSTDebt3	ULGF 002 03/04/03 GDebt	
<b>Income from investments</b>																
Interest income		1,232,164	11	6,208	123,818	42	1,395	76,810	143	1,375	3,026	10,388	317,101	759	<b>1,219,659</b>	
Dividend income		38,380	—	237	4,193	1	—	—	—	163	325	—	—	—	<b>—</b>	
Profit/(loss) on sale of investment		188,222	—	1,873	30,668	31	459	1,284	118	1,086	2,412	501	14,278	77	<b>(31,482)</b>	
Profit/(loss) on inter fund transfer/ sale of investment		14,109	—	(26)	664	—	(6)	1,267	7	12	32	16	936	—	<b>7,110</b>	
Unrealised gain/(loss)*		228,069	13	206	13,574	38	(46)	(5,402)	58	1,089	2,229	38	611	—	<b>(163,860)</b>	
<b>Total income (A)</b>		<b>1,700,944</b>	<b>24</b>	<b>8,498</b>	<b>172,917</b>	<b>112</b>	<b>1,802</b>	<b>73,959</b>	<b>326</b>	<b>3,725</b>	<b>8,024</b>	<b>10,943</b>	<b>332,926</b>	<b>836</b>	<b>1,031,427</b>	
Fund management expenses		218,452	2	2,030	29,767	7	305	14,546	24	794	1,290	1,426	52,023	129	<b>183,127</b>	
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	<b>—</b>	
Other charges	F-5	—	—	—	—	—	—	—	—	—	—	—	—	—	<b>—</b>	
Service tax		27,001	—	251	3,679	1	38	1,798	3	98	159	176	6,430	16	<b>22,634</b>	
<b>Total expenditure (B)</b>		<b>245,453</b>	<b>2</b>	<b>2,281</b>	<b>33,446</b>	<b>8</b>	<b>343</b>	<b>16,344</b>	<b>27</b>	<b>892</b>	<b>1,449</b>	<b>1,602</b>	<b>58,453</b>	<b>145</b>	<b>205,761</b>	
<b>Net income for the year (A-B)</b>		<b>1,455,491</b>	<b>22</b>	<b>6,217</b>	<b>139,471</b>	<b>104</b>	<b>1,459</b>	<b>57,615</b>	<b>299</b>	<b>2,833</b>	<b>6,575</b>	<b>9,341</b>	<b>274,473</b>	<b>691</b>	<b>825,666</b>	
Add: Fund revenue account at the beginning of the year		5,814,811	—	81,105	532,171	—	4,182	431,257	—	9,032	20,206	73,142	978,330	—	<b>2,832,992</b>	
<b>Fund revenue account at the end of the year</b>		<b>7,270,302</b>	<b>22</b>	<b>87,322</b>	<b>671,642</b>	<b>104</b>	<b>5,641</b>	<b>488,872</b>	<b>299</b>	<b>11,865</b>	<b>26,781</b>	<b>82,483</b>	<b>1,252,803</b>	<b>691</b>	<b>3,658,658</b>	

\* Net change in mark to market value of investments

# schedules



forming part of the financial statements

*Continued*

## 3.13 FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

### Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	Linked Group Funds							
		Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II
		ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105
<b>Income from investments</b>									
Interest income		295	305,862	—	57,546	7,573	64,024	21,303	437
Dividend income		—	61,090	—	1,964	—	—	—	—
Profit/(loss) on sale of investment		264	408,845	—	14,733	2,397	3,378	3,675	40
Profit/(loss) on inter fund transfer/ sale of investment		28	5,066	—	349	135	94	(58)	—
Unrealised gain/(loss)*		68	549,730	1	6,506	(459)	231	(1,200)	1
<b>Total income (A)</b>		<b>655</b>	<b>1,330,593</b>	<b>1</b>	<b>81,098</b>	<b>9,646</b>	<b>67,727</b>	<b>23,720</b>	<b>478</b>
Fund management expenses		44	100,909	—	10,990	1,230	9,333	4,559	90
Fund administration expenses		—	—	—	—	—	—	—	—
Other charges		—	—	—	—	—	—	—	—
Service tax		5	12,472	—	1,358	152	1,154	563	11
<b>Total expenditure (B)</b>		<b>49</b>	<b>113,381</b>	<b>—</b>	<b>12,348</b>	<b>1,382</b>	<b>10,487</b>	<b>5,122</b>	<b>101</b>
<b>Net income for the year (A-B)</b>		<b>606</b>	<b>1,217,212</b>	<b>1</b>	<b>68,750</b>	<b>8,264</b>	<b>57,240</b>	<b>18,598</b>	<b>377</b>
Add: Fund revenue account at the beginning of the year		—	2,449,676	—	197,141	21,690	75,705	626,850	26,976
<b>Fund revenue account at the end of the year</b>		<b>606</b>	<b>3,666,888</b>	<b>1</b>	<b>265,891</b>	<b>29,954</b>	<b>132,945</b>	<b>645,448</b>	<b>27,353</b>

\* Net change in mark to market value of investments

(₹ in '000)

Particulars	Schedule	Linked Group Funds						Total	Grand Total
		Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Debt Fund	Group Superannuation Corporate Bond Fund			
		ULGF 023 16/06/09 GRGF3 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105			
<b>Income from investments</b>									
Interest income		110,246	12,452	44,805	583,227	193,355		<b>4,394,024</b>	<b>19,105,976</b>
Dividend income		—	—	—	—	—		<b>106,353</b>	<b>5,953,876</b>
Profit/(loss) on sale of investment		8,484	42	1,547	25,536	14,460		<b>692,928</b>	<b>26,711,145</b>
Profit/(loss) on inter fund transfer/ sale of investment		(13,539)	(267)	(1,837)	813	(3,299)		<b>11,606</b>	<b>1,058,657</b>
Unrealised gain/(loss)*		(13,416)	(269)	(3,588)	2,295	(26,661)		<b>589,856</b>	<b>29,126,386</b>
<b>Total income (A)</b>		<b>91,775</b>	<b>11,958</b>	<b>40,927</b>	<b>611,871</b>	<b>177,855</b>		<b>5,794,767</b>	<b>81,956,040</b>
Fund management expenses		22,137	2,419	9,531	84,209	30,038		<b>779,411</b>	<b>7,898,326</b>
Fund administration expenses		—	—	—	—	—		—	<b>1,151,223</b>
Other charges		—	—	—	55	—		<b>55</b>	<b>13,668,109</b>
Service tax		2,736	299	1,178	10,416	3,713		<b>96,341</b>	<b>3,066,114</b>
<b>Total expenditure (B)</b>		<b>24,873</b>	<b>2,718</b>	<b>10,709</b>	<b>94,680</b>	<b>33,751</b>		<b>875,807</b>	<b>25,783,772</b>
<b>Net income for the year (A-B)</b>		<b>66,902</b>	<b>9,240</b>	<b>30,218</b>	<b>517,191</b>	<b>144,104</b>		<b>4,918,960</b>	<b>56,172,268</b>
Add: Fund revenue account at the beginning of the year		572,330	20,448	71,877	2,339,665	327,909		<b>17,507,495</b>	<b>161,881,090</b>
<b>Fund revenue account at the end of the year</b>		<b>639,232</b>	<b>29,688</b>	<b>102,095</b>	<b>2,856,856</b>	<b>472,013</b>		<b>22,426,455</b>	<b>218,053,358</b>

\* Net change in mark to market value of investments

# schedules

forming part of the financial statements

*Continued*

Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2014

Particulars	Linked Life Funds												(₹ in '000)	
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III		
	ULIF 072 28/04/09 LAnmolNiv	ULIF 002 22/10/01 LBalancer1	ULIF 014 17/05/04 LBalancer2	ULIF 023 13/03/06 LBalancer3	ULIF 039 27/08/07 LBalancer4	ULIF 087 24/11/09 LBluChip	ULIF 008 11/08/03 LCashPlus	ULIF 100 01/07/10 LDiscnt	ULIF 097 11/01/10 LDynmicPE	ULIF 031 20/03/07 LFlexiBal1	ULIF 032 20/03/07 LFlexiBal2	ULIF 033 20/03/07 LFlexiBal3		
	105	105	105	105	105	105	105	105	105	105	105	105	105	105
Policy administration charge	135	30	13,675	642	5,425	40,309	7,930	—	265,588	(1)	5,006	139		
Surrender charge	2	1,945	3,364	68	217	4,086	36,029	—	19,778	510	1,428	27		
Switching charge	—	69	27	7	8	88	—	—	122	26	8	2		
Mortality charge	32	41,199	23,171	1,356	6,331	32,293	20,649	—	216,229	3,676	5,779	360		
Rider premium charge	—	8,993	10,592	—	111	1,948	—	—	15,657	751	3,811	—		
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—		
Discontinued charges	—	—	—	—	—	3,531	—	—	24,017	—	—	—		
Policy foreclosure charges	79	52,854	8,395	—	298	9,550	28,754	—	40,703	1,664	4,239	—		
Other charges	—	(4,955)	(1,763)	—	(696)	152	—	34	601	(682)	(5)	—		
<b>Total</b>	<b>248</b>	<b>100,135</b>	<b>57,461</b>	<b>2,073</b>	<b>11,694</b>	<b>91,957</b>	<b>93,362</b>	<b>34</b>	<b>582,695</b>	<b>5,944</b>	<b>20,266</b>	<b>528</b>		

Particulars	Linked Life Funds												(₹ in '000)	
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Life Growth Fund	Life Secure Fund	Maximiser Fund		
	ULIF 040 27/08/07 LFlexiBal4	ULIF 026 20/03/07 LFlexiGro1	ULIF 027 20/03/07 LFlexiGro2	ULIF 028 20/03/07 LFlexiGro3	ULIF 038 27/08/07 LFlexiGro4	ULIF 116 15/03/11 LHighNavB	ULIF 089 24/11/09 LIncome	ULIF 020 03/01/05 LInvCash	ULIF 018 03/01/05 LInvShld	ULIF 134 19/09/13 LGF	ULIF 135 19/09/13 LSF	ULIF 001 22/10/01 LMaximis1		
	105	105	105	105	105	105	105	105	105	105	105	105	105	105
Policy administration charge	1,657	11	95,520	3,964	91,385	418,841	302,887	39,074	14,622	1,635	1,374	192		
Surrender charge	61	5,145	16,500	397	6,986	—	20,416	109,700	21,332	—	—	(44)		
Switching charge	3	251	100	21	41	1	201	—	—	—	—	642		
Mortality charge	1,994	55,972	90,161	5,101	75,115	677,175	337,776	51,534	11,673	1,845	1,828	131,228		
Rider premium charge	75	12,130	54,992	—	4,109	6	8,877	151	1,666	—	—	32,335		
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—		
Discontinued charges	—	—	—	—	—	71,613	15,987	—	—	—	—	—		
Policy foreclosure charges	175	17,749	41,071	—	17,449	—	25,249	14,791	4,610	—	—	231,074		
Other charges	(338)	(6,152)	(316)	—	(16,161)	816	1,432	(77)	(286)	—	—	(11,767)		
<b>Total</b>	<b>3,627</b>	<b>85,106</b>	<b>298,028</b>	<b>9,483</b>	<b>178,924</b>	<b>1,168,452</b>	<b>712,825</b>	<b>215,173</b>	<b>53,617</b>	<b>3,480</b>	<b>3,202</b>	<b>383,660</b>		

Particulars	Linked Life Funds												(₹ in '000)	
	Maximiser Fund II	Maximiser Fund III	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund		
	ULIF 012 17/05/04 LMaximis2	ULIF 022 13/03/06 LMaximis3	ULIF 037 27/08/07 LMaximis4	ULIF 114 15/03/11 LMaximis5	ULIF 090 24/11/09 LMoneyMkt	ULIF 088 24/11/09 LMCapBal	ULIF 085 24/11/09 LMCapGro	ULIF 042 22/11/07 LMultip1	ULIF 044 25/02/08 LMultip2	ULIF 046 25/02/08 LMultip3	ULIF 047 25/02/08 LMultip4	ULIF 025 21/08/06 LInvShldNw		
	105	105	105	105	105	105	105	105	105	105	105	105	105	105
Policy administration charge	40,945	4,828	3,301	139,801	112,052	39,974	273,778	2	15,698	505	6,174	22,405		
Surrender charge	3,592	—	(6)	—	9,875	3,831	44,889	1,623	3,528	96	322	51,506		
Switching charge	135	50	23	68	293	33	194	131	43	8	22	—		
Mortality charge	64,316	7,456	4,039	189,915	131,912	40,250	169,852	22,075	16,492	558	8,957	16,193		
Rider premium charge	25,542	—	270	2	2,839	2,543	19,672	4,324	11,033	—	444	—		
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—		
Discontinued charges	—	—	—	12,272	5,772	3,329	18,496	—	—	—	—	—		
Policy foreclosure charges	(264)	—	(167)	—	14,011	5,187	87,039	2,698	8,604	—	980	3,017		
Other charges	(3,463)	—	(90)	591	123	133	436	(1,354)	(22)	—	(1,935)	34		
<b>Total</b>	<b>130,803</b>	<b>12,334</b>	<b>7,370</b>	<b>342,649</b>	<b>276,877</b>	<b>95,280</b>	<b>614,356</b>	<b>29,499</b>	<b>55,376</b>	<b>1,167</b>	<b>14,964</b>	<b>93,155</b>		

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*Continued*

Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Life Funds											
	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II
	ULIF 086 24/11/09 L Opport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105
Policy administration charge	64,160	11,124	48,458	5,885	361	2,865	(17)	15,114	848	36,670	871	1,327
Surrender charge	12,831	41,400	—	4,208	169	373	2,205	5,958	346	3,558	628	1,779
Switching charge	55	—	—	685	38	54	526	156	43	58	—	—
Mortality charge	42,284	41,058	60,657	22,074	859	4,129	37,044	29,660	1,688	39,645	3,217	2,724
Rider premium charge	4,197	—	1	6,394	—	162	6,856	11,274	—	1,555	328	662
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued charges	5,778	—	2,437	—	—	—	—	—	—	—	—	—
Policy foreclosure charges	23,799	124,773	—	3,106	—	106	7,774	3,046	—	8,006	(234)	104
Other charges	(29)	—	116	(1,095)	—	(891)	(2,727)	(1,226)	—	(7,281)	—	(1)
<b>Total</b>	<b>153,075</b>	<b>218,355</b>	<b>111,669</b>	<b>41,257</b>	<b>1,427</b>	<b>6,798</b>	<b>51,661</b>	<b>63,982</b>	<b>2,925</b>	<b>82,211</b>	<b>4,810</b>	<b>6,595</b>

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund X (5 Yrs)	
	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/09 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 111 13/01/11 LRGF(T10) 105	
Policy administration charge	1,602	664	408	4,321	382	261	140	496	1,718	1,735	12,038	
Surrender charge	958	277	—	—	270	194	115	—	—	7	—	
Switching charge	—	—	—	—	—	—	—	—	—	—	—	
Mortality charge	2,427	1,433	362	2,815	481	405	128	645	1,852	2,236	10,967	
Rider premium charge	801	327	2	—	204	174	79	3	1	10	6	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	(1)	2	—	—	—	5	25	20	18	
Policy foreclosure charges	(527)	1,707	—	—	1,920	1,895	643	—	—	—	—	
Other charges	2	12	—	—	—	—	—	—	—	—	212	
<b>Total</b>	<b>5,263</b>	<b>4,420</b>	<b>771</b>	<b>7,138</b>	<b>3,257</b>	<b>2,929</b>	<b>1,105</b>	<b>1,149</b>	<b>3,596</b>	<b>4,008</b>	<b>23,241</b>	

(₹ in '000)

Particulars	Linked Life Funds											
	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund			Total
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuild 105	ULIF 076 29/05/09 LSSavGtee 105			
Policy administration charge	269	9,253	—	101,241	1,807	35,330	1,516	941	3,696	—	—	2,334,987
Surrender charge	1	2	8,626	20,993	686	2,492	2,719	388	1,565	—	—	479,951
Switching charge	—	—	82	61	8	36	—	—	—	—	—	4,419
Mortality charge	207	6,678	23,004	74,877	1,753	37,010	2,247	—	—	—	—	2,919,058
Rider premium charge	23	64	4,055	57,879	—	1,694	—	—	—	—	—	319,624
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued charges	3	46	—	—	—	—	—	—	—	—	—	163,350
Policy foreclosure charges	—	—	20,506	70,065	—	2,909	2,160	594	2,712	—	—	894,873
Other charges	—	2	(4,773)	(37)	—	(13,311)	(2)	—	—	—	—	(76,739)
<b>Total</b>	<b>503</b>	<b>16,045</b>	<b>51,500</b>	<b>325,079</b>	<b>4,254</b>	<b>66,160</b>	<b>8,640</b>	<b>1,923</b>	<b>7,973</b>	<b>—</b>	<b>—</b>	<b>7,039,523</b>

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forming part of the financial statements

*Continued*

Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2014

Particulars	Linked Pension Funds													(₹ in '000)	
	Discontinued Fund - Pension	Easy Retirement Fund	Easy Retirement Secure Fund	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Growth Fund		
	ULIF 101 01/07/10 PDiscont 105	ULIF 132 02/11/12 ERBF 105	ULIF 133 02/11/12 ERSF 105	ULIF 019 03/01/05 PlnvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105			
Policy administration charge	—	1,205	443	1,942	28,764	13,870	68,544	552,534	9,278	2,594	214,595	64,997			
Surrender charge	—	—	—	5,815	35,517	7,555	19,151	182,130	11,561	1,543	260,097	16,190			
Switching charge	—	—	—	—	36	36	72	110	21	16	291	200			
Mortality charge	—	—	—	521	987	1,701	317	2,545	20	530	138	11,825			
Rider premium charge	—	—	—	82	450	388	—	—	7	91	70	1,821			
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—			
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—	—			
Policy foreclosure charges	—	—	—	1,185	12,568	641	44,930	282,488	2,665	(2,082)	83,998	(1,194)			
Other charges	—	—	—	23	—	—	2	—	—	—	—	(20)			
<b>Total</b>	—	<b>1,205</b>	<b>443</b>	<b>9,568</b>	<b>78,322</b>	<b>24,191</b>	<b>133,016</b>	<b>1,019,807</b>	<b>23,552</b>	<b>2,692</b>	<b>559,189</b>	<b>93,819</b>			

Particulars	Linked Pension Funds													(₹ in '000)	
	Pension Growth Fund	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund			
	ULIF 127 01/12/11 PGROWTH 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMmaximis2 105	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105			
Policy administration charge	7,222	343,975	8,533	34,988	122,877	70,340	474,041	49,604	8,598	194,431	44,641	142,656			
Surrender charge	—	139,560	8,870	7,552	55,050	20,336	188,928	55,660	4,274	69,393	86,770	204,412			
Switching charge	—	163	106	242	245	28	185	130	75	68	658	297			
Mortality charge	1,400	2,977	1,628	4,621	405	211	5,201	16	1,870	865	787	967			
Rider premium charge	—	—	837	1,299	—	—	—	7	287	—	149	482			
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—			
Discontinued charges	151	—	—	—	—	—	—	—	—	—	—	—			
Policy foreclosure charges	—	141,370	(610)	2,916	18,103	26,589	282,057	2,118	(2,587)	106,069	4,396	55,063			
Other charges	—	—	—	20	—	—	2	5	—	—	—	—			
<b>Total</b>	<b>8,773</b>	<b>628,045</b>	<b>19,364</b>	<b>51,638</b>	<b>196,680</b>	<b>117,504</b>	<b>950,414</b>	<b>107,540</b>	<b>12,517</b>	<b>370,826</b>	<b>137,401</b>	<b>403,877</b>			

Particulars	Linked Pension Funds										(₹ in '000)			
	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX	Pension Return Guarantee Fund X		
	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105	ULIF 083 16/11/09 PRGF7 105			
Policy administration charge	17,082	7,120	4,990	5,951	2,831	48	1,905	2,597	2,688					
Surrender charge	10,762	6,225	5,404	7,719	3,206	11	2,180	3,292	4,321					
Switching charge	259	—	—	—	—	—	—	—	—					
Mortality charge	3,049	206	115	128	47	3	26	8	4					
Rider premium charge	343	33	17	21	9	—	4	1	1					
Partial withdrawal charge	—	—	—	—	—	—	—	—	—					
Discontinued charges	—	—	—	—	—	—	—	—	—					
Policy foreclosure charges	(2,534)	(10,236)	(8,496)	(10,761)	(1,730)	—	4,052	3,218	1,578					
Other charges	9	—	—	—	16	—	—	—	—					
<b>Total</b>	<b>28,970</b>	<b>3,348</b>	<b>2,030</b>	<b>3,058</b>	<b>4,379</b>	<b>62</b>	<b>8,167</b>	<b>9,116</b>	<b>8,592</b>					

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OTHER EXPENSES AT MARCH 31, 2014

(₹ in '000)

Particulars	Linked Pension Funds								Total
	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Pension Secure Fund	Secure Plus Pension Fund		
	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 128 01/12/11 PSECURE 105	ULIF 009 17/11/03 PSecPlus 105		
Policy administration charge	125	182	38	165,460	48,861	6,804	281	2,727,635	
Surrender charge	2	54	9	221,034	29,198	—	1,093	1,674,874	
Switching charge	—	—	—	137	86	—	—	3,461	
Mortality charge	—	—	—	(1)	9,209	1,262	252	53,840	
Rider premium charge	—	1	—	—	1,551	—	—	7,951	
Partial withdrawal charge	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	—	—	127	—	278	
Policy foreclosure charges	—	328	3	48,573	33,806	—	—	1,118,484	
Other charges	—	—	—	1,259	(27)	—	(64)	1,225	
<b>Total</b>	<b>127</b>	<b>565</b>	<b>50</b>	<b>436,462</b>	<b>122,684</b>	<b>8,193</b>	<b>1,562</b>	<b>5,587,748</b>	

(₹ in '000)

Particulars	Linked Health Funds														Total
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII		
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105		
Policy administration charge	4,484	6,712	68,647	7,477	777	20,274	212	221	225	136	93	54	27	109,339	
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Switching charge	1	—	11	11	11	9	—	—	—	—	—	—	—	—	43
Mortality charge	35,472	52,716	495,780	54,339	6,275	159,394	992	1,305	1,567	708	347	213	140	809,248	
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Policy foreclosure charges	3,834	4,361	74,188	8,080	987	22,679	112	156	277	665	634	340	108	116,421	
Other charges	299	531	3,639	179	26	1,050	—	—	—	1	7	—	—	—	5,732
<b>Total</b>	<b>44,090</b>	<b>64,320</b>	<b>642,265</b>	<b>70,086</b>	<b>8,076</b>	<b>203,406</b>	<b>1,316</b>	<b>1,682</b>	<b>2,069</b>	<b>1,510</b>	<b>1,081</b>	<b>607</b>	<b>275</b>	<b>1,040,783</b>	

(₹ in '000)

Particulars	Linked Group Funds														Group Capital Guarantee Short Term Debt Fund II Debt Fund III Growth Fund Fund II
	Group Balanced Fund	Group Balanced Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Balanced Fund III	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Debt Fund III	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund		
	ULGF 001 03/04/03 GBalancer 105	ULGF 041 30/04/13 GBalancer2 105	ULGF 006 03/10/05 GCBal1 105	ULGF 010 21/03/07 GCBal2 105	ULGF 049 27/08/13 GCBal3 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 048 27/08/13 GCGDebt3 105	ULGF 008 11/12/06 GCGrowth1 105	ULGF 012 05/07/07 GCGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105				
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Policy foreclosure charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	

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Schedule F - 5

OTHER EXPENSES AT MARCH 31, 2014

Particulars	Linked Group Funds									(₹ in '000)	
	Group Debt Fund II	Group Growth Fund	Group Growth Fund II	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	ULGF	ULGF	ULGF
	ULGF 040 30/04/13 GDebt2 105	ULGF 004 30/10/03 GGrowth2 105	ULGF 042 30/04/13 GGrowth2 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 022 30/03/09 GRGF2 105	ULGF	ULGF	ULGF
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—
Surrender charge	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	—	—	—	—	—	—	—	—	—	—	—
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—
Discontinued charges	—	—	—	—	—	—	—	—	—	—	—
Policy foreclosure charges	—	—	—	—	—	—	—	—	—	—	—
Other charges	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	—	—	—	—	—	—	—

Particulars	Linked Group Funds								Total	Grand Total
	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Short Term Debt Fund III	Group Debt Fund	Group Return Guarantee Fund III	Group Return Guarantee Fund - S5	Group Return Guarantee Fund - S7	Group Short Term Superannuation Debt Fund	Group Corporate Bond Fund		
	ULGF 009 16/03/07 GCGSTDDebt2 105	ULGF 031 01/03/12 GCGSTDDebt3 105	ULGF 002 03/04/03 GDebt16/06/09 105	ULGF 023 GRGF3	ULGF 026 14/03/11 GRGFSS 105	ULGF 028 01/07/11 GRGFST 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Policy administration charge	—	—	—	—	—	—	—	—	—	5,171,961
Surrender charge	—	—	—	—	—	—	—	55	—	55 2,154,880
Switching charge	—	—	—	—	—	—	—	—	—	7,923
Mortality charge	—	—	—	—	—	—	—	—	—	3,782,146
Rider premium charge	—	—	—	—	—	—	—	—	—	327,575
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—
Discontinued charges	—	—	—	—	—	—	—	—	—	163,628
Policy foreclosure charges	—	—	—	—	—	—	—	—	—	2,129,778
Other charges	—	—	—	—	—	—	—	—	—	(69,782)
<b>Total</b>	—	—	—	—	—	—	—	55	—	55 13,668,109

# schedules



forming part of the financial statements

*Continued*

## 3. 14 DISCLOSURE FOR ULIP BUSINESS

### ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

#### POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule													(₹ in '000)
		Linked Life			Linked Pension			Linked Health			Linked Group			
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)	(11)	(12)=(10)+(11)	(13)=(3)+(6)+(9)+(12)
<b>Premiums earned – Net</b>														
(a) Premium		3,203,384	89,318,450	92,521,834	64,121	10,073,029	10,137,150	67,734	1,602,437	1,670,171	103,629	7,210,764	7,314,393	111,643,548
(b) Reinsurance ceded		(359,769)	—	(359,769)	(81)	—	(81)	(316,350)	—	(316,350)	(914)	—	(914)	(677,114)
(c) Reinsurance accepted		—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Sub-total</b>		<b>2,843,615</b>	<b>89,318,450</b>	<b>92,162,065</b>	<b>64,040</b>	<b>10,073,029</b>	<b>10,137,069</b>	<b>(248,616)</b>	<b>1,602,437</b>	<b>1,353,821</b>	<b>102,715</b>	<b>7,210,764</b>	<b>7,313,479</b>	<b>110,966,434</b>
<b>Income from Investments</b>														
(a) Interest, Dividend & Rent - Gross		451,995	12,774,807	13,226,802	115,985	6,504,380	6,620,365	8,869	184,472	193,341	37,859	4,063,177	4,101,036	24,141,544
(b) Profit on sale/redemption of investments		84,102	45,784,938	45,869,040	35,247	28,462,895	28,498,142	6,009	504,553	510,562	7,919	3,411,609	3,419,528	78,297,272
(c) Loss on sale/redemption of investments		(61,683)	(2,969,089)	(3,030,772)	(31,947)	(1,368,679)	(1,400,626)	—	(18,728)	(18,728)	(20,210)	(177,840)	(198,050)	(4,648,176)
(d) Unrealised gain/(loss)		—	41,322,245	41,322,245	—	28,290,340	28,290,340	—	1,245,677	1,245,677	—	1,544,416	1,544,416	72,402,678
(e) Accretion of discount/(amortisation of premium)		48,492	2,659,141	2,707,633	13,624	1,038,801	1,052,425	2,578	11,252	13,830	3,953	868,032	871,985	4,645,873
<b>Sub-total</b>		<b>522,906</b>	<b>99,572,042</b>	<b>100,094,948</b>	<b>132,909</b>	<b>62,927,737</b>	<b>63,060,646</b>	<b>17,456</b>	<b>1,927,226</b>	<b>1,944,682</b>	<b>29,521</b>	<b>9,709,394</b>	<b>9,738,915</b>	<b>174,839,191</b>
<b>Other income</b>														
(a) Linked income	UL1	12,884,984	(12,884,984)	—	6,836,925	(6,836,925)	—	1,045,259	(1,045,259)	—	372,850	(372,850)	—	—
(b) Contribution from the Shareholders' a/c		—	—	—	—	—	—	—	—	—	—	—	—	—
(c) Fees & charges		774	—	774	—	—	—	—	—	—	—	—	—	774
(d) Misc. income		19,717	—	19,717	2,089	—	2,089	213	—	213	425	—	425	22,444
<b>Sub-total</b>		<b>12,905,475</b>	<b>(12,884,984)</b>	<b>20,491</b>	<b>6,839,014</b>	<b>(6,836,925)</b>	<b>2,089</b>	<b>1,045,472</b>	<b>(1,045,259)</b>	<b>213</b>	<b>373,275</b>	<b>(372,850)</b>	<b>425</b>	<b>23,218</b>
<b>TOTAL (A)</b>		<b>16,271,996</b>	<b>176,005,508</b>	<b>192,277,504</b>	<b>7,035,963</b>	<b>66,163,841</b>	<b>73,199,804</b>	<b>814,312</b>	<b>2,484,404</b>	<b>3,298,716</b>	<b>505,511</b>	<b>16,547,308</b>	<b>17,052,819</b>	<b>285,828,843</b>
Commission		2,877,172	—	2,877,172	84,580	—	84,580	19,178	—	19,178	50	—	50	2,980,980
Operating expenses related to insurance business		10,674,208	6,394	10,680,602	966,494	(92,492)	874,002	96,540	904	97,444	177,605	722	178,327	11,830,375
Provision for doubtful debts		(54,101)	—	(54,101)	32,655	—	32,655	(613)	—	(613)	147	—	147	(21,912)
Bad debts written off		71,906	—	71,906	(34,773)	—	(34,773)	154	—	154	119	—	119	37,406
Provisions (other than taxation)		—	—	—	—	—	—	—	—	—	—	—	—	—
(a) For diminution in the value of investments (Net)		—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Others		—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax charge on linked charges		—	1,987,984	1,987,984	—	852,629	852,629	—	125,040	125,040	—	103,705	103,705	3,069,358
<b>TOTAL (B)</b>		<b>13,569,185</b>	<b>1,994,378</b>	<b>15,563,563</b>	<b>1,048,956</b>	<b>760,137</b>	<b>1,809,093</b>	<b>115,259</b>	<b>125,944</b>	<b>241,203</b>	<b>177,921</b>	<b>104,427</b>	<b>282,348</b>	<b>17,896,207</b>
Benefits paid (Net)	UL2	841,564	47,005,849	47,847,413	52,251	56,001,347	56,053,598	245,164	71,504	316,668	29,159	10,466,437	10,495,596	114,713,275
Interim bonus paid		—	—	—	—	—	—	—	—	—	—	—	—	—
Change in valuation of Policy liabilities		621,613	—	621,613	(333,347)	—	(333,347)	20,477	—	20,477	(57,493)	—	(57,493)	251,250
(a) Policy liabilities (Non-Unit/Mathematical reserves) (Gross)		—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Amount ceded in reinsurance		—	—	—	—	—	—	—	—	—	—	—	—	—
(c) Amount accepted in reinsurance		—	—	—	—	—	—	—	—	—	—	—	—	—
(d) Fund reserve		—	115,709,760	115,709,760	—	9,428,418	9,428,418	—	2,286,956	2,286,956	—	5,976,444	5,976,444	133,401,578
(e) Funds for discontinued policies		—	11,394,237	11,394,237	—	302,549	302,549	—	—	—	—	—	—	11,696,786
<b>TOTAL (C)</b>		<b>1,463,177</b>	<b>174,109,846</b>	<b>175,573,023</b>	<b>(281,096)</b>	<b>65,732,314</b>	<b>65,451,218</b>	<b>265,641</b>	<b>2,358,460</b>	<b>2,624,101</b>	<b>(28,334)</b>	<b>16,442,881</b>	<b>16,414,547</b>	<b>260,062,889</b>
<b>SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)</b>		<b>1,239,634</b>	<b>(98,716)</b>	<b>1,140,918</b>	<b>6,268,103</b>	<b>(328,610)</b>	<b>5,939,493</b>	<b>433,412</b>	<b>—</b>	<b>433,412</b>	<b>355,924</b>	<b>—</b>	<b>355,924</b>	<b>7,869,747</b>
Provision for taxation		—	—	—	—	—	—	—	—	—	—	—	—	—
(a) Current tax credit/(charge)		—	—	—	—	—	—	—	—	—	—	—	—	—
(b) Deferred tax credit/(charge)		(13,957)	—	(13,957)	—	—	—	—	—	—	—	—	—	(13,957)
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>1,225,677</b>	<b>(98,716)</b>	<b>1,126,961</b>	<b>6,268,103</b>	<b>(328,610)</b>	<b>5,939,493</b>	<b>433,412</b>	<b>—</b>	<b>433,412</b>	<b>355,924</b>	<b>—</b>	<b>355,924</b>	<b>7,855,790</b>
<b>APPROPRIATIONS</b>														
Transfer to Shareholders' a/c		1,510,276	—	1,510,276	6,543,169	—	6,543,169	442,719	—	442,719	355,924	—	355,924	8,852,088
Transfer to Other Reserves		—	—	—	—	—	—	—	—	—	—	—	—	—
Balance being funds for future appropriations		(284,599)	(98,716)	(383,315)	(275,066)	(328,610)	(603,676)	(9,307)	—	(9,307)	—	—	—	(996,298)
<b>Total (D)</b>		<b>1,225,677</b>	<b>(98,716)</b>	<b>1,126,961</b>	<b>6,268,103</b>	<b>(328,610)</b>	<b>5,939,493</b>	<b>433,412</b>	<b>—</b>	<b>433,412</b>	<b>355,924</b>	<b>—</b>	<b>355,924</b>	<b>7,855,790</b>

# schedules

forming part of the financial statements

*Continued*

## 3. 14 DISCLOSURE FOR ULIP BUSINESS

### ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

#### POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule	Linked Life												Linked Pension			Linked Health			Linked Group			(₹ in '000)	
		Non-Unit			Unit			Total			Non-Unit			Unit			Total			Non-Unit				
		(1)			(2)			(3)=(1) + (2)			(4)			(5)			(6)=(4) + (5)			(7)				
		(8)			(9)=(7) + (8)			(10)			(11)			(12)=(10) + (11)			(13)=(3) + (6)+(9)+(12)							
<b>Premiums earned – Net</b>																								
(a) Premium		1,961,395	60,731,055	<b>62,692,450</b>		65,218	13,932,295	<b>13,997,513</b>		125,308	1,865,915	<b>1,991,223</b>		73,413	4,857,632	<b>4,931,045</b>		83,612,231						
(b) Reinsurance ceded		(330,026)	—	<b>(330,026)</b>		(110)	—	<b>(110)</b>		(335,179)	—	<b>(335,179)</b>		(675)	—	<b>(675)</b>		(665,990)						
(c) Reinsurance accepted		—	—	—		—	—	—		—	—	—		—	—	—	—	—						
<b>Sub-total</b>		<b>1,631,369</b>	<b>60,731,055</b>	<b>62,362,424</b>	<b>65,108</b>	<b>13,932,295</b>	<b>13,997,403</b>	<b>(209,871)</b>	<b>1,865,915</b>	<b>1,656,044</b>	<b>72,738</b>	<b>4,857,632</b>	<b>4,930,370</b>					<b>82,946,241</b>						
<b>Income from Investments</b>																								
(a) Interest, Dividend & Rent - Gross		455,328	10,777,022	<b>11,232,350</b>		171,521	7,346,568	<b>7,518,089</b>		8,537	135,760	<b>144,297</b>		59,076	3,787,171	<b>3,846,247</b>		22,740,983						
(b) Profit on sale/redemption of investments		88,180	23,186,782	<b>23,274,962</b>		38,525	16,985,041	<b>17,023,566</b>		1,788	151,168	<b>152,956</b>		20,058	1,910,724	<b>1,930,782</b>		42,382,266						
(c) Loss on sale/redemption of investments		(72,767)	(8,157,769)	<b>(8,230,536)</b>		(6,574)	(4,984,384)	<b>(4,990,958)</b>		(3,820)	(115,570)	<b>(119,390)</b>		(8,615)	(1,206,190)	<b>(1,214,805)</b>		(14,555,689)						
(d) Unrealised gain/(loss)		—	18,410,853	<b>18,410,853</b>		—	9,706,779	<b>9,706,779</b>		—	418,898	<b>418,898</b>		—	589,856	<b>589,856</b>		29,126,386						
(e) Accretion of discount/(amortisation of premium)		17,749	1,306,310	<b>1,324,059</b>		7,853	982,480	<b>990,333</b>		113	11,335	<b>11,448</b>		(1,681)	713,206	<b>711,525</b>		3,037,365						
<b>Sub-total</b>		<b>488,490</b>	<b>45,523,198</b>	<b>46,011,688</b>	<b>211,325</b>	<b>30,036,484</b>	<b>30,247,809</b>	<b>6,618</b>	<b>601,591</b>	<b>608,209</b>	<b>68,838</b>	<b>5,794,767</b>	<b>5,863,605</b>					<b>82,731,311</b>						
<b>Other income:</b>																								
(a) Linked income	UL1	11,988,863	(11,988,863)	—	—	8,853,175	(8,853,175)	—	—	1,096,164	(1,096,164)	—	—	352,150	(352,150)	—	—	—	—	—	—			
(b) Contribution from the Shareholders' a/c		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
(c) Fees & charges		671	—	<b>671</b>		—	—	—	—	—	—	—	—	—	—	—	—	671						
(d) Misc. income		33,766	—	<b>33,766</b>		6,110	—	<b>6,110</b>		1,696	—	<b>1,696</b>		820	—	<b>820</b>		42,392						
<b>Sub-total</b>		<b>12,023,300</b>	<b>(11,988,863)</b>	<b>34,437</b>	<b>8,859,285</b>	<b>(8,853,175)</b>	<b>6,110</b>	<b>1,097,860</b>	<b>(1,096,164)</b>	<b>1,696</b>	<b>352,970</b>	<b>(352,150)</b>	<b>820</b>					<b>43,063</b>						
<b>TOTAL (A)</b>		<b>14,143,159</b>	<b>94,265,390</b>	<b>108,408,549</b>	<b>9,135,718</b>	<b>35,115,604</b>	<b>44,251,322</b>	<b>894,607</b>	<b>1,371,342</b>	<b>2,265,949</b>	<b>494,546</b>	<b>10,300,249</b>	<b>10,794,795</b>					<b>165,720,615</b>						
Commission		2,424,515	—	<b>2,424,515</b>		137,874	—	<b>137,874</b>		50,199	—	<b>50,199</b>		67	—	<b>67</b>		2,612,655						
Operating expenses related to insurance business		7,512,918	36,017	<b>7,548,935</b>		1,276,499	(6,668)	<b>1,269,831</b>		281,068	562	<b>281,630</b>		172,712	—	<b>172,712</b>		9,273,108						
Provision for doubtful debts		(24,593)	—	<b>(24,593)</b>		(40,113)	—	<b>(40,113)</b>		(360)	—	<b>(360)</b>		—	—	—	—	(65,066)						
Bad debts written off		32,577	—	<b>32,577</b>		40,380	—	<b>40,380</b>		838	—	<b>838</b>		—	—	—	—	73,795						
Provisions (other than taxation)																								
(a) For diminution in the value of investments (Net)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
(b) Others		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Service tax charge on linked charges		—	1,728,767	<b>1,728,767</b>		—	1,105,769	<b>1,105,769</b>		—	135,237	<b>135,237</b>		—	96,341	<b>96,341</b>		3,066,114						
<b>TOTAL (B)</b>		<b>9,945,417</b>	<b>1,764,784</b>	<b>11,710,201</b>	<b>1,414,640</b>	<b>1,099,101</b>	<b>2,513,741</b>	<b>331,745</b>	<b>135,799</b>	<b>467,544</b>	<b>172,779</b>	<b>96,341</b>	<b>269,120</b>					<b>14,960,606</b>						
Benefits paid (Net)	UL2	852,632	49,878,835	<b>50,731,467</b>		46,373	52,057,155	<b>52,103,528</b>		224,349	49,255	<b>273,604</b>		30,545	8,075,269	<b>8,105,814</b>		111,214,413						
Interim bonus paid		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Change in valuation of policy liability																								
(a) Policy liabilities (Non-Unit/Mathematical reserves) (Gross)		1,213,978	—	<b>1,213,978</b>		(264,227)	—	<b>(264,227)</b>		38,570	—	<b>38,570</b>		(11,389)	—	<b>(11,389)</b>		976,932						
(b) Amount ceded in reinsurance		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
(c) Amount accepted in reinsurance		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
(d) Fund reserve		36,020,218	<b>36,020,218</b>	—	—	(17,545,525)	(17,545,525)	—	—	1,186,288	<b>1,186,288</b>	—	—	2,128,639	—	<b>2,128,639</b>		21,789,620						
(e) Funds for discontinued policies		6,977,091	<b>6,977,091</b>	—	—	1,761	—	<b>1,761</b>	—	—	—	—	—	—	—	—	—	6,978,852						
<b>TOTAL (C)</b>		<b>2,066,610</b>	<b>92,876,144</b>	<b>94,942,754</b>	<b>(217,854)</b>	<b>34,513,391</b>	<b>34,295,537</b>	<b>262,919</b>	<b>1,235,543</b>	<b>1,498,462</b>	<b>19,156</b>	<b>10,203,908</b>	<b>10,223,064</b>					<b>140,959,817</b>						
<b>SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)</b>		<b>2,131,132</b>	<b>(375,538)</b>	<b>1,755,594</b>	<b>7,938,932</b>	<b>(496,888)</b>	<b>7,442,044</b>	<b>299,943</b>	—	<b>299,943</b>	<b>302,611</b>	—	<b>302,611</b>					<b>9,800,192</b>						
Provision for taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
(a) Current tax credit/(charge)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
(b) Deferred tax credit/(charge)		(53,186)	—	<b>(53,186)</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	(53,186)						
<b>SURPLUS/ (DEFICIT) AFTER TAX</b>		<b>2,077,946</b>	<b>(375,538)</b>	<b>1,702,408</b>	<b>7,938,932</b>	<b>(496,888)</b>	<b>7,442,044</b>	<b>299,943</b>	—	<b>299,943</b>	<b>302,611</b>	—	<b>302,611</b>					<b>9,747,006</b>						
<b>APPROPRIATIONS</b>																								
Transfer to Shareholders' a/c		2,573,560	—	<b>2,573,560</b>		8,813,558	—	<b>8,813,558</b>		312,315	—	<b>312,315</b>		302,611	—	<b>302,611</b>		12,002,044						
Transfer to Other Reserves		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Balance being funds for future appropriations		(495,614)	(375,538)	<b>(871,152)</b>		(874,626)	(496,888)	<b>(1,371,514)</b>		(12,372)	—	<b>(12,372)</b>	—	—	—	—	—	(2,255,038)						
<b>Total (D)</b>		<b>2,077,946</b>	<b>(375,538)</b>	<b>1,702,408</b>	<b>7,938,932</b>	<b>(496,888)</b>	<b>7,442,044</b>	<b>299,943</b>	—	<b>299,943</b>	<b>302,611</b>	—	<b>302,611</b>					<b>9,747,006</b>						

# schedules



forming part of the financial statements

*Continued*

## SCHEDULE-UL1

### LINKED INCOME (RECOVERED FROM LINKED FUNDS)\* FOR THE YEAR ENDED MARCH 31, 2015

(₹ in '000)

Particulars	Life Linked Unit	Pension Linked Unit	Linked Health Unit	Linked Group Unit	Total
	(1)	(2)	(3)	(4)	(5) = (1)+(2)+(3)+(4)
Fund administration charges	851,268	331,099	—	—	1,182,367
Fund management charge	5,381,347	3,005,510	80,806	839,034	9,306,697
Policy administration charge	2,470,624	2,038,266	99,111	—	4,608,001
Surrender charge	341,302	1,137,514	—	291	1,479,107
Switching charge	5,794	4,029	65	—	9,888
Mortality charge	3,394,773	36,106	769,179	—	4,200,058
Rider premium charge	260,268	6,086	—	—	266,354
Partial withdrawal charge	—	—	—	—	—
Policy foreclosure charge	91,027	293,279	90,223	—	474,529
Discontinued charges	155,367	5,524	—	—	160,891
Miscellaneous charge	(66,786)	(20,488)	5,875	(466,475)	(547,874)
<b>TOTAL (UL-1)</b>	<b>12,884,984</b>	<b>6,836,925</b>	<b>1,045,259</b>	<b>372,850</b>	<b>21,140,018</b>

\* net of service tax, if any

### LINKED INCOME (RECOVERED FROM LINKED FUNDS)\* FOR THE YEAR ENDED MARCH 31, 2014

(₹ in '000)

Particulars	Life Linked Unit	Pension Linked Unit	Linked Health Unit	Linked Group Unit	Total
	(1)	(2)	(3)	(4)	(5) = (1)+(2)+(3)+(4)
Fund administration charges	793,790	357,433	—	—	1,151,223
Fund management charge	4,155,540	2,907,994	55,381	779,411	7,898,326
Policy administration charge	2,335,004	2,727,635	109,339	—	5,171,978
Surrender charge	479,951	1,674,874	—	55	2,154,880
Switching charge	4,419	3,461	43	—	7,923
Mortality charge	2,919,058	53,840	809,248	—	3,782,146
Rider premium charge	319,617	7,951	—	—	327,568
Partial withdrawal charge	—	—	—	—	—
Policy foreclosure charge	894,873	1,118,484	116,421	—	2,129,778
Discontinued charges	163,350	278	—	—	163,628
Miscellaneous charge	(76,739)	1,225	5,732	(427,316)	(497,098)
<b>TOTAL (UL-1)</b>	<b>11,988,863</b>	<b>8,853,175</b>	<b>1,096,164</b>	<b>352,150</b>	<b>22,290,352</b>

\* net of service tax, if any

# schedules

forming part of the financial statements

*Continued*

## SCHEDULE-UL2

BENEFITS PAID [NET] FOR THE YEAR ENDED MARCH 31, 2015

(₹ in '000)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Health			Linked Group			Total Unit Linked (13)=(3)+(6)+(9)+(12)
		Non Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)	(11)	(12)=(10)+(11)	(13)=(3)+(6)+(9)+(12)
1	<b>Insurance claims</b>													
(a)	Claims by death	1,025,181	540,345	1,565,526	21,421	811,554	832,975	12	6,023	6,035	29,159	51,887	81,046	2,485,582
(b)	Claims by maturity	—	717,446	717,446	28,749	1,510,155	1,538,904	—	—	—	—	—	—	2,256,350
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Surrender/Withdrawal	456	45,748,058	45,748,514	278	53,679,638	53,679,916	—	—	—	—	10,414,550	10,414,550	109,842,980
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	35,428
	- Rider	33,625	—	33,625	1,803	—	1,803	—	—	—	—	—	—	580,760
	- Health	—	—	—	—	—	—	515,279	65,481	580,760	—	—	—	—
	<b>Sub Total (A)</b>	<b>1,059,262</b>	<b>47,005,849</b>	<b>48,065,111</b>	<b>52,251</b>	<b>56,001,347</b>	<b>56,053,598</b>	<b>515,291</b>	<b>71,504</b>	<b>586,795</b>	<b>29,159</b>	<b>10,466,437</b>	<b>10,495,596</b>	<b>115,201,100</b>
2	<b>Amount ceded in reinsurance</b>													
(a)	Claims by death	(217,698)	—	(217,698)	—	—	—	—	—	—	—	—	—	(217,698)
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Surrender/Withdrawal	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Health	—	—	—	—	—	—	(270,127)	—	(270,127)	—	—	—	(270,127)
	<b>Sub Total (B)</b>	<b>(217,698)</b>	<b>—</b>	<b>(217,698)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(270,127)</b>	<b>—</b>	<b>(270,127)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(487,825)</b>
3	<b>Amount accepted in reinsurance</b>													
(a)	Claims by death	—	—	—	—	—	—	—	—	—	—	—	—	—
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Sub Total (C)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (A) + (B) + (C)</b>	<b>841,564</b>	<b>47,005,849</b>	<b>47,847,413</b>	<b>52,251</b>	<b>56,001,347</b>	<b>56,053,598</b>	<b>245,164</b>	<b>71,504</b>	<b>316,668</b>	<b>29,159</b>	<b>10,466,437</b>	<b>10,495,596</b>	<b>114,713,275</b>
	<b>Benefits paid to claimants:</b>													
	In India	1,059,262	47,005,849	48,065,111	52,251	56,001,347	56,053,598	515,291	71,504	586,795	29,159	10,466,437	10,495,596	115,201,100
	Outside India	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>TOTAL (UL2)</b>	<b>1,059,262</b>	<b>47,005,849</b>	<b>48,065,111</b>	<b>52,251</b>	<b>56,001,347</b>	<b>56,053,598</b>	<b>515,291</b>	<b>71,504</b>	<b>586,795</b>	<b>29,159</b>	<b>10,466,437</b>	<b>10,495,596</b>	<b>115,201,100</b>

## SCHEDULE-UL2

BENEFITS PAID [NET] FOR THE YEAR ENDED MARCH 31, 2014

(₹ in '000)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Health			Linked Group			Total Unit Linked (13)=(3)+(6)+(9)+(12)
		Non Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)	(11)	(12)=(10)+(11)	(13)=(3)+(6)+(9)+(12)
1	<b>Insurance claims</b>													
(a)	Claims by death	992,249	386,306	1,378,555	29,069	749,734	778,803	1	4,684	4,685	31,251	52,843	84,094	2,246,137
(b)	Claims by maturity	—	330,513	330,513	13,249	1,022,777	1,036,026	—	—	—	—	—	—	1,366,539
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Surrender/Withdrawal	609	49,162,016	49,162,625	754	50,284,644	50,285,398	—	—	—	287	8,022,426	8,022,713	107,470,736
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	42,164	—	42,164	3,301	—	3,301	—	479,157	44,571	523,728	—	—	45,465
	- Health	—	—	—	—	—	—	—	—	—	—	—	—	523,728
	<b>Sub Total (A)</b>	<b>1,035,022</b>	<b>49,878,835</b>	<b>50,913,857</b>	<b>46,373</b>	<b>52,057,155</b>	<b>52,103,528</b>	<b>479,158</b>	<b>49,255</b>	<b>528,413</b>	<b>31,538</b>	<b>8,075,269</b>	<b>8,106,807</b>	<b>111,652,605</b>
2	<b>(Amount ceded in reinsurance)</b>													
(a)	Claims by death	(182,390)	—	(182,390)	—	—	—	—	—	—	(993)	—	(993)	(183,383)
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Surrender/Withdrawal	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Health	—	—	—	—	—	—	(254,809)	—	(254,809)	—	—	—	(254,809)
	<b>Sub Total (B)</b>	<b>(182,390)</b>	<b>—</b>	<b>(182,390)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(254,809)</b>	<b>—</b>	<b>(254,809)</b>	<b>(993)</b>	<b>—</b>	<b>(993)</b>	<b>(438,192)</b>
3	<b>Amount accepted in reinsurance</b>													
(a)	Claims by death	—	—	—	—	—	—	—	—	—	—	—	—	—
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Sub Total (C)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (A) + (B) + (C)</b>	<b>852,632</b>	<b>49,878,835</b>	<b>50,731,467</b>	<b>46,373</b>	<b>52,057,155</b>	<b>52,103,528</b>	<b>224,349</b>	<b>49,255</b>	<b>273,604</b>	<b>30,545</b>	<b>8,075,269</b>	<b>8,105,814</b>	<b>111,214,413</b>
	<b>Benefits paid to claimants:</b>													
	In India	1,035,022	49,878,835	50,913,857	46,373	52,057,155	52,103,528	479,158	49,255	528,413	31,538	8,075,269	8,106,807	111,652,605
	Outside India	—	—	—	—	—	—	—	—	—	—	—	—	—
	<b>Total</b>	<b>1,035,022</b>	<b>49,878,835</b>	<b>50,913,857</b>	<b>46,373</b>	<b>52,057,155</b>	<b>52,103,528</b>	<b>479,158</b>	<b>49,255</b>	<b>528,413</b>	<b>31,538</b>	<b>8,075,269</b>	<b>8,106,807</b>	<b>111,652,605</b>

# schedules

## 3.15. Employee benefits

Provision for staff benefits as per AS 15 (Revised):

### (a) Defined contribution plans

The amount recognised as an expense during the year ended March 31, 2015 is ₹40,069 thousand (year ended March 31, 2014: ₹ 40,678 thousand).

### (b) Defined benefit plans

#### Gratuity

Particulars	Year ended	
	March 31, 2015	March 31, 2014
<b>Reconciliation of benefit obligations and planned assets for the period:</b>		
Present value of the defined benefit obligations at period end (A)	<b>656,645</b>	593,293
Fair value of plan assets at period end (B)	<b>621,030</b>	554,816
<b>Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)</b>	<b>(35,615)</b>	(38,477)
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	<b>45,320</b>	116,946
<b>Change in defined benefit obligation:</b>		
Opening obligations at April 1	<b>593,293</b>	500,636
Service cost	<b>77,195</b>	71,994
Interest cost	<b>53,245</b>	40,317
Actuarial (gain)/loss	<b>18,094</b>	46,119
Past service costs	—	—
Liability assumed on transfer of employees.	—	6,741
Benefits paid	<b>(85,182)</b>	(72,514)
<b>Present value of the defined benefit obligations at period end (A)</b>	<b>656,645</b>	593,293
<b>Change in Plan Asset:</b>		
Opening plan assets, at fair value at April 1	<b>554,816</b>	476,280
Expected return on plan assets	<b>41,725</b>	37,164
Actuarial gain/(loss)	<b>61,489</b>	4,319
Contributions	<b>48,182</b>	102,826
Assets acquired on acquisition/(settled on divestiture)	—	6,741
Benefits paid	<b>(85,182)</b>	(72,514)
<b>Fair value of plan assets at period end (B)</b>	<b>621,030</b>	554,816
<b>Cost for the period:</b>		
Service cost	<b>77,196</b>	71,994
Interest cost	<b>53,245</b>	40,317
Expected return on plan assets	<b>(41,726)</b>	(37,164)
Actuarial (gain)/loss	<b>(43,395)</b>	41,800
Past service cost	—	—
Losses /(gains) on acquisition/divestiture	—	—
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	<b>45,320</b>	116,947
<b>Investment details of plan assets:</b>		
Plan assets invested in insurer managed funds	<b>100.0%</b>	100.0%
Fund earning rate	<b>16.8%</b>	9.0%
<b>Asset allocation:</b>		
Debentures and Bonds	<b>19.2%</b>	35.3%
Fixed deposits	<b>12.4%</b>	18.7%
Government securities	<b>40.0%</b>	14.2%
Equity shares	<b>15.0%</b>	15.8%
Money market instruments	<b>7.9%</b>	11.8%
Others	<b>5.5%</b>	4.2%
<b>Total</b>	<b>100.0%</b>	100.0%
<b>Assumptions:</b>		
Discount rate	<b>7.95%</b>	8.70%
Salary escalation rate *		
Level 1 to 3	<b>5.0%</b>	5.0%
Level 4 and above	<b>8.0%</b>	8.0%
Estimated rate of return on plan assets #	<b>7.5%</b>	7.5%
Expected future contribution from employer for next year	<b>80,000</b>	120,000

\* Salary escalation rate considered in valuation take into account impact of inflation, seniority, promotion and other factors impacting future salary cost.

# Expected rate of return on plan assets is based on our expectation of the average long-term rate of return expected on investments of fund during the estimated term of obligations.

## Experience adjustments on gratuity provisioning

(₹ in '000)

Particulars	Period ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	<b>656,645</b>	593,293	500,636	397,433	328,569
Plan assets	<b>621,030</b>	554,816	476,280	301,856	204,073
Surplus/(deficit)	<b>(35,615)</b>	(38,477)	(24,356)	(95,577)	(124,496)
<b>Experience adjustments</b>					
- on plan liabilities	<b>(5,301)</b>	26,710	49,715	24,870	38,548
- on plan assets	<b>61,489</b>	4,319	10,794	6,835	(20,827)

#### Provident fund

Provident fund benefits are aimed at providing security to staff members and their dependents on retirement, disability or death. Both employee and the company contribute an equal percentage of the basic salary a part of which goes to the fund, and balance portion is contributed to the government administered pension fund. The provident fund is managed by ICICI Prudential Life Insurance Company Employees' Provident Fund Trust.

The minimum rate at which the annual interest is payable by the trust to members is prescribed by the Government. The Company has an obligation to make good the shortfall, if any, between the Government prescribed rate and actual return earned by the provident fund.

As there is net surplus in the plan, no liability needs to be provided for in the books of accounts of the Company.

The assumptions used in actuarially valuing the defined benefit obligations of interest rate guarantee are as follows:

Particulars	March 31, 2015	March 31, 2014
Discount rate for the term of the obligation	<b>7.95%</b>	8.70%
Average historic yield on the investment portfolio	<b>9.00%</b>	8.90%
Discount rate for the remaining term to maturity of the investment portfolio	<b>7.95%</b>	8.92%
Expected investment return	<b>9.00%</b>	8.68%
Guaranteed rate of return	<b>8.75%</b>	8.75%

#### (c) Other long term benefits

##### Long term incentive scheme

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Particulars	March 31, 2015	March 31, 2014
Discount rate per annum	<b>8.00%</b>	8.70%

##### Compensated absence

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Particulars	March 31, 2015	March 31, 2014
Discount rate per annum	<b>7.95%</b>	8.70%
Salary escalation rate (per annum)		
Level 1 to 3	<b>5.0%</b>	5.0%
Level 4 and above	<b>8.0%</b>	8.0%

# schedules

## forming part of the financial statements

*Continued*

Leave accumulation policy of the Company is given below:

Criteria	Level 1 to 6	Level 7 & above
Employment upto 5 years	NA	60 days
Employment more than 5 years	60 days	90 days

While computing liability, 2% leave avialment has been assumed for each subsequent year following the valuation date.

### 3.16. Employee Stock Option Scheme ("ESOS")

The Company Employees Stock Option Scheme (2005) ("ESOS 2005") presently has six tranches namely Founder I, 2004-05, 2005-06, 2006-07, Founder II and 2007-08. ESOS 2005 permits the grant of share options up to 3% of the issued capital of Company. The maximum number of options that can be granted to any eligible employee is restricted to 1% of the issued capital. The exercise price was finalised by the Board Compensation and Nominations Committee in concurrence with the Board of Directors of the Company.

The scheme allowed an exercise period of "later of the tenth anniversary of the date of grant of Options or the fifth anniversary of the date of vesting of Options". During the year, in the interest of employees, the Company has extended the exercise period from 10 years to 13 years for the options granted namely Founder I, 2004-05, 2005-06, 2006-07 and Founder II. The Company follows intrinsic value method and hence there is no charge in the Revenue Account and Profit and Loss account on account of modification of the Scheme.

The salient features of tranches issued under ESOS 2005 are as stated below:

Date of Grant	Founder I	2004-2005	2005-2006	2006-2007 Founder II	2007-2008
	March 28, 2005	April 25, 2005	April 26, 2006	April 24, 2007	April 25, 2008
Number of options granted	2,662,500	3,782,400	4,633,250	6,534,675 (2006-2007) 470,000 (Founder II)	6,101,000
Maximum term of options granted	Thirteenth anniversary of the date of grant of options			Tenth anniversary of the date of grant of options	
<b>Graded Vesting Period</b>					
1 <sup>st</sup> Year	50% of options granted	25% of options granted			
2 <sup>nd</sup> Year	25% of options granted	25% of options granted			
3 <sup>rd</sup> Year	25% of options granted	25% of options granted			
4 <sup>th</sup> Year	—	25% of options granted			
Mode of settlement	Equity				

Exercise price of all the options outstanding as at March 31, 2015 for Founder I (2003-2004) scheme, 2004-2005 scheme, 2005-2006 scheme, 2006-2007 scheme, Founder II and 2007-2008 scheme is ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130 and ₹ 400 respectively.

A summary of status of Company's Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:

Particulars	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year	10,201,948	12,620,354
Add: Granted during the period	—	—
Less: Forfeited/lapsed during the period	(588,000)	(2,087,905)
Less: Exercised during the period	(2,556,531)	(330,501)
Outstanding at the end of the period	7,057,417	10,201,948
Exercisable at the end of the year	7,057,417	10,201,948

During the year ended March 31, 2015, the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2014: ₹ nil) as the intrinsic value of the options.

For the year ended March 31, 2015 there would have been an additional cost of ₹ 22,261 thousand in the Revenue account and Profit & Loss account had the Company followed the fair value method for valuing its options (Previous year : ₹ Nil). Accordingly, the profit after tax for the year ended March 31, 2015 would have been at ₹ 16,320,654 thousand. Consequently, the Company's basic earnings per share would have been at ₹ 11.41 and diluted earnings per share would have been at ₹ 11.39 for the year ended March 31, 2015.

The weighted average price of options exercised during the year ended March 31, 2015 is ₹ 82.1 (year ended March 31, 2014: ₹ 69.3). The weighted average remaining contractual life of options outstanding at the end of the period is as follows:

	At March 31, 2015	At March 31, 2014		
Exercise price range (in ₹)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
30	28,438	3.0	129,890	1.0
42	155,175	3.1	719,635	1.1
70	1,105,927	4.1	2,187,290	2.1
130	2,783,002	5.1	3,747,508	3.1
400	2,984,875	3.1	3,417,625	4.1
Total	7,057,417	4.0	10,201,948	3.0

### 3.17. Foreign exchange gain/loss

Transactions in foreign currencies are recorded at exchange rate prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognised as income or expense, as the case may be. The net foreign exchange loss debited to Revenue account for the year ended March 31, 2015 is ₹ 3,330 thousand (year ended March 31, 2014: loss ₹ 3,173 thousand).

### 3.18. Earnings per share

(₹ in '000)

Sr. No.	Particulars	March 31, 2015	March 31, 2014
I	Net profit as per profit and loss account available for equity shareholders for both basic and diluted earnings per equity share of ₹ 10 each	16,342,915	15,666,555
II	Weighted average number of equity shares for earnings per equity share		
(a)	For basic earnings per equity share	1,429,853,060	1,429,053,739
(b)	For diluted earnings per equity share Number of equity shares for basic earnings per equity share as per (II) (a)	1,429,853,060	1,429,053,739
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	2,663,925	3,089,612
	Weighted number of equity shares for diluted earnings per equity share	1,432,516,985	1,432,143,351
III	Earnings per equity share		
	Basic (in ₹)	11.43	10.96
	Diluted (in ₹)	11.41	10.94

### 3.19. Managerial remuneration

The remuneration of the Managing Director and Executive Directors' included in employee remuneration and welfare benefits is as follows.

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FY2015	Basic	Bonus	Retirals	Allowances/ Perquisites	LTRS <sup>1</sup>	Total
Sandeep Bakhshi, Managing Director & CEO	15,025	10,923	3,406	8,973	27,409	<b>65,736</b>
Puneet Nanda, Executive Director	8,452	7,682	1,859	35,112	13,750	<b>66,856</b>
Sandeep Batra, Executive Director <sup>2</sup>	6,969	5,251	836	21,590	—	<b>34,647</b>
<b>Total</b>	<b>30,446</b>	<b>23,856</b>	<b>6,101</b>	<b>65,676</b>	<b>41,159</b>	<b>167,238</b>

(₹ '000)

FY2014	Basic	Bonus	Retirals	Allowances/ Perquisites	LTRS <sup>1</sup>	Total
Sandeep Bakhshi, Managing Director & CEO	12,626	5,585	2,878	7,643	15,000	<b>43,732</b>
Puneet Nanda, Executive Director	7,349	4,079	1,617	7,323	12,500	<b>32,868</b>
Sandeep Batra, Executive Director <sup>2</sup>	1,556	—	187	2,301	—	<b>4,044</b>
<b>Total</b>	<b>21,531</b>	<b>9,664</b>	<b>4,682</b>	<b>17,267</b>	<b>27,500</b>	<b>80,644</b>

<sup>1</sup>Long Term Reward Scheme paid during the year

<sup>2</sup>inducted effective January 1, 2014

Expenses towards gratuity and leave encashment provision are determined actuarially for the Company as a whole and accordingly have not been considered in the above information.

Managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) and as approved by the IRDAI. Managerial remuneration in excess of the limits prescribed by IRDAI has been charged to the Shareholders' account.

## 3.20. Commitments

Commitments made and outstanding (net of advances) for Company's investment in Real estate (Investment property) is ₹ 1,711,497 thousand (March 31, 2014 ₹ 1,064,037 thousand).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 129,602 thousand (March 31, 2014: ₹ 117,217 thousand)

There are no loan commitments made by the Company (March 31, 2014 ₹ nil).

## 3.21. Investments

- a. The investments are made from the respective funds of the Policyholders' or Shareholders' and investment income thereon has been accounted accordingly.
- b. All investments are performing investments.

## 3.22. Restructured assets

There are no assets including loans subject to re-structuring (March 31, 2014: ₹ Nil):

## 3.23. Valuation of Investment property

In accordance with the IRDA Regulations, 2002 (Preparation of Financial Statements and Auditors' Report of Insurance Companies), the Company's investment property has been revalued. The Company has revalued all its investment properties held for more than one year and market value for such properties is based on valuation performed by an independent valuer at March 31, 2015. The opinion on market value by the independent valuer, is prepared in accordance with the "The RICS Valuation Standards" published by the Royal Institution of Chartered Surveyors ("RICS"), subject to variation to meet local established law, custom, practice and market conditions. The methods used in valuation of property includes "Direct comparable approach". The real estate investment property is accordingly valued at ₹ 2,528,667 thousand at March 31, 2015 (March 31, 2014: ₹ 854,400 thousand). The historical cost of the property is ₹ 1,966,588 thousand (March 31, 2014: ₹ 185,521 thousand).

## 3.24. Impairment of investment assets

In accordance with the impairment policy of the Company, diminution in the value of investments has been recognised under the head "Provision for diminution in the value of investments (Net)" in the Revenue account and the Profit and Loss account. The total impairment loss recognised for the year ended March 31, 2015 is ₹ 67,498 thousand (year ended March 31, 2014: ₹ 347,997 thousand).

## 3.25. Encumbrances of assets

The assets of the Company are free from all encumbrances except to the extent assets or monies are required to be deposited as margin contributions for investment trade obligations of the Company or as mandated by the court, as detailed below:

### a. Assets deposited with National Securities Clearing Corporation Limited (NSCCL) and Indian Clearing Corporation Limited (ICCL)

Fixed deposit of ₹ 1,050,200 thousand (March 31, 2014: ₹ 1,050,200 thousand) and ₹ 299,000 thousand (March 31, 2014: ₹ 300,100 thousand) has been deposited with NSCCL and ICCL respectively towards margin requirement for equity trade settlement.

**Terms of pledge:** Physical custody of the fixed deposits are with respective clearing houses, however the income accrued on these deposits shall be passed on to the Company on the maturity of the deposits. These deposits can be invoked by the clearing houses in case of any default by the Company in settlement of equity transactions.

### b. Assets encumbered with Clearing Corporation of India Limited (CCIL)

Particulars	At March 31, 2015		At March 31, 2014	
	Market value	Amortised cost	Market value	Amortised cost
<b>Pledged under securities segment</b>				
Government securities	1,556,400	1,428,906	1,227,178	1,321,747
Cash	70,000	70,000	70,000	70,000
<b>Pledged under Collateralized Borrowing and Lending Obligation segment (CBLO)</b>				
Government securities	209,850	207,080	185,182	207,303
Cash	100	100	100	100

**Terms of pledge:** Physical custody of the securities is maintained with the CCIL, however interest accrued on these securities is received by the Company. The Company is not entitled to any interest income on the money deposited with the CCIL towards margin requirements. These deposits, both securities and cash, can be invoked by CCIL in case of any default by the Company in settlement of trades in Securities and CBLO segment.

### c. Investments made under Statutory Requirements

The Company has deposited a security (1.44% 2023 Inflation Index Bond) with the Reserve Bank of India in order to comply with the requirements prescribed under Section 7 of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015).

The market value of security held under Section 7 of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) is ₹ 106,124 thousand (March 31, 2014: ₹ 102,189 thousand). This security is held with Deutsche Bank A.G. in Constituent Subsidiary General Ledger Account as specified by the IRDAI.

### d. Other encumbrances

Death claim settlement amount of ₹ 518 thousand (March 31, 2014: ₹ 479 thousand) pertaining to one of the deceased policyholder has been invested in a fixed deposit with ICICI Bank Limited based on the directive from the Hon. Patna High Court with the condition that this sum cannot be withdrawn without the order of the Court.

A fixed deposit of ₹ 5,000 thousand is placed with a bank for issuing the bank guarantee in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder.

## 3.26. Assets to be deposited under local laws

There are no assets required to be deposited by the Company under any local laws or otherwise encumbered in or outside India at March 31, 2015 (March 31, 2013: ₹ Nil) except the assets disclosed in the note 3.25.

## 3.27. Securities Lending and Borrowing Scheme (SLB)

Equity shares transferred under SLB continue to be recognised on the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

The value of equity shares lent by the Company under SLB and outstanding at March 31, 2015 is ₹ 115,122 thousands (March 31, 2014: ₹ 416,765 thousands). The equity shares were lent from the unit linked portfolio.

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### **3.28. Reverse Repo transactions in Government securities/Corporate Debt Securities**

Disclosures pursuant to IRDAI notification ref IRDA/F&I/CIR/INV/250/12/2012 dated December 4, 2012:

(₹ in '000)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	2015	2014
<b>Securities sold under repo</b>								
i. Government Securities	—	—	—	—	—	—	—	—
ii. Corporate debt securities	—	—	—	—	—	—	—	—
<b>Securities purchased under reverse repo</b>								
i. Government Securities	261,190	258,878	4,467,273	4,719,797	2,237,088	3,169,646	261,190	—
ii. Corporate debt securities	679,969	689,214	679,969	689,214	679,969	689,214	—	—

**3.29. Value of investment contracts where settlement or delivery is pending is as follows:**

(₹ in '000)

Particulars	March 31, 2015			March 31, 2014		
	Shareholders	Policyholders	Unit linked	Shareholders	Policyholders	Unit linked
Purchases where deliveries are pending		1,544,054	3,732,938		1,011,863	1,694,212
Sales where receipts are pending	266,223	1,643,870	6,050,842	474,464	51,560	3,521,314

**There are no investment contracts where sales have been made and payments are overdue at the Balance Sheet date.**

### **3.30. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

There are no payments made to or dues outstanding to Micro, Small and Medium Enterprises beyond the timelines prescribed by the MSMED Act (March 31, 2014; ₹ Nil).

### **3.31. Additional disclosures on expenses**

The additional disclosures on expenses pursuant to the IRDAI Circular 067/IRDA/F&A/CIR/MAR-08 dated March 28, 2008 have been detailed herein below:

(₹ in '000)

<b>Particulars</b>	<b>FY2015</b>	<b>FY2014</b>
Outsourcing expenses	2,390,593	2,550,473
Business development expenses	941,756	499,415
Market support expenses	3,443,728	2,271,989

### **3.32. Disclosure on fines and penalties**

The additional disclosures with respect to fines and penalties for penal actions pursuant to the IRDAI circular no. 005/IRDAI/F&A/CIR/MAY-2009 dated May 7, 2009 have been detailed herein below:

(₹ in '000)

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### 3.33. Disclosures on other work given to auditors

Pursuant to clause 7.1 (g) of Corporate Governance Guidelines issued by the IRDAI on August 5, 2009 the services of the statutory auditor are disclosed below:

(₹ in '000)

Name of the auditor	Service rendered	FY 2015	FY 2014
S.R.BATLIBOI & CO. LLP	NAV and Form IA certification	—	225

### 3.34. Sector-wise percentage of business

Sector wise break-up of policies issued, lives covered and gross premium underwritten during the year is as follows:

Sector	FY 2015	FY 2014
Rural – Number of policies	138,442	212,650
– Percentage of total policies	21.7%	27.3%
Social – Gross premium underwritten for new lives (₹ '000)	7,620	15,168
– Number of policies issued	1	1
– Number of new lives covered	89,711	171,791
– Percentage of total group lives	9.7%	18.9%
Total – Number of policies	639,137	778,911
– Number of total group lives	921,137	911,309

### 3.35. Risk retained and reinsured

Extent of risk retained and reinsured based on sum at risk, is as follows:

Particulars	At March 31, 2015	At March 31, 2014
<b>Individual business</b>		
Risk retained	61%	60%
Risk reinsured	39%	40%
<b>Group business</b>		
Risk retained	52%	37%
Risk reinsured	48%	63%

### 3.36. Discontinued Policy Fund

Pursuant to the IRDAI circular number IRDA/Reg/2/52/2010 dated July 1, 2010, the following details are disclosed with respect to policies discontinued either on customer request or for non-payment of premium amount within the grace period

#### a) Movement in funds for discontinued policies:

(₹ in '000)

Particulars	March 31, 2015	March 31, 2014
Opening balance of funds for discontinued policies	11,280,677	4,301,825
Add: Fund of policies discontinued during the year	17,005,466	9,850,362
Less: Fund of policies revived during the year	(6,687,948)	(3,472,785)
Add: Income on investments of fund	1,505,894	651,841
Less: Fund management charges	(97,565)	(42,057)
Less: Amount refunded to policyholders during the year	(29,061)	(8,509)
<b>Closing balance of fund for discontinued policies</b>	<b>22,977,463</b>	<b>11,280,677</b>

#### b) Number of policies discontinued during the year ended March 31, 2015 is 118,902 (year ended March 31, 2014: 114,636).

#### c) Percentage of discontinued to total policies (product wise):

Product Name	March 31, 2015	March 31, 2014
ICICI Pru Shubh Retirement	32.2%	2.8%
ICICI Pru Wealth Builder	24.3%	6.4%
ICICI Pru Elite Life	22.0%	9.5%
ICICI Pru Elite Wealth	21.3%	7.9%
ICICI Pru Life Stage Wealth II	20.7%	19.0%
ICICI Pru LifeTime Premier	19.6%	27.3%
ICICI Pru Smart Kid Premier	17.8%	16.2%
ICICI Pru Pinnacle Super	17.7%	21.3%
ICICI Pru Pinnacle II	13.0%	16.2%
ICICI Pru Easy Retirement	3.0%	—
ICICI Pru Wealth Builder II	0.9%	—
ICICI Pru Elite Life II	0.3%	—
ICICI Pru Elite Wealth II	0.2%	—
ICICI Pru Guaranteed Wealth Protector	0.1%	—

#### d) Number and percentage of policies revived:

Particulars	March 31, 2015	March 31, 2014
Number of policies revived	48,981	38,271
Number of policies discontinued	287,552	206,847
Percentage of policies revived	17.0%	18.5%

#### e) Charges imposed/readjusted on account of discontinued policies/revival of discontinued policies are as follows:

(₹ in '000)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Charges imposed on account of discontinued policies	276,869	274,112
Charges readjusted on account of revival of discontinued policies	(96,264)	(90,324)
<b>Total</b>	<b>180,605</b>	<b>183,788</b>

### 3.37. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11 (2) of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015)

Name of person in-charge : Sandeep Bakhshi

Designation of person in-charge : Managing Director & CEO

Occupation of person in-charge : Service

Directorships held by the person : ICICI Prudential Pension Funds Management

In-charge during the year or at Company Limited, Chairman  
March 31, 2015 FINO PayTech Limited, Chairman

### 3.38. Extra allocation

Total extra allocation made with respect to group products (Group Unit Linked Superannuation and Group Unit Linked Employee Benefit Plan) for the year ended March 31, 2015 is ₹ 2,551 thousand (for year ended March 31, 2014: ₹ 197 thousand).

The amount of recovery towards extra allocation for the year ended March 31, 2015 is ₹ 39 thousand (year ended March 31, 2014: ₹ nil).

### 3.39. Dividend

Interim dividend appropriation for the year ended March 31, 2015 amounted to ₹ 6,353,777 thousand (year ended March 31, 2014: ₹ 9,279,478 thousand) including corporate dividend tax of ₹ 992,644 thousand (year ended March 31, 2014: ₹ 1,347,961 thousand).

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The above interim dividend has been declared out of current period profits in accordance with the provisions contained in section 123 of The Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 effective April 1, 2014, subsequently amended by the Companies (Declaration and Payment of Dividend) Amended Rules, 2014 effective June 12, 2014 (collectively referred to as the 'Dividend Rules'). This is also supported by a legal opinion obtained by the Company.

The Board of directors have also proposed a final dividend of ₹ 3,006,835 thousand (Previous year ₹ 3,001,437 thousand). Dividend distribution tax on the same amounts to ₹ 612,192 thousand (Previous year ₹ 510,094 thousand).

The final dividend amounting to ₹ 284 thousand and dividend distribution tax of ₹ 48 thousand pertains to dividend for year ended March 31, 2014 on 135,238 equity shares allotted between date of Board Meeting i.e. April 22, 2014 and Record Date i.e. June 20, 2014.

### 3.40. Summary of financial statements

(₹ in lacs)

Sr.No.	Particulars	FY2015	FY2014	FY2013	FY2012	FY2011
<b>Policyholders' Account</b>						
1	Gross premium income	1,530,662	1,242,865	1,353,824	1,402,158	1,788,063
2	Net premium income #	1,516,045	1,228,265	1,341,724	1,392,788	1,781,698
3	Income from investments (net)@	1,871,770	920,825	618,044	(14,181)	623,153
4	Other income	5,938	11,190	56,532	36,371	14,618
	Contribution from the Shareholders a/c	4,146	9,465	54,125	34,980	13,590
	Fees and Charges	1,792	1,725	2,407	1,391	1,028
5	<b>Total income</b>	3,393,753	2,160,280	2,016,300	1,414,978	2,419,469
6	Commissions	55,317	62,749	76,542	60,547	56,068
7	Brokerage	—	—	—	—	—
8	Operating expenses related to insurance business	195,844	192,653	203,825	200,885	218,739
9	Provisions for tax	5,040	4,374	2,385	4,356	9,219
10	<b>Total Expenses</b>	256,201	259,776	282,752	265,787	284,026
11	Payment to policy holders *	1,225,736	1,208,334	1,329,273	845,736	1,059,172
12	Increase in actuarial liability	344,627	278,489	268,960	245,045	229,822
13	Provision for Linked Liabilities	1,450,984	287,684	(9,653)	(74,786)	785,688
14	<b>Surplus/Deficit from operations</b>	116,205	125,997	144,968	133,196	60,760
<b>Shareholders' Account</b>						
15	Total income under Shareholders Account @	53,351	37,109	41,607	22,029	10,586
16	Total expenses under Shareholder's Account	4,537	1,141	585	172	528
17	Profit /(loss) before tax	158,528	152,921	156,961	141,372	83,250
18	Provisions for tax	(4,901)	(3,745)	7,367	2,955	2,488
19	<b>Profit/ (loss) after tax</b>	163,429	156,666	149,594	138,417	80,762
20	Profit /(loss) carried to Balance sheet	4,820	(58,878)	(87,634)	(194,670)	(271,087)
<b>MISCELLANEOUS</b>						
21	<b>(A) Policyholders account:</b>					
	Total funds **	9,326,570	7,462,421	6,873,444	6,611,387	6,441,896
	Total Investments	9,363,549	7,476,714	6,880,782	6,692,814	6,604,373
	Yield on investments (%) ^	22.2%	12.8%	9.1%	- 0.2%	10.2%
22	<b>(B) Shareholders account :</b>					
	Total funds	526,782	439,302	396,487	300,528	208,485
	Total Investments	585,677	535,277	491,996	347,701	197,647
	Yield on investments (%) ^	9.5%	7.0%	9.8%	8.0%	6.5%
23	Yield on total investments ^	21.4%	12.4%	9.1%	0.1%	10.1%
24	Paid up equity capital	143,172	142,926	142,894	142,885	142,846
25	Net worth	526,782	439,302	396,487	300,528	208,485
26	<b>Total Assets</b>	9,906,101	7,952,127	7,320,756	6,987,837	6,747,606
<b>Earnings per share</b>						
	Basic earnings per share (₹)	11.43	10.96	10.47	9.69	5.65
	Diluted earnings per share (₹)	11.41	10.94	10.44	9.66	5.64
27	Book value per share (₹)	36.79	30.74	27.75	21.03	14.60

# Net of reinsurance

@ Net of losses (includes diminution in the value of investments)

\* Inclusive of interim bonuses, if any

\*\* Includes Provision for linked liabilities

^ Investment income/((Opening investments + Closing investments)/2)

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## 3.41 Accounting ratios

Sr No.	Particulars	March 31, 2015	March 31, 2014
<b>1</b>	<b>New business premium income growth (segment-wise)</b>		
	Participating Life	2.1%	188.7%
	Participating Pension	(1150.0%)	(100.0%)
	Non Participating	(78.1%)	(62.9%)
	Annuities Non Participating	(3.6%)	(10.2%)
	Health	(96.2%)	(59.7%)
	Linked Life	81.6%	21.8%
	Linked Pension	(2.6%)	70.0%
	Linked Health	(98.1%)	(58.6%)
	Linked Group	482.8%	(92.3%)
<b>2</b>	<b>Net retention ratio</b> (Net premium divided by gross premium)	99.0%	98.9%
<b>3</b>	<b>Ratio of expenses of management</b> (Expenses of management including commission divided by the total gross direct premium)	14.4%	18.1%
<b>4</b>	<b>Commission Ratio</b> (Gross commission paid to Gross premium)	3.6%	5.0%
<b>5</b>	<b>Ratio of policyholders liabilities to shareholders funds</b>	1780.5%	1710.2%
<b>6</b>	<b>Growth rate of shareholders fund</b>	19.9%	10.8%
<b>7</b>	<b>Ratio of surplus to policyholders liability</b>		
	Participating Life	0.9%	2.2%
	Participating Pension	1.9%	2.9%
	Non Participating	3.3%	1.1%
	Annuities Non Participating	(2.0%)	(3.4%)
	Health	34.4%	53.2%
	Linked Life	0.2%	0.5%
	Linked Pension	2.8%	3.6%
	Linked Health	5.8%	5.8%
	Linked Group	0.5%	0.5%
<b>8</b>	<b>Change in networth (₹ '000)</b>	8,748,010	4,281,508
<b>9</b>	<b>Profit after tax / Total income</b>	4.7%	7.1%
<b>10</b>	<b>(Total Real Estate + Loans) / Cash &amp; invested assets</b>	0.4%	0.2%
<b>11</b>	<b>Total Investment / (Capital + Surplus)</b>	1888.7%	1823.8%
<b>12</b>	<b>Total Affiliated Investment / (Capital+Surplus)</b>	4.7%	6.4%
<b>13</b>	<b>Investment Yield (Gross and Net)</b>		
	<b>A. Without unrealised gains</b>		
	- Shareholders' Fund	10.0%	7.2%
	- Policyholders' Fund		
	- Non Linked		
	Par	9.3%	8.5%
	Non Par	8.0%	8.1%
	- Linked		
	Non Par	17.6%	8.3%
	<b>B. With unrealised gains</b>		
	- Shareholders' Fund	18.5%	8.4%
	- Policyholders' Fund		
	- Non Linked		
	Par	20.5%	5.7%
	Non Par	20.5%	5.0%
	- Linked		
	Non Par	28.1%	12.9%
<b>14</b>	<b>Conservation Ratio</b>		
	Participating Life	84.0%	78.7%
	Participating Pension	24.3%	51.1%
	Non Participating	90.2%	83.1%
	Annuities Non Participating	NA	NA
	Health	89.2%	85.2%
	Linked Life	85.9%	75.1%
	Linked Pension	68.3%	48.7%
	Linked Health	83.7%	85.3%
	Linked Group	80.1%	36.2%
<b>15</b>	<b>Persistency Ratio*</b>		
	13th Month	79.3%	71.5%
	25th Month	66.6%	68.4%
	37th Month	65.0%	57.3%
	49th Month	50.8%	20.3%
	61th Month	14.5%	12.7%
<b>16</b>	<b>NPA Ratio</b>		
	- Gross NPA Ratio	NIL	NIL
	- Net NPA Ratio	NIL	NIL

\* The ratio is computed based on the original premiums issued. Calculations are in accordance with the IRDA circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014

For FY2014, policies issued in the April to March period of the relevant year have been measured on April 30, 2014.

For FY2015, policies issued in the April to February period (11 month) of the relevant year have been measured on March 31, 2015.

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## 3.42 Statement showing the Controlled Fund of ICICI Prudential Life Insurance Company Limited

(₹ in crores)

Sr No.	Particulars	March 31, 2015	March 31, 2014
1	<b>Computation of Controlled fund as per the Balance Sheet</b>		
	<b>Policyholders' Fund (Life Fund)</b>		
	<b>Participating</b>		
	Individual Assurance	5,801	4,346
	Individual Pension	743	677
	Group Assurance	216	283
	Group Pension	937	1,001
	<b>Non-participating</b>		
	Individual Assurance	7,978	5,543
	Group Assurance	—	—
	Individual Annuity	2,040	1,749
	Health	54	63
	<b>Linked</b>		
	Individual Assurance	46,942	34,169
	Group Assurance	—	—
	Individual Pension	21,272	20,332
	Group Superannuation & Gratuity	6,540	5,948
	Health	743	513
	Funds for Future Appropriations	527	504
	<b>Total (A)</b>	93,793	75,128
	<b>Shareholders' Fund</b>		
	Paid up Capital*	1,433	1,429
	Reserves & Surplus	3,432	3,367
	Fair Value Change	403	186
	<b>Total (B)</b>	5,268	4,982
	Misc. expenses not written off	—	—
	Credit / (Debit) from P&L A/c.	—	(589)
	<b>Total (C )</b>	—	(589)
	<b>Total shareholders' funds (B+C)</b>	5,268	4,393
	<b>Controlled Fund (Total (A+B-C))</b>	99,061	79,521
2	<b>Reconciliation of the Controlled Fund from Revenue and Profit &amp; Loss Account</b>		
	<b>Opening Balance of Controlled Fund</b>	79,521	73,208
	Add: Inflow		
	Premium Income	15,307	12,429
	Less: Reinsurance ceded	(146)	(146)
	<b>Net Premium</b>	15,161	12,283
	Investment Income**	18,718	9,208
	Other Income	18	17
	Funds transferred from Shareholders' Accounts	41	95
	<b>Total Income</b>	33,938	21,603
	Less: Outgo		
	(i) Benefits paid (Net)	12,246	12,074
	(ii) Interim Bonus Paid	12	9
	(iii) Change in Valuation of Liability	17,957	5,662
	(iv) Commission	553	627
	(v) Operating Expenses	1,958	1,928
	(vi) Provision for Taxation	—	—
	(a) FBT	50	44
	(b) I.T.	—	—
	<b>Total Outgo</b>	32,776	20,344
	<b>Surplus of the Policyholders' Fund</b>	1,162	1,259
	<b>Less: transferred to Shareholders' Account</b>	1,139	1,264

# schedules

(₹ in crores)

Sr No.	Particulars	March 31, 2015	March 31, 2014
	Net Flow in Policyholders' account	23	(5)
	Add: Net income in Shareholders' Fund	1,634	1,567
	<b>Net Inflow / Outflow</b>	<b>1,657</b>	<b>1,562</b>
	Add: change in valuation Liabilities	17,957	5,662
	Add: Increase in Paid up Capital	21	2
	Less: Dividend & dividend distribution tax	(997)	(1,279)
	<b>Closing balance of controlled fund as per cash flow</b>	<b>98,159</b>	<b>79,155</b>
	Change in fair value change & revaluation reserve account	902	366
	<b>Closing balance of controlled fund</b>	<b>99,061</b>	<b>79,521</b>
	<b>As Per Balance Sheet</b>	<b>99,061</b>	<b>79,521</b>
	Difference, if any	—	—
3	<b>Reconciliation with Shareholders' and Policyholders' Fund</b>		
	<b>Policyholders' Funds</b>		
3.1	<b>Policyholders' Funds - Traditional-PAR and NON-PAR</b>		
	Opening Balance of the Policyholders' Fund	14,059	10,923
	Add: Surplus of the Revenue Account	123	221
	Add: change in valuation Liabilities	3,422	2,687
	<b>Total</b>	<b>17,604</b>	<b>13,831</b>
	Change in fair value change & revaluation reserve account	685	228
	<b>Total</b>	<b>18,289</b>	<b>14,059</b>
	<b>As per Balance Sheet</b>	<b>18,289</b>	<b>14,059</b>
	Difference, if any	—	—
3.2	<b>Policyholders' Funds - Linked</b>		
	Opening Balance of the Policyholders' Fund	61,069	58,320
	Add: Surplus of the Revenue Account	(100)	(226)
	Add: change in valuation Liabilities	14,535	2,975
	<b>Total</b>	<b>75,504</b>	<b>61,069</b>
	<b>As per Balance Sheet</b>	<b>75,504</b>	<b>61,069</b>
	Difference, if any	—	—
3.3	<b>Shareholders' Funds</b>		
	Opening Balance of Shareholders' Fund	4,393	3,965
	Add: net income of Shareholders' account (P&L)	1,634	1,567
	Add: Infusion of Capital	21	2
	Less: Dividend & dividend distribution tax	(997)	(1,279)
	Closing Balance of the Shareholders' fund	5,051	4,255
	Change in fair value change	217	138
	<b>Closing Balance of the Shareholders' fund</b>	<b>5,268</b>	<b>4,393</b>
	<b>As per Balance Sheet</b>	<b>5,268</b>	<b>4,393</b>
	Difference, if any	—	—

\* Includes Share application money pending allotment

\*\* Includes provision for diminution in the value of investments

#### 3.43. Pending litigations

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2015. Refer note 3.1 for details on contingent liabilities. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 39,139 thousand at March 31, 2015.

#### 3.44. Long term contracts

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the financial statements.

For insurance contracts, actuarial valuation of liabilities for policies in force is done by the Appointed Actuary of the Company. The assumptions used in the valuation of liabilities for policies in force are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI.

# schedules

forming part of the financial statements

*Continued*

## 3.45. Previous year comparatives

Previous period's figures have been regrouped and reclassified wherever necessary to conform to current period's presentation.

Sr. No.	Regrouped to	Regrouped from	Amount (₹ in '000)	Reason
1	Revenue Account and Profit and loss Account  Current tax credit/(charge)	Revenue Account and Profit and loss Account  Deferred tax credit/(charge)	384,181	The reclassification has been done to ensure appropriate presentation of tax as per note 3.6
2	Receipts and Payments account: Following changes have been made in 'Receipts and Payments Account'  - Service tax paid is now shown separately. Earlier it was netted off from premium and other receipts  - Interest on policy loan is now included in Interest & rent received under investing activities. It was earlier included in premium and other receipts.  - Amount of expense related to investment increased which was earlier part of other expenses  - Share premium on capital issued now clubbed under Proceeds from issuance of share capital. It was earlier shown as a separate line in the receipts and payments account	Receipts and Payments account	3,386,938  8,488  109,418  18,744	The regrouping is done to comply with the requirements of clause 2.2 on Cash Flow Statement, of the Master Circular.  The regrouping is done to comply with the requirements of clause 2.2 on Cash Flow Statement, of the Master Circular.  The restatement was done to rectify an error pertaining to previous year.  The regrouping is done to comply with the requirements of clause 2.2 on Cash Flow Statement, of the Master Circular.
3	Fund Balance Sheet, Fund Revenue account and related schedules: Annexure 2: Schedule F5  Surrender charges, Switching charges, Policy foreclose charges, Discontinued charges and Miscellaneous charges	Fund Balance Sheet, Fund Revenue account and related schedules: Annexure 1: Schedule F1  Policyholders contributions: Deductions during the year	4,386,427	The re-classification has been done to ensure appropriate presentation.
4	Fund Revenue Account: Annexure 2  Service tax	Fund Balance Sheet, Fund Revenue account and related schedules: Annexure 1: Schedule F1  Policyholders contributions: Deductions during the year	549,720	The regrouping is done to comply with the requirements of clause 2.10.2 on Accounting and Presentation of Service Tax of the Master circular.

As per our report of even date attached.

For S.R.Batliboi & Co. LLP

*Chartered Accountants*

*ICAI Firm Registration No.301003E*

per SHRAWAN JALAN  
*Partner*  
*Membership No. 102102*

CHANDA KOCHHAR  
*Chairperson*  
*DIN: 00043617*

For and on behalf of the Board of Directors

KEKI DADISETH  
*Director*  
*DIN: 00052165*

SANDEEP BAKHSHI  
*Managing Director and CEO*  
*DIN: 00109206*

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

SANDEEP BATRA  
*Executive Director*  
*DIN: 03620913*

SATYAN JAMBUNATHAN  
*Appointed Actuary*

BINAY AGARWALA  
*Chief Financial Officer*

VENKATARAMANAN VISHWANATH  
*Partner*  
*Membership No. 113156*

SANAULLA KHAN  
*Company Secretary*

*Place: Mumbai*  
*Date: April 24, 2015*

# ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED

## 6TH ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Sandeep Bakhshi, *Chairman*  
 Vinod Kumar Dhall  
 M. N. Gopinath  
 Uday Chitale  
 Puneet Nanda  
 Sandeep Batra

### Auditors

Khandelwal Jain and Co.,  
*Chartered Accountants*  
  
 Meghana Baji  
*Chief Executive Officer*  
  
 Vishal Mehta  
*Company Secretary*

### Registered & Corporate Office

ICICI Prulife Towers  
 1089, Appasaheb Marathe Marg  
 Prabhadevi  
 Mumbai - 400 025

## directors' report

### to the members,

Your Directors have pleasure in presenting the Sixth Annual Report of ICICI Prudential Pension Funds Management Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2015.

### OPERATIONS REVIEW & OUTLOOK

#### Industry in FY2015

The industry AUM as at March 31, 2015 was ₹ 808.55 billion (FY2014: ₹ 481.05 billion). This largely comprises funds from government sector of ₹ 731.33 billion and corporate sector (central government pattern) of ₹ 41.05 billion. The AUM from private sector and NPS lite segments was ₹ 20.11 billion and ₹ 16.06 billion respectively, a growth of 86% and 90% over FY2014.

#### Company in FY2015

The subscribers' funds managed by the Company increased from ₹ 1,768.2 million at March 31, 2014 to ₹ 3,690.0 million at March 31, 2015, an increase of 109% during the year.

The details of the subscribers' funds are as follows:

(₹ in million)

Asset class	March 31, 2014	% to total	March 31, 2015	% to total
Equity (E)	709.8	40%	1,456.9	39%
Credit Risk Bearing Fixed	532.2	30%	1,070.4	29%
Income Instruments (C)				
Government Securities (G)	526.2	30%	1,162.7	32%
<b>Total</b>	<b>1,768.2</b>	<b>100%</b>	<b>3,690.0</b>	<b>100%</b>

The performance for financial year ended March 31, 2015 is summarised as follows:

(₹ in 000's)

Particulars	FY2015	FY2014
Investment management fees	1,913	2,824
Investment income	27,160	22,455
Interest on income tax refund	70	38
<b>Total revenue</b>	<b>29,143</b>	<b>25,317</b>
Personnel expenses	18,456	23,662
Other operating expenses	8,716	11,250
Depreciation/Amortisation expenses	857	1,068
<b>Total expenses</b>	<b>28,029</b>	<b>35,980</b>
<b>Profit/(loss) before tax</b>	<b>1,114</b>	<b>(10,663)</b>
Tax expense	(113)	5
<b>Profit/(loss) after tax</b>	<b>1,001</b>	<b>(10,658)</b>

For the year ended March 31, 2015, the PFM registered a profit of ₹ 1.0 million compared to a loss of ₹ 10.7 million for the year ended March 31, 2014.

The increase in investment income coupled with decrease in personnel expenses has led to the PFM registering profit of ₹ 1.0 million in FY2015 as against a loss of ₹ 10.7 million for FY2014.

The increase in investment income is primarily attributable to the realisation of gain of ₹ 7.0 million from investment in mutual funds. The decrease in personnel expenses is on account of reduction in the number of deputed sales employees.

During FY2015, the PFRDA had proposed to select and appoint afresh eight Pension Funds to manage the pension assets of the Private Sector NPS through competitive bidding. The lowest bid for Investment Management Fees was 0.01% per annum on assets under management. As required by the terms and conditions of the bidding process, the parent Company has accepted the lowest bid and accordingly has been appointed as Sponsor of Pension Fund by PFRDA for the period of five years. The investment management fee has been revised from 0.25% p.a. to 0.01% p.a. with effect from August 01, 2014. Accordingly, the investment management fee has reduced from ₹ 2.8 million in FY2014 to ₹ 1.9 million in FY2015.

### DIVIDEND

The financial operations of the Company have resulted in a marginal profit after tax of ₹ 1.0 million. The Company has not recommended any dividend for FY2015.

### Statement in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has established a governance framework and a control environment, commensurate with the size, scale and complexity of its operations. The corporate governance framework of the Company is based on an effective independent Board, separation of Board's supervisory role from the executive management and constitution of Board Committees, generally comprising a majority of independent/non-executive directors and chaired by independent directors to oversee critical areas.

The internal financial controls with reference to financial statements of the Company comprises multiple levels of oversight as follows:

1. The Company follows a reporting and review framework comprising quarterly review of financials. The financials prepared are reviewed by Audit Committee. Investment operations of the schemes managed on behalf of NPS is subject to concurrent audit certification on a daily basis.
2. The Company has fully automated processes and authority matrix based workflow to compute/ account investment management fee, investment income and operating expenses. System and process controls have been built on various sub processes and activities to ensure completeness and accuracy.
3. No significant observations have been made or are outstanding against the Company by auditors or regulators.

### BOARD OF DIRECTORS

The Board comprises of six Directors; three nominated by ICICI Prudential Life Insurance Company Limited and three Independent Directors. The Board is responsible for overall corporate strategy and other responsibilities as laid down by the Pension Fund Regulatory & Development Authority. The Independent Directors are eminent personalities with significant expertise in the fields of finance, law, and strategy. None of the Directors are related to any other Director or employee of the Company.

As per provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sandeep Batra will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Sandeep Batra has offered himself for re-appointment.

Further, in terms of section 149 and 152 provisions of the Companies Act, 2013, the existing Independent Directors were re-appointed by the members at the Extraordinary General Meeting held on January 24, 2015 the details of tenure of these Directors are set out in the following table:

# directors' report

Sr. No.	Name of Director	Date of first Appointment	Date of completion of tenure of the independent directors as per Board Governance norms.
1.	Vinod Kumar Dhall	April 21, 2011	January 14, 2020*
2.	M. N. Gopinath	April 21, 2011	January 14, 2020*
3.	Uday Chitale	December 4, 2012	January 14, 2020*

\* One term of five years. Can be re-appointed for another uncompleted term of five years.

## MEETING OF INDEPENDENT DIRECTORS

There was one Independent Directors Meetings during FY2015 on March 23, 2015. The names of the Independent Directors and their attendance at Independent Directors Meetings during the year are set out in the following table:

Name of the member	Number of meetings attended/held
Vinod Kumar Dhall	1/1
Uday Chitale	1/1
M. N. Gopinath	0/1

## ANNUAL EVALUATION BY THE BOARD

Performance evaluation mechanism for the Board/Chairperson/whole-time directors were evaluated by independent directors. In addition, the performance evaluation of the independent Directors were evaluated by the entire Board, excluding the Director being evaluated. The evaluation was completed through an online survey portal.

## BOARD RISK MANAGEMENT & AUDIT COMMITTEE

### Terms of reference:

Directing and overseeing the audit plans, audited and un-audited financial results, findings of the internal and statutory auditors, risk management, disaster recovery and business contingency plans, recommend appointment of statutory auditors and such other responsibilities as may be prescribed by the Companies Act, 1956 and Pension Fund Regulatory & Development Authority (PFRDA).

### Composition

The Board Risk Management & Audit Committee comprises of one independent Director and at March 31, 2015 was chaired by Vinod Kumar Dhall. There were four Meetings of the Committee during the year.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended
Vinod Kumar Dhall	4/4
Uday Chitale**	—
Sandeep Bakhshi*	4/4
Puneet Nanda*	4/4
Sandeep Batra	4/4
Meghana Baji^	4/4
Beram Gazdar** ^	—
Vishal Mehta** ^	—

\* upto January 15, 2015

\*\* from January 15, 2015

^ As per Investment Management Agreement signed with National Pension System Trust, Risk Management Committee shall also have Chief Executive Officer, Chief Investment Officer or Fund Manager and Compliance Officer.

The Board of Directors at its Meeting held on January 15, 2015 re-constituted the Board Risk Management & Audit Committee pursuant to which Vinod Kumar Dhall was appointed as a Chairman of the Committee in place of Sandeep Bakhshi, Uday Chitale was appointed as a member of the Committee in place of Puneet Nanda and as per requirement of Investment Management Agreement Beram Gazdar and Vishal Mehta were appointed as a member of the Committee.

## BOARD INVESTMENT COMMITTEE

### Terms of reference:

Overseeing the investment function of the Company, framing, review and implementation of the Investment Policy as approved by the Board and any other matter related to investments as may be delegated to the Committee by the Board and Pension Fund Regulatory & Development Authority (PFRDA) from time to time.

### Composition

The Board Investment Committee comprises of one independent Director and at March 31, 2015 was chaired by Sandeep Bakhshi. There were four Meetings of the Committee during the year.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended
Sandeep Bakhshi	4/4
M. N. Gopinath	4/4
Puneet Nanda	4/4
Sandeep Batra	4/4
Meghana Baji	4/4

## BOARD NOMINATION AND REMUNERATION COMMITTEE

The Board Nomination & Remuneration Committee was constituted as per the requirements of Companies Act, 2013 and terms of reference were approved by the Board at their meeting held on April 21, 2014. Following are the terms of reference:

### Terms of reference:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

### Composition

The Board Nomination and Remuneration Committee comprises of two independent Directors and at March 31, 2015 was chaired by Vinod Kumar Dhall. There was one Meeting of the Committee during the year.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of the member	Number of meetings attended
Vinod Kumar Dhall	1/1
M. N. Gopinath	0/1
Sandeep Batra	1/1

## General Body Meetings

The details of the last three Annual General Meetings (AGM) are given below:

Financial Year ended	Day, Date	Start time	Venue
Third AGM	Monday, June 18, 2012	10.00 a.m.	ICICI Prulife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Fourth AGM	Thursday, June 20, 2013	11.00 a.m.	ICICI Prulife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Fifth AGM	Monday, June 23, 2014	10.00 a.m.	ICICI Prulife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

The following special resolutions were passed by the members during the last three Annual General Meeting:

Annual General Meeting held on June 20, 2013

- Approval of remuneration payable to Meghana Baji, CEO & Manager.

# directors' report



forming part of the accounts

*Continued*

## Extra Ordinary General Meeting

The details of the last Extra Ordinary General Meeting (EGM) is given below:

Day, Date	Start time	Venue
Tuesday, January 24, 2015	5.00 p.m.	ICICI I PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025

The following special resolutions was passed by the members during the last Extra Ordinary General Meeting:

- Appointment of Independent Directors as per Companies Act, 2013.

## General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Sixth AGM	Thursday, June 25, 2015, 9.00 a.m.	ICICI Prulife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

## PARTICULARS OF EMPLOYEES

The provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014, as amended, are not applicable as the aggregate remuneration payable do not exceed the specified limits.

## SHARE CAPITAL

The paid-up share capital of the Company at March 31, 2015 was ₹ 270 million. During the year, there has been no change to the paid-up share capital of the Company.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits under Section 73 of the Companies Act, 2013.

## AUDITORS

M/s Khandelwal Jain and Co., Chartered Accountants were appointed as the statutory auditor of the Company for FY2015 at the Fifth Annual General Meeting to hold office upto the conclusion of the ensuing Annual General Meeting. Pursuant to para 3 of the Pension Fund Regulatory and Development Authority ('PFRDA') (Appointment of Auditors) Guidance Note, 2012, the Board proposes to re-appoint M/s Khandelwal Jain and Co., retiring Auditor as the Statutory Auditors on recommendation of the Audit Committee of the Company.

## Auditor's Report

There are no qualification, reservation or adverse remark or disclaimer made by the auditor in his report.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure A.

## Particulars of contracts or arrangements with related parties

The Company has a board approved policy on dealing with related party transactions on an arm's length basis. The Company shares personnel and infrastructure with its holding company i.e. ICICI Prudential Life Insurance Company Limited. The company has a board approved transfer pricing policy for pricing these transactions at arm's length and all the transactions between the Company and ICICI Prudential Life Insurance Company Limited have been done in conformity with the same.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is disclosed in Form No. AOC -2 is appended as Annexure B.

## Sitting fees paid to independent Directors during the financial year ended March 31, 2015:

Name of the member	Number of meetings attended
Vinod Kumar Dhall	1,80,000
M. N. Gopinath	1,60,000
Uday Chitale	60,000

## ADDITIONAL INFORMATION

### Conservation of Energy and Technology absorption

In view of the nature of business activity of the Company, the information relating to the conservation of energy and technology absorption, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not required to be given.

## Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo required under above Rules are as under:

Particulars	FY2015	FY2014
Foreign exchange earnings and outgo	—	—
- Earnings	—	—
- Outgo	—	—

## Events after Balance Sheet date

There have been no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the Balance Sheet relates and the date of this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the Companies Act, 2013 and the Corporate Governance Guidelines, the Board of Directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENTS

The Directors are grateful to the PFRDA, NPS Trust and Government of India for their continued co-operation, support and advice.

The Directors would also like to take this opportunity to express sincere thanks to its valued customers for their continued patronage.

The Directors express their gratitude for the valuable advice and guidance received from time to time, from the auditors and the statutory authorities. The Directors express their appreciation to all employees. The Directors also wish to express their gratitude to ICICI Bank Limited, Prudential Corporation Holdings Limited and ICICI Prudential Life Insurance Company Limited for their continued trust and support.

For and on behalf of the Board

SANDEEP BAKHSHI  
Chairman  
DIN:00109206

Mumbai, April 24, 2015

# directors' report

## forming part of the accounts

## ANNEXURE A

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

### I. REGISTRATION AND OTHER DETAILS:

CIN	U66000MH2009PLC191935
Registration Date	22/04/2009
Name of the Company	ICICI Prudential Pension Funds Management Company Limited
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details	ICICI Prulife Towers 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited International Infotech Park Tower 5, 3rd Floor Vashi Railway Station Complex Vashi, Navi Mumbai 400 703 Maharashtra, India Tel No. : +91-22-6792 8000

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding.

S. No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
(1) Indian		—	—	—	—	—	—	—	—	—
(a) Individual		6	—	—	0.00	6	—	—	0.00	Nil
(b) Central Govt		—	—	—	—	—	—	—	—	—
(c) State Govt		—	—	—	—	—	—	—	—	—
(d) Bodies Corporate		—	—	—	—	—	—	—	—	—
(e) Banks/FIs		26999994	—	26999994	100	26999994	—	26999994	100	Nil
(f) Any other		—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1)</b>		<b>27000000</b>	—	<b>27000000</b>	<b>100</b>	<b>27000000</b>	—	<b>27000000</b>	<b>100</b>	—
(2) Foreign		—	—	—	—	—	—	—	—	—
(a) NRIs - Individuals		—	—	—	—	—	—	—	—	—
(b) Other - Individuals		—	—	—	—	—	—	—	—	—
(a) Bodies Corporate		—	—	—	—	—	—	—	—	—
(b) Banks/FIs		—	—	—	—	—	—	—	—	—
(c) Any other		—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2)</b>		<b>—</b>	—	<b>—</b>	<b>—</b>	<b>—</b>	—	<b>—</b>	<b>—</b>	—
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>		<b>27000000</b>	—	<b>—</b>	<b>100</b>	<b>27000000</b>	—	<b>—</b>	<b>100</b>	Nil
<b>A. Public Shareholding</b>										
(1) Institutions		—	—	—	—	—	—	—	—	—
(a) Mutual Funds		—	—	—	—	—	—	—	—	—
(b) Banks/FIs		—	—	—	—	—	—	—	—	—
(c) Central Govt		—	—	—	—	—	—	—	—	—
(d) State Govt		—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds		—	—	—	—	—	—	—	—	—
(f) Insurance Companies		—	—	—	—	—	—	—	—	—
(g) FIs		—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds		—	—	—	—	—	—	—	—	—
<b>Sub-total (B) (1)</b>		<b>—</b>	—	<b>NIL</b>	<b>—</b>	<b>—</b>	—	<b>NIL</b>	<b>—</b>	—
<b>2. Non-Institutional</b>		—	—	—	—	—	—	—	—	—
(a) Bodies Corp.		—	—	—	—	—	—	—	—	—
(i) Indian		—	—	—	—	—	—	—	—	—
(j) Overseas		—	—	—	—	—	—	—	—	—
(b) Individuals		—	—	—	—	—	—	—	—	—
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh		—	—	—	—	—	—	—	—	—
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh		—	—	—	—	—	—	—	—	—
(c) Others		—	—	—	—	—	—	—	—	—
<b>Sub-total (B) (2)</b>		<b>—</b>	—	<b>—</b>	<b>—</b>	<b>—</b>	—	<b>—</b>	<b>—</b>	—
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>		<b>—</b>	—	<b>—</b>	<b>—</b>	<b>—</b>	—	<b>—</b>	<b>—</b>	—
B. Shares held by Custodian for GDRs & ADRs		—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>		<b>27000000</b>	—	<b>—</b>	<b>100</b>	<b>27000000</b>	—	<b>—</b>	<b>100</b>	Nil

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Pension Funds Management	6530	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	ICICI Prudential Life Insurance Company Limited ICICI Prulife Towers 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.	U66010MH-2000PLC127837	Holding	100%	2 (46)

# directors' report



forming part of the accounts

*Continued*

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
	ICICI Prudential Life Insurance Company Limited	27000000	100	Nil	27000000	100	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

No Change

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/Transfer/bonus/sweat equity etc)	Cumulative Shareholding during the year (at the end of the year)	
	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.			Nil		

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/Transfer/bonus/sweat equity etc)	Cumulative Shareholding during the year (at the end of the year)	
	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	1	0.00	Nil	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager Meghana Baji, Manager	(₹'000)
1	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		5,163
			160
2.	Stock Options		—
3.	Sweat Equity		—
4.	Commission - as % of profit - others, specify.		—
5.	Others, please specify*		434
	<b>Total (A)</b>		<b>5,757</b>

\* Include – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme

Note:- The holding company i.e. ICICI Prudential Life Insurance Company Limited, 4000 stock options were exercised during FY2015.

# directors' report

forming part of the accounts

ANNEXURE A

B. Remuneration to other Directors:		Name of Directors			(In ₹)
Sr. No.	Particulars of Remuneration	Vinod Kumar Dhall	M. N. Gopinath	Uday Chitale	Total Amount
1.	Independent Directors • Fee for attending board & committee meetings • Commission • Others, please specify	1,80,000 —	1,60,000 —	60,000 —	4,00,000 —
	<b>Total (1)</b>	<b>1,80,000</b>	<b>1,60,000</b>	<b>60,000</b>	<b>4,00,000</b>
2.	Others Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B) = (1+2)</b>	<b>1,80,000</b>	<b>1,60,000</b>	<b>60,000</b>	<b>4,00,000</b>

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD (₹ '000)

Sr. No	Particulars of Remuneration	Key Managerial Personnel	Total Amount	
1.	Gross salary d) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 e) Value of perquisites u/s 17(2) Income-tax Act, 1961 f) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Harvinder Jaspal, Chief Financial Officer ^  382  0.36	Vishal Mehta, Company Secretary  623  10	1,005
2.	Stock Option*	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit - Others, specify...	—	—	—
5.	Others, please specify	24	60	84
	<b>Total</b>	<b>407</b>	<b>693</b>	<b>1,099</b>

\* Perquisite value of stock options exercised of the holding Company.

\*\* Include – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme

^ 5% of total remuneration borne by the Company.

## VIII. PENALITIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Sections of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any
<b>A. COMPANY</b>					
Penalty			NIL		
<b>B. DIRECTORS</b>					
Penalty			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		

ANNEXURE B

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

The Company has a framework on mechanism of taking approvals for all transactions with related parties which was placed in Board Risk Management & Audit Committee Meeting on January 15, 2015. The transactions between the Company and its related parties, during the year ended March 31, 2015, were based on the principles of arm's length.

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There are no such transactions

### 2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material related party transactions at arm's length principles for the year ended March 31, 2015 on an aggregate basis is given below:

Sr. no.	Name of the related party	Nature of relationship	Nature of contracts/ transactions	Duration of contracts	Salient term of contracts/transactions	FY2014
1.	ICICI Prudential Life Insurance Company Limited	Holding Company	Compensation/ reimbursement of expenses towards infrastructure sharing, deputation of employees and other expenses		1. Deputed personnel cost and reimbursement of expenses – at actuals 2. Use of office space – at market rates 3. Use of infrastructure and utilities – at actuals	20.8

# independent auditors' report



to the Members of ICICI Prudential Pension Funds Management Company Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Prudential Pension Funds Management Company Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

(CHIRAG DOSHI)  
PARTNER  
Membership No. 119079

Place: Mumbai  
Date: April 24, 2015

# Annexure to the Auditors' Report

## Annexure of even date to the members

(Referred to in Paragraph 1 of our report of other Legal and Regulatory requirement of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The activities of the Company and the nature of its business do not involve the use of inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. The activities of the Company do not involve purchase of inventory, fixed assets and sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.
- (v) The Company has not accepted any deposits from the public and hence paragraph 3 (v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act.
- (vii) In respect of statutory dues:
  - (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues wherever applicable, with the appropriate authorities during the year and there are no statutory dues outstanding for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us, there are no cases of non-deposit of disputed Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess with the appropriate authority.
  - (c) No amounts are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder and hence paragraph 3 (vii) clause c of the Order is not applicable.
- (viii) The Company has accumulated losses of ₹ 11,282,107/- cash losses of ₹ 48,556,251 at the end of the financial year and, had accumulated losses of ₹ 12,283,418 and incurred a cash loss of ₹ 10,538,932/- in the immediately preceding financial year.
- (ix) The Company has not borrowed any amounts from banks, financial institutions or by issue of debentures. Accordingly paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans and hence paragraph 3 (xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

(CHIRAG DOSHI)  
PARTNER  
Membership No. 119079

Place: Mumbai  
Date: April 24, 2015

# balance sheet

# statement of profit & loss

at March 31, 2015

for the year ended March 31, 2015

Particulars	Note	March 31, 2015	(in ₹) March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3.1	270,000,000	270,000,000
Reserves and surplus	3.2	(11,282,107)	(12,283,418)
		258,717,893	257,716,582
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	3.3	204,872	195,826
<b>Current liabilities</b>			
Other current liabilities	3.4	6,039,949	33,099,896
Short-term provisions	3.5	103,500	—
<b>Total</b>		<b>265,066,214</b>	<b>291,012,304</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets		177,450	241,769
Intangible assets		837,715	1,482,757
		1,015,165	1,724,526
<b>Non-current investments</b>	3.7	<b>50,000,000</b>	—
<b>Other non-current assets</b>	3.8	<b>197,819,916</b>	<b>1,087,343</b>
<b>Current assets</b>			
Current investments	3.9	8,036,675	39,490,274
Trade receivables	3.10	86,037	933,331
Cash and bank balances	3.11	3,505,759	224,100,506
Short-term loans and advances	3.12	1,478,814	2,794,390
Other current assets	3.13	3,123,848	20,881,934
		16,231,133	288,200,435
<b>Total</b>		<b>265,066,214</b>	<b>291,012,304</b>

Refer accompanying significant accounting policies and other explanatory information

Particulars	Note	Year ended March 31, 2015	(in ₹) Year ended March 31, 2014
<b>Revenue from operations</b>			
Investment management fees			
	3.14	1,913,032	2,824,104
<b>Other income</b>			
Interest on fixed deposits			
		17,410,744	22,143,376
Interest on non-convertible debentures			
		2,726,959	—
Interest on income tax refund			
		69,724	38,035
Gain on sale of investments			
		7,022,854	312,149
<b>Total revenue (A)</b>		<b>29,143,313</b>	<b>25,317,664</b>
<b>Expenses</b>			
Employee benefits expense			
	3.15	18,455,658	23,661,817
Other expenses & provisions			
	3.16	8,717,003	11,250,271
Depreciation and amortisation expense			
	3.6	856,795	1,068,330
<b>Total expenses (B)</b>		<b>28,029,456</b>	<b>35,980,418</b>
<b>Profit/(Loss) before tax (A-B)</b>		<b>1,113,857</b>	<b>(10,662,754)</b>
<b>Tax expense</b>			
Current tax			
		103,500	—
Deferred tax charge/(credit)			
	3.3	9,046	(5,161)
<b>Profit/(Loss) for the year</b>		<b>1,001,311</b>	<b>(10,657,593)</b>
Earnings/(losses) per equity share:			
Basic and diluted earnings/(losses) per equity share (₹)			
	3.17	0.04	(0.39)
Refer accompanying significant accounting policies and other explanatory information			

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Khandelwal Jain & Co.  
*Chartered Accountants*  
Firm Registration No. 105049W

For and on behalf of the Board of Directors

CHIRAG DOSHI  
*Partner*  
Membership No. 119079

SANDEEP BAKHSHI  
*Chairman*

SANDEEP BATRA  
*Director*

Mumbai, April 24, 2015

MEGHANA BAJI  
*Chief Executive Officer*

HARVINDER JASPAL  
*Chief Financial Officer*

VISHAL MEHTA  
*Company Secretary*

# cash flow statement

for the year ended March 31, 2015

Particulars	Year ended March 31, 2015	Year ended March 31, 2014 (in ₹)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Management fees received	2,805,438	2,028,557
Expenses paid	(54,179,829)	(13,148,899)
(Payment)/Refund of income tax - net	2,748,416	543,375
Interest on income tax refund	69,724	38,035
<b>Net cash used in operating activities ( A )</b>	<b>(48,556,251)</b>	<b>(10,538,932)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	262,909,061	82,439,533
Purchase of investments	(274,522,650)	(109,500,000)
Maturity proceeds of fixed deposit	250,394,739	97,000,000
Placement of fixed deposit	(195,277,077)	(73,500,000)
Interest on fixed deposit	5,010,852	14,069,570
<b>Net cash from investing activities ( B )</b>	<b>48,514,925</b>	<b>10,509,103</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Nil	—	—
<b>Net cash used in financing activities ( C )</b>	<b>—</b>	<b>—</b>
Net increase in cash and cash equivalents (A+B+C)	(41,326)	(29,829)
Cash and cash equivalents at the beginning of the year	47,085	76,914
<b>Cash and cash equivalents at the end of the year</b>	<b>5,759</b>	<b>47,085</b>
<b>Notes to the cash flow statement:</b>		
Cash and cash equivalents at the end of the year	5,759	47,085
Other bank balances	3,500,000	70,000,000
<b>Cash and bank balances at the end of the year</b>	<b>3,505,759</b>	<b>70,047,085</b>
Components of cash and cash equivalents:		
Balance in current account	5,759	47,085

As per our report of even date attached

For Khandelwal Jain & Co.  
*Chartered Accountants*  
Firm Registration No. 105049W

For and on behalf of the Board of Directors

CHIRAG DOSHI  
*Partner*  
Membership No. 119079

SANDEEP BAKHSHI  
*Chairman*

SANDEEP BATRA  
*Director*

*Mumbai, April 24, 2015*

MEGHANA BAJI  
*Chief Executive Officer*

HARVINDER JASPAL  
*Chief Financial Officer*

VISHAL MEHTA  
*Company Secretary*

# significant accounting policies and notes



forming part of the Accounts

## 1 CORPORATE INFORMATION

ICICI Prudential Pension Funds Management Company Limited ('the Company') is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited ('the Sponsor'), incorporated on April 22, 2009 as a company under the Companies Act, 1956 ('the Act'). The Company is licensed by the Pension Funds Regulatory and Development Authority ('PFRDA') for acting as a Pension Fund Manager for the management of the pension funds under the National Pension System. The license is in force at March 31, 2015.

## 2 STATEMENT OF ACCOUNTING POLICIES

### 2.1 Basis of preparation

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India, in compliance with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory authorities.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that the Company's management makes estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

### 2.3 Revenue recognition

#### 2.3.1 Investment management fees

Investment management fee is recognised on an accrual basis in accordance with the terms of contract between the Company and the National Pension System Trust, established by the PFRDA.

#### 2.3.2 Income earned on investments

Interest income on investments is recognised on accrual basis. Premium or discount on debt securities is amortised or accreted respectively over the holding/maturity period on a straight-line basis. Dividend income is recognised when the right to receive dividend is established.

Profit or loss on sale/redemption of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.

Profit or loss on sale of equity shares/mutual fund units is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

### 2.4 Investments

Investments that are readily realisable and intended to be held for not more than a year from the Balance Sheet date are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost or fair value determined on an individual security basis. Non-current investments are carried at cost. Provision for diminution in value is made to recognise other than temporary decline in the value of investments.

### 2.5 Fixed assets and Depreciation/Amortisation

#### Tangible Assets

Fixed assets are stated at acquisition cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on fixed assets is expensed out except where such expenditure increases the future benefits from the existing assets beyond its previously assessed standard of performance. Depreciation is provided using Straight-Line Method ('SLM') prorated from the date of being put to use, upto the date of sale, based on estimated useful life. Assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition. Pursuant to the Companies Act, 2013 and amendment thereof (the "Act"), the Company has reassessed the useful life of its fixed assets and has aligned it with the useful life specified in Schedule II of the Companies Act, 2013.

This has resulted in reduction in the charge of depreciation of ₹ 23,597 for the year ended March 31, 2015. The carrying value of the assets as on April 01, 2014 is being depreciated over the revised remaining useful life.

Asset	Useful Life
Office equipments	5 years

#### Intangible assets

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Software expenses are amortised using SLM over a period of 4 years from the date of being put to use.

### 2.6 Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling

price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

### 2.7 Income taxes

#### Direct Taxes

Tax expense comprises current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of such assets.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

#### Indirect Taxes

Service tax liability on output services is set-off against the service tax credits available from tax paid on input services. Unutilised service tax credits, if any, are carried forward for future set-off, where there is reasonable certainty of utilisation. Provision is made for unutilised service tax credit where the utilisation is uncertain.

### 2.8 Provisions and contingencies

Provisions are recognised in respect of present obligations as a result of a past event and it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc are recorded when it is possible that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are neither recognised nor disclosed in financial statements since this may result in the recognition of income that may never be realised.

### 2.9 Earnings per share

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

### 2.10 Cash flow statement

Cash flow statement is reported using the "Direct method" prescribed under Accounting Standard 3 – Cash Flow Statements which requires major classes of gross receipts and gross cash payments to be disclosed.

### 2.11 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 3 Notes to accounts

#### 3.1 Share capital

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

(in ₹)

Particulars	At March 31, 2015	At March 31, 2014
<b>Authorised:</b>		
35,000,000 (At March 31, 2014: 35,00,000) Equity shares of ₹ 10 each	<b>350,000,000</b>	<b>350,000,000</b>
<b>Issued, subscribed and fully paid up:</b>		
27,00,000 (At March 31, 2014: 27,00,000) Equity shares of ₹ 10 each		
(All the above equity shares of ₹ 10 each are held by the holding company, ICICI Prudential Life Insurance Company Limited and it's nominees)	<b>270,000,000</b>	<b>270,000,000</b>
<b>Total</b>	<b>270,000,000</b>	<b>270,000,000</b>

# significant accounting policies and notes

## forming part of the Accounts

*Continued*

### Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. A reconciliation of the shares outstanding at the beginning and at the end of the period is as follows:

Equity shares	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of shares	Amount (in ₹)	Number of shares	Amount (in ₹)
At the beginning of the period	27,000,000	270,000,000	27,000,000	270,000,000
Issued during the period	—	—	—	—
Oustanding at the end of the period	27,000,000	270,000,000	27,000,000	270,000,000

### 3.2 Reserves and Surplus

The following table sets forth, for the periods indicated, the details of reserves and surplus.

Particulars	(in ₹)	
	At March 31, 2015	At March 31, 2014
Surplus - Opening balance	(12,283,418)	(1,625,825)
Add: Profit/( Loss) for the period	1,001,311	(10,657,593)
<b>Surplus – Closing balance</b>	<b>(11,282,107)</b>	<b>(12,283,418)</b>

### 3.3 Deferred taxes

Deferred tax asset/liability is recognised on timing differences arising between taxable and accounting income using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future. Deferred tax charge of ₹ 9,046 is recognised during the year ended March 31, 2015. (Previous year: Deferred tax credit of ₹ 5,161).

### 3.6 Fixed assets

The following table sets forth, for the dates indicated, the details of fixed assets.

Particulars	Gross Block			Depreciation and amortisation			Net Block	
	Balance as at April 1, 2014	Additions/ (Disposals)	Balance as at March 31, 2015	Balance as at April 1, 2014	For the year ended March 31, 2015	On Disposals	Balance at March 31, 2015	Balance at March 31, 2014
<b>Tangible assets</b>								
Office equipment	351,664	—	351,664	109,895	64,319	—	174,214	177,450 241,769
<b>Intangible assets</b>								
Computer software	4,513,467	147,434	4,660,901	3,030,710	792,476	—	3,823,186	837,715 1,482,757
<b>Total</b>	<b>4,865,131</b>	<b>147,434</b>	<b>5,012,565</b>	<b>3,140,605</b>	<b>856,795</b>	<b>—</b>	<b>3,997,400</b>	<b>1,015,165 1,724,526</b>
At March 31, 2014	3,672,303	1,192,828	4,865,131	2,072,275	1,068,330	—	3,140,605	

### 3.7 Non-current investments

The following table sets forth, for the dates indicated, the details of non-current investments.

Particulars	(in ₹)	
	At March 31, 2015	At March 31, 2014
Other investments:		
Investments in debentures or bonds – quoted instruments		
- 9.39% LIC Housing Finance Limited (Maturity: August 23, 2024) (At March 31, 2015: 50 units of face value ₹ 1,000,000 each) (At March 31, 2014: Nil)	50,000,000	—
<b>Total</b>	<b>50,000,000</b>	<b>—</b>
Aggregate amount of investments in debentures or bonds at market value	52,571,000	—

A net deferred tax liability of ₹ 204,872 is carried forward as detailed below:

Particulars	At March 31, 2015	At March 31, 2014
<b>Deferred tax liabilities</b>		
-Difference in amortisation/depreciation on fixed assets as per tax books and accounting books	204,872	195,826
<b>Net deferred tax liabilities</b>	<b>204,872</b>	<b>195,826</b>

### 3.4 Other current liabilities

The following table sets forth, for the dates indicated, the details of other current liabilities.

Particulars	At March 31, 2015	At March 31, 2014
<b>Other payables</b>		
- Payable to holding company	4,635,751	29,306,759
- Tax deducted at source payable	494,887	2,556,013
- Payable to others for expenses	334,668	618,037
<b>Provision for other expenses</b>	<b>574,643</b>	<b>619,087</b>
<b>Total</b>	<b>6,039,949</b>	<b>33,099,896</b>

### 3.5 Short term provisions

The following table sets forth, for the dates indicated, the details of short term provisions. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Provision for current tax recognised during the year ended March 31, 2015 is ₹ 103,500. (year ended March 31, 2014 : ₹ Nil)

Particulars	At March 31, 2015	At March 31, 2014
<b>Provision for current tax</b>	<b>103,500</b>	<b>—</b>
<b>Total</b>	<b>103,500</b>	<b>—</b>

### 3.8 Other non-current assets

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

Particulars	At March 31, 2015	At March 31, 2014
<b>Service tax unutilised credit</b>		
Less: Provision for service tax unutilised credit	(5,713,234)	—
Bank deposit with residual maturity of more than 12 months	192,777,077	1,000,000
Accrued interest on bank deposit with residual maturity of more than 12 months	5,042,839	87,343
<b>Total</b>	<b>197,819,916</b>	<b>1,087,343</b>

The change in investment management fee from 0.25% p.a. to 0.01% p.a. effective August 01, 2014 has led to significant reduction in output service tax liability of the Company. Cenvat credit receivable includes asset created of ₹ 3,352,922 on payment of expenses of previous year. In view of the uncertainty of utilisation of cenvat credit receivable, the provision has been made for entire unutilised cenvat credit receivable.

# significant accounting policies and notes



forming part of the Accounts

Continued

## 3.9 Current investments

The following table sets forth, for the dates indicated, the details of current investments.

Particulars	At March 31, 2015	At March 31, 2014
Investments in mutual funds - quoted (at lower of cost or market value):		(in ₹)
- IDFC Cash Fund – Growth (At March 31, 2015: 4,914 units and 463 fractions )	8,036,675	39,490,274
(At March 31, 2014: 27,591 units and 534 fractions)		
<b>Total</b>	<b>8,036,675</b>	<b>39,490,274</b>
Aggregate amount of mutual fund investments at market value	<b>8,357,446</b>	<b>42,981,670</b>

## 3.10 Trade receivables

The following table sets forth, for the dates indicated, the details of trade receivables.

Particulars	At March 31, 2015	At March 31, 2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		(in ₹)
- Unsecured considered good		
o Investment management fees receivable	86,307	933,331
	<b>86,307</b>	<b>933,331</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good	—	—
- Unsecured considered doubtful	—	—
Less: Provision for doubtful debts	—	—
<b>Total</b>	<b>86,307</b>	<b>933,331</b>

## 3.11 Cash and bank balances

The following table sets forth, for the dates indicated, the details of cash and bank balances.

Particulars	At March 31, 2015	At March 31, 2014
<b>Cash and cash equivalents</b>		
Balances with banks		(in ₹)
- Balance in current account	5,759	47,085
<b>Other bank balances</b>		
- Term deposit with original maturity of more than 3 months (Refer note 3.20)	196,277,077	225,053,421
<b>Sub-total</b>	<b>196,287,048</b>	<b>225,100,506</b>
Amount disclosed under other non-current assets*	(192,777,077)	(1,000,000)
<b>Total</b>	<b>3,505,759</b>	<b>224,100,506</b>

\* Term deposits with residual maturity of more than 12 months have been disclosed under non-current assets

## 3.12 Short-term loans and advances

The following table sets forth, for the dates indicated, the details of short term loans and advances.

Particulars	At March 31, 2015	At March 31, 2014
<b>Others (Unsecured, considered good)</b>		
Prepaid expenses	88,210	48,219
Advance income tax	1,390,604	2,746,171
<b>Total</b>	<b>1,478,814</b>	<b>2,794,390</b>

## 3.13 Other current assets

The following table sets forth, for the dates indicated, the details of other current assets.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest accrued on fixed deposit	5,349,687	20,489,905
Less: Amount disclosed under other non-current assets	(5,042,839)	(87,343)
Net interest accrued on fixed deposit	306,848	20,402,562
Interest accrued on debenture/bonds	2,817,000	—
Service tax credit receivable (fixed asset)	—	147,434
Service tax unutilised credit	—	331,938
<b>Total</b>	<b>3,123,848</b>	<b>20,881,934</b>

## 3.14 Investment management fees

The Investment Management Fees is charged on closing funds under management on daily basis for all the schemes. In terms of the PFRDA's letter no. PFRDA/6/PFM/9/2 dated July 31, 2014, the Company has started charging investment management fee of 0.01% per annum, with effect from August 01, 2014. The investment management fee charged upto July 31, 2014 was 0.25% per annum.

## 3.15 Employee benefit expenses and cost sharing arrangement

### Salaries and wages

The employees are on deputation from the Sponsor and their remuneration is paid by the Company as per the terms of employment with the Sponsor.

### Cost sharing arrangement

Given the size of its operations, the Company has entered into an arrangement with the Sponsor for sharing employees and infrastructure while maintaining adequate firewalls between the two entities. Under this arrangement, all the appropriate costs attributable to the Company like employee remuneration, rent, utilities, depreciation on computers/hardware and other technology and software related expenses are transfer priced by the Sponsor to the Company. All such costs are charged to the Company on arm's length basis as per the Transfer Pricing Policy with the Sponsor. The expenses cross charged to the Company under such agreement have been shown as transactions with related parties under note 3.18.

The details of salary cross charged to the company is as follows:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salary cross charged (Net of service tax)	17,953,882	21,336,072
Add: Cenvat unavailed on current period outstanding net of cenvat availed pertaining to previous financial year	501,776	2,325,745
Net salary expense as per statement of Profit and Loss	18,455,658	23,661,817

## 3.16 Other expenses

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

Nature of transaction	Year ended March 31, 2015	Year ended March 31, 2014
Provision for unutilised service tax credit	2,360,312	—
Rent and utilities charges	2,066,358	3,984,377
Information technology expenses	1,479,347	1,603,481
Legal and professional fees	1,285,522	1,486,248
PFRDA annual license fees	687,500	1,000,000
Travelling and conveyance expenses	317,061	1,354,644
Brokerage expenses	313,368	336,901
Payments to the auditor as:		
- auditor	99,514	100,000
- for reimbursement of expenses	4,416	—
Non refundable application fees	—	500,000
Communication expenses	30,032	704,921
Miscellaneous charges	73,573	179,699
<b>Total</b>	<b>8,717,003</b>	<b>11,250,271</b>

# significant accounting policies and notes

forming part of the Accounts

*Continued*

## 3.17 Earnings per equity share

Particulars	(in ₹)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net profit/(loss) after tax as per statement of profit and loss available for equity shareholders for both basic and diluted earnings per equity share of ₹ 10 each (in ₹)	1,001,311	(10,657,593)
Weighted average number of equity shares for earnings per equity share		
(a) For basic earnings per equity share	27,000,000	27,000,000
(b) For diluted earnings per equity share	27,000,000	27,000,000
<b>Earnings per equity share</b>		
Basic and Diluted (in ₹)	0.04	(0.39)

## 3.18 Details of related parties and transactions with related parties

Related parties and nature of relationship:

<b>Ultimate holding company</b>	ICICI Bank Limited
<b>Holding company (Sponsor)</b>	ICICI Prudential Life Insurance Company Limited
<b>Fellow subsidiaries of holding company and entities jointly controlled by ultimate holding company</b>	ICICI Securities Limited ICICI Securities Inc. ICICI Securities Holding Inc. ICICI Securities Primary Dealership Limited ICICI Venture Funds Management Company Limited ICICI Home Finance Company Limited ICICI Trusteeship Services Limited ICICI Investment Management Company Limited ICICI International Limited ICICI Bank UK PLC. ICICI Bank Canada ICICI Bank Eurasia Limited Liability Company ICICI Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited
<b>Consolidated under AS-21 by ultimate holding company</b>	ICICI Equity Fund ICICI Strategic Investments Fund I-Ven Biotech Limited ICICI Kinra Limited
<b>Key management personnel</b>	Meghana Baji, Chief Executive Officer and Chief Investment Officer

The following represents transactions between the Company and its related parties. Transactions with the holding company are as follows:

<b>Nature of transaction</b>	(in ₹)	
	Year ended March 31, 2015	Year ended March 31, 2014
Employee benefits expenses	17,953,882	21,336,072
Rent and utilities	2,025,378	3,589,070
Information technology expense	487,091	664,201
Travelling & conveyance	229,714	1,013,197
Capital expenditure	—	1,192,828
Miscellaneous charges	103,345	524,661
<b>Total</b>	<b>20,799,410</b>	<b>28,320,029</b>

Balances with the holding company are as follows:

<b>Particulars</b>	(in ₹)	
	At March 31, 2015	At March 31, 2014
Expenses payable	4,635,751	27,966,497
Payable for fixed assets	—	1,340,262
<b>Total</b>	<b>4,635,751</b>	<b>29,306,759</b>

## 3.19 Contingent liabilities

<b>Particulars</b>	(in ₹)	
	At March 31, 2015	At March 31, 2014
Bank guarantee given on behalf of Company		
Issued in favour of PFRDA	1,000,000	1,000,000

The Company has deposited with PFRDA an unconditional and irrevocable performance bank guarantee (PBG) for the due performance and fulfillment of the terms and conditions of the Letter of appointment under the new RFP (Request for proposal) dated July 23, 2014 and the Investment Management Agreement (IMA). In the event of the Sponsor or the Company being unable to service the IMA or the terms and conditions of the Letter of appointment under the new RFP for whatever reason, PFRDA may invoke the PBG submitted by the Company.

## 3.20 Encumbrances of assets

The assets of the Company are free from all encumbrances at March 31, 2015, except for fixed deposits of ₹ 3,500,000 (at March 31, 2014: ₹ 3,500,000). Of this, ₹ 1,000,000 (at March 31, 2014: ₹ 1,000,000) pertains to a deposit made with State Bank of Travancore as a security towards guarantee issued by the bank on behalf of the Company in favour of PFRDA (Refer Note 3.19 Contingent Liability). Balance of ₹ 2,500,000 (at March 31, 2014: ₹ 2,500,000) (Refer Note 3.11 Cash and Bank Balances) pertains to a deposit made with Corporation Bank towards margin requirement for equity trade settlement pertaining to Scheme E Tier I and II issued in favour of National Securities Clearing Corporation Limited. The margins are imposed by clearing houses on equity cash segment transactions for enabling settlement on T+2 basis. The physical custody of the mentioned fixed deposits is with the respective clearing houses, however the income accrued on the fixed deposits shall be passed on to the Company on encashment of the mentioned deposits.

## 3.21 The Micro, Small and Medium Enterprises Development Act, 2006

Based on current information available with the Company, there are no dues payable to suppliers who are registered under the Micro, Small and Medium Enterprise Development Act, 2006, at March 31, 2015 (At March 31, 2014: Nil).

## 3.22 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation.

For Khandelwal Jain & Co.  
*Chartered Accountants*  
Firm Registration No. 105049W

For and on behalf of the Board of Directors

CHIRAG DOSHI  
*Partner*  
Membership No. 119079

SANDEEP BAKHSHI  
*Chairman*

SANDEEP BATRA  
*Director*

Mumbai, April 24, 2015

MEGHANA BAJI  
*Chief Executive Officer*

HARVINDER JASPAL  
*Chief Financial Officer*

VISHAL MEHTA  
*Company Secretary*

# ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

## 15TH ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Chanda Kochhar, *Chairperson*  
 R. Athappan  
 Dileep Choksi  
 Zarin Daruwala  
 N. S. Kannan  
 S. Mukherji  
 Chandran Ratnaswami  
 M. K. Sharma  
 Ashvin Parekh  
 Bhargav Dasgupta, *Managing Director & CEO*  
 Alok Kumar Agarwal, *Executive Director*  
 Neelesh Garg, *Executive Director (upto February 2, 2015)*  
 Sanjeev Mantri (*w.e.f. May 2, 2015*)

### Auditors

Khandelwal Jain & Co.  
*Chartered Accountants*  
  
 Chaturvedi & Co.  
*Chartered Accountants*

### Registered Office

ICICI Lombard House  
 414, Veer Savarkar Marg,  
 Prabhadevi, Mumbai - 400 025.

## directors' report

### to the members

Your Directors have pleasure in presenting the Fifteenth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) along with the audited statement of accounts for the financial year ended March 31, 2015.

#### INDUSTRY OVERVIEW

The gross premium of the industry grew from ₹ 728.53 billion in FY2014 to ₹ 805.93 billion in FY2015\*, a growth of about 10.62%. Given the pricing challenges in the market, ICICI Lombard decided to scale down its business in the group and mass health insurance segments. ICICI Lombard also adopted a cautious approach in the weather insurance segment. As a result, the gross written premium (GWP) decreased marginally from ₹ 71.34 billion in FY2014 to ₹ 69.14 billion in FY2015. ICICI Lombard led the private players in general insurance sector with a market share of 19.0% and an overall industry market share of 8.3%.

#### FINANCIAL HIGHLIGHTS

The financial performance for FY2015 is summarised in the following table:

	FY2014	FY2015 (₹ billion)
Gross written premium	71.34	69.14
Earned premium	43.53	42.35
Income from investments	7.88	9.28
Profit before tax	5.20	6.91
Profit after tax	5.11	5.36

#### APPROPRIATIONS

The profit after tax for the year ended March 31, 2015 is ₹ 5.36 billion. The profit available for appropriation is ₹ 9.54 billion after taking into account the balance of profit of ₹ 4.18 billion brought forward from the previous year. The Directors are pleased to recommend aggregate interim dividends declared and paid during the year of ₹ 0.89 billion as final dividend for the year. The summary of appropriated profits is as follows:

	FY2014	FY2015 (₹ billion)
Balance of profits brought forward	(0.93)	4.18
Add: Profits during the year	5.11	5.36
Total available profits for appropriation	4.18	9.54
Less: Equity dividend for the year (interim)	—	0.89
Dividend distribution tax	—	0.17
Transfer to general reserve	—	—
Leaving balance to be carried forward	4.18	8.48

#### DIRECTORS

Ministry of Corporate Affairs (MCA) vide its circular dated June 9, 2014 clarified that the existing Independent Directors are required to be appointed under the provisions of the Companies Act, 2013 within one year from April 1, 2014 subject to compliance with eligibility and other prescribed conditions. The circular further prescribes that

appointment of Independent Directors for a term of less than five years is permissible and appointment for any term (whether five years or less) is to be treated as one term under Section 149(10) of the Act.

Accordingly, the Board at its Meeting held on January 14, 2015 had approved the revision in norms governing tenure of appointment of Independent Directors for a maximum period of ten years to align with the provisions of the Companies Act, 2013. The Board at the same Meeting had approved the appointment of Dileep Choksi and M. K. Sharma, as Independent Directors of ICICI Lombard till Annual General Meeting (AGM) to be held in 2016 and 2017 respectively. Ashvin Parekh, another Independent Director of ICICI Lombard, was appointed in the Annual General Meeting held on June 20, 2014. Ashvin Parekh's appointment is for a term of five years i.e. upto the Annual General Meeting to be held in 2019.

The Members of ICICI Lombard in the Extra-ordinary General Meeting held on March 4, 2015 had approved the appointment of all Independent Directors for their respective terms i.e. in case of Dileep Choksi till the AGM to be held in 2016, in case of M.K Sharma till the AGM to be held in 2017 and in case of Ashvin Parekh till the AGM to be held in 2019.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and 'fit and proper' declaration as laid down under Corporate Governance Guidelines of Insurance Regulatory and Development Authority of India (IRDAI).

In terms of the provisions of Section 152 of the Companies Act, 2013, S. Mukherji and Chandran Ratnaswami, being Non-executive Directors of ICICI Lombard would retire by rotation at the forthcoming AGM and are eligible for re-appointment. Both S. Mukherji and Chandran Ratnaswami have offered themselves for re-appointment. Section 152 provides that the Independent Directors would be excluded from the total number of Directors for the purpose of computing the number of Directors whose period of office will be liable to determination by retirement of Directors by rotation.

During the year, Neelesh Garg, Executive Director of ICICI Lombard, expressed his desire to leave ICICI Lombard and the ICICI Group to pursue other opportunities with effect from February 2, 2015. The Board placed on record its deep appreciation for his contribution to ICICI Lombard. The Board at its Meeting held on March 31, 2015 had approved the appointment of Sanjeev Mantri as Executive Director of ICICI Lombard in place of Neelesh Garg with effect from May 2, 2015, subject to the approval of Members of the Company and IRDAI. Sanjeev Mantri was a Senior General Manager at ICICI Bank Limited and led the Bank's Rural and Inclusive Banking Group. He is a qualified Chartered Accountant and a Cost Accountant. He joined ICICI Bank in 2003 where he led many businesses including Bank's Small & Medium Enterprises Group. Under his leadership, the Bank was awarded the Asian Banker Award for the Best SME Bank-Asia Pacific in 2010.

#### BOARD EVALUATION

The Companies Act, 2013 vide Section 178(2) provides that every listed company and such other class of companies as may be prescribed shall carry out evaluation of every Director's performance.

\*Source: IRDAI & GI Council

# directors' report

Continued

ICICI Lombard, being a prescribed class of company, carried out an evaluation of the performance of the Board, its Directors, Chairperson and the Committees. The manner of carrying out the evaluation has been explained in the Corporate Governance Report.

## AUDITORS

The Joint Statutory Auditors, Khandelwal Jain & Co., Chartered Accountants and Chaturvedi & Co., Chartered Accountants, will retire at the ensuing AGM. On the basis of the recommendation of the Audit Committee, the Board at its Meeting held on April 24, 2015, has proposed the re-appointment of Khandelwal Jain & Co., Chartered Accountants and Chaturvedi & Co., Chartered Accountants, as Joint Statutory Auditors to audit the accounts of ICICI Lombard for the financial year ending March 31, 2016. You are requested to consider their re-appointment.

## CAPITAL

The total capital invested by shareholders till March 31, 2015 including share premium, was ₹ 19.42 billion. The net worth of ICICI Lombard stood at ₹ 28.23 billion at March 31, 2015 as compared to ₹ 23.81 billion at March 31, 2014. The solvency position of ICICI Lombard at March 31, 2015 was 1.95 times as against minimum of 1.50 times prescribed by IRDAI.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board at its Meeting held on April 18, 2014 had constituted a Corporate Social Responsibility Committee of ICICI Lombard. The Board had approved adoption of Corporate Social Responsibility Policy (Policy) and Plan for CSR activities of ICICI Lombard at its Meetings held on October 15, 2014 and January 14, 2015 respectively.

The approved CSR Policy and report on CSR activities is annexed as "Annexure A".

## RURAL AND SOCIAL RESPONSIBILITY

ICICI Lombard issued more than 500,000 policies in rural areas and covered more than 75,000 lives falling within the norms of social responsibility, as prescribed by IRDAI.

## PUBLIC DEPOSITS

During the year under review, ICICI Lombard has not accepted any deposit from the public.

## FOREIGN EXCHANGE EARNING AND EXPENDITURE

During FY2015, expenditure in foreign currencies amounted to ₹ 3,352.7 million and earning in foreign currencies amounted to ₹ 1,904.7 million.

## SECRETARIAL AUDIT REPORT

As per Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, prescribed class of Companies shall obtain a Secretarial Audit Report from Company Secretary in Practice and such Secretarial Audit Report shall form part of this report.

The Board at its Meeting held on July 17, 2014 had appointed Dholakia & Associates, practising company secretaries, to conduct the secretarial audit of the Company for FY2015. The Secretarial Audit Report confirms that ICICI Lombard has complied with all the applicable provisions of various laws as mentioned in the audit report.

The Secretarial Audit Report is annexed herewith as "Annexure B".

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form of MGT 9 is annexed herewith as "Annexure C".

## RELATED PARTY TRANSACTIONS

Section 188(1) of the Companies Act, 2013 prescribed that the company shall not enter into a transaction with a related party (as defined vide clause 76 of Section 2 of the Act), except with the consent of the Board of Directors of the Company with respect to the transactions as prescribed. The Board at its Meeting held on April 18, 2014 had approved the Policy on Related Party Transactions (Policy). The Policy was subsequently amended at the Board Meeting held on January 14, 2015 wherein Audit Committee was empowered to provide omnibus approval for the related party transactions not exceeding ₹ 10.0 million per transaction.

During the year, ICICI Lombard had entered into related party transactions with the related parties as defined vide clause 76 of Section 2 of the Companies Act, 2013 in the ordinary course of its business and on an arm's length basis.

The details of materially significant related party transactions entered by ICICI Lombard with related parties (in the ordinary course of its business and on an arm's length basis) above the defined threshold, as prescribed under Section 188(1) of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014, are annexed as "Annexure D".

All related party transactions are placed before the Audit Committee on a quarterly basis. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## WHISTLE BLOWER POLICY

ICICI Lombard has formulated a Whistle Blower Policy (Policy) which is designed to provide its employees, a channel for communicating instances of breach in the code of conduct, legal violation, actual or suspected fraud and on the accounting policies and procedures adopted for any area or item. The framework of the Policy strives to foster responsible and secure whistle blowing. This mechanism has been communicated to the employees and posted on ICICI Lombard's intranet and an extract of the same has been posted on the website of ICICI Lombard.

## EMPLOYEE STOCK OPTION SCHEME

In FY2006, ICICI Lombard had instituted an Employee Stock Option Scheme (ESOS) to enable the employees and Directors of ICICI Lombard to participate in its future growth and financial success. As per ESOS, the maximum number of options granted to any employee/Director in a year shall not, except with the approval of the Board, exceed 0.10% of ICICI Lombard's issued equity shares at the time of grant and the aggregate of all such options (net of forfeited/lapsed) is limited to 5% of ICICI Lombard's issued equity shares on the date of the grant.

The Board at its Meeting held on January 14, 2015 and the Members at the Extra-Ordinary General Meeting held on March 4, 2015 had approved the amendment in the ESOS 2005 to extend the exercise period by three more years in respect of options granted in the years 2005, 2006 and 2007. The said extension will provide additional years to the employees to exercise their options and in the event of ICICI Lombard getting listed during this period, the employees will automatically have the liquidity. In the absence of such extension, the options will start lapsing from April 2015 which will be detrimental to the interests of the employees.

Options granted in the years 2005, 2006, 2007, 2008 and 2010 vest in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options granted for the year 2009 vest in a graded manner over a five year period with no vesting in the first year and 20%, 20%, 30% and 30% of the grant vesting each year in subsequent four years. Options granted for the year 2011 vest in a gradual manner over a two-year period, with 40% and 60% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options can be exercised within a period of 13 years in respect of options granted in 2005, 2006 and 2007. Option other than those years can be exercised over a period of 10 years from the date of grant or five years from the date of vesting, whichever is later.

Particulars of options granted by ICICI Lombard up to March 31, 2015 are given below:

Options granted	23,572,260
Options vested	18,204,108
Options exercised	6,836,576
Number of shares allotted pursuant to exercise of options	6,809,176
Options forfeited/lapsed	8,614,222
Extinguishment or modification of options*	3,390,962
Amount realised by exercise of options (₹)	281,029,140
Total number of options in force	8,121,462

\*The exercise period for stock options granted between 2005 to 2007 has been modified from tenth anniversary to thirteenth anniversary.

## ADDITIONAL INFORMATION

As required pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. The Directors' Report is being sent to the shareholders excluding the Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption do not apply to ICICI Lombard. ICICI Lombard has, however, used information technology extensively in its operations.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of ICICI Lombard at the end of the financial year and of the profits of ICICI Lombard for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and provisions of the Companies Act, 2013 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively and;
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# directors' report



## ANNEXURE A

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Corporate Social Responsibility (CSR) has been a long standing commitment at ICICI Lombard and forms an integral part of its activities. The Company's objective is to pro-actively support meaningful socio economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life.

In line with its objectives, the following areas have been shortlisted for the CSR roadmap health care, road safety, education, skill development and sustainable livelihoods, support employee volunteering in CSR activities and other areas such as disaster relief.

The CSR policy was approved by the Board of Directors in the Meeting held on October 15, 2014, and subsequently was put up on the ICICI Lombard website. Web-link to the CSR policy:

[https://www.icilombard.com/content/iilm-en/csr-policy/CSR\\_Policy.pdf](https://www.icilombard.com/content/iilm-en/csr-policy/CSR_Policy.pdf)

- 2. The Composition of the CSR Committee**

The CSR Committee comprises one Independent Director, two Non-executive Directors and the Managing Director & CEO of ICICI Lombard and is chaired by an Independent Director. The composition of the Committee is set out below:

M. K. Sharma, Chairman (Independent Director)  
 S. Mukherji (Non-executive Director)  
 R. Athappan (Non-executive Director)  
 Bhargav Dasgupta (Managing Director & CEO)

- (c) Manner in which the amount spent during the financial year is detailed below.**

Sr. No.	Projects/Activities	Sector	Location	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative Expenditure upto the reporting Period	Amount spent: Direct or through implementing agency
			<b>Districts (State)</b>	₹ million	₹ million	₹ million	
1	Access to Healthcare: Sanitation and Healthcare (Preventive and Curative) Programs, Mobile Medical Care Unit-association with Chambal NGO	Healthcare	6 villages of Kota District in Rajasthan (Ballabhpur, Pachara, Pachara Ki Jhopariyan, Kakravada, Motikan and Dabar)	0.8	0.8	0.8	Direct
2	Eye check-up camps for under privileged school kids led by employees covering 27,009 children. Cases of poor vision provided with spectacles.	Employee Engagement	Conducted at 229 schools across 94 cities	7.1 (including employee volunteering cost of ₹ 1.7 million)	7.7 (including employee volunteering cost of ₹ 1.7 million)	7.7 (including employee volunteering cost of ₹ 1.7 million)	Direct
3	Disaster Relief contribution in Jammu & Kashmir matching employee contribution	Disaster Relief	Jammu & Kashmir	5.1	5.1	5.1	Direct
4	Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods; elementary education & healthcare	<ul style="list-style-type: none"> <li>• Ten fully operational skill development centre's opened. Centre's located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg.</li> <li>• Elementary education projects in Rajasthan and Chhattisgarh.</li> <li>• Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra)</li> </ul>	14.2	14.2	14.2	ICICI Foundation

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

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

M.K.Sharma  
*CSR Committee Chairman*

Bhargav Dasgupta  
*Managing Director & CEO*

# directors' report

## ANNEXURE B

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Issued in Pursuance to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,  
The Members,  
ICICI Lombard General Insurance Company Limited.  
ICICI Lombard House, 414, Veer Savarkar Marg,  
Near Siddhivinayak Temple, Prabhadevi,  
Mumbai 400025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICICI Lombard General Insurance Company Limited (CIN U67200MH2000PLC129408) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### A. In expressing our opinion it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
  - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
  - iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
  - iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
  - v. The compliance and provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
  - vi. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company (being an unlisted entity) in the manner and subject to the reporting made hereinafter:
- C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company except The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. And the Company being in the business of Insurance other than Life Insurance, the Special Act as applicable to it is the Insurance Laws (Amendment) Act, 2015 and extant Rules & Regulation framed under Insurance Regulatory and Development Authority Act, 1999 (IRDAI).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above including the compliance of the Corporate Governance Guidelines issued by IRDAI.

#### D. We further report that-

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
  - III. Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes.
- E. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- F. We further report that during the audit period none of the following events has taken place-
- I. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
  - II. Redemption/buy back of securities.
  - III. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013.
  - IV. Merger/Amalgamation/Reconstruction, etc.
  - V. Foreign Technical Collaborations.

For Dholakia & Associates LLP,  
(Company Secretaries)

Place: Mumbai  
Date: April 24, 2015

CS Bhumitra V. Dholakia  
Designated Partner  
FCS-977 CP No. 507

# directors' report



ANNEXURE C

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2015

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

## I. REGISTRATION AND OTHER DETAILS:

CIN	U67200MH2000PLC129408
Registration Date	October 30, 2000
Name of the Company	ICICI Lombard General Insurance Company Limited
Category/Sub-Category of the Company	Company Having Share Capital/ Indian non-government of the Company
Address of the registered office and contact details	ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai – 400025 Gopal Balachandran/Vikas Mehra Tel No. : +91-22-6196 1100 Fax No. : +91-22-6196 1323
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited, International Infotech Park, Tower 5, 3rd Floor, Vashi Railway Station Complex, Vashi, Navi Mumbai – 400073 Tel No. : +91-22-6792 8000 Fax No. : +91-22-6792 8099

## IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### i. Category-wise Shareholding.

S. No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF									
b)	Central Govt	—	—	—	—	—	—	—	—	—
c)	State Govt(s)	—	—	—	—	—	—	—	—	—
d)	Bodies Corp.	—	—	—	—	—	—	—	—	—
e)	Banks/FI	325,883,744	—	325,883,744	73.22	325,883,744	—	325,883,744	72.97	(0.25)
f)	Any Other	—	—	—	—	—	—	—	—	—
	<b>Sub-total (A) (1) :-</b>	<b>325,883,744</b>	—	<b>325,883,744</b>	<b>73.22</b>	<b>325,883,744</b>	—	<b>325,883,744</b>	<b>72.97</b>	<b>(0.25)</b>
(2)	Foreign									
a)	NRIs - Individuals	—	—	—	—	—	—	—	—	—
b)	Other - Individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corp.	114,499,002	—	114,499,002	25.73	114,499,002	—	114,499,002	25.64	(0.09)
d)	Banks/FI	—	—	—	—	—	—	—	—	—
e)	Any Other	—	—	—	—	—	—	—	—	—
	<b>Sub-total (A) (2) :-</b>	<b>114,499,002</b>	—	<b>114,499,002</b>	<b>25.73</b>	<b>114,499,002</b>	—	<b>114,499,002</b>	<b>25.64</b>	<b>(0.09)</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>440,382,746</b>	—	<b>440,382,746</b>	<b>98.95</b>	<b>440,382,746</b>	—	<b>440,382,746</b>	<b>98.61</b>	<b>(0.34)</b>
B	Public Shareholding									
(1)	Institutions	—	—	—	—	—	—	—	—	—
a)	Mutual Funds/UTI-II	—	—	—	—	—	—	—	—	—
b)	Banks/FI/UTI-I	—	—	—	—	—	—	—	—	—
c)	Central Govt	—	—	—	—	—	—	—	—	—
d)	State Govt(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of main products/service	NIC Code of the Product/Service	% to the total turnover of the Company
General Insurance	6512	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% Of Shares Held	Applicable Section
ICICI Bank Limited, ICICI Bank Towers, Bandra-Kurla Complex, Mumbai - 400051	L65190GJ1994PLC021012	Holding Company	72.97	2(46)

# directors' report

*Continued*

S. No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g)	FII	—	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i)	Other (specify)	—	—	—	—	—	—	—	—	—
	Foreign Banks	—	—	—	—	—	—	—	—	—
	FII - DR	—	—	—	—	—	—	—	—	—
	Sub-total (B) (1) :-	—	—	—	—	—	—	—	—	—
(2)	Non-Institutions	—	—	—	—	—	—	—	—	—
a)	Bodies Corp.	—	—	—	—	—	—	—	—	—
i)	Indian	7,000	—	7,000	0.00	435,234	—	435,234	0.10	0.10
ii)	Overseas	—	—	—	—	—	—	—	—	—
b)	Individuals	—	—	—	—	—	—	—	—	—
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	436,333	103,218	539,551	0.12	527,866	156,568	684,434	0.15	0.03
ii)	Individual shareholders holding nominal share capital excess of ₹1 lakh	3,969,337	23,300	3,992,637	0.90	4,186,036	700,700	4,886,736	1.09	0.19
c)	Others (specify)	—	—	—	—	—	—	—	—	—
	Trust	—	—	—	—	—	—	—	—	—
	Directors & their Relatives (Resident)	—	—	—	—	—	—	—	—	—
	Non-Resident Indian Directors	—	—	—	—	—	—	—	—	—
	Foreign Nationals	—	—	—	—	—	—	—	—	—
	Non-Resident Indians	129,650	—	129,650	0.03	189,650	—	189,650	0.04	0.01
	Clearing Member	—	—	—	—	—	—	—	—	—
	Hindu Undivided Families	3,932	—	3,932	0.00	15,232	—	15,232	0.00	0.00
	Foreign Companies	—	—	—	—	—	—	—	—	—
	Foreign Bodies - DR	—	—	—	—	—	—	—	—	—
	NRI - DR	—	—	—	—	—	—	—	—	—
	Sub-total (B) (2) :-	4,546,252	126,518	4,672,770	1.05	5,354,018	857,268	6,211,286	1.39	0.34
	Total Public Shareholding (B) = (B)(1)+(B)(2)	4,546,252	126,518	4,672,770	1.05	5,354,018	857,268	6,211,286	1.39	0.34
C	Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	444,928,998	126,518	445,055,516	100.00	445,736,764	857,268	446,594,032	100.00	—

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year				% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares		
1	ICICI Bank Limited	325,883,744	73.22	—	325,883,744	72.97	—	(0.25)	
2	FAL Corporation	114,499,002	25.73	—	114,499,002	25.64	—	(0.09)	
	Total	440,382,746	98.95	—	440,382,746	98.61	—	(0.34)	

Note: There is no change in the number of shares held by the promoter companies. However, the percentage of the shareholding has changed during the year due to ESOP allotments.

# directors' report

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>At the beginning of the year</b>					
	ICICI Bank Limited	325,883,744	73.22	—	—
	FAL Corporation (an affiliate of Fairfax Financial Holdings Limited)	114,499,002	25.73	—	—
	date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
<b>At the end of the year</b>					
	ICICI Bank Limited	325,883,744	72.97	—	—
	FAL Corporation	114,499,002	25.64	—	—

*Note : There is no change in the shareholding of promoters group. -*

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Shareholding at the end of the year		Cummulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sandeep Bakhshi	591,250	0.13	108,750	Allotment	700,000	0.16	—
2	Neelesh Garg	55,000	0.01	405,000	Allotment	460,000	0.10	—
3	IVF Trustee Company Private Limited	—	—	425,000	Allotment	425,000	0.10	—
4	Rakesh Jain	337,500	0.08	—	—	337,500	0.08	—
5	Vinit Ashok Prabhu	82,000	0.02	153,000	Allotment	235,000	0.05	—
6	Anuj Gulati	190,000	0.04	—	—	190,000	0.04	—
7	Rajive Kumaraswami	175,000	0.04	(50,000)	Transfer	125,000	0.03	—
8	Ritesh Kumar	122,500	0.03	—	—	122,500	0.03	—
9	Ajay Kumar Bansal	74,000	0.02	37,875	Allotment	111,875	0.03	—
10	Hitesh Chandrakant Kotak	26,000	0.01	75,000	Allotment	101,000	0.02	—

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Shareholding at the end of the year		Cummulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of share	% of total shares of the Company
1	Gopal Balachandran Chief Financial Officer	54,000	0.01	—	—	—	54,000	0.01

# directors' report

*Continued*

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in 000's)				
Sr. No	Particulars of Remuneration	Bhargav Dasgupta Managing Director & CEO	Neelesh Garg Executive Director	Alok Agrawal Executive Director
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	56,598	34,127	32,371
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 <sup>1</sup>	444	35,721	6
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Options	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit			
	- others, specify...			
5	Others - Retirals <sup>2</sup>	1,599	759	857
	<b>Total (A)</b>	<b>58,640</b>	<b>70,607</b>	<b>33,233</b>

1. The perquisites relate to the stock options granted by the Company and as exercised by the Director in FY2015.

2. Provisions towards gratuity, leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

### B. Remuneration to other Directors :

#### 1. Independent Directors

(₹ in 000's)				
Sr. No.	Particulars of Remuneration	Name of Directors		
		Dileep Choksi	Ashvin Parekh	M.K.Sharma
	Fee for attending Board/Committee Meeting	560	420	800
	Commission	—	—	—
	Others, please specify	—	—	—
	<b>Total B (1)</b>	<b>560</b>	<b>420</b>	<b>800</b>

#### 2. Other Non Executive Directors

(₹ in 000's)				
Sr. No.	Particulars of Remuneration	No attending fees for Board/Committee or Commission is being paid to Non Executive Directors		
	Fee for attending Board/Committee Meeting			
	Commission			
	Others, please specify			
	<b>Total B (2)</b>			
	<b>Total B = B(1) + B(2)</b>	<b>560</b>	<b>420</b>	<b>800</b>

# directors' report



*Continued*

## C Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Gopal Balachandran Chief Financial Officer	Vikas Mehra Company Secretary
	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,869	4,086
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	—	—
	Stock Options	—	—
	Sweat Equity	—	—
	Commission	—	—
	- as % of profit	—	—
	- others, specify...	—	—
	Others, Retirals*	386	101
	<b>Total (C)</b>	<b>14,255</b>	<b>4,187</b>

\*Provisions towards gratuity, leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

## VII. Penalties/Punishment/Compounding of Offences :

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]
			NIL	

## ANNEXURE D

### Particular of Contract and arrangement under section 188

The details of materially significant related party transactions entered by ICICI Lombard with related parties (in the ordinary course of its business and on an arm's length basis) above the defined threshold, as prescribed under Section 188(1) of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014 are as under:

Sr. No.	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contracts	Salient Terms of contracts/ transactions	Amount (₹ in million)
1	Term deposits placed with the Bank	ICICI Bank Limited	Parent	Various maturities	Interest at applicable interest rate	1,900.0
2	Purchase of certificate of deposits, bonds and debentures of third parties	ICICI Bank Limited	Parent	—	At market price	697.5
		ICICI Securities Limited	Fellow Subsidiary	—	At market price	2,595.0
		ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	—	At market price	2,462.1
3	Sale of certificate of deposits, bonds and debentures of third parties	ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	—	At market price	1,523.6
4	Commission income on insurance products	ICICI Bank Limited	Parent	3 years	Commission for corporate agency service to solicit and procure the same and distribution of the policies	677.2

# directors' report

to the members

*Continued*

## CORPORATE GOVERNANCE

ICICI Lombard General Insurance Company Limited ("ICICI Lombard") is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. ICICI Lombard continues to focus on building trust with shareholders, policyholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. It also aims to increase and sustain its corporate value through growth and innovation.

ICICI Lombard's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximising shareholders' value legally, ethically and on a sustainable basis.

### I. Management Structure

ICICI Lombard has a multi-tier management structure, comprising the Board of Directors at the apex and followed by employees at top management, senior management, middle management and junior management positions to ensure that:

- Strategic supervision is provided by the Board;
- Control and implementation of ICICI Lombard's strategy is achieved effectively;
- Operational management remains focused on implementation;
- Information regarding ICICI Lombard's operations and financial performance is made available to stakeholders;
- Delegation of decision making with accountability is achieved;
- Financial and operating control and integrity are maintained at an optimal level;
- Risk is suitably evaluated and dealt with;
- Compliance with applicable acts and regulations is achieved;
- Corporate culture that recognises and rewards adherence to ethical standards is developed.

This multi-tier management structure besides ensuring greater management accountability and credibility facilitates increased autonomy of businesses, performance discipline and development of business leaders, leading to enhanced public confidence.

### II. Board Structure

At March 31, 2015, ICICI Lombard's Board of Directors consisted of eleven members. Out of the eleven members of the Board, four are nominated by ICICI Bank Limited (ICICI Bank), two are nominated by Fairfax Financial Holdings Limited (Fairfax), three are Independent Directors and two are Wholotime Directors including the Managing Director & CEO. Except the Wholotime Directors, all other Directors, including the Chairperson of the Board, are Non-executive Directors. The composition of Board of Directors is in compliance with provisions of the Companies Act, 2013 and in accordance with Corporate Governance Guidelines prescribed for insurance companies by IRDAI. There is a clear segregation of responsibility and authority between the Chairperson and the Wholotime Directors. The Board functions either as an entity *per se*, or through various Committees constituted to oversee specific operational areas. There is an appropriate mix of Executive, Non-executive and Independent Directors to maintain the professionalism and independence of the Board. The Independent Directors are eminent personalities with significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance and economics. None of the Directors are related to any other Director or employee of ICICI Lombard. Manalur Sandilya, Appointed Actuary of ICICI Lombard is a permanent invitee of the Board Meeting.

### Composition of the Board of Directors

Name of the Director	Category	Qualification	Field of Specialisation
Chanda Kochhar (DIN: 00043617)	Chairperson, Non-Executive, Nominee of ICICI Bank	B.A, MBA, ICWA, MMS (Finance)	Banking & finance
R. Athappan (DIN: 00915847)	Non- Executive, Nominee of Fairfax	B.E. (Electrical), A.I.I.I.	Insurance
Dileep Choksi (DIN:00016322)	Non- Executive, Independent	F.C.A, LL.B, ICWA	Accounting, Taxation, Corporate Restructuring and Mergers & Acquisitions
Ashvin Parekh (DIN:06559989)	Non- Executive, Independent	F.C.A, AICWA, AICSA, Executive MBA, Insead Paris	Business strategy, Corporate planning, business transformation across various industries
Zarin Daruwala (DIN:00034655)	Non- Executive, Nominee of ICICI Bank	A.C.A, A.C.S	Banking & finance
N. S. Kannan (DIN:00066009)	Non- Executive, Nominee of ICICI Bank	B.E. (Hon), PGDM, IIM, Bangalore, CFA	Banking & finance

Name of the Director	Category	Qualification	Field of Specialisation
S. Mukherji (DIN:00057492)	Non- Executive, Nominee of ICICI Bank	B.A. (Eco.), M.Sc Economics (London School of Economics), MMS	Banking & finance.
Chandran Ratnaswami (DIN:00109215)	Non- Executive, Nominee of Fairfax	B.E. (Civil), MBA.	Investment & insurance.
M. K. Sharma (DIN:00327684)	Non- Executive, Independent	B.A., LL.B, Diploma in Personnel Management	Corporate law, human resources management & risk management
Bhargav Dasgupta (DIN:00047728)	Managing Director	PGDM, IIM Bangalore, B.E. (Mechanical)	Banking & insurance.
Alok Kumar Agarwal (DIN:03434304)	Executive Director	B.E. (Chemical) PGDM, IIM Calcutta	Banking & insurance.
Neelesh Garg (DIN: 03435242) (upto February 2, 2015)	Executive Director	PGDM, IIM Bangalore	Banking & insurance.

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other board business. The Board met five times in the year under review on April 18, 2014, July 17, 2014, October 15, 2014, January 14, 2015 and March 31, 2015. The Chairman of respective Committees briefs the Board regarding key matters deliberated during the Committee Meetings. The attendance record of the Directors is set out in the following table:

Name of the Director	Number of Board Meetings Attended during the year
Chanda Kochhar	5/5
R. Athappan	1/5
Dileep Choksi	4/5
Zarin Daruwala	4/5
N. S. Kannan	5/5
S. Mukherji	5/5
Chandran Ratnaswami	2/5
M. K. Sharma	5/5
Ashvin Parekh	4/5
Bhargav Dasgupta	5/5
Alok Kumar Agarwal	5/5
Neelesh Garg (upto February 2, 2015)	4/5

### III. Board Committees ('the Committees')

The Board has constituted following Committees:

- (i) Board Nomination and Remuneration Committee
- (ii) Investment Committee
- (iii) Audit Committee
- (iv) Risk Management Committee
- (v) Policyholder Protection Committee
- (vi) Corporate Social Responsibility Committee

In addition to above, the Board has also constituted Bank Operation Committee and Share Transfer & Investor Grievance Redressal Committee comprising Non-executive Director, Wholotime Director and Executives. The terms of reference of the Committees of the Board are determined by the Board from time to time. Minutes of the Committee Meetings are placed before the Board for its information. The Chairman of the respective Committees briefs the Board on deliberations taken place at the Committee Meetings in relation to important discussions, noting and approvals. The role and composition of these Committees, alongwith the number of Meetings held during FY2015 and the attendance of the members are provided below:

#### (i) Board Nomination and Remuneration Committee

##### *Terms of reference*

The functions of this Committee include identification of persons who are qualified to become Directors and who may be appointed as senior management, formulation of criteria for determining qualifications, positive attributes, independence, recommendations of their appointments to the Board, evaluation of every Director's performance, formulation of Remuneration Policy to include recommendation of remuneration for Directors, key managerial personnel and senior management, approval of the policy for and quantum of bonus/long term performance pay payable to the members of the staff and Wholotime Directors of ICICI Lombard, framing of guidelines for the Employees Stock Options Scheme and recommendation of the grant of stock options to the employees and Wholotime Directors of ICICI Lombard.

# directors' report



*Continued*

## **Composition**

In terms of the provisions of Companies Act, 2013, the Board Nomination and Remuneration Committee (the Committee) comprises four Non-executive Directors, two of whom are Independent Directors. The Committee was chaired by M. K. Sharma, an Independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 18, 2014, July 17, 2014, January 14, 2015 and March 31, 2015.

### **Attendance record of the Members:**

Name of Member	Number of Meetings attended
M. K. Sharma, <i>Chairman</i>	4/4
Chanda Kochhar, <i>Non-executive Director</i>	4/4
Chandran Ratnaswami, <i>Non-executive Director</i>	2/4
Dileep Choksi, <i>Non-executive Director</i>	3/4

## **(ii) Investment Committee**

### **Terms of reference**

The functions of the Committee include overseeing the implementation of the investment policy approved by the Board from time to time, reviewing the said policy, periodical update to the Board with regard to investment activities of ICICI Lombard, reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of ICICI Lombard, reviewing the broker policy and making suitable amendments from time to time and reviewing counter party/ intermediary exposure norms.

In addition to the above the Committee also supervises the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy. The Committee also oversees the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by ICICI Lombard and reviews the broker empanelment/de-empanelment on an annual basis.

## **Composition**

The Investment Committee (the Committee) comprises two Non-executive Directors, one Executive Director, the Appointed Actuary of ICICI Lombard, the Chief-Investments and the Chief Financial Officer. The Committee was chaired by Chandran Ratnaswami, a Non-executive Nominee Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 18, 2014, July 17, 2014, October 14, 2014 and January 14, 2015.

### **Attendance record of the Members:**

Name of Member	Number of Meetings attended
Chandran Ratnaswami <sup>i</sup> , <i>Chairman</i>	1/4
N. S. Kannan, <i>Non-executive Director</i>	4/4
Bhagav Dasgupta, <i>Managing Director &amp; CEO</i>	4/4
Manalur Sandilya, <i>Appointed Actuary</i>	3/4
S. Gopalakrishnan, <i>Chief- Investments</i>	4/4
Gopal Balachandran, <i>Chief Financial Officer</i>	4/4

1. The Meetings of the Committee held on April 18, 2014, July 17, 2014 and October 14, 2014, were chaired by N. S. Kannan in absence of Chandran Ratnaswami, Chairman of the Committee. The Meetings held on April 18, 2014 and July 17, 2014 were attended by Chandran Ratnaswami through con-call.

## **(iii) Audit Committee**

### **Terms of reference**

The functions of the Committee include overseeing the ICICI Lombard's financial reporting process under Indian GAAP and US GAAP and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment/removal of external auditor(s), fixation of audit fee and payment for any other services, review of the quarterly and annual financial statements before submission to the Board including management report and solvency margin position, review and monitor the auditor's independence and performance, effectiveness of audit process, reviewing with the management, external auditors and internal auditors, evaluation of internal control systems, discussion with external auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit, discussion with internal auditors on any significant findings and follow up there on, reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, review of functioning of Whistle Blower Policy and reporting the matter to the Board, review of compliance, show cause/ inspection and audit reports, review ICICI Lombard's financial and risk management policies and looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, approval or any subsequent modification of transactions of ICICI Lombard with related parties, scrutiny of inter-corporate loans and investments,

valuation of undertakings or assets of ICICI Lombard, wherever it is necessary and monitoring the end use of funds raised through public offers and related matters, review of Policy on appointment of insurance agents.

## **Composition**

The Audit Committee (the Committee) comprises five Non-executive Directors, three of whom are Independent Directors. The Managing Director & CEO, the Executive Directors, the Chief Financial Officer and the Chief Risk Officer, Internal Auditor, the Head of Group Internal Audit, Statutory Auditors and their representatives, Compliance Officer and other officials at senior management level are invitees to the Audit Committee. The Committee was chaired by Dileep Choksi, an Independent Director. All members of the Committee are financially literate and the Chairman has accounting and financial expertise.

The composition of the Committee is given below along with the attendance of the members. The Committee met five times in the year under review on April 18, 2014, June 20, 2014, July 16, 2014, October 14, 2014 and January 14, 2015.

### **Attendance record of the Members:**

Name of Member	Number of Meetings attended
Dileep Choksi, <i>Chairman</i>	5/5
R. Athappan, <i>Non-executive Director</i>	1/5
S. Mukherji, <i>Non-executive Director</i>	5/5
Ashvin Parekh, <i>Non executive Director</i>	3/5
M. K. Sharma, <i>Non executive Director</i>	4/5

## **(iv) Risk Management Committee**

### **Terms of reference**

The functions of the Committee include assisting the Board in effective operation of the risk management programme by performing specialised analysis and quality reviews, maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile, reporting to the Board details on the risk exposures and the actions taken to manage the exposures and advising the Board with regard to risk management decisions in relation to strategic and operational matters, review of outsourcing guidelines.

## **Composition**

The Risk Management Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI). It comprises of three Non-executive Directors and one Executive Director. The Chief Financial Officer and Chief Risk Officer and other officials at senior management level are invitees to the Committee Meetings. The Committee was chaired by S. Mukherji, a Non-executive Nominee Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 18, 2014, July 16, 2014, October 14, 2014 and January 14, 2015.

### **Attendance record of the Members:**

Name of Member	Number of Meetings attended
S. Mukherji, <i>Chairman</i>	4/4
R. Athappan, <i>Non-executive Director</i>	—
Ashvin Parekh, <i>Non-executive Director</i>	2/4
Bhagav Dasgupta, <i>Managing Director &amp; CEO</i>	4/4

## **(v) Policyholder Protection Committee**

### **Terms of reference**

The functions of the Committee include putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries, ensuring compliance with the statutory requirements as laid down in the regulatory framework, reviewing the mechanism at periodic intervals, ensuring adequacy of "material information" to the policyholders to comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals, reviewing the status of complaints at periodic intervals to the policyholders, providing the details of grievances at periodic intervals in such formats as may be prescribed by the Authority, providing details of Insurance Ombudsman to the policyholders, monitoring of payment of dues to the policyholders and disclosure of unclaimed amount thereof.

## **Composition**

The Policyholder Protection Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by IRDAI. It comprises three Non-executive Directors and one Executive Director. The Committee was chaired by M. K. Sharma, an Independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 18, 2014, July 16, 2014, October 14, 2014 and January 14, 2015.

# directors' report

## to the members

*Continued*

### Attendance record of the Members:

Name of Member	Number of Meetings attended
M. K. Sharma, Chairman	4/4
S. Mukherji, Non-executive Director	4/4
Chandran Ratnaswami, Non-executive Director	1/4
Bhargav Dasgupta, Managing Director & CEO	4/4

### (v) Corporate Social Responsibility Committee

#### Terms of reference

The functions of the Committee include review of corporate social responsibility (CSR) initiatives undertaken by the ICICI Lombard, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the ICICI Lombard and recommendation of the amount of the expenditure to be incurred on such activities, review and recommend the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, if required, any other matter related to CSR initiatives as recommended/ suggested by Companies Act.

#### Composition

The Corporate Social Responsibility Committee (the Committee) has been formed in accordance with the provisions of the Companies Act, 2013. The Committee was constituted in the Board Meeting held on April 18, 2014. It comprises of three Non-executive Directors and one Executive Director. The Committee was chaired by M. K. Sharma, an Independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met two times in the year under review on October 14, 2014 and January 14, 2015.

### Attendance record of the Members:

Name of Member	Number of Meetings attended
M. K. Sharma, Chairman	2/2
S. Mukherji, Non-executive Director	2/2
R. Athappan, Non-executive Director	—
Bhargav Dasgupta, Managing Director & CEO	2/2

### Independent Director's Meeting

The code of conduct for Independent Directors prescribed vide Schedule IV of the Companies Act, 2013, provides for an evaluation mechanism for the Board/ Chairperson/Non-executive Directors/Wholetime Directors which would need to be done at a separate Meeting of Independent Directors, without the attendance of Non-independent Directors and members of management.

Independent Directors of ICICI Lombard met on March 31, 2015 for FY2015 without the presence of Executive Directors, Non-executive Directors and management personnel to discuss the framework for evaluation of Directors. They also have a separate Meeting every quarter with the Non-executive Chairperson, without any of the Executive Directors being present, to discuss issues and concerns, if any.

### Evaluation Mechanism

The Companies Act, 2013 provided that every listed company and such other class of companies as may be prescribed shall carry out evaluation of every Director's performance. The Companies Act, 2013 has also prescribed the code of conduct (the Code) for Independent Directors which provided that the Independent Directors shall meet atleast once in a year to review the performance of Non-independent Directors and the Board as a whole and the Chairperson of the Company. The Code also mentioned that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Accordingly, the Board at its Meeting held on March 31, 2015 had adopted the framework for performance evaluation of Directors, Chairperson and the Board. The Board had also carried out an evaluation of the Committees which was based on the assessment of the compliance with the terms of reference of the Committees.

The evaluation for the Directors and the Board were done through circulation of questionnaires, one for Directors and the other for the Board which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Policy on Directors' Appointment and Remuneration

The Board at its Meeting held on January 14, 2010 had approved adoption of Policy on appointment and compensation of employees (including Wholetime Directors and senior management). The Compensation Guidelines forming part of Policy on appointment and compensation of employees was approved by the Board Nomination and Remuneration Committee at its Meeting held on April 13, 2012.

The sitting fee payable to Independent Directors (other than Nominee Directors) as prescribed under the Companies Act, 2013 for attending Board and Committee Meetings was approved by the Board at its Meeting held on April 18, 2014. Further, the Board at its Meeting held on March 31, 2015 had approved the criteria for appointment of a Director, key managerial personnel and senior management.

### IV. Details of Managerial Remuneration for FY2015:

#### (i) Wholetime Directors:

The Board based on the recommendation of the Board Nomination and Remuneration Committee approved revision in the remuneration, performance bonus and long term performance pay payable to the Wholetime Directors. In terms of provisions of Insurance Laws (Amendment) Act, 2015, prior approval of IRDAI is obtained to effect the remuneration of Wholetime Directors.

The details of remuneration of Wholetime Directors' are as under:

(₹ in 000's)	FY2014	FY2015
Salaries and allowances	80,804	123,096
Contribution to provident fund	2,908	3,214
Perquisites including perquisites, tax on ESOP's	2,611	36,170

Provisions towards gratuity, leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure. The perquisites relate to the stock options granted by the Company and as exercised by the Director in FY2015.

The Managing/Wholetime Directors of the Company are granted stock options of the holding company i.e. ICICI Bank Limited (Bank) which is issued pursuant to the Employee Stock Option Scheme of the Bank. The details of stock options granted by the Bank for FY2015 are as given below:

Name of Directors	No. of Stock Options
Bhargav Dasgupta	580,000
Alok Kumar Agarwal	125,000
Neelesh Garg	—

#### (ii) Non-executive Independent Directors:

Non-executive Independent Directors are appointed for their professional expertise in their individual capacity as professionals. Non-executive Independent Directors do not have any material pecuniary relationship with ICICI Lombard other than the sitting fees payable to them. The Board at its Meeting held on April 18, 2014 had increased the sitting fees of Non-executive Independent Director to ₹ 100,000 for attending Board Meetings and the sitting fees for attending Committee Meetings is ₹ 20,000.

The details of sitting fees paid to Non-executive Independent Directors are as follows:

Names	Amount (in ₹)
Dileep Choksi	5,60,000
M. K. Sharma	8,00,000
Ashvin Parekh	4,20,000

#### (iii) Non-executive nominee Directors:

Non-executive Nominee Directors were not paid any sitting fees during FY2015.

### V. Internal Control

ICICI Lombard has adopted the following Frameworks in accordance with the requirements laid down under Corporate Governance Guidelines.

#### (i) Internal Audit Framework

ICICI Lombard has established an internal audit framework with a risk based approach. The internal audit covers auditing of processes as well as transactions.

ICICI Lombard has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. An annual risk-based internal audit plan is drawn up on the basis of risk profiling of the businesses/departments of ICICI Lombard which is approved by the Audit Committee. The Board/Committee considers that the internal control framework is appropriate to the business.

Internal Audit Department's key audit findings, recommendations and compliance status of the previous key audit findings are reported to the Audit Committee. The Audit Committee actively monitors the implementation of its recommendations. The Chairman of the Audit Committee briefs the Board on deliberations taken place at the Audit Committee Meeting in relation to the key audit findings.

In accordance with IRDAI directives, ICICI Lombard carries out a concurrent audit of investment operations through a Chartered Accountant firm and reports the findings to the Audit Committee.

#### (ii) Risk Management Framework

The objective of the Risk Management Framework (the Framework) of ICICI Lombard is to ensure that various risks are identified, measured, mitigated and that policies,

# directors' report



*Continued*

procedures and standards are established to address these risks for systemic response and adherence.

ICICI Lombard has identified enterprise wide risks, which are categorised under 5 broad groups namely Credit Risk, Market Risk, Underwriting Risk, Operational Risk and Strategic Risk. The broad structure of the Framework is as follows:

- Risk identification, assessment and mitigation process;
- Risk management and oversight structure; and
- Risk monitoring and reporting mechanism.

As part of the Enterprises Risk Management exercise, critical risks along with the detailed mitigation plan are presented to the Risk Management Committee on a quarterly basis. The risk mitigation plans are monitored regularly by ICICI Lombard to ensure their timely and appropriate execution. ICICI Lombard further measures each of its risk items against a set of predefined tolerance levels. These levels and the subsequent tolerance scores are classified as high, medium and low risk respectively. The risks are further monitored on a quarterly basis by using a heat map based on probability and severity. A Risk Register is maintained to capture inventory of risks that ICICI Lombard is exposed to along with mitigation and corrective action plans. The Risk Management Committee is updated on the progress on a quarterly basis.

The senior management of ICICI Lombard is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. The Internal Audit Department is responsible for review of risk management processes within ICICI Lombard and for the review of self-assessments of risk management activities. Further, compliance testing is done on a periodic basis and the Risk Management Committee is kept apprised of the outcome of the same.

ICICI Lombard's Reinsurance Program defines the retention limit for various classes of products. Further, ICICI Lombard has in place a risk retention reinsurance philosophy, which defines the product-wise retention limits on a per-risk basis as well as a retention limit on per-event basis. The Underwriting Policy defines product-wise approval limits for various underwriters. The Investment Policy lays down the asset allocation strategy to ensure financial liquidity, security and diversification. ICICI Lombard also has in place a Capital Adequacy and Liquidity Management Framework and an Asset Liability Management Policy. These policies ensure maintenance of adequate level of capital at all times to meet diverse risk related to market and operations. The Operational Risk Policy defines the tolerance limits and lays down the framework for monitoring, supervision, reporting and management of operational risks of ICICI Lombard.

Stress testing is conducted on a periodic basis to identify and quantify the overall impact of different stress scenarios on ICICI Lombard's financial position. These tests do not predict what will happen, but are useful for examining what might happen.

The Risks Management Framework of ICICI Lombard is overseen by the Risk Management Committee of the Board. ICICI Lombard has a Chief Risk Officer who is responsible for the implementation and monitoring of the framework.

## VI. Other information:

### (i) Annual General Meetings

The details of the Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day, Date	Time	Venue
Twelfth AGM	Thursday, June 14, 2012	9.30 a.m.	
Thirteenth AGM	Monday, June 17, 2013	11.15 a.m.	ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025
Fourteenth AGM	Friday, June 20, 2014	11.00 a.m.	

### Extraordinary General Meeting (EGM)

ICICI Lombard held an Extraordinary General Meeting on March 4, 2015 for extending exercise period of ESOS 2005 and for appointment of Independent Directors under the Companies Act, 2013.

One special resolution was passed by requisite majority and other 3 ordinary resolution were passed unanimously.

### (ii) History of Dividends declared during last five years

Financial year	Dividend type	Percentage
2014-2015	Final Dividend	20%
2013-2014	—	—
2012-2013	—	—
2011-2012	—	—
2010-2011	Final Dividend	14%

### (iii) Details of significant and material orders passed by the Regulators/Courts/Tribunals during the year

ICICI Lombard in its ordinary course of business receives order from Regulators/Courts/Tribunals. There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of ICICI Lombard and its future operations.

### (iv) Means of Communication

ICICI Lombard website [www.icicilombard.com](http://www.icicilombard.com) serves as a key awareness platform for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on business segment and financial performance of ICICI Lombard. ICICI Lombard periodically publishes its financial performance in print media and also hosts the same on its website.

In accordance with IRDAI circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010, half-yearly financial results of ICICI Lombard were published in two prominent daily newspapers. The quarterly, half-yearly and annual financial information are available on the website of ICICI Lombard. Additionally, the Annual Reports of ICICI Lombard are also available on the website.

### (v) Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U67200MH2000PLC129408 and ICICI Lombard registration number is 11-129408.

### (vi) Registrar and Transfer Agents

The Registrar and Transfer Agent of ICICI Lombard is 3i Infotech Limited. Investor services related queries/requests/complaints may be directed at the address as under:

#### 3i Infotech Limited

International Infotech Park  
Tower 5, 3rd Floor  
Vashi Railway Station Complex  
Vashi, Navi Mumbai 400 703  
Maharashtra, India  
Tel No. : +91-22-6792 8000  
Fax No. : +91-22-6792 8099

### (vii) Correspondence Address

Correspondence relating to the financial performance of ICICI Lombard may be addressed to:

Gopal Balachandran/Vikas Mehra  
ICICI Lombard General Insurance Company Limited  
414, Veer Savarkar Marg, Prabhadevi  
Mumbai 400 025  
Tel No. : +91-22-6196 1100  
Fax No. : +91-22-6196 1323

### ACKNOWLEDGEMENTS

ICICI Lombard is grateful to the Insurance Regulatory and Development Authority of India, Reserve Bank of India, General Insurance Council and other regulatory authorities for their support and advice. The Directors also place on record their sincere thanks for the support and co-operation extended by the Policyholders, Reinsurers, Insurance Agents and Brokers.

ICICI Lombard would like to express its gratitude for the continued support and guidance received from ICICI Bank Limited, Fairfax Financial Holdings Limited and their group companies.

The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative have made the organisation's growth and success possible and continue to drive its progress. The Directors also wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

Place: Mumbai  
Date: April 24, 2015

CHANDA KOCHHAR  
Chairperson

### Certificate for compliance of the Corporate Governance Guidelines

I, Vikas Mehra, hereby certify that the ICICI Lombard has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

VIKAS MEHRA  
Company Secretary

# management report

to the members

*Continued*

In accordance with the provisions of the Insurance Regulatory & Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('Regulation') the following Management Report for the year ended March 31, 2015 is submitted:

1. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.
2. We certify that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDAI, outside India.
5. We confirm that the required solvency margin has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value under several headings - investments, agents balances, outstanding premiums, amount due from other entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipts, debt securities which are stated at cost / amortised cost.
7. The entire gross risk exposure of the portfolio consists of fire, engineering, hull, aviation, motor, casualty, health, travel, energy, personal accident, rural and credit insurance and other lines of business.

The overall exposure is spread over various sectors including but not limited to power, textiles, heavy and light engineering, paper, services, fast moving consumer goods, auto components, etc across urban and rural segments as well as across demography.

The business underwritten pertains to the various products filed by us with IRDAI, as per the file and use procedure: this includes tariff as well as non tariff products.

While in property lines (Fire) the net retention has not exceeded ₹2,500.0 million on a PML basis (Previous year: ₹2,500.0 million) in any single risk, this also gets graded down to between ₹5.0 million to ₹2,500.0 million (Previous year: between ₹5.0 million to ₹2,500.0 million) on a case-to-case basis, depending on exposure levels and prudent underwriting standards. The excess of loss treaties protect the accumulation of the net retentions.

Further, before underwriting any major property risk, a risk inspection is carried out, and on being satisfied about the acceptability of risk, the same is accepted. In addition, various loss prevention / risk-mitigating measures are also suggested to the clients to help improve the risks.

8. We confirm that there are no operations of the Company outside India.
9. a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure 1.  
b) For average claims settlement time during the preceding five years, please refer Annexure 2.  
c) For details of claims intimated, please refer Annexure 3.
10. We certify that the Investments made in debt securities have been valued at historical cost subject to amortisation of premium / discount. The same is in accordance with the Insurance Regulatory and Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation, 2002 ('Regulation').

For the purpose of comparison, the fair value of debt securities has been arrived on a Yield to maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA) in respect of Government Securities and Crisil Bond Valuer in respect of other debt instruments.

Listed equity securities and convertible preference shares as at the Balance Sheet date are stated at fair value being the last quoted closing price on NSE. However, in case of any stock not being traded on NSE, the Company has valued them based on the last quoted closing price on BSE.

Mutual fund investments are stated at fair value, being the closing net asset value as at Balance Sheet date.

Investment Properties - Real Estate is stated at historical cost less accumulated depreciation.

Investments other than those mentioned above are valued at cost.

In accordance with the Regulation, unrealised gain/loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realisation.

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investment in equity, units of mutual fund and investment properties. The impairment loss, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at each Balance Sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit and loss account and the investment is restated to that extent.

11. Investments as at March 31, 2015 amount to ₹101,997.2 million (Refer Schedule 8, Previous year: ₹93,089.8 million). Income from Investments amounted to ₹9,280.3 million (previous year: ₹7,876.7 million).

Investments other than deposits with the banks, units of mutual fund, units of venture fund and security receipts are only in regularly traded instruments in the secondary markets. The Company's debt investment comprises largely of government securities, AAA and AA/P1+ rated security.

All are performing investments with no arrears of any payments due. Investments are managed in consonance with the investment policy framed from time to time by the Board and are within the investment regulation and guidelines of IRDAI.

12. We also confirm:

- (a) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
  - (b) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended and of the operating profit and of the profit of the Company for the year ended;
  - (c) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938)/ Companies Act, 1956 (1 of 1956)/ Companies Act, 2013 (to the extent notified), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (d) the management has prepared the financial statements on a going concern basis;
  - (e) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. For payments made to individuals, firms, companies and organisations in which Directors are interested, please refer to Annexure 4.

For and on behalf of the Board

CHANDA KOCHHAR  
*Chairperson*

S. MUKHERJI  
*Director*

DILEEP CHOKSI  
*Director*

BHARGAV DASGUPTA  
*Managing Director & CEO*

ALOK KUMAR AGARWAL  
*Executive Director*

GOPAL BALACHANDRAN  
*Chief Financial Officer*

VIKAS MEHRA  
*Company Secretary*

*Mumbai, April 24, 2015*



# management report

*Continued*

## Annexure - 2

Details of Average Claim Settlement time for the preceding five years\*

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014		For the year ended March 31, 2013		For the year ended March 31, 2012		For the year ended March 31, 2011	
	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)	No of claims settled	Average Settlement Time (Days)
Fire	3,187	309	2,587	397	1,837	141	1,326	120	1,436	133
Marine Cargo	26,973	76	26,259	44	24,058	55	22,763	59	16,989	56
Marine Hull	44	842	69	1,026	56	894	74	728	54	435
Motor	763,418	12	658,080	14	544,309	15	454,501	16	451,362	17
Workmen's Compensation	1,689	134	1,434	148	1,149	162	699	80	577	83
Public/Product Liability	212	52	4,125	60	13,413	58	9,784	26	11,877	28
Engineering	1,674	239	2,516	175	1,520	113	1,606	107	1,563	229
Aviation	135	246	175	296	105	256	52	177	18	99
Personal Accident	6,625	46	6,365	58	7,356	92	9,277	54	7,925	96
Health	2,584,015	9	5,698,323	13	4,443,879	15	3,827,703	15	7,620,495	15
Credit Insurance	96	270	45	119	56	598	15	165	75	222
Others	24,659	46	16,202	43	12,729	102	11,659	87	16,030	121
<b>Total</b>	<b>3,412,727</b>	<b>11</b>	<b>6,416,180</b>	<b>14</b>	<b>5,050,467</b>	<b>16</b>	<b>4,339,459</b>	<b>16</b>	<b>8,128,401</b>	<b>16</b>

\*The above ageing does not include Motor third party claims which have to be settled through MACT and other judicial bodies

## Annexure - 3

Details of Claims intimated

Product	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Claims intimated	Amount (₹ in lacs)*	Claims intimated	Amount (₹ in lacs)*
Fire	3,374	42,129.4	2,485	38,404.2
Marine Cargo	26,559	22,716.9	27,444	19,894.9
Marine Hull	28	5,930.8	51	2,644.6
Motor OD	769,196	134,008.8	664,066	121,255.9
Motor TP	23,149	80,684.2	23,288	65,129.9
Workmen's Compensation	1,410	2,495.5	1,564	2,104.6
Public/Product Liability	224	285.8	2,997	1,072.7
Engineering	1,685	8,893.1	2,478	21,601.3
Aviation	195	6,314.7	230	11,290.2
Personal Accident	6,338	12,517.1	6,583	9,773.6
Health	2,137,983	129,052.5	5,481,221	162,199.8
Credit Insurance	54	569.3	113	1,063.4
Others	24,806	71,133.1	17,439	51,626.7
<b>Grand Total</b>	<b>2,995,001</b>	<b>516,731.2</b>	<b>6,229,959</b>	<b>508,061.8</b>

\*Amount of claims intimated includes change in reserve

# management report

**Annexure - 4**

List of payments to parties in which Directors are interested

(₹ in lacs)

Sl. No.	Entity in which Director is interested	Name of Director	Interested as	For the year ended March 31, 2015	For the year ended March 31, 2014
1	3i Infotech Limited	Dileep Choksi <sup>1</sup>	Director	—	94.0
		H. N. Sinor <sup>2</sup>	Director		
2	Asian Paints Limited	M.K.Sharma	Director	460.9	112.7
3	Arvind Limited	Dileep Choksi <sup>3</sup>	Director	15.4	—
4	Blue Star Limited	M.K.Sharma	Director	9.4	3.9
5	Bombay Gymkhana Limited	Chanda Kochhar	Member	1.7	4.6
		Dileep Choksi	Member		
6	Confederation of Indian Industry	Chanda Kochhar	Member	8.5	8.9
7	Cricket Club of India	Dileep Choksi	Member	3.9	5.5
		N. S. Kannan	Member		
8	FAL Corporation	Chandran Ratnaswami	Director	2,290.0	—
9	ICICI Bank Limited	Chanda Kochhar	Director	15,896.5	13,703.3
		N. S. Kannan	Director		
		Dileep Choksi	Director		
10	ICICI Foundation for Inclusive Growth	Chanda Kochhar	Trustee	525.6	229.3
		Bhargav Dasgupta	Trustee		
		N. S. Kannan	Trustee		
11	ICICI Home Finance Company Limited	Dileep Choksi	Director	224.1	206.6
12	ICICI Prudential Life Insurance Company Limited	Chanda Kochhar	Director	65.8	187.4
		N. S. Kannan	Director		
13	ICICI Securities Limited	Chanda Kochhar	Director	371.2	398.0
		Zarin Daruwala	Director		
14	ICICI Securities Primary Dealership Limited	N. S. Kannan	Chairman	18.9	6.7
15	International Insurance Society, New York, USA	Bhargav Dasgupta	Director member	3.1	—
16	International Paper APPM Limited (formerly: The Andhra Pradesh Paper Mills Limited)	M.K.Sharma <sup>4</sup>	Director	73.3	16.5
17	JSW Steel Limited	Zarin Daruwala <sup>5</sup>	Director	—	5.5
18	KEC International Limited	M.K.Sharma	Director	—	279.7
19	Knight Frank (India) Pvt. Limited	Dileep Choksi	Advisor	8.7	—
20	Lupin Limited	Dileep Choksi	Director	1,146.9	289.5
21	McKinsey & Company	H. N. Sinor <sup>2</sup>	Member	—	389.5
22	NSE IT Limited	Dileep Choksi <sup>7</sup>	Director	—	19.9
23	Thomas Cook (India) Limited	M.K.Sharma	Director	1,360.2	120.1
24	Wipro Limited	M.K.Sharma	Director	1,428.7	36.9
25	Others <sup>8</sup>				
	National Sports Club Of India	Zarin Daruwala	Member		
		Neelesh Garg <sup>8</sup>	Member		
	The Willingdon Sports Club	Chanda Kochhar	Member		
		N. S. Kannan	Member		
		Bhargav Dasgupta	Member		
	ICICI Prudential Asset Management Company Limited	Chanda Kochhar	Director		
		N. S. Kannan	Director		
		M.K.Sharma	Director		
	ICICI Venture Fund Management Company Limited	S. Mukherji	Director		
	<b>Total others</b>			<b>1.0</b>	

1 ceased to be Director in 3i Infotech Limited w.e.f. May 13, 2013

2 ceased to be Director in ICICI Lombard w.e.f. April 18, 2014

3 appointed as Director in Arvind Limited w.e.f May 12, 2014

4 ceased to be Director in International Paper APPM Limited (formerly: The Andhra Pradesh Paper Mills Limited) w.e.f. January 23, 2015

5 ceased to be Director in JSW Steel Limited w.e.f. October 23, 2013

6 ceased to be Director in KEC International Limited w.e.f. March 31, 2014

7 ceased to be Director in NSE IT Limited w.e.f. August 16, 2013

8 ceased to be Director in ICICI Lombard w.e.f. February 2, 2015

9 Individual payments to parties during the year and aggregate payments during the previous year are less than ₹ 1 lac

# independent auditors' report

to the Members of ICICI Lombard General Insurance Company Limited

Continued

## REPORT ON FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue account'), the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed thereto, a summary of the significant accounting policies and other explanatory notes thereon.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf and current practices prevailing within the insurance industry in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ('IRDAI') in this behalf, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations').
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Act, 1999 and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
  - a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2015;
  - b. in the case of Revenue Account, of the operating profit in Fire and Miscellaneous business and operating loss in Marine business for the year ended on that date;

## INDEPENDENT AUDITORS' CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books and records maintained by ICICI Lombard General Insurance Company Limited ('the Company') for the year ended March 31, 2015, we certify that:

- We have verified the cash balances maintained by the Company. As regards the securities relating to the Company's investments, the same have been verified with the dematerialised statement / confirmations received from the custodian;
- The Company is not the trustee of any trust; and
- No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 and Insurance Laws (Amendment) Act, 2015 (to the extent notified) relating to the application and investment of the policyholders' funds.

- c. in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- d. in case of Receipts and Payments Account, of the Receipts and Payments for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002, in our opinion and according to the information and explanations given to us, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) As the Company's accounts are centralised and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.
  - (c) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (d) The Balance sheet, the Revenue account, the Profit and Loss account and the Receipts and Payments account dealt with by this report are in agreement with the books of account.
  - (e) The aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard.
  - (f) Investments have been valued in accordance with the provisions of the Insurance Act, 1938 and Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Regulations and orders/directions issued by IRDAI in this regard.
  - (g) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (h) The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2015, other than for reinsurance accepted from Declined Risk Pool ('DR Pool') has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Actuarial Society of India in concurrence with the IRDAI. In respect of reinsurance accepted from DR Pool, IBNR / IBNER has been recognised based on estimates received from DR Pool.
10. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 5.2.20 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts – Refer Note no. 5.2.21 to the financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note no. 5.2.22 to the financial statements.
11. Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
  - a. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2015 and there are no apparent mistakes or material inconsistencies with the financial statements; and
  - b. Based on the information and explanations received during the course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDAI.

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

For CHATURVEDI & CO.  
Chartered Accountants  
Firm Registration No.302137E

NARENDRA JAIN  
Partner  
Membership No.048725

SN CHATURVEDI  
Partner  
Membership No. 040479

Mumbai, April 24, 2015

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Presentation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

For CHATURVEDI & CO.  
Chartered Accountants  
Firm Registration No.302137E

NARENDRA JAIN  
Partner  
Membership No.048725

SN CHATURVEDI  
Partner  
Membership No. 040479

Mumbai, April 24, 2015

# balance sheet

# **profit and loss account**

**at March 31, 2015**

**for the year ended March 31, 2015**

Particulars	(₹ in 000's)		Particulars	(₹ in 000's)		
	Schedule	March 31, 2015	March 31, 2014	Schedule	March 31, 2015	March 31, 2014
<b>Sources of funds</b>						
Share capital	5	4,465,940	4,450,555	1. Operating profit/(loss)		
Reserves and Surplus	6	23,767,351	19,360,366	(a) Fire Insurance	387,540	485,376
Share application money-pending allotment		1,986	3,069	(b) Marine Insurance	(396,394)	(417,207)
Fair value change account		3,559,494	1,134,613	(c) Miscellaneous Insurance	5,664,326	4,206,570
Borrowings	7	—	—	2. Income from investments		
<b>Total</b>		<b>31,794,771</b>	<b>24,948,603</b>	(a) Interest, Dividend & Rent – Gross	1,431,530	1,129,758
<b>Application of funds</b>				(b) Profit on sale/redemption of investments	412,104	340,515
Investments	8	101,997,176	93,089,768	Less : Loss on sale/redemption of investments	(63,507)	(101,841)
Loans	9	—	—	3. Other income		
Fixed assets	10	3,896,625	3,894,946	(a) Interest income on tax refund	17,841	49,799
Deferred tax asset (Refer note 5.2.16)		1,079,992	413,896	(b) Profit on sale/discard of fixed assets	2,138	1,372
Current assets				(c) Recovery of bad debts written off	1,037	23,419
Cash and bank balances	11	1,416,861	1,619,661	<b>Total (A)</b>	<b>7,456,615</b>	<b>5,717,761</b>
Advances and other assets	12	28,173,237	36,430,522	4. Provisions (Other than taxation)		
<b>Sub-Total (A)</b>		<b>29,590,098</b>	<b>38,050,183</b>	(a) For diminution in the value of investments	141,585	85,291
Current liabilities	13	79,711,285	87,277,592	(b) For doubtful debts	216,288	(161,042)
Provisions	14	25,057,835	23,222,598	(c) For future recoverable under reinsurance contracts	10,773	(122,412)
<b>Sub-Total (B)</b>		<b>104,769,120</b>	<b>110,500,190</b>	(d) Others	—	—
<b>Net current assets (C) = (A - B)</b>		<b>(75,179,022)</b>	<b>(72,450,007)</b>	5. Other expenses		
Miscellaneous expenditure (to the extent not written off or adjusted)	15	—	—	(a) Expenses other than those related to Insurance Business		
Debit balance in profit and loss account		—	—	(i) Employees' remuneration and other expenses	14,365	10,000
<b>Total</b>		<b>31,794,771</b>	<b>24,948,603</b>	(ii) Managerial remuneration	81,765	41,324
Significant accounting policies and notes to accounts	16			(iii) Directors' fees	1,940	600
				(iv) CSR Expenditure	27,756	—
				(b) Bad debts written off	25,137	637,026
				(c) Loss on sale/discard of fixed assets	24,785	24,021
				(d) Penalty (Refer note 5.1.14)	5,000	500
				<b>Total (B)</b>	<b>549,394</b>	<b>515,388</b>
				<b>Profit before tax</b>	<b>6,907,221</b>	<b>5,202,373</b>
				Provision for taxation:		
				(a) Current tax /MAT payable	2,217,172	892,765
				Less : MAT credit entitlement	—	(892,765)
				(b) Deferred tax (Income) / Expense (Refer note 5.2.16)		
				<b>Profit after tax</b>	<b>(666,096)</b>	<b>1,551,076</b>
				Appropriations		
				(a) Interim dividends paid during the year	891,225	—
				(b) Proposed final dividend	—	—
				(c) Dividend distribution tax	164,839	—
				(d) Transfer to General Reserves	—	—
				<b>Balance of Profit / (Loss) brought forward from last year</b>	<b>4,184,559</b>	<b>(929,000)</b>
				<b>Balance carried forward to Balance sheet</b>	<b>8,484,640</b>	<b>4,184,559</b>
				Basic earnings per share of ₹ 10 face value (Refer note 5.2.15)	₹ 12.03	₹ 11.50

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO  
*Chartered Accountants*  
Firm Regn No.: 105049W

NARENDRA JAIN  
*Partner*  
Membership No:048725

**DILEEP CHOKSI**  
*Director*                    **BHARGAV DASGUPTA**  
*Managing Director & CEO*

VIKAS MEHRA  
*Company Secretary*

# revenue accounts

for the year ended March 31, 2015

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	Fire	Marine	Miscellaneous			Total	2013-2014
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015
1. Premiums earned (net)	1	1,088,513	1,534,949	1,601,131	1,566,095	39,663,704	40,428,089	42,353,348
2. Profit on sale/redemption of investments		61,212	42,676	45,094	32,396	1,914,587	1,672,660	2,020,893
Less : Loss on sale/redemption of investments		(8,054)	(12,952)	(5,933)	(9,832)	(251,901)	(507,634)	(265,888)
3. Others -								
Foreign exchange gain / (loss)		(1,059)	804	(2,051)	(2,893)	(5,831)	19,510	(8,941)
Investment income from pool (Terrorism)		176,736	145,181	—	—	41,482	33,353	218,218
4. Interest, Dividend & Rent – Gross (Refer note 5.2.5)		181,536	142,140	133,736	107,901	5,571,473	5,126,191	5,886,745
<b>Total (A)</b>		<b>1,498,884</b>	<b>1,852,798</b>	<b>1,771,977</b>	<b>1,693,667</b>	<b>46,933,514</b>	<b>46,772,169</b>	<b>50,204,375</b>
1. Claims Incurred (net)	2	1,023,548	1,027,287	1,579,920	1,526,326	31,830,900	33,635,438	34,434,368
2. Commission (net)	3	(288,312)	(95,213)	100,264	164,307	(3,550,165)	(2,359,979)	(3,738,213)
3. Operating expenses related to insurance business	4	376,108	435,348	488,187	420,241	12,988,453	11,290,140	13,852,748
4. Premium deficiency		—	—	—	—	—	—	—
<b>Total (B)</b>		<b>1,111,344</b>	<b>1,367,422</b>	<b>2,168,371</b>	<b>2,110,874</b>	<b>41,269,188</b>	<b>42,565,599</b>	<b>44,548,903</b>
<b>Operating Profit / (Loss) C = (A - B)</b>		<b>387,540</b>	<b>485,376</b>	<b>(396,394)</b>	<b>(417,207)</b>	<b>5,664,326</b>	<b>4,206,570</b>	<b>5,655,472</b>
<b>APPROPRIATIONS</b>								
Transfer to Shareholders' Account		387,540	485,376	(396,394)	(417,207)	5,664,326	4,206,570	5,655,472
Transfer to Catastrophe Reserve		—	—	—	—	—	—	—
Transfer to Other Reserves		—	—	—	—	—	—	—
<b>Total (C)</b>		<b>387,540</b>	<b>485,376</b>	<b>(396,394)</b>	<b>(417,207)</b>	<b>5,664,326</b>	<b>4,206,570</b>	<b>5,655,472</b>
Significant accounting policies and notes to accounts	16							

We certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly, have been fully recognised in the Revenue Accounts as an expense.

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.  
*Chartered Accountants*  
Firm Regn No.: 105049W

For CHATURVEDI & CO.  
*Chartered Accountants*  
Firm Regn No.: 302137E

CHANDA KOCHHAR  
*Chairperson*

S. MUKHERJI  
*Director*

NARENDRA JAIN  
*Partner*  
Membership No:048725

SN CHATURVEDI  
*Partner*  
Membership No: 040479

DILEEP CHOKSI  
*Director*

BHARGAV DASGUPTA  
*Managing Director & CEO*

ALOK KUMAR AGARWAL  
*Executive Director*

GOPAL BALACHANDRAN  
*Chief Financial Officer*

VIKAS MEHRA  
*Company Secretary*

Mumbai, April 24, 2015

# schedules

₹ in 000's

Particulars	Fire	Marine			Miscellaneous			Total							
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous
	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	
Premium from direct business written-net of service tax	5,447,351	1,943,601	520,700	2,464,301	21,318,777	12,839,309	34,158,086	371,241	138,288	1,711,910	494,383	2,326,667	13,178,238	272,379	6,215,112
Add: Premium on reinsurance accepted	1,016,538	145,794	45,448	191,242	13,169	227,494	240,663	—	10,118	301,435	489,391	4,080	307,939	—	28,070
Less: Premium on reinsurance ceded	5,331,296	557,436	529,345	1,086,781	7,449,394	769,688	8,219,082	27,746	82,785	1,472,605	599,449	665,548	3,938,365	253,233	3,413,688
<b>Net premium</b>	<b>1,132,593</b>	<b>1,531,959</b>	<b>36,803</b>	<b>1,588,762</b>	<b>13,882,552</b>	<b>12,297,115</b>	<b>26,179,667</b>	<b>343,495</b>	<b>65,621</b>	<b>540,740</b>	<b>384,325</b>	<b>1,665,199</b>	<b>9,547,872</b>	<b>19,146</b>	<b>2,829,494</b>
Adjustment for change in reserve for unexpired risks	44,080	(19,406)	(12,963)	(32,369)	(675,066)	1,887,459	1,212,393	(3,023)	10,942	(16,905)	(2,062)	522,853	79,108	(599)	109,048
<b>Total premium earned (net)</b>	<b>1,088,513</b>	<b>1,551,365</b>	<b>49,766</b>	<b>1,601,131</b>	<b>14,557,618</b>	<b>10,409,656</b>	<b>24,967,274</b>	<b>346,518</b>	<b>54,679</b>	<b>557,605</b>	<b>386,387</b>	<b>1,142,306</b>	<b>9,468,704</b>	<b>19,745</b>	<b>2,720,446</b>

PREMIUM EARNED (INR)

Particulars	Fire	Marine			Miscellaneous			Total								
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Total-Miscellaneous
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	
Premium from direct business written-net of service tax	4,870,154	1,900,230	617,367	2,517,617	20,737,195	11,400,807	32,138,002	380,661	152,354	1,813,978	418,511	1,999,807	14,838,071	256,230	9,176,260	61,173,874
Add: Premium on reinsurance accepted	1,166,436	137,745	94,425	232,170	1,456	420,462	421,918	—	(393)	309,376	619,460	4,996	426,964	—	28,808	1,801,129
Less: Premium on reinsurance ceded	4,487,943	550,863	625,777	1,176,640	5,219,111	2,891,012	8,110,123	27,370	97,110	1,556,267	581,292	521,356	4,948,184	236,457	5,038,681	21,116,840
<b>Net premium</b>	<b>1,548,647</b>	<b>1,487,732</b>	<b>86,015</b>	<b>1,573,147</b>	<b>15,519,540</b>	<b>8,930,257</b>	<b>24,449,797</b>	<b>353,291</b>	<b>54,851</b>	<b>567,087</b>	<b>446,679</b>	<b>1,493,447</b>	<b>10,316,851</b>	<b>19,773</b>	<b>4,166,387</b>	<b>41,838,163</b>
Adjustment for change in reserve for unexpired risks	13,698	(40,197)	47,249	7,052	724,663	775,622	1,500,285	14,332	12,200	43,843	12,243	494,035	(1,166,344)	2,430	517,050	1,430,074
<b>Total premium earned (net)</b>	<b>1,534,949</b>	<b>1,527,329</b>	<b>38,766</b>	<b>1,566,095</b>	<b>14,794,877</b>	<b>8,154,635</b>	<b>22,949,512</b>	<b>338,959</b>	<b>42,057</b>	<b>523,244</b>	<b>434,436</b>	<b>989,412</b>	<b>11,463,105</b>	<b>17,343</b>	<b>3,649,337</b>	<b>40,428,089</b>

₹ in 000's

# schedules

forming part of the financial statements

*Continued*

## SCHEDULE – 2 CLAIMS INCURRED (NET)

Particulars	Fire	Marine			Miscellaneous			Total							
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Miscellaneous
2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	
Claims paid- Direct	1,704,486	1,796,361	135,746	1,936,107	12,319,801	6,059,966	18,379,787	123,783	14,264	998,434	47,672	632,960	10,036,579	63,971	6,387,706
Add: Re-insurance accepted	516,997	51,540	139	51,679	1,048	15,017,268	15,016,316	—	—	21,519	648,983	11,405	289,522	—	1,356
Less: Re-insurance ceded	1,584,514	528,807	154,401	683,208	3,543,486	3,644,736	7,188,222	8,984	3,290	663,049	411,317	175,818	1,750,325	77,560	3,809,908
<b>Net Claims paid</b>	<b>636,969</b>	<b>1,319,094</b>	<b>5,484</b>	<b>1,324,578</b>	<b>8,777,363</b>	<b>17,432,518</b>	<b>26,209,881</b>	<b>114,799</b>	<b>10,974</b>	<b>316,904</b>	<b>285,358</b>	<b>468,547</b>	<b>8,635,776</b>	<b>6,411</b>	<b>2,579,154</b>
Add: Claims outstanding at the end of the year	1,780,839	1,030,435	131,940	1,162,315	3,863,042	26,649,287	30,512,329	338,022	58,977	642,649	372,347	1,400,624	3,203,621	26,409	2,080,809
Less: Claims outstanding at the beginning of the year	1,394,260	808,459	98,574	907,033	3,648,181	33,068,023	36,116,204	300,246	27,497	525,636	313,047	959,012	3,477,576	23,067	3,090,386
<b>Total claims incurred</b>	<b>1,023,548</b>	<b>1,541,070</b>	<b>38,850</b>	<b>1,579,920</b>	<b>8,992,224</b>	<b>11,013,782</b>	<b>20,006,006</b>	<b>152,575</b>	<b>42,454</b>	<b>433,917</b>	<b>344,638</b>	<b>910,159</b>	<b>8,361,821</b>	<b>9,753</b>	<b>1,569,577</b>
															<b>31,830,900</b>
															<b>34,434,368</b>

₹ in '000's

## CLAIMS INCURRED (NET)

Particulars	Fire	Marine			Miscellaneous			Total							
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Workmen's Compensation	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Miscellaneous
2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	
Claims paid- Direct	1,180,224	1,578,574	74,151	1,652,725	10,919,708	5,623,864	16,543,572	107,061	104,285	1,094,086	386,098	629,923	12,241,348	79,834	2,228,928
Add: Re-insurance accepted	458,564	26,662	—	26,662	13,372	5,668,343	5,701,715	—	—	34,161	514,090	2,317	595,334	—	2,354
Less: Re-insurance ceded	1,027,581	435,474	47,953	483,427	2,669,578	3,874,463	6,544,041	10,735	42,645	831,871	426,559	194,309	2,367,383	74,019	1,565,642
<b>Net Claims paid</b>	<b>611,207</b>	<b>1,169,762</b>	<b>26,198</b>	<b>1,195,960</b>	<b>8,263,502</b>	<b>7,437,744</b>	<b>15,701,246</b>	<b>96,326</b>	<b>61,640</b>	<b>296,376</b>	<b>473,629</b>	<b>437,931</b>	<b>10,469,899</b>	<b>5,815</b>	<b>1,665,640</b>
Add: Claims outstanding at the end of the year	1,394,260	808,459	98,574	907,033	3,648,181	33,068,023	36,716,204	300,246	27,497	525,636	313,047	959,012	3,477,576	23,067	3,090,386
Less: Claims outstanding at the beginning of the year	978,180	510,697	65,970	576,667	2,754,597	31,657,721	34,412,318	251,181	333,888	264,170	763,963	3,265,339	20,146	1,622,080	
<b>Total claims incurred</b>	<b>1,027,287</b>	<b>1,467,524</b>	<b>58,802</b>	<b>1,526,326</b>	<b>9,157,086</b>	<b>8,848,046</b>	<b>18,005,132</b>	<b>145,391</b>	<b>16,986</b>	<b>498,124</b>	<b>522,506</b>	<b>632,980</b>	<b>10,681,636</b>	<b>8,736</b>	<b>3,133,946</b>
															<b>33,635,438</b>
															<b>36,189,051</b>

₹ in '000's

(₹ in 000's)

Particulars	Fire			Marine			Miscellaneous						Total				
	Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor- Total	Workmen's Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Miscellaneous		
2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015		
Commission paid - Direct	156,237	151,242	4,688	155,930	933,947	—	933,947	31,712	10,452	77,233	9,676	236,183	1,043,535	17,673	250,953	2,675,364	
Add: Commission on re-insurance accepted	123,093	30,473	13,901	44,374	—	—	—	—	—	538	38,012	92,513	41	13,178	—	5,975	
Less: Commission on re-insurance ceded	567,642	29,298	70,742	100,040	2,270,477	46,745	2,317,222	5,829	9,130	331,730	6,119	474,915	2,810,761	42,373	377,707	6,375,786	
<b>Net Commission</b>	(288,312)	152,417	(52,153)	100,294	(1,276,530)	(46,745)	(1,323,275)	25,383	1,860	(216,485)	96,070	(238,691)	(1,754,048)	(24,700)	(116,779)	(3,550,165)	(3,738,213)

**COMMISSION**

Particulars	Fire			Marine			Miscellaneous						Total				
	Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor- Total	Workmen's Compensation	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Others	Miscellaneous		
2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014		
Commission paid - Direct	139,588	163,539	7,376	170,915	1,094,846	—	1,094,846	31,389	6,835	97,770	10,009	174,134	938,489	12,114	238,504	2,664,090	
Add: Commission on re-insurance Accepted	142,232	9,156	4,288	13,444	—	—	—	—	—	127	27,824	117,907	3,13	16,069	—	2,668	165,128
Less: Commission on re-insurance Ceded	377,034	27,399	(7,347)	20,052	1,048,866	526,538	1,575,404	8,172	351,557	11,431	315,466	2,258,297	33,615	632,341	5,189,197	5,506,283	
<b>Net Commission</b>	(95,213)	145,296	19,011	164,307	45,980	(526,538)	(400,558)	28,475	(1,210)	(223,963)	1,16,485	(141,019)	(1,243,719)	(21,501)	(390,969)	(2,339,979)	(2,290,885)

**SCHEDULE- 3 A  
COMMISSION PAID - DIRECT**

Particulars	2014-2015	2013-2014
Agents	754,503	778,918
Brokers	1,226,942	1,478,108
Corporate agency	1,006,086	717,567
Referral	—	—
<b>Total</b>	<b>2,987,531</b>	<b>2,374,593</b>

(₹ in 000's)

# Schedules

forming part of the financial statements

*Continued*

## SCHEDULE – 4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Fire	Marine		Motor-OD	Motor-TP	Workmen's Compensation	Public/Product Liability	Miscellaneous		Health Insurance	Credit Insurance	Others	Total
		Marine-Cargo	Marine-Others					2014-2015	2014-2015	2014-2015			
Employees' remuneration & welfare benefits	82,263	111,270	2,673	113,943	1,008,320	893,167	1,901,487	24,949	4,766	39,275	27,914	205,511	3,019,719
Travel, conveyance and vehicle running expenses	8,796	11,898	286	12,184	95,507	293,328	2,668	510	4,200	2,985	74,455	149	21,976
Training expenses	1,200	1,623	39	1,662	14,705	13,025	27,730	364	70	573	407	1,764	10,113
Rents, rates & taxes*	14,283	19,333	464	19,797	175,197	155,189	330,386	4,335	828	6,824	4,850	21,015	120,993
Repairs & maintenance	8,124	10,989	264	11,253	99,584	88,212	98,796	2,464	471	2,757	11,945	68,490	137
Printing & stationery	2,643	3,575	86	3,661	32,393	28,683	61,086	801	153	1,262	897	3,885	22,278
Communication	10,969	14,837	386	15,193	134,455	119,098	253,554	3,327	636	5,237	3,722	16,128	97,009
Legal & professional charges	41,441	24,060	578	24,638	218,035	193,134	411,169	5,395	1,031	8,493	6,036	26,153	149,955
Auditors' fees, expenses etc													301
(a) as auditor													36,318
(b) as trustee or in any other capacity, in respect of													
(i) taxation matters													
(ii) Management services, and													
(c) in any other capacity													
Advertisement and publicity	24,382	32,979	792	33,771	298,858	264,727	563,585	7,395	13	2	20	61	348
Interest & Bank charges	3,195	4,321	104	4,425	39,157	34,685	73,842	969	185	1,413	11,641	8,274	205,541
Others													412
(a) Miscellaneous expenses	115,350	156,023	3,748	159,771	1,413,101	1,251,720	2,664,821	34,983	6,683	55,072	39,141	169,593	972,400
(b) Business & Sales promotion	49,435	66,867	446	60,473	605,945	536,743	1,492,688	2,664	23,602	16,775	23,501	416,742	836
Depreciation	13,727	18,568	—	19,014	168,259	149,044	317,303	4,163	—	6,554	4,658	20,183	115,722
Service tax on premium account													—
<b>Total</b>	<b>376,108</b>	<b>476,736</b>	<b>11,451</b>	<b>486,187</b>	<b>4,319,389</b>	<b>3,822,098</b>	<b>8,145,488</b>	<b>106,895</b>	<b>20,421</b>	<b>168,226</b>	<b>119,599</b>	<b>518,200</b>	<b>2,971,218</b>
*Rent expense is net off rental income of ₹24,421 thousand (previous period ₹23,663 thousand)													<b>5,959</b>
**Rent expense is net off rental income of ₹24,421 thousand (previous period ₹23,663 thousand)													<b>13,852,748</b>

## OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Fire	Marine		Motor-OD	Motor-TP	Workmen's Compensation	Public/Product Liability	Miscellaneous		Health Insurance	Credit Insurance	Others	Total
		Marine-Cargo	Marine-Others					2013-2014	2013-2014	2013-2014	2013-2014	2013-2014	
Employees' remuneration & welfare benefits	108,161	103,865	6,007	109,872	1,083,924	623,711	1,707,635	24,675	3,831	39,607	31,197	103,608	720,555
Travel, conveyance and vehicle running expenses	11,325	11,451	662	12,113	119,301	68,763	188,264	2,720	422	4,367	3,439	11,423	79,440
Training expenses	1,177	1,130	65	1,195	11,792	6,785	18,577	268	42	431	3,39	1,127	7,339
Rents, rates & taxes*	20,515	19,700	1,139	20,839	205,590	118,301	323,891	4,680	727	7,512	5,917	19,652	136,569
Repairs & Maintenance	8,892	8,559	494	9,033	89,110	51,275	140,385	2,029	315	3,256	8,518	59,237	114
Printing & stationery	2,664	2,558	148	2,706	26,696	15,362	42,058	608	94	9,975	768	2,552	17,747
Communication	11,330	10,880	629	11,509	113,540	65,333	178,873	2,585	401	4,149	3,268	10,853	75,477
Legal & professional charges	42,207	19,742	1,142	20,884	206,027	118,552	324,579	4,680	728	7,528	5,930	19,693	136,959
Auditors' fees, expenses etc													262
(a) as auditor													165,196
(b) as trustee or in any other capacity, in respect of													
(i) taxation matters													
(ii) Management services, and													
(c) in any other capacity													
Advertisement and publicity	304	292	17	309	3,050	1,755	4,805	69	11	111	88	292	2,027
Interest & Bank Charges													4
Others													819
(a) Miscellaneous expenses													8,339
(b) Business & Sales Promotion													
Depreciation													
Service tax on premium account													—
<b>Total</b>	<b>435,548</b>	<b>397,266</b>	<b>22,975</b>	<b>420,241</b>	<b>4,144,838</b>	<b>2,385,021</b>	<b>6,529,959</b>	<b>94,377</b>	<b>14,653</b>	<b>151,488</b>	<b>119,322</b>	<b>356,284</b>	<b>2,756,000</b>
*Rent expense is net off rental income of ₹20,451 thousand (previous period ₹14,158 thousand)													<b>5,282</b>
**Rent expense is net off rental income of ₹20,451 thousand (previous period ₹14,158 thousand)													<b>12,145,729</b>

\*Rent expense is net off rental income of ₹20,451 thousand (previous period ₹14,158 thousand)

# schedules



**forming part of the financial statements**

*Continued*

**SCHEDULE – 5  
SHARE CAPITAL**

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
<b>Authorised Capital</b>		
475,000,000 (previous year : 475,000,000) Equity Shares of ₹ 10 each	<b>4,750,000</b>	<b>4,750,000</b>
<b>Issued Capital</b>		
446,594,032 (previous year : 445,055,516) Equity Shares of ₹ 10 each	<b>4,465,940</b>	<b>4,450,555</b>
<b>Subscribed Capital</b>		
446,594,032 (previous year : 445,055,516) Equity Shares of ₹ 10 each	<b>4,465,940</b>	<b>4,450,555</b>
<b>Called up Capital</b>		
446,594,032 (previous year : 445,055,516) Equity Shares of ₹ 10 each	<b>4,465,940</b>	<b>4,450,555</b>
Less : Calls unpaid	—	—
Add : Equity Shares forfeited (Amount originally paid up)	—	—
Less : Par value of Equity Shares bought back	—	—
Less : (i) Preliminary Expenses to the extent not written off	—	—
(ii) Expenses including commission or brokerage on underwriting or subscription of shares	—	—
<b>Total</b>	<b>4,465,940</b>	<b>4,450,555</b>

**Note:**

Of the above, 325,883,744 shares are held by the holding company, ICICI Bank Limited (previous year : 325,883,744 shares)

**SCHEDULE – 5A  
SHARE CAPITAL**

**Pattern of shareholding**

[As certified by the management]

Shareholder	At March 31, 2015		At March 31, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	325,883,744	72.97	325,883,744	73.22
- Foreign	114,499,002	25.64	114,499,002	25.73
Others-(Employees/ others)	6,211,286	1.39	4,672,770	1.05
<b>Total</b>	<b>446,594,032</b>	<b>100.00</b>	<b>445,055,516</b>	<b>100.00</b>

**SCHEDULE – 6  
RESERVES AND SURPLUS**

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
1. Capital Reserve	—	—
2. Capital Redemption Reserve	—	—
3. Share Premium (refer note 4.16)		
Opening balance	14,842,165	13,882,772
Additions during the year	106,904	960,393
Deductions during the year- share issue expenses	—	1,000
Closing balance	<b>14,949,069</b>	<b>14,842,165</b>
4. General Reserves		
Opening balance	333,642	333,642
Additions during the year	—	—
Deductions during the year	—	—
Closing balance	<b>333,642</b>	<b>333,642</b>
Less: Debit balance in Profit and Loss Account	—	—
Less: Amount utilized for Buy-back	—	—
5. Catastrophe Reserve	—	—
6. Other Reserves	—	—
7. Balance of Profit in Profit and Loss Account	<b>8,484,640</b>	<b>4,184,559</b>
<b>TOTAL</b>	<b>23,767,351</b>	<b>19,360,366</b>

**SCHEDULE- 7  
BORROWINGS**

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Debentures/ Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
<b>Total</b>	<b>—</b>	<b>—</b>

**SCHEDULE- 8  
INVESTMENTS**

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
<b>Long term investments</b>		
Government securities and Government guaranteed bonds including Treasury Bills	<b>38,183,566</b>	<b>33,077,043</b>
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity (note 4 below)	10,391,422	4,945,338
(bb) Preference	53,970	51,894
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/ Bonds	<b>16,795,957</b>	<b>13,468,070</b>
(e) Other Securities (note 5 below)	1,470,000	500,000
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate (note 8 below)	1,390,844	—
Investments in Infrastructure and Social Sector	<b>21,211,396</b>	<b>22,911,003</b>
Other than Approved Investments	377,661	1,239,809
<b>Total Long Term Investments</b>	<b>89,874,816</b>	<b>76,193,157</b>
<b>Short term investments</b>		
Government securities and Government guaranteed bonds including Treasury Bills	—	102,542
Other Approved Securities (note 7 below)	424,129	175,248
Other Investments		
(a) Shares		
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/ Bonds	750,090	1,372,263
(e) Other Securities (note 6 below)	7,728,771	14,074,491
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	1,662,127	1,050,900
Other than Approved Investments (note 3 below)	1,557,243	121,167
<b>Total Short Term Investments</b>	<b>12,122,360</b>	<b>16,896,611</b>
<b>Total investments</b>	<b>101,997,176</b>	<b>93,089,768</b>

**Notes:**

- Aggregate book value of investments (other than listed equities) is ₹91,510,895 thousand (previous year: ₹ 87,941,910 thousand)
- Aggregate market value of investments (other than listed equities) is ₹98,925,088 thousand (previous year: ₹ 88,838,432 thousand)
- Includes investment in Mutual fund amounting to ₹ 957,972 thousand (previous year: ₹ 121,167 thousand)
- Includes investments qualifying for infrastructure and social sector investments of ₹ 1,995,187 thousand (previous year: ₹ 837,848 thousand)
- Long term other securities includes Fixed deposit amounting to ₹ 1,470,000 thousand (previous year: Fixed deposits of ₹ 500,000 thousand)
- Short term other securities includes Certificate of deposits amounting to ₹ 5,841,809 thousand, Fixed deposits amounting to ₹ 500,000 thousand and Commercial Paper amounting to ₹ 1,386,962 (previous year: Certificate of deposits amounting to ₹ 9,111,991 thousand, Fixed deposits amounting to ₹ 4,962,500 thousand and Commercial Paper amounting to Nil).
- Short term "Other approved securities" consists of investment in reverse repo amounting to ₹ 424,129 (previous year: ₹ 175,248 thousand)
- Investment Properties-Real Estate is shown at cost less accumulated depreciation of ₹ 9,027 thousand.

# schedules

forming part of the financial statements

*Continued*

## SCHEDULE - 9 LOANS

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
<b>Security wise classification</b>		
Secured		
(a) On mortgage of property	—	—
(aa) In India	—	—
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt. Securities	—	—
(c) Others	—	—
Unsecured	—	—
<b>Total</b>	—	—
<b>Borrower wise classification</b>		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Industrial Undertakings	—	—
(e) Others	—	—
<b>Total</b>	—	—
<b>Performance wise classification</b>		
(a) Loans classified as standard	—	—
(aa) In India	—	—
(bb) Outside India	—	—
(b) Non-performing loans less provisions	—	—
(aa) In India	—	—
(bb) Outside India	—	—
<b>Total</b>	—	—
<b>Maturity wise classification</b>		
(a) Short Term	—	—
(b) Long Term	—	—
<b>Total</b>	—	—

Note:- There are no loans subject to restructuring (previous year: ₹ Nil).

## SCHEDULE - 10 FIXED ASSETS

Particulars	April 1, 2014	Cost/ Gross Block		March 31, 2015	Depreciation			March 31, 2015	Net Block March 31, 2015
		Additions	Deductions		For the year ended	On Sales/ Adjustments	March 31, 2015		
Goodwill	—	—	—	—	—	—	—	—	—
Intangibles - Computer Software*	2,176,079	376,830	5,030	2,547,879	1,436,432	367,425	4,049	1,799,808	748,071
Land-Freehold	2,411,770	—	—	2,411,770	—	—	—	—	2,411,770
Leasehold Property	—	—	—	—	—	—	—	—	—
Buildings	237,611	—	—	237,611	14,480	3,966	—	18,446	219,165
Furniture & Fittings	631,817	76,487	20,381	687,923	496,791	52,584	19,789	529,586	158,337
Information Technology Equipment	413,808	126,941	1,310	539,439	347,696	62,548	1,273	408,971	130,468
Vehicles	3,293	—	—	3,293	2,482	484	—	2,966	327
Office Equipment	342,263	33,953	14,138	362,078	189,247	40,617	9,663	220,201	141,877
Others	—	—	—	—	—	—	—	—	—
<b>Total</b>	6,216,641	614,211	40,859	6,789,993	2,487,128	527,624	34,774	2,979,978	3,810,015
Work in Progress	—	—	—	—	—	—	—	—	86,610
<b>Grand total</b>	6,216,641	614,211	40,859	6,789,993	2,487,128	527,624	34,774	2,979,978	3,896,625
Previous year (refer note no. 4.10)	6,053,504	347,468	184,331	6,216,641	2,150,072	496,880	159,824	2,487,128	3,894,946

\*Deductions from gross block includes grant received ₹ 2,255 thousand (previous year: ₹ NIL) and adjustments in depreciation includes accumulated depreciation thereon ₹ 1,274 (previous year: ₹ NIL) (refer note no. 5.2.8)

## SCHEDULE - 11 CASH AND BANK BALANCES

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Cash (including cheques, drafts and stamps)	326,202	408,524
Balances with scheduled banks :	—	—
(a) Deposit Accounts	590,230	560,291
(aa) Short-term (due within 12 months)*	—	—
(bb) Others	—	—
(b) Current Accounts	500,429	650,846
(c) Others	—	—
Money at Call and Short Notice	—	—
(a) With Banks	—	—
(b) With other institutions	—	—
Others	—	—
<b>Total</b>	<b>1,416,861</b>	<b>1,619,661</b>

\* Other than Fixed Deposits forming part of Investment assets which is reflected under Schedule 8 - Investments

## SCHEDULE - 12 ADVANCES AND OTHER ASSETS

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
<b>Advances</b>		
Reserve deposits with ceding companies	48,867	46,619
Application money for investments	—	—
Prepayments	127,976	89,513
Advances to Directors / Officers	—	—
Advance tax paid and taxes deducted at source (net of provision for tax)	1,414,395	1,375,951
MAT credit entitlement	708,584	1,730,076
Others	—	—
- Sundry Deposits	367,877	208,855
- Provision for doubtful debts	(6,165)	(6,083)
- Surplus in Gratuity fund	—	—
- Advance for Investment in property	—	—
- Advance to Employees against expenses	258	98
<b>Total (A)</b>	<b>2,661,792</b>	<b>3,445,029</b>
<b>Other Assets</b>		
Income accrued on investments/ deposits	2,461,523	2,556,115
Outstanding Premiums	4,226,483	4,731,159
Less : Provisions for doubtful debts	53,299	2,780
Agents' Balances	—	—
Foreign Agencies' Balances	—	—
Due from other Entities carrying on Insurance business (net) (including reinsurers)	19,761,559	26,053,226
Less : Provisions for doubtful debts	1,118,333	952,647
Due from subsidiaries / holding company	—	—
Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	—	—
Others	—	—
- Service Tax unutilised credit	132,890	292,694
- Service Tax paid in advance	60,274	54,782
- Unsettled investment contract receivable	—	222,550
- Margin deposit	40,000	30,000
- Sundry receivable	348	394
<b>Total (B)</b>	<b>25,511,445</b>	<b>32,985,493</b>
<b>Total (A+B)</b>	<b>28,173,237</b>	<b>36,430,522</b>

(₹ in 000's)

# schedules



forming part of the financial statements

*Continued*

**SCHEDULE - 13  
CURRENT LIABILITIES**

**SCHEDULE - 14  
PROVISIONS**

Particulars	(₹ in 000's)		Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014		At March 31, 2015	At March 31, 2014
Agents' Balances	72,085	65,960	Reserve for unexpired risk	24,602,834	22,679,328
Balances due to other insurance companies (net)	1,910,405	3,099,040	Reserve for premium deficiency	—	—
Deposits held on re-insurance ceded	2,788,889	4,820,511	For taxation (less advance tax paid and taxes deducted at source)	—	—
Premiums received in advance	1,010,614	805,448	For proposed dividends	—	—
Unallocated Premium	2,083,648	1,727,950	For dividend distribution tax	—	—
Sundry Creditors	2,257,967	2,629,169	Others		
Due to subsidiaries/ holding company	52,601	44,055	- Gratuity	1,502	14,059
Claims Outstanding (gross)	65,623,094	70,770,449	- Long term performance pay	258,029	348,701
Due to Officers/ Directors	—	—	- Accrued leave	71,832	67,645
Others:			- For future recoverable under reinsurance contracts	123,638	455,001
- Statutory Dues	202,089	278,338			112,865
- Salary Payable	19,500	18,493			543,270
- Collections - Environment Relief fund (refer note no. 5.2.9)	131	205	<b>Total</b>	<b>25,057,835</b>	<b>23,222,598</b>
- Unclaimed amount of policyholders	1,151,153	1,013,466			
- Book Overdraft	1,917,935	1,477,818			
- Employee rewards	593,183	518,977			
- Deposits	27,954	7,713			
- Interim dividends payable	37	—			
- Service Tax Liability	—	3,911,982			
<b>Total</b>	<b>79,711,285</b>	<b>87,277,592</b>			

**SCHEDULE - 15  
MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Particulars	(₹ in 000's)	
	At March 31, 2015	At March 31, 2014
Discount allowed on issue of shares/ debentures	—	—
Others	—	—
<b>Total</b>	<b>—</b>	<b>—</b>

# schedules

## forming part of the financial statements

Continued

### SCHEDULE: 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2015

#### 1 Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 and is a joint venture between ICICI Bank Limited and Fairfax Financial Holdings Limited. The Company obtained Regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.

#### 2 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards referred to in section 133 of the Companies Act, 2013, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India.

#### 3 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, reported amounts of revenues and expenses for the year ended and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 4 Significant accounting policies

##### 4.1 Revenue recognition

###### Premium income

Premium including reinsurance accepted is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract period, as applicable.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled.

###### Income from reinsurance ceded

Commission on reinsurance ceded is recognised as income in the period of ceding the risk.

Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

###### Income earned on investments

Interest / rental income on investments is recognised on an accrual basis. Accretion of discount and amortisation of premium relating to debt securities and non convertible preference shares is recognised over the holding/maturity period on a constant yield basis.

Dividend income is recognised when the right to receive dividend is established. Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company, is recognised on the trade date. In determining the realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares and mutual fund units the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account.

Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

##### 4.2 Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the balance sheet date.

#### 4.3 Reinsurance premium

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

#### 4.4 Reserve for unexpired risk

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the aggregate premium, written on policies during the twelve months preceding the balance sheet date for fire, marine cargo and miscellaneous business and 100% for marine hull business, on all unexpired policies at balance sheet date.

#### 4.5 Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation.

Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revaluated on availability of further information.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported ('IBNER'). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

#### 4.6 Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred.

#### 4.7 Premium deficiency

Premium deficiency is recognised for the Company as a whole when the sum of expected claim costs and related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. In computing the overall Premium deficiency in miscellaneous revenue account level, the Premium deficiency arising out of reinsurance acceptances from declined risk pool is not considered as per regulatory guidelines. The expected claim costs is calculated and duly certified by the Appointed Actuary.

#### 4.8 Investments

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc, if any, and exclude interest accrued up to the date of purchase.

##### (A) Classification

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.

Investments other than 'short term investments' are classified as 'long term investments'.

The investments are shown at Company level and not segregated at Shareholder's level and Policyholder's level.

##### (B) Valuation

Investments are valued as follows:

###### Debt securities and Non – convertible preference shares

All debt securities including government securities and non convertible preference shares are considered as 'held to maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a constant yield basis over the holding period/maturity.

***Equity shares and Convertible preference shares***

Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange.

***Mutual funds (Other than venture capital fund)***

Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

***Investment Properties – Real Estate***

Investment Properties – Real Estate are stated at historical cost less accumulated depreciation.

***(C) Fair Value Change Account***

In accordance with the Regulations, unrealised gain/loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realisation.

***Investments other than those mentioned above are valued at cost.***
***(D) Impairment of Investments***

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity and units of mutual fund. The impairment loss, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit and loss account and the investment is restated to that extent.

Impairment for Investment properties is assessed at each balance sheet date. The impairment loss, if any is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value.

***4.9 Employee Stock Option Scheme ("ESOS")***

The Company follows the intrinsic method for computing the compensation cost, for options granted under the scheme(s). The difference if any, between the intrinsic value and the grant price, being the compensation cost is amortised over the vesting period of the options.

***4.10 Fixed assets, Intangibles and Impairments***
***Fixed assets and depreciation***

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

Depreciation on assets purchased/disposed off during the year is provided on pro rata basis with reference to the date of additions/deductions.

Depreciation on fixed assets is provided using the rates based on the economic useful life of assets as estimated by the management/limits specified in Schedule II of the Companies Act, 2013 as below:

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013 in Years
Building	60.00	60.00
Information Technology equipment – Servers & Networks	3.00	6.00
Information Technology equipment – Others	3.00	3.00
Furniture & Fittings	6.67	10.00
Office Equipment	10.00	5.00
Vehicles	5.00	8.00

In case of Office Equipment, the management estimate of the useful life is higher and for Information Technology equipment (Servers & Networks), Furniture & Fitting and Vehicles, the management estimate of the useful life is lower than that prescribed in Schedule II of the Companies Act, 2013. This is based on the consistent practices followed, past experience and duly supported by technical advice.

Depreciation on Furniture & Fittings in leased premises is recognised on a straight-line basis over the primary period of lease or useful life as determined by management, whichever is lower.

All assets including intangibles individually costing up to ₹ 5,000 are fully depreciated/amortised in the year in which they are acquired.

***Intangibles Assets***

Intangible assets comprising Computer software are stated at cost less accumulated amortisation. Computer softwares including improvements are amortised over a period of 4 years, being the management's estimate of the useful life of such intangibles.

***Impairment of Assets***

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognised in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

***4.11 Operating Lease***

Payments made towards assets/premises taken on operating lease are recognised as an expense in the revenue account(s) and profit and loss account over the lease term on straight-line basis.

***4.12 Employee benefits***
***Provident fund***

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of prescribed percentage of salary and is charged to revenue account(s) and profit and loss account.

***Gratuity***

Gratuity, which is a defined benefit scheme, is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account.

***Accrued leave***

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and are recognised in the revenue account(s) and profit and loss account.

***Long Term Performance pay***

Long Term Performance pay is provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account.

***4.13 Foreign currency transactions***

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities, are restated at the rates prevalent at the date of the balance sheet. The gains/losses on account of restatement and settlement are recognised in the revenue account(s) and profit and loss account.

The premium or discount arising at the inception of a forward exchange contract, not intended for trading or speculation purpose, is amortised as expense or income as the case may be over the life of the contract. Exchange difference on account of change in rates of underlying currency at the expiry of the contract period is recognised in the revenue account(s) and profit and loss account. Any profit or loss arising on cancellation or roll-over of such a forward exchange contract is recognised as income or expense for the contract period.

***4.14 Grants***

The Company recognises grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Grants related to assets are presented in the balance sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. Grants related to revenue are recognised over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Such grants are deducted in reporting the related expense.

Unspent balances of grants are carried forward to the subsequent years under the head "Current Liabilities" for adjustment against expenses in those years.

A grant that becomes refundable is treated as an extraordinary item. The amount of such refundable grant related to revenue is applied first against any unamortised deferred credit remaining in respect of the grant. To the extent that the amount refundable exceeds any such deferred credit, or where no deferred credit exists, the amount is charged immediately to the profit and loss account.

The amount refundable related to a specific fixed asset is recorded by increasing the book value of the asset. Where the book value of the asset is increased, depreciation on the revised book value is provided.

***4.15 Taxation***
***Current tax***

The Company provides for income tax on the basis of taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

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### Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the accounting income as per the Company's financial statements and the taxable income for the year.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets thereon are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

### 4.16 Share issue expenses

Share issue expenses are adjusted against share premium account.

### 4.17 Earnings per share

The basic earnings per share is calculated by dividing the Net profit after tax by weighted average number of equity shares outstanding during the reporting period. Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic Earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

### 4.18 Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of 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 not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

Show Cause Notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 5. Notes to accounts

### 5.1 Statutory disclosures as required by IRDAI

#### 5.1.1 Contingent liabilities

Particulars	At March 31, 2015	At March 31, 2014
Partly-paid up investments	—	—
Claims, other than those under policies, not acknowledged as debt	—	—
Underwriting commitments outstanding	NA	NA
Guarantees given by or on behalf of the Company	—	—
Statutory demands/liabilities in dispute, not provided for (see note below)	681,404	1,103,216
Reinsurance obligations to the extent not provided for in accounts	—	—
Others	—	—

**Note:** The Company has disputed the demand raised by Income Tax Authorities of ₹ 606,781 thousand (previous year: ₹ 1,029,672 thousand) and Service Tax Authorities of ₹ 74,623 thousand (previous year: ₹ 73,544 thousand), the appeals of which are pending before the appropriate Authorities. This excludes Income Tax demand related to Assessment Year 2003-2004, 2004-2005, 2005-2006, 2006-2007 & 2009-2010 in respect of which the Company has received favourable appellate order, which is pending for effect to be given by the assessing Authority.

#### 5.1.2 The assets of the Company are free from all encumbrances.

#### 5.1.3 Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 215,481 thousand (previous year: ₹ 203,224 thousand).

**5.1.4** Commitment in respect of loans is ₹ NIL (previous year: ₹ NIL) and investments is ₹ 85,459 thousand (previous year: ₹ 110,459 thousand).

### 5.1.5 Claims

Claims, less reinsurance paid to claimants in/outside India are as under:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
In India	40,299,722	30,465,279
Outside India	289,609	550,390

Ageing of gross claims outstanding is set out in the table below:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
More than six months	21,941,570	18,398,123
Others	43,681,524	52,372,326

Claims settled and remaining unpaid for more than six months is ₹ NIL (previous year: ₹ NIL).

Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognised on actuarial basis. Accordingly, the Appointed Actuary has certified the fairness of the liability assessment, assuming 'Nil' discount rate.

In this context, the following claims have been valued on the basis of a contractually defined benefit amount payable in monthly installments.

Product Name: Personal protect

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Count	Amount	Count	Amount
Intimated	225	1,21,000	165	94,040
Paid	288	19,011	63	12,625
Outstanding	150	96,332	87	70,967

### 5.1.6 Sector wise details of the policies issued are given below:

Sector	For the year ended March 31, 2015				For the year ended March 31, 2014			
	GDPI ₹ in 000's	No. of Policies	% of Policy	No. of lives	GDPI ₹ in 000's	No. of Policies	% of Policy	No. of lives
Rural	5,116,227	529,854	3.82	—	7.66	7,232,700	419,492	3.74
Social	41,332	2	0.00	77,050	0.06	42,567	2	0.00
Urban	61,820,397	13,336,945	96.18	—	92.28	61,286,378	10,802,590	96.26
Total	66,777,956	13,866,799	100.00		100.00	68,561,645	11,222,084	100.00

### 5.1.7 Extent of risks retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance)

Particulars	Basis		For the year ended March 31, 2015		For the year ended March 31, 2014	
			Retention	Ceded	Retention	Ceded
Fire	Total sum insured		25%	75%	31%	69%
Marine – Cargo	Value at risk		80%	20%	79%	21%
Marine – Hull	Value at risk		18%	82%	19%	81%
Miscellaneous						
- Engineering	Total sum insured		33%	67%	34%	66%
- Motor (refer note 5.2.4)	Total sum insured		76%	24%	75%	25%
- Workmen's Compensation	Value at risk		95%	5%	95%	5%
- Public Liability	Value at risk		61%	39%	50%	50%
- Personal Accident	Value at risk		73%	27%	75%	25%
- Aviation	Value at risk		63%	37%	73%	27%
- Health	Value at risk		71%	29%	68%	32%
- Credit Insurance	Value at risk		7%	93%	8%	92%
- Others	Value at risk		51%	49%	49%	51%

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## 5.1.8 Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ 11,731 thousand (previous year: ₹ 27,492 thousand); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

Historical cost of investments that are valued on fair value basis is ₹ 7,884,287 thousand (previous year: ₹ 4,134,245 thousand).

All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2000 and are performing investments.

### (A) Allocation of investment

- Investments that are earmarked, are allocated separately to policy holders or share holders, as applicable;
- Other investments have not been allocated into policy holders and share holders as the same are not earmarked separately.

### (B) Allocation of investment income

Investment income which is directly identifiable is allocated on actuals between revenue account(s) and profit and loss account and which is not directly identifiable has been allocated on the basis of the ratio of average policyholder's funds to average shareholder's funds respectively; average being the balance at the beginning of the year and at the end of the year.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of segment-wise policyholders funds.

### (C) Investment Properties – Real Estate

During the year ended March 31, 2015, the Company has purchased Investment Properties (Real Estate) valued at ₹ 1,399,872 thousand (previous year: ₹ NIL). The fair value of these investment properties as at March 31, 2015 is ₹ 1,399,872 thousand which based on a valuation report.

### (D) Amortisation of premium or accretion of discount on debt securities and non-convertible preference shares

During the year ended March 31, 2015, the Company has changed the basis of amortization of premium or accretion of discount over the holding period/maturity from straight line method to constant yield method. As a result of this change, the operating profit in the revenue accounts, profit before tax and the value of investments are lower by ₹ 139,005 thousand (previous year: ₹ NIL).

## 5.1.9 Allocation of expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses that are directly identifiable to a business class are allocated on actuals;
- Other expenses, that are not directly identifiable, are broadly allocated on the basis of net premium in each business class; and
- Depreciation expenditure has been allocated on the assessment that the use of assets is proportionate to net premium of the respective segments.

## 5.1.10 Employee Benefit Plans

### (A) Defined contribution plan

(₹ in 000's)		
Expenses on defined contribution plan	For the year ended March 31, 2015	For the year ended March 31, 2014
Contribution to staff provident fund	131,544	118,131

### (B) Defined benefit plan

#### Gratuity

The Company has a defined gratuity benefit plan payable to every employee on separation from employment. The Company makes the contribution to an approved gratuity fund which is maintained and managed by ICICI Prudential Life Insurance Company Limited.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below.

Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2015	(₹ in 000's) For the year ended March 31, 2014
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	307,903	272,949
Current Service Cost	48,491	46,519
Interest Cost	31,001	24,613
Actuarial Losses/(Gain)	27,324	(234)
Liabilities assumed on Acquisition	5,218	—
Benefits Paid	(35,493)	(35,944)
Closing Defined Benefit Obligation	384,444	307,903
<b>Change in the Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	293,845	236,474
Expected Return on Plan Assets	22,479	18,455
Actuarial Gains/(Losses)	26,893	14,860
Contributions by Employer	70,000	60,000
Assets acquired on acquisition	5,218	—
Benefits paid	(35,493)	(35,944)
Closing Fair Value of Plan Assets	382,942	293,845
Expected Employer's contribution Next Year	—	—

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2015	At March 31, 2014
Fair Value of Plan Assets at the end of the year	(382,942)	(293,845)
Present Value of the defined obligations at the end of the year	384,444	307,903
Liability recognised in the balance sheet	1,502	14,059
Asset recognised in the balance sheet	—	—
<b>Investment details of plan assets</b>		
100% Insurer Managed Funds	382,942	293,845
<b>Assumptions</b>		
Discount Rate	7.90% p.a.	9.33% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	9.00% p.a.	9.00% p.a.

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2015	For the year ended March 31, 2014
Current Service Cost	48,491	46,519
Interest on Defined Benefit Obligation	31,001	24,613
Expected return on Plan Assets	(22,479)	(18,455)
Net Actuarial Losses/(Gains) recognised in year	431	(15,093)
Past Service Cost	—	—
Losses/(Gains) on "Curtailments & Settlements"	—	—
Losses/(Gains) on "Acquisition/ Divestiture"	—	—
Effect of limit in Para 59 (b)	—	—
<b>Total included in Employee Benefit Expense</b>	57,444	37,584

Experience adjustments of five years is given below

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligation	384,444	307,903	272,949	228,357	189,667
Plan assets	382,942	293,845	236,474	237,011	209,384
Surplus / (Deficit)	(1,502)	(14,059)	(36,475)	8,654	19,717
Exp.Adj on Plan Liabilities	5,957	25,459	3,634	10,137	2,943
Exp.Adj on Plan Assets	26,894	14,860	7,996	(290)	231

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## Accrued Leave

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end. Assumption stated above is applicable for accrued leaves also.

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	<b>67,645</b>	62,784
Add: Provision made during the year	<b>4,187</b>	4,861
Closing balance	<b>71,832</b>	67,645

## Long Term Performance Pay

The Company has schemes for Long Term Performance incentive plan. The plan is discretionary deferred compensation plan with a vesting period of three years. The Company has determined the liability on the basis of Actuarial valuation.

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	<b>348,701</b>	311,597
Add: Provision made during the year	<b>(90,672)</b>	37,104
Closing balance	<b>258,029</b>	348,701
<b>Assumptions</b>		
Discount Rate	<b>8.00% p.a.</b>	9.33% p.a.

## 5.1.11 Managerial remuneration

The details of remuneration of MD & CEO and two Wholetime Directors' as per the terms of appointment are as under:

Particulars (see note below)	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and allowances	<b>123,096</b>	80,804
Contribution to provident and other funds	<b>3,214</b>	2,908
Perquisites	<b>455</b>	2,611

**Note:** Provision towards gratuity, leave accrued and long term performance pay are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

Managerial remuneration in excess of ₹15,000 thousand, for each Managerial personnel has been charged to profit and loss account.

## 5.1.12 (A) Share Capital

At March 31, 2015 the Company has allotted 1,538,516 equity shares (previous year: 948,080 shares) under ESOP raising ₹ 122,289 thousand (previous year: ₹ 40,797 thousand).

During the year the Company has not made any preferential allotment (previous year the Company had made the allotment of shares under preferential issue of 7,092,197 equity share of ₹ 10 each at a premium of ₹ 131 per share to the promoters raising ₹ 1,000,000 thousand).

## (B) Share Application

At March 31, 2015 the Company has received share application money of ₹ 1,986 thousand (previous year: ₹ 3,069 thousand) against which shares are yet to be allotted.

## 5.1.13 Outsourcing, business development and marketing support expenses

Expenses relating to outsourcing, business development and marketing support are:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Outsourcing expenses	<b>1,337,551</b>	1,227,100
Business development	<b>1,932,635</b>	1,260,465
Marketing support	<b>953,173</b>	883,372

## 5.1.14 Details of penal actions taken by various Govt. authorities during year ended March 31, 2015:

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	5,000 (500)	5,000 (500)	5,000 (500)	— (—)
2	Service Tax Authorities	— (—)	— (—)	— (—)	— (—)
3	Income Tax Authorities	— (—)	— (—)	— (—)	— (—)
4	Any other Tax Authorities	— (—)	— (—)	— (—)	— (—)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	— (—)	— (—)	— (—)	— (—)
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	— (—)	— (—)	— (—)	— (—)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	— (—)	— (—)	— (—)	— (—)
8	Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
9	Competition Commission of India	— (—)	— (—)	— (—)	— (—)
10	Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	(2,468)	(2,468)	(2,494)	(—)

Figure in brackets pertain to year ended March 31, 2014

## 5.1.15 Summary of Financial Statements for five years:

Particulars	FY 2014-2015	FY 2013-2014	FY 2012-2013	FY 2011-2012	FY 2010-2011
<b>Operating Result</b>					
Gross direct premium	<b>66,777,956</b>	68,561,645	61,339,850	51,501,386	42,518,748
Net premium income *	<b>44,276,854</b>	44,979,957	41,454,927	41,087,394	30,331,834
Income from investments (net)@	<b>7,641,750</b>	6,593,546	4,634,211	3,082,833	2,589,359
Other income	<b>209,277</b>	195,955	132,742	881,528	622,489
Total income	<b>52,127,881</b>	51,769,458	46,221,880	45,051,755	33,543,682
Commissions (net) (including brokerage)	(3,738,213)	(2,290,885)	(1,831,729)	(613,538)	(543,007)
Operating expenses	<b>13,852,748</b>	12,145,729	10,180,673	8,728,920	6,797,879
Net incurred claims & other outgoes	<b>34,434,368</b>	36,189,051	33,788,889	36,007,854	27,324,929
Change in unexpired risk reserve	<b>1,923,506</b>	1,450,824	1,362,412	5,597,396	1,770,187
Operating Profit/(Loss)	<b>5,665,472</b>	4,274,739	2,721,088	(4,668,877)	(1,806,306)
<b>Non - Operating Result</b>					
Total income under shareholder's account (net of expenses)	1,251,749	927,634	95,676	716,732	982,886
Profit/(Loss) before tax	<b>6,907,221</b>	5,202,373	2,816,764	(3,952,145)	(823,420)
Provision for tax	<b>1,551,076</b>	88,814	(240,989)	211,147	(19,992)
Profit/(Loss) after tax	<b>5,356,145</b>	5,113,559	3,057,753	(4,163,292)	(803,428)
<b>Miscellaneous</b>					
Policy holder's account:					
Total funds	<b>70,427,250</b>	73,972,565	66,485,230	60,322,530	40,382,814
<b>Not applicable as investments are not earmarked</b>					
	<b>28,233,291</b>	23,810,921	17,657,566	14,580,600	15,308,265
<b>Not applicable as investments are not earmarked</b>					
	<b>4,465,940</b>	4,450,555	4,370,152	4,365,839	4,045,672
	<b>28,233,291</b>	23,810,921	17,657,566	14,580,600	15,308,265
	<b>136,563,891</b>	135,448,793	118,686,969	105,251,554	82,286,865
	10%	9%	9%	8%	9%
	12.03	11.50	7.00	(9.56)	(1.99)
	63.22	53.50	40.40	33.40	37.84
	<b>891,225</b>	—	—	—	565,889
	2.00	—	—	—	1.40

# Net of Reinsurance

@ Net of Losses

\*\* Shareholders funds / Net worth = (Share capital + Reserve & Surplus) – (Miscellaneous Expenditure + Debit balance in profit & loss account)

## 5.1.16 Ratio Analysis:

(A) For ratios at March 31, 2015 refer Annexure 1a and 1b and for March 31, 2014 refer Annexure 2a and 2b

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(B) Solvency Margin

(₹ in 000's)		
Solvency Margin	At March 31, 2015	At March 31, 2014
Required solvency margin under IRDAI Regulations (A)	<b>11,894,700</b>	11,856,200
Available solvency margin (B)	<b>23,156,100</b>	20,372,300
Solvency ratio actual (times) (B/A)	1.95	1.72
<b>Solvency ratio prescribed by Regulation</b>	<b>1.50</b>	1.50

**5.1.17 Employee Stock Option Scheme (ESOPs)**

The Company has granted Stock options to employees in compliance with the Securities and Exchange board of India (Employee stock option scheme and employee stock purchase scheme) guidelines, 1999 based on an independent valuer's report. The salient features of the Scheme which is stated below:

*Founder ESOPs:*

Scheme	
Date of grant	April 26, 2005
No. of Options granted (in 000's)	917
Grant Price	₹ 35
Graded Vesting Period	
1st Year	50% of option
2nd Year	50% of option
Maximum term of option granted	Later of the thirteenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

*Performance ESOPs (2005, 2006 & 2007):*

Scheme	
Date of grant	2005
	2006
	2007
No. of Options granted (in 000's)	13,322
Grant Price	₹ 35 – ₹ 60
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	30% of option
Maximum term of option granted	Later of the thirteenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

*Performance ESOPs (2008):*

Scheme	
Date of grant	2008
No. of Options granted (in 000's)	5,050
Grant Price	₹ 200
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

*Performance ESOPs (2009):*

Scheme	
Date of grant	2009
No. of Options granted (in 000's)	1,249
Grant Price	₹ 91
Graded Vesting Period	
1st Year	0% of option
2nd Year	20% of option
3rd Year	20% of option
4th Year	30% of option
5th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

*Performance ESOPs (2010):*

Scheme	
Date of grant	2010
No. of Options granted (in 000's)	2,312
Grant Price	₹ 114
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

*Performance ESOPs (2011):*

Scheme	
Date of grant	2011
No. of Options granted (in 000's)	723
Grant Price	₹ 109
Graded Vesting Period	
1st Year	40% of option
2nd Year	60% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

The estimated fair value is computed on the basis of binomial tree pricing model, of each stock option granted for Founder ESOPs and Performance ESOPs.

During the year ended March 31, 2015; the Company has extended the maximum term of options by an additional period of 3 years for options which were granted between the years 2005 to 2007. The incremental compensation cost and charge to profit and loss account for the year ended March 31, 2015 would have been higher by ₹ 12,361 thousand had the Company followed the fair valuation method for accounting for such options.

The compensation cost and charge to the profit and loss account for all the grants (2005 to 2011) for the year ended March 31, 2015 would have been higher by ₹ 4,472 thousand had the Company followed the fair valuation method for accounting the options issued. On proforma basis the Company's basic and diluted earnings per share would have been ₹ 12.02 and ₹ 11.92.

A summary of status of Company's Employee Stock Option Scheme in terms of option granted, forfeited and exercised by the employees and Wholetime Directors is given below:

Particulars	(in 000's)			
	At March 31, 2015	At March 31, 2014	At March 31, 2015	At March 31, 2014
Outstanding at the beginning of the year	<b>8,009</b>	9,223	<b>1,835</b>	1,875
Add: Granted during the year	—	—	—	—
Add/Less: Options reclassified during the year*	<b>715</b>	—	<b>(715)</b>	—
Less: Forfeited / lapsed during the year	(254)	(320)	—	—
Less: Exercised during the year	<b>(1,449)</b>	(895)	<b>(20)</b>	(40)
Outstanding at the end of the year	<b>7,021</b>	8,009	<b>1,100</b>	1,835
Exercisable at the end of the year	<b>7,021</b>	7,509	<b>1,100</b>	1,645

\*Consequent to resignation of Neelesh Garg – Executive Director with effect from February 2, 2015.

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## 5.2 Other disclosures

### 5.2.1 5.2.1 Basis used by the Actuary for determining provision required for IBNR/IBNER

IBNR (including IBNER) liability as at March 31, 2015 for all lines of business, other than reinsurance accepted from declined risk pool has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDAI from time to time and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

### 5.2.2 Provision for Free Look period

The provision for Free Look period is duly certified by the Appointed Actuary.

### 5.2.3 Contribution to terrorism pool

The Company in accordance with the requirements of IRDAI has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 15 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on intimation/confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded only up to December 31, 2014 (previous year: December 31, 2013) as per the last confirmation received.

### 5.2.4 Declined Risk Pool

In accordance with the directions of the IRDAI, effective April 1, 2012, the Company, together with other insurance companies has participated in the DR Pool, a multilateral reinsurance arrangement, administered by the General Insurance Corporation of India ('GIC'). No comprehensive motor insurance policy or part thereof, is to be ceded to the pool. Every insurer is required to underwrite a minimum percentage of standalone (liability only) commercial vehicle motor third party insurance which shall be in proportion to the sum of 50% of the Company's percentage share in total gross premium and 50% of the Company's percentage share in total motor premium of the industry of the relevant year. The cessions to the GIC shall be in accordance with the obligatory cession which currently stands at 5%. The ceding insurers shall retain 20% of the individual risk to their net account (after obligatory cessions) and cede the balance to the declined pool. Accordingly, the Company has ceded 75% of the third party premium collected to the DR Pool in accordance with the IRDAI instructions and guidelines of the declined risks.

During the year ended March 31, 2015, the Company has received the audited statements from DR Pool for the year ended March 31, 2014, and for the nine months ended December 31, 2014. The Company has actualised the provisionally estimated premium and claims for the quarter ended March 31, 2014 and nine months ended December 31, 2014 respectively, based on the above statements. For the quarter ended March 31, 2015 pending the receipt of the audited statement from the DR pool the Company has recognised its share of the pool based on internal estimates of market gross premium, DR pool size, its share and the ultimate loss ratio as per last audited statement received from the DR pool. Necessary revision in estimates will be made upon receipt of the audited statements from the DR pool.

During the year ended March 31, 2015, IRDAI has issued Order no. IRDA/NL/ORD/MPL/251/11/2014 dated November 27, 2014 declaring the ultimate loss ratio (ULR) for the DR pool for the year 2013-2014 at 175% against provisional ultimate loss ratio of 210% as well as advised a provisional ultimate loss ratio of 175% for the year 2014-2015.

The change in ultimate loss ratio (ULR) from 210% to 175% has resulted in an impact of ₹ 174,188 thousand pertaining to year 2013-2014 and consequently profit before tax for the year ended March 31, 2015 is higher to that extent.

Necessary impact consequent to revision in estimated ultimate loss ratios for the quarter ended March 31, 2015 will be given upon receipt of final ultimate loss ratio from the DR pool.

### 5.2.5 Interest, Rent and Dividend income

Interest, Dividend & Rent income under Miscellaneous segment is net of interest expense of ₹ 106,680 thousand (previous year: ₹ 444,937 thousand) on dues to Indian Motor Third Party Insurance Pool (IMTPIP) @ 7.5% p.a consequent to clean cut settlement.

### 5.2.6 Re-insurance inward

The results of reinsurance inward are accounted as per last available statement of accounts/confirmation from reinsurers.

### 5.2.7 Contribution to Solatium fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.1% of gross written premium on all motor policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

### 5.2.8 Grants

During the year, the Company has received disbursement of ₹ 1,904 thousand (US\$ 30,000) (previous year: ₹ 1,806 thousand (US\$ 28,000)). The cumulative disbursement received up to March 31, 2015 is ₹ 16,040 thousand (US\$ 300,000) (previous year: ₹ 14,136 thousand (US\$ 270,000)) from the International Labour Organisation (ILO) through its Microinsurance Innovation Facility, towards an Innovation Grant in order to carry out providing Outpatient Insurance to complement Rashtriya Swasthya Bima Yojana (RSBY). The position of the capital and revenue expenses incurred as well as the unspent amount has been shown as under:

	(₹ in 000's)	As At March 31, 2015
	During the current year	As At March 31, 2015
Disbursement received	1,904 (1,806)	16,040 (14,136)
Capital expenditure incurred	2,255	9,666
Revenue expenditure incurred	—	1,667
Employees' remuneration & welfare benefits	(669)	(1,667)
Travel, conveyance and vehicle running expenses	—	401
Legal & professional charges	(254) 590 (360)	(401) 2,575 (1,985)
Miscellaneous expenses	— (—)	300 (300)
Business & Sales promotion	— (—)	1,360 (1,360)
<b>Total</b>	<b>590</b> <b>(1,283)</b>	<b>6,303</b> <b>(5,713)</b>
Unspent amount	71	(1,012)

Figure in brackets pertain to year ended March 31, 2014

#### Note:

- 1) Revenue expenditure in Schedule – 4 is net of grant received.
- 2) The unspent amount is included under the head "Current Liabilities – Sundry Creditors".

### 5.2.9 Environment Relief Fund

There is ₹ 131 thousand outstanding (Previous year: ₹ 205 thousand) towards Environment Relief fund (ERF) under Public Liability policies.

### 5.2.10 Leases

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable / cancelable by the lessor/lessee.

#### Non Cancelable operating lease

The detail of future rentals payable are given below:

	At March 31, 2015	At March 31, 2014
a. not later than one year	2,152	2,674
b. later than one year and not later than five years	2,595	4,634
c. later than five years	—	—

An amount of ₹ 2,262 thousand (previous year: ₹ 3,100 thousand) towards said lease payments has been recognised in the statement of revenue account.

### 5.2.11 Micro and Small scale business entities

There is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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## 5.2.12 Segmental reporting

### Primary reportable segments

The Company's primary reportable segments are business segments, which have been identified in accordance with AS 17 – Segment Reporting read with the Regulations. The income and expenses attributable to the business segments are allocated as mentioned in paragraph 5.1.8 & 5.1.9 above. Segment revenue & results have been disclosed in the Revenue accounts.

Segmental Assets & Liabilities to the extent identifiable to business segments are given below:

		(₹ in 000's)	
Segment	Year	Current Liabilities	Current Assets
		Claims Outstanding	Outstanding Premium
Fire	2014 -2015	6,538,900	8,015
	2013-2014	4,698,427	7,992
Engineering	2014-2015	2,242,032	17,212
	2013-2014	2,398,436	10,450
Marine Cargo	2014-2015	1,563,804	—
	2013-2014	1,273,127	—
Marine Hull	2014-2015	998,826	—
	2013-2014	570,518	—
Motor OD	2014-2015	5,997,814	—
	2013-2014	4,608,483	—
Motor TP	2014-2015	37,528,833	—
	2013-2014	45,481,201	—
Workmen's Compensation	2014-2015	344,964	—
	2013-2014	309,339	—
Public/Product Liability	2014-2015	71,229	—
	2013-2014	34,603	—
Personal Accident	2014-2015	1,781,630	—
	2013-2014	1,228,550	—
Aviation	2014-2015	963,088	—
	2013-2014	1,020,615	—
Health	2014-2015	3,627,259	2,437,082
	2013-2014	3,926,344	2,076,057
Credit Insurance	2014-2015	88,852	—
	2013-2014	114,670	—
Others	2014-2015	3,875,863	1,710,875
	2013-2014	5,106,136	2,633,880
<b>Total Amount</b>	<b>2014-2015</b>	<b>65,623,094</b>	<b>4,173,184</b>
	<b>2013-2014</b>	<b>70,770,449</b>	<b>4,728,379</b>

### Secondary reportable segments

There are no reportable geographical segments since the Company provides services only to customers in the Indian market or Indian interests aboard and does not distinguish any reportable regions within India.

## 5.2.13 Related party

### Party where control exists

ICICI Bank Limited (Holding Company)

Other related parties with whom transactions have taken place during the year:

Fellow Subsidiaries / Associates / Other related entities:

Name of related party	Relationship
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Bank UK PLC	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
FAL Corporation (Affiliate of Fairfax Financial Holdings Limited)	Venturer in Joint Venture

### Key Management Personnel (KMP):

Bhargav Dasgupta, Managing Director & CEO

Alok Kumar Agarwal, Executive Director

Neelesh Garg, Executive Director (ceased to be Director w.e.f from February 2, 2015)

### Relatives of KMP with whom transactions have taken place during the year:

Meghna Dasgupta:	Daughter of Bhargav Dasgupta
Manoj Kumar Agarwal :	Brother of Alok Kumar Agarwal
Brij Mohan Gupta :	Brother of Alok Kumar Agarwal

Details of transaction with related parties for the year ended March 31, 2015  
(₹ in 000's)

Particulars	ICICI Bank Limited	ICICI Home Finance Co Limited	ICICI Securities Primary Dealership Limited	ICICI Prudential Life Insurance Co Limited	Others	FAL Corporation	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Venturer in Joint Venture	
Premium income	1,070,117 (978,517)	8,228 (8,246)	2,744 (2,735)	161,986 (177,290)	66,449 (66,145)	32,440 (31,543)	— (42)
Income from interest & dividend	17,347 (9,980)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Issue of share capital	— (52,482)	— (—)	— (—)	— (—)	— (—)	— (—)	200 (400)
Share premium on share issued	— (687,518)	— (—)	— (—)	— (—)	— (—)	— (241,560)	500 (1,000)
Claim payments net of claims received	158,468 (326,677)	— (—)	1,886 (672)	-1,627 (10,410)	27,246 (23,490)	39 (58)	— (—)
Commission/ Brokerage payouts	677,193 (538,893)	25,875 (14,279)	— (—)	— (—)	9,146 (9,626)	— (—)	— (—)
Investment - Purchases	15,608,696 (12,107,795)	— (—)	6,474,688 (3,270,895)	2,691,901 (676,905)	— (—)	— (—)	— (—)
- Sales	14,500,074 (10,392,485)	— (—)	878,455 (1,707,629)	2,509,507 (—)	— (—)	— (—)	— (—)
Premium Paid	— (—)	— (—)	— (—)	5,402 (5,638)	— (—)	— (—)	— (—)
Establishment & other expenditure	256,736 (219,813)	-12,682 (-10,108)	— (—)	-3,749 (-5,810)	599 (-104)	— (—)	126,765 (86,324)
Dividend Paid	651,767 (—)	— (—)	— (—)	— (—)	— (—)	228,998 (—)	113 (—)

Figure in brackets pertain to year ended March 31, 2014

Balances with related parties at March 31, 2015, are given below:

Particulars	ICICI Bank Limited	ICICI Home Finance Co Limited	ICICI Securities Primary Dealership Limited	ICICI Prudential Life Insurance Co Limited	Others	FAL Corporation	KMP & their relatives
	Holding Company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Venturer in Joint Venture	
<b>Assets</b>							
Cash, Bank Balances & Deposits	-827,574 (-762,678)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Income accrued on investments	499 (226)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
<b>Liabilities</b>							
Capital	3,258,837 (3,258,837)	— (—)	— (—)	— (—)	— (—)	— (—)	— (550)
Share premium	10,872,192 (10,872,192)	— (—)	— (—)	— (—)	— (—)	— (—)	3,819,959 (1,375)
Premium received in advance / Cash deposits	420,986 (379,789)	2,141 (8,912)	61 (64)	955 (191)	596 (625)	1,027 (17,281)	— (—)
Others liabilities/ Payables	187,221 (225,372)	5,205 (-4,474)	267 (—)	17,069 (21,205)	7,233 (10,438)	2,611 (2,507)	— (—)

Figure in brackets pertain to year ended March 31, 2014

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## 5.2.14 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2015

At March 31, 2015 the Company has not appropriated / written back the unclaimed amount of policyholders. (Reference IRDAI circular no IRDA/F&I/CIR/CMP/174/11/2010 dated November 4, 2010)

Particulars	Total Amount	(₹ in 000's)						
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months	
Claims settled but not paid to the policyholders/ insured's due to any reasons except under litigation from the insured/ policyholders	—	(—)	(—)	(—)	(—)	(—)	(—)	
Sum due to the insured/ policyholders on maturity or otherwise	—	(—)	(—)	(—)	(—)	(—)	(—)	
Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	193,233 (182,635)	5,570 (9,750)	9,455 (5,894)	5,740 (7,767)	5,810 (5,011)	7,626 (14,902)	159,032 (139,311)	
Cheques issued but not encashed by the policyholder/ insured	797,307 (753,323)	81,397 (136,198)	60,052 (65,088)	58,069 (72,592)	56,359 (80,538)	68,029 (72,746)	473,401 (326,161)	
<b>Total</b>	<b>990,540 (935,958)</b>	<b>86,967 (145,948)</b>	<b>69,507 (70,982)</b>	<b>63,809 (80,359)</b>	<b>62,169 (85,549)</b>	<b>75,655 (87,648)</b>	<b>632,433 (465,472)</b>	

Figure in brackets pertain to year ended March 31, 2014

The Company was deriving ageing of unclaimed amount from the date of issuance of cheque/instruments till March 31, 2014. However, in the current year, the ageing is derived from the date of the expiry of cheque/ instruments.

## 5.2.15 Details of earning per share for the year ended March 31, 2015

Particulars		At March 31, 2015	At March 31, 2014
Profit/(loss) available to equity shareholders ₹		5,356,145	5,113,559
<b>Weighted average number of equity shares</b>			
Number of shares at the beginning of the year		445,056	437,015
Share issued during the year		1,538	8,041
Total number of equity share outstanding at the end of the year		446,594	445,056
Weighted average number of equity shares outstanding during the year		445,319	444,683
Add : Effect of dilutive issues of options and share application pending allotment		3,683	4,657
Diluted weighted average number of equity shares outstanding during the year		449,002	449,340
Nominal value of equity shares ₹		10.00	10.00
Basic earning per share ₹		12.03	11.50
Diluted earning per share ₹		11.93	11.38

For and on behalf of the Board

CHANDA KOCHHAR  
Chairperson

DILEEP CHOKSI  
Director

ALOK KUMAR AGARWAL  
Executive Director

VIKAS MEHRA  
Company Secretary

S.MUKHERJI  
Director

BHARGAV DASGUPTA  
Managing Director & CEO

GOPAL BALACHANDRAN  
Chief Financial Officer

## 5.2.16 Deferred taxes

The major components of deferred tax are as under:

(₹ in 000's)		
Particulars	Deferred tax asset at March 31, 2015	Deferred tax asset at March 31, 2014
Timing differences on account of:		
Reserve for Unexpired Risks	581,457	-
Provision for escalation in lease rentals	25,381	25,724
Leaves accrued	24,861	22,992
Provision for doubtful debts	448,293	365,180
<b>Total</b>	<b>1,079,992</b>	<b>413,896</b>
Net deferred tax asset/(liability)	1,079,992	413,896
Deferred tax expense/(income) recognised in the Profit and Loss A/c	(666,096)	88,814

## 5.2.17 REPO / Reverse repo transactions

(₹ in 000's)				
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at March 31, 2015
<b>Securities sold under repo (At cost)</b>				
Government Securities	(—)	(—)	(—)	(—)
Corporate Debt Securities	(—)	(—)	(—)	(—)
<b>Securities purchased under repo (At cost)</b>				
Government Securities	175,248 (19,924)	2,511,807 (6,809,475)	69,110 (965,423)	424,129 (175,248)
Corporate Debt Securities	(—)	(—)	(—)	(—)

Figure in brackets pertain to year ended March 31, 2014

5.2.18 During the year ended March 31, 2015 the Company has changed the useful life of Building from 61.35 years to 60.00 years and the impact of the same on profits for the year is not material.

5.2.19 As at March 31, 2015 there are no outstanding forward exchange contracts.

5.2.20 The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (Refer Note no. 5.1.1 for details on contingent liabilities)

5.2.21 (A) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

(B) As at March 31, 2015 the Company did not have any outstanding long term derivative contracts.

5.2.22 For the year ended March 31, 2015, the company is not required to transfer any amount into the Investor Education & Protection Fund.

5.2.23 Previous year figures have been regrouped, reclassified in the respective schedule and notes wherever necessary, to conform to current period classifications. The details of changes are as under:

Sr. no.	Regrouped from	Regrouped to	Period	Amount (in ₹000's)	Reason
1	Schedule 13 (Current Liabilities) - Others - Unclaimed amount of policyholders	Schedule 13 (Current Liabilities) - Others - Sundry Creditors	March 2014	12,408	Better classification.

2. Previous year numbers in Note no. 5.2.14 have been rearranged according to the current method of deriving the ageing of unclaimed amount of policyholders.

# schedules

**Annexure-1a Analytical Ratios as at March 31, 2015**

Sr. No.	Particulars	Total	Fire	Marine-Cargo	Marine-Others	Motor-00	Motor-TP	Marine-Motor-total	Workmen's compensation	Public/Product Liability	Engineering	Aviation	PA	Health	Credit	Others	Total-miscellaneous	Basis of calculations
1	Gross Direct Premium Growth Rate	-3%	12%	2%	-16%	-2%	3%	13%	6%	-2%	-9%	-6%	18%	16%	-11%	6%	32%	-4% (GDPi current year- GDPi previous year)/ GDPi previous year
2	Gross Direct Premium to Net Worth Ratio	2.37																GDPi/ Net worth
3	Growth rate of Net Worth	19%																(Net worth current year- Net worth previous year) / Net worth previous year
4	Net Retention Ratio	64%	18%	73%	7%	59%	65%	94%	76%	93%	44%	27%	39%	71%	7%	45%	69%	NWP/ (GDPi + RI accepted)
5	Net Commission Ratio	-8%	-25%	10%	-142%	6%	-9%	0%	-5%	8%	3%	-40%	25%	-14%	-18%	-125%	-4%	-9% Net commission / NWP
6	Expense of Management to Gross Direct Premium Ratio	25%																Expenses of management/ GDPi
7	Expense of Management to Net Written Premium Ratio	38%																Expenses of management/ NWP
8	Net Incurred Claims to Net Earned Premium	81%																Net Incurred Claims / Net Earned Premium
9	Combined Ratio	104%																((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses)/NWP))
10	Technical Reserves to Net Premium Ratio	2.04																(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ NWP
11	Underwriting balance Ratio	(0.05)	(0.02)								(0.35)							(Underwriting profit/loss) / Net Earned Premium
12	Operating Profit Ratio	13%																(Underwriting profit/loss + Investment income) / Net Earned Premium
13	Liquid Assets to Liabilities Ratio	15%																Liquid Assets/ Policyholders Liabilities
14	Net earnings Ratio	13%																Profit after tax/ Net Earned Premium
15	Return on Net Worth Ratio	19%																Profit after tax/ Net Worth
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.95																
17	NPA Ratio	—																
	Gross NPA Ratio	—																
	Net NPA Ratio	—																

**Annexure-1b - Equity Holding Pattern**

1 (a) No. of shares	446,594,032
2 (b) Percentage of shareholding (Indian / Foreign)	74.4% / 25.6%
3 (c) % of Government holding (in case of public sector insurance companies)	-
4 (a) Basic and diluted EPS before extraordinary items (net of tax expense) for the year	₹ 12,03 and ₹ 11.93
5 (b) Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 12,03 and ₹ 11.93
6 (iv) Book value per share ₹	63.22

**Notes :** Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDPi = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure + Debit balance in profit & loss account)
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders' liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense

# schedules

forming part of the financial statements

*Continued*

Annexure-2a Analytical Ratios as at March 31, 2014

Sr. No.	Particulars	Total	Fire	Marine-Cargo	Marine-Others	Motor-total	Motor-0D	Motor-TP	Motor-Total compensation	Workmen's Public/Product Liability	Engineering	Aviation	PA	Health	Credit	Others	Total-miscellaneous	Basis of calculations
1	Gross Direct Premium Growth Rate	12%	28%	18%	-10%	10%	13%	30%	19%	11%	-25%	-4%	-41%	18%	-7%	22%	27%	11% (GDP/ current year- GDP/ previous year/ GDP/ previous year)
2	Gross Direct Premium to Net Worth Ratio	2.88																GDP/ Net worth
3	Growth rate of Net Worth	35%																(Net worth current year/ Net worth previous year) / Net worth previous year
4	Net Retention Ratio	63%	26%	73%	12%	57%	75%	75%	93%	36%	27%	43%	74%	68%	8%	45%	66% NWP / (GDP + RI accepted)	
5	Net Commission Ratio	-5%	-6%	10%	22%	10%	0%	-6%	-2%	8%	-2%	-40%	26%	-10%	-12%	-109%	-9%	-6% Net commission / NWP
6	Expense of Management to Gross Direct Premium Ratio	22%																Expenses of management/ GDP
7	Expense of Management to Net Written Premium Ratio	34%																Expenses of management/ NWP
8	Net Incurred Claims to Net Earned Premium	83%																Net Incurred Claims / Net Earned Premium
9	Combined Ratio	105%																((Net Incurred Claims / Net Earned Premium) + ((Net Commission + Operating Expenses)/NWP))
10	Technical Reserves to Net Premium Ratio	2.08																(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNR)/NWP
11	Underwriting balance Ratio	(0.06)	0.11															(0.05) (Underwriting profit/loss) / Net Earned Premium
12	Operating Profit Ratio	10%																(Underwriting profit/loss + Investment income) / Net Earned Premium
13	Liquid Assets to Liabilities Ratio	0.20																Liquid Assets/ Policyholders liabilities
14	Net earnings Ratio	12%																Profit after tax/ Net Earnings Premium
15	Return on Net Worth Ratio	21%																Profit after tax/ Net Worth
16	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.72																
17	NPA Ratio																	
	Gross NPA Ratio																	
	Net NPA Ratio																	

Notes :

Ratios are computed as per definitions laid down by IRDA Master circular dated October 5, 2012 and corrigendum on master circular dated July 3, 2013

1. GDP = Premium from direct business written, NWP = Net written premium

2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure + Debit balance in profit & loss account)

3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business

4. Liquid asset= Short term investments + Cash and bank balances

5. Policyholders' liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency

6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission - Operating expense

Annexure-2b - Equity Holding Pattern

1 (a)	No. of shares	445,055,516
2 (b)	Percentage of shareholding (Indian / Foreign)	74.3% / 25.7%
3 (c)	% of Government holding (in case of public sector insurance companies)	-
4 (a)	Basic and diluted EPS before extraordinary items (net of tax expense) for the year	₹ 11.50 and ₹ 11.38
5 (b)	Basic and diluted EPS after extraordinary items (net of tax expense) for the year	₹ 11.50 and ₹ 11.38
6 (iv)	Book value per share (₹)	53.50

# receipts & payment account



**for the year ended March 31, 2015**

Particulars	March 31, 2015	(₹ in 000's)	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
- Premium received from policyholders, including advance receipt	73,525,871	71,675,899	
- Other receipts (including-environment relief fund & Motor TP Pool and Terrorism Pool)	255,279	242,042	
- Receipt / (payment) from / to re-insurer net of commissions & claims recovery	4,054,329	(2,211,463)	
- Receipt / (payment) from / to co-insurer net of claims recovery	1,045,562	2,694,749	
- Payments of claims (net of salvage)	(56,171,861)	(44,208,778)	
- Payments of commission and brokerage	(3,770,969)	(3,737,725)	
- Payments of other operating expenses	(13,825,363)	(12,718,151)	
- Preliminary and preoperative expenses	—	—	
- Deposits, advances & staff loans (net)	(171,384)	(97,412)	
- Income tax paid (net)	(1,234,124)	(884,592)	
- Service taxes paid	(4,686,212)	(4,805,856)	
	(978,872)	5,948,713	
<b>Net cash from operating activities</b>	<b>(978,872)</b>	<b>5,948,713</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
- Purchase of fixed assets (including capital advances)	(520,662)	(384,452)	
- Proceeds from sale of fixed assets	4,451	(516,211)	1,858
- Purchase of investments	(83,740,452)	(108,635,107)	(382,594)
- Loans disbursed	—	—	
- Sale of investments	78,508,474	98,891,380	
- Repayments received	—	—	
- Rent/interest/dividends received	6,821,058	5,834,993	
- Investments in money market instruments and liquid mutual fund (net)	1,598,936	(2,676,896)	
- Other payments (Interest on IMTPIP)	(962,465)	(85,412)	
- Other payments (Advance payment for purchase of real estate)	—	—	
- Expenses related to investments	(14,365)	(10,080)	
- Other (Deposit received on leasing of premises)	15,919	2,227,105	(6,681,122)
	1,710,894	—	(7,063,716)
<b>Net cash from investing activities</b>	<b>1,710,894</b>	<b>—</b>	<b>(7,063,716)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
- Proceeds from issuance of share capital / application money (including share premium & net of share issue expenses)	121,206	38,512	
- Proceeds from borrowing	—	—	
- Repayments of borrowing	—	—	
- Interest / Dividends paid	(1,056,028)	(934,822)	38,512
<b>Net cash from financing activities</b>	<b>(1,056,028)</b>	<b>(934,822)</b>	<b>38,512</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, net</b>			
Net increase / (decrease) in cash and cash equivalents	(202,800)	(1,076,491)	
Cash and cash equivalents at the beginning of the year	1,619,661	2,696,152	
Cash and cash equivalents at end of the year*	1,416,861	1,619,661	

\*Cash and cash equivalent at the end of the year includes short term deposits of ₹ 590,230 thousand (previous year: ₹ 560,291 thousand), balances with banks in current accounts ₹ 500,429 thousand (previous year: ₹ 650,846 thousand) and cash including cheques and stamps in hand amounting to ₹ 326,202 thousand (previous year: ₹ 408,524 thousand)

As per our attached report of even date

For KHANDELWAL JAIN & CO.  
*Chartered Accountants*  
Firm Regn No.: 105049W

For CHATURVEDI & CO.  
*Chartered Accountants*  
Firm Regn No.: 302137E

NARENDRA JAIN  
*Partner*  
Membership No:048725

S N CHATURVEDI  
*Partner*  
Membership No: 040479

For and on behalf of the Board

CHANDA KOCHHAR  
*Chairperson*

S. MUKHERJI  
*Director*

DILEEP CHOKSI  
*Director*

BHARGAV DASGUPTA  
*Managing Director & CEO*

ALOK KUMAR AGARWAL  
*Executive Director*

GOPAL BALACHANDRAN  
*Chief Financial Officer*

VIKAS MEHRA  
*Company Secretary*

Mumbai, April 24, 2015

# ICICI HOME FINANCE COMPANY LIMITED

## 16TH ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Rajiv Sabharwal, Chairman  
 Maninder Juneja, Vice-Chairman  
 Dileep C. Choksi  
 Subramanian Santhanakrishnan  
 Sankaran Santhanakrishnan (w.e.f Oct 16, 2014)  
 Shilpa Kumar (w.e.f. March 31, 2015)  
 Rohit Salhotra, Managing Director & CEO

Pankaj Jain  
 Chief Financial Officer  
 Pratap Salian  
 Company Secretary

### Auditors

S.R. Batliboi & Co. LLP  
 Chartered Accountants

### Registered & Corporate Office

ICICI Bank Towers  
 Bandra-Kurla Complex  
 Mumbai – 400 051

## directors' report

### to the members

On behalf of the Board of Directors, it is our pleasure to present the 16<sup>th</sup> Annual Report with the Audited Financial Statement of Accounts of ICICI Home Finance Company Limited ("the Company") for the year ended March 31, 2015.

### BUSINESS REVIEW/STATE OF THE COMPANY'S AFFAIRS

#### MARKET OVERVIEW

The mortgage market continues to grow, especially in Tier III & IV cities, driven by primary consumption. This has led to increased focus by most organized lenders into these markets. Absorption and supply in such markets is balanced leading to stable prices.

Our Company continues to focus on these emerging markets, which provide a reasonable growth opportunity. We will continue to invest and build distribution and organisational capabilities and offer mortgage related products and services in these markets.

#### FINANCIAL HIGHLIGHTS

The financial performance for FY 2015 is summarized in the following table:

	₹ in million	FY 2014	FY 2015
Total Income	9,877.3	9,357.2	
Profit before tax	2,956.8	3,110.0	
Provision for tax	981.1	881.8	
Profit after tax	1,975.7	2,228.2	

The profit before tax for the year ended March 31, 2015 is ₹ 2,956.8 million (previous year ₹ 3,110.0 million) after general provision on standard assets and provision, write off against non performing asset of ₹ 62.4 million (previous year ₹ 39.4 million), and operating expenses of ₹ 6,941.6 million (previous year ₹ 6,264.3 million), which includes finance charges ₹ 5,743.0 million (previous year ₹ 5,288.3 million).

The profit after tax for the year ended March 31, 2015 is ₹ 1,975.7 million (previous year ₹ 2,228.2 million). The profit available for appropriation is ₹ 2,349.5 million (previous year ₹ 2,596.9 million), after taking into account profit brought forward from previous year of ₹ 373.8 million (previous year ₹ 368.3 million).

#### DIVIDENDS

The Company has paid the interim dividend of 2.75% in the month of June 2014, 2.75% in September 2014, 3.25% in December 2014 and 3.55% in March 2015. The profit appropriations including the interim dividend and proposed final dividend is summarized below:

	₹ in million	FY 2014	FY 2015
Special Reserve created and maintained in terms of Section 29 C of National Housing Bank Act, 1987	396.0	446.0	
General Reserve	—	112.0	
Dividend			
- Preference Shares (including tax)	—	—	
- Equity Shares (Interim- including tax)	1,469.0	1,606.9	
- Proposed final dividend @ 0.85% on equity share capital (previous year 0.45%) including tax	95.5	57.8	
Utilised for DTL creations	373.8	—	
Retained Earning	15.2	373.8	
<b>Total</b>	<b>2,349.5</b>	<b>2,596.9</b>	

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company from the end of the financial year 2015 and the date of the report.

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

##### PUBLIC DEPOSITS

As required by National Housing Bank, the details of public deposits unclaimed as at March 31, 2015, are given below :-

- i. The total number of accounts of public deposit of the housing finance company which have not been claimed by the depositors after the date on which the deposit became due for re-payment : 1,942
- ii. The total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid : ₹ 223.9 million

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

In addition, the Company has raised deposits worth ₹ 1,401.9 million during FY2015. The Company's Fixed Deposits have received the highest credit ratings of "MAAA" by ICRA and "CARE AAA (FD)" by CARE.

#### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. June 27, 2014) with the Ministry of Corporate Affairs.

The matured deposits with the Company which were unclaimed for more than 7 years from the date of maturity of ₹ 0.3 million have been transferred to IEPF as required by the Companies Act, 2013.

#### DISCLOSURE UNDER HOUSING FINANCE COMPANIES ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014

- i. The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption - Nil
- ii. The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date of such debentures become due for redemption : Nil

#### DETAILS OF DEBENTURE TRUSTEES

As per SEBI circular no. CIR/IMD/DIF/18/2013 dated October 29, 2013 (As per amended Debt Listing Agreement), the details of Debenture Trustees are as under :

Name: IDBI Trusteeship Services Limited

Contact details – Asian Building, Ground Floor, 17, R, Kamani Marg, Ballard Estate, and Mumbai-400-001. Tel No. 022-40807008

#### OPERATIONAL REVIEW

We have in the course of the year achieved reasonable traction in retail mortgages and construction finance business. Supported by a strong growth of 73% in retail mortgages business, the loan assets of the Company grew to ₹ 77,074.4 million during the year. The Property Services and Mortgage valuation groups have sustained their growth momentum, contributing 19% of the total operating income of the Company. The Company continues to stay committed and focused on partnering the developers and end consumers at all stages of the Real Estate Value chain.

#### ANNUAL RETURN

An extract of the annual return as required under Section 92 (3) of the Companies Act, 2013 in Form No. MGT-9 is attached as Annexure 1.

#### CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The particulars of contracts or arrangement with related parties pursuant to Section 188 (1) of the Companies Act, 2013 along with the justification entering into the contracts or arrangements is given in Annexure 2.

#### DETAILS OF BOARD MEETINGS

During the year, 5 number of Board meetings were held, details of which are given below:

	Number of Board Meetings Held	Number of Board Meetings Attended
Rajiv Sabharwal	5	5
Maninder Juneja	5	4
Rohit Salhotra	5	5
S. Santhanakrishnan	5	5
Dileep Choksi	5	5
CA S. Santhanakrishnan	2*	2
Shilpa Kumar	0*	0

\* Post their appointment

# directors' report



Note: Company had 5 directors till October 15, 2014. The Board has appointed CA S. Santhanakrishnan and Shilpa Kumar as additional directors of the Company effective October 16, 2014 and March 31, 2015 respectively.

S. Santhanakrishnan, Dileep Choksi and CA. S. Santhanakrishnan are independent Directors on the Board of the Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Act and the Rules made thereunder about their status as independent directors of the Company. Independent directors are not liable to retire by rotation and terms of appointment of independent directors will be governed by the provisions of the Companies Act, 2013.

## COMMITTEES OF BOARD

The details of composition of the Committees of the Board of Directors and meetings held are as under:-

### a. Audit and Risk Management Committee

Sl.No.	Name	Chairman/ Members
1	Dileep Choksi	Chairman
2	S. Santhanakrishnan	Member
3	Maninder Juneja	Member

During the year, 4 meetings of the Committee were held on April 21, 2014, July 25, 2014, October 21, 2014 and January 23, 2015.

### b. Nomination & Remuneration Committee

Sl.No.	Name	Chairman/ Members
1	Dileep Choksi	Chairman
2	S. Santhanakrishnan	Member
3	Maninder Juneja	Member

During the year, 2 meetings of the Committee were held on July 25, 2014 and March 31, 2015.

### c. Corporate Social Responsibility Committee

Sl.No.	Name	Chairman/ Members
1	Maninder Juneja	Chairman
2	Dileep Choksi	Member
3	S. Santhanakrishnan	Member

During the year, 2 meetings of the Committee were held on October 21, 2014 and January 23, 2015.

### d. Stakeholders Relationship Committee

Sl.No.	Name	Chairman/ Members
1	Maninder Juneja	Chairman
2	CA S. Santhanakrishnan	Member
3	Rohit Salhotra	Member

The Committee was constituted on January 23, 2015 and the Committee had not met during the financial year 2015.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, pursuant Section 149 and other applicable provisions of the Companies Act, 2013 and Rules thereunder, S. Santhanakrishnan and Dileep Choksi have been appointed as independent directors for a consecutive period of 5 years.

Pursuant Section 161 of the Companies Act, 2013, the Board has appointed CA S. Santhanakrishnan as an additional independent director of the Company effective October 16, 2014. He will hold office up to the date of AGM and being eligible offered himself for re-appointment. Pursuant to Section 149 and applicable provisions of the Companies Act, 2013 the Board has recommended his appointment as an independent director of the Company for consecutive period of 5 years. i.e. up to October 15, 2019.

The Company has received notices along with required deposit under Section 160 of the Companies Act, 2013 from a member, signifying his intention to propose the candidature of CA S. Santhanakrishnan for his appointment as director on the Board at the ensuing AGM.

Pursuant to the powers conferred under article 129 of the articles of association of Company ICICI Bank has nominated Shilpa Kumar as director of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Board of directors in its meeting held on March 31, 2015 has appointed Shilpa Kumar as an additional director of the Company. She will hold office of director up to the ensuing AGM and being eligible she offers herself for re-appointment as director of the Company.

The Company has received notices along with required deposit under Section 160 of the Companies Act, 2013 from a member, signifying his intention to propose the candidature of Shilpa Kumar for her appointment as director on the Board at the ensuing AGM.

Maninder Juneja, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year, Rohit Salhotra (Managing Director & Chief Executive Officer), Pankaj Jain (Chief Financial Officer) and Pratap Salaria (Company Secretary) were appointed as Key Management Personnel.

## APPOINTMENT AND REMUNERATION POLICY FOR DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Board in its meeting held on March 31, 2015 has adopted criteria for appointment of director. The Board while appointing director considers the areas of expertise as required to be possessed by a director under the Companies Act, 2013 and the due diligence checks to confirm the fit and proper status would be considered while evaluating candidates to fill vacancies caused in the position of wholename directors. The fundamental core attributes which may be considered for the position of an executive director would be proven

leadership capability, ability to successfully manage diverse stakeholder relationships and ability to devise and drive the business strategy of the Company with focus on productivity and risk management.

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

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

Remuneration for the non-executive/independent directors includes Fee for attending each meeting of Committee/Board or for any other purpose whatsoever as may be approved by the Board from time to time within the limits as provided under Companies Act, 2013.

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

The Company is a 100% subsidiary of ICICI Bank. Currently, all employees of the Company are on deputation from ICICI Bank and the compensation policy of the Bank to the extent applicable would be applicable to the Company.

## BOARD EVALUATION

The Company has adopted framework for annual evaluation of the Board and individual directors as per the provisions of the Companies Act, 2013. In terms of the framework adopted by the Company the Board members would evaluate the performance of the Board and individual directors, excluding the director being evaluated. The separate meeting of independent directors without the attendance of non-independent directors and the management team was held during the year as per the provisions of Schedule IV of the Companies Act, 2013.

## VIGIL MECHANISM

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

The purpose of the Whistleblower Policy is to enable a person who observes an unethical practice (whether or not a violation of law) to approach an Audit Committee without necessarily informing his supervisors and without revealing his identity, if he chooses to do so. The Policy governs reporting and investigation of allegations of suspected improper activities.

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Detailed report on CSR Activities/ Initiatives is enclosed as **Annexure 3**.

## RISK MANAGEMENT:

The Company is exposed to various kinds of risks viz. credit risk, market risk and operational risk arising out of business operations which include mortgage lending, liability management etc. In order to mitigate these risks a broad risk management framework approved by the Board and under the supervision of Audit and Risk Management Committee (ARMC) of the Company is in place, with an objective to ensure that the Company has in place policies and procedures to manage the above mentioned risks. The Board of the Company exercise oversight over the risk management framework applicable to company. The Company ensures that appropriate reporting systems are laid down to facilitate reporting pertaining to key risks to the Board of Directors/ Board Committees /the senior management.

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

Market risk of the treasury investments of ICICI HFC is governed by the Investment Policy. The Investment Policy has established limits for various risk metrics, which help to control the market risk. It describes investment functions, incorporating various limits approved for investment, in line with regulations of National Housing Bank (NHB) Act, 1987 & Housing Finance Company (HFC) Directions, 2001.

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

The Operational Risk Management function identifies operational risks in various products as well as processes and monitors the operational losses incurred by the Company. The operations of the Company are periodically subjected to Internal Audit, as per the annual risk based audit plan duly approved by the Audit & Risk Management Committee, to ensure that the business operations of the Company are being undertaken as per the Board approved policies and risk management framework.

# directors' report

The Board is satisfied with the overall risk management framework and regular monitoring of all major risk areas within the Company.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The policies approved by the Board of Directors form the governing framework for Internal Financial Control. Business activities are undertaken within these frameworks which are further detailed in process notes (PAC).

Independent support groups such as Compliance and Policy and Risk have been constituted to facilitate independent evaluation, monitoring and reporting of controls as defined in these Policy and Process notes. Additionally, there is an internal audit function whose scope and authority is defined in the Group Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit and Risk Management Committee (ARMC) of the Board. Risk based audit plan is approved by the ARMC on an annual basis. The Internal Audit function monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Key audit findings and corrective actions thereon are presented to the ARMC of the Board.

These policies and processes, in addition to multiple checks and balances in form of processes followed on ground, Internal Audits and Statutory Audit, forms the cornerstone of ensuring a true and fair view of Company's financial statements & information reporting that is financial in nature.

## STATUTORY AUDITOR

Pursuant to Section 139 of the Companies Act, 2013 and Companies (audit and auditors) Rules 2014 shareholders of the Company at the Annual General Meeting held on June 27, 2014, has appointed M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for a period of 3 years subject to ratification of their appointment at every Annual General Meeting. The auditors have indicated their willingness to get their appointments ratified by the members. Accordingly, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to schedules is enclosed to this report.

## SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Alwyn Jay & Co, a firm of Practicing Company Secretaries has been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure 4 to this report.

## ADDITIONAL INFORMATION

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

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used was ₹ nil (previous year ₹ 1.3 million) and the total foreign exchange earned was ₹ nil (previous year ₹ nil).

## CHANGE OF NATURE OF BUSINESS

There have been no changes in the nature of the business of the Company during the year under review.

## SUBSIDIARIES

The Company does not have any existing subsidiary and no new subsidiaries were formed during the year under review.

## SIGNIFICANT AND MATERIAL ORDERS

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

## PERSONNEL

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

## DECLARATION

No director of the Company has received commission from the Company including holding and subsidiary Company

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015 and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

The Directors thank National Housing Bank, other statutory authorities and its bankers and lenders for their continued support to the Company.

The Directors express their gratitude for the support and guidance received from the Company's shareholder, ICICI Bank Limited and other group Companies and also express their warm appreciation to all the employees of the Company for their commendable teamwork, professionalism and contribution during the year.

The directors extend their sincere thanks to the clients of the Company for their continued support.

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

RAJIV SABHARWAL  
Chairman

Date : Mumbai  
Place : May 28, 2015

# directors' report



Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015 OF  
ICICI HOME FINANCE COMPANY LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN - U65922MH1999PLC120106
- ii) Registration Date – 28/05/1999
- iii) Name of the Company – ICICI Home Finance Company Limited
- iv) Category / Sub-Category of the Company – Company Having Share Capital
- v) Address of the Registered Office and contact details  
ICICI Home Finance Company Limited, Registered office ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400051, India. Tel : 022-4009 3480, 022-4009 3408
- vi) Whether listed Company -- Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA),  
3i infotech Ltd, Tower #5, 3rd to 6 Floor, International infotech Park, Vashi, Navi Mumbai-400703. Tel: 022-6792 8000

## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>								
(1) Indian								
(a) Individuals/HUF	—	—	—	—	—	—	—	—
(b) Central Govt	—	—	—	—	—	—	—	—
(c) State Govt	—	—	—	—	—	—	—	—
(d) Bodies Corp.*	700	400	1,100	0.00%	700	400	1,100	0.00%
(e) Banks / FI	1,098,748,900	—	1,098,748,900	100.00%	1,098,748,900	—	1,098,748,900	100.00%
(i) Any Other .	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1):-</b>	<b>1,098,749,600</b>	<b>400</b>	<b>1,098,750,000</b>	<b>100.00%</b>	<b>1,098,749,600</b>	<b>400</b>	<b>1,098,750,000</b>	<b>100.00%</b>
(2) Foreign								
(a) NRIs - Individuals	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—
(e) Any Other....	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>								
<b>B. Public Shareholding</b>								
1. Institutions								
(a) Mutual Funds	—	—	—	—	—	—	—	—
(b) Banks / FI	—	—	—	—	—	—	—	—
(c) Central Govt	—	—	—	—	—	—	—	—
(d) State Govt(s)	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—
(g) FII's	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—
(i) Others (specify)	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
2. Non-Institutions								
(a) Bodies Corp.	—	—	—	—	—	—	—	—
(i) Indian	—	—	—	—	—	—	—	—
(ii) Overseas	—	—	—	—	—	—	—	—
(b) Individuals	—	—	—	—	—	—	—	—
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	—	—	—	—	—	—	—	—
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	—	—	—	—	—	—	—	—
(c) Others (specify)	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>								
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>								
<b>Grand Total (A+B+C)</b>	<b>1,098,749,600</b>	<b>400</b>	<b>1,098,750,000</b>	<b>100%</b>	<b>1,098,749,600</b>	<b>400</b>	<b>1,098,750,000</b>	<b>100%</b>

\*Beneficial interest on the above shares are held by the Promoter, ICICI Bank Limited

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Interest income on Loans (Including Retails loan & Corporates loan )	—	87%
2.	Fee Income (Including Mortgage valuation Services , Property Services and processing fees on loan)	—	10%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% Of Shares Held	Applicable Section
1.	ICICI Bank Limited	L65190GJ1994 PLC021012	Holding Company	100%	

# directors' report

Annexure 1

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares
1.	ICICI Bank Limited	1,098,748,900	100%	—	1,098,748,900	100%	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1,098,748,900	100%	1,098,748,900	100%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	1,098,748,900	100%	1,098,748,900	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	ICICI Securities Limited	600	0.00%	600	0.00%
2	ICICI Lombard General Insurance Company Limited	100	0.00%	100	0.00%
3	ICICI Investment Management Company Limited	100	0.00%	100	0.00%
4	ICICI Trusteeship Services Limited	100	0.00%	100	0.00%
5	ICICI Venture Funds Management Company Limited	100	0.00%	100	0.00%
6	ICICI Securities Primary Dealership Limited	100	0.00%	100	0.00%

\*Beneficial interest on the above shares are held by the Promoter, ICICI Bank Limited

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	—	—	—	—
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	—	—	—	—

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In millions)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,800.0	40,565.7	3,616.5	52,982.2
ii) Interest due but not paid	248.0	565.6	499.9	1,313.5
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>9,048.0</b>	<b>41,131.3</b>	<b>4,116.4</b>	<b>54,295.7</b>
Change in Indebtedness during the financial year				
• Addition	9,955.0	25,800.0	1,958.0	37,713.0
• Reduction	—	(25,142.4)	(2,733.4)	(27,875.7)
Net Change	9,955.0	657.6	(775.4)	9,837.3
Indebtedness at the end of the financial year				
i) Principal Amount	18,755.0	41,223.4	2,841.1	62,819.5
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	536.6	516.4	341.4	1,394.4
<b>Total (i+ii+iii)</b>	<b>19,291.6</b>	<b>41,739.8</b>	<b>3,182.5</b>	<b>64,213.9</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name MD/WTD/Manager	Total Amount	
			Rohit Salhotra	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 : (i) Salary and Allowances for Fiscal 15 * (ii) Bonus Paid in Fiscal 15 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 : (c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 :		6,312,420 1,831,680	6,312,420 1,831,680
2.	Perquisite on Employee Stock Option exercised in Fiscal 2015 , w.r.t Options granted upto 10 years prior to date of exercise		422,872	422,872
3.	Sweat Equity		—	—
4.	Commission - as % of profit - others, specify...		— —	— —
5.	Others ( HRA)		1,663,800	1,663,800
	Total (1a(i) + a(ii) + b) + (5) Total Remuneration paid in Fiscal 15 (excludes Perquisites on Stock Options exercised in Fiscal 15 as mentioned in (2))		10,205,905	10,205,905
	Ceiling as per the Act			

\* Please note that Salary and Allowances is net of HRA exemption claimed under Sec.10(13A) of Income Tax Act, 1961, which is reported under the head 'others'.

# directors' report



Annexure 1

B. Remuneration to other directors:

(₹ In millions)

Particulars of Remuneration	Name of Directors						
	Sankaran Santhanakrishnan	Dileep Choksi	Subramaniam Santhanakrishnan	Maninder Singh	Rajiv Sabharwal	Shilpa Kumar	Total Amount
1. Independent Directors							
• Fee for attending board / Committee meetings	0.2	0.7	0.7	—	—	—	1.6
• Commission	—	—	—	—	—	—	—
• Others, please specify	—	—	—	—	—	—	—
<b>Total (1)</b>	<b>0.2</b>	<b>0.7</b>	<b>0.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1.6</b>
Other Non-Executive Directors							
• Fee for attending board / committee meetings	—	—	—	—	—	—	—
• Commission	—	—	—	—	—	—	—
• Others, please specify	—	—	—	—	—	—	—
<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total (B)=(1+2)</b>	<b>0.2</b>	<b>0.7</b>	<b>0.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1.6</b>
<b>Total Managerial Remuneration</b>	<b>0.2</b>	<b>0.7</b>	<b>0.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1.6</b>
Overall Ceiling as per the Act							

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:

Sl. No.	Key Managerial Personal		
	Pankaj Jain (CFO)	Pratap Salian (CS)	Total
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 :			
(i) Salary and Allowances for Fiscal 15	4,281,783	1,478,698	5,760,481
(ii) Bonus Paid in Fiscal 15	1,393,920	172,242	1,566,162
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 :	557,556	31,752	589,308
(c) Profits in lieu of salary under section 17(3) of the income tax Act, 1961 :	—	—	—
2. Perquisites on Employee Stock Option exercised in Fiscal 2015, w.r.t Options granted upto 1 0 years prior to date of exercise	3,358,010	—	3,358,010
3. Sweat Equity	—	—	—
4. Commission			
- as % of profit	—	—	—
- others, specify...	—	—	—
5. Others ( HRA & LTA )	868,472	91,486	959,958
<b>Total (1a) + a(ii) + b) + (5)</b>	<b>7,101,731</b>	<b>1,774,178</b>	<b>8,875,909</b>
Total Remuneration paid in Fiscal 15 (excludes Perquisites on Stock Options exercised in Fiscal 15 as mentioned in (2))			

\* Please note that Salary and Allowances is net of HRA and LTA exemption claimed under Sec.10(13A) and Sec. 10(5) of Income Tax Act, 1961 respectively, which is reported under the head 'others'.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding Fees Imposed	Authority [RD/ NCLT/COURT]	Appeal Made, if Any (Give Details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

Annexure 2

Related party transactions

The details of material related party transactions at arm's length principles for the year ended March 31, 2015 on an aggregate basis is given below:

Sr. No.	Nature of Contracts/ Transactions	Name of the Related Party	Nature of Relationship	Duration of Contracts	Salient terms of Contracts/ Transactions	₹ in million
1	Income towards service provider arrangements	ICICI Bank Limited	Holding Company	20 years	Verification and valuation services of the borrowers' properties	613.5
2	Interest expenses	ICICI Bank Limited	Holding Company	—	Interest on borrowings availed at applicable rates	942.5

Sd/-  
ROHIT SALHOTRA  
Managing Director & CEO

# directors' report

## Annexure 3

### REPORT ON CSR ACTIVITIES/ INITIATIVES

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

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

The CSR Policy of the Company sets the framework guiding the Companies CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The Company CSR activities are largely focused in the areas of education, health, skill development and financial inclusion and other activities as the Company may choose to select in fulfilling its CSR objectives.

The CSR policy was approved by the Committee in October 2014, and subsequently was put up on the Company website. Web-link to the Company CSR policy:

[http://www.icicihfc.com/pdf/CSR\\_policy\\_hfc.pdf](http://www.icicihfc.com/pdf/CSR_policy_hfc.pdf)

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

The Companies CSR Committee comprises two independent directors, and the vice chairman of the Company, and is chaired by a non executive director. The composition of the Committee is set out below:

Sl. No.	Name	Chairman/ Members
1	Maninder Juneja	Chairman
2	Dileep Choksi	Member
3	S. Santhanakrishnan	Member

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

**3. Average net profit of the Company for last three financial years**

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 3,223.4 million.

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

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 64.5 million.

**5. Details of CSR spent during the financial year**

- (a) Total amount to be spent for the financial year;  
Total amount spent towards CSR during FY2015 was ₹ 64.5 million.
- (b) Amount unspent , if any;  
Amount unspent was ₹ nil.
- (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No	CSR Project/	Sector in which the Project is Covered	Projects/Programmes 1.Local area/others- 2.Specify the state /district (Name of the District/s, State/s where Project/ Programme was Undertaken	Amount Outlay (Budget) Project/ Programme wise	Amount Spent on the Project/ Programme Sub-heads: 1.Direct Expenditure on Project/Programme, 2.Overheads:	Cumulative Spend upto to the Reporting Period	Amount Spent: Direct/ Through Implementing Agency
1.	Activity Identified Projects of ICICI Foundation for Inclusive Growth	Skill development & sustainable livelihoods; elementary education & healthcare	<ul style="list-style-type: none"> <li>• Ten fully operational skill development centers opened. Centers located in Jaipur, Kolhapur, Coimbatore, Patna, Hyderabad, Chennai, Bangalore, Pune, Guwahati and Durg.</li> <li>• Elementary education projects in Rajasthan and Chhattisgarh.</li> <li>• Healthcare programmes in Puri (Odisha), Mehsana (Gujarat), Baran (Rajasthan) and Pune (Maharashtra).</li> </ul>	₹ 64.5 millions	₹ 64.5 millions	₹ 64.5 millions	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR.

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

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

Sd/-  
Rohit Salhotra  
Managing Director & CEO

Sd/  
Maninder Juneja  
CSR Committee Chairman

# directors' report



Annexure 4

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
ICICI Home Finance Company Limited

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

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance to express our opinion thereon.

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained, by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including their amendments:-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client).

- (vi) National Housing Bank Act, 1987; and
- (vii) Directions, guidelines, circulars and notifications issued by the National Housing Bank.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange, with respect to the Company's listing of Non-Convertible Debentures; and
- (iii) General legal regulations including labour law, as applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above, subject to the following observations:

- There are litigations pending against the Company, outcome of which is not material given the nature of the litigation and the business of the Company; and
- The National Housing Bank has made observations in its annual inspection report, pertaining procedure followed by the Company. The Company has been adequately addressing the observations made by the National Housing Bank.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

The Board decisions are recorded without recording any dissent by any member of the Board, and based on the Minutes there is no reason to believe that the Board resolutions were dissented upon by any Board member(s)].

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has

- (i) Amended its Memorandum of Association to comply with the NHB directions;
- (ii) Obtained shareholders' approval for increasing of the borrowing powers; and
- (iii) Issued 19,910 Non-Convertible Debentures of INR 995,50,00,000/- on private placement basis.

Place: Mumbai

Date: 21 April, 2015

ALWYN JAY & CO.,

Company Secretaries

Office Address:

Annex-103, Dimple Arcade  
Asha Nagar, Kandivali East  
Mumbai-400101.

(Ronald D'Mello; FCS 3818)

Partner

Certificate of Practice No.:14353

# directors' report

## Annexure 5

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

Sl. No.	Name	Designation / Nature of Duties	Gross Remuneration (Without ESOP) Received [ ₹ ]	Qualification	Experience in years	Age in years	Date of Commencement of Employment	Last Employment held
1	2	3	4	5	6	7	8	9
1	Rohit Salhotra	MD/CEO	11,262,339	PGDM, BE	26	49	November 21, 2006	ICICI Bank
2	Pankaj Jain	CFO	8,025,582	BTECH, MMS	20	44	October 03, 2000	ICICI Bank
3	Sunir Ramchandani	JGM	7,949,822	BE,MBA	17	40	June 18, 2001	ICICI Bank

Notes:

- 1 All appointments are / were non-contractual.
- 2 Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis.
- 3 None of the above employees is related to any Director of the Company.

## Annexure 5 A

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

The ratio of remuneration of the MD & CEO to the median remuneration of employees is around 17:1.

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary ranges from 7% to 9%.

- (iii) The percentage increase in the median remuneration of employees in the financial year;

The median remuneration of employees in the financial year has not increased.

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

The number of employees on permanent rolls of the Company is 527.

- (v) The explanation on the relationship between average increase in remuneration and Company performance;

The Company follows prudent remuneration practices and its approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance.

The Company has a judicious and prudent approach to compensation and does not use compensation as the sole lever to attract and retain employees. Employee compensation takes into account a mix of external market pay and internal equity. The total compensation is a prudent mix of fixed pay and variable pay. The proportion of variable pay to total compensation is higher at senior levels and lower at junior levels.

The increase in remuneration is a function of factors outlined above. The performance of the Company has bearing on the quantum of variable pay declared for employees across levels.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

For the FY2015, the KMPs were paid around 0.88% of the Profit After Tax.

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

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY2015 is around 10%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 7% to 9%. This increment is in line with the factors outlined in point (v) above.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

The ratio of the remuneration of each KMP to the PAT of the Company is given below:

MD & CEO	0.47%
Chief Financial Officer	0.33%
Company Secretary	0.09 %

- (x) The key parameters for any variable component of remuneration availed by the directors;

The Company's compensation policy and practices are similar to that of ICICI Bank, its parent Company. The KPIs of the MD & CEO are fixed at the start of the year. These KPIs, in addition to financial parameters, include non-financial parameters. At the end of financial year, the performance of the Company as well as performance of the MD & CEO based on his KPI (including those pertaining to compliance and risk) is evaluated, along with the performance of the Company. The variable portion of the compensation is decided based on the performance of both the Company and the Bank, as well as the individual performance of the MD & CEO.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Not applicable

- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company.

Yes

# independent auditor's report



to the members of ICICI Home Finance Company Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Home Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(6) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

## EMPHASIS OF MATTER

We draw attention to Note 4(b) to the financial statements which, describes the accounting treatment relating to creation of Deferred Tax Liability on Special Reserve created as per Section 29C of NHB Act, 1987 and claimed as deduction under section 36(1) (viii) of the Income Tax Act, 1961 as at 31st March 2014, pursuant to NHB circular NHB (ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014.

Our opinion is not qualified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO, LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Viren H. Mehta  
Partner  
Membership Number: 48749

Place of Signature: Mumbai  
Date: April 21, 2015

# annexure to the auditor's report

**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In respect of deposits accepted from public, in the opinion of the management of the Company, since the Company is a housing finance company, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, are not applicable to the Company. Further, in our opinion and according to the information and explanations given to us, provisions of The Housing Finance Companies (NHB) Directions, 2010, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, wealth-tax, sales tax, professional tax, value added tax, labour welfare fund, employees' state insurance, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been delays in a few cases pertaining to, service tax and tax deducted at source which are not serious in nature. As informed, provisions of custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, professional tax, value added tax, labour welfare fund, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions of, custom duty and excise duty are currently not applicable to the Company.

- (c) According to the records of the Company, amounts of income-tax and service tax dues disputed by the Company, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demands raised against the Company	62,201,098	FY 2004-05	Bombay High Court/ Assistant Commissioner of Income Tax, Mumbai
		34,458,417	FY 2006-07	Assistant Commissioner of Income Tax, Mumbai/ Commissioner of Income Tax Appeals Mumbai
		27,442,423	FY 2007-08	Assistant Commissioner of Income Tax, Mumbai
		76,150,948	FY 2008-09	Income Tax Appellate Tribunal, Mumbai
		114,806,650	FY 2010-11	Commissioner of Income Tax Appeals
		208,158,725	FY 2011-12	Assistant Commissioner of Income Tax, Mumbai
Finance Act 1994	Service tax demand raised against the Company	715,590	FY 2006-07 to 2009-10	Commissioner of Central Excise (Appeals), Mumbai

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) We have been informed that during the year under audit few borrowers of the Company have made fraudulent representations at the time of borrowing and consequently such loans amounting to Rs. 5,100,391 have become doubtful of recovery and the same have been fully provided for by the Company.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Viren H. Mehta  
Partner  
Membership Number: 48749

Place of Signature: Mumbai  
Date: April 21, 2015

# balance sheet

# profit and loss account

as on March 31, 2015

for the year ended March 31, 2015

Particulars	Note	(₹ in millions)		Particulars	Note	(₹ in millions)	
		March 31, 2015	March 31, 2014			March 31, 2015	March 31, 2014
<b>I EQUITY AND LIABILITIES</b>				<b>I Revenue from operations</b>	19	<b>9,841.4</b>	<b>9,230.3</b>
(1) Shareholders' funds:				II Other income	20	<b>35.9</b>	<b>126.9</b>
(a) Share capital	3	<b>10,987.5</b>	<b>10,987.5</b>	III Total revenue(I+II)		<b>9,877.3</b>	<b>9,357.2</b>
(b) Reserves and surplus	4	<b>3,929.1</b>	<b>4,221.8</b>				
		<b>14,916.6</b>	<b>15,209.3</b>	<b>IV Expenses:</b>			
(2) Non-current liabilities				Finance cost	21	<b>5,743.0</b>	<b>5,288.3</b>
(a) Long term borrowings	5	<b>39,707.3</b>	<b>39,956.3</b>	Employee benefit expense	22	<b>387.6</b>	<b>347.5</b>
(b) Deferred tax liabilities (Net)	13	<b>262.8</b>	—	Depreciation and amortization expense	11	<b>22.4</b>	<b>18.5</b>
(c) Other long term liabilities	6	<b>51.9</b>	<b>180.6</b>	Establishment and other expenses	23	<b>726.2</b>	<b>570.6</b>
(d) Long term provisions	7	<b>1,509.4</b>	<b>1,471.1</b>	Provision / write offs (Net)	24	<b>62.4</b>	<b>39.4</b>
		<b>41,531.4</b>	<b>41,608.0</b>	Less : Expenses recovered	23	<b>21.1</b>	<b>17.1</b>
(3) Current liabilities						<b>6,920.5</b>	<b>6,247.2</b>
(a) Short term borrowings	8	<b>7,783.2</b>	<b>4,645.0</b>				
(b) Trade payables	9	<b>192.2</b>	<b>237.1</b>				
(c) Other current liabilities	10	<b>18,299.3</b>	<b>10,339.9</b>			<b>6,941.6</b>	<b>6,264.3</b>
(d) Short term provisions	7	<b>268.6</b>	<b>536.1</b>				
		<b>26,543.3</b>	<b>15,758.1</b>				
		<b>82,991.3</b>	<b>72,575.4</b>				
<b>II ASSETS</b>				<b>V Profit before exceptional and extraordinary items and Tax(III-IV)</b>		<b>2,956.8</b>	<b>3,110.0</b>
(1) Non-current assets				<b>VI Exceptional items</b>		—	—
(a) Fixed assets	11			<b>VII Profit before extraordinary items and tax(V-VI)</b>		<b>2,956.8</b>	<b>3,110.0</b>
(i) Tangible assets		<b>583.5</b>	<b>589.7</b>	<b>VIII Extraordinary items</b>		—	—
(ii) Intangible assets		<b>2.4</b>	<b>3.0</b>	<b>IX Profit before tax(VII-VIII)</b>		<b>2,956.8</b>	<b>3,110.0</b>
(iii) Capital work in progress		<b>11.0</b>	<b>12.8</b>	<b>X Tax expense:</b>			
		<b>596.9</b>	<b>605.5</b>	Current tax		<b>911.0</b>	<b>920.0</b>
(b) Non-current investments	12	<b>1,984.3</b>	<b>2,108.0</b>	Provision for tax of earlier years (Net)		—	—
(c) Deferred tax asset (Net)	13	—	<b>511.1</b>	Deferred tax		<b>70.1</b>	<b>(38.2)</b>
(d) Long term loans and advances	14	<b>68,896.6</b>	<b>59,687.2</b>	<b>XI Profit for the year from continuing operations (IX-X)</b>		<b>1,975.7</b>	<b>2,228.2</b>
(e) Other non-current assets	16	<b>200.0</b>	<b>5.9</b>	<b>XII Earnings per equity share:</b>	25		
		<b>71,080.9</b>	<b>62,312.2</b>	(1) Basic (₹)		<b>1.80</b>	<b>2.03</b>
<b>(2) Current assets</b>				(2) Diluted (₹)		<b>1.80</b>	<b>2.03</b>
(a) Current investments	18	—	—	<b>Summary of significant accounting policies</b>	2.1		
(b) Trade receivables	15	<b>103.0</b>	<b>100.7</b>	The accompanying notes are an integral part of the financial statements			
(c) Cash and bank balances	17	<b>2,052.6</b>	<b>1,943.7</b>				
(d) Short term loans & advances	14	<b>8,562.1</b>	<b>7,081.6</b>				
(e) Other current assets	16	<b>595.8</b>	<b>531.7</b>				
		<b>11,313.5</b>	<b>9,657.7</b>				
		<b>82,991.3</b>	<b>72,575.4</b>				
<b>Summary of significant accounting policies</b>	2.1						
<b>The accompanying notes are an integral part of the financial statements</b>							

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
Firm Registration No.: 301003E  
Chartered Accountants

per VIREN H MEHTA  
Partner  
Membership No.:48749

Place: Mumbai  
Dated: April 21, 2015

For and on behalf of the Board

RAJIV SABHARWAL  
Chairman

ROHIT SALHOTRA  
Managing Director & CEO

MANINDER JUNEJA  
Vice Chairman

PANKAJ JAIN  
Chief Financial Officer

PRATAP SALIAN  
Company Secretary

# cash flow statement

for the year ended March 31, 2015

Particulars	March 31, 2015	(₹ in millions) March 31, 2014
<b>A Cash flow from operating activities :</b>		
Profit before taxation and exceptional items	2,956.8	3,110.0
Adjustments for:		
Depreciation / amortisation (net of write back)	22.4	18.5
Amortisation of premium on investments	4.2	7.7
Provision for gratuity and other staff benefits	(3.4)	2.1
Provision / ( write back ) against standard assets	53.2	(52.8)
Loss on sale of fixed assets/written off	0.3	2.8
Provision for contingencies and others	9.2	92.2
Profit on sale of long term investments	(7.4)	(7.3)
Interest received	(168.3)	(158.5)
Dividend income	(83.2)	(209.6)
Gain on sale of Current investments	(36.0)	(8.1)
Operating profit before working capital changes	2,747.8	2,797.0
Adjustments for increase or decrease in :		
Trade receivables	(2.4)	42.1
Other receivables	(61.0)	110.8
Trade payables	(44.9)	54.2
Other liabilities	(43.5)	(333.8)
Provisions	(19.4)	(13.3)
Loans given (net movement)	(10,598.4)	(1,322.4)
<b>Cash generated from Operations</b>	<b>(8,021.8)</b>	<b>1,334.6</b>
Income taxes paid	(999.5)	(615.0)
<b>Net cash from operating activities - A</b>	<b>(9,021.3)</b>	<b>719.6</b>
<b>B Cash Flow from investing activities :</b>		
Purchase of fixed assets (including capital work in progress)	(14.1)	(18.0)
Purchase of investments	(915.0)	(83.4)
Proceeds from sale of investment	1,034.6	1,036.7
Profit on sale of GOI securities	7.4	7.3
Net proceeds from sale of mutual fund units	36.0	8.1
Dividend income	83.2	209.6
Interest received	168.3	158.5
Fixed deposits placed with the banks	-	(500.0)
<b>Net cash from investing activities - B</b>	<b>400.4</b>	<b>818.8</b>
<b>C Cash flow from financing activities :</b>		
Dividend and dividend tax paid	(1,833.4)	(1,330.5)
Proceeds from borrowings (Net)	10,763.4	(102.4)
<b>Net cash used in financing activities - C</b>	<b>8,930.0</b>	<b>(1,432.9)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>309.1</b>	<b>105.5</b>
<b>Cash and cash equivalents as at beginning</b>	<b>1,363.7</b>	<b>1,258.2</b>
<b>Cash and Cash equivalents as at end</b>	<b>1,672.8</b>	<b>1,363.7</b>
Notes :		
1. Cash and cash equivalents consists of :		
A. Bank balances		
1) Current accounts( including bank deposits with original maturity less than 3 months)	75.4	212.0
2) Book overdraft	(10.4)	(76.5)
B. Investments in mutual fund units	1,107.8	728.2
C. Investments receivable	500.0	500.0
	1,672.8	1,363.7
2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on " Cash Flow Statements " issued by the Institute of Chartered Accountants of India.		

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
Firm Registration No.: 301003E  
Chartered Accountants

per VIREN H MEHTA  
Partner  
Membership No.:48749

Place: Mumbai  
Dated: April 21, 2015

For and on behalf of the Board

RAJIV SABHARWAL  
Chairman

ROHIT SALHOTRA  
Managing Director & CEO

MANINDER JUNEJA  
Vice Chairman

PANKAJ JAIN  
Chief Financial Officer

PRATAP SALIAN  
Company Secretary

### NOTES FORMING PART OF ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

#### 1. Corporate Information

ICICI Home Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in providing financial assistance for specified interest & maturity to person/ persons for the purpose to acquire, construct, erect, improve, extend, alter, repair, renovate, develop any house, flats or buildings or any form of real estate or any part or portion thereof. The Company is also providing financial assistance to any person for specified purpose against the security of any immovable property. The Company is also engaged in providing advisory, consultancy, broking in property service, sourcing and servicing home loans.

#### 2. Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and other accounting principles generally accepted in India. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies applied by the Company are consistent with those used in the previous year.

#### 2.1 Significant Accounting Policies

##### a) Presentation and disclosure of Financial Statement

The Company prepares its financial statements as per Schedule III under the Companies Act 2013 applicable for preparation and presentation of financial statements. The term 'Operating cycle' is defined as the time between the acquisition of assets for processing and their realization in cash or cash equivalents. In the Company, normal operating cycle cannot be identified hence it is assumed to have duration of 12 months as per Schedule III notified under Companies Act 2013.

##### b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### c) Revenue Recognition

###### Income from loan

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest. Interest income on EMI/Pre-EMI cases on housing loan is accounted for on accrual basis as per NHB guidelines. Loan origination income i.e. processing fees and other charges collected upfront, are recognised on origination of the loan. Interest on non-performing assets and charges for delayed payments and additional interest income on delayed EMI/Pre-EMI and cheque bouncing, if any, which are accounted for on receipt basis as per the guidelines issued by the NHB.

###### Income from Investment

Interest on Govt Securities and Bank deposit are recognised on accrual basis. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

###### Fees Income

Property Service Fees are recognised to the extent of invoice raised on the customer and when right to receive payment is established.

##### d) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realisable value, category-wise.

Long-term investments are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of the securities acquired is amortised over the remaining period to maturity on a constant yield basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

##### e) Provisions / write-offs on Loans and Other Credit Facilities

i) Loans and other credit facilities are classified as per the National Housing Bank (NHB) guidelines, into performing and non-performing assets. Further non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on criteria stipulated by NHB guidelines. Additional provisions are made against specific non- performing assets over and above stated in NHB guidelines, if in the opinion of the management, increased provisions are necessary.

ii) The Company maintains general provisions to cover potential credit losses, which are inherent in any loan portfolio but not identified in accordance with NHB Guidelines. For standard assets, additional general provisions are determined having regard to overall portfolio quality, asset growth, economic conditions and other risk factors.

##### f) Fixed Assets

Tangible Fixed assets and Intangible assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of a fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### g) Depreciation and Amortisation

Depreciation and amortisation on assets is charged on Straight Line Method based on economic useful life as limits specified in Part 'C' to Schedule II of the Companies Act, 2013. During the financial year 2015 Company has aligned the depreciation rate as per Company Act, 2013. Impact of such changes is not material and adjusted against the Profit & Loss Account.

Particular	Useful life as per Schedule II	Depreciation rate
Office Buildings on Freehold Land	60 Years	1.67%
Improvements to Leasehold Property	3 Years	33.33%
Furniture and Fixtures	10 Years	10%
Office Equipments	5 Years	20%
Computers	3 Years	33.33%
Software	4 Years	25%
Capital WIP	Nil	Nil

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

#### h) Retirement and Other Employee Benefits

- i) The Company is statutorily required to maintain a provident fund as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Company contributes an equal amount for eligible employees. The Company 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 Company makes balance contributions to a fund administered by trustees. The funds are invested according to the rules prescribed by the Government of India.
- ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of each quarter end. Current and Non-Current obligation have been bifurcated as per actuarial valuation.
- iii) The Company provides for leave encashment benefits, which is a defined benefit obligation, based on actuarial valuation conducted by an independent actuary. Current and Non-Current obligation have been bifurcated as per actuarial valuation.
- iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.
- v) Actuarial gains/losses are immediately taken to Profit and Loss account and are not deferred.

#### i) Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the expected amount to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liability is recognized for all taxable timing difference and Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### j) Transfer and Servicing of Financial Assets

The Company transfers loans to bankruptcy remote Special Purpose Vehicles through securitisation transactions. The transferred loans are derecognised from the books of the Company and gains / losses are recorded, only if the Company surrenders the rights to benefits specified in the loan contract. Credit provisions and servicing obligations are debited separately to the Profit and Loss account. Retained beneficial interest in the loan is measured by allocating the carrying values of the loans between the assets sold and retained interest, based on the relative fair value measured at the date of securitisation. The carrying value of the retained beneficial interest is estimated at each reporting period end based on the forecasted cash flows from the assets securitised after adjusting for projected delinquencies, prepayments, etc. The resultant gains/ losses, if any are recorded in to the Profit and Loss account.

# notes

## forming part of the accounts

*Continued*

### k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### l) Accounting for Swaps

The Company enters into derivative contracts such as interest rate swaps to hedge balance sheet assets and liabilities. The impact of such derivative instruments are correlated with the movements of the underlying assets and liabilities and accounted pursuant to the principles of hedge accounting whereby interest differential received/paid is adjusted from/to interest expenses. The related amount receivable from and payable to the swap counter parties is included in the Other Assets or Other Liabilities in the Balance Sheet.

### m) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### n) Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of 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 not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed.

### o) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### p) Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with bank. Cash equivalents includes liquid investments in mutual fund units of short term debt instruments that are readily convertible into cash at its NAV and subject to an insignificant risk of changes in value.

### q) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss Account.

The difference between the discounted amount mobilized and redemption value of Commercial Papers/ Zero Coupon Bond/ NCD is apportioned on time basis over the life of instrument and charged as interest expense in the Statement of Profit and Loss Account.

## 3. Share Capital

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised shares</b>		
2,385,000,000 Equity shares of ₹ 10 each (March 2014 - 2,385,000,000)	23,850.0	23,850.0
15,000,000 Preference shares of ₹ 10 each (March 2014 - 15,000,000)	150.0	150.0
<b>Total authorized shares</b>	<b>24,000.0</b>	<b>24,000.0</b>
<b>Issued, subscribed and paid up shares</b>		
1,098,750,000 Equity shares of ₹ 10 each fully paid up (March 2014 - 1,098,750,000)	10,987.5	10,987.5
<b>Total Issued, subscribed and paid up shares</b>	<b>10,987.5</b>	<b>10,987.5</b>

- (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

### Equity Shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	(₹ millions)	No.	(₹ millions)
At the beginning of the year	1,098,750,000	10,987.5	1,098,750,000	10,987.5
Issued during the period	—	—	—	—
Outstanding at the end of the year	1,098,750,000	10,987.5	1,098,750,000	10,987.5

### Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended March 31, 2015, the amount of per share dividend (including proposed final dividend) recognized as distribution to equity shareholder is ₹1.315 (March 31, 2014 - ₹1.295)

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

### Preference Shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	(₹ millions)	No.	(₹ millions)
At the beginning of the year	—	—	—	—
Issued during the period	—	—	—	—
Outstanding at the end of the year	—	—	—	—

### (ii) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014			
	No.	(₹ millions)	% holding in the class	No.	(₹ millions)	% holding in the class
ICICI Bank Limited (Holding Company & its nominees)	1,098,750,000	10,987.5	100.0%	1,098,750,000	10,987.5	100.0%

### 4. Reserves and surplus

Particulars	As at March 31, 2015		As at March 31, 2014	
		(₹ in millions)		(₹ in millions)
<b>(i) General reserve</b>				
As per last balance sheet		579.4		467.4
Add : Transferred from statement of profit and loss		—		112.0
Less : Utilised for DTL creation (Refer note (b) below)		(330.1)		—
Closing balance		249.3		579.4
<b>(ii) Statutory Reserve (As per Section 29C of National Housing Bank Act, 1987) (refer note (a) below)</b>				
Opening Balance		3,268.6		2,822.6
Additional during the year		396.0		446.0
Appropriation during the year		—		—
<b>Closing balance</b>	<b>3,664.6</b>			<b>3,268.6</b>
<b>(iii) Surplus in the statement of profit and loss</b>				
Opening balance		373.8		368.3
Add : Net profit for the year		1,975.7		2,228.2
Less : Proposed dividend (₹0.085 per equity share, March 2014 - ₹0.045 per equity share) (including dividend distribution tax ₹ 16.2 million, March 2014 - ₹ 8.4 million)		(95.5)		(57.8)
Less : Interim dividend including dividend distribution tax		(1,469.0)		(1,606.9)
Less : Transfer to statutory reserve		(396.0)		(446.0)
Less : Transfer to general reserve		—		(112.0)
Less : Utilised for DTL creation (Refer note (b) below)		(373.8)		—
<b>Closing balance</b>	<b>15.2</b>			<b>373.8</b>
<b>Total Reserves &amp; Surplus</b>	<b>3,929.1</b>			<b>4,221.8</b>

# notes



## forming part of the accounts

*Continued*

### (a) Details of Statutory Reserves

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of National Housing Bank, Act 1987	3,268.6	2,822.6
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of statutory Reserve under section 29C of the NHB Act, 1987	—	—
c) <b>Total</b>	<b>3,268.6</b>	<b>2,822.6</b>
<b>Addition / Appropriation / Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	396.0	446.0
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	—	—
Less: a) Amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	—	—
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provisions u/s 29C of the NHB Act, 1987	—	—
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3,664.6	3,268.6
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve under section 29C of the NHB Act, 1987	—	—
c) <b>Total</b>	<b>3,664.6</b>	<b>3,268.6</b>

**Note :** (a) The special reserve created as per Section 29 C of the NHB Act, 1987, qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfers.

(b) Pursuant to NHB Circular 'Circular No. 62/2014' dated May 27, 2014, and as a matter of prudence the Company has created Deferred Tax Liability (DTL) on special reserve created as per Section 29 C of NHB act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961, amounting ₹ 703.9 million on such Special Reserve as at March 31, 2014 has been adjusted from Reserves and Surplus.

### 5. Long-Term Borrowings

Particulars	(₹ in millions)			
	Non - Current portion	Current Maturities		
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>[A] Secured</b>				
a) Non-Convertible Debentures / Bonds (Refer note i below)	13,590.0	8,800.0	—	—
b) Zero Coupon Debentures / Bonds (Refer note ii below)	3,165.0	—	2,000.0	—
Add: Premium accrued on redemption (net of unamortized discount)	53.0	—	56.9	—
	16,808.0	8,800.0	2,056.9	—
<b>Total[A]</b>	<b>16,808.0</b>	<b>8,800.0</b>	<b>2,056.9</b>	<b>—</b>
Amount disclosed under head "other current liabilities" (ref Note 10)	—	—	(2,056.9)	—
<b>Net Amount</b>	<b>16,808.0</b>	<b>8,800.0</b>	<b>—</b>	<b>—</b>
<b>[B] Unsecured</b>				
(a) Debenture / Bonds (refer note iii below)				
• Debentures / Bond - private placement	2,640.0	3,150.0	510.0	1,800.0
• Debenture / Bond – subordinate debt private placement	2,573.0	2,573.0	—	—
• Debenture / Bonds - ZCB	850.0	3,490.0	2,300.0	2,203.0
Add: Premium accrued on redemption (net of unamortized discount)	157.4	93.7	263.4	116.9
	1,007.4	3,583.7	2,563.4	2,319.9
	6,220.4	9,306.7	3,073.4	4,119.9

### (b) Term loans (refer note iv below)

Loans from banks	9,634.4	12,384.0	8,742.0	356.7
	9,634.4	12,384.0	8,742.0	356.7
<b>(c) Deposits (refer note v below)</b>				
Fixed deposits including unclaimed fixed deposits	1,196.5	1,565.3	1,581.6	2,026.6
	1,196.5	1,565.3	1,581.6	2,026.6
<b>(d) Loans and advances from related parties (refer note vi below)</b>				
Loans from holding company - subordinated debts	—	676.3	—	582.7
Loans from holding company – other loans	5,848.0	7,224.0	1,376.0	1,376.0
Loans from related party - unsecured bonds	—	—	—	500.0
	5,848.0	7,900.3	1,376.0	2,458.7
<b>Total[B=a+b+c+d]</b>	<b>22,899.3</b>	<b>31,156.3</b>	<b>14,773.0</b>	<b>8,961.9</b>
Amount disclosed under head "other current liabilities" (ref Note 10)	—	—	(14,773.0)	(8,961.9)
<b>Net amount</b>	<b>22,899.3</b>	<b>31,156.3</b>	<b>—</b>	<b>—</b>
<b>Total = [A] + [B]</b>	<b>39,707.3</b>	<b>39,956.3</b>	<b>—</b>	<b>—</b>

- i. The Non convertible debentures (NCD) / Bonds are issued with fixed coupon rate and redeemable at par. The NCD / Bonds to the extent of ₹ 8,800.0 million (March 2014 - ₹ 8,800.0 million) are secured by charge on the immovable property and negative lien on the assets of the Company. The NCD / Bonds to the extent of ₹ 4,790.0 million (March 2014 - Nil) are secured by a pari passu charge on immovable property and hypothecation of loan receivable for upto 1.05 times the value of the NCD / Bonds outstanding.

The details of secured NCD / bonds are as under:

Description	Date of Allotment	Date of Redemption	Rate of Interest	(₹ in millions)	
				As at March 31, 2015	As at March 31, 2014
<b>Non Current:</b>					
a)					
4,000 NCD's of ₹ 1,000,000 each	November 25, 2009	November 25, 2019	9.29%	4,000.0	4,000.0
3,000 NCD's of ₹ 1,000,000 each	March 18, 2009	March 18, 2019	10.75%	3,000.0	3,000.0
1,800 NCD's of ₹ 1,000,000 each	September 23, 2008	September 23, 2018	11.35%	1,800.0	1,800.0
<b>Total (a)</b>				<b>8,800.0</b>	<b>8,800.0</b>
b)					
1,000 NCD's of ₹ 500,000 each	November 13, 2014	November 15, 2017	8.80%	500.0	—
1,600 NCD's of ₹ 500,000 each	October 31, 2014	October 30, 2017	9.05%	800.0	—
360 NCD's of ₹ 500,000 each	October 31, 2014	October 03, 2017	9.05%	180.0	—
1,500 NCD's of ₹ 500,000 each	November 13, 2014	March 13, 2017	8.80%	750.0	—
920 NCD's of ₹ 500,000 each	December 30, 2014	December 30, 2016	9.00%	460.0	—
3,500 NCD's of ₹ 500,000 each	October 10, 2014	October 10, 2016	9.35%	1,750.0	—
500 NCD's of ₹ 500,000 each	October 10, 2014	September 23, 2016	9.35%	250.0	—
200 NCD's of ₹ 500,000 each	February 27, 2015	February 27, 2017	8.70%	100.0	—
<b>Total (b)</b>				<b>4,790.0</b>	<b>—</b>
<b>Total (a+b)</b>				<b>13,590.0</b>	<b>8,800.0</b>

- ii. Zero Coupon Bonds (ZCB): These bonds are issued at par and redeemable at premium. The ZCB are secured by way of a pari passu charge on immovable property and hypothecation of loan receivable for upto 1.05 times the value of the bonds outstanding.

# notes

## forming part of the accounts

*Continued*

The details of secured ZCB are as under:

Description	Date of Allotment	Date of Redemption	Rate of Interest (XIRR)	₹ in millions)	
				As at March 31, 2015	As at March 31, 2014
<b>Non Current:</b>					
1,000 ZCB of ₹ 500,000 each	November 13, 2014	November 14, 2016	8.80%	500.0	—
1,000 ZCB of ₹ 500,000 each	December 30, 2014	July 4, 2016	8.90%	500.0	—
800 ZCB of ₹ 500,000 each	December 30, 2014	April 4, 2016	8.90%	400.0	—
550 ZCB of ₹ 500,000 each	February 27, 2015	February 16, 2017	8.70%	275.0	—
400 ZCB of ₹ 500,000 each	February 27, 2015	April 18, 2017	8.70%	200.0	—
1,000 ZCB of ₹ 500,000 each	February 27, 2015	February 26, 2018	8.68%	500.0	—
1,580 ZCB of ₹ 500,000 each	February 27, 2015	March 5, 2018	8.68%	790.0	—
<b>Total</b>				<b>3,165.0</b>	
Premium accrued on redemption				<b>53.0</b>	—
<b>Total (a)</b>				<b>3,218.0</b>	—
<b>Current:</b>					
3,000 ZCB of ₹ 500,000 each	December 4, 2014	March 21, 2016	8.70%	1,500.0	—
1,000 ZCB of ₹ 500,000 each	December 4, 2014	February 19, 2016	8.70%	500.0	—
<b>Total</b>				<b>2,000.0</b>	
<b>Premium accrued on redemption</b>				<b>56.9</b>	—
<b>Total (b)</b>				<b>2,056.9</b>	—
<b>Total (a+b)</b>				<b>5,274.9</b>	—

- iii. Unsecured Debentures / Bonds – Debentures / Bonds issued (both Coupon bearing and Zero Coupon) through Private placement carry rate of interest/XIRR in the range of 8.55% to 10.65% p.a and tenure of 13.00 to 120.00 months from the date of issue. Unsecured Debentures / Bonds - Subordinate debt private placement carry rate of interest in the range of 9.75% to 9.90% p.a. and tenure of 120.00 month. All Unsecured Debentures / Bonds are repayable on maturities. Interest on Unsecured Debentures / Bonds (Coupon bearing) is payable semi- annually or annually as per terms of issuance.
- iv. Unsecured term loans from Banks include term loans from various banks (NHB & other banks) and carry rate of interest in the range of 9.50% to 10.25% p.a. The loan from NHB is repayable in equal quarterly installments of ₹ 6.6 million and loans from other banks have staggered repayment. Loan from NHB and other banks are having tenure of 24.00 to 57.00 months. Loans from banks carry a negative lien on assets/receivable of the Company.
- v. Fixed deposits include deposits from corporates ₹ 492.5 million (March 2014 - ₹ 511.3 million) and deposits from public ₹ 2,285.6 million (March 2014 - ₹ 3,080.5 million) and carry rate of interest in the range of 7.50% to 11.50% p.a. and having a tenure of 13.00 to 84.00 months from the date of acceptance of deposits. Fixed deposits includes unclaimed fixed deposits from corporates ₹ 3.5 million (March 2014 - ₹ 4.1 million) and deposits from public includes ₹ 223.9 million (March 2014 - ₹ 229.6 million). Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2014 - ₹ Nil). Floating charge has been created on Government Securities and Fixed deposits with banks (SLR securities) of ₹ 1,274.9 million (March 2014 - ₹ 1,418.9 million) as per NHB Directions.
- vi. Loans from related parties carry rate of interest of 10% p.a. and tenure of 104.00 months from the date of issue.

## 6. Other Long Term Liabilities

Particulars	₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>(a) Trade payables</b>	—	—
<b>(b) Others</b>		
Interest accrued but not due on borrowings		
– cumulative fixed deposits	<b>51.9</b>	<b>180.6</b>
<b>Total(b)</b>	<b>51.9</b>	<b>180.6</b>
<b>Total(a+b)</b>	<b>51.9</b>	<b>180.6</b>

## 7. Provisions

Particulars	₹ in millions)			
	Long Term As at March 31, 2015	Short Term As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
<b>(a) Provision for employee benefits</b>				
Provision for Gratuity	3.2	—	—	—
Provision for leave encashment	10.1	7.3	4.8	4.4
Provision for bonus	—	—	40.8	50.6
<b>Total (a)</b>	<b>13.3</b>	<b>7.3</b>	<b>45.6</b>	<b>55.0</b>
<b>(b) Others</b>				
Provision for contingencies	160.0	160.0	—	—
Provision against standard assets	393.9	351.4	61.1	50.5
Provision for sub standard assets- Housing loans	17.0	15.4	—	—
Provision for sub standard assets- Other loans	55.8	45.1	—	—
Provision for doubtful assets-Housing loans	22.4	25.1	—	—
Provision for doubtful assets-Other loans	71.4	112.8	—	—
Provision for loss assets-Housing loans	277.9	291.4	—	—
Provision for loss assets-Other loans	445.3	366.7	—	—
Provision for others	49.2	94.9	—	—
Provision for proposed dividend	—	—	79.4	49.4
Provision for dividend distribution tax	—	—	82.5	62.6
Provision for 1% subsidy on EMI	3.2	1.0	—	—
Provision for interim dividend	—	—	—	318.6
<b>Total (b)</b>	<b>1,496.1</b>	<b>1,463.8</b>	<b>223.0</b>	<b>481.1</b>
<b>Total(a+b)</b>	<b>1,509.4</b>	<b>1,471.1</b>	<b>268.6</b>	<b>536.1</b>

(i) Disclosure of provision for contingencies:

Particulars	₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>(a) Servicing expenses provision on loans securitized</b>		
Opening balance	2.4	2.4
Utilizations / (write back)	—	—
<b>Closing balance</b>	<b>2.4</b>	<b>2.4</b>
<b>(b) Provision for delinquencies, prepayment and conversion risk on loans securitized</b>		
Opening balance	157.6	167.6
Utilizations / (write back)	—	(10.0)
<b>Closing balance</b>	<b>157.6</b>	<b>157.6</b>
<b>Total(a+b)</b>	<b>160.0</b>	<b>160.0</b>

Provision for servicing expenses of loans securitized is done upfront by the Company. At each Balance Sheet date, the Company assesses the servicing liability of securitized pool and differential amounts are written back or provided for in the books of account. The provision of the delinquencies and conversion risk as well as provision for prepayment risk on the loan portfolio sold by the Company is also made upfront and reduced from the gross capital gains on the securitization transaction. At each Balance Sheet date, the Company assesses the delinquencies, prepayment and conversion risk of securitized pool and differential amounts are written back / provided in the books of account.

## 8. Short Term Borrowing

Particulars	₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured</b>		
(a) Fixed deposit	63.0	24.6
(b) Commercial paper	6,750.0	4,250.0
Less : Unamortised interest	(303.4)	(170.2)
	<b>6,446.6</b>	<b>4,079.8</b>
(c) Bank Overdraft	—	—
(d) Loans from holding company (Overdraft)	1,273.6	540.6
<b>Total(a+b+c+d)</b>	<b>7,783.2</b>	<b>4,645.0</b>

- (i) Fixed deposits includes deposits from corporates ₹ nil million (March 2014 - ₹ 0.1 million) and deposits from public ₹ 63.0 million (March 2014 - ₹ 24.5 million) and carries interest in the range of 8.55% to 9.35% p.a. with tenure of 12 months from the date of acceptance of deposits. Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2014 - ₹ Nil).
- (ii) Commercial paper carries interest in the range of 8.75% to 9.05% p.a. and tenure of 168 to 268 days repayable in bullet payment.

## 9. Trade Payables

Particulars	₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Trade payables</b>		
(a) Total outstanding dues of Micro and Small Enterprises (Refer Note 9(i) below)	3.2	0.9
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	189.0	236.2
<b>Total(a+b)</b>	<b>192.2</b>	<b>237.1</b>

# notes



## forming part of the accounts

*Continued*

- (i) Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
The principal amount and the interest due thereon (Interest- March 31, 2015 ₹ Nil, March 31 - 2014 ₹ Nil) remaining unpaid to any supplier as at the end of each accounting year	3.2	0.9
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	—	—

The Company has not received any claims against interest outstanding due to any vendors registered under Micro Small and Medium Enterprise Development Act, 2006.

### 10. Other Current Liabilities

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
(a) Current maturities of long term debt (ref note no. 5)		
Secured	2,056.9	—
Unsecured	14,545.6	8,728.2
	16,602.5	8,728.2
(b) Interest accrued but not due on borrowings	1,110.7	1,102.5
(c) Unclaimed matured deposits and interest accrued thereon (ref note no.5)	283.5	261.8
(d) Other payable		
(i) Provision for tax (net of advance tax)	—	—
(ii) Statutory dues	27.1	40.6
(iii) Other liabilities	275.5	206.8
	302.6	247.4
<b>Total(a+b+c+d)</b>	<b>18,299.3</b>	<b>10,339.9</b>

### 11. Fixed Assets

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As At April 01, 2014	Additions	Deductions	As At March 31, 2015	As At April 01, 2014	Adjustments/ deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
<b>(i) Tangible assets:</b>									
Free Hold Land	—	0.7	—	0.7	—	—	—	—	0.7
Office building	623.3	—	—	623.3	43.7	10.3	—	54.0	569.3
Improvement to lease hold property	4.0	—	3.1	0.9	2.3	1.8	3.2	0.9	—
Computers	12.5	8.4	0.2	20.7	7.0	5.0	0.1	11.9	8.8
Office equipments	4.6	4.6	3.5	5.7	1.9	2.5	3.1	1.3	4.4
Furniture & fixtures	0.9	—	—	0.9	0.7	—	0.1	0.6	0.3
<b>Total</b>	<b>645.3</b>	<b>13.7</b>	<b>6.8</b>	<b>652.2</b>	<b>55.6</b>	<b>19.6</b>	<b>6.5</b>	<b>68.7</b>	<b>583.5</b>
Previous year (March 31, 2014)	642.7	4.9	(2.3)	645.3	42.8	14.1	(1.3)	55.6	589.7
<b>(ii) Intangible assets:</b>									
Software	23.6	2.2	—	25.8	20.6	2.8	—	23.4	2.4
<b>Total</b>	<b>23.6</b>	<b>2.2</b>	<b>—</b>	<b>25.8</b>	<b>20.6</b>	<b>2.8</b>	<b>—</b>	<b>23.4</b>	<b>2.4</b>
Previous year (March 31, 2014)	22.3	1.3	—	23.6	16.3	4.3	—	20.6	3.0

1. A negative charge on the Gross block of office building amounting to ₹ 23.8 million and pari pasu charge on Free Hold land has been created on secured bonds.

### 12. Non-Current Investments

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Non-trade investments(valued at cost unless otherwise stated)</b>		
<b>Investments in government securities - (Quoted)</b>		
Government securities (Face value - ₹ 1,263,990,000, March 2014 - ₹ 1,413,990,000)*	1,274.9	1,418.9
	1,274.9	1,418.9
<b>Investments in equity shares - (Unquoted)</b>		
7,340,000 (March 2014 - 7,340,000) Equity shares of Asset Reconstruction Company (India) Limited of face value - ₹10 each fully paid-up	513.8	513.8
<b>Other investments – (Unquoted)</b>		
16,556.38 (March 2014 - 14,530.40) units of Emerging India Fund of face value ₹ 10,000 each fully paid-up at par	165.6	145.3
	679.4	659.1
<b>Investments in Associates</b>		
3,000,000 (March 2014 - 3,000,000) Equity shares of India Infra Debt Limited of ₹ 10 each fully paid-up	30.0	30.0
	30.0	30.0
<b>Total</b>	<b>1,984.3</b>	<b>2,108.0</b>
Aggregate amount of quoted investments	1,274.9	1,418.9
Market value of quoted investments	1,242.7	1,318.7
Aggregate amount of unquoted investments	709.4	689.1

\* Floating charge has been created on Government Securities (SLR securities) of ₹ 1,274.9 million (March 2014 - ₹ 1,418.9 million) as per NHB Directions.

The management assesses that there is no indication of impairment of Company's investments. Provision for diminution in value of Investment is ₹ Nil as on March 31, 2015 (₹ Nil - March 2014).

### 13. Deferred Tax (net)

The composition of deferred tax assets and liabilities into major items is given below:

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>(I)Deferred tax assets on account of</b>		
<b>Provision for doubtful debts, Standard assets and future servicing and other liability of securitization and others</b>		
	589.9	570.5
Retirement benefits	3.9	2.0
	593.8	572.5
<b>(II)Deferred tax liability on account of</b>		
<b>Depreciation</b>		
	(72.3)	(61.4)
Special Reserve ( includes ₹ 703.9 millions created as per NHB circular (refer note 4 (b))	(784.3)	—
	(856.6)	(61.4)
<b>Net deferred tax Asset / (Liability)</b>	<b>(262.8)</b>	<b>511.1</b>

# notes

forming part of the accounts

*Continued*

## 14. Loans and Advances

Particulars	(₹ in millions)			
	Long term As at March 31, 2015	Short term As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>a. Security Deposits</b>				
Unsecured, considered good	7.8	7.4	—	—
Doubtful	14.0	13.8	—	—
Less: Provisions for doubtful deposits	(14.0) 7.8	(13.8) 7.4	—	—
<b>b. Loans &amp; other credit facilities</b>				
Housing Loans	42,238.5	35,098.7	4,339.8	3,447.3
Loan against property, Corporate realty finance and other loans	26,278.4 68,516.9	24,297.7 59,396.4	4,217.7 8,557.5	3,632.2 7,079.5
Secured, considered good	67,100.6	58,039.2	8,557.5	7,079.5
Doubtful				
(Non performing assets as per NHB guidelines)	1,416.3 68,516.9	1,357.2 59,396.4	—	—
<b>c. Advance tax</b>				
(net of provision for taxation)	371.9	283.4	—	—
<b>d. Others</b>	—	—	4.6	2.1
<b>Total :- (a+b+c+d)</b>	<b>68,896.6</b>	<b>59,687.2</b>	<b>8,562.1</b>	<b>7,081.6</b>

(i) Classification of loans and other credit facilities :

Particulars	(₹ in millions)				
	Standard Standard	Sub Standard	Doubtful	Loss	Total
<b>Loans Outstanding</b>					
Housing loans	46,137.4	113.1	49.9	277.9	46,578.3
	(38,099.9)	(102.7)	(52.0)	(291.4)	(38,546.0)
Other loans	29,520.6	372.0	158.2	445.3	30,496.1
	(27,018.9)	(300.7)	(243.6)	(366.7)	(27,929.9)
<b>Total</b>	<b>75,658.0</b>	<b>485.1</b>	<b>208.1</b>	<b>723.2</b>	<b>77,074.4</b>
	(65,118.8)	(403.4)	(295.6)	(658.1)	(66,475.9)
<b>Provisions</b>					
Housing loans	252.9	17.0	22.4	277.9	570.2
	(208.0)	(15.4)	(25.1)	(291.4)	(539.9)
Other loans	202.1	55.8	71.4	445.3	774.6
	(193.9)	(45.1)	(112.8)	(366.7)	(718.5)
<b>Total</b>	<b>455.0</b>	<b>72.8</b>	<b>93.8</b>	<b>723.2</b>	<b>1,344.8</b>
	(401.9)	(60.5)	(137.9)	(658.1)	(1,258.4)

\*Figures in bracket pertain to March 31, 2014

- (i) NHB circular no HFC.DIR9/CMD/2013 dated September 06, 2013, directed to Housing finance companies that w. e. f. September 30, 2013 "non performing asset" shall mean an assets, in respect of which, interest has remained overdue for a period of more than ninety days (earlier 90 days and above) and a term loan inclusive of unpaid interest, when the installment is overdue for a period of more than ninety days (earlier 90 days and above) or which interest amount remained overdue for a period of more than ninety days (earlier 90 days and above), accordingly, the Company has aligned to such change and there is no significant impact on the statement of profit & loss for the year ended March 31, 2015.
- Further, the Company has reviewed and aligned its Non performing asset portfolio into various categories of Sub standard, Doubtful and Loss loans as per NHB Directions, 2010 for the year ended March 31, 2014. The current period amounts have been reported as per the NHB Directions, 2010. The corresponding prior period amounts have been reported as per the Company's earlier policy.
- (ii) All registered housing finance companies are required to carry provision of 0.40%, 0.75% and 1.00% of the total outstanding amount of loans which are standard assets in respect of housing and other loans, commercial real estates residential loans and commercial real estate other loans respectively vide circular no. NHB(ND)/DRS/Pol.no.45/2011-2012 issued dated January 19, 2012 and NHB circular no HFC.DIR9/CMD/2013 dated September 06, 2013. Further, all registered housing finance companies are required to carry a provision of 2.00% of the total outstanding loans which are standard assets in respect of housing loans at special rates i.e limited period fixed rate loans vide circular no. NHB(ND)/DRS/Pol.no 47/2010-2011 issued dated December 24, 2010. Accordingly the Company carried a provision ₹ 455.0 million (March 31, 2014 - ₹ 401.9 million) towards standard loans as per the prudential norms of National Housing Bank.
- (iii) Loans given by the Company are secured by the underlying property or fixed deposit except unsecured loans to the tune of ₹ 7.6 million (March 2014 - ₹ 7.6 million).
- (iv) Loan and other credit facilities include loan of ₹ Nil (March 2014 - ₹ Nil) which is secured by way of capital market exposure.
- (v) Loans and other credit facilities include subordinated interest of ₹ 156.0 million (March 2014 - ₹ 165.4 million) in the underlying trust property of mortgage backed securities.
- (vi) Security deposit includes deposit of ₹ 3.2 millions with MBS trust created in favour of IDBI trusteeship Services Limited.

## 15. Trade Receivable

Particulars	(₹ in millions)			
	Non - Current portion As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Other receivable</b>				
Trade Receivables-Unsecured, considered good less than six months	—	—	103.0	100.7
Less: Provisions for doubtful trade receivables	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>103.0</b>	<b>100.7</b>

Trade receivable includes ₹ 100.8 millions (March 2014 ₹ 98.7 millions) from related parties.

## 16. Other Assets

Particulars	(₹ in millions)			
	Non - Current portion As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>(i) Advances recoverable</b>				
Unsecured, considered good	—	—	16.5	2.5
Doubtful	4.7	4.4	—	—
Less: Provisions for doubtful advances	(4.7)	(4.4)	—	—
<b>(ii) Gratuity (Net asset)</b>	<b>—</b>	<b>5.9</b>	<b>—</b>	<b>—</b>
<b>(iii) Interest accrued on Loans</b>	<b>—</b>	<b>—</b>	<b>523.3</b>	<b>463.1</b>
<b>(iv) Accrued interest- fixed deposits</b>	<b>—</b>	<b>—</b>	<b>24.0</b>	<b>32.6</b>
<b>(v) Accrued interest- fixed deposits placed with ICICI Bank</b>	<b>—</b>	<b>—</b>	<b>0.6</b>	<b>0.6</b>
<b>(vi) Accrued interest - GOI securities - INV</b>	<b>—</b>	<b>—</b>	<b>24.7</b>	<b>26.2</b>
<b>Net block</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>(vii) Bank deposits with original maturity for more than 12 months</b>	<b>200.0</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>(viii) Others</b>	<b>—</b>	<b>—</b>	<b>6.7</b>	<b>6.7</b>
<b>Total</b>	<b>200.0</b>	<b>5.9</b>	<b>595.8</b>	<b>531.7</b>

## 17. Cash and Bank Balances

Particulars	(₹ in millions)			
	Non - Current portion As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>A. Cash &amp; cash equivalents</b>				
a. Investments in mutual funds (Liquid Plan)	—	—	1,107.8	728.2
b. Investments redemption receivable	—	—	500.0	500.0
c. Balances with banks	—	—	75.3	92.0
d. Book overdraft	—	—	(10.5)	(76.5)
e. Bank deposits with original maturity of less than 3 months	—	—	—	120.0
f. Cheques on hand	—	—	—	—
<b>Total (A)</b>	<b>—</b>	<b>—</b>	<b>1,672.6</b>	<b>1,363.7</b>
<b>B. Other bank balances</b>				
a. Bank deposits with original maturity for more than 12 months	200.0	—	300.0	500.0
b. Margin money deposits*	—	—	80.0	80.0
<b>Total (B)</b>	<b>200.0</b>	<b>—</b>	<b>380.0</b>	<b>580.0</b>
Amount disclosed under other assets (ref note 16)	(200.0)	—	—	—
<b>Total (A) + (B)</b>	<b>—</b>	<b>—</b>	<b>2,052.6</b>	<b>1,943.7</b>

\* Margin money deposit is line marked in favour IDBI Trustship Services Limited.

## 18. Current Investments

Particulars	(₹ in millions)	
	As at Mar 31, 2015	As at Mar 31, 2014
<b>Investment in Mutual Funds – Liquid investments</b>		
Amount disclosed under head "Cash & Cash equivalent" (ref Note 17 A(a) )	(1,107.8)	(728.2)
<b>Total</b>	<b>—</b>	<b>—</b>
Aggregate amount of quoted investments	—	—
<b>Market value of investments includes Mutual Fund of ₹ 1,109.2 millions (₹ 730.9 millions March 2014)</b>	<b>—</b>	<b>—</b>

Provision for diminution in value of Investment is ₹ Nil as on March 31, 2015 (₹ Nil – March 31, 2014).

# notes



## forming part of the accounts

*Continued*

The details of Mutual fund are as under :

Particulars	No. of Units		Amount as at		(₹ in millions)
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	
Axis Liquid Fund	Direct Plan - Growth	32,333.4	—	50.1	—
Birla Sun Life Cash Plus	Direct Plan - Growth	1,207,542.5	—	270.5	—
HDFC Liquid Fund	Direct Plan - Growth	4,199,164.2	—	115.8	—
HSBC Cash Fund	Direct Plan - Growth	71,759.3	—	100.0	—
ICICI Pru Money Market	Direct Plan - Growth	1,142,741.1	—	221.0	—
ICICI Prudential Liquid	Direct Plan - Growth	—	1,503,253.5	—	285.0
IDFC Fixed Term Plan	—	—	—	—	—
Series 73	Direct Plan - Growth	—	10,000,000.0	100.0	—
Kotak Floater Short Term	Direct Plan - Growth	—	19,739.8	41.4	—
Reliance Liquidity Fund	Direct Plan - Growth	—	51,912.3	100.2	—
SBI Premier Liquid Fund	Direct Plan - Growth	113,766.2	25,213.7	250.0	50.7
Sundaram Money Fund	Direct Plan - Growth	—	1,859,133.6	50.2	—
UTI Liquid Cash Plan	Direct Plan - Growth	—	48,008.9	100.8	—
UTI Money Market Fund	Direct Plan - Growth	64,049.2	—	100.3	—
<b>Total (A) + (B)</b>		<b>6,831,355.9</b>	<b>13,507,261.8</b>	<b>1,107.7</b>	<b>728.3</b>

### 19. Revenue From Operations

Particulars	(₹ in millions)		(₹ in millions)
	As at March 31, 2015	As at March 31, 2014	
Interest income on loans	8,599.9	8,076.7	—
<b>Other operating income</b>			
Fee income	946.7	819.4	—
Other interest income received	168.2	158.5	—
Profit on sale of liquid mutual fund units	36.0	8.1	—
Profit on sale of GOI securities-Short terms	7.3	7.3	—
Profit on sale of GOI securities-Long terms	0.1	—	—
Dividend income	83.2	160.3	—
<b>Total</b>	<b>9,841.4</b>	<b>9,230.3</b>	—

### 20. Other Income

Particulars	(₹ in millions)		(₹ in millions)
	As at March 31, 2015	As at March 31, 2014	
Dividend income (Preference Shares of ICICI Securities, a fellow subsidiary)	—	49.3	—
Dividend income (Equity Shares)	—	—	—
Rent income	35.7	35.0	—
Miscellaneous income	0.2	42.6	—
<b>Total</b>	<b>35.9</b>	<b>126.9</b>	—

### 21. Finance Cost

Particulars	(₹ in millions)		(₹ in millions)
	As at March 31, 2015	As at March 31, 2014	
<b>(a) Interest expense on:</b>			
Loans from banks	2,600.1	2,389.0	—
Commercial paper	501.8	273.4	—
Fixed deposits	313.0	347.2	—
Bonds	2,286.2	2,236.0	—
	5,701.1	5,245.6	—
<b>(b) Other charges</b>			
Brokerage on fixed deposits	4.3	2.5	—
Bank charges	0.5	2.5	—
Other financial charges	37.1	37.7	—
	41.9	42.7	—
<b>Total (a+b)</b>	<b>5,743.0</b>	<b>5,288.3</b>	—

- (i) Interest expense (net) includes ₹ 87.5 million (March 2014 - ₹ 57.5 million) under Loans from banks being interest expenses / (income) booked on the Interest Rate Swaps (IRS). The notional principal of hedge IRS is ₹ 5,500.0 million (March 2014 - ₹ 5,500.0 million). During the year, the Company has entered into Interest Rate Swap (IRS) transactions amounting to ₹ Nil (March 2014 - ₹ Nil).

### 22. Employee Benefit Expenses

Particulars	(₹ in millions)		(₹ in millions)
	As at March 31, 2015	As at March 31, 2014	
Salaries, wages and bonus	359.4	328.3	—
Contribution to gratuity fund	9.1	3.0	—
Contribution to provident and other funds	16.6	14.5	—
Staff welfare expenses	2.5	1.7	—
<b>Total</b>	<b>387.6</b>	<b>347.5</b>	—

- (i) The Company has been providing for gratuity and leave encashment based on actuarial valuation as per the Accounting Standard on Accounting for Retirement Benefits (AS-15 revised) issued by ICAI. Accordingly the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method and Projected Accrued Benefit Method respectively.

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has also provided leave encashment benefits to the employees. These benefits are unfunded.

The following tables summaries the components of net benefit expense recognised in the statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans (based on February 28, 2015 employees detail).

#### Profit and Loss account:

#### Net employee benefit expense (Recognised in Employee Cost):

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
Current service cost	4.8	4.2
Interest on defined benefit obligation	2.7	2.1
Expected return on plan assets	(2.5)	(2.6)
Net actuarial (gains) / losses recognised in the year	4.2	(0.3)
Past service cost	—	—
Losses / (Gains) on "Acquisition / Divestiture"	—	—
Effect of the limit in Para 59(b)	(0.1)	(0.4)
Net employee benefit expenses	9.1	3.0
Actual return on plan assets	3.8	1.8

#### Balance Sheet:

#### Details of provision for gratuity and leave encashment:

Particulars	Gratuity (₹ millions)		Leave Encashment (₹ millions)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Present value of funded obligations	39.4	27.4	14.9*	11.7*
Fair value of plan assets	(36.2)	(33.4)	—	—
Am't not recognised as an Asset (Limit in Para 59 (b))	—	0.1	—	—
Net liability / (asset)	3.2	(5.9)	14.9	11.7
Less: Unrecognised past service cost	—	—	—	—
Liability / (asset)	3.2	(5.9)	14.9	11.7

\* Includes short term leave encashment provision of ₹ 2.2 million (March 2014 - ₹ 1.7 million)

#### Changes in the present value of the defined benefit obligation are as follows:

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	27.4	24.4
Interest cost	2.7	2.1
Current service cost	4.8	4.2
Benefits paid**	(0.9)	—
Actuarial (gains) / losses on obligation	5.4	(1.1)
Liabilities assumed on acquisition / (Settled on divestiture)	—	(2.2)
Closing defined benefit obligation	39.4	27.4

#### Changes in the fair value of plan assets are as follows:

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
Opening fair value of plan assets	33.4	33.8
Expected return on plan assets	2.5	2.6
Contributions by employer	—	—
Benefits paid**	(0.9)	—
Actuarial gains / (losses)	1.2	(0.8)
Assets acquired on acquisition / (Distributed on divestiture)	—	(2.2)
Closing fair value of plan assets	36.2	33.4
Expected employer's contribution next year	—	—

\*\* For the period ended March 31, 2014 amount of benefit paid is less than ₹ 0.5 million.

#### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity (%)		Leave Encashment (%)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Investments with insurer managed funds	100%	100%	—	—
Discount rate	7.90%	9.00%	7.90%	9.00%
Expected rate of return on assets	8.00%	8.00%	—	—
Increase in compensation cost	7.00%	7.00%	7.00%	7.00%

# notes

## forming part of the accounts

*Continued*

### Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at March 20, 2015 for the estimated term of the obligations.

### Expected rate of return on Plan Assets:

This is based on Actuary expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

### Salary Escalation Rate:

The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

### Retirement Age:

The employees of the Company are assumed to retire at the age of 58 years.

### Leaving Service:

Rates of leaving service at specimen ages are as shown below:

Age (Years)	Rate
21 - 24	37%
25 - 29	27%
30 - 34	16%
35 - 44	12%
45 and above	8%

### Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

### EXPERIENCE ADJUSTMENTS

Particulars	(₹ in millions)				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	39.4	27.4	24.4	21.2	16.3
Plan assets	36.2	33.4	33.8	32.8	30.6
Surplus / (deficit)	(3.2)	6.0	9.4	11.6	14.3
Experience adjustments on plan liabilities	2.0	0.9	(3.5)	1.2	(38.0)
Experience adjustments on plan assets	1.2	(0.8)	(2.2)	0.2	(3.6)

### Leave Encashment

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation*	14.9	11.7
Experience adjustments on plan liabilities	Not determined	Not determined

\* Includes short term leave encashment provision of ₹ 2.2 million (March 2014 - ₹ 1.7 million)

### 23. Establishment and Other Expenses

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
Advertisement and sales promotion	14.9	17.7
Customer acquisition cost	143.8	78.0
Professional and legal charges	268.5	261.0
Rent	27.2	46.6
Communication	6.2	5.0
Traveling and conveyance	34.3	20.2
Loss on sale of fixed assets / written off	0.3	2.8
Printing and stationery	5.1	3.6
Audit fees (Refer note 23(i) below)	5.9	4.7
Insurance	9.0	8.5
Electricity	9.5	7.4
Rates & taxes	52.9	41.3
Repairs and maintenance – Building	7.3	23.8
Repairs and maintenance – IT Software & Others	60.0	36.4
Office expenses	8.9	9.9
Directors sitting fees	1.5	0.4
CSR expenditures	64.5	—
Donation	—	5.3
Computer consumable	1.1	0.8
Miscellaneous expenses	5.4	(2.8)
<b>Total</b>	<b>726.2</b>	<b>570.6</b>

#### (i) Auditor's remuneration (excluding service tax):

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
Statutory audit fees	3.1	2.9
Tax audit fees	0.3	0.3
Certification and other charges	2.5	1.5
<b>Total</b>	<b>5.8</b>	<b>4.7</b>

#### (ii) The Company has recovered the following common expenses (as per the sharing arrangement) from the holding company:

Particulars	As at March 31, 2015	As at March 31, 2014
Rent & electricity	11.2	15.1
Communication	—	(1.1)
Printing and stationery	(0.1)	0.6
Rates and taxes	4.4	(0.1)
Repairs and maintenance – others	2.1	0.6
Miscellaneous expenses	3.5	2.0
	21.1	17.1
Service tax	2.6	2.1
<b>Total</b>	<b>23.7</b>	<b>19.2</b>

Expense recovery from the holding company is recognised as per the sharing arrangement.

### 24. Provision / write offs (net)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision / write back (net) of contingencies	—	(10.0)
Provision / write offs (net) against non-performing assets	33.2	8.5
Provision / write back (net) against standard assets	53.2	(52.8)
Provision / write offs (net) for others	(24.0)	93.7
<b>Total</b>	<b>62.4</b>	<b>39.4</b>

### 25. Earnings Per Share

The computation of earning per share is given below:

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Basic</b>		
Weighted average number of equity shares outstanding during the period ended March 31, 2015 (Nos.)	1,098,750,000	1,098,750,000
Net profit (net of preference dividend and the dividend tax)	1,975.7	2,228.2
<b>Basic earnings per share (₹)</b>	<b>1.80</b>	<b>2.03</b>
<b>Diluted</b>		
Diluted number of equity shares (Nos.)	1,098,750,000	1,098,750,000
Net profit	1,975.7	2,228.2
Diluted earnings per share (₹)	1.80	2.03
<b>Face value of equity shares (₹)</b>	<b>10</b>	<b>10</b>

### 26. Segment Information

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses / flats to individuals, corporate bodies, builders, co-operative housing societies and provides housing business related services i.e. property advisory & research services and Legal & technical valuation services and also Company has its operations within India. There being only one 'business segment' and 'geographical segment', the segment information is not provided.

### 27. Related Party Disclosure

Names of related parties and related party relationship as per Accounting Standard – AS 18.

Sr. No.	Name of the Related Party	Nature of Relationship
01	ICICI Bank Limited	Holding Company
02	ICICI Securities Limited	Fellow Subsidiary/ Fellow Entity
03	ICICI Securities Primary Dealership Limited	- do -
04	ICICI Prudential Life Insurance Company Limited	- do -
05	ICICI Lombard General Insurance Company Limited	- do -
06	ICICI Securities Inc.	- do -
07	ICICI Securities Holdings Inc.	- do -
08	ICICI Venture Funds Management Company Limited	- do -
09	ICICI Trusteeship Services Limited	- do -
10	ICICI Investment Management Company Limited	- do -
11	ICICI International Limited	- do -
12	ICICI Bank UK PLC	- do -
13	ICICI Bank Canada	- do -
14	ICICI Bank Eurasia LLC.	- do -
15	ICICI Eco-net Internet and Technology Fund (up to 30.12.2013)	- do -
16	ICICI Equity Fund	- do -
17	ICICI Emerging Sectors Fund (up to 31.12.2013)	- do -
18	ICICI Strategic Investments Fund	- do -
19	ICICI Prudential Asset Management Company Limited	- do -
20	ICICI Prudential Trust Limited	- do -
21	TCW/ICICI Investment Partners Limited (up to 30.06.2013)	- do -
22	ICICI Kinfra Limited	- do -
23	ICICI Prudential Pension Funds Management Company Limited	- do -
24	ICICI Venture Value Fund (IVVF) (up to 30.09.2013)	- do -
25	I-Ven Biotech Limited	- do -
26	ICICI Foundation for Inclusive Growth	Associate
27	India Infra Debt Limited	Associate
28	I Process Services (India) Private Limited	Associate
29	Rohit Salhotra, Managing Director and CEO	Key Management Personnel
30	Pankaj Jain, Chief Financial Officer	Key Management Personnel
31	Pratap Salian, Company Secretary	Key Management Personnel*

\*Additional related parties as per Companies Act, 2013

# notes



## forming part of the accounts

*Continued*

The following are the details of transactions with related parties: (₹ in millions)

Particulars	Holding Company	Fellow Subsidiary / Associate Company	Key Personnel	Total
<b>ASSETS</b>				
Investment in shares	—	30.0	—	<b>30.0</b>
Bank balance (Including interest outstanding on Fixed deposit)	(155.7) (172.4)	(30.0) (—)	(—) (—)	<b>155.7 (172.4)</b>
Fee receivable	99.1	1.7	—	<b>100.8</b>
Other receivable	(97.9) 31.7	(0.8) —	(—) (—)	<b>(98.7) 31.7</b>
<b>LIABILITIES</b>				
Equity share capital	10,987.5 (10,987.5)	— (—)	— (—)	<b>10,987.5 (10,987.5)</b>
Loan from holding company	7,224.0 (8,600.0)	— (—)	— (—)	<b>7,224.0 (8,600.0)</b>
Sub - debt loan	(1,259.0)	—	(—)	<b>(1,259.0)</b>
Fee payable	27.0 (32.1)	21.2 (7.8)	— (—)	<b>48.2 (39.9)</b>
Bonds	—	—	—	<b>—</b>
Bank overdraft	(500.0) (540.6)	— (—)	(—) (—)	<b>(500.0) (540.6)</b>
Book overdraft	10.5 (76.5)	— (—)	— (—)	<b>10.5 (76.5)</b>
Accrued interest on bond	—	—	—	<b>—</b>
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans)	151.8 (132.1)	0.6 (4.8)	— (—)	<b>152.4 (136.9)</b>
Proposed equity dividend	79.4 (49.4)	— (—)	— (—)	<b>79.4 (49.4)</b>
Interim dividend payable	— (318.6)	— (—)	— (—)	<b>— (318.6)</b>
<b>INCOME</b>				
Dividend income	—	—	—	<b>—</b>
Valuation fee	613.5 (496.0)	— (—)	— (—)	<b>613.5 (496.0)</b>
Other Fee income	— (—)	26.6 (14.4)	— (—)	<b>26.6 (14.4)</b>
Interest on fixed deposit	7.5 (8.2)	— (—)	— (—)	<b>7.5 (8.2)</b>
Servicing fee	0.3 (0.4)	— (—)	— (—)	<b>0.3 (0.4)</b>
Rent received	35.7 (35.0)	— (—)	— (—)	<b>35.7 (35.0)</b>
Expense recovery	21.1 (17.2)	— (—)	— (—)	<b>21.1 (17.2)</b>
<b>EXPENDITURE</b>				
Interest & other finance expenses	1,030.3 (1,209.8)	7.7 (65.2)	— (—)	<b>1,038.0 (1,275.0)</b>
DMA Commission	18.6 (12.8)	0.2 (0.2)	— (—)	<b>18.8 (13.0)</b>
Fee expenses	90.9 (67.0)	37.2 (38.4)	— (—)	<b>128.1 (105.4)</b>
Remuneration to KMP (Including additional related parties as Companies Act, 2013)	— (—)	— (—)	23.8 (19.1)	<b>23.8 (19.1)</b>
Insurance premium	— (—)	8.4 (8.2)	— (—)	<b>8.4 (8.2)</b>
Rent paid	14.6 (14.9)	12.8 (10.0)	— (—)	<b>27.4 (24.9)</b>
Servicing fee	9.8 (12.3)	— (—)	— (—)	<b>9.8 (12.3)</b>
Miscellaneous	307.0 (262.6)	35.2 (—)	— (—)	<b>342.2 (262.6)</b>
CSR Expenses & Donation	— (—)	65.1 (5.6)	— (—)	<b>65.1 (5.6)</b>
<b>OTHERS</b>				
SWAP (Notional Principal)	5,500.0 (5,500.0)	— (—)	— (—)	<b>5,500.0 (5,500.0)</b>
Letter of comfort (utilized)	12,748.0 (14,530.2)	— (—)	— (—)	<b>12,748.0 (14,530.2)</b>
Bond payment made during the period	— (—)	500.0 (—)	— (—)	<b>500.0 (—)</b>
Bank loan taken earlier and repaid during the period	2,635.0 (2,534.9)	— (—)	— (—)	<b>2,635.0 (2,534.9)</b>
Maturity receipt of Preference Shares	— (—)	— (500.0)	— (—)	<b>— (500.0)</b>
Purchase of Gsec	— (—)	101.9 (—)	— (—)	<b>101.9 (—)</b>
Sale of Gsec	— (—)	49.9 (—)	— (—)	<b>49.9 (—)</b>
Equity dividend	1,318.8 (1,422.9)	— (—)	— (—)	<b>1,318.8 (1,422.9)</b>

Related party transaction which are in excess of 10% of the total related party transactions of similar nature are as follows:

Particulars	Name of the Related Party	Year ended March 31, 2015	Year ended March 31, 2014
<b>ASSETS</b>			
Investment in shares	India Infra Debt Limited	30.0	30.0
Bank balance (Including interest outstanding on Fixed deposit)	ICICI Bank Limited	155.7	172.4
Fee receivable	ICICI Bank Limited	99.1	97.9
Other receivable	ICICI Bank Limited	31.7	27.3
<b>LIABILITIES</b>			
Equity share capital	ICICI Bank Limited	10,987.5	10,987.5
Proposed equity dividend	ICICI Bank Limited	79.4	49.4
Interim dividend payable	ICICI Bank Limited	—	318.6
Sub - debt loan	ICICI Bank Limited	—	1,259.0
Loan from holding company	ICICI Bank Limited	7,224.0	8,600.0
Bonds	Company Limited	—	500.0
Bank overdraft	ICICI Bank Limited	1,273.6	540.6
Book overdraft	ICICI Bank Limited	10.5	76.5
Accrued interest on bond	Company Limited	—	37.1
Fee payable	ICICI Bank Limited	27.0	32.1
ICICI Securities Limited	ICICI Securities Limited	21.2	7.8
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans & purchase of assets)	ICICI Securities Limited	151.8	132.1
<b>INCOME</b>			
Dividend income	ICICI Securities Limited	—	49.3
Valuation fee	ICICI Bank Limited	613.5	496.0
Other Fee income	ICICI Lombard General	26.2	14.4
Interest on fixed deposit	ICICI Bank Limited	—	—
Rent received	ICICI Bank Limited	7.5	8.2
Expense recovery	ICICI Bank Limited	35.7	35.0
Servicing fee	ICICI Bank Limited	21.1	17.2
<b>EXPENDITURE</b>			
Interest & other finance expenses	ICICI Bank Limited	1,030.3	1,209.8
DMA Commission	ICICI Bank Limited	18.6	12.8
Fee expenses	ICICI Bank Limited	90.9	67.0
Insurance premium	ICICI Lombard General	37.2	38.4
Rent paid	ICICI Lombard General	—	—
Servicing fee	ICICI Bank Limited	12.8	10.0
CSR Expenses & Donation	ICICI Foundation for Inclusive Growth	9.8	12.3
Miscellaneous	ICICI Bank Limited	30.7	262.6
Remuneration	Rohit Salhotra	35.0	—
<b>OTHERS</b>			
SWAP (Notional Principal)	ICICI Bank Limited	5,500.0	5,500.0
Letter of comfort (utilized)	ICICI Bank Limited	12,748.0	14,530.2
Bond payment made during the period	ICICI Prudential Life Insurance Company Limited	500.0	—
Bank loan taken earlier and repaid during the period	ICICI Bank Limited	2,635.0	2,534.9
Maturity receipt of Preference Shares	ICICI Securities Limited	—	500.0
Purchase of Gsec	ICICI Securities Primary	101.9	—
Sale of Gsec	Dealership limited	—	—
Equity dividend	Dealership limited	49.9	—
	ICICI Bank Limited	1,318.8	1,422.9

28. The disclosure as per NHB circular no. NHB/ND/DRS/Pol-No. 35/2010-2011 dated October 11, 2010 is as under:

(i) Capital to risk assets ratio (CRAR)

S. Items No.	As at March 31, 2015	As at March 31, 2014
1 CRAR %	27.01%	33.06%
2 CRAR - Tier I capital %	23.25%	27.34%
3 CRAR - Tier II capital %	3.76%	5.72%

# notes

forming part of the accounts

*Continued*

- (ii) Exposure to Real estate sector

Particulars	(₹ in millions)	
	As at March 31, 2015	As at March 31, 2014
<b>a) Direct exposure</b>		
i) Residential mortgages	53,914.9	45,547.1
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (Individual Housing Loans up to ₹ 15 Lakhs – March 2015 - ₹ 11,929.4 million, March 2014 - ₹ 8,886.4 million)		
ii) Commercial real estate	23,114.4	20,878.3
Lending fully secured by mortgages on commercial real estates (office buildings, retail space multipurpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc). Exposure would also include non-fund based (NFB) limits.		
iii) Investments in mortgage backed securities (MBS) & other securitised exposures	—	—
a) Residential	—	—
b) Commercial real estate	45.1	50.6
iv) Others ( These contains exposures not covered above)		
<b>b) Indirect exposure</b>		
Fund based & non fund based exposures on National Housing Bank (NHB) & housing finance companies (HFC's)	—	—

- (iii) Asset Liability Management

Maturity pattern of certain types of items of Assets & Liabilities*	(₹ in millions)										
	1 Day to 30-31 Days (one mth)	Over 1 mth to 2 mth	Over 2 mths upto 3 mths	Over 3 mths to 6 mths	Over 6 mths to 1 Yr	Over 1 Yr to 3 Yrs	Over 3 Yrs to 5 Yrs	Over 5 Yrs to 7 Yrs	Over 7 Yrs to 10 Yrs	Over 10 Yrs	Total
<b>Liabilities</b>											
Borrowings from banks	1,273.6	111.2	961.1	2,124.9	6,920.9	11,860.4	3,622.0	—	—	—	26,874.1
Market borrowings (including CP & Bonds)	1,947.6	498.9	1,249.6	1,804.8	6,076.2	10,665.4	12,363.0	—	—	—	34,605.5
Fixed deposit	266.6	152.7	171.6	351.8	474.5	944.5	252.0	—	—	—	2,613.7
	3,487.8	762.8	2,382.3	4,281.5	13,471.6	23,470.3	16,237.0	—	—	—	64,093.3
<b>Assets</b>											
Advances	1,571.2	1,135.7	949.0	6,417.7	18,095.2	17,557.7	12,501.8	9,140.8	4,404.3	5,301.1	77,074.5
Investments	1,107.8	—	—	—	—	255.1	1,024.5	—	160.8	543.8	3,092.0
Fixed deposit	500.0	—	—	80.0	—	—	—	—	—	—	580.0
	3,179.0	1,135.7	949.0	6,497.7	18,095.2	17,812.8	13,526.3	9,140.8	4,565.1	5,844.9	80,746.5

\* Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumption as used by the Company for compiling the return submitted to NHB.

29. Impairment of assets: As per management Accounting Standard (AS 28) would not apply to financial assets such as loans and advances as the same have been covered by provisions in accordance with guidelines on prudential norms issued by NHB. Further, the management assesses that there is no indication of impairment of Company's fixed assets and investments.
30. The Company has paid an amount of ₹ 5,000 as penalty (March 2014 - ₹ Nil) to NHB relating to operational aspects of fixed deposits.
31. Expenditure in foreign currency
- | Particulars                | (₹ in millions)              |                              |
|----------------------------|------------------------------|------------------------------|
|                            | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| Consultancy and other fees | —                            | 1.3                          |
32. Contingent liabilities and commitments not provided for:
- (a) Contingent liabilities
- The Company is involved in various litigations, aggregating to ₹ 4,045.8 millions (₹ 2,808.8 as March 31, 2014) the outcome of which are considered possible and probable as at March 31, 2015. In respect of obligations which are considered probable, the company has made provision of ₹ 3,519.3 millions (₹ 2,477.9 as March 31, 2014) and for obligation which are possible, the contingent liabilities are as follows:
- (i) Income tax matters in appeal - ₹ 517.1 million (March 2014 - ₹ 315.1 million)
- (ii) Service tax matters in appeal - ₹ 0.7 million (March 2014 - ₹ 0.7 million)
- (iii) The contingent liability on account of claims filed against the company not acknowledged as debt is ₹ 8.7 million (March 2014 - ₹ 15.1 million).
- (vi) As per management, the company has good chances of winning the cases accordingly no provision for any liability has been made in the financial statement.
- (b) Commitments
- (i) Estimated amount of contracts remaining to be executed on capital account - ₹ 8.5 million (March 2014 - ₹ 7.8 million) (Net of advances - ₹ 8.1 million, March 2014 - ₹ 5.2 million)
- (ii) Commitment towards investment in Emerging India Fund ₹ 80.9 million (March 2014 - ₹ 104.6 million)
- (iii) Commitment towards part disbursement and non-disbursed sanctions amount to ₹ 3,167.8 million (March 2014 - ₹ 4,237.5 million) and ₹ 2,683.6 million (March 2014 - ₹ 2,541.3 million) respectively.
33. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

FOR S.R. BATLIBOI & CO. LLP  
Firm's Registration no.: 301003E  
Chartered Accountants

per VIREN H. MEHTA  
Partner  
Membership no.: 48749

Place : Mumbai  
Date : April 21, 2015

For and on behalf of the Board

RAJIV SABHARWAL  
Chairman

ROHIT SALHOTRA  
Managing Director and CEO

MANINDER JUNEJA  
Vice-Chairman

PANKAJ JAIN  
Chief Financial Officer

PRATAP SALIAN  
Company Secretary

# ICICI INVESTMENT MANAGEMENT COMPANY LIMITED

## 15TH ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Vijay Chandok, Chairman  
Din No. 01545262

N.L.Bhatia  
Din No. 00021847  
Chandrashekhar Lal  
Din No. 00078377

### Auditors

B S R & Co, LLP  
*Chartered Accountants*

Sharad Malpani  
*Manager*

Vaishali Mehta  
*Chief Financial Officer*

### Registered Office

ICICI Bank Towers  
Bandra- Kurla Complex  
Mumbai – 400 051

Arpita Goyal  
*Company Secretary*  
(till April 20,2015)

# directors' report

## to the members

Your Directors have pleasure in presenting the Fifteenth Annual Report of the Company with the audited statement of accounts for the financial year ended March 31, 2015.

### FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

Particulars	Fiscal 2014	Fiscal 2015
Gross Income	60,038	36,096
Profit/(loss) Before Tax	679	(20,673)
Provision for Tax	1219	420
Profit/(loss) After Tax	1,899	(20,253)
Transfer to Reserves	1,899	(20,253)

### OPERATIONS AND FUTURE PROSPECTS

The main object of the Company is to carry on the business of management of mutual funds, unit trusts, offshore funds, pension funds, provident funds, venture capital funds and insurance funds and to act as managers, consultants, advisors, administrators, attorneys, agents or representatives of or for mutual funds, unit trusts, offshore funds, pension funds, provident funds, venture capital funds or insurance funds formed or established in India or elsewhere by the Company or any other person and to act as financial advisors and investment advisors and to render such financial management, financial consultancy and advisory services to individuals, companies, corporations, trusts and other entities as supplemental activities of the Company and as do not conflict with the fund management activities.

The Company is administering a private equity fund named Emerging India Fund since September 2010. The Company acts as an Investment Manager of Emerging India Fund, a Venture Capital Fund. Upto FY2014 the Company earned management fees on the total commitment amount of the Fund, but during FY2015 the management fees was received on the aggregate acquisition cost of unrealised investments, i.e., on the funds deployed in Emerging India Fund.

In FY2015, your Company made a loss of ₹ 20.2 million as compared to a profit of ₹ 1.8 million in FY2014. In FY2015, your Company's net-worth was ₹ 134.1 million as compared to ₹ 154.3 million in FY2014. The net-worth of the Company reduced by ₹ 20.2 million.

With the completion of investments in the first Fund the Company has started raising another Fund. The Company will start earning fees in form of management fees and advisory fees from the new Fund from the time of its first closure. As part of the investment strategy, Emerging India Fund focuses mainly on investing in unlisted companies in emerging corporates in small and mid-market segment in India. During the financial year 2014-2015, the Company completed the deployment of the corpus of Emerging India Fund.

We are happy to share with you that the performance of almost all the investments is quite satisfactory. The management of some of the portfolio companies of Emerging India Fund are actively working on their capital structures from their growth perspective and may thereby provide a liquidity event for some of their investors going forward. The portfolio of Emerging India Fund has been built over the last few years very selectively and is quite diversified across sectors like BFSI, Education, Healthcare, Agri Supply Chain and Automobiles.

The team continues to actively engage with the Board, Management and Operating Professionals of its investee companies. The efforts put in by the team over the last many months are well appreciated by the Promoters and is also helping the investee companies in planning their strategies and creating alternate channels for business expansion.

The team is also working towards setting up another private equity fund under the Alternate Investment Fund Category II regulations of SEBI. The team is approaching its existing investors of the first fund and also other potential domestic and overseas investors. With the current positive working environment and the stability shown by the Indian Government, the Company feels that it will be able to set another Fund and expand its business.

### DIVIDEND

Your Directors do not recommend payment of dividend for the year ended March 31, 2015.

### TRANSFER TO RESERVE

Loss of ₹ 20.2 million has been adjusted against the reserve

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not advanced any loan/ given guarantee.

The particulars of investments made under Section 186 during the year under review are as under:

Name of the Company	No. of shares	₹ in INR
First Source Solutions Limited	200	2000
ICICI Venture Fund Management Company Limited	1	10
<b>Total</b>	<b>—</b>	<b>2010</b>

As mentioned above, your Company has not purchased the securities of any other body corporate exceeding sixty percent of its paid up capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

### PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits during the year, under Section 73 of the Companies Act, 2013. Hence, there is no outstanding amount as on the Balance Sheet date.

### DETAILS OF DIRECTORS

In terms of provisions of the Articles of Association of the Company, Vijay Chandok will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Narendra Murkumbi resigned from the Company with effect from February 5, 2015. The Board placed on record its deep appreciation and gratitude to Narendra Murkumbi for his guidance and contribution to the Company during his tenure.

In view of the provisions of Companies Act, 2013, the members at their Extraordinary General meeting held on March 25, 2015, have appointed Chandrashekhar Lal and

# directors' report

N. L. Bhatia as independent Directors of the Company for a period of five years effective April 1, 2014. In line with the requirements under Schedule IV of the Companies Act, 2013, a letter of appointment indicating their roles and responsibilities has been provided to the independent Directors.

## DETAILS OF KEY MANAGERIAL PERSONNEL

### Appointment:

In terms of Section 196 of the Companies Act, 2013, the Board at its Meeting held on October 25, 2012 had re-appointed Sharad Malpani as the Manager of the Company, effective December 1, 2012 for a period of three years up to November 30, 2015 which was approved by the members on June 19, 2013. The Members at their Extra-Ordinary General Meeting held on April 24, 2015 ratified the re-appointment and remuneration of Sharad Malpani as Manager of the Company for the period December 1, 2012 to November 30, 2015.

The Board of the Company at its Meeting held on April 21, 2014 approved the designation of Vaishali Mehta, Chief Financial Officer of the Company, as a Key Managerial Personnel of the Company.

### Resignation:

Arpita Goyal has resigned as Company Secretary of the Company w.e.f April 20, 2015.

## AUDITORS

In the last AGM held on June 19, 2014, B S R & Co. LLP, Chartered Accountants, Mumbai, have been appointed Statutory Auditors of the Company for a period of five years. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. The Company has received confirmation from B S R & Co. LLP, Chartered Accountants, Mumbai that their appointment, falls within the limits specified under section 141(3)(g) of Companies Act, 2013 and they are not disqualified to be appointed as Statutory Auditors.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. There are no qualifications or observations in the Auditors' Report.

## NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met five times on April 21, 2014, July 23, 2014, October 21, 2014, January 21, 2015 and March 16, 2015.

## DECLARATION BY INDEPENDENT DIRECTORS

Section 149 of the Companies Act, 2013 prescribes the criteria for independence of a director and the requirement of taking an annual declaration from the directors confirming their adherence to the criteria.

Section 149 of the Companies Act, 2013 excludes a nominee director from the definition of independent Director. Accordingly, other than from Vijay Chandok, who is a nominee Director, declarations have been received from Chandrashekhar Lal and N. L. Bhatia.

In order to ensure compliance with the aforesaid provision, declaration of independence has been taken in accordance with Section 149 of the Companies Act, 2013 from independent Directors and has been placed before the Board at its Meeting held on April 20, 2015.

## AUDIT COMMITTEE

The Audit Committee currently comprises of Chandrashekhar Lal, Chairman, N. L. Bhatia and Vijay Chandok.

During the year, the Committee had met on April 21, 2014, July 23, 2014, October 21, 2014 and January 21, 2015.

## NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, the Company has constituted Nomination and Remuneration Committee comprising of Chandrashekhar Lal, Chairman, N. L. Bhatia and Vijay Chandok.

During the year, the Committee had met on March 16, 2015.

The Company has in place a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director as well as a policy for the remuneration for the directors, key managerial personnel and other employees. The Company is a 100% subsidiary of ICICI Bank and its employees are on deputation from ICICI Bank, as presently there are no employees on the rolls of the company, the Company as and when any employees are recruited in the future would adopt the Bank's compensation policy practices to the extent applicable to it. The remuneration payable to non-executive/independent Directors would be governed by the provisions of the Companies Act, 2013 and its applicable rules. The remuneration for the non-executive/independent Directors would be sitting fee for attending each meeting of the Committee/Board thereof or for any other purpose whatsoever as may be approved by the Board from time to time within the limits as provided under Companies Act, 2013 and related rules. The

Manager of the Company is on deputation from the holding company i.e. ICICI Bank Limited (Bank) and has been granted 17500 stock options of the Bank for fiscal 2015 pursuant to the Employee Stock Option Scheme of the Bank.

All the non-executive/independent Directors would be entitled to reimbursement of expenses for attending Board/Committee meetings, official visits and participation in various forums on behalf of the company or for any other expense as may be approved by the Board.

## EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed as Annexure-1.

## DETAILS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the year under review, pursuant to Section 134(3)(m) read with Rule 8(3) of Companies (Accounts) Rules, 2014, Foreign exchange earnings and Outgo are as follows:

During the year March 31, 2015

Foreign exchange earnings	: Nil
Foreign exchange expenditure	: ₹ 0.34 million

## RELATED PARTY TRANSACTIONS

The Company primarily enters into following types of transactions with its related parties in its ordinary course of business adhering to arm's length principles as laid down in the Groups' arm's length policy:

- a) Placing fixed deposits
- b) Borrowings
- c) Credit facilities (fund based and non-fund based facilities)
- d) Purchase/sale of investments
- e) Other treasury transactions, like money market borrowings and placements
- f) Revenue transactions like interest income and expenses, dividends, brokerage, commission and fee – income and expenses, insurance premium and insurance claims, payment of expenses for shared infrastructure and services, sale/purchase and leasing of properties
- g) Remuneration, including stock options, to Key Managerial Personnel (KMPs)

In terms of the Companies Act, 2013, approval of the Audit Committee is required for undertaking these transactions. The Company has taken the pre-approval of the Audit Committee in its meeting held on April 21, 2014 for continuing to undertake these transactions, because we believe that these satisfy both the conditions specified in the Companies Act, 2013, i.e., ordinary course of business and arm's length basis. Similarly, the Audit Committee is apprised about these transactions, on a quarterly basis.

The details of transactions entered into with the Related Parties are enclosed in form AOC-2 as Annexure-2.

## INTERNAL FINANCIAL CONTROLS - RULE 8(5)(VIII) OF COMPANIES (ACCOUNTS) RULES, 2014

The internal financial controls with reference to the Financial Statements are adequate with the size and nature of business of the Company.

## HOLDING AND SUBSIDIARIES- RULE 8(5)(IV) OF COMPANIES (ACCOUNTS) RULES, 2014

Your Company continues to be the Subsidiary of ICICI Bank Limited.

## CHANGE IN NATURE OF BUSINESS:

During the year, there was no change in nature of business of the company.

## POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

## ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations.

# directors' report



## RISK MANAGEMENT POLICY

In terms of requirements of Section 134(3)(n) of the Companies Act 2013, effective steps are being taken and continue to be taken with respect to development and implementation of a risk management policy and other related aspects.

## PARTICULARS OF EMPLOYEES

All employees of the Company are on deputation basis from the Holding Company. Payment made to the Holding Company by the Company towards salaries, provident fund/gratuity/pension/leave encashment of these employees for services rendered to the Company are included under employee cost.

As there are no employees on the rolls of the Company, the information required under Sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable.

## EVALUATION OF PERFORMANCE OF BOARD AND DIRECTORS

The Company, with the approval of its Nomination and Remuneration Committee (Committee), has put in place an evaluation framework for evaluation of the Board, Directors and Chairperson.

The evaluations for the Directors and the Board were done through circulation of two questionnaires, one for the Directors and the other for the Board which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board, functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The criteria for performance evaluation of Directors (Independent/Non-Independent) relates to the roles, expectations and contribution to areas which are relevant to the Directors in their capacity as members of the Board or Committees of the Board.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENTS

The Company would also like to express its gratitude for the support and guidance received from ICICI Bank Limited, the holding company, other group companies and the fund investors.

For and on behalf of the Board

VIJAY CHANDOK  
DIN: 01545262  
Chairman

Mumbai, April 24, 2015

# annexure 1

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015 OF  
ICICI INVESTMENT MANAGEMENT COMPANY LIMITED  
[PURSUANT TO SECTION 92 OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF  
THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN - U65990MH2000PLC124773
- ii) Registration Date – 09/03/2000
- iii) Name of the Company – ICICI Investment Management Company Limited
- iv) Category / Sub-Category of the Company – Public Company
- v) Address of the Registered Office and contact details –  
ICICI Bank Tower, Bandra Kurla Complex, Bandra East, Mumbai 400051,  
Tel: 022 40087885
- vi) Whether listed company - No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any  
3i Infotech Limited  
Tower 5, 3rd Floor, Block B, International Infotech Park, Vashi Railway Station,  
Vashi, Navi Mumbai - 400 703, www.3i-infotech.com  
Tel:022 6792 8020

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr No	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Management Fees	66309	79%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SI. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	ICICI Bank, ICICI Bank Tower, Bandra Kurla Complex, Bandra East, Mumbai 400051	L65190GJ1994 PLC021012	Holding	100%	2 (46)

# directors' report

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	—	—	—	—	—	—	—	—	—
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt(s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	—	—	—	—	—	—	—	—	—
(e) Banks / FI*	1,00,00,700	—	1,00,00,700	100	1,00,00,700	—	1,00,00,700	100	—
(f) Any Other....	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1):-</b>	<b>1,00,00,700</b>	—	<b>1,00,00,700</b>	<b>100</b>	<b>1,00,00,700</b>	—	<b>1,00,00,700</b>	<b>100</b>	—
<b>(2) Foreign</b>									
(a) NRIs -Individuals	—	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other....	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2):-</b>	—	—	—	—	—	—	—	—	—
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,00,00,700</b>	—	<b>1,00,00,700</b>	<b>100</b>	<b>1,00,00,700</b>	—	<b>1,00,00,700</b>	<b>100</b>	—
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks / FI	—	—	—	—	—	—	—	—	—
(c) Central Govt	—	—	—	—	—	—	—	—	—
(d) State Govt(s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FII's	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	—	—	—	—	—	—	—	—	—
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	—	—	—	—	—	—	—	—	—
(i) Indian	—	—	—	—	—	—	—	—	—
(ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals	—	—	—	—	—	—	—	—	—
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
(c) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):-</b>	—	—	—	—	—	—	—	—	—
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	—	—	—	—	—	—	—	—	—
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>1,00,00,700</b>	—	<b>1,00,00,700</b>	<b>100</b>	<b>1,00,00,700</b>	—	<b>1,00,00,700</b>	<b>100</b>	—

# directors' report

**ICICI Investment Management**

\* Beneficial Interest of 700 shares is held by the Bank through the following entities:

Folio No	Name of the shareholder	No of shares
9000462	ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED	100
IIN1002	ICICI HOME FINANCE COMPANY LIMITED	100
IIN1003	ICICI SECURITIES LIMITED	100
IIN1004	ICICI LOMBARD GENERAL INSURANCE CO LIMITED	100
IIN1005	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	100
IINV014	ICICI TRUSTEESHIP SERVICES LIMITED	200
<b>Total</b>		<b>700</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ICICI Bank Limited	1,00,00,700	100	—	1,00,00,700	100	—	—

**(iii) Change in Promoters' Shareholding (No change)**

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—
	At the end of the year	—	—	—

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Not Applicable)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	—	—	—	—
	At the End of the year (or on the date of separation, if Separated during the year)	—	—	—	—

**(v). Shareholding of Directors and Key Managerial Personnel: (Not Applicable)**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	—	—	—	—

# directors' report

## (v). INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/ accrued but not due for payment ( Not applicable)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	—	—	—	—
i) Principal Amount				
ii) Interest due but not paid				
iii) interest accrued but not due				
<b>Total (i+ii+iii)</b>	—	—	—	—
<b>Change in Indebtedness during the financial year</b>	—	—	—	—
• Addition				
• Reduction				
<b>Net Change</b>	—	—	—	—
<b>Indebtedness at the end of the financial year</b>	—	—	—	—
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	—	—	—	—

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Sharad Malpani (Manager) <sup>®</sup>	Total Amount In ₹
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (i) Salary and Allowances for fiscal 2015 (ii) Bonus paid in fiscal 2015 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	4,909,858 1,195,470 82,289 —	
2.	Stock Option (Perquisite on stock options exercised in fiscal 2015 , w.r.t options granted upto 10 years prior to date of exercise )	3,069,241	
3.	Sweat Equity	—	
4.	Commission (as % of Profit/Others)	—	
5.	Others	—	
	Total (1a(i) + a(ii) + b) Total Remuneration paid in fiscal 2015 (excludes perquisites on stock options reported in point 2)	6,187,617	
	Ceiling as per the Act	8,400,000	

<sup>®</sup> On deputation from the holding company i.e. ICICI Bank Limited (Bank), stock options relate to the options granted by the Bank pursuant to the Employee Stock Option Scheme of the Bank

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount In ₹
	Independent Directors • Fee for attending board / committee meetings	Chandreshkhar Lal N.L.Bhaita Narendra Murkumbi	100,000 100,000 20,000
	<b>Total (1)</b>		220,000
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify		—
	<b>Total (2)</b>		—
	<b>Total (B)=(1+2)</b>		220,000
	Total Managerial Remuneration		6,407,617
	Overall Ceiling as per the Act		8,400,000

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount In ₹
		Arpita Goyal <sup>#</sup>	Vaishali Mehta <sup>#</sup>	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (i) Salary and Allowances for fiscal 2015 * (ii) Bonus paid in fiscal 2015 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	899,755 269,820 31,897 —	2,384,700 439,056 21,600 —	3,284,455 708,876 53,497 —
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission (as % of Profit/Others)	—	—	—
5	Others*	206,883	96,208	303,091
	Total (1a(i) + a(ii) + b) + (5)) Total Remuneration paid in fiscal 2015	1,408,355	2,941,564	4,349,919

\* On deputation from the holding company i.e. ICICI Bank Limited (Bank)

\* Please note that Salary and Allowances is net of HRA exemption claimed under Sec.10(13A) of Income Tax Act, 1961, which is reported in Others in point 5

# directors' report

 ICICI Investment Management

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

## annexure 2

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship - NA
- (b) Nature of contracts/arrangements/transactions - NA

- (c) Duration of the contracts / arrangements/transactions - NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any - NA
- (e) Justification for entering into such contracts or arrangements or transactions- NA
- (f) date(s) of approval by the Board - NA
- (g) Amount paid as advances, if any: - NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - NA

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. no	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contracts	Silent term of contracts/ transactions	Amount in ₹
1	Common corporate, Use of office space and other facilities expenses reimbursed	ICICI Bank Limited	Holding Company	—	Rentals, common corporate expenses, sharing charges and DNO insurance charged by ICICI Bank Limited.	6,342,559
2	Secondment of employees	ICICI Bank Limited	Holding Company	—	Reimbursement of staff deputation cost of employees.	39,974,775

Mumbai, April 24, 2015

VIJAY CHANDOK  
Chairman

# independent auditors' report

## to the Members of ICICI Investment Management Company Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Investment Management Company Limited ('the Company'), which comprise the balance sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### Report on other legal and regulators matters

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations outstanding as at 31 March 2015;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Mumbai, April 24, 2015

VENKATARAMANAN VISHWANATH  
Partner  
Membership No: 113156

# annexure to independent auditors' report

**ICICI Investment Management**

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company does not have any tangible fixed assets. Accordingly, paragraph 3(i)(b) of the Order is not applicable.
2. The Company is a service company, primarily rendering asset management services. Accordingly it does not hold any physical inventories. Thus, Paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of our audit.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, excise duty, customs duty and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax and other statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us no amount is required to be transferred investor education and protection fund.
8. The Company does not have any accumulated losses at the end of the financial year. The Company has incurred cash losses in the current financial year but not in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, paragraph 3 (x) of the Order is not applicable.
11. According to the information and explanations given to us, the Company does not have any term loans and accordingly, paragraph 3 (xi) of the Order is not applicable.
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of the year.

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

Mumbai, April 24, 2015

VENKATARAMANAN VISHWANATH  
Partner  
Membership No: 113156

# balance sheet

at March 31, 2015

# profit and loss statement

for the year ended March 31, 2015

	Note No.	At March 31, 2015 Audited	(₹ in '000)		Note No.	Year ended March 31, 2015 Audited	(₹ in '000)
			At March 31, 2014 Audited				Year ended March 31, 2014 Audited
<b>EQUITY AND LIABILITIES</b>							
Shareholders' funds				<b>Income</b>			
Share capital	3.1	<b>100,007</b>	<b>100,007</b>	Revenue from operations	3.11	<b>28,601</b>	<b>49,170</b>
Reserves and surplus	3.2	<b>34,081</b>	<b>54,334</b>	Other income	3.12	<b>7,495</b>	<b>10,868</b>
		<b>134,088</b>	<b>154,341</b>	<b>Total Revenue</b>		<b>36,096</b>	<b>60,038</b>
<b>Current liabilities</b>							
Trade payables	3.3	<b>16,489</b>	<b>18,764</b>	<b>Expenses</b>			
Other current liabilities	3.4	<b>539</b>	<b>715</b>	Employee benefits expense	3.13	<b>45,909</b>	<b>38,857</b>
		<b>17,028</b>	<b>19,479</b>	Depreciation and amortisation expense	3.5	<b>10</b>	<b>10</b>
<b>TOTAL</b>		<b>151,116</b>	<b>173,820</b>	Other expenses	3.14	<b>10,850</b>	<b>20,491</b>
<b>ASSETS</b>							
<b>Non-current assets</b>							
Fixed assets				<b>Total expenses</b>		<b>56,769</b>	<b>59,358</b>
Intangible assets	3.5	<b>11</b>	<b>21</b>	<b>Profit before tax</b>		<b>(20,673)</b>	<b>680</b>
Non-current investments	3.6	<b>52</b>	<b>52</b>	<b>Tax expense:</b>			
Other Non Current Assets	3.7	<b>8,682</b>	<b>13,102</b>	Current tax/ Mat Payable		—	—
		<b>8,745</b>	<b>13,175</b>	Add: Excess provision written back		<b>420</b>	<b>1,219</b>
<b>Current assets</b>							
Current investments	3.8	<b>128,220</b>	<b>149,929</b>	<b>Profit after tax</b>		<b>(20,253)</b>	<b>1,899</b>
Cash and bank balances	3.9	<b>1,041</b>	<b>1,924</b>	<b>Earnings Per Equity Share</b>	3.15		
Other current assets	3.10	<b>13,110</b>	<b>8,792</b>	Basic		<b>(2.03)</b>	<b>0.19</b>
		<b>142,371</b>	<b>160,645</b>	Diluted		<b>(2.03)</b>	<b>0.19</b>
<b>TOTAL</b>		<b>151,116</b>	<b>173,820</b>				

Significant accounting policies and notes to financial statements (Note No. 2 to 3.18)  
The accompanying notes form an integral part of the Balance Sheet.

As per our report of even date attached

For and on behalf of the Board of Directors

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

VIJAY CHANDOK  
Chairman

VENKATARAMANAN VISHWANATH  
Partner  
Membership No: 113156

CHANDRASHEKHAR LAL  
Director

VAISHALI MEHTA  
Chief Financial Officer

Mumbai, April 24, 2015

# notes

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1. Background

ICICI Investment Management Company Limited (the Company) was incorporated in Mumbai, India. The Company's main objectives on the basis of which it has been incorporated is to carry on the business activities in respect of the management of various funds and to act as managers, consultants, advisors, administrators, attorneys, agents or representatives of or for such funds.

### 2 Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented on the accrual basis of accounting, and comply with the Accounting Standards specified under section 133 of the Companies Act , 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the relevant provisions of the Companies Act, 2013. The financial statements are presented in Indian rupees rounded off to the nearest rupee, unless otherwise stated.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.3 Current – non current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realised in, or is intended for sale or consumption in, company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### 2.4 Revenue recognition

##### Management Fees

Investment management fees are recognized quarterly on an accrual basis in accordance with the respective terms of contracting parties. These fees are linked to the capital commitments having regard to the amount of obligation outstanding, the nature of services provided and the timing of the investments / divestment in portfolio companies relating thereto.

Based on the Contribution Agreement, Management Fee comprises an amount equal to 2% per annum of the Capital Commitments (plus service tax at applicable rates) of the holders of Class A Units. Upon the expiry of the Commitment Period, the Management Fee comprises an amount equal to 2 % per annum (plus service tax at applicable rates) of aggregate acquisition cost of unrealised investments.

The Commitment Period of the Fund began at the date of the Initial Closing of the Fund, viz. September 20, 2010 and with the extension of 6 months ended on March 19, 2014.

When the uncertainty relating to collectability of management fees arises subsequent to the rendering of services an appropriate provision to reflect the uncertainty will be recorded in the books.

##### Performance Fees

Performance fees represent allocation of investment gains ("carried interest"), which are a component of company's interest in the Fund for holding Class B shares.

##### Other income

Interest income is accounted on an accrual basis.

Dividend income is recognised when the right to receive the dividend is established.

#### 2.5 Fixed asset and depreciation

Fixed assets are carried at cost less accumulated depreciation and impairment, if any. Cost includes cost of purchase and all other expenditure in relation to inward freight, duties, taxes and incidental expenses related to acquisition and installation.

Depreciation is provided on straight line method based on estimated useful life as per the relevant provisions of the Companies Act, 2013 or based on management estimate as given below:

-Intangible asset at 25%

##### Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss statement.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

#### 2.6 Investments

Investments are classified as long term or current, based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Purchase and sale of investments are recorded on trade date. The gains/ losses on sale of investments are recognised in the profit and loss statement on the trade date. Profit or loss on sale of investments is determined on First In First Out ('FIFO') basis.

#### 2.7 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of foreign exchange transactions settled during the period are recognised in the profit and loss statement of the period. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at the closing exchange rates on that date and the resultant exchange differences, if any, are recognised in the profit and loss statement.

#### 2.8 Income tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

##### Current tax

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternative Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss statement and presented as MAT credit entitlement.

##### Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

#### 2.9 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company recognises that it has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle obligation in respect of which a reasonable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood or outflow of resources is remote, no provision or disclosure is made.

# notes

## forming part of the accounts

*Continued*

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

### 2.10 Earnings per share

The basic earnings per share is computed by dividing the net profit/(loss) attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

### 3. Notes to accounts for the year ended March 31, 2015

#### 3.1 Share Capital

Particulars	Par value per share	(₹ in '000)	
		At March 31, 2015	At March 31, 2014
<b>Authorised:</b>			
25,000,000 equity shares of ₹ 10 each	10	250,000	250,000
<b>Issued, subscribed and paid up:</b>			
10,000,700 equity shares of ₹ 10 each fully paid up	10	100,007	100,007

- a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	(₹ in '000)		(₹ in '000)	
	At March 31, 2015	At March 31, 2014	At March 31, 2015	At March 31, 2014
	No. of Shares	Amount	No. of Shares	Amount
No. of shares at the beginning	10,000,700	100,007	10,000,700	100,007
No. of shares at the end	10,000,700	100,007	10,000,700	100,007

- b. Shares held by holding company

Particulars	(₹ in '000)		(₹ in '000)	
	At March 31, 2015	At March 31, 2014	At March 31, 2015	At March 31, 2014
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of ₹ 10/- each held by ICICI Bank Limited	10,000,700	100,007	10,000,700	100,007

- c. Details of shares held by shareholders holding more than 5 % of the aggregate shares in the company

Particulars	(₹ in '000)		(₹ in '000)	
	At March 31, 2015	At March 31, 2014	At March 31, 2015	At March 31, 2014
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of ₹ 10/- each held by ICICI Bank Limited, the Holding Company	10,000,700	100,007	10,000,700	100,007

#### 3.5 Fixed Assets

(₹ in '000)

Description	Gross Block				Depreciation				Net Block	
	At April 1, 2014	Additions during the year	Deletions during the year	At March 31, 2015	At April 1, 2014	For the year	Deletions	At March 31, 2015	As at March 31, 2015	As at March 31, 2014
Intangibles	41	—	—	41	20	10	—	30	11	21
<b>Total</b>	<b>41</b>	<b>—</b>	<b>—</b>	<b>41</b>	<b>20</b>	<b>10</b>	<b>—</b>	<b>30</b>	<b>11</b>	<b>21</b>
Previous year	—	41	—	41	—	20	—	20	21	—

#### Share held by holding company:

- All the above shares are held by ICICI Bank Limited (the holding company) and its nominees.
- The company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- The company declares and pays dividend in Indian rupees. No dividend has been declared by the company during the year ended March 31, 2015.
- In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after repayment of all liabilities and distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 3.2 Reserves and Surplus

Particulars	(₹ in '000)	
	At March 31, 2015	At March 31, 2014
<b>Surplus in the statement of Profit and Loss:</b>		
Balance as per last financial statements	54,334	52,435
Add: Profit (Loss) for the year	(20,253)	1,899
<b>Total</b>	<b>34,081</b>	<b>54,334</b>

#### 3.3 Trade Payables

Particulars	(₹ in '000)	
	At March 31, 2015	At March 31, 2014
<b>Sundry creditors:</b>		
a) Payable to Holding Company	9,970	8,640
b) Payable to Emerging India Fund	—	6,889
c) Other liabilities	6,519	3,235
<b>Total</b>	<b>16,489</b>	<b>18,764</b>

#### 3.4 Other Current Liabilities

Particulars	(₹ in '000)	
	At March 31, 2015 Audited	At March 31, 2014
<b>Other creditors:</b>		
Tax deducted at source payable	539	715
<b>Total</b>	<b>539</b>	<b>715</b>

# notes

**ICICI Investment Management**

forming part of the accounts

Continued

### 3.6 Non Current Investments

(Valued at cost unless stated otherwise )

Particulars	At March 31, 2015	(₹ in '000)	At March 31, 2014
Trade investments	—	—	—
Non trade investments:			
Investment in equity instruments:			
<b>Quoted investments:</b>			
First Source Solutions Limited- 200 shares (March 31, 2014 - 200 shares of ₹ 10 each)	2	2	—
<b>Unquoted investments:</b>			
Emerging India Fund- 5 Class B units (March 31, 2014 - 5 Class B units) of ₹ 10,000 each	50	50	—
ICICI Venture Funds Management Company Limited – 1 share (March 31, 2014 - 1 share) of ₹ 10 each	—	—	—
<b>Total</b>	52	52	—
Aggregate cost of quoted Investments	2	2	—
Aggregate cost of unquoted investments	50	50	—
Aggregate market value of quoted investments	6	5	—
Aggregate provision for diminution in value of investments	—	—	—

### 3.7 Other Non Current Assets

Particulars	At March 31, 2015	(₹ in '000)	At March 31, 2014
Other receivables:			
a) Tax paid in advance/tax deducted at source (net)	5,823	10,243	—
b) MAT credit entitlement	2,859	2,859	—
<b>Total</b>	8,682	13,102	—

### 3.8 Current Investments:

Particulars	At March 31, 2015	(₹ in '000)	At March 31, 2014
Investment in mutual funds (Unquoted)	—	—	—
2,000,000 units of ICICI Prudential Yearly FMP Series 68-369 D Plan K DP Cumulative ( Mar 31, 2014 - 2,000,000 units)	20,000	20,000	—
1,304,776.117 units of ICICI Prudential Ultra Short Term Plan - daily dividend ( March 31, 2014- 103,341.221 units)	95,038	1,29,929	—
898,823.188 units of ICICI Prudential Flexible Income Plan - direct daily dividend (March 31, 2014- 1,228,805.125 units)	13,182	—	—
<b>Total</b>	128,220	149,929	—

### 3.9 Cash and Cash Equivalents

Particulars	At March 31, 2015	(₹ in '000)	At March 31, 2014
a) Balance with Banks	1,041	1,924	—
b) Others	—	—	—
<b>Total</b>	1,041	1,924	—

### 3.10 Other Current Assets (Unsecured, Considered good)

Particulars	At March 31, 2015	(₹ in '000)	At March 31, 2014
Other receivables:			
a) Advances recoverable in cash or in kind or for value to be received	43	13	—
b) Service tax input (net)	4,361	1,895	—
c) Income tax refund receivable	8,707	6,884	—
<b>Total</b>	13,111	8,792	—

### 3.11 Revenue from Operations

Particulars	Year ended March 31, 2015	(₹ in '000)	Year ended March 31, 2014
Gross management fee	32,136	55,247	—
Less: Service tax	3,535	6,077	—
<b>Net Management fee</b>	28,601	49,170	—

### 3.12 Other Income

Particulars	Year ended March 31, 2015	(₹ in '000)	Year ended March 31, 2014
Dividend income:	—	—	—
From subsidiary companies	—	—	—
From others	7,241	2,878	—
Interest on income tax refund	254	1,281	—
<b>Total</b>	7,495	10,868	—

### 3.13 Employee Benefit Expenses

Particulars	Year ended March 31, 2015	(₹ in '000)	Year ended March 31, 2014
Salaries and wages (refer note 3.13 (a))	45,909	38,857	—
<b>Total</b>	45,909	38,857	—

### 3.14 Other Expenses

Particulars	Year ended March 31, 2015	(₹ in '000)	Year ended March 31, 2014
a) Director sitting fee	220	46	—
b) ROC filing fee	—	1	—
c) Professional tax	2	2	—
d) Miscellaneous expenses	682	650	—
e) General and administrative expenses (Refer note 3.14 (1))	6,343	5,020	—
f) Contribution charges	2,240	3,439	—
g) Fees and other expenses (Refer note 3.14 (2))	—	9,615	—
h) Auditors' remuneration (Refer note 3.14 (3))	354	360	—
i) SEBI registration Fees	—	250	—
j) Legal and professional fees	1,009	1,108	—
<b>Total</b>	10,850	20,491	—

- General and administrative expenses includes allocation of expenses relating to certain corporate support services, such as legal, secretarial and taxation services provided by the holding company to the Company.
- A proportionate amount of fees received from Emerging India Fund, related to an investor, is returned to the Fund, due to extended delays in honouring draw down notices.
- The detailed break-up of auditor's remuneration is given in the table below.

Auditors' remuneration:

Particulars	Year ended March 31, 2015	(₹ in '000)	Year ended March 31, 2014
Statutory audit fees	290	290	—
Tax audit fees	60	60	—
Reimbursement of out of pocket expenses	4	10	—
<b>Total</b>	354	360	—

### 3.15 Earning per share

Particulars	Year ended March 31, 2015	(₹ in '000)	Year ended March 31, 2014
Net Profit after tax	(20,253)	1,899	—
Weighted average number of Equity shares outstanding during the year (in units)	10,000,700	10,000,700	—
Basic and diluted earning per share	(2.03)	0.19	—
<b>Face value per share</b>	10	10	—

# notes

## forming part of the accounts

### 3.16 Related Party Disclosures:

Consequent to the mandatory Accounting Standard – AS 18 issued by ICA on "Related Party Disclosure" following person will be considered as related persons by the year ended March 31, 2015.

Sr. No.	Name of the Related Party	Nature of Relationship
01	ICICI Bank Limited	Holding Company
02	ICICI Venture Funds Management Company Limited	Fellow Subsidiary
03	ICICI Securities Limited	Fellow Subsidiary
04	Sharad Malpani	Key Management Personnel
05	Vaishali Mehta	Key Management Personnel
06	Arpita Goyal	Key Management Personnel

The following are the details of the transaction with the related parties:

1) Key managerial personnel

Remuneration paid to the Key managerial personnel of the company was ₹ 10,654,090 (FY 2014: ₹ 9,975,291). The remuneration paid to Sharad Malpani was ₹ 6,779,802 (FY 2014: ₹ 6,130,841), to Vaishali Mehta was ₹ 3,272,869 (FY 2014: ₹ 3,217,233) and to Arpita Goyal was ₹ 601,419 (FY 2014: ₹ 627,217) is included in the cost paid to the Holding Company as disclosed below.

2) Holding Company (parent): ICICI Bank Limited

Particulars	(₹ in '000)	
	At March 31, 2015	At March 31, 2014
Share capital	100,007	100,007
Current account	1,041	1,924
Payables	9,970	8,640

As per our report of even date attached

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

VENKATARAMANAN VISHWANATH  
*Partner*  
*Membership No: 113156*

Mumbai, April 24, 2015

For and on behalf of the Board of Directors

VIJAY CHANDOK  
*Chairman*

CHANDRASHEKHAR LAL  
*Director*

VAISHALI MEHTA  
*Chief Financial Officer*

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Employee cost (refer note 3.13 (a) & 3.16 (2)(a))	39,975	38,857
General and administrative expenses	6,343	5,020

- a. Also includes remuneration paid to key managerial personnel.
- 3) Fellow subsidiaries and fellow entities, of the Holding Company consolidated.
- a) ICICI Venture Funds Management Company Limited

Particulars	(₹ in '000)	
At March 31, 2015	At March 31, 2014	
Equity investment	0.01	0.01

Particulars	(₹ in '000)	
At March 31, 2015	At March 31, 2014	
Professional Fees paid	200	—

### 3.17 Segment Reporting

The Company is mainly organized into one business segment as asset management services. Hence primary segment disclosures are not applicable to the Company. Secondary segment reporting does not require separate disclosure as all activities of the Company are within India.

### 3.18 Other Disclosures

- a) There are no contingent liabilities as at March 31, 2015 (March 31, 2014: nil).
- b) Total foreign exchange expenditure for year ended March 31, 2015 was ₹ 338,742 (March 31, 2014: nil).
- c) There are no suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence the disclosure relating thereto under the said Act is not applicable.
- d) The company does not have any long – term contracts including derivative contracts for which there are any materially foreseeable losses. Further, the company also has no pending litigations outstanding as at 31 March 2015.

# cash flow statement

**ICICI Investment Management**

**for the year ended March 31, 2015**

		Year ended March 31, 2015	(₹ in '000) Year ended March 31, 2014
<b>A) Cash Flow from Operating Activities</b>			
Profit before tax		(20,673)	680
Add: Adjustments for:			
Depreciation / Amortisation	10	10	
Excess provision written back	420	1,219	
Less: Adjustments for:			
Dividend received	(7,241)	(2,879)	
Profit on sale of investments	—	(6,709)	
<b>Operating (loss)/profit before working capital changes</b>	<b>(27,484)</b>	<b>(7,678)</b>	
Adjustments for:			
Movement in current assets, loans and advances	971	26,384	
Movement in current liabilities and provisions	(2,451)	4,214	
<b>Cash generated from Operations</b>	<b>(28,963)</b>	<b>22,920</b>	
Income taxes paid (includes tax deducted at source)	(870)	(2,995)	
<b>Net cash from operating activities - A</b>	<b>(29,833)</b>	<b>19,925</b>	
<b>B) Cash Flow from Investing Activities :</b>			
Dividend received	7,241	2,879	
Proceeds from sale of investments	41,800	136,995	
Purchase of investments	(20,091)	(158,679)	
Purchase of fixed assets	—	—	
Interest received	—	—	
<b>Net cash from investing activities - B</b>	<b>28,950</b>	<b>(18,805)</b>	
<b>C) Cash Flow from Financing Activities :</b>			
<b>Net Cash from in Financing Activities - C</b>	<b>—</b>	<b>—</b>	
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(883)</b>	<b>1,119</b>	
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,924</b>	<b>804</b>	
<b>Cash and cash equivalents at end of the year (see note 1)</b>	<b>1,041</b>	<b>1,924</b>	

**Note 1: Cash and cash equivalents:**

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

Balances with Banks			
a) In current account	1,041	1,924	
b) In fixed deposit	—	—	
<b>Total</b>	<b>1,041</b>	<b>1,924</b>	

As per our report of even date attached

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

VENKATARAMANAN VISHWANATH  
*Partner*  
*Membership No: 113156*

*Mumbai, April 24, 2015*

For and on behalf of the Board of Directors

VIJAY CHANDOK  
*Chairman*

CHANDRASHEKHAR LAL  
*Director*

VAISHALI MEHTA  
*Chief Financial Officer*

## 16TH ANNUAL REPORT AND ACCOUNTS 2014-2015

**Directors**  
 Sanker Parameswaran, Chairman  
 DIN:00008187  
 Sanjay Chougule  
 DIN:00073782  
 Supritha Shetty  
 DIN:02101473

**Auditors**  
 Khandelwal Jain & Co.  
*Chartered Accountants*  
  
 Vivek Ranjan  
*Compliance Officer*

**Registered Office**  
 ICICI Bank Towers  
 Bandra-Kurla Complex  
 Mumbai – 400 051

# directors' report

## to the members,

Your Directors have pleasure in presenting the Sixteenth Annual Report of the Company with the audited statement of accounts for the year ended March 31, 2015.

### FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows

Particulars	Fiscal 2014	Fiscal 2015
Gross Income	645	568
Profit Before Tax	480	445
Provision for tax	94	124
Profit After Tax	388	321
Transfer to Reserves	Nil	Nil

(₹ in '000s)

### OPERATIONAL REVIEW

The main object of the Company is to act as trustee for mutual funds, offshore funds, pension funds, provident funds, venture capital funds, insurance funds, collective or private investment schemes, employee welfare or compensation schemes among others, and to devise various schemes for dealing with or in connection with aforesaid purposes including raising funds in any manner in India or abroad and to deploy funds so raised and earn reasonable returns on their investments and to act as trustees generally for any purpose and to acquire, hold, manage, dispose of all or any securities or money market instruments or property or assets and receivables or financial assets or any other assets or property.

The Company continues to act as the trustee of ICICI Venture Capital Fund, Eco-Net Internet and Technology Fund, Emerging Sectors Trust, ICICI Centre for Elementary Education, ICICI Securities Fund, ICICI Centre for Child Health and Nutrition, Reconciliation Shares Trust, ICICI Foundation for Inclusive Growth, Disha Trust and certain beneficiaries of specified endowment policy "ICICI Pru Save 'n' Protect" issued by ICICI Prudential Life Insurance Company Limited. In terms of the Scheme of Amalgamation of ICICI Limited, ICICI Capital Services Limited and ICICI Personal Financial Services Limited (Transferor Companies) with ICICI Bank Limited (Transferee Company), the Company is holding the shares pledged in favor of one or more Transferor Companies in trust for the benefit of persons for whose benefit the pledge had been created.

### DIVIDEND

Your Directors, in order to conserve reserves, do not recommend payment of dividend for the year ended March 31, 2015.

### SECTION 186 PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

During the year under review, the Company has not advanced any loan/given guarantee.

Your Company has not purchased the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. Hence, this section shall not be applicable.

### PUBLIC DEPOSITS

During the year under review, the Company has not accepted deposits under Section 73 of the Companies Act, 2013 and there is no outstanding amount as on the Balance Sheet date.

### DIRECTORS

In terms of provisions of the Articles of Association of the Company, Sanjay Chougule will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

S. D. Israni resigned from the Company with effect from January 23, 2015. The Board placed on record its deep appreciation and gratitude to S. D. Israni for his guidance and contribution to the Company during his tenure.

The Board at its Meeting held on February 16, 2015 appointed Supritha Shetty as nominee Director of ICICI Bank Limited on the Board of the Company effective February 16, 2015.

### COMPLIANCE OFFICER

Arpita Goyal, Compliance Officer has resigned from the Company w.e.f. April 16, 2015. The Board, at its Meeting held on April 16, 2015, has appointed Vivek Ranjan as the Compliance Officer of the Company in place of Arpita Goyal.

### AUDITORS

In the last AGM held on June 17, 2014 M/s. Khandelwal Jain & Co., Chartered Accountants, have been appointed Statutory Auditors of the Company for a period of 3 years. Ratification of appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing AGM. The Company has received confirmation under Section 139 of the Companies Act, 2013 from M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai that their appointment falls within the limits specified under Section 141 of the Companies Act, 2013 and are not disqualified to be appointed as Statutory Auditor. The Members are requested to consider the ratification of their appointment for FY2015-2016.

The report of the Statutory Auditors along with financial statements and notes to Accounts is enclosed to this report. There are no qualifications or adverse remarks in the Auditor's Report.

### BOARD MEETINGS

The Board of Directors duly met five times on April 18, 2014, July 17, 2014, October 20, 2014, January 22, 2015 and February 16, 2015.

### DECLARATION BY INDEPENDENT DIRECTORS

Section 149(4) of the Companies Act, 2013, requiring the appointment of Independent Directors, applies only to listed companies. Your Company being not listed, the provisions do not apply. In addition Section 149 of the Companies Act, 2013 excludes a nominee director from the definition of independent director. All the directors of your Company are Nominee Directors. Therefore, declaration has not been obtained from any of the Directors.

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed as **Annexure1**

### DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the year under review, pursuant to Section 134(3)(m) read with Rule 8 (3) of Companies (Accounts) Rules, 2014, there was no income or expenditure in foreign currency during the period under review.

### RELATED PARTY TRANSACTIONS

During the year under review, the Company has entered into contracts/arrangements with related parties at arm's length basis.

The details of transactions entered into with the Related Parties are enclosed as **Annexure 2- Form AOC-2**.

# directors' report



to the Members of ICICI Trusteeship Services Limited

## INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are adequate with the size and nature of business of the Company.

## HOLDING AND SUBSIDIARIES

Your Company continues to be the subsidiary of ICICI Bank Limited. Further, the Company has no subsidiaries, associates or joint ventures.

## CHANGE IN NATURE OF BUSINESS

During the year under review, there is no change in the nature of business of the Company.

## ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

## PERSONNEL AND OTHER MATTERS

Since your Company does not have any employees, so Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

As there are no employees on the rolls of the Company, the information required under Sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, our Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENTS

Your Company is grateful to the regulatory authorities for their valuable guidance and support and wishes to express sincere appreciation for their continued co-operation and assistance. We look forward to their continued support in future.

The Company would also like to express its gratitude for the support and guidance received from ICICI Bank, the holding Company and also from other group companies.

For and on behalf of the Board

SANKER PARAMESWARAN  
DIN : 00008187  
Chairman

Mumbai, April 16, 2015

## Annexure 1

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015 of  
ICICI TRUSTEESHIP SERVICES LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- CIN: U65991MH1999PLC119683
- Registration Date: 29/04/1999
- Name of the Company: ICICI Trusteeship Services Limited
- Category / Sub-Category of the Company: Company limited by shares
- Address of the Registered Office and contact details:  
C-23, G Block, BKC, Bandra East, Mumbai - 400051
- Whether listed company: No

- Category-wise Shareholding

- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any:

3i Infotech Limited  
Tower 5, 3rd Floor, Block B, International Infotech Park, Vashi Railway Station, Vashi, Navi Mumbai - 400 703, www.3i-infotech.com  
Contact No.:22 6792 8020

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Trusteeship services	66190	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	ICICI Bank Limited	L65190GJ1994 PLC021012	Holding	100%	2(46)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	—	—	—	—	—	—	—	—	—
(a) Individual/HUF	—	—	—	—	—	—	—	—	—
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	—	—	—	—	—	—	—	—	—
(e) Banks / FI *	49,300	700	50,000	100	49,400	600	50,000	100	—
(f) Any Other....	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1):-</b>	<b>49,300</b>	<b>700</b>	<b>50,000</b>	<b>100</b>	<b>49,400</b>	<b>600</b>	<b>50,000</b>	<b>100</b>	<b>—</b>
(2) Foreign	—	—	—	—	—	—	—	—	—
(a) NRIs -	—	—	—	—	—	—	—	—	—
Individuals	—	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other....	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>49,300</b>	<b>700</b>	<b>50,000</b>	<b>100</b>	<b>49,400</b>	<b>600</b>	<b>50,000</b>	<b>100</b>	<b>—</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	—	—	—	—	—	—	—	—	—
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks / FI	—	—	—	—	—	—	—	—	—

# directors' report

*Continued*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Central Govt	—	—	—	—	—	—	—	—	—
(d) State Govt(s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FII's	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	—	—	—	—	—	—	—	—	—
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	—	—	—	—	—	—	—	—	—
(i) Indian	—	—	—	—	—	—	—	—	—
(ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals	—	—	—	—	—	—	—	—	—
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
(c) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	—	—	—	—	—	—	—	—	—
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C )</b>	<b>49,300</b>	<b>700</b>	<b>50,000</b>	<b>100</b>	<b>49,400</b>	<b>600</b>	<b>50,000</b>	<b>100</b>	<b>—</b>

\* Beneficial Interest of 700 shares is held by the Bank through the following entities:

Folio No	Name of the shareholder	No of shares
9000462	ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED	100
ITR0012	ICICI INVESTMENT MANAGEMENT COMPANY LIMITED	200
ITR0013	ICICI HOME FINANCE COMPANY LIMITED	100
ITR1002	ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED	100
ITR1004	ICICI SECURITIES LIMITED	100
ITR1005	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	100
<b>Total</b>		<b>700</b>

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ICICI Bank Limited	50,000	100	—	50,000	100	—	—

(iii) Change in Promoters' Shareholding (No change)

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	—	—	—	—

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Not Applicable)

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	—	—	—	—
	At the End of the year (or on the date of separation, if Separated during the year)	—	—	—	—

(v) Shareholding of Directors and Key Managerial Personnel: (Not Applicable)

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	—	—	—	—

# directors' report



to the Members of ICICI Trusteeship Services Limited

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—
Change in Indebtedness during the financial year				
• Addition	—	—	—	—
• Reduction	—	—	—	—
<b>Net Change</b>	—	—	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Not Applicable)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount	
1	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	. Commission - as % of profit - others, specify...	—	—	—	—	—
5	Others, please specify	—	—	—	—	—
<b>Total (A)</b>		—	—	—	—	—
<b>Ceiling as per the Act</b>		—	—	—	—	—

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount	
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	S D Israni 20,000 — —	Girish Mehta 5,000 — —	N D Shah 5,000 — —	30,000 — —
	<b>Total (1)</b>	20,000	5,000	5,000	30,000
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	— — —	— — —	— — —	— — —
	<b>Total (2)</b>	—	—	—	—
	<b>Total (B)=(1+2)</b>	20,000	5,000	5,000	30,000
	Total Managerial Remuneration	—	—	—	—
	Overall Ceiling as per the Act	—	—	—	—

### C. Remuneration to key Managerial Personnel other than MD / Manager/WTD (Not Applicable)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of profit - others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	<b>Total</b>	—	—	—	—

# directors' report

*Continued*

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

## Annexure 2

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: N.A.
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts / arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
  
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship: Refer "Note 1"
  - (b) Nature of contracts/arrangements/transactions: Refer "Note 1"
  - (c) Duration of the contracts / arrangements/transactions: Refer "Note 1"
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Refer "Note 1"
  - (e) Date(s) of approval by the Board, if any: 22/01/2015
  - (f) Amount paid as advances, if any: Nil

#### Note 1:

Name of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts	Terms of contracts/ arrangements/ transactions	Value (₹in '000)
ICICI Bank Limited	Holding company	Trusteeship fees	—	Fees for trusteeship services	100.0
ICICI Venture Funds Company Limited	Fellow subsidiary	Trusteeship fees	—	Fees for trusteeship services	150.0
ICICI Bank Limited	Holding company	Fixed deposits placed with ICICI Bank	Different maturities	Interest at applicable coupon rate	1,789.3
ICICI Bank Limited	Holding company	Interest income on fixed deposits	—	Interest at applicable coupon rate	175.1

Mumbai, April 16, 2015

SANKER PARAMESWARAN  
Chairman

# auditors' report



to the Members of ICICI Trusteeship Services Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI TRUSTEESHIP SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(6) of the Companies Act, 2013 ("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 Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on April 1, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
ICAI Firm Registration no.: 105049W

CHIRAG DOSHI  
PARTNER  
Membership no.: 119079

Place : Mumbai  
Date : April 16, 2015

# annexure to the auditors' report

## (Referred to in Paragraph 1 of our report of other Legal and Regulatory requirement of even date)

1. The Company does not have any fixed assets and hence paragraph 3 (i) of the Order is not applicable.
  2. The activities of the Company and the nature of its business do not involve the use of inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable.
  3. The Company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
  4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. The activities of the Company do not involve purchase of inventory, fixed assets and sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.
  5. The Company has not accepted any deposits from the public and hence paragraph 3 (v) of the Order is not applicable.
  6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act.
  7. In respect of statutory dues:
    - (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues wherever applicable, with the appropriate authorities during the year and there are no statutory dues outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no cases of non-deposit of disputed Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess with the appropriate authority.
  - (c) No amounts are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder and hence paragraph 3 (vii) clause c of the Order is not applicable.
  8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
  9. The Company has not borrowed any amounts from banks, financial institutions or by issue of debentures. Accordingly paragraph 3 (ix) of the Order is not applicable.
  10. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
  11. The Company did not have any term loans and hence paragraph 3 (xi) of the Order is not applicable.
  12. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
ICAI Firm Registration no.: 105049W

Place : Mumbai  
Date : April 16, 2015

CHIRAG DOSHI  
PARTNER  
Membership no.: 119079

# balance sheet

# profit and loss statement

at March 31, 2015

for the year ended March 31, 2015

	Note No.	At March 31, 2015	(₹ in '000s)	At March 31, 2014	Note No.	Year ended March 31, 2015	(₹ in '000s)	Year ended March 31, 2014
<b>EQUITY AND LIABILITIES</b>								
Shareholders' funds					Income			
Share capital	2A	500		500	Revenue from operations	2K	350	350
Reserves and surplus	2B	4,288		3,967	Other income	2L	218	295
		4,788		4,467	<b>Total revenue (I)</b>		568	645
<b>Non-current liabilities</b>								
Other long-term liabilities	2C	16		14	Auditor's remuneration - statutory audit fees		23	23
		16		14	Directors' fees		34	62
<b>Current liabilities</b>								
Other current liabilities	2D	51		46	Professional fees		36	25
		51		46	Conveyance expenses		19	39
<b>TOTAL ASSETS</b>		<b>4,855</b>		<b>4,527</b>	Miscellaneous expenses		9	14
<b>Non-current assets</b>								
Non-current investments	2E	1		3	Profession tax		2	2
Long-term loans and advances	2F	15		23	<b>Total expenses (II)</b>		123	165
		16		26	<b>PROFIT BEFORE TAX (I)-(II)</b>		445	480
<b>Current assets</b>								
Current investments	2G	2,489		2,200	Current tax		125	108
Cash and cash equivalents	2H	2,229		2,194	Excess provision of earlier year written back		(1)	(14)
Short-term loans and advances	2I	—		2	<b>PROFIT FOR THE PERIOD/YEAR</b>		321	388
Other current assets	2J	121		105	Earnings per share - Basic and Diluted	2Q	6.42	7.76
		4,839		4,501	<b>Significant Accounting Policies and Notes to Accounts</b>	1 & 2		
<b>TOTAL</b>		<b>4,855</b>		<b>4,527</b>				
Significant Accounting Policies and Notes to Accounts	1 & 2							

As per our Report of even date

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.  
*Chartered Accountants*  
*ICAI Firm Registration no.: 105049 W*

SANKER PARAMESWARAN  
*Chairman*

SANJAY CHOGULE  
*Director*

CHIRAG DOSHI  
*Partner*  
*Membership no.: 119079*

SUPRITHA SHETTY  
*Director*

Place : Mumbai  
Date : April 16, 2015

# notes

## forming part of the Accounts

*Continued*

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a) Overview

ICICI Trusteeship Services Limited ('the Company') was incorporated in Mumbai, India. The Company's principal activity is to act as trustee for funds.

##### b) Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on accrual basis. GAAP comprises relevant provisions of Companies Act, 2013, mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the industry in India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision of an existing accounting standard requires a change in the accounting policy hitherto in use.

##### c) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, and income taxes. Actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialise.

##### d) Revenue recognition

Trusteeship fees, interest income and other income are accounted on accrual basis. Dividend is accounted as and when the right to receive the dividend is established.

##### e) Income taxes

Income tax expense represents the aggregate of the current tax and deferred tax. Current period taxes are determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is computed in accordance with the requirements of the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India (ICAI).

##### f) Earnings Per Share

In accordance with the Accounting Standard 20 on 'Earnings Per Share' issued by the ICAI, basic earnings per share is computed using the weighted average number of shares outstanding during the year.

##### g) Investments

Investments are classified into current investments and non-current investments. Current investments are carried at lower of the cost and fair value. Non-current investments are carried at cost. Provision for diminution is made for non-current investments only if, in the opinion of the management, such a decline in the value of investments is other than temporary.

##### h) Contingent liabilities

The Company 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 Company does not account for or disclose contingent assets, if any.

#### 2. Notes to accounts for the year ended March 31, 2015

##### A. Share capital

(₹ in '000s)

Particulars	At March 31, 2015	At March 31, 2014
<b>Authorised:</b> 1,00,000 (March 31, 2014: 1,00,000) equity shares of ₹ 10 each	10,000	10,000
<b>Issued, subscribed and fully paid up</b> 50,000 (March 31, 2014: 50,000) equity shares of ₹ 10 each, fully paid up	500	500
<b>Total</b>	500	500

Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

(₹ in '000s)

Particulars*	At March 31, 2015	At March 31, 2014
<b>Opening balance</b>	50,000	50,000
Issued/(redeemed) during the year	—	—
<b>Closing balance</b>	50,000	50,000

\* All the above shares are of ₹10 each

The company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

All the above equity shares are held by ICICI Bank Limited (the holding company) and its nominees.

##### B. Reserves and surplus

(₹ in '000s)

Particulars	At March 31, 2015	At March 31, 2014
<b>Surplus in profit and loss account</b>	3,967	3,579
Balance at the beginning of the year		
Add: Profit/(Loss) during the year	321	388
<b>Balance at the end of the year</b>	4,288	3,967

##### C. Other long-term liabilities

(₹ in '000s)

Particulars	At March 31, 2015	At March 31, 2014
(i) Received from erstwhile ICICI Limited towards corpus fund <sup>1</sup>	10	10
(ii) Interest accrued on above	5	3
(iii) Received from ICICI Prudential Life Insurance Company Limited towards corpus fund <sup>2</sup>	1	1
<b>Total</b>	16	14

- 1) The Company in the earlier years, in terms of the Indenture of Trust, received corpus fund for setting up ICICI Securities Fund of ₹ 10,000 from erstwhile ICICI Limited. This amount along with interest thereon, is reflected in "Note – I: Cash & cash equivalents, under the head Bank balances with scheduled banks – Saving accounts".
- 2) The Company in the earlier years, in terms of the Indenture of Trust, received corpus fund for issue of life insurance, on the life of life assured vide their endowment policy, "ICICI Pru save n protect" of ₹ 1,000 from ICICI Prudential Life Insurance Company Limited which is forming part of "Note – I: Cash & cash equivalents, under the head Bank balances with scheduled banks – Current accounts".

##### D. Other current liabilities

(₹ in '000s)

Particulars	At March 31, 2015	At March 31, 2014
Audit fees	23	23
Miscellaneous liabilities	28	23
<b>Total</b>	51	46

##### E. Non-current investments

(₹ in '000s)

Particulars	At March 31, 2015	At March 31, 2014
<b>(A) Non trade investment (equity shares - quoted)</b>		
First source Solutions Limited- 100 shares of ₹ 10 each (March 31, 2014: 100 shares of ₹ 10 each) (Market value at March 31, 2015: ₹ 3,085; at March 31, 2014: ₹ 2,525)	1	1
<b>Total (A)</b>	1	1
<b>(B) Non trade investment (equity shares - un-quoted)</b>		
ICICI Venture Funds Management Company Limited: *1 share of ₹ 10 each (March 31, 2014: 1 share of ₹ 10 each)	—*	—*
ICICI Kinfralimited: 200 shares of ₹ 10 each (March 31, 2014: 200 shares of ₹ 10 each)	2	2
<b>Total (B)</b>	2	2
<b>Total non trade investments (A+B)</b>	3	3
Less: Aggregate provision for diminution in value of unquoted investments	(2)	—
<b>Total</b>	1	3

##### F. Long-term loans and advances

(₹ in '000s)

Particulars	At March 31, 2015	At March 31, 2014
Advance payment of income tax (net of provision for tax)	15	23
<b>Total</b>	15	23

# notes



forming part of the Accounts

**G. Current investments**

Particulars	At March 31, 2015	At March 31, 2014
<b>Investments in Mutual Funds</b>		
65,000 units of ICICI Prudential Interval VI Annual Plan-A (March 31, 2014: 65,000 units) of ₹ 10 each	650	650
Nil units of ICICI Prudential FMP Series 67, Plan J (March 31, 2014: 51,091 units) of ₹ 10 each	—	511
55,000 units of ICICI Prudential FMP Series 74, Plan I (March 31, 2014: Nil) of ₹ 10 each	550	—
103,876 units of ICICI Prudential FMP Series 68, Plan H (March 31, 2014: 103,876 units) of ₹ 10 each	1,039	1,039
25,000 units of ICICI Prudential FMP Series 73, Plan T (March 31, 2014: Nil) of ₹ 10 each	250	—
<b>Total</b>	<b>2,489</b>	<b>2,200</b>
<b>NAV of the portfolio</b>	<b>2,869</b>	<b>2,376</b>

**H. Cash and cash equivalents**

Particulars	At March 31, 2015	At March 31, 2014
<b>Bank balances with scheduled banks</b>		
Current accounts	188	334
Saving accounts	16	15
Fixed deposits	2,025	1,845
<b>Total</b>	<b>2,229</b>	<b>2,194</b>
Fixed deposit accounts with more than 12 months maturity from the reporting date	—	265

**I. Short-term loans and advances**

Particulars	At March 31, 2015	At March 31, 2014
Prepaid expenses	—	2
<b>Total</b>	<b>—</b>	<b>2</b>

**J. Other current assets**

Particulars	At March 31, 2015	At March 31, 2014
Interest accrued on fixed deposits	121	105
<b>Total</b>	<b>121</b>	<b>105</b>

**K. Revenue from operations**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Trusteeship fees	350	350
<b>Total</b>	<b>350</b>	<b>350</b>

**L. Other income**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on deposits with banks	175	164
Profit on sale/redemption of investments	43	131
<b>Total</b>	<b>218</b>	<b>295</b>

**M. Reporting as per Accounting Standard 18 (AS 18) on "Related Party Disclosures"**

- i) Names of related parties as identified by the management and nature of relationship are as follows:

As per our Report of even date

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
ICAI Firm Registration no.: 105049 W

CHIRAG DOSHI  
Partner  
Membership no.: 119079

Place : Mumbai  
Date : April 16, 2015

Sr. no.	Nature of relationship	Name of party
1.	Holding company	ICICI Bank Limited
2.	Fellow subsidiaries and fellow entities consolidated as per Accounting Standard 21.	<ul style="list-style-type: none"> <li>• ICICI Venture Funds Management Company Limited (IVFMCL)</li> <li>• ICICI Prudential Life Insurance Company Limited (IPLICL)</li> </ul>

ICICI Kinira Limited (IKL) ceased to be a related party from the three months ended December 31, 2014.

- ii) Transactions with related parties, as identified by the management for the year ended March 31, 2015 and outstanding balance at March 31, 2015.

(₹ in '000s)

Nature of transaction	Holding company ICICI Bank	Fellow subsidiaries/entities		Total
		IVFMCL	IPLICL	
Trusteeship fees (* ₹ 100)	160	150	—*	310
Interest on deposits with banks	175	—	—	175

- iii) Transactions with related parties, as identified by the management for the year ended March 31, 2014 and outstanding balance at March 31, 2014.

(₹ in '000s)

Nature of transaction	Holding company ICICI Bank	Fellow subsidiaries/entities			Total
		IVFMCL	IKL	IPLICL	
Trusteeship fees (* ₹ 100)	160	150	—	—*	310
Interest on deposits with banks	164	—	—	—	164

**Outstanding balances**

Bank balances	204	—	—	204
Fixed deposits	2,025	—	—	2,025
Accrued interest on deposits	121	—	—	121
Investments (* 1 share of ₹ 10)	—	—*	—	—*
Corpus fund (including interest)	15	—	1	16
Share capital	500	—	—	500

**N. Nature of business**

The Company is engaged in the business of acting as a trustee for funds and trusts, which constitutes the only segment of the Company.

**O. Income Tax**

Tax expense for the year is on the basis of current tax since there are no timing differences resulting into tax expense/tax saving on the deferred tax basis.

**P. Earnings per share**

Earnings per share is calculated as follows:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	
		(i)	(ii)
Net profit after tax (₹ in '000)	321	388	
Weighted average number of equity shares (No.)	50,000	50,000	
Earnings per share – basic and diluted (₹)	6.42	7.76	

**Q. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)**  
There are no suppliers as defined under the MSMED Act and hence the disclosures relating thereto under the said Act are not applicable.

- R. Prior year comparatives have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors

SANKER PARAMESWARAN  
Chairman

SANJAY CHOURGULE  
Director

SUPRITHA SHETTY  
Director

# cash flow statement

for the year ended March 31, 2015

	Year ended March 31, 2015	(₹ in '000s) Year ended March 31, 2014
<b>A Cash Flow from operating activities :</b>		
Net profit before taxation	445	480
<i>Adjustments for:</i>		
Interest on deposits with banks	(175)	(164)
Net (appreciation)/depreciation in the value of investments	2	—
Profit on sale of investments	(43)	(131)
<b>Operating profit before working capital changes</b>	<b>229</b>	<b>185</b>
<i>Adjustments for:</i>		
Trade payables and other liabilities	7	(3)
Trade and other receivables	2	57
<b>Cash generated from operations</b>	<b>238</b>	<b>239</b>
Refund/(Payment) of direct taxes	(116)	(81)
<b>Net cash flow from operating activities - A</b>	<b>122</b>	<b>158</b>
<b>B Cash flow from investing activities:</b>		
Interest on deposits with banks	175	164
Sale of investment	554	1,550
Purchase of investments (net)	(800)	(1,550)
<b>Net cash from investing activities - B</b>	<b>(71)</b>	<b>164</b>
<b>C Cash flow from financing activities:</b>		
<b>Net cash used in financing activities - C</b>	<b>—</b>	<b>—</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>51</b>	<b>322</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,299</b>	<b>1,977</b>
<b>Cash and cash equivalents at end of the year</b>	<b>2,350</b>	<b>2,299</b>

#### Notes to Cash Flow Statement

- Components of cash and cash equivalent include bank balances in current, savings and deposit accounts including interest accrued on deposits.
- The cash flow statement has been prepared in accordance with the requirement of Accounting Standard (AS -3) "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- Figures of the previous year have been regrouped, wherever necessary, to correspond with current year's figures.

As per our Report of even date

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.  
*Chartered Accountants*  
*ICAI Firm Registration no.: 105049 W*

SANKER PARAMESWARAN  
*Chairman*

SANJAY CHougule  
*Director*

CHIRAG DOSHI  
*Partner*  
*Membership no.: 119079*

SUPRITHA SHETTY  
*Director*

*Place : Mumbai*  
*Date : April 16, 2015*

# ICICI BANK UK PLC

## 12TH ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Chanda Kochhar	<i>Chairperson of the Board</i>
N.S. Kannan	<i>Non Executive Director</i>
Vijay Chandok	<i>Non Executive Director</i>
Richard Banks	<i>Independent Non Executive Director</i> <i>(Retired on June 30, 2014)</i>
Robert Huw Morgan	<i>Independent Non Executive Director</i> <i>(Effective May 20, 2014)</i>
Jonathan Britton	<i>Independent Non Executive Director</i>
John Burbidge	<i>Independent Non Executive Director</i>
Sir Alan Collins	<i>Independent Non Executive Director</i>
Sudhir Dole	<i>Managing Director &amp; CEO</i>

### Auditors

KPMG Audit LLP,
15 Canada Square
London E14 5GL
United Kingdom

### Registered Office

ICICI Bank UK PLC
One Thomas More Square
London E1W 1YN
United Kingdom

## strategic report

The Directors present their strategic report for the year ended March 31, 2015 (FY2015) for ICICI Bank UK PLC ("the Bank").

### NATURE OF BUSINESS

ICICI Bank UK PLC offers retail, corporate banking and treasury services. The Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA). The Bank is a wholly owned subsidiary of ICICI Bank Limited ("the Parent Bank") which is India's largest private sector bank. The key business areas include retail banking, corporate banking, commercial banking and treasury.

The Bank was incorporated in England and Wales as a private company with limited liability on February 11, 2003 and was converted to a public limited company, assuming the name ICICI Bank UK PLC, on October 30, 2006. As a public limited company, the Bank is able to access the capital markets.

The Bank has a senior debt rating of Baa3 from Moody's Investors Service Limited (Moody's).

### BUSINESS REVIEW

The Bank delivers its corporate, commercial and retail banking products and services through nine branches located in the UK and two branches in mainland Europe, located in Antwerp (Belgium) and Frankfurt (Germany) as well as through online banking.

The Bank's corporate business includes banking services for Indian corporations seeking to develop their overall business, including in the UK and Europe, for Europe based multinational corporations which have active trade and investment flows with India, for large businesses owned by persons of Indian origin and for select local UK and EU companies. The business strategy of the Bank has mainly been driven by the increased globalisation of the Indian economy, the growing trend of Indian corporates expanding overseas, the large population of non-resident Indians and persons of Indian origin across the globe, overseas companies looking to invest in India and lending needs of local companies.

The Bank provides retail banking services to UK consumers with a varied product suite including retail and business current and savings accounts, online banking, debit cards, money transfers, travel solutions and property backed SME (Small and Medium Enterprises) lending. Additionally, the Bank offers interest based savings accounts and fixed rate term accounts to UK and German consumers which are supported over internet and phone enabled channels.

During the course of FY2015, the Bank remained focused on its key strategic objectives of diversification of the business profile, expanding non-interest income streams, continuing proactive risk management, effective liquidity and capital management and meeting the requirements of the changing regulatory environment. The Bank's focus is on building a sustainable business model with a strong corporate governance and control environment.

The Bank has been managed as a single business. For the purposes of the business review, however, management has described activity within the individual business segments.

The financial information in the following sections have been presented in US\$ with additional disclosure in Indian Rupee (₹) currency for convenience using the year end exchange rate of US\$/₹ 62.5 which has been applied across both FY2015 and FY2014<sup>1</sup>.

### KEY STRATEGIC HIGHLIGHTS: FY2015

During FY2015, the Bank continued with its key strategic objectives of diversification of its asset and liability portfolio, development of additional non-interest income streams, improvements in operating efficiencies and continued to maintain a strong control and governance framework including a conduct risk management framework. The Bank selectively grew its asset portfolio within the established risk appetite as stipulated by the Board and explored the market opportunities in specific business segments, which are aligned with its core competencies and strengths. The Bank is well capitalised and in compliance with the fully-phased in capital requirements under the new Capital

Requirements Directive (CRD IV) and Basel III capital standards. During the year, the Bank successfully implemented the new common reporting regime COREP as part of CRD IV requirements.

The Bank continued on the strategic direction first introduced in FY2011 and further embedded during the years through continuing diversification of the assets and liabilities and optimization of balance sheet.

Total assets decreased by 8% in FY2015 to US\$ 4,130 million (₹ 258,113 million), primarily due to reduction in balances held at central banks offset in part by growth in loans and advances to banks and customers. The loans and advances to banks and customers increased by 8%, mainly on account of corporate loans.

During the year, the focus was maintained on balancing geographical and industrial concentration as well as further diversification of the loan portfolio. The Bank selectively expanded its clientele to include lending to local companies and participation in syndication deals and M&A transactions. The Bank continues to comply with and maintains Liquid Assets Buffer (LAB) balances in line with the Individual Liquidity Guidance (ILG). In order to optimize the balance sheet, the Bank deployed excess liquidity into loans to banks and customers which led to reduction of balances held at central banks by 55%.

On the funding side, the Bank continued to focus on rebalancing its funding sources and successfully diversified and broadened its funding profile and reduced the cost of funds by leveraging the retail and wholesale funding channel along with other funding sources such as institutional deposits, bankers' acceptances and repurchase agreements.

Profit After Tax (PAT) at US\$ 18.3 million (₹ 1,145 million) decreased by 27% as compared with the previous year. While operating income grew by 16% as compared with previous year and the Bank's treasury desk realised significant gains on sale of financial assets, higher specific provisions on investments and loans impacted the overall profits as compared to the previous year. During the year, the Bank successfully leveraged its established operating model and grew its operating profits before provisions grew by 24%. The growth is driven by growth in the loan book within the risk appetite, reduction in cost of funds and gains on sale of investments and Foreign Currency Convertible Bonds (FCCBs). The Bank continued the momentum of booking diversified income streams with over 40% of FY2015 income<sup>2</sup> contributed by corporate and commercial banking fees, remittance fees, income from Global Markets Group and gains on sale of FCCBs and bonds. The Bank continued to remain focused on enhancing operating efficiencies without compromising the control environment. The operating expenses base grew marginally by 5% compared to the previous year. The Bank remains committed to maintaining a strong control framework to meet the increasing regulatory and reporting obligations and has continued to invest in people and technology to further strengthen the control framework. The cost to income<sup>2</sup> ratio fell to 34% for FY2015 compared with 39% for FY2014.

The Bank monitors its credit portfolio very closely with a clearly defined risk management approach. The specific provisions increased to US\$ 51.5 million (₹ 3,218 million) from US\$ 20.2 million (₹ 1,264 million) in the previous year. The increase in provisions was caused by impairment of an equity instrument acquired through collateral enforcement on an overdue loan. Additional provisions on a few corporate loan exposures were booked primarily reflecting slow progress in recovery of the business performance of these borrowers.

In view of the ongoing extensive changes in the regulatory landscape as well as the Bank's strategy, considerable attention was given to further enhancing the conduct risk framework and improving the customer experience and product proposition. Further, increased focus on management of complaints ensured that all complaints were closed well within the regulatory stipulated timeframes. The Bank maintained its focus on sustaining its customer-centric culture and invested in various technology initiatives to enhance customer experience. These include strengthening of the corporate internet banking platform, enhancing the business banking product suite including an on-line FX platform and mobile app and initiating innovative solutions such as Video Know Your Customer (KYC) process for its remittance customers based in Europe.

<sup>1</sup> The numbers in ₹ are proforma only and should not be regarded as being in compliance with UK GAAP.

<sup>2</sup> Including profit and loss and on sale of financial assets

# strategic report

The capital and liquidity position remained healthy throughout FY2015. The Bank's approach to managing capital and liquidity is designed to ensure that current and expected regulatory capital and liquidity requirements are met. During the year, in consideration of the surplus capital position compared to the regulatory requirements, the Board took a decision to return some of the surplus capital back to the Parent Bank. Consequently, the Bank returned US\$ 75 million (₹ 4,687 million) of equity share capital post receipt of requisite approvals. Post returning of the equity capital, the capital ratio at 19.2% remained strong as at March 31, 2015 with a Tier 1 capital ratio of 14.6%. The Bank paid US\$ 30 million (₹ 1,875 million) of equity dividend during the financial year. During the year, the Bank continued to comply with the CRD IV liquidity and capital reporting requirements and has met the other requirements of the directive.

## CORPORATE AND COMMERCIAL BANKING

The Corporate Banking division continued to selectively grow the loan portfolio targeting client segments and offering products which are core to the Bank's competencies and strategy, its clients' needs and in line with the risk appetite. The total loan book grew by 8% to US\$ 3,063 million compared with US\$ 2,828 million in the previous year. In the course of the year, the Bank remained focused on its strategic customer segments which included subsidiaries of select Indian companies and large multinational companies, including global trading houses and large businesses owned by persons of Indian origin and successfully built new relationships by selectively lending to local corporates. The Bank made significant progress in growing the portfolio emanating from the local syndicated loan market especially M&A transactions and secondary market deals within the risk framework of the Bank. The team worked on enhancing non-lending revenues of the Bank and increasing wallet share of the customers through cross selling. Through its established commercial banking desk, the Bank expanded the business volumes by offering new products as well as enhancing existing market penetration for secondary market deals, trade structuring, trade finance volumes and bill discounting facilities. During the year, the Bank successfully entered and stabilised lending through platform based receivables financing and leveraged relationships with other banks and corporate clients for supply chain financing.

The Bank continued to register impressive business growth from its branch in Frankfurt, Germany through leveraging on the local market as well as growing Europe-India business opportunities. During FY2015, new corporate banking relationships were established in the European market and the corporate loan portfolio increased compared with the previous year. Given the large volumes of trade between India and Germany, the Bank remained focused on participating in lending opportunities emanating from such trade activities. As part of its strategy, the Bank continues to diversify its asset base and improve its asset quality by increasing the proportion of higher rated loans to customers.

## RETAIL BANKING

In line with the strategy of diversification of funding sources, the retail banking group remained one of the key funding sources for the Bank. The focus on rebalancing the retail and wholesale funding mix continued during the year in alignment with the Bank's funding strategy. The balanced mix of retail and wholesale funding helped in the continued reduction in the cost of funds.

The Bank made reasonable progress in expanding its Business banking clientele offering foreign exchange and international trade payments. With regard to UK & Europe remittances to India, the income registered a drop as compared to previous year mainly due to depreciation of £-₹ FX rates. The Bank maintained its market share with competitive pricing, increased salary accounts acquisition (locally within the UK / EU as well as by the launch of the Hello UK product), launch of innovative & market leading solutions such as Video KYC (M2I -Europe), Payment Gateway and a mobile application for its remittance product in the UK. The Bank's travel money product also maintained its growth momentum with a growth in revenues. The Bank ranked amongst the Top 10 travel money providers in the UK (source: Consumer Moneyfacts Awards).

The Bank remains focused on strengthening its service delivery platform to ensure enhanced customer experience and outcomes therefore managing the overall conduct risk for the Bank.

## TREASURY

The Treasury Group manages the balance sheet of the Bank, supporting the capital needs and managing the market and liquidity risk of the Bank. The Bank continues to comply with and maintain Liquid Assets Buffer (LAB) balances in line with the Individual Liquidity Guidance (ILG). The Bank reviews the asset/liability maturity mismatches and interest rate positions, and maintains liquidity gaps and interest rate positions within prescribed limits, which are monitored by the Asset and Liability Management Committee (ALCO) of the Bank. In line with the strategy of diversification of funding sources and to minimize the cost of funds, the Bank continues to focus on exploring alternative funding sources. The Bank has leveraged opportunities in the wholesale market by raising bilateral loans and borrowings under the MTN program at competitive cost. During the year, the Bank continued to raise funds through the repo market. These activities have led to a reduction in the overall cost of funds for the Bank.

The investment portfolio of the Bank is also managed by the Treasury Group. The treasury activities are carried out through the Balance Sheet Management Group, Investment desk, Global Markets Group and FCCB Group. During the year, the investments desk tapped the market opportunities and booked gains in the investments portfolio through sale of Bonds and the FCCBs. Additionally, improved equity price of certain FCCBs led to increase in Mark to Market gains on FCCB equity option.

## FINANCIAL HIGHLIGHTS

The financial performance for the financial year 2015 is summarised in the following table

Profit and loss account	Financial 2015	Financial 2014	% Change	Financial 2015	Financial 2014
	US\$ 000s	US\$ 000s		₹ in million	₹ in million
Net interest income	64,652	55,232	17%	4,041	3,452
Non interest income	39,975	34,923	14%	2,498	2,182
<b>Total operating income</b>	<b>104,627</b>	<b>90,155</b>	<b>16%</b>	<b>6,539</b>	<b>5,634</b>
Operating expenses	(38,673)	(36,790)	5%	(2,417)	(2,299)
<b>Profit before provisions, charges and taxes</b>	<b>65,954</b>	<b>53,365</b>	<b>24%</b>	<b>4,122</b>	<b>3,335</b>
Impairment provision and charges	(51,483)	(20,222)	155%	(3,218)	(1,264)
<b>Profit/(Loss) on sale of financial assets</b>	<b>8,299</b>	<b>2,974</b>	<b>179%</b>	<b>519</b>	<b>186</b>
Profit before tax	22,770	36,117	-37%	1,423	2,257
<b>Profit after tax</b>	<b>18,329</b>	<b>25,224</b>	<b>-27%</b>	<b>1,145</b>	<b>1,576</b>

Balance sheet	Financial 2015	Financial 2014	% Change	Financial 2015	Financial 2014
	US\$ 000s	US\$ 000s		₹ in million	₹ in million
Balances at central banks	449,154	1,008,407	-55%	28,072	63,025
Loans and advances to banks	184,146	79,079	133%	11,509	4,943
Loans and advances to customers	2,878,811	2,749,136	5%	179,926	171,821
Investments	497,930	498,885	0%	31,120	31,180
<b>Total assets</b>	<b>4,129,806</b>	<b>4,471,154</b>	<b>-8%</b>	<b>258,113</b>	<b>279,447</b>
Customer accounts	2,284,686	2,533,259	-10%	142,793	158,329
Shareholders' funds	545,428	629,049	-13%	34,090	39,317

## Capital<sup>3</sup>

Capital Ratios	Under CRDIV		Under CRDIV	
	March 31, 2015	March 31, 2014	March 31, 2014	Decrease
Core Tier 1 ratio	14.6%	16.7%	16.7%	2.1%
Tier 1 ratio	14.6%	16.7%	16.7%	2.1%
Total ratio	19.2%	21.8%	21.8%	2.6%

Risk weighted assets	Financial 2015	Financial 2014	% Change	Financial 2015	Financial 2014
	US\$ 000s	US\$ 000s		₹ in million	₹ in million
Risk weighted assets	3,684,914	3,737,618	(1.0%)	230,307	233,601

<sup>3</sup> Pillar 3 disclosures are available online on the Bank's website:  
[http://icicibank.co.uk/personal/basel\\_disclosures.html](http://icicibank.co.uk/personal/basel_disclosures.html)

## Key Financial highlights: FY2015

As at March 31, 2015, the Bank had total assets of US\$ 4,130 million (₹ 258,113 million) compared with US\$ 4,471 million (₹ 279,447 million) as at March 31, 2014. The balance sheet reduced primarily due to decrease in the cash balances held at central banks, which reduced by 55% following the optimisation of the liquidity position of the Bank and reduction in the liquidity requirements of the Bank. The loans and advances to banks and customers increased by 8% mainly driven by growth in the corporate loans portfolio. During the year, the Bank remained focused on improving the rating profile of its corporate asset portfolio and expanded its client base by extending loans to selective local corporates and initiated on-line platform based receivables financing and leveraged its relationships by expanding portfolio of supply chain financing. The Bank further diversified its portfolio by expanding its established syndication desk.

Profit before tax in FY2015 was US\$ 22.8 million (₹ 1,423 million) compared with US\$ 36.1 million (₹ 2,257 million) in the previous year. Profit after tax of US\$ 18.3 million (₹ 1,145 million) represents a decrease of 27% compared to previous year mainly due to higher provisions partially offset with positive revenue growth momentum.

The operating income grew by 16% compared with last year primarily driven by increase in net interest income (NII) and realised gains on sale of FCCBs. The NII grew during the year by 17% and net interest margins (NIM) remained strong at 1.59% (FY2014 1.39%). Increase in NIM as compared to previous year was mainly driven by lower cost of funds and recognition of previously suspended interest on a loan which is now expected to be recovered. Excluding the recognition of the previously suspended interest, the NIM for the year is at 1.5%.

# strategic report



The cost of funds reduced due to rebalancing of retail and wholesale deposits mix and further diversification of funding sources such as Repurchase agreements, Banker's acceptances and institutional deposits through Frankfurt branch, Germany.

The non interest income<sup>2</sup> grew by 27% during the year primarily due to gain on sale of financial assets. Whilst the corporate and commercial banking fee income and retail remittances income reduced as compared to previous year, these income streams continue to be the key sources of the non interest income. Retail remittances dropped during the year as compared to previous year mainly due to depreciation of £₹ Foreign exchange rates. During the year, the treasury desk of the Bank tapped market opportunities and realised gains primarily on sale of FCCBs and other bonds. The non-interest income continued to contribute over 40% of total income during the year, similar to the previous year.

Operating expenses at US\$ 38.7 million (₹ 2,417 million) grew marginally by 5% compared to the previous year. Previous year's operating expenses included a one off reduction primarily due to change in accounting treatment of FSCS levy. Pursuant to the adoption of revised industry standards, the Bank was not required to provide for the FSCS levy for the scheme year 2014-2015 which led to a reversal of approximately US\$ 1.0 million (₹ 63 million) in expenses last year. On a normalised basis, the expenses have been maintained at trend. The cost to income ratio<sup>2</sup> at 34% in FY2015 improved compared with 39% in FY2014.

The provisions made during the year were US\$ 51.5 million (₹ 3,218 million) compared to US\$ 20.2 million (₹ 1,264 million) in the previous year. The specific provisions on corporate loans at US\$ 36.8 million (₹ 2,303 million) for FY2015 increased compared to US\$ 23.3 million (₹ 1,457 million) for FY2014 mainly due to slow progress in the business performance of a few borrowers. The increase in specific provisions on investments at US\$ 13.5 million (₹ 846 million) as compared to previous year of US\$ 5.6 million (₹ 352 million) was mainly due to an equity investment assessed as impaired due to significant deterioration in its equity price during the year. The impaired assets coverage ratio increased to 43%, compared to 35% in the previous year. FY2014 had a reduction of US\$ 8.7 million (₹ 545 million) in collective provisions while the provision increased during the current year by US\$ 1.1 million (₹ 69 million) following the growth in the loan book.

Provision for taxes at US\$ 4.4 million (₹ 278 million) for FY2015 translates into an effective tax rate of 20% as compared to 30% in previous year mainly due to recycling of tax credit of US\$ 2.7 million (₹ 169 million) from AFS reserve to tax account within P&L during the period.

The Bank's total shareholder's funds at US\$ 545 million (₹ 34,090 million) reduced by 13% as compared to the previous year mainly due to return of capital to the Parent Bank of US\$ 75 million (₹ 4,687 million). The total capital adequacy continues to be strong at 19.2%. The Bank continues to comply with and maintains LAB balances in line with the ILG. The Bank manages the capital and liquidity to ensure that current and expected regulatory capital and liquidity requirements are met.

## Key economic and business outlook

As per the World Economic Outlook report April 2015 published by the International Monetary Fund (IMF), global growth in 2014 was at 3.4 percent, reflecting a pickup in growth in advanced economies relative to the previous year. Global growth is forecasted at 3.5 percent in 2015 and 3.8 percent in 2016. In United States, growth had been rebounded ahead of expectations after the contraction in the first quarter of 2014 and economy grew by 2.4 percent in 2014. The US economy is expected to grow by 3.1 percent for coming two years, that is, 2015 and 2016.

The United Kingdom economy grew by 2.6 percent in 2014 as a whole, the fastest rate since 2007, supported by lower oil prices and improved financial market conditions. As per the report, the growth is expected to continue and would be 2.7 percent in 2015 and 2.3 percent in 2016. On the monetary policy front, Monetary policy normalization in the United Kingdom is projected not to begin before mid-2016, given currently weak inflation pressures.

In the Euro area the activity was weaker than expected in the middle part of 2014 but showed signs of a pickup in the fourth quarter and in early 2015, with consumption supported by lower oil prices and higher net exports. The Euro economy growth was modest at 0.9 percent in 2014 as a whole. Lower oil prices, lower interest rates and euro depreciation, as well as the shift to a broadly neutral fiscal stance, are projected to boost activity in 2015 and 2016. At the same time significant downside risks remain. The outlook is for moderate growth and projected at 1.5 percent in 2015 and 1.6 percent in 2016. In the Euro area where monthly purchases of government bonds started on March 09, 2015 a very accommodative policy is expected to remain in place. In India, export growth had been robust, and investor confidence bolstered by the election of a reform-minded government. Over the medium-term growth is expected to rise steadily as reforms began to yield productivity gains and is expected to grow by 7.5 percent in 2015.

In consideration of the economic environment, the Bank will continue on its journey of diversifying and rebalancing its asset and liability portfolio. The efforts to enhance the non-interest revenue streams will continue along with improving operating efficiencies and efficient capital and liquidity management. The Bank will continue to monitor the economic environment in India and Europe and strive to tap the market opportunities in line with the risk management framework and appetite.

## Key risks

The Bank's business is subject to inherent risks concerning borrower credit quality as well as general global economic conditions. The Bank's funding is composed of medium to long term deposits, term borrowings and a proportion of short term savings balances. If depositors and/or lenders do not roll over invested funds upon maturity, the Bank's business could be adversely affected. Strong controls around measurement of risks through effective risk management of the Bank helps in mitigating such risks. The Bank will continue to work within the risk framework as set out by the Board. The increased supervisory and compliance environment in the financial sector leads to increased risks of regulatory action. The Bank's continued focus on ensuring compliance with all the regulatory requirements mitigates the risk of regulatory action.

The Bank's Directors and Management review the risk appetite on a regular basis and continues to include any regulatory changes as appropriate to ensure regulatory compliance. The detail around the Bank's risks and management is given in Note 35.

## CORPORATE GOVERNANCE AND RISK MANAGEMENT

### Corporate Governance

The Bank's corporate governance framework is based on an effective independent Board, the separation of the Board's supervisory role from the executive management of the Bank and the constitution of Board Committees to oversee critical areas and functions of executive management. The Board is committed to maintaining high standards of corporate governance. The Bank remained focused on maintaining strong governance and controls structure. The Bank has a total number of seven Non-Executive Directors on the Board, three of whom are representatives of the Bank's Parent, ICICI Bank Limited, and four are independent. During the year, the Bank appointed Mr. Huw Morgan as independent Non Executive Director and Chair of the Board Risk and Board Conduct Risk Committee upon retirement of Richard Banks who was an independent Non Executive Director and Chair of the Board Risk Committee of the Bank until June 30, 2014.

The Bank operates a first, second and third line of defence model including independent control groups such as Compliance, Risk, Internal Audit, Finance and Legal to facilitate independent evaluation, monitoring and reporting of various risks. These support groups function independently of the business groups and are represented at the various Committees.

Effective corporate governance and compliance is a prerequisite to achieving the Bank's strategic objectives. The Bank has maintained its focus on controls, governance, compliance and risk management to provide a sound foundation for the business and it continues to ensure embedding of a controls and compliance culture throughout the organization. This is achieved through appropriate training, maintaining adequate resources within the control groups commensurate with the Bank's operations, continuous strengthening of internal systems and processes and effective deployment of technology. Information technology is used as a strategic tool for the Bank's business operations, to gain a competitive advantage and to improve its overall productivity and efficiency.

The Bank's conduct risk philosophy is to look to develop and maintain long term relationships with its customers, based on openness, trust and fairness. It expects that the behaviour and motivation of every employee must be about good conduct and adherence to established controls to deliver fair and appropriate outcomes to our customers. The conduct risk philosophy builds on the work undertaken by the Bank on its Treating Customers Fairly (TCF) commitments. The Bank evaluates the impact of the changing regulatory requirements on an ongoing basis and is fully committed to establishing controls to deliver fair and appropriate outcomes for its customers.

The Bank has continued to operate within its defined conduct risk appetite. Further, during the last financial year, the Bank enhanced the conduct risk governance and oversight arrangements, with the creation of a Board Conduct Risk Committee ("BCRC") and a Compliance, Conduct and Operational Risk management Committee ("CORMAC"). Both Committees meet on a monthly basis and receive regular updates from both business and Compliance.

### Risk Management

The Bank has a centralised Risk Management Group with a mandate to identify, assess and monitor all its principal risks in accordance with defined policies and procedures. The Risk Management Group is independent of the business units and the Head of Risk reports directly to the Managing Director and Chief Executive Officer, and also has reporting lines to the Risk Management Group of the Parent Bank and the Chairman of the Board Risk Committee.

The Bank has developed a risk appetite framework articulated within the broader context of the nature, scope, scale and complexity of the Bank's activities. The anchors on which the framework has been based include quantitative parameters such as capital, liquidity and earnings volatility as well as qualitative parameters such as conduct and reputational risk. The risk appetite statement has been further drilled down into portfolio-level limits, which include limits on country of risk and credit ratings of loans. The risk appetite framework and related limits are approved by the Board of Directors. The Risk Management Group of the Bank monitors adherence to the risk appetite framework and reports on it to the Board Risk Committee on a quarterly basis. The Bank's future business strategy takes cognizance of the risk appetite framework, so that the Bank will continue to operate within its risk appetite limits.

The Bank has developed a comprehensive risk management framework, covering all relevant risks in order to ensure that the key risks facing the Bank are clearly identified, understood, measured and monitored and that the policies and procedures established to address and control these risks are strictly adhered to. The outcomes of each of these risk management processes have been used to identify the material risks that the Bank is exposed to. The Bank is primarily exposed to credit risk, market risk (predominantly interest and exchange rate risk), liquidity risk and operational risk (including compliance, conduct and reputational risk). The Bank's largest regulatory capital requirements arise from credit risk in its lending operations.

Details of the Bank's governance arrangements, financial risk management objectives and policies, including those in respect of financial instruments, and details of the Bank's indicative exposure to risks are given in Note 35.

By order of the Board

SUDHIR DOLE  
Managing Director &  
Chief Executive Officer

AARTI SHARMA  
Chief Financial Officer  
& Company Secretary

April 23, 2015  
Registered address:  
One Thomas More Square  
London E1W 1YN

# directors' report

## to the members,

The Directors have pleasure in presenting the twelfth annual report of ICICI Bank UK PLC, together with the audited financial statements for the year ended March 31, 2015.

### FINANCIAL RESULTS

The financial statements for the reporting year ended March 31, 2015 are shown on pages 366 to 387.

### DIRECTORS

Chanda Kochhar	Chairperson of the Board
N.S. Kannan	Non Executive Director
Vijay Chandok	Non Executive Director
Richard Banks*	Independent Non Executive Director
Robert Huw Morgan**	Independent Non Executive Director
Jonathan Britton	Independent Non Executive Director
John Burbidge	Independent Non Executive Director
Sir Alan Collins	Independent Non Executive Director
Sudhir Dole	Managing Director & CEO

\* Richard Banks retired from the Non Executive Director position of the Bank on June 30, 2014.

\*\* Robert Huw Morgan was appointed as the Non Executive Director of the Bank at the Board meeting on May 20, 2014 subject to regulatory approvals. Mr. Morgan was appointed as Chair Board Risk Committee at the Board Governance Committee on July 25, 2014. Mr. Morgan's appointment was approved by the UK regulators on August 19, 2014.

### COMPANY SECRETARY

The name of the Company Secretary at the date of the report and who served during the year is as follows: Aarti Sharma

### GOING CONCERN

The Bank's business activities and financial position; the factors likely to affect its future development and performance; and its objectives and policies in managing the financial risks to which it is exposed and its capital are discussed in the Business Review and Risk Management section.

The Directors have assessed, in the light of current and anticipated economic conditions, the Bank's ability to continue as a going concern. The Directors confirm they are satisfied that the Bank has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing accounts.

### SHARE CAPITAL

As at March 31, 2015, the issued and fully paid share capital amounted to US\$ 420 million (₹ 26,256 million).

During the year, in consideration of Bank's surplus capital as compared to the regulatory capital requirements, the Board took a decision to return some of the surplus capital back to the Parent Bank. Consequently, the Bank returned US\$ 75 million (₹ 4,687 million) of equity share capital post receipt of requisite approvals. The Bank paid US\$ 30 million (₹ 1,875 million) of equity dividend during the financial year.

### EMPLOYEES

As at March 31, 2015 the Bank had 196 employees. The Bank encourages the involvement of all employees in the Bank's overall performance and profitability.

The Bank has a pension scheme operating in the UK in which the employees are entitled to a maximum of five percent contribution of their basic salary by the Bank. All employees have life insurance cover to the extent of four times their base salary. The Bank also has a private medical insurance plan, which covers employees and their dependents.

The Bank is committed to employment practices and policies which recognise the diversity of its workforce and ensure equality for employees regardless of sex, race, disability, age, sexual orientation or religious belief. Employees are kept closely involved in major changes affecting them through such measures as team meetings, briefings, internal communications and opinion surveys. The Bank has adopted a Code of Conduct, which sets out the core values and behaviours expected of senior management and other employees. The requirements of the Code are for all employees to act with integrity and maintain the right culture at all times. It also reinforces the Bank's commitment to maintaining high standards in management of our relationship with customers, employees and suppliers.

The Bank recognises its social and statutory duty to employ disabled persons and has followed a policy of providing the same employment opportunities for disabled persons as for others.

The Bank follows a conservative and comprehensive approach towards remuneration. The Bank has adopted and implemented a Remuneration Policy which has been approved by the Board Governance Committee. The Bank ensures that it adheres to the Remuneration Code guidelines published by the PRA and FCA. The Bank's remuneration policy disclosures are made available on the Bank's website: [http://www.icicibank.co.uk/personal/basel\\_disclosures.html](http://www.icicibank.co.uk/personal/basel_disclosures.html)

### DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Bank's Auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

### AUDITOR

KPMG LLP was appointed as the auditor of the Bank at its Annual General Meeting on July 25, 2014 for a year. In accordance with Section 489 of the Companies Act of 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Bank is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

SUDHIR DOLE  
*Managing Director &  
Chief Executive Officer*

AARTI SHARMA  
*Chief Financial Officer  
& Company Secretary*

April 23, 2015  
Registered address:  
One Thomas More Square  
London E1W 1YN

# Statement of Directors' Responsibility



## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK Accounting Standards and applicable law; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible to report a fair review of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties faced by the company. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Bank's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, The Capital Requirements (Country-by-Country Reporting) Regulations 2013 came into effect on 1 January 2014 and place certain reporting obligations on financial institutions that are within the scope of the EU's Capital Requirements Directive (CRD IV) which are outlined in Note 33.

By order of the Board

SUDHIR DOLE  
*Managing Director &  
Chief Executive Officer*

AARTI SHARMA  
*Chief Financial Officer  
& Company Secretary*

April 23, 2015

# independent auditor report

## Report of the independent auditor to the members of ICICI Bank UK PLC

### REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ICICI BANK UK PLC

We have audited the financial statements of ICICI Bank UK PLC ("the Bank") for the year ended March 31, 2015 set out on pages 366 to 387. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Bank's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 364, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Bank's affairs as at March 31, 2015 and of its profit for the year then ended;

- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

JONATHAN BINGHAM

*(Senior Statutory Auditor)*

for and on behalf of  
KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London E14 5GL  
April 23, 2015

# profit and loss account



for the year ended March 31, 2015

Convenience translation  
(Refer to Note 2 (c))

	Note	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Interest income and similar income arising on debt securities		9,375	12,535	586	783
Other interest income and similar income		125,289	118,397	7,831	7,400
Interest expense		(70,012)	(75,700)	(4,376)	(4,731)
<b>Net interest income</b>		<b>64,652</b>	<b>55,232</b>	<b>4,041</b>	<b>3,452</b>
Fees and commissions receivable		20,812	27,030	1,301	1,689
Foreign exchange revaluation gains		6,689	7,999	418	500
Income/(Loss) on financial instruments at fair value through profit and loss	5	12,023	(1,291)	751	(81)
Other operating income	6	451	1,185	28	74
<b>Operating income</b>		<b>104,627</b>	<b>90,155</b>	<b>6,539</b>	<b>5,634</b>
Administrative expenses	7	(37,259)	(35,318)	(2,329)	(2,207)
Depreciation	20	(1,414)	(1,472)	(88)	(92)
Specific impairment on investment securities	18	(13,538)	(5,632)	(846)	(352)
Impairment on loans and advances	17	(37,945)	(14,590)	(2,372)	(912)
Profit/(Loss) on sale of debt securities		8,299	2,974	519	186
<b>Profit on ordinary activities before tax</b>		<b>22,770</b>	<b>36,117</b>	<b>1,423</b>	<b>2,257</b>
Tax on profit on ordinary activities	10	(4,441)	(10,893)	(278)	(681)
<b>Profit on ordinary activities after tax</b>		<b>18,329</b>	<b>25,224</b>	<b>1,145</b>	<b>1,576</b>

The dividends paid during the year (not included above) are detailed below:

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
<b>Ordinary shares Dividend</b>	(30,000)	(25,000)	(1,875)	(1,564)

The result for the year is derived entirely from continuing activities. The notes on pages 369 to 387 form part of these financial statements.

# balance sheet

at March 31, 2015

Convenience translation  
(Refer to Note 2 (c))

	Note	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
<b>Assets</b>					
Cash		598	648	37	41
Balances at central banks		449,154	1,008,407	28,072	63,025
Loans and advances to banks	14	184,146	79,079	11,509	4,943
Loans and advances to customers	15	2,878,811	2,749,136	179,926	171,821
Investment in Treasury Bills	18	84,951	126,967	5,309	7,935
Investment Securities other than Treasury Bills	18	412,979	371,918	25,811	23,245
Tangible fixed assets	20	4,774	5,751	298	359
Other assets	21	79,037	109,065	4,941	6,817
Accrued income		35,356	20,183	2,210	1,261
<b>Total assets</b>		<b>4,129,806</b>	<b>4,471,154</b>	<b>258,113</b>	<b>279,447</b>
<b>Liabilities</b>					
Deposits by banks	22	365,417	461,141	22,839	28,821
Customer accounts	23	2,284,686	2,533,259	142,793	158,329
Debt securities and subordinated liabilities	24	483,932	426,643	30,246	26,665
Other liabilities	26	126,762	73,041	7,921	4,564
Accruals and deferred income		29,546	31,477	1,847	1,967
Repurchase Agreements	25	294,035	316,544	18,377	19,784
<b>Total Liabilities</b>		<b>3,584,378</b>	<b>3,842,105</b>	<b>224,023</b>	<b>240,130</b>
<b>Shareholders' funds:</b>					
Issued share capital	27	420,095	495,095	26,256	30,943
Capital contribution		5,912	5,256	370	329
Retained earnings		128,089	89,760	8,006	5,611
Capital redemption reserve		—	50,000	—	3,125
Available for sale reserve		(8,668)	(11,062)	(542)	(691)
<b>Total Equity</b>		<b>545,428</b>	<b>629,049</b>	<b>34,090</b>	<b>39,317</b>
<b>Total Equity and Liabilities</b>		<b>4,129,806</b>	<b>4,471,154</b>	<b>258,113</b>	<b>279,447</b>

The notes on pages 369 to 387 form part of these financial statements. These financial statements were approved by the Board of Directors on April 23, 2015 and were signed on its behalf by:

SUDHIR DOLE  
*Managing Director &  
Chief Executive Officer*

AARTI SHARMA  
*Chief Financial Officer  
& Company Secretary*

ICICI Bank UK PLC  
Registered number 4663024

# statement of total recognised gains & losses



for the year ended March 31, 2015

*Continued*

	Note	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million	Convenience translation (Refer to Note 2 (c))
<b>Profit on ordinary activities after tax</b>		18,329	25,224	1,145	1,576	
<b>Movement in available for sale reserve</b>						
Movement in fair value during the year		6,585	7,201	411	450	
<b>Movement in available for sale reserve</b>		6,585	7,201	411	450	
Taxation relating to available for sale reserve	10	(4,191)	(1,656)	(262)	(104)	
Net movement in available for sale reserve		2,394	5,545	149	346	
<b>Total gains and losses recognised</b>		20,723	30,769	1,294	1,922	

The notes on pages 369 to 387 form part of these financial statements.

## reconciliation of movements in shareholders' funds

for the year ended March 31, 2015

	Issued Share Capital	Retained Earnings	Capital Redemption Reserve	Available for Sale Reserve	Other	US\$ 000s
<b>As at April 1, 2013</b>	495,095	89,536	50,000	(16,607)	4,148	622,172
Capital Contribution (Share based payments)	—	—	—	—	1,108	1,108
Redemption of Preference share capital	—	—	—	—	—	—
Reduction in Equity share capital	—	—	—	—	—	—
Unrealised gain on available for sale securities	—	—	—	7,201	—	7,201
Tax impact	—	—	—	(1,656)	—	(1,656)
Profit on ordinary activities after tax	—	25,224	—	—	—	25,224
Dividends paid during the year	—	(25,000)	—	—	—	(25,000)
<b>As at April 1, 2014</b>	<b>495,095</b>	<b>89,760</b>	<b>50,000</b>	<b>(11,062)</b>	<b>5,256</b>	<b>629,049</b>
Reduction in Equity share capital	(75,000)	—	—	—	—	(75,000)
Cancellation of Capital Redemption Reserve	—	50,000	(50,000)	—	—	—
Capital Contribution (Share based payments)	—	—	—	—	656	656
Unrealised gain on available for sale securities	—	—	—	6,585	—	6,585
Tax impact	—	—	—	(4,191)	—	(4,191)
Profit on ordinary activities after tax	—	18,329	—	—	—	18,329
Equity dividend paid during the year	—	(30,000)	—	—	—	(30,000)
<b>Closing shareholders' funds as at March 31, 2015</b>	<b>420,095</b>	<b>128,089</b>	<b>—</b>	<b>(8,668)</b>	<b>5,912</b>	<b>545,428</b>

	Issued Share Capital	Retained Earnings	Capital Redemption Reserve	Available for Sale Reserve	Other	₹ in million
<b>Convenience translation (Refer to Note 2 (c))</b>						
<b>As at April 1, 2013</b>	30,943	5,599	3,125	(1,037)	260	38,890
Capital Contribution (Share based payments)	—	—	—	—	69	69
Redemption of Preference share capital	—	—	—	—	—	—
Reduction in Equity share capital	—	—	—	—	—	—
Unrealised gain on available for sale securities	—	—	—	450	—	450
Tax impact	—	—	—	(104)	—	(104)
Profit on ordinary activities after tax	—	1,576	—	—	—	1,576
Dividends paid during the year	—	(1,564)	—	—	—	(1,564)
<b>As at April 1, 2014</b>	<b>30,943</b>	<b>5,611</b>	<b>3,125</b>	<b>(691)</b>	<b>329</b>	<b>39,317</b>
Reduction in Equity share capital	(4,687)	—	—	—	—	(4,687)
Cancellation of Capital Redemption Reserve	—	3,125	(3,125)	—	—	—
Capital Contribution (Share based payments)	—	—	—	—	41	41
Unrealised gain on available for sale securities	—	—	—	411	—	411
Tax impact	—	—	—	(262)	—	(262)
Profit on ordinary activities after tax	—	1,145	—	—	—	1,145
Equity dividend paid during the year	—	(1,875)	—	—	—	(1,875)
<b>Closing shareholders' funds as at March 31, 2015</b>	<b>26,256</b>	<b>8,006</b>	<b>—</b>	<b>(542)</b>	<b>370</b>	<b>34,090</b>

The notes on pages 369 to 387 form part of these financial statements.

# notes

## forming part of the financial statement

Continued

### 1 REPORTING ENTITY

ICICI Bank UK PLC ("ICICI Bank" or "the Bank"), is a Company incorporated in the United Kingdom. The Bank's registered address is - One Thomas More Square, London E1W 1YN. The Bank is primarily involved in providing a wide range of banking and financial services including retail banking, corporate and commercial banking, trade finance and treasury services.

### 2 BASIS OF PREPARATION

#### (a) Statement of Compliance

The financial statements of the Bank have been prepared in accordance with the UK GAAP as issued by the Accounting Standards Board (including FRS 26 Financial instruments Recognition and measurement and FRS 29 Financial Instruments Disclosures).

#### (b) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the special provisions of Part XV of the Companies Act 2006 relating to banking companies and applicable accounting standards except for derivative financial instruments, financial instruments at fair value through profit or loss and available for sale financial assets which are valued at fair value.

During FY2014, the Bank early adopted IFRIC 21 'Levies', on the basis that there is no equivalent guidance within UK GAAP and FRS 18 (Accounting Policies) allows the use of alternative accounting frameworks where this is the case.

#### (c) Functional and presentation currency and convenience translation

The financial statements are prepared and presented in US Dollars, which is the functional currency of the Bank as it represents the currency of the primary economic environment in which the Bank operates. A significant proportion of the Bank's assets and revenues are transacted in US Dollars.

The financials are also presented in Indian Rupee (₹) currency for convenience using the year end exchange rate. These numbers are proforma only and should not be regarded as being in compliance with UK GAAP.

#### (d) Cash flow exemptions

Under FRS 1 the Bank is exempted from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Bank in its own published consolidated financial statements (see Note 41).

#### (e) Related party exemptions

As the Bank is a wholly owned subsidiary of ICICI Bank Limited, the Bank has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of ICICI Bank Limited (see Note 41).

#### (f) Going concern

The financial statements are prepared on a going concern basis as the Bank is satisfied that it has the resources to continue in business for the foreseeable future. The Bank meets its liquidity requirements through managing both retail and wholesale funding sources and meets the regulatory liquidity requirements through maintaining a liquid asset buffer (LAB). With regard to Capital, the Bank maintains a capital buffer over regulatory capital requirements. The Bank's risk management policies and procedures are outlined in Note 35.

The Bank is a wholly owned subsidiary of ICICI Bank Limited. The Parent Bank has issued a letter of comfort to the Bank's regulators, the Financial Services Authority (FSA), now PRA, stating that the Parent Bank intends to financially support the Bank in ensuring that it meets all of its financial obligations as they fall due. In addition, the Bank's forecasts and projections, taking account of possible changes in its business model in subsequent years, including stress testing and scenario analysis, show that the Bank will be able to operate at adequate levels of both liquidity and capital for the foreseeable future. In making their assessment, the Directors have also considered future projections of profitability, cash flows and capital resources as well as the strategic review of the business model which is conducted on a periodic basis. The Bank has been maintaining a strong Capital adequacy and Tier 1 capital ratio. The Directors are satisfied that the Bank has adequate resources to continue in business for the foreseeable future and therefore it is appropriate to prepare the Annual Accounts on a going concern basis.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### (a) Interest income and expense

Interest income and expense are recognised in profit and loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates the future cash flows considering all contractual terms of the financial instruments but not the credit losses. The effective interest rate is established on initial recognition (or upon reclassification) of the financial asset and liability and is not revised subsequently.

#### (b) Fees and commissions income and expense

Fees and commission are recognised in the profit and loss account when the service has been rendered, except when those fees are an adjustment to the yield on the related asset, in which case they are amortised over the expected maturity

of the asset using the effective interest rate method. Fees and commissions payable on borrowings raised are expensed to the profit and loss account over the life of the borrowing raised using the effective interest rate method and are included in interest expense.

#### (c) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are converted into US Dollars at the rate of exchange ruling at the date of the transaction.

#### (d) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not classified as at fair value through profit or loss, incremental direct transaction costs. Subsequently accounted for, depending on their classification, as either held to maturity, loans and receivable, fair value through profit or loss, or available for sale.

#### (e) Financial assets and financial liabilities

The Bank initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date of origination.

The Bank classifies its financial assets in the following categories: financial instruments at fair value through profit and loss; loans and receivables; available for sale financial assets and held to maturity investments. The management determines the classification of financial assets at initial recognition. The financial assets are de-recognised when the rights to receive cash flows have expired or the Bank has transferred substantially all the risks and rewards of ownership. Financial instruments are recognised at trade date, being the date on which the Bank commits to purchase or sell the instruments.

Financial liabilities (other than derivatives) are measured at amortised cost and are recognised at value date (or settlement date). They are de-recognised when liabilities are extinguished.

#### (f) Loans and receivables

Loans and receivables, which include loans and advances and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as held for trading, designated at fair value through profit and loss, available for sale or held to maturity. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost using effective interest rate method. Loans and receivables are stated at amortised cost after deduction of amounts which are required as impairment provisions. Where loans have been acquired at a premium or discount, these premiums and discounts are amortised through the profit and loss account from the date of acquisition to the expected date of maturity using the effective interest rate method.

Policy in relation to impairment: The Policy on impairment of loans and receivables is described in Note 4.

Policy in relation to write-offs: The Bank considers exposure for write off when the prospect of recovery over the next 12 month is remote and interest has not been serviced for the past 12 months. Any amount written off is in the first instance applied against specific provision for the exposure. In the normal course of business the loss to be written off will already have been fully provided. Any decision for a write-off is approved by the Board Credit Committee of the Bank.

Policy in relation to write back: If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss. Any recovery related to a written off asset is recognised in the profit and loss.

#### (g) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, on the measurement date. This is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible.

When independent prices are not available or if the market for a financial instrument is not active, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Fair values of financial instruments may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

In case of unobservable inputs or in case of unlisted entities, the inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which the level at which an arm's length transaction would occur under normal business conditions could be determined. In such cases, estimates are made in the valuation technique to reflect uncertainties in fair values resulting from a lack of market data inputs. These include most recent arm's length transaction between knowledgeable, willing parties; reference to fair

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value of a similar instrument; discounted cash flow; or option pricing models.

However, the valuation techniques incorporate all factors that market participants have considered in setting a price; and have been consistent with accepted economic methodologies for pricing financial instruments.

Note 18 provide a detailed disclosure regarding classification and Fair value of instruments held by the Bank.

## (h) Financial instruments at fair value through profit and loss

Financial instruments are classified in this category if they are held for trading. Instruments are classified as held for trading if they are:

- i) Acquired/incurred principally for the purposes of selling or repurchasing in the near term; or
- ii) Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.
- iii) It is a derivative (except for derivative that is a financial guarantee contract or a designated as effective hedging instrument).

Financial instruments cannot be transferred into or out of this category after inception except certain assets on reclassification. Financial instruments included in this category are recognised initially at fair value and transaction costs are taken directly to the profit and loss account. Financial instruments at fair value through profit and loss include debt securities which are held for trading and valued at fair value.

Derivatives are carried at fair value in the balance sheet within 'Other assets' and 'Other liabilities'. Valuation adjustments to cover credit and market liquidity risks are made with gains and losses taken directly to the profit and loss account and reported within income/(loss) on financial instruments at fair value through profit and loss. The credit valuation adjustment is an adjustment to the valuation of Over the Counter (OTC) derivative contracts to reflect within fair value the possibility that the counterparty may default and that the Bank may not receive the full market value of the transactions. The debit valuation adjustment is an adjustment to the valuation of OTC derivative contracts to reflect within fair value the possibility that the Bank may default, and that the Bank may not pay full market value of the transactions.

Positive and negative fair values of derivatives are offset where the contracts have been entered into under netting agreements or other arrangements that represent a legally enforceable right of set-off, which will survive the liquidation of either party, and there is the intention to settle net.

## (i) Held to maturity financial assets

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or as available for sale. Held-to-maturity investments are carried at amortised cost using the effective interest method.

## (j) Available for sale financial assets

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale and are not categorised into any of the other categories described above. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value. Gains and losses arising from changes in fair value are included in the available for sale securities reserve until sale/derecognition, when the cumulative gain or loss is transferred to the profit and loss account.

Impairment losses on available for sale investment securities are recognised by transferring the cumulative loss that has been recognised directly in equity to profit and loss. The cumulative loss that is removed from equity and recognised in profit and loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available for sale equity investment is recognised directly in equity since it cannot be reversed through the profit and loss account.

## (k) Reclassification of financial assets

The amendment to FRS 26 issued on October 10, 2008 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the Bank upon initial recognition) out of the fair value through profit and loss category in rare circumstances. The amendment also permits an entity to transfer from the available for sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables and if the entity has the intention and ability to hold that financial asset for the foreseeable future.

When a financial asset is reclassified, it is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the profit and loss account or shareholder equity, as appropriate, is not reversed. The fair value of the financial asset on the date of reclassification becomes its fair value or amortised cost, as applicable.

## (l) Derivatives held for risk management purposes and hedge accounting instruments and hedging activities

Transactions are undertaken in derivative financial instruments (derivatives), which include interest rate swaps, futures, forward rate agreements, currency swaps, options and similar instruments, for trading and non-trading purposes. The Bank

may designate a derivative as either a hedge of the fair value of a recognised fixed rate asset or liability or an unrecognised firm commitment (fair value hedge), a hedge of a forecasted transaction or the variability of future cash flows of a floating rate asset or liability (cash flow hedge) or a foreign-currency fair value or cash flow hedge (foreign currency hedge). All derivatives are recorded as assets or liabilities on the balance sheet at their respective fair values with unrealised gains and losses recorded either in reserves or in the profit and loss account, depending on the purpose for which the derivative is held. Derivatives that do not meet the criteria for designation as a hedge under FRS 26 at inception, or fail to meet the criteria thereafter, are accounted for in other assets with changes in fair value recorded in the profit and loss account.

Changes in the fair value of a derivative that is designated and qualifies as a fair value hedge, along with the gain or loss on the hedged asset or liability that is attributable to the hedged risk are recorded in the profit and loss account as other non-interest income. To the extent of the effectiveness of a hedge, changes in the fair value of a derivative that is designated and qualifies as a cash flow hedge, are recorded in reserves. For all hedging relationships, ineffectiveness resulting from differences between the changes in fair value or cash flows of the hedged item and changes in the fair value of the derivative are recognised in the profit and loss account as other non-interest income.

At the inception of a hedge transaction, the Bank formally documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. This process includes identification of the hedging instrument, hedged item, risk being hedged and the methodology for measuring effectiveness. In addition, the Bank assesses both at the inception of the hedge and on an ongoing quarterly basis, whether the derivative used in the hedging transaction has been highly effective in offsetting changes in fair value or cash flows of the hedged item, and whether the derivative is expected to continue to be highly effective.

The Bank discontinues hedge accounting prospectively when it is either determined that the derivative is no longer highly effective in offsetting changes in the fair value or cash flows of a hedged item; the derivative expires or is sold, terminated or exercised; the derivative is de-designated because it is unlikely that a forecasted transaction will occur; or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortised or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flow or forecasted transaction is still expected to occur, gains and losses that were accumulated in reserves are amortised or accreted into the profit and loss account. Gains and losses are recognised in the profit and loss account immediately if the cash flow hedge was discontinued because a forecasted transaction did not occur.

## (m) Other derivatives

The Bank may occasionally enter into a contract (host contract) that contains a derivative that is embedded in the financial instrument. If applicable, an embedded derivative is separated from the host contract and can be designated as a hedge; otherwise, the derivative is recorded as a freestanding derivative. Such financial instruments stand extinguished at the time of conversion (debt into equity), sale and maturity.

## (n) Sale and repurchase agreements

When securities are sold subject to a commitment to repurchase them at a predetermined price ('repos'), they remain on the balance sheet as, in substance, these transactions are in the nature of secured borrowings. As a result of these transactions, the Bank is unable to use, sell or pledge the transferred assets for the duration of the transaction. Similarly, securities purchased under commitments to sell ('reverse repos') are not recognised on the balance sheet.

## (o) Identification and measurement of impairment

Impairment provisions/charges are made where there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows from the asset that can be reliably estimated. Losses expected as a result of future events are not recognised. Evidence of impairment is considered on both individual and portfolio basis.

Refer Note 4 (a) and Note 4 (b) for the detailed policy guidance.

## (p) Tangible assets and software

Fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets and software on a straight-line basis over their estimated useful economic life as follows:

Leasehold improvements	Over the lease period
Office equipment	6 – 7 years
Furniture, fixtures and fittings	6 – 7 years
Computer hardware	3 – 4 years
Software	Over the estimated useful life <sup>1</sup>

<sup>1</sup>The useful life is on an average currently between 1-5 years

Depreciation methods, useful life and residual values are reviewed at each balance sheet date.

## (q) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present, legal or constructive obligation, which has arisen

# notes

## forming part of the financial statement

Continued

as a result of a past event and for which a reliable estimate can be made of the amount of the obligation. All significant provisions have been discounted for current market assessments and the time value of money.

### (r) Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the sources of debt funding. These are initially measured at fair value plus directly attributable transaction costs, and subsequently measured at their amortised cost using the effective interest method.

### (s) Income tax expense

Income tax expense comprises current and deferred tax. Income tax and deferred tax expense is recognised in the profit and loss statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, in respect of all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. As required by FRS 19 "Deferred Tax", deferred tax is measured at the tax rates expected to be applied to the temporary difference when they reverse, based on the tax laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient future taxable profits from which the future reversal of the underlying timing differences can be deducted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (t) Employee benefits

The Bank operates a stakeholder defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account as incurred.

### (u) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the non-cancellable lease term provided the same is ascertainable unless another basis is more appropriate.

### (v) Share based payments

The Parent Bank (ICICI Bank Limited) has issued share options to the employees of ICICI Bank UK PLC. These transactions are recognised as equity-settled share based payments. The expense is recognised over the vesting period based on the market value of shares as on the date of grant of shares, adjusted for the number of the employees leaving the Bank. A capital contribution from the Parent Bank is recognised in the books over the vesting period in the shareholders' funds. Under the requirements of UITF Abstract 44, a subsidiary should recognise an expense in its profit and loss account to reflect the effective remuneration paid to employees in respect of share awards granted by the Parent Company. The corresponding entry is to equity as the amounts are considered to be capital contributions by the Parent Company.

### (w) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

### (x) Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

## 4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Bank's results and financial position, based upon significant judgements and estimates, are discussed below.

### (a) Allowances for credit losses

The Bank regularly reviews its loan portfolio to assess for impairment. Provisions are established to recognise incurred losses in the loan portfolio carried at amortised cost. In determining whether an impairment has occurred at the balance sheet date, the Bank assesses if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment rather the combined effect of several events may have caused the impairment.

The Bank's policies governing specific impairment, restructuring/renegotiation and collective provision are detailed below:

i) **Specific impairment:** In accordance with the Bank's Credit Risk Management Policy (CRMP), the Bank identifies on a monthly basis, cases that are internally rated 'B' or below and/or significantly in breach of any covenants, including delays in debt servicing and/or where there is an expectation of significant credit deterioration.

**Borrower's financial difficulty/credit deterioration/trigger event:** The Bank assesses an asset for specific impairment if it becomes probable that the borrower is facing significant financial difficulty. The Bank also assesses for specific impairment and makes specific provision if necessary, if there is evidence of any significant credit deterioration or any event which indicates a reduced ability for the borrower to repay its interest and principal. The indicators of impairment can include, among other things:

- a) Net worth of the risk counterparty/borrower turning negative
- b) Delay in interest and or principal repayments
- c) Breach in financial covenants
- d) Likelihood of borrower entering bankruptcy/ financial reorganization.
- e) Rating downgrade by external credit rating agencies.
- f) National or local economic conditions that correlate with defaults on the assets in the borrower group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in oil prices for loan assets to oil producers, or adverse changes in industry conditions that affect the borrowers in the group).
- g) Substantial decline in value of security provided to the Bank, especially when security is prime consideration for the lending. The unsecured portion of the exposure may be subjected to impairment testing.
- h) Invocation of contractual comfort by the Bank such as corporate guarantee/put option which is not honoured by the counterparty.

**Identification of specific impairment in an account:** The Bank's policy is to identify and recognize impairment in a loan when it is probable that the Bank will not be able to collect, or there is no longer a reasonable certainty that the Bank will collect all amounts due according to the contractual terms of the loan agreement. The Bank's policy is to identify and recognize impairment in a loan when it is probable that the Bank will not be able to collect, or there is no longer a reasonable certainty that the Bank will collect all amounts due according to the contractual terms of the loan agreement. The following disclosure practices have been adopted in Note 16:

Loans are disclosed as impaired where an individual allowance has been raised against the loan. Past due not impaired loans comprises (i) loans with overdue principal, interest or other amounts at the balance sheet date but no loss is expected; and (ii) past due loans with adequate collateral cover.

The objective of the policy is to maintain a prudent level of provision reflective of the risk profile of the loan portfolio. It is not the Bank's policy to systematically over-provide or under-provide for its Credit Risk. The provision weightings included in the policy document are continually monitored against the lending experience of the Bank and are periodically adjusted to reflect such experience.

The Bank's policy is predicated on the premise that regardless of the quality of a lending institution and of its systems and procedures and of its client base the business of extending credit carries the intrinsic risk of such credit not being repaid and monies advanced proving to be irrecoverable. In accordance with the guidelines of FRS 26, an impairment loss for financial assets measured at amortized cost is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The estimated future cash flows take into account only the credit losses that have been incurred at the time of the impairment loss calculation. In case the expected cash flows are not available, the breakup value of security/collateral for respective facilities under watch is calculated in accordance with the Bank's collateral valuation policy. In line with accounting guidelines, the Bank recognises an impairment loss equal to the best estimate within the range of reasonably possibly outcomes, taking into account all relevant information available about conditions existing at the end of the reporting period. For determining the specific provisions on individual impaired cases, the management exercises judgment involving matters such as realisable value of the security, estimation of the future cash flows and their timing. Consequently these allowances can be subject to variation as time progresses and the circumstances of the borrower become clearer.

ii) **Restructured/renegotiated cases:** A restructured account is one where the Bank, for economic or legal reasons relating to the borrower's difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of the terms of advances/securities which could include alteration of repayment period/repayable amount/the amount of instalments/rate of interest (due to reasons other than competition). The restructuring of an asset is only granted in situations where the customer has showed a willingness to repay the borrowing and is expected to be able to meet the revised terms of the restructuring. The Bank measures a restructured troubled loan by reducing its recorded value to its net realisable value, taking into account the cost of all concessions at the date of the restructuring. The reduction in the carrying value is recorded as a charge to the profit and loss statement in the period in which the loan is restructured.

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In relation to loans and advances, the modifications of terms and conditions related to security and collateral arrangements or the waiver of certain covenants which do not affect payment arrangements, are not regarded as sufficient indicators of impairment or restructuring, as such changes do not necessarily indicate credit issues affecting the borrower's payment ability.

The Bank charges penal interest to the borrower for any delay in interest/principal payment unless a waiver has been approved by the Bank's relevant authority. As per the Bank's practice, such waivers are given in exceptional circumstances which could be mainly related to procedural delays in receiving the interest/principal payment by the due date.

The Bank derecognises a loan when there are substantial modifications to the terms of the loan on restructuring.

- (iii) Collective provision:** Collectively assessed impairment allowances cover credit losses inherent in portfolios with similar economic characteristics, when there is objective evidence to suggest that they contain impaired claims, but, the individual impaired items cannot yet be identified. In assessing the need for collective impairment allowances, management considers factors such as historical loss trends, credit quality of the portfolio, portfolio size, concentrations, and economic factors. The aggregate amount of specific and collective provisions is intended to be sufficient to absorb estimated credit losses generated in the loan portfolio.

The collective impairment policy as defined in the CRMP stipulates that collective provision, based on the credit rating of the exposures, needs to be provided in respect of the entire performing loan and receivables portfolio. The Bank has followed FRS 26 guidelines for defining its collective impairment policy wherein the provisioning is determined by the extent of the underlying credit risk in the portfolio of the Bank. This is also the direction provided by the Basel Accord. The exposures that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment. In line with market practice, the Bank has been using a representative set of Probability of Default (PD)/Loss Given Default (LGD) data to determine the extent of provisioning required to be made by the Bank in respect of its performing loan portfolio on a collective basis. The aggregate provisioning requirement is arrived at by multiplying the outstanding amounts under each portfolio type (internally rated and externally rated exposures) on the relevant date with the corresponding PD and LGD.

In the absence of adequate internal default history and on account of a similar internal credit rating scale, the Bank has used Probability of Default (PD) data of its Parent (ICICI Bank Limited) for estimating the collective provisioning on its internally rated India country of exposure portfolio. For the internally rated non-India country of exposure portfolio, the Bank has used PD data from Moody's, corresponding to the geographies which make up the majority of its non-India exposures. The Bank considers a time horizon of one year to be appropriate for estimating collective provisions, as it believes that this is reflective of the emergence period for losses in its portfolio. On the India exposures, the Bank has used the average one year PDs of the Parent from FY 2006 onwards, while the Moody's data covers a period from the year 2003 onwards. For the externally rated Asset Backed Securities (ABS) portfolio, the average one year PD data for structured finance transactions, published by Standard and Poor (S&P) for the period 1978-2012 has been used to calculate the collective provision. The LGD for the externally rated portfolio has been assumed at 50.0% based on S&P's experience of recovery rates. For the internally rated portfolio, the LGD has been calculated based on the collateral available with the Bank. LGD and haircuts applicable for each collateral as prescribed in Basel II guidelines have been considered. The historical average PD data being used covers a full economic cycle and captures periods of low economic activity when relatively higher default rates were observed.

## (b) Impairment of available for sale financial assets

The Bank regularly reviews its available for sale securities portfolio to assess for impairment. The Bank considers all available evidence, including observable market data or information about events specifically relating to the securities which may result in a shortfall in recovery of future cash flows. These events may include a significant financial difficulty of the issuer, a breach of contract such as a default, bankruptcy or other financial reorganisation, or the disappearance of an active market for the debt security because of financial difficulties relating to the issuer, information about the issuer's liquidity, business and financial risk exposures, level of and trends in default for similar financial assets, national and local economic conditions. While assessing ABS for objective evidence of impairment, the Bank considers the performance of the underlying collateral, changes in credit rating, credit enhancements, default events etc. Once impairment has been identified, the amount of impairment is measured based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss. In determining whether an impairment event has occurred at the balance sheet date, the Bank considers whether there is any observable data which comprises evidence of the occurrence of a loss event, and evidence that the loss event results in a decrease in estimated future cash flows or their timings. Such observable data includes any adverse change in the payment status of borrowers or changes in economic conditions that correlate with defaults on loan repayment obligations. A significant or prolonged

decline in the fair value of an available for sale equity investment below its cost is evidence of impairment considered by the Bank.

The negative mark to market (MTM) on the AFS portfolio is monitored by the Bank on a regular basis. The Bank follows its valuation policy for valuing its AFS portfolio (refer point (c) relating to 'Valuation of financial instruments' below).

## (c) Valuation of financial instruments

The Bank values its available for sale and held for trading investment securities at fair market value. The best evidence of fair value is a quoted price in an actively traded market. If the market for a financial instrument is not active, or the financial instruments are traded infrequently and have little price transparency or the fair value is less objective, and requires varying degrees of judgment, the Bank uses valuation techniques to arrive at the fair value. The valuation techniques employ observable market data to calculate fair values, including comparisons with similar financial instruments for which market observable prices exist. When valuing instruments by reference to comparable instruments, management takes into account the maturity, structure and rating of the instrument with which the position held is being compared. The Bank values the equity option embedded in the financial instruments such as FCCBs based on valuation techniques with observable market inputs.

## 5 INCOME/(LOSS) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

(Loss)/Income on financial instruments at fair value through profit and loss consists of unrealised and realised gains or losses on transactions in securities and derivatives.

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Income on other financial assets	—	199	—	12
Realised gains/(losses) on derivative instruments	6,150	(951)	384	(59)
Unrealised gains/(losses) on derivative instruments	5,873	(539)	367	(34)
<b>Total</b>	<b>12,023</b>	<b>(1,291)</b>	<b>751</b>	<b>(81)</b>

Other financial assets include, derivative instruments include currency spot, forwards and option contracts including the equity option component of foreign currency convertible bonds (FCCB) and interest rate swaps and futures. Gains and losses on derivatives are presented on a net basis as it is not practical to split the same, although derivative assets and liabilities are grossed up within other assets and other liabilities on the balance sheet.

## 6 OTHER OPERATING INCOME

Other operating income primarily consists of retail branch related fees and other corporate banking related income.

## 7 ADMINISTRATIVE EXPENSES

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Staff costs (including Directors' emoluments):				
Wages and salaries	19,024	19,873	1,190	1,242
Social security costs	2,309	1,845	144	115
Other administrative expenses	15,926	13,600	995	850
<b>Total</b>	<b>37,259</b>	<b>35,318</b>	<b>2,329</b>	<b>2,207</b>

The number of persons employed by the Bank (including Directors) during the year was as follows:

	Year ended March 31, 2015 No. of Employees	Year ended March 31, 2014 No. of Employees
Management	45	42
Non Management	151	159
<b>Total</b>	<b>196</b>	<b>201</b>

# notes

forming part of the financial statement

*Continued*

## 8 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX IS STATED AFTER CHARGING

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
<b>Auditor's remuneration</b>				
Fees payable to the Bank's statutory auditors and their associates for the audit of Bank's annual accounts	509	495	32	31
Fees payable to the Bank's statutory auditors and their associates for other services:				
Audit related assurance services	460	439	29	27
Tax compliance services	29	42	2	3
<b>Total</b>	<b>998</b>	<b>976</b>	<b>63</b>	<b>61</b>

## 9 SEGMENTAL REPORTING

The Bank centrally manages its banking activities as a single business from its offices in the UK, Germany and Belgium.

## 10 TAXATION

### (a) Analysis of charge in the year

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
<b>Current tax</b>				
UK Corporation tax <sup>1</sup> at 21% (2014: 23%) on the taxable profit for the year	53	4,479	3	280
Overseas corporation charge	6,756	5,879	422	368
	6,809	10,358	425	648
Adjustments for prior years <sup>2</sup>	(2,774)	134	(173)	8
	4,035	10,492	252	656
<b>Deferred tax</b>				
Origination and reversal of timing differences	406	401	26	25
<b>Tax on profit on ordinary activities</b>	<b>4,441</b>	<b>10,893</b>	<b>278</b>	<b>681</b>

### (b) Factors affecting the tax charge for the current year

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
<b>Current tax reconciliation</b>				
Profit on ordinary activities before tax	22,770	36,117	1,423	2,257
Current tax at 21% (2014: 23%)	4,782	8,307	299	520
Add effects of:				
Expenses not deductible for tax purposes	141	257	9	16
Other timing differences (FRS 26 Impact)	(454)	(275)	(28)	(17)
Timing difference on movement of collective provisions for bad and doubtful debts	(45)	(49)	(3)	(3)
Depreciation less than capital allowances for the year	74	182	5	11
Overseas taxes (net of overseas tax credit relief)	2,312	1,936	145	121
Adjustment for prior year	(2,775)	134	(175)	8
<b>Total current tax charge (see 10 (a) above)</b>	<b>4,035</b>	<b>10,492</b>	<b>252</b>	<b>656</b>

### (c) The movements in deferred tax asset during the year were:

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Balance as at March 31	779	1,180	49	74
Debit to profit and loss account :				
Reversal of Deferred tax asset	(387)	(327)	(25)	(20)
Debit to available for sale reserves :				
Rate differential from 21% to 23%	(19)	(74)	(1)	(5)
Adjustments for prior year				
<b>Balance as at March 31</b>	<b>373</b>	<b>779</b>	<b>23</b>	<b>49</b>

### (d) Deferred tax is composed of the tax impact of the following items:

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Collective provision	43	90	3	6
Effect of FRS 26				
- Fees Income amortisation	174	364	10	22
- Recognition of fair value of derivatives	67	140	4	9
Excess of tax written down value over book value of tangible fixed assets	89	185	6	12
<b>Total</b>	<b>373</b>	<b>779</b>	<b>23</b>	<b>49</b>

### (e) Taxation relating to available for sale reserve

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Provision for tax for current year	(1,383)	(1,656)	(86)	(104)
<b>Total</b>	<b>(1,383)</b>	<b>(1,656)</b>	<b>(86)</b>	<b>(104)</b>

- The UK corporation tax rate reduced from 23% to 21% effective from April 1 2014. Further changes to 20%, effective from April 1 2015 were enacted in the budget announcement on April 15, 2015. The deferred tax asset at March 31 2015 has been calculated based on the rate of 20% at the balance sheet date.
- Adjustment to prior years for the year March 2015 includes recycling of tax credit of US\$ 2.7 million (₹ 169 million) from AFS reserve to & tax account within P&L.

## 11 Emoluments of Directors

	Year ended March 31, 2015 US\$ 000s	Year ended March 31, 2014 US\$ 000s	Year ended March 31, 2015 ₹ in million	Year ended March 31, 2014 ₹ in million
Directors' fees and gross emoluments	1,092	972	68	61

The gross emoluments<sup>1</sup> of the highest paid director were US\$ 698,094 (₹ 43,630,846) (2014: US\$ 572,203; ₹ 35,762,688) excluding share based payments. Contributions on behalf of a director under a money purchase pension scheme amounted to US\$ 25,923 (₹ 1,620,202) (2014: US\$ 25,359; ₹ 1,584,930). The number of stock options<sup>2</sup> granted to the highest paid director during the year was 46,000 (2014: 40,000).

<sup>1</sup> Gross emoluments include base salary and performance bonus

<sup>2</sup> Refer note 12 for the details of the stock option scheme.

## 12 Share-based payments

During the year, US\$ 0.66 million (₹ 41.3 million) was charged to the profit and loss account in respect of equity-settled share-based payment transactions (2014: US\$ 1.11 million; ₹ 69.4 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share awards made in accordance with the ICICI Bank Limited group's reward structures.

# notes



forming part of the financial statement

Continued

## Stock Option Scheme

In terms of an Employee Stock Option Scheme (ESOS), of the parent Bank, options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS as amended from time to time, the maximum number of options granted to any employee/Director in a year is limited to 0.05% of the Parent Bank's issued equity shares at the time of the grant, and the aggregate of all such options is limited to 10% of Parent Bank's issued equity shares on the date of the grant. Options granted vest 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 2014 vest in a graded manner over a three-year period, with 30%, 30%, and 40% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. The options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later.

Particulars of options granted to employees of ICICI Bank UK PLC up to March 31, 2015 are given below:

	March 31, 2015 Number (000s)	March 31, 2014 Number (000s)
Outstanding at the beginning of the year <sup>1</sup>	4,464	3,927
Net additions during the year	680	538
Outstanding at the end of the year	5,144	4,464

On September 9, 2014, the Board of ICICI Bank Ltd approved for sub-division of equity shares of face value Rs 10/- into 5 shares of face value Rs 2/- each. The sub division resulted in the number of shares held by each shareholder being multiplied by a factor of 5. The number of options detailed in the note factor the impact of the stock split.

## Calculation of fair values

Fair values of stock options/awards, measured at the date of grant of the option/award, are calculated using a binomial tree model. The expected life of options depends on the behaviour of option holders, which is incorporated into the option model on the basis of historic observable data. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. Expected dividends are incorporated into the valuation model for stock options/awards, where applicable. The significant weighted average assumptions used to estimate the fair value of the options granted were as follows:

	Year ended March 31, 2015 Range	Year ended March 31, 2014 Range
Risk-free interest rate <sup>2</sup> (%)	8.80-9.00	7.6-7.69
Expected term <sup>3</sup> (years)	2.85-4.85	6.35
Expected volatility <sup>4</sup> (%)	33.25-34.50	48.70
Expected dividend yield (%)	1.77	1.70
Share price at grant date <sup>5</sup> (₹)	259.91	235.47

As the grant date was prior to the date of the stock split, the share price indicated above factors the impact of the split and has been divided by 5.

<sup>1</sup> The number of options have been update for options lapsed for both FY2015 and FY2014.

<sup>2</sup> Risk free interest rates over the expected term of the option are based on the Indian government securities yield in effect at the time of the grant.

<sup>3</sup> Expected term is not a single input parameter but a function of various behavioural assumptions. 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 term is determined based on simplified method of vesting for grants.

<sup>4</sup> 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.

<sup>5</sup> The share price at the grant date which was originally before the stock split was ₹ 1,299.55 as at March 31, 2015 and ₹ 1,177.35 as at March 31, 2014.

## 13 Financial Services Compensation Scheme

The Financial Services Compensation Scheme ('FSCS') has provided compensation to consumers following the collapse during 2008 of a number of deposit takers such as Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave', Dunfermline Building Society and London Scottish Bank plc. The protection of consumer deposits is currently funded through loans from the Bank of England and HM Treasury. The Bank could be liable to pay a proportion of the outstanding borrowings that the FSCS has borrowed from HM Treasury which is currently at £ 15.8 billion as per the FSCS Plan and Budget for 2015/2016. The Bank is also obligated to pay its share of forecast management expenses based on the Bank's market share of deposits protected under the FSCS. This levy is called the specified deposit defaults (SDD) levy. During FY2015, FSCS recovered £ 845 million of the SDD levies from the deposit taking sector (£ 399 million capital Levy and £ 446 million interest levy). As per the FSCS Plan and Budget for 2015/2016, FSCS expects to levy the deposit taking sector a total levy of £ 750 million, which includes £ 403 million of interest, £ 256 million of Dunfermline contribution and £ 91 million capital shortfall.

The Bank has recognized an expense of US\$ 2.3 million (₹ 144 million) during FY2015 (FY2014: US\$ 1.8 million; ₹ 113 million), in respect of all statutory levies. This mainly includes the Bank's share of the SDD levy management expense,

including interest costs and principal and regular deposit protection charges. The Bank has accrued the SDD levy based on its estimated share of total market protected deposits. The Bank has adopted IFRIC 21 'Levies', effective FY2014 for accounting for the FSCS liability.

## 14 Loans and advances to banks

### (a) Residual Maturity

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
<b>Banks</b>				
Repayable on demand	32,614	63,402	2,038	3,962
Other loans and advances				
Remaining Maturity :				
Over 5 years	—	3	—	—
5 year or less but over 1 year	—	750	—	47
1 year or less but over 3 months	39,744	6,745	2,484	422
3 months or less	106,524	5,275	6,658	330
	178,882	76,175	11,180	4,761

### Parent and Group Companies

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
<b>Parent and Group Companies</b>				
Repayable on demand	5,290	2,910	331	182
Other loans and advances				
Remaining Maturity :				
1 year or less but over 3 months	—	—	—	—
3 months or less	—	—	—	—
	5,290	2,910	331	182
<b>Sub Total</b>	<b>184,172</b>	<b>79,085</b>	<b>11,511</b>	<b>4,943</b>
Collective provision	(26)	(6)	(2)	—
Specific impairment allowance	—	—	—	—
<b>Total</b>	<b>184,146</b>	<b>79,079</b>	<b>11,509</b>	<b>4,943</b>

### (b) Concentration of exposure

The Bank has the following concentrations of gross loans and advances to banks:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
<b>Total gross advances to banks located in:</b>				
UK	25,610	50,305	1,601	3,144
Europe	5,420	6,813	339	426
North America	1,405	1,807	88	113
India	144,444	16,872	9,027	1,055
Rest of the World	7,293	3,288	456	205
<b>Total</b>	<b>184,172</b>	<b>79,085</b>	<b>11,511</b>	<b>4,943</b>

As at March 31, 2015, the Bank had no direct exposure to banks in Portugal, Italy, Ireland, Greece, Spain, Cyprus, Ukraine or Russia (2014: NIL).

Geographical concentration represents the country of risk exposure. Generally, the risk domicile of an exposure is identified as the country of residence of the borrower provided that the cash flows of the borrower and/or the value of the security adequately covers the loan exposure of the Bank.

The increase during the current year is mainly driven by bill discounting facilities.

## 15 Loans and advances to customers

### (a) Residual Maturity

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
<b>Repayable on demand or at short notice</b>	<b>45,797</b>	<b>50,312</b>	<b>2,861</b>	<b>3,145</b>
Other loans and advances				
Remaining Maturity :				
Over 5 years	384,331	251,937	24,021	15,746
5 years or less but over 1 year	1,356,346	1,319,947	84,773	82,496
1 year or less but over 3 months	315,877	466,285	19,742	29,143
3 months or less	837,482	721,822	52,343	45,114
<b>Sub total</b>	<b>2,939,833</b>	<b>2,810,303</b>	<b>183,740</b>	<b>175,644</b>
Collective provision	(9,577)	(8,494)	(599)	(531)
Specific impairment allowance	(51,445)	(52,673)	(3,215)	(3,292)
<b>Total</b>	<b>2,878,811</b>	<b>2,749,136</b>	<b>179,926</b>	<b>171,821</b>

# notes

## forming part of the financial statement

*Continued*

### (b) Concentration of exposure

Geographical concentrations of loans and advances to customers

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
UK	522,399	540,238	32,650	33,765
Europe	549,652	681,574	34,353	42,598
North America	322,863	27,015	20,179	1,688
India	1,047,628	1,101,251	65,477	68,829
Rest of the World	208,272	171,124	13,017	10,695
<b>Total</b>	<b>2,650,814</b>	<b>2,521,202</b>	<b>165,676</b>	<b>157,575</b>
India (Retail loans against FCNR deposits)	289,019	289,101	18,064	18,069
<b>Total</b>	<b>2,939,833</b>	<b>2,810,303</b>	<b>183,740</b>	<b>175,644</b>

As at March 31, 2015, the outstanding exposure to customers in Ireland was nil (2014: US\$ 17.9 million; ₹ 1,119 million) and to Spain was nil (2014: US\$ 38.6 million; ₹ 2,412 million). As at March 31, 2015, the Bank had no direct exposure to customers in Portugal, Italy, Greece, Cyprus, Ukraine or Russia. (2014: NIL).

Geographical concentration represents the country of risk exposure. Generally, the risk domicile of an exposure is identified as the country of residence of the borrower provided that the cash flows of the borrower and/or the value of the security adequately covers the loan exposure of the Bank.

### 16 Potential credit risk on financial instruments

	US\$ 000s				
	Neither past due nor impaired	Past due not impaired	Impaired	Impairment allowances	Total
Cash	598	—	—	—	598
Balances at central banks	449,154	—	—	—	449,154
Loans and advances to banks	184,172	—	—	(26)	184,146
Loans and advances to customers	2,665,869	101,160	172,804	(61,022)	2,878,811
Investment securities	490,539	—	51,590	(44,199)	497,930
Other assets*:					
- Cheques in clearing	182	—	—	—	182
- Deposits receivable	9,671	—	—	—	9,671
- Derivative financial instruments	59,106	—	—	—	59,106
- Unsettled securities	2,357	—	—	—	2,357
Accrued income and other receivables	37,960	—	—	—	37,960
<b>Total financial instruments</b>	<b>3,899,608</b>	<b>101,160</b>	<b>224,394</b>	<b>(105,247)</b>	<b>4,119,915</b>

	₹ in million				
	Neither past due nor impaired	Past due not impaired	Impaired	Impairment allowances	Total
Cash	37	—	—	—	37
Balances at central banks	28,072	—	—	—	28,072
Loans and advances to banks	11,511	—	—	(2)	11,509
Loans and advances to customers	166,617	6,323	10,800	(3,814)	179,926
Investment securities	30,658	—	3,224	(2,762)	31,120
Other assets*:					
- Cheques in clearing	11	—	—	—	11
- Deposits receivable	604	—	—	—	604
- Derivative financial instruments	3,694	—	—	—	3,694
- Unsettled securities	148	—	—	—	148
Accrued income and other receivables	2,373	—	—	—	2,373
<b>Total financial instruments</b>	<b>243,725</b>	<b>6,323</b>	<b>14,024</b>	<b>(6,578)</b>	<b>257,494</b>

\* excludes deferred tax assets, prepaid expenses and fixed assets

	March 31, 2014	Neither past due nor impaired	Past due not impaired	Impaired	Impairment allowances	US\$ 000s
Cash		648	—	—	—	648
Balances at central banks	1,008,407	—	—	—	—	1,008,407
Loans and advances to banks	79,085	—	—	(6)	—	79,079
Loans and advances to customers	2,476,441	123,112	210,750	(61,167)	2,749,136	
Investment securities	493,448	—	39,988	(34,551)	498,885	
Other assets:						
- Cheques in clearing	188	—	—	—	—	188
- Deposits receivable	5,308	—	—	—	—	5,308
- Derivative financial instruments	86,028	—	—	—	—	86,028
- Unsettled securities	3,172	—	—	—	—	3,172
Accrued income and other receivables	28,673	—	—	—	—	28,673
Total financial instruments	4,181,398	123,112	250,738	(95,724)	4,459,524	

	March 31, 2014	Neither past due nor impaired	Past due not impaired	Impaired	Impairment allowances	₹ in million
Cash		41	—	—	—	41
Balances at central banks	63,025	—	—	—	—	63,025
Loans and advances to banks	4,943	—	—	—	—	4,943
Loans and advances to customers	154,777	7,695	13,172	(3,823)	171,821	
Investment securities	30,840	—	2,499	(2,159)	31,180	
Other assets:						
- Cheques in clearing	12	—	—	—	—	12
- Deposits receivable	332	—	—	—	—	332
- Derivative financial instruments	5,377	—	—	—	—	5,377
- Unsettled securities	198	—	—	—	—	198
Accrued income and other receivables	1,792	—	—	—	—	1,792
Total financial instruments	261,337	7,695	15,671	(5,982)	278,721	

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
Loans contractually overdue as to principal or interest				
- Less than 60 days	9,148	—	572	—
- 61 to 90 days	—	—	—	—
- more than 90 days	233,932	304,636	14,621	19,040
<b>Total</b>	<b>243,080</b>	<b>304,636</b>	<b>15,193</b>	<b>19,040</b>
Concentration of overdue exposure				
United Kingdom	—	8,230	—	514
Europe	53,245	78,171	3,328	4,886
India	189,835	218,235	11,865	13,640
<b>Total</b>	<b>243,080</b>	<b>304,636</b>	<b>15,193</b>	<b>19,040</b>
Past due whether impaired or not				
Past due not impaired	101,160	123,112	6,323	7,695
Past due impaired	141,920	181,524	8,870	11,345
<b>Total</b>	<b>243,080</b>	<b>304,636</b>	<b>15,193</b>	<b>19,040</b>
Past due not impaired*				
- Less than 60 days	9,148	—	572	—
- 61 to 90 days	—	—	—	—
- more than 90 days	92,012	123,112	5,751	7,695
<b>Total</b>	<b>101,160</b>	<b>123,112</b>	<b>6,323</b>	<b>7,695</b>

\*Past due not impaired are stated at the total value of the exposure. The total overdue contractual payments of principal or interest are US\$ 52.5 million (₹ 3,281 million) (2014: US\$ 31.6 million, ₹ 1,975 million). The above excludes accounts with total gross exposure of US\$ 77.7 million (₹ 4,856 million) and overdue of US\$ 37.7 million (₹ 2,356 million) which have been paid subsequent to the yearend. All overdue cases are assessed for impairment as per the Bank's policy. As on the reporting date, the Bank has reasonable certainty of repayment of the outstanding or there is adequate collateral cover. Hence these exposures have not been classified as impaired.

During the year ended March 31, 2015 the Bank had renegotiated/restructured loan amounting to US\$ 9.8 million (₹ 613 million) (2014: US\$ 39.2 million, ₹ 2,450 million). As on March 31, 2015, included in the impaired loans was loan restructured in previous years of US\$ 26.0 million (₹ 1,625 million) (2014: US\$ 29.2 million, ₹ 1,825 million).

# notes



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Continued

## 17 IMPAIRMENT ON LOANS AND ADVANCES

Net loan impairment charge to profit and loss account

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2015 ₹ in million
New charges	(35,650)	(22,007)	(2,228)	(1,375)
Release of allowance	—	8,723	—	545
Write off directly to profit and loss	(2,295)	(1,306)	(144)	(82)
	<u>(37,945)</u>	<u>(14,590)</u>	<u>(2,372)</u>	<u>(912)</u>

Movement in impairment allowance on loans and advances

	March 31, 2015 US\$ 000s			March 31, 2014 US\$ 000s		
	Specific Impairment	Collective Provision	Total	Specific Impairment	Collective Provision	Total
<b>Opening Balance</b>	<b>52,673</b>	<b>8,500</b>	<b>61,173</b>	<b>30,608</b>	<b>17,223</b>	<b>47,831</b>
Charge to profit and loss account	34,547	1,103	35,650	24,007	(8,723)	15,284
Amounts written off	(35,388)	—	(35,388)	(2,000)	—	(2,000)
Recovery	—	—	—	—	—	—
Others (incl FX)	(387)	—	(387)	58	—	58
<b>Closing Balance</b>	<b>51,445</b>	<b>9,603</b>	<b>61,048</b>	<b>52,673</b>	<b>8,500</b>	<b>61,173</b>

	March 31, 2015 ₹ in million			March 31, 2014 ₹ in million		
	Specific Impairment	Collective Provision	Total	Specific Impairment	Collective Provision	Total
<b>Opening Balance</b>	<b>3,292</b>	<b>531</b>	<b>3,823</b>	<b>1,913</b>	<b>1,076</b>	<b>2,989</b>
Charge to profit and loss account	2,159	69	2,228	1,500	(545)	955
Amounts written off	(2,212)	—	(2,212)	(125)	—	(125)
Recovery	—	—	—	—	—	—
Others (incl FX)	(23)	—	(23)	4	—	4
<b>Closing Balance</b>	<b>3,216</b>	<b>600</b>	<b>3,816</b>	<b>3,292</b>	<b>531</b>	<b>3,823</b>

## 18 INVESTMENT SECURITIES

Classification of investment securities

	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
	US\$ 000s	US\$ 000s	₹ in million	₹ in million
<b>Analyzed by class:</b>				
Treasury Bills	84,951	126,967	5,309	7,935
Other securities				
- Credit Link Notes	—	—	—	—
- Bonds	347,062	289,644	21,691	18,103
- Asset Backed Securities	58,526	76,787	3,658	4,799
- Equity	7,391	5,487	462	343
Total other securities	412,979	371,918	25,811	23,245
<b>Total</b>	<b>497,930</b>	<b>498,885</b>	<b>31,120</b>	<b>31,180</b>

Analysed by designation:

Available for sale	482,703	498,885	30,168	31,180
Held to Maturity	15,227	—	952	—
Financial instruments at fair value through profit and loss	—	—	—	—
<b>Total</b>	<b>497,930</b>	<b>498,885</b>	<b>31,120</b>	<b>31,180</b>

March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million

### Analysed by issuer:

Available for sale	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
Issued by public bodies:				
Government Issued	79,969	126,967	4,997	7,935
Other Public sector securities	230,036	219,468	14,377	13,717
Issued by other issuers	172,698	152,450	10,794	9,528

### Held to Maturity

Government Issued	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
Government Issued	4,982	—	312	—
Issued by other issuers	10,245	—	640	—

### Financial instruments at fair value through profit and loss

Issued by other issuers	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
<b>Total</b>	<b>497,930</b>	<b>498,885</b>	<b>31,120</b>	<b>31,180</b>

### Analysed by listing status

Available for sale	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
Unlisted	79,969	129,862	4,998	8,116
Listed	402,734	369,023	25,170	23,064

### Held to Maturity

Listed	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
<b>Total</b>	<b>15,227</b>	<b>—</b>	<b>952</b>	<b>—</b>

### Financial instruments at fair value through profit and loss

Unlisted	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
<b>Total</b>	<b>497,930</b>	<b>498,885</b>	<b>31,120</b>	<b>31,180</b>

### Analyzed by maturity\*:

Due within 1 year	March 31, 2015 Market Value US\$ 000s	March 31, 2014 Market Value US\$ 000s	March 31, 2015 Market Value ₹ in million	March 31, 2014 Market Value ₹ in million
Due within 1 year	203,186	170,249	12,698	10,641
Due 1 year and above	287,353	323,149	17,960	20,196
<b>Total</b>	<b>490,539</b>	<b>493,398</b>	<b>30,658</b>	<b>30,837</b>

\*does not include US\$ 7.4 million (₹ 462 million) of investment in equity (FY2014: US\$ 5.5 million, ₹ 343 million)

### Impairment on investment securities

During the year the Bank booked impairment of US\$ 13.5 million (₹ 846 million) (2014: US\$ 5.6 million; ₹ 352 million) through the profit and loss in respect of certain equity investments held as available for sale.

### Investments held at fair value at March 31, 2015, by valuation method:

	Level 1	Level 2	Level 3	Total
Treasury Bills & Government securities	79,969	—	—	79,969

	Level 1	Level 2	Level 3	Total
Credit Link Notes	—	—	—	—

Bonds	Level 1	Level 2	Level 3	Total
Bonds	21,051	—	—	21,051

Asset Backed Securities	Level 1	Level 2	Level 3	Total
Asset Backed Securities	3,658	—	—	3,658

Equity	Level 1	Level 2	Level 3	Total
Equity	462	—	—	462

Total	Level 1	Level 2	Level 3	Total
<b>Total</b>	<b>30,168</b>	<b>—</b>	<b>—</b>	<b>30,168</b>

### Investments held at fair value at March 31, 2014, by valuation method:

	Level 1	Level 2	Level 3	Total
Treasury Bills & Government securities	126,967	—	—	126,967

	Level 1	Level 2	Level 3	Total
Credit Link Notes	—	—	—	—

Bonds	Level 1	Level 2	Level 3	Total
Bonds	289,644	—	—	289,644

Asset Backed Securities	Level 1	Level 2	Level 3	Total
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	₹ in million			
	Level 1	Level 2	Level 3	Total
Treasury Bills & Government securities	7,935	—	—	7,935
Credit Link Notes	—	—	—	—
Bonds	18,103	—	—	18,103
Asset Backed Securities	4,799	—	—	4,799
Equity	343	—	—	343
<b>Total</b>	<b>31,180</b>	<b>—</b>	<b>—</b>	<b>31,180</b>

## Valuation Hierarchy

The valuation hierarchy is set out below:

Level 1: Investments valued using unadjusted quoted prices in active markets.

Level 2: Investments valued using valuation techniques based on observable market data for instruments where markets are considered less than active. Instruments in this category are valued using:

- (a) Quoted prices for similar assets, or identical assets in markets which are considered to be less than active; or
- (b) Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3: Investments valued using valuation model based on significant non market observable inputs.

## 19 RECLASSIFICATION OF FINANCIAL ASSETS

In October 2008, the Accounting Standard Board's issued amendments to FRS 26 'Financial Instruments: Recognition and Measurement' and FRS 29 'Financial Instruments: Disclosures' which permits an entity to reclassify certain financial assets out of the held for trading category. The amendment also permits an entity to transfer from the available for sale category to the loans and receivable category in certain circumstances.

The reclassifications were made as a result of significant reductions in market liquidity for these assets, and a change in the intention to hold the assets for the foreseeable future or to maturity. These circumstances formed part of the wider context of market turmoil and are considered a rare event and, as such, the reclassification was permitted under the amendments to FRS 26. On the date of reclassification, the fair value of the asset was deemed to be the asset's new amortized cost, and the assets have been tested for impairment since reclassification.

### Carrying amount and fair value of reclassified assets

	US\$ 000s			
	March 31, 2015		March 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>From held for trading to available for sale</b>				
- Corporate Bonds	8,291	8,291	8,462	8,462
- Asset Backed Securities	—	—	1,963	1,963
<b>From available for sale to loans and receivables</b>				
- Foreign Currency Convertible bonds	—	—	7,689	7,689
- Asset Backed Securities	68,545	76,095	87,072	95,431
<b>Total</b>	<b>76,836</b>	<b>84,386</b>	<b>105,186</b>	<b>113,545</b>

### Carrying amount and fair value of reclassified assets

	₹ in million			
	March 31, 2015		March 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>From held for trading to available for sale</b>				
- Corporate Bonds	518	518	529	529
- Asset Backed Securities	—	—	123	123
<b>From available for sale to loans and receivables</b>				
- Foreign Currency Convertible bonds	—	—	481	481
- Asset Backed Securities	4,284	4,756	5,442	5,964
<b>Total</b>	<b>4,802</b>	<b>5,274</b>	<b>6,575</b>	<b>7,097</b>

The amount reclassified was based on the fair value of the financial assets as at the date of reclassification. The following table sets forth, for the periods

indicated, the fair value gains and losses, income and expense recognized in the profit and loss account both before and after the date of reclassification:

### Impact on profit and loss account

	March 31, 2015		March 31, 2014	
	Post reclassification	Assuming no reclassification	Post reclassification	Assuming no reclassification
<b>From held for trading to available for sale</b>				
- Corporate Bonds	317	299	306	183
- Asset Backed Securities	6	14	19	44
<b>From available for sale to loans and receivables</b>				
- Foreign Currency Convertible bonds	1,553	1,553	(5,365)	(5,365)
- Asset Backed Securities	1,231	1,231	1,291	1,291
<b>Total</b>	<b>3,107</b>	<b>3,097</b>	<b>(3,749)</b>	<b>(3,847)</b>

### Impact on profit and loss account

	March 31, 2015		March 31, 2014	
	Post reclassification	Assuming no reclassification	Post reclassification	Assuming no reclassification
<b>From held for trading to available for sale</b>				
- Corporate Bonds	20	19	19	11
- Asset Backed Securities	—	1	1	3
<b>From available for sale to loans and receivables</b>				
- Foreign Currency Convertible bonds	97	97	(335)	(335)
- Asset Backed Securities	77	77	81	81
<b>Total</b>	<b>194</b>	<b>194</b>	<b>(234)</b>	<b>(240)</b>

The following table sets forth, for the periods indicated, the fair value gains and losses recognized in the AFS reserve, in the books of the Bank for the trades outstanding as on respective periods.

### Impact of gains/(losses) on available for sale reserve

	March 31, 2015		March 31, 2014	
	Post reclassification	Assuming no reclassification	Post reclassification	Assuming no reclassification
<b>From held for trading to available for sale</b>				
- Corporate Bonds	140	—	158	—
- Asset Backed Securities	—	—	(8)	—
<b>From available for sale to loans and receivables</b>				
- Foreign Currency Convertible bonds	—	—	—	—
- Asset Backed Securities	4,659	12,208	6,441	14,799
<b>Total</b>	<b>4,799</b>	<b>12,208</b>	<b>6,591</b>	<b>14,799</b>

### Impact of gains/(losses) on available for sale reserve

	March 31, 2015		March 31, 2014	
	Post reclassification	Assuming no reclassification	Post reclassification	Assuming no reclassification
<b>From held for trading to available for sale</b>				
- Corporate Bonds	9	—	10	—
- Asset Backed Securities	—	—	(1)	—
<b>From available for sale to loans and receivables</b>				
- Foreign Currency Convertible bonds	—	—	—	—
- Asset Backed Securities	291	763	403	925
<b>Total</b>	<b>300</b>	<b>763</b>	<b>412</b>	<b>925</b>

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## 20 TANGIBLE AND INTANGIBLE ASSETS

	Leasehold Improvements US\$ 000s	Other fixed and Intangible assets US\$ 000s	Total US\$ 000s	Leasehold Improvements ₹ in million	Other fixed and Intangible assets ₹ in million	Total ₹ in million
<b>Cost:</b>						
At April 1, 2014	12,093	8,072	20,165	755	505	1,260
Additions	15	511	526	1	32	33
Disposal	(429)	(1)	(430)	(27)	0	(27)
<b>At March 31, 2015</b>	<b>11,679</b>	<b>8,582</b>	<b>20,261</b>	<b>729</b>	<b>537</b>	<b>1,266</b>
<b>Accumulated depreciation:</b>						
At April 1, 2014	6,933	7,481	14,414	434	468	901
Charge for year	964	450	1,414	60	28	88
Disposal	(341)	—	(341)	(21)	—	(21)
<b>At March 31, 2015</b>	<b>7,556</b>	<b>7,931</b>	<b>15,487</b>	<b>473</b>	<b>496</b>	<b>968</b>
<b>Net book value:</b>						
At March 31, 2015	4,123	651	4,774	256	41	298
At March 31, 2014	5,160	591	5,751	323	37	359

## 21 OTHER ASSETS

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
Amounts in clearing	182	188	11	12
Deposits receivable	9,671	5,308	604	332
Deferred tax asset	373	779	23	49
Derivative financial instruments	59,106	86,028	3,694	5,377
Settlement balances <sup>1</sup>	2,357	3,172	148	198
Other receivables	2,604	8,490	163	531
Prepaid Expenses	1,744	2,100	110	130
Others <sup>2</sup>	3,000	3,000	188	188
<b>Total</b>	<b>79,037</b>	<b>109,065</b>	<b>4,941</b>	<b>6,817</b>

1 Mainly comprising of securities pending settlement

2 Includes assets acquired in settlement of loan claims, held as inventory at lower of cost or net realizable value

## 22 DEPOSITS BY BANKS

With agreed maturity dates or periods of notice, by remaining maturity:

Banks	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
5 years or less but over 1 year	22,010	182,538	1,376	11,408
1 year or less but over 3 months	329,407	179,843	20,588	11,240
3 months or less but not repayable on demand	14,000	98,760	875	6,173
<b>Total</b>	<b>365,417</b>	<b>461,141</b>	<b>22,839</b>	<b>28,821</b>

## 23 CUSTOMER ACCOUNTS

With agreed maturity dates or periods of notice, by remaining maturity:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
More than 5 years	2,684	3,443	168	215
5 years or less but over 1 year	470,639	908,647	29,415	56,790
1 year or less but over 3 months	723,911	380,556	45,244	23,785
3 months or less but not repayable on demand	212,219	139,885	13,264	8,743
Repayable on demand	1,409,453	1,432,531	88,091	89,533
<b>Total</b>	<b>2,284,686</b>	<b>2,533,259</b>	<b>142,793</b>	<b>158,329</b>

## 24 DEBT SECURITIES AND SUBORDINATED LIABILITIES

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ million	March 31, 2014 ₹ million
Bonds issued*				
Residual Maturity				
Over 5 years	150,000	150,000	9,375	9,375
5 year or less but over 1 year	273,329	159,903	17,083	9,994
1 year or less but over 3 months	62,200	18,950	3,888	1,184
3 months or less	—	100,250	—	6,266
	485,529	429,103	30,346	26,819
Less: Bond issue expenses	(567)	(799)	(35)	(50)
Less: Adjustments to carrying amount for change in the value of hedge which is ineffective	(1,030)	(1,661)	(65)	(104)
<b>Total</b>	<b>483,932</b>	<b>426,643</b>	<b>30,246</b>	<b>26,665</b>

\* Listed with Singapore stock exchange.

Details of various bonds and notes under the medium term notes programmes issued by the Bank at March 31, 2015 are as follows:

Date of Issue	Nature of Issue	Interest Rate	Interest frequency	Maturity	US\$ 000s	₹ in million
December 12, 2006	Perpetual junior subordinated notes	6.38%	Semi-annually	Callable by issuer at par in 2016; no maturity	85,000	5,313
November 23, 2010	Unsecured subordinated fixed rate notes due 2020	7.00%	Semi annually	Bullet payment in November 2020	150,000	9,375
March 27, 2013	Senior unsecured bonds	2.32%	Quarterly	Bullet payment in April 2016	74,995	4,687
October 22, 2014	Senior unsecured bonds	1.50%	Quarterly	Bullet payment in October 2016	100,000	6,250
September 23, 2014	Senior unsecured bonds	1.40%	Annually	Bullet payment in September 2015	11,500	719
September 16, 2014	Senior unsecured bonds	1.40%	Annually	Bullet payment in September 2015	10,700	668
October 14, 2014	Senior unsecured bonds	1.03%	Semi annually	Bullet payment in October 2017	8,334	521
November 25, 2014	Senior unsecured bonds	1.36%	Quarterly	Bullet payment in December 2015	40,000	2,500
January 09, 2015	Senior unsecured bonds	1.40%	Quarterly	Bullet payment in July 2016	5,000	313
			Total		485,529	30,346
Less: Bond issue expenses					(567)	(35)
Less: Adjustments to carrying amount for change in the value of hedge which is ineffective					(1,030)	(65)
					483,932	30,246

For all the subordinated notes, the notes and coupons are direct, unsecured and subordinated obligations of the Bank, and rank pari passu without any preference among themselves.

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## 25 REPURCHASE AGREEMENTS

	US\$ 000s			
	Carrying amount of transferred liabilities	Carrying amount of transferred assets	Carrying amount of transferred liabilities	Carrying amount of transferred assets
Repurchase agreements	294,035	349,012	316,544	414,340
			₹ in million	
Repurchase agreements	18,377	21,813	19,784	25,896

The assets transferred under the repurchase agreements are Bonds, ABSs & FCCBs issued by financial institutions & corporates with carrying value of US\$ 349.0 million (₹ 21,813 million) (2014: US\$ 414.3 million; ₹ 25,896 million). These have been pledged as collateral under repurchase agreements entered by the Bank. These form part of the AFS book & Loans and Receivable book (refer Note 18 and Note 37).

### With agreed maturity dates or periods of notice, by remaining maturity:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
5 years or less but over 1 year	56,189	—	3,512	—
1 year or less but over 3 months	136,259	173,820	8,516	10,864
3 months or less	101,587	142,724	6,349	8,920
<b>Total</b>	<b>294,035</b>	<b>316,544</b>	<b>18,377</b>	<b>25,896</b>

## 26 OTHER LIABILITIES

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ million	March 31, 2014 ₹ million
Amounts in clearing	1,612	4,635	101	290
Corporation tax payable	1,687	5,903	105	369
Other creditors	2,409	3,238	150	201
Derivative financial instruments	110,932	59,265	6,933	3,704
Settlement balances	10,122	—	632	—
<b>Total</b>	<b>126,762</b>	<b>73,041</b>	<b>7,921</b>	<b>4,564</b>

## 27 CALLED UP SHARE CAPITAL

At March 31, 2015 the Issued share capital of ICICI Bank UK PLC was:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
420 million ordinary shares of US\$ 1 each	420,000	495,000	26,250	30,937
50,002 ordinary shares of £1 each	95	95	6	6
<b>Total Share Capital</b>	<b>420,095</b>	<b>495,095</b>	<b>26,256</b>	<b>30,943</b>

During the year, the Bank returned US\$ 75 million (₹ 4,687 million) of equity capital to ICICI Bank Limited after receiving requisite approvals including court approval for the reduction in equity share capital.

## 32 CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

### Assets:

As at March 31, 2015

	Fair value through Profit and Loss	Available for Sale	Loans & Receivables	Held to maturity	US\$ 000s
Cash	—	—	598	—	598
Balances at central banks	—	—	449,154	—	449,154
Loans and advances to banks	—	—	184,146	—	184,146
Loans and advances to customers	—	—	2,878,811	—	2,878,811
Investment Securities	—	482,703	—	15,227	497,930
Other assets*	59,106	—	14,814	—	73,920
Accrued income	—	—	35,356	—	35,356
<b>Total financial assets</b>	<b>59,106</b>	<b>482,703</b>	<b>3,562,879</b>	<b>15,227</b>	<b>4,119,915</b>

As at March 31, 2015

	Fair value through Profit and Loss	Available for Sale	Loans & Receivables	Held to maturity	₹ in million
Cash	—	—	37	—	37
Balances at central banks	—	—	28,072	—	28,072
Loans and advances to banks	—	—	11,509	—	11,509
Loans and advances to customers	—	—	179,926	—	179,926
Investment Securities	—	30,168	—	952	31,120
Other assets*	3,694	—	926	—	4,620
Accrued income	—	—	2,210	—	2,210
<b>Total financial assets</b>	<b>3,694</b>	<b>30,168</b>	<b>222,680</b>	<b>952</b>	<b>257,494</b>

## 28 EMPLOYEE BENEFITS

During the year, the Bank made a contribution of US\$ 533,252 (₹ 33,328,247) (2014: US\$ 335,951; ₹ 20,996,991) to the pension scheme. Out of this amount, US\$ 40,668 (₹ 2,541,748) was accrued at the year end (2014: US\$ 33,516; ₹ 2,094,750).

## 29 CONTINGENT LIABILITIES AND COMMITMENTS

### (a) Guarantees and other commitments:

Guarantees	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
Other commitments	333,083	439,944	20,818	27,497
Unrawn formal standby facilities, credit lines and other commitments to lend maturing in:				
Less than one year	4,209	—	263	—
More than one year	—	—	—	—
<b>Total guarantees and commitments</b>	<b>337,292</b>	<b>451,764</b>	<b>21,081</b>	<b>28,236</b>

### (b) Significant concentrations of contingent liabilities and commitments

Approximately 68% (2014: 78%) of the total contingent liabilities and commitments relate to counterparties in India and the majority of the remaining balance relates to Europe.

### (c) Foreign exchange contracts

In addition to the commitments disclosed above, there are outstanding foreign exchange contracts of US\$ 1,311 million (₹ 81,938 million) (2014: US\$ 1,741 million; ₹ 108,813 million).

## 30 LITIGATION

In the ordinary course of business, a borrower of the Bank upon being required to repay an overdue loan has brought in legal proceedings to frustrate the Bank's recovery alleging the Bank was responsible for negatively impacting the borrower's business. Whilst the amounts claimed are significant, the Bank's assessment based on professional legal advice indicates that it is unlikely that the proceedings will have an adverse effect on the Bank's financial position or operations.

## 31 OPERATING LEASE COMMITMENTS

As at March 31, 2015, the Bank has the following non cancellable annual operating lease commitments:

Land and Buildings	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
Operating leases which expire :				
Within 1 year	134	110	8	7
Between 1 and 5 years	743	914	46	57
More than 5 years	1,649	1,847	103	115
	<b>2,526</b>	<b>2,871</b>	<b>157</b>	<b>179</b>

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**Assets:**

**As at March 31, 2014**

	Fair value through Profit and Loss	Available for Sale	Loans & Receivables	Held to maturity	US\$ 000s
Cash	—	—	648	—	648
Balances at central banks	—	—	1,008,407	—	1,008,407
Loans and advances to banks	—	—	79,079	—	79,079
Loans and advances to customers	—	—	2,749,136	—	2,749,136
Investment in Securities	—	498,885	—	—	498,885
Other assets*	86,028	—	17,157	—	103,185
Accrued income	—	—	20,183	—	20,183
<b>Total financial assets</b>	<b>86,028</b>	<b>498,885</b>	<b>3,874,610</b>	<b>—</b>	<b>4,459,523</b>

**As at March 31, 2014**

		(₹ in million)
Cash	—	41
Balances at central banks	—	63,025
Loans and advances to banks	—	4,943
Loans and advances to customers	—	171,821
Investment in Securities	—	31,180
Other assets*	5,377	—
Accrued income	—	1,073
<b>Total financial assets</b>	<b>5,377</b>	<b>31,180</b>
		<b>242,164</b>
		<b>278,721</b>

\* excludes deferred tax assets, prepaid expenses, fixed assets and assets acquired in settlement of loan claims, held as inventory at lower of cost or net realizable value

**Liabilities:**

**As at March 31, 2015**

	Fair value through Profit and Loss	Non trading liability	US\$ 000s
Deposits by banks	—	365,417	365,417
Customer accounts	—	2,284,686	2,284,686
Debt securities in issue	—	483,932	483,932
Other liabilities	110,932	15,830	126,762
Accruals and deferred income	—	29,546	29,546
Repurchase agreements	—	294,035	294,035
<b>Total financial liabilities</b>	<b>110,932</b>	<b>3,473,446</b>	<b>3,584,378</b>

**As at March 31, 2015**

		₹ in million
Deposits by banks	—	22,839
Customer accounts	—	142,793
Debt securities in issue	—	30,246
Other liabilities	6,932	989
Accruals and deferred income	—	1,847
Repurchase agreements	—	18,377
<b>Total financial liabilities</b>	<b>6,932</b>	<b>217,091</b>
		<b>224,023</b>

**Liabilities:**

**As at March 31, 2014**

		US\$ 000s
Deposits by banks	—	461,141
Customer accounts	—	2,533,259
Debt securities in issue	—	426,643
Other liabilities	59,265	13,776
Accruals and deferred income	—	31,477
Repurchase agreements	—	316,544
<b>Total financial liabilities</b>	<b>59,265</b>	<b>3,782,840</b>
		<b>3,842,105</b>

**As at March 31, 2014**

		₹ in million
Deposits by banks	—	28,821
Customer accounts	—	158,329
Debt securities in issue	—	26,665
Other liabilities	3,704	860
Accruals and deferred income	—	1,967
Repurchase agreements	—	19,784
<b>Total financial liabilities</b>	<b>3,704</b>	<b>236,426</b>
		<b>240,130</b>

Refer to Note 3 for descriptions of categories of assets and liabilities

# notes

## forming part of the financial statement

*Continued*

### 33 CAPITAL MANAGEMENT

The Bank's regulatory capital requirements are set and monitored by the PRA. The Bank implemented the CRD IV (Basel III) framework for calculating minimum capital requirements, with effect from January 1, 2014.

The Bank's regulatory capital is categorised into two tiers:

Tier 1 capital, which includes ordinary share capital, capital redemption reserve and retained earnings.

Tier 2 capital, which includes qualifying subordinated liabilities, collective provision and other allowances.

Various limits are applied to the elements of the capital base. Qualifying Tier 2 capital cannot exceed Tier 1 capital; and qualifying term subordinated loan capital may not exceed 50% of Tier 1 capital. There are also restrictions on the amount of collective provision that may be included in Tier 2 capital.

Under CRD IV, the Bank calculates requirements for market risk in its trading portfolios based on Standardised model.

Banking operations are categorized as either trading or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognized in the balance sheet.

The Bank uses regulatory capital ratios in order to monitor its capital base and these capital ratios remain the international standards for measuring capital adequacy. The PRA's approach to such measurement based upon CRD IV is now primarily based on monitoring the Capital Resource Requirement to available capital resources. The PRA also sets individual capital guidance (ICG) for the Bank that sets capital requirements in excess of the minimum Capital Resource Requirement. A key input to the ICG setting process is the Bank's Internal Capital Adequacy Assessment Process (ICAAP). The Bank submitted its last ICAAP document to the PRA in August 2014.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Bank has complied with all regulatory capital requirements throughout the year.

The Bank's regulatory capital resources under CRDIV are as follows:

	Under CRDIV	Under Basel II	Under CRDIV	Under Basel II
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	US\$ in million	US\$ in million	₹ in million	₹ in million
<b>Total Capital</b>	<b>707.0</b>	<b>814.4</b>	<b>44,190</b>	<b>50,900</b>
- Tier I	538.8	623.8	33,676	38,988
- Tier II	168.2	190.6	10,514	11,913

### 34 COUNTRY BY COUNTRY REPORTING

The Capital Requirements Directive 4 ("CRD IV") requirements stipulate reporting on a consolidated basis, by country where the reporting institution has an establishment, the name, nature of activities, geographical location, number of employees, turnover, pre-tax profit/loss, corporation taxes paid and any public subsidies received.

The Bank has two branches in the EU, in Antwerp (Belgium) and Frankfurt (Germany). The details of the business activities are provided in the Business Review section of the Strategic Report. Details as on March 31, 2015 are provided below:

Number of employees	UK		Belgium		Germany	
	175	3	18			
	US\$ million	₹ million	US\$ million	₹ million	US\$ million	₹ million
Turnover <sup>1,2</sup>	79.1	4,945	4.4	275	29.4	1,838
Pre-tax profit	7.9	492	(6.8)	(425)	21.7	1,356
Corporation tax paid	4.9	306	—	—	7.8	488

<sup>1</sup>Income before operating expenses and provisions

<sup>2</sup>Includes P&L on sale of financial assets

There were no public subsidies received during the year. It may be noted that the Corporation tax paid are the cash taxes paid. Refer Note 10 for information on the current year taxation (which includes taxes accrued not yet paid).

### 35 RISK MANAGEMENT FRAMEWORK

ICICI Bank UK PLC has adopted the governance framework in line with the corporate governance practices adopted by other UK financial institutions. The Board is assisted by its sub-committees, the Audit Committee, the Board Governance Committee (BGC), the Board Risk Committee (BRC), the Board Credit Committee (BCC), and the Board Conduct Risk Committee (BCRC), and follows ICICI Group's overall risk management framework. The Board has delegated responsibility for the day-to-day management of the Bank to the Managing Director and Chief Executive Officer. In this role, the Managing Director and Chief Executive Officer is supported by the Management Committee, which he chairs. The Management Committee is supported by various other

committees, which include the Executive Credit and Risk Committee (ECRC), the Asset Liability Management Committee (ALCO), the Compliance Conduct and Operational Risk Committee (CORMAC), and the Product and Process Approval Committee (PAC).

As a financial institution, the Bank is exposed to various types of risks. The objective of the risk management framework of the Bank is to ensure that the key risks facing the Bank are identified, understood, measured and monitored; and that the policies and procedures established to address these risks are strictly adhered to.

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

1. The Board of Directors has oversight over the risks assumed by the Bank. Specific Board committees have been constituted to facilitate focused oversight of various risks.
2. Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3. Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business groups/sub-groups.

As part of implementation of an Enterprise Risk Management framework, the Bank has developed a risk appetite framework based on an examination of best practices and the risk appetite statement of the Parent. The risk appetite statement has been further drilled down into portfolio-level limits.

The Bank has a risk register which documents the material risks faced by the Bank and categorises them as High/Medium or Low risk based on likelihood and severity of impact. The key material risks to which the Bank is exposed include credit risk (including concentration risk and political risk), market risk (including interest rate and credit spread risks), liquidity risk and operational risk (including 'compliance and legal risk' and 'conduct risks').

The approach adopted by management to manage the key risks facing the Bank is outlined below.

#### Credit Risk

Credit risk is the risk that unexpected losses may arise as a result of the Bank's borrowers or market counterparties failing to meet obligations under a contract. All credit risk related aspects are governed by the Credit Risk Management Policy (CRMP), which is approved and reviewed annually by the Board Credit Committee. The CRMP describes the principles which underpin and drive the Bank's approach to credit risk management together with the systems and processes through which they are implemented and administered.

The Bank ensures that there is independent challenge of credit proposals by adopting a two stage process whereby a commercial officer assesses and proposes a transaction or limit and this proposal is then reviewed independently assessed by a credit officer within the risk team. The CRMP lays down a structured credit approval process, which includes the procedure for independent credit risk assessment and the assignment of an internal risk rating (IRR) to the borrower. The risk rating is a critical input in the credit approval process and is used as an input in arriving at the risk premium for the proposal.

The Bank uses credit rating software through which it assesses a variety of risks relating to the borrower and the relevant industry while assigning an internal rating. Borrower risk is evaluated by considering, inter alia:

- The financial position of the borrower, by analysing the quality of its financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy;
- The borrower's relative market position and operating efficiency; and
- The quality of management by analysing its track record, payment record and financial conservatism.
- Industry risk is evaluated by considering, inter alia:

Industry risk is evaluated by considering, inter alia:

- Certain industry characteristics, such as the importance of the industry to the economy, its growth outlook, cyclical and government policies relating to the industry;
- The competitiveness of the industry; and
- Certain industry financials, including return on capital employed, operating margins, and earnings stability.

After conducting an analysis of a specific borrower's risk, the Bank assigns an internal risk rating to the borrower. The Bank has a rating scale ranging from 'AAA' to 'D' (AAA signifying the highest level of credit worthiness and D signifying default). AAA through to BBB are considered as 'Investment Grade' while BB and below are considered 'Non-Investment Grade'.

#### Credit approval

The delegation structure for approval of credit limits is approved by the Board. Credit proposals are approved by the Executive Credit and Risk Committee (ECRC) or the Board Credit Committee (BCC) based on, inter alia, the amount

# notes



*Continued*

and internal risk rating of the facility. All credit proposals put up to the BCC are passed through the ECRC.

The Credit Risk team is also responsible for the following with respect to managing the Bank's credit risk:

- Developing credit policies in consultation with the Corporate Banking Group which cover collateral management, the credit rating framework, provisioning, etc.
- Establishing the delegation of sanctioning powers available to individuals, singly or jointly, and the credit committees which are documented in the Credit Approval Authorisation Manual.
- Limiting and monitoring concentrations of exposure to counterparties, geographies, industrial sectors, internal rating categories, etc.
- Performing periodic credit stress tests on the Bank's portfolio and communicating the results to the BCC.

The credit middle office function is responsible for credit administration which includes monitoring compliance with the terms and conditions prior to disbursement. It also reviews the completeness of documentation and creation of security.

## Concentration risk

Concentration risk arises from significant exposures to groups of counterparties whose likelihood of default is driven by common underlying factors, e.g. sector, economy, geographical location, instrument type. The concentration risk in the Bank's portfolio is governed by the risk appetite framework which stipulates various limits to manage exposure concentrations within the Bank. The key parameters of risk concentrations measured in the Bank include sectoral, country, rating category based, product specific exposures, counterparty and large exposures.

## Credit Monitoring

Credit quality is monitored on an ongoing basis but can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. The Bank has established a credit forum, which is comprised of Heads of Businesses and the Head of Risk. The credit forum focuses on management & monitoring of impaired and watchlist assets/investments and also monitors developments in the Bank's portfolio through the Early Warning Indicators (EWI) framework to identify potential vulnerabilities. It is the Bank's policy to review borrower accounts at least on an annual basis or in a shorter interval if recommended by the credit officer or the relevant sanctioning committee. A risk based asset review framework has been put in place wherein the frequency of asset review would be higher for cases with higher exposure and/or lower credit rating. The Bank has established a list of assets under watch as an additional tool for monitoring exposures which show or are expected to show signs of weakness. The assets under watch are reviewed on a quarterly basis by the BCC, in addition to review and monitoring by the credit forum. The Bank documents the 'lessons learned' from its experiences of exposures against which specific provisions have been raised. These are presented to the BCC and circulated to the commercial officers.

Credit risk is also managed at the portfolio level by monitoring and reporting risk dashboards to the BCC. The credit risk dashboard is constructed using key risk indicators for underlying portfolio rating, counterparty concentration, geographical concentration, stressed assets, sectoral concentration, recovery risk and documentation risk.

The segregation of responsibilities and oversight by groups external to the business groups ensure adequate checks and balances.

## An analysis of the Bank's investment portfolio based on credit ratings provided by external rating agencies is as follows:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
AAA	113,359	166,400	7,085	10,400
AA+	4,564	29,421	285	1,839
AA	24,471	5,053	1,529	316
AA-	—	31,594	—	1,975
A	23,042	5	1,440	—
A-	10,744	13,680	672	855
BBB-	287,148	227,854	17,947	14,241
BB+ and below	27,211	19,391	1,701	1,212
Non rated	7,391	5,487	461	342
<b>Total</b>	<b>497,930</b>	<b>498,885</b>	<b>31,120</b>	<b>31,180</b>

## Credit quality of loan portfolio

The definition of internal risk rating for the loans and advances are given below:

AAA to AA-	:	Highest safety
A+ to A-	:	Adequate safety
BBB+ to BBB-	:	Moderate safety
BB and below	:	Inadequate safety/High risk

The Bank's internal risk rating scale is a measure of relative credit worthiness and does not map exactly with that of external rating agencies.

The exposure detailed below for loans and advances to Banks and Customers are gross of collective and specific impairment.

## Loans and advances to banks

Internal risk rating of loans and advances to banks

Rating	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
AAA to AA-	162,604	—	41,978	10,163
A+ to A-	21,031	—	1,314	2,319
BBB+ to BBB-	537	—	34	—
BB and below	—	3	—	—
<b>Total</b>	<b>184,172</b>	<b>79,085</b>	<b>11,511</b>	<b>4,943</b>

## Loans and advances to customers

The details of the rating distribution have been provided in the following three categories:

(a) Internal risk rating of loans and advances to customers

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
AAA to AA-*	580,480	492,500	36,280	30,781
A+ to A-	976,144	965,972	61,009	60,373
BBB+ to BBB-	775,654	584,046	48,478	36,503
BB and below	378,857	420,543	23,678	26,285
<b>Total</b>	<b>2,711,135</b>	<b>2,463,061</b>	<b>169,445</b>	<b>153,942</b>

(b) Investments held as loans and receivables which are internally risk rated:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
AAA to AA-	—	86,550	—	5,409
A+ to A-	62,799	40,000	3,925	2,500
BBB+ to BBB-	—	33,205	—	2,075
BB and below	26,263	28,631	1,641	1,790
<b>Total</b>	<b>89,062</b>	<b>188,386</b>	<b>5,566</b>	<b>11,774</b>

(c) Investments held as loans and receivables which are externally risk rated:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
A+ to A-	8,874	11,028	556	689
BBB+ to BBB-	130,762	145,507	8,173	9,094
BB and below	—	2,321	—	145
<b>Total</b>	<b>139,636</b>	<b>158,856</b>	<b>8,729</b>	<b>9,928</b>

The Bank has adopted the standardised approach to Credit Risk Management under the Basel II framework.

## Industry exposure

The following is an analysis of loans and advances to customers by industry:

	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
Industrials	194,376	188,115	12,149	11,757
Consumer	180,975	262,570	11,311	16,411
Discretionary	223,126	114,791	13,945	7,174
Consumer Staples	461,342	526,273	28,834	32,892
Financials	263,115	149,939	16,445	9,371
Gems and Jewellery	231,313	273,263	14,457	17,079
Healthcare	156,013	109,414	9,751	6,838
Information	93,021	26,919	5,814	1,682
Technology	587,954	566,207	36,747	35,388
Materials	161,050	176,896	10,066	11,056
Real Estate*	64,263	100,443	4,016	6,278
Telecom Services	19,416	14,887	1,214	930
Utilities	14,850	11,485	927	718
Others	289,019	289,101	18,064	18,070
<b>Total</b>	<b>2,939,833</b>	<b>2,810,303</b>	<b>183,740</b>	<b>175,644</b>

\*Includes ABS/MBS portfolio held as loans and receivables which have been classified here for both FY2014 and FY2015

\*\* Loans secured against FCNR deposits

# notes

## forming part of the financial statement

*Continued*

### Collateral Management

The Bank has a policy on collateral management and credit risk mitigation which provides guidance for identifying eligible collateral as per the relevant articles of the Capital Requirements Regulation (CRR).

Apart from obtaining eligible collateral for capital relief, the Bank endeavours to reduce or mitigate, to the extent possible, the credit risk on credit facilities by way of securing the facilities with appropriate collateral. The Bank determines the appropriate collateral for each facility based on the type of product, the counterparty and the appropriateness of the collateral typically offered in the jurisdiction of the borrower.

The security accepted by the Bank includes cash deposits, pledge/contractual comfort over equity shares (both listed and unlisted), charges over fixed assets (including plant and machinery and land and building) for term loans, charges over current assets for working capital finance, charges on specific receivables with escrow arrangements, mortgages on residential/commercial property, assignment of underlying project contracts for project finance loans. The Bank also accepts corporate guarantees and related support undertakings from borrower group entities for mitigating credit risk. The Bank has a collateral management policy which details the types of collaterals, frequency of valuation and valuation adjustments. The Bank also has a collateral valuation policy for cases assessed for specific provisions. The Bank applies Basel II guidelines on the collateral available with the Bank for its internally rated portfolio to determine the LGD and haircuts applicable for each collateral for computing the collective provisioning requirements.

The Bank's risk appetite framework prescribes limits on the quantum of unsecured exposures.

The CRMP provides guidance on identifying and defining secured facilities and valuing the underlying security. The Bank monitors and reports the proportion of unsecured exposures in the loan portfolio to the ECRC on a monthly basis and to the BCC on a quarterly basis.

The table below provides the value of collateral/collaterals held by the Bank:

Loans and advances to customers	March 31, 2015 US\$ 000s	March 31, 2014 US\$ 000s	March 31, 2015 ₹ in million	March 31, 2014 ₹ in million
Collateral value	842,121	1,146,687	52,633	71,668
Gross loans and advances	2,939,833	2,810,303	183,740	175,644
Less: Investments held as loans and receivables	(228,698)	(347,242)	(14,295)	(21,702)
Outstanding balance against which collateral held	2,711,135	2,463,061	169,445	153,942

No collateral is held against loans and advances to banks.

The collateral valuations in the table above are based on the valuation available from the latest annual audited financial statements of the organisation, valuation reports for tangible assets wherever applicable, and reports from security trustee/market value of listed shares for loans against the shares. The valuations exclude any charges which might be incurred for selling the collateral.

The maximum amount of on balance sheet credit risk, without taking account of any collateral or netting arrangements, as at March 31, 2015 is approximately US\$ 4.1 billion (₹ 258 billion) (2014: US\$ 4.4 billion; ₹ 275 billion). The maximum amount of off balance sheet credit risk on guarantees and letters of credit is approximately US\$ 337 million (₹ 21,081 million) (2014: US\$ 452 million; ₹ 28,236 million). Potential credit risk on financial instruments is detailed in Note 16.

The collateral value in the above table excludes the value of such collateral which the Bank may accept to manage its risks more effectively such as a second charge on assets, other liens and corporate guarantees and related support undertakings from borrower group entities. The Bank has applied appropriate haircuts when calculating the collateral value detailed above.

### Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices. The Bank's key policies for managing market risk as approved by the Board Risk Committee (BRC) are:

- Treasury policy manual and mandate (TPMM) which also includes the trading book policy statement (TBPS)
- Valuation, model validation policy and independent price verification policy

These policies are designed to ensure that transactions in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices as well as regulatory guidelines and laws governing such transactions. The policies are reviewed periodically to take into account changed business requirements, the economic environment and revised policy guidelines.

The key market risks to which the Bank is exposed relate to:

- Interest rate risk – Interest rate risk is defined as the risk of loss which the Bank will incur as a result of an increase or decrease in interest rates. Interest income/expense from interest sensitive assets and liabilities are impacted by changes in interest rates. The overall value of the investment portfolio, the underlying value of the Bank's other assets, its liabilities, and off balance sheet (OBS) instruments are also impacted due to changes in interest rates because the present value of future cash flows changes when interest rates change.

Interest rate risk on the balance sheet is measured by the use of re-pricing gap reports and estimating the sensitivity of the Bank's net interest income (defined as Earnings at Risk) to changes in interest rates. The sensitivity is calculated for various interest rate scenarios across different currencies that the Bank's balance sheet is exposed to including a standard scenario of a 200 basis points adverse change in the level of interest rates. The various limits set for interest rate risk are monitored and the utilisations reported to the ALCO and BRC on a periodic basis.

The Bank uses Duration of Equity (DoE) as an all-encompassing measure, which takes into consideration the duration and value of both assets and liabilities. DoE is a measure of interest rate sensitivity, which indicates how much the market value of equity, would change if interest rates change by 1%. Currently a limit band of -5.0 to +5.0 has been prescribed for the DoE of the Bank.

Further, to manage the interest rate risk in the trading book the bank uses various risk metrics such as value-at-risk (VaR), price value of basis point (PV01) and credit spread per basis point (CS01).

- Forex risk – This risk arises due to positions in non-dollar denominated currencies, which in turn arise from assets and liabilities in those currencies. Foreign exchange risk is managed within the Treasury function in accordance with approved position limits. The Net overnight open position (NOOP) of the Bank as at March 31, 2015 was US\$ 6.8 million (₹ 425 million) (2014: US\$ 37.1 million; ₹ 2,319 million).
- Equity Risk – Equity price risk arises due to the volatility of price movements on the Bank's investment in equity shares and convertibles. Threshold triggers are defined for falls in the values of equity investments and an escalation framework is in place. The value of the Bank's equity investments as at March 31, 2015 was US\$ 7.4 million (₹ 462 million) (2014: US\$ 5.5 million, ₹ 344 million. The option value of convertibles was US\$ 5.4 million (₹ 338 million) (2014: US\$ 0.3 million, ₹ 19 million).

The Bank has devised various risk metrics for different products and investments. These risk metrics are measured and reported to senior management by the Bank's independent Treasury Control & Services Group (TCSG). Some of the risk metrics adopted by the Bank for monitoring its risks are value-at-risk (VaR), duration of equity (DoE), price value of basis point (PV01) and stop loss amongst others. The risk appetite of the Bank includes limits for these risk metrics.

VAR is calculated using a parametric approach at a 99% confidence level over a one day holding period. The total VAR for the Bank's trading book portfolio as at March 31, 2015 was US\$ 0.11 million (₹ 7 million) (2014: US\$ 0.19 million; ₹ 12 million). The maximum, average and minimum VAR during the year for the trading book portfolio was US\$ 0.16 million (₹ 10 million) (2014: US\$ 0.24 million; ₹ 15 million), US\$ 0.08 million (₹ 5 million) (2014: US\$ 0.09 million; ₹ 6 million) and US\$ 0.04 million (₹ 2 million) (2014: US\$ 0.02 million; ₹ 1 million) respectively.

The impact of an increase in interest rates on investment securities held in the AFS category (bonds, asset backed securities and treasury bills) as at March 31, 2015, assuming a parallel shift in yield curve, has been set out in the following table:

Particulars	Amount in US\$ 000s	Amount in ₹ million
Portfolio size (Market value)	475,311	29,707
Change in value due to 100 bps movement in interest rate	4,451	278
Change in value due to 200 bps movement in interest rate	8,901	556

The impact of an increase in interest rates on bonds and asset backed securities as at March 31, 2014, assuming a parallel shift in yield curve, has been set out in the following table:

Particulars	Amount in US\$ 000s	Amount in ₹ million
Portfolio size (Market value)	493,273	30,830
Change in value due to 100 bps movement in interest rate	6,637	415
Change in value due to 200 bps movement in interest rate	13,274	830

# notes



*Continued*

Volatility in interest rates has an impact on an entity's interest earnings. The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2015, assuming a parallel shift in the yield curve, has been set out in the following table:

Currency	Equivalent in US\$ million		Equivalent in ₹ million	
	Impact on Net Interest Income over a one year horizon		Impact on Net Interest Income over a one year horizon	
	Increase in interest rates by 100 bps	Increase in interest rates by 200 bps	Increase in interest rates by 100 bps	Increase in interest rates by 200 bps
EUR	1.64	3.28	103	205
US\$	4.26	8.52	266	533
£	2.46	4.92	154	308
Other currencies	(0.12)	(0.24)	(8)	(15)
Total	8.24	16.48	515	1031

The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2014, assuming a parallel shift in the yield curve, has been set out in the following table:

Currency	Equivalent in US\$ million		Equivalent in ₹ million	
	Impact on Net Interest Income over a one year horizon		Impact on Net Interest Income over a one year horizon	
	Increase in interest rates by 100 bps	Increase in interest rates by 200 bps	Increase in interest rates by 100 bps	Increase in interest rates by 200 bps
EUR	1.99	3.99	124	249
US\$	5.02	10.04	314	628
£	2.44	4.88	153	305
Other currencies	(0.02)	(0.05)	(1)	(3)
Total	9.43	18.86	590	1,179

An increase in interest rates results in a positive impact on NII on account of positive re-pricing gaps on the balance sheet i.e. more assets re-price within a 1 year horizon than liabilities.

#### Liquidity risk

Liquidity risk arises due to insufficient available cash flows including the potential difficulty of resorting to the financial markets in order to meet payment obligations. The Bank differentiates liquidity risk between funding liquidity risk and market liquidity risk.

Funding liquidity risk is the risk that the Bank will not be able to efficiently meet cash flow requirements in a timely manner for its payment obligations including liability repayments, even under adverse conditions, and to fund all investment/lending opportunities, even under adverse conditions. Market liquidity refers to the Bank's ability to execute its transactions and to close out its positions at a fair market price. This may become difficult in certain market conditions either because of the underlying product itself or because of the Bank's own creditworthiness.

The Bank's liquidity risk management philosophy is to be able, even under adverse conditions, to meet all liability repayments on time and to fund all investment opportunities by raising sufficient funds either by increasing liabilities or by converting assets into cash expeditiously and at reasonable cost.

The Bank maintains a diversified funding base comprising retail, corporate customer deposits and institutional balances. These deposits are augmented by wholesale deposits, borrowings and through issuance of bonds and subordinated debt from time to time. Loan maturities and sale of investments also provide liquidity. Further, the Bank holds unencumbered, high quality liquid assets to protect against stress conditions.

The Bank monitors and manages its overall liquidity risk appetite by ensuring that it maintains adequate liquid assets for projected stressed outflows under various scenarios and also ensures that its liquidity gap position is within the approved limit for the various time buckets. This framework is further augmented by defining risk limits for certain liquidity risk drivers. ALCO and BRC review these parameters on monthly and quarterly basis respectively.

The Bank mitigates the risk of a liquidity mismatch in excess of its risk appetite by managing the liquidity profile of the balance sheet through both short-term liquidity management and a long-term funding strategy. Short-term liquidity management is considered from two perspectives; firstly, business as usual and secondly, stressed conditions, both of which relate to funding in the less than one year time horizon. Longer term funding is used to manage the Bank's strategic liquidity profile which is determined by the Bank's balance sheet structure.

The Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity (SSL), dynamic liquidity gap reports, liquidity ratios and stress testing through scenario analysis. The SSL is used as a standard tool for measuring and managing net funding requirements and for assessing the surplus or shortfall of funds in various maturity buckets in the future. The Bank also prepares dynamic liquidity gap reports, which in addition to scheduled cash flows, also consider the liquidity requirements pertaining to incremental business and the funding thereof.

As part of the stock and flow approach of monitoring liquidity, the Bank monitors certain liquidity ratios covering various liquidity risk drivers inter-alia short-term liquidity risk, structural mismatch risk, wholesale funding risk, off balance sheet risk and non-marketable assets risk. The Bank places particular emphasis on the withdrawable funding ratio and the customer advances to total

assets ratio. The withdrawable funding ratio indicates the proportion of deposits that can be withdrawn by customers without providing notice to total funding resources. The ratio as at March 31, 2015 was 0.21 (0.25 as at March 31, 2014). The customer advances to total assets ratio provides a measure of the structural liquidity of the Bank's asset portfolio. The ratio as at March 31, 2015 was 0.66 (0.54 as at March 31, 2014).

The Bank has implemented the PRA's Individual Liquidity Adequacy Assessment (ILAA) framework. The ILAA summarises the level of liquidity required by the Bank to meet UK regulatory requirements and the liquidity commensurate with the risks identified in the Bank's portfolio and strategic plans. The ILAA sets out the framework used to ensure that the Bank maintains sufficient liquidity at all times, including periods of stress. This has been done through the quantification of outflows and inflows associated with material risks identified using scenarios – themselves a combination of historic data, external events and seasoned judgment. Based on the scenarios defined in the ILAA framework, the Bank carries out stress testing of its liquidity position monthly and reports the results of the stress test to the ALCO and BRC & Board on a monthly and quarterly basis respectively. Further, from October 1, 2015 the Bank will maintain liquidity to meet the Liquidity Coverage Ratio (LCR) requirements as stipulated in the EBA delegated act dated October 10, 2014.

The Bank also has a liquidity contingency plan (LCP) which details the overall approach and actions the Bank would undertake in order to manage the Bank's liquidity position during stressed conditions. The LCP addresses both the funding and operational requirements of the Bank and sets-out a funding, operational and communication plan to enable the Bank to deal with a liquidity crisis. In summary, the Bank seeks to follow a conservative approach in its management of liquidity and has in place, a robust governance structure, policy framework and review mechanism to ensure availability of adequate liquidity even under stressed market conditions.

Refer Note 36 for details on the cash flow payable under contractual maturity.

#### OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. 'Compliance and legal' risk which is defined as the risk that arises from a failure or inability to comply with the laws, regulations or voluntary codes applicable to the financial services industry and 'conduct' risk, which includes risks arising from unfair treatment and delivering inappropriate outcomes to its customers, are also considered within the ambit of operational risk.

The management of operational risk within the Bank is governed by the Operational Risk Management Policy (ORMP) which is reviewed and approved by the Board Risk Committee (BRC) on an annual basis. It covers the aspects pertaining to minimizing losses due to process failures including inadequate training to staff, flaws in product designs that can expose the Bank to losses due to fraud, impact of failures in technology/systems and continuity in the Bank's operations. Operational risk elements covered in the ORMP include operational risk incident management including reporting, techniques for risk identification, assessment and measurement, monitoring through key risk indicators and risk mitigation techniques.

The Compliance, Conduct and Operational Risk Management Committee (CORMAC) comprising of the senior management is responsible for the mitigation of operational risk including fraud risk within the Bank by the creation and maintenance of an explicit operational risk management process. The CORMAC meets at least on a monthly basis to track and monitor the progress of the implementation of various elements of the ORMP. A report on the activities of the various CORMAC meetings held is presented to the BRC on a semi-annual basis. The CORMAC is additionally responsible for reviewing and monitoring the financial crime prevention performance of the Bank. It approves the Bank's fraud governance framework and fraud compensation proposals and monitors the progress of reported fraudulent transactions. A report on fraud loss incidences is separately presented to the Board on a quarterly basis by the Fraud Crime Prevention Team.

The Bank has determined and articulated Operational Risk Appetite (ORA) which has been defined as the acceptable maximum level of Operational Risk (OR) that the Bank is willing to accept in pursuit of its strategic objectives, taking into account stakeholder and regulatory requirements. It has been expressed both in quantitative and qualitative terms. The Bank has expressed its ORA as a percentage of a financial parameter of the Bank i.e. operating income and operating expenses based on the average level of losses for the previous years and has also taken into account the existing controls and expected future developments/initiatives. In addition to quantitative measure, the Bank has also established qualitative measures of ORA both at strategic and business levels. At strategic level, the Bank has set thresholds as acceptable, tolerable and unacceptable in five categories, namely, financial, regulatory, client, reputation and employment practices and personnel safety. The qualitative measures set at business level are based around Risk and Control Self-Assessment (RCSA) results, Key Risk Indicators (KRIs) and Internal Audit and Compliance assessments.

In order to further strengthen and proactively monitor its compliance to the 'Conduct Risk (CR)', the Bank has also defined its 'Conduct Risk Appetite (CRA)' as per the guidelines issued by the regulator and has established both quantitative and qualitative measures of the Conduct Risk. The Bank has defined CRA as the maximum level of conduct risk that the Bank is willing to accept in pursuit of its business objectives. A conduct risk appetite framework balances the need of all stakeholders by acting as both a governor of risk and driver of current and future business strategy.

The objective of Conduct Risk Appetite framework of the Bank is to identify key conduct risks faced by the Bank and the steps to be taken to mitigate these risks; articulate the governance mechanisms, systems and controls which are in place to mitigate these risks; and review the exposure of the Bank to conduct risks and assist the Board in ensuring that the risk appetite is not breached.

The Bank has established a Conduct Risk Policy which aims to deliver fair and appropriate outcomes as per the Bank's Conduct Risk philosophy. It also articulates the responsibilities of various stakeholders, i.e. the Board, Senior Management and employees towards conduct risks. The Conduct Risk Appetite

# notes

## forming part of the financial statement

*Continued*

framework is reviewed at least on an annual basis, in line with the review of strategy of the Bank. The framework will be updated as per changes in the business strategy of the Bank and/or the changing external regulatory developments/expectations. The CRA has been carved out or is the subset of the ORA determined for the identified Bank wide risk categories/areas mapped to Retail Banking group risk entities quantity and timing of management information, these were embedded during the course of the year.

The Operational Risk Management Group (ORMG) is responsible for coordinating all the operational risk related activities of the Bank including implementing tools for managing operational risk and maintenance of the ORMP.

The Bank has implemented its RCSA approach to identify and ensure effective control of its operational risks. The RCSAs are reviewed periodically as per the CORMAC BRC approved plan in consultation with the business groups and the results of the RCSA exercise are presented to the BRC semi-annually. The Bank manages and monitors level of operational risks for the Bank as a whole and within the various business group by establishing Key Risk Indicators (KRIs) at Bank level and RCSA entity level respectively. Both the KRIs are monitored on a monthly basis. The results of Bank level KRIs are presented to the CORMAC and the BRC on a quarterly basis. In case of entity level KRIs, parameters registering red for three consecutive months along with the action plan are presented to the CORMAC on a quarterly basis. In order to further strengthen and enhance RCSA tool, the entities/groups also self-test the effectiveness of the controls emanating from the RCSAs at least once in a year. The test is sample based and the results are shared with the BRC on a semi-annual basis.

The Bank has implemented a loss data collection, analysis and reporting process for all operational risk loss data (including internal and external fraud) and near miss events. The data is collected from all business and support units in the UK as well as those outsourced to India. Analysis of such data is reported to the ORMC and the BRC on a quarterly basis.

The Bank has adopted the Basic Indicator Approach for the purposes of calculating its operational risk capital charge as per Basel II. The Bank carries out an operational risk scenario analysis and stress testing exercise for assessing the adequacy of the operational risk capital charge. Various operational risk events based on existing and external loss data, risks identified in RCSAs and internal audit reports, have been assessed which are further used to create seven operational risk scenarios. Each of these scenarios are assessed for probability and financial impact and compared with the operational risk capital charge. The detailed process is mentioned in "quantitative assessment of operational risk drivers" which is reviewed and the results shared with the CORMAC and BRC on an annual basis.

To identify operational risks in new products/processes, all such proposals are required to be approved by the Product and Process Approval Committee (PAC), comprising of senior management after obtaining inputs from all the relevant groups and control functions in the Bank. The ORMG reviews the notes to ensure control, design and operating effectiveness and recommends a risk rating. The existing product/ process notes are also reviewed periodically based on the materiality of changes proposed and/or operational risk rating assigned to the note.

The Bank has developed and implemented a Business Continuity and Crisis Management Plan (BCP) for all business and corporate functions to ensure continued availability of critical business processes in an event of an outage. The BCP also addresses disaster situations and provides necessary guidance to recover and restore critical and important business processes in the event of an external business disruption. It provides guidelines for the plan development accountabilities, testing of the BCP and maintenance of individual plans by the respective groups. The BCP for each individual group has been developed on the basis of a business impact analysis carried out for the individual groups involving identification of critical activities and determination of their recovery time objectives. Periodic testing of the BCP is carried out and the results and the updates are shared with ORMC on a quarterly basis. The Corporate BCP of the Bank (along with the group specific plans for noting) is reviewed and approved by the BRC annually.

The Bank has developed and implemented an Outsourcing Policy to mitigate outsourcing risks and ensure the application of a standardized approach for all outsourcing arrangements entered into by the Bank. Proposed outsourcing arrangements are assessed for their criticality prior to outsourcing. For arrangements deemed to be critical, a detailed assessment is conducted and the proposal is approved by the BRC and pre-notified to the regulator. The performance of vendors is periodically reviewed and assessment reports are presented to the BRC on a quarterly basis by the performance monitoring unit.

### 36 CASH FLOW PAYABLE UNDER CONTRACTUAL MATURITY

At March 31, 2015, the contractual maturity comprised

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	US\$ 000s
Deposits by banks	14,745	172,106	158,170	22,027	—	367,048
Customer accounts	1,087,452	292,437	431,473	470,639	2,685	2,284,686
Other liabilities	26,396	—	—	—	550	26,946
Derivative financial liabilities	30,714	14,442	15,025	38,797	838	99,816
Accruals and deferred income	29,408	—	—	—	138	29,546
Debt securities in issue	5,099	15,796	61,308	320,928	157,029	560,160
Repurchase Agreements	101,587	100,016	36,244	56,188	—	294,035
<b>Total Liabilities</b>	<b>1,295,401</b>	<b>594,797</b>	<b>702,220</b>	<b>908,579</b>	<b>161,240</b>	<b>3,662,237</b>

At March 31, 2015, the contractual maturity comprised

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	₹ in million
Deposits by banks	922	10,757	9,886	1,377	—	22,942
Customer accounts	67,966	18,277	26,967	29,415	168	142,793
Other liabilities	1,650	—	—	—	32	1,682
Derivative financial liabilities	1,920	903	939	2,425	52	6,239
Accruals and deferred income	1,838	—	—	—	9	1,847
Debt securities in issue	319	987	3,832	20,058	9,814	35,010
Repurchase Agreements	6,349	6,251	2,265	3,512	—	18,377
<b>Total Liabilities</b>	<b>80,964</b>	<b>37,175</b>	<b>43,889</b>	<b>56,787</b>	<b>10,075</b>	<b>228,890</b>

At March 31, 2014, the contractual maturity comprised

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	US\$ 000s
Deposits by banks	100,482	1,722	183,269	192,544	—	478,017
Customer accounts	1,240,614	80,893	299,663	908,646	3,443	2,533,259
Other liabilities	14,436	—	—	—	5,675	20,111
Derivative financial liabilities	4,698	377	9,851	37,863	141	52,930
Accruals and deferred income	30,198	—	—	—	1,279	31,477
Debt securities in issue	105,255	5,005	28,904	221,381	178,321	538,866
Repurchase Agreements	142,723	72,557	101,264	—	—	316,544
<b>Total Liabilities</b>	<b>1,638,406</b>	<b>160,554</b>	<b>622,951</b>	<b>1,360,434</b>	<b>188,859</b>	<b>3,971,204</b>

# notes



forming part of the financial statement

Continued

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	₹ in million Total
<i>Deposits by banks</i>	6,280	108	11,454	12,034	—	29,876
<i>Customer accounts</i>	77,538	5,056	18,729	56,790	216	158,329
<i>Other liabilities</i>	902	—	—	—	353	1,255
<i>Derivative financial liabilities</i>	294	24	616	2,366	9	3,309
<i>Accruals and deferred income</i>	1,887	—	—	—	80	1,967
<i>Debt securities in issue</i>	6,578	313	1,807	13,836	11,145	33,679
<i>Repurchase Agreements</i>	8,920	4,535	6,329	—	—	19,784
<i>Total Liabilities</i>	102,399	10,036	38,935	85,026	11,803	248,199

The balances as noted above incorporate all cash flows on an undiscounted basis which relates to the principal and future coupon payments (except for trading liabilities and trading derivatives).

## 37 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by category of book values and fair values of the Bank's trading and non trading financial assets and financial liabilities as at the year end.

	March 31, 2015 Fair value	March 31, 2015 Book value	March 31, 2014 Fair value	March 31, 2014 Book value	US\$ 000s
<b>Non trading book financial assets and liabilities</b>					
<b>Assets:</b>					
Cash	598	598	648	648	
Balances at central banks	449,154	449,154	1,008,407	1,008,407	
Loans and advances to banks	184,146	184,146	79,076	79,079	
Loans and advances to customers	2,883,953	2,878,811	2,738,396	2,749,136	
Investment securities	498,086	497,930	498,885	498,885	
<b>Liabilities:</b>					
Deposits by banks and customer accounts	2,649,361	2,650,103	2,990,797	2,994,400	
Debt securities in issue	506,985	483,932	435,650	426,643	
Repurchase agreements	294,035	294,035	316,544	316,544	
<b>Financial assets and liabilities at fair value through profit and loss</b>					
<b>Assets:</b>					
Derivative financial instruments	59,106	59,106	86,028	86,028	
<b>Liabilities:</b>					
Derivative financial instruments	110,932	110,932	59,265	59,265	

	March 31, 2015 Fair value	March 31, 2015 Book value	March 31, 2014 Fair value	March 31, 2014 Book value	₹ in million
<b>Non trading book financial assets and liabilities</b>					
<b>Assets:</b>					
Cash	37	37	41	41	
Balances at central banks	28,072	28,072	63,025	63,025	
Loans and advances to banks	11,509	11,509	4,942	4,942	
Loans and advances to customers	180,247	179,926	171,150	171,821	
Investment securities	31,130	31,121	31,179	31,180	
<b>Liabilities:</b>					
Deposits by banks and customer accounts	165,585	165,631	186,925	187,150	
Debt securities in issue	31,687	30,246	27,228	26,665	
Repurchase agreements	18,377	18,377	19,784	19,784	
<b>Financial assets and liabilities at fair value through profit and loss</b>					
<b>Assets:</b>					
Derivative financial instruments	3,694	3,694	5,377	5,377	
<b>Liabilities:</b>					
Derivative financial instruments	6,933	6,933	3,704	3,704	

### Notes:

1. Fair value of loans and advances to banks and customers is determined using weighted average margins on market transactions done by the Bank during the year for loans with similar maturity and rating profile. The fair valuation is carried out post segmenting the disbursements done during the year by internal rating and tenor and comparing the pricing on the new disbursements with the existing portfolio. The difference is considered as the fair value adjustment.
2. The fair value of deposits by banks and customers has been estimated using current interest rates offered for deposits of similar maturities.
3. The fair value of debt securities is derived based on prevalent market quotes as at balance sheet date. In case market quotes are not available the Bank has used the internal valuation technique to calculate the fair value. Internal valuation discounts the estimated future cash flows, computed based on the prevailing interest rates and credit spreads in the market.
4. Financial instruments such as other assets and other liabilities are expected to have the similar fair value as the carrying value as these are short term in nature.

## 38 DERIVATIVE FINANCIAL INSTRUMENTS

The Bank enters into various financial instruments as principal to manage balance sheet interest rate and foreign exchange rate risk. These mainly include interest rate swaps and exchange rate related contracts.

Exchange rate related contracts include spot, currency swaps and forward transactions. The Bank's currency swap transactions generally involve an exchange of currencies and an agreement to re-exchange the currency at a future date where the swaps relate to assets and liabilities denominated in different currencies.

The Bank uses derivatives to mitigate interest rate risk. Hedge accounting is applied to derivatives and hedged items when the criteria under FRS 26 have been met. The swaps exchange fixed rate for floating rate on assets/liabilities to match the floating rates paid/received on funding or exchanges fixed rates on funding to match the floating rates received/paid on assets/liabilities. For qualifying hedges, the fair value

changes of the derivative are substantially matched by corresponding fair value changes of the hedged item, both of which are recognised in profit and loss. As at March 31, 2015, the notional amounts of interest rate swaps and foreign exchange contract designated as fair value hedges were US\$ 1,384 million (₹ 86,529 million) (2014: US\$ 1,491 million; ₹ 93,188 million) and these contracts had a net negative fair value of US\$ 28.1 million (₹ 1,757 million) (2014: net positive fair value of US\$ 29.0 million; ₹ 1,813 million).

The notional principal amounts of these instruments are not indicative of the amounts at risk which are smaller amounts payable under the terms of these instruments and upon the basis of the contract or notional principal amount. Derivatives contracts in the non-trading book are used for hedging purposes only and are accounted for on this basis and are executed with bank counterparties for whom volume and settlement limits have been approved. Counterparty group limits are approved for connected exposures.

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## forming part of the financial statement

The methodologies for the valuation of derivative products are defined in the Valuation Policy of the Bank, which has been approved by the Board Risk Committee (BRC) of the Bank. The Bank uses swap rates, cross currency basis spreads and spot rates as inputs for the valuation of currency swaps and foreign exchange forward transactions. Further, the Bank uses swap rates and interest rate basis spreads as inputs for the valuation of interest rate swaps. Inputs are drawn from Reuters on a real time basis. While the currency wise cash flows for currency swaps and forward transactions are discounted with the appropriate swap rate for the respective currency and the applicable cross currency basis spread, cash flows for interest rate swaps are discounted with the appropriate zero rate for the currency. Further, the floating rate cash flows for currency swaps and forward transactions are calculated from the zero rates derived from the swap curve and the appropriate basis spread applicable for the currency. The floating rate cash flows for interest rate swaps are calculated from the zero rates derived from the swap curve and the appropriate interest rate basis applicable for the currency.

The Bank has computed the Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA) for the derivative portfolio which amounted to US\$ 87K (₹ 5,438K) and US\$ 130K (₹ 8,125K) respectively. The CVA and DVA have been computed similar to Basel II collective provisioning using the MTM exposures; rating wise probability of defaults as published by S&P; and 45% loss given default as used in the Basel's foundation IRB approach.

### Principal amounts of derivative financial instruments

#### As at March 31, 2015

Instrument	Non trading		Trading		Gross		Gross		US\$ 000s	
	Notional Principal	Notional Principal	Positive Fair Value	Negative Fair Value	Positive		negative			
					Gross Positive Fair Value	Gross Negative Fair Value	Gross Positive Fair Value	Gross Negative Fair Value		
Foreign exchange contracts	545,841	1,559,139	29,016	87,803						
Interest rate	838,631	546,169	24,152	12,012						
<b>Total</b>	<b>1,384,472</b>	<b>2,105,308</b>	<b>53,168</b>	<b>99,815</b>						

#### As at March 31, 2015

Instrument	Non trading		Trading		Gross		Gross		₹ in million	
	Notional Principal	Notional Principal	Positive Fair Value	Negative Fair Value	Positive		negative			
					Gross Positive Fair Value	Gross Negative Fair Value	Gross Positive Fair Value	Gross Negative Fair Value		
Foreign exchange contracts	34,115	97,446	1,814	5,488						
Interest rate	52,414	34,136	1,510	751						
<b>Total</b>	<b>86,529</b>	<b>131,582</b>	<b>3,324</b>	<b>6,239</b>						

### Principal amounts of derivative financial instruments

#### As at March 31, 2014

Instrument	Non trading		Trading		Gross		Gross		US\$ 000s	
	Notional Principal	Notional Principal	Positive Fair Value	Negative Fair Value	Positive		negative			
					Gross Positive Fair Value	Gross Negative Fair Value	Gross Positive Fair Value	Gross Negative Fair Value		
Foreign exchange contracts	572,346	2,063,033	54,588	32,678						
Interest rate	919,147	1,015,481	31,890	20,252						
<b>Total</b>	<b>1,491,493</b>	<b>3,078,514</b>	<b>86,478</b>	<b>52,930</b>						

#### As at March 31, 2014

Instrument	Non trading		Trading		Gross		Gross		₹ in million	
	Notional Principal	Notional Principal	Positive Fair Value	Negative Fair Value	Positive		negative			
					Gross Positive Fair Value	Gross Negative Fair Value	Gross Positive Fair Value	Gross Negative Fair Value		
Foreign exchange contracts	35,772	128,940	3,412	2,042						
Interest rate	57,447	63,468	1,993	1,266						
<b>Total</b>	<b>93,219</b>	<b>192,408</b>	<b>5,405</b>	<b>3,308</b>						

In addition of the above the Bank holds equity options relating to their Foreign Currency Convertible Bonds. As at March 31, 2015 these equity options had a gross positive fair value of US\$ 5.4 million (₹ 338 million) (March 31, 2014 gross positive fair value of US\$ 0.3 million; ₹ 19.0 million). These options are valued based on valuation techniques with observable market inputs and are classified as level 2. The level 3 assets of the Bank mainly include certain interest swaps wherein the valuation is based on single counterparty quotes. Refer to note 18 for details of fair value leveling methodology. There were no transfers of derivative financial instruments between level 1, level 2 and level 3 during the year.

### Derivative financial instruments by valuation method

#### As at March 31, 2015

Level	Foreign exchange contracts		Interest rate		US\$ 000s	
	Gross Positive Fair Value	Gross Negative Fair Value	Gross Positive Fair Value	Gross Negative Fair Value		
1	2	—	—	—		
2	29,014	87,803	24,152	12,012		
<b>Total</b>	<b>29,016</b>	<b>87,803</b>	<b>24,152</b>	<b>12,012</b>		

#### As at March 31, 2015

	Foreign exchange contracts				Interest rate		₹ in million	
	Positive Fair Value	Negative Fair Value	Gross		Positive Fair Value	Negative Fair Value		
			Gross Positive Fair Value	Gross Negative Fair Value				
Level 1	—	—	—	—	—	—		
Level 2	1,813	5,488	1,510	751	—	—		
<b>Total</b>	<b>1,813</b>	<b>5,488</b>	<b>1,510</b>	<b>751</b>				

#### As at March 31, 2014

	Foreign exchange contracts				Interest rate		US\$ 000s	
	Positive Fair Value	Negative Fair Value	Gross		Positive Fair Value	Negative Fair Value		
			Gross Positive Fair Value	Gross Negative Fair Value				
Level 1	96	153	—	—	—	—		
Level 2	54,491	32,525	31,890	20,252	—	—		
<b>Total</b>	<b>54,587</b>	<b>32,678</b>	<b>31,890</b>	<b>20,252</b>				

#### As at March 31, 2014

	Foreign exchange contracts				Interest rate		₹ in million	
	Positive Fair Value	Negative Fair Value	Gross		Positive Fair Value	Negative Fair Value		
			Gross Positive Fair Value	Gross Negative Fair Value				
Level 1	6	10	—	—	—	—		
Level 2	3,406	2,033	1,993	1,266	—	—		
<b>Total</b>	<b>3,412</b>	<b>2,043</b>	<b>1,993</b>	<b>1,266</b>				

#### 39 ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

	March 31, 2015		March 31, 2014		March 31, 2015		March 31, 2014	
	US\$ 000s	₹ in million	US\$ 000s		₹ in million		US\$ 000s	
			Gross Positive Fair Value	Gross Negative Fair Value			Gross Positive Fair Value	Gross Negative Fair Value
Denominated in US Dollars	2,799,412	21,93,516	174,963	137,095	—	—	—	—
Denominated in Sterling	702,859	1,422,750	43,929	88,922	—	—	—	—
Denominated in other currencies	627,535	854,888	39,221	53,430	—	—	—	—
<b>Total assets</b>	<b>4,129,806</b>	<b>4,471,154</b>	<b>258,113</b>	<b>279,447</b>				
Denominated in US Dollars	1,711,170	1,396,318	106,948	87,270	—	—	—	—
Denominated in Sterling	1,743,221	2,254,983	108,951	140,936	—	—	—	—
Denominated in other currencies	675,415	819,853	42,214	51,241	—	—	—	—
<b>Total liabilities</b>	<b>4,129,806</b>	<b>4,471,154</b>	<b>258,113</b>	<b>279,447</b>				

The above should not be considered to demonstrate the Bank's exposure to foreign exchange risk due to the existence of compensating exchange rate contracts as discussed in Note 38 which are held for hedging purposes.

#### 40 POST BALANCE SHEET EVENTS

There have been no material events after the balance sheet date which would require disclosure or adjustments to the March 31, 2015 financial statements.

#### 41 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE BANK IS A MEMBER

The Bank is a wholly owned subsidiary of ICICI Bank Limited. The parent company is incorporated in India. Copies of the group accounts for ICICI Bank Limited can be obtained from the Secretarial Department, ICICI Bank Limited, ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400051, India.

# ICICI BANK CANADA

## 11TH ANNUAL REPORT AND ACCOUNTS 2014 (as of December 31, 2014)

**Directors**

Chanda D. Kochhar, *Chairperson*  
N.S. Kannan  
Vijay Chandok  
Yezdi Pavri  
Lawrence Savage  
Pamela G. Pitz  
Glenn R. Rourke  
Siriram H. Iyer, *President & CEO*

**Auditors**

KPMG LLP

**Registered Office**

150 Ferrand Drive  
Suite 1200  
Toronto, Ontario  
Canada M3C 3E5

**Corporate Secretary**

Anthony Coulthard

## management's report

### to the members

The Management of ICICI Bank Canada (the "Subsidiary") is pleased to present their eleventh annual report and accounts 2014, together with the financial statements and auditors' report for the year ended December 31, 2014. All information provided in this Management Report is as at December 31, 2014.

**Principal Activities**

The Subsidiary, a wholly-owned subsidiary of ICICI Bank Limited (the "Parent"), is a full service direct bank with an asset base of about C\$5.6 billion, as at December 31, 2014, offering a comprehensive suite of personal, commercial and cross-border banking products and services. The Subsidiary is supported by a state-of-the-art electronic banking platform ([icicibank.ca](http://icicibank.ca)), a 24-hour toll-free customer contact centre and proprietary ABMs. It has established its branch network in the Greater Toronto Area (Brampton, Downtown Toronto, Mississauga, Scarborough, Gore Road and Don Valley), the Greater Vancouver Regional District (Surrey) and in Calgary, Alberta.

The Subsidiary is regulated by the Ministry of Finance (Canada), and operates under the supervision of the Office of the Superintendent of Financial Institutions. It is also a member of the Canada Deposit Insurance Corporation.

**Directors and Corporate Secretary**

The names of the Directors and the Corporate Secretary of the Subsidiary are as follows:

Chanda D. Kochhar, *Chairperson*  
N.S. Kannan  
Vijay Chandok  
Yezdi Pavri  
Lawrence Savage  
Pamela G. Pitz

Glenn R. Rourke

Siriram H. Iyer, *President & CEO*  
Anthony Coulthard, *Corporate Secretary*

**Directors' Interests**

None of the Directors of the Subsidiary has any interest in its share capital.

**Share Capital**

The Subsidiary is authorized to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

As at December 31, 2014, the Subsidiary had issued 839.5 million common shares, 10 million Series A preferred shares, 509,280 Series B preferred shares, 600,000 Series C preferred shares, 1,000,000 Series D preferred shares and 1,200,000 Series E preferred shares to its Parent. The Series A preferred shares are not redeemable by the Subsidiary until ten years from their issuance date and bear a fixed non-cumulative cash dividend of 1% per annum. The Series B preferred shares and Series C preferred shares are not redeemable by the Subsidiary until five years from their issuance date and bear a fixed non-cumulative cash dividend of 7% per annum. The Series D preferred shares and Series E preferred shares are not redeemable by the Subsidiary until five years from their issuance date and bear a fixed non-cumulative cash dividend of 7.25% per annum. The Subsidiary has declared and paid an aggregate cash dividend of C\$6.03 million on its preferred shares and an aggregate cash dividend of C\$24.25 million on its common shares to the Parent during the year ended December 31, 2014.

ANTHONY COULTHARD  
*Corporate Secretary*

# auditors' report

## to the shareholder

We have audited the accompanying financial statements of ICICI Bank Canada, which comprise the statement of financial position as at December 31, 2014, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of ICICI Bank Canada at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### OTHER MATTER

As explained in note IIc), the accompanying financial statements have been prepared by translating the original financial statements prepared in ICICI Bank Canada's functional and presentation currency, the Canadian dollar, into Indian rupees using the foreign exchange rate as of December 31, 2014 for all amounts in these financial statements. The translation for amounts as at and for the year ended December 31, 2014 has been subjected to the auditing procedures applied in the audit of the original Canadian dollar financial statements and, in our opinion, is fairly stated in all material respects in accordance with the method described in note IIc), in relation to the financial statements taken as a whole.

For KPMG LLP

Toronto, Canada  
February 26, 2015

Chartered Accountants  
Licensed Public Accountants

# statements of financial position

# statements of comprehensive income

as at

for the year ended December 31

	December 31, 2014	₹ in millions December 31, 2013		2014	₹ in millions 2013
<b>ASSETS</b>					
<b>Cash and deposits with banks [note 1]:</b>					
Notes and coins	113.2	107.4	Interest income:		
Deposits with regulated financial institutions:	—	—	Loans	9,475.1	8,194.6
Interest bearing	4,963.7	1,157.7	Securities	252.8	1,739.5
Non-interest bearing	2,371.4	1,610.3	Deposits with regulated financial institutions	36.8	21.0
	7,448.3	2,875.4		9,764.7	9,955.1
<b>Trading account securities [note 2]</b>	—	751.2	Interest expense:		
<b>Derivative assets [note 3]</b>	219.8	151.4	Deposits	2,902.9	3,415.9
<b>Investment securities [note 2]:</b>			Subordinated notes [note 9]	191.7	196.7
Available-for-sale	26,490.8	25,379.0	Secured borrowings	2,385.2	2,057.1
Held-to-maturity	74.9	130.9	Short-term borrowings [note 11]	1.0	24.7
	26,565.7	25,509.9		5,480.8	5,694.4
<b>Loans, net of allowance for credit losses [note 4]:</b>			Net interest income	4,283.9	4,260.7
Commercial and corporate loans and commercial mortgages	86,677.4	98,403.9	Fee and commission income [note 14]	272.3	312.9
Corporate investment portfolio	33,060.6	29,159.7	Net trading income [note 15]	102.2	107.2
Residential mortgages	22,608.3	25,813.0	Other income [note 16]	672.0	906.5
Securitised residential mortgages	126,053.2	98,926.5	Total revenue	5,330.4	5,587.3
Personal	2,329.8	3,652.6	Net impairment loss on loans [note 4]	842.9	260.4
	270,729.3	255,955.7	Personnel expenses	938.2	928.0
<b>Other:</b>			Depreciation [note 5]	30.0	34.8
Interest accrued on loans and deposits	747.0	828.5	Other expenses [note 17]	744.9	718.3
Property and equipment [note 5]	66.4	77.8		2,556.0	1,941.5
Current tax assets	111.1	273.8	Profit before income taxes	2,774.4	3,645.8
Deferred tax assets [note 13]	232.5	321.0	Income tax expense [note 13]	746.5	1,005.6
Other assets [note 6]	863.9	609.9	Profit after income taxes	2,027.9	2,640.2
	2,020.9	2,111.0	<b>Other comprehensive income/ (loss), net of income taxes: Items that may be reclassified subsequently to income:</b>		
<b>Total assets</b>	<b>306,984.0</b>	<b>287,354.6</b>	- Cash flow hedges:		
			Effective portion of changes in fair value	(71.3)	—
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			Net amount transferred to profit or loss	4.9	—
<b>Deposits from customers [note 7]:</b>			- Income tax (expense)/ benefit:	17.5	—
Personal	112,826.2	125,481.1	- Fair value reserve (available-for-sale financial assets):		
Commercial	4,694.9	3,903.4	Net change in fair value	(3.9)	(372.6)
	117,521.1	129,384.5	Net amount transferred to profit or loss	(183.6)	117.6
<b>Derivative liabilities [note 3]</b>	<b>3,390.8</b>	<b>1,549.5</b>	- Income tax (expense)/ benefit:	49.7	67.4
<b>Deposits from banks</b>	<b>1,262.7</b>	<b>—</b>	<b>Other comprehensive income/ (loss), net of income taxes</b>	<b>(186.7)</b>	<b>(187.6)</b>
Interest accrued on deposit liabilities	2,238.6	1,950.0	<b>Total comprehensive income attributable to equity holders</b>	<b>1,841.2</b>	<b>2,452.6</b>
Accounts payable and other liabilities [note 8]	677.0	908.4			
Subordinated notes [note 9]	2,721.1	2,721.1			
Secured borrowings [note 10]	126,882.5	98,782.7			
<b>Total liabilities</b>	<b>254,693.8</b>	<b>235,296.2</b>			
<b>Shareholders' equity: Share capital [note 12]:</b>					
Common share capital	41,606.0	41,606.0			
Additional paid-in capital	202.1	163.7			
Preferred share capital	5,046.7	5,046.7			
Retained earnings	5,201.1	4,821.0			
Accumulated other comprehensive income	234.3	421.0			
<b>Total equity</b>	<b>52,290.2</b>	<b>52,058.4</b>			
<b>Total liabilities and shareholders' equity</b>	<b>306,984.0</b>	<b>287,354.6</b>			

See accompanying notes to financial Statements

For KPMG LLP  
Chartered Accountants

Toronto, Canada, February 26, 2015

For and on behalf of the Board:

Director

For KPMG LLP  
Chartered Accountants

Director

See accompanying notes to financial Statements

For and on behalf of the Board:

Director

Toronto, Canada, February 26, 2015

Director

# statements of changes in shareholders' equity

for the year ended December 31

	₹ in millions							
	Common share capital [note 12]	Additional paid-in capital [note 12]	Preferred share capital [note 12]	Retained earnings	Accumulated other comprehensive income on securities	Accumulated other comprehensive income on loans	Accumulated other comprehensive income on hedges	Total
<b>Balance as at January 1, 2014</b>	<b>41,606.0</b>	<b>163.7</b>	<b>5,046.7</b>	<b>4,821.0</b>	<b>1.5</b>	<b>419.5</b>	<b>—</b>	<b>52,058.4</b>
Comprehensive income								
Profit after income taxes	—	—	—	2,027.9	—	—	—	2,027.9
Other comprehensive income, net of income tax recovery of ₹67.3	—	—	—	—	(2.9)	—	—	(2.9)
Net unrealised gain/ (loss) during the year	—	—	—	—	—	—	—	(52.4)
Net realised gain/ (loss) on hedges during the year	—	—	—	—	—	(90.7)	3.6	(87.1)
Amortisation of other comprehensive income during the year	—	—	—	—	—	—	—	—
Net amount transferred to profit or loss on sale/ redemption	—	—	—	—	1.1	(45.4)	—	(44.3)
Net unrealised gain on bonds reclassified to loans	—	—	—	—	—	—	—	—
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,027.9</b>	<b>(1.8)</b>	<b>(136.1)</b>	<b>(48.8)</b>	<b>1,841.2</b>
Transactions with owners, recorded directly in equity								
Additional paid-in capital expense	—	38.4	—	—	—	—	—	38.4
Dividends paid	—	—	—	(1,647.8)	—	—	—	(1,647.8)
Repatriation of capital	—	—	—	—	—	—	—	—
<b>Balance as at December 31, 2014</b>	<b>41,606.0</b>	<b>202.1</b>	<b>5,046.7</b>	<b>5,201.1</b>	<b>[0.3]</b>	<b>283.4</b>	<b>(48.8)</b>	<b>52,290.2</b>
<b>Balance as at January 1, 2013</b>	<b>45,687.7</b>	<b>132.9</b>	<b>5,046.7</b>	<b>3,668.1</b>	<b>608.6</b>	<b>—</b>	<b>—</b>	<b>55,144.0</b>
Comprehensive income								
Profit after income taxes	—	—	—	2,640.2	—	—	—	2,640.2
Other comprehensive income, net of income tax recovery of ₹67.3	—	—	—	—	(274.2)	—	—	(274.2)
Net unrealised gain/ (loss) during the year	—	—	—	—	(428.9)	428.9	—	—
Net unrealised gain on bonds reclassified to loans	—	—	—	—	—	(9.4)	—	(9.4)
Amortisation of other comprehensive income during the year	—	—	—	—	—	—	—	—
Net amount transferred to profit or loss	—	—	—	—	96	—	—	96
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,640.2</b>	<b>(607.1)</b>	<b>419.5</b>	<b>—</b>	<b>2,452.6</b>
Transactions with owners, recorded directly in equity								
Additional paid-in capital expense	—	30.8	—	—	—	—	—	30.8
Dividends paid	—	—	—	(1,487.3)	—	—	—	(1,487.3)
Repatriation of capital	(4,081.7)	—	—	—	—	—	—	(4,081.7)
<b>Balance as at December 31, 2013</b>	<b>41,606.00</b>	<b>163.7</b>	<b>5,046.70</b>	<b>4,821.00</b>	<b>1.5</b>	<b>419.5</b>	<b>—</b>	<b>52,058.4</b>

See accompanying notes to financial statements.

# statements of cash flows

for the year ended December 31

	₹ in millions	
	2014	2013
<b>Cash flow from operating activities:</b>		
Profit after income taxes	2,027.9	2,640.2
<b>Adjustments for:</b>		
Net impairment loss on loans and advances	842.9	260.4
Depreciation	30.0	34.8
Net unrealised gain/(loss) on securities held for trading	—	(4.8)
Net realised gain/(loss) on non-trading securities	123.6	(130.4)
Income tax expense	746.5	1,005.6
Net interest income	(4,283.9)	(4,260.7)
Net change in derivative financial instruments	1,772.8	1,344.5
Other items, net	(508.2)	577.5
	751.6	1,467.1
<b>Change in:</b>		
Deposits, net	(11,863.6)	(6,243.5)
Treasury borrowings, net	1,262.7	—
Treasury placements, net	—	974.6
Loans and advances, net	(15,616.4)	(5,921.8)
	(26,217.3)	(11,190.7)
Interest received	9,846.2	9,840.2
Interest paid	(5,192.0)	(9,598.3)
Income taxes paid	(707.4)	(1,452.4)
	(21,518.9)	(10,934.1)
<b>Net cash used in operating activities</b>		
<b>Cash flow from investing activities:</b>		
Acquisition of securities	(79,056.1)	(112,501.7)
Net proceeds from sale of securities	78,751.4	117,517.2
Acquisition of property and equipment, net	(18.6)	(39.1)
	(323.3)	4,976.4
<b>Net cash from/(used in) investing activities</b>		
<b>Cash flow from financing activities:</b>		
Repayment of common equity capital	—	(4,081.7)
Repayment of subordinated notes	—	(1,360.6)
Proceeds/(repayment) of secured borrowings, net	28,099.8	12,227.5
Dividends paid	(1,647.8)	(1,487.3)
	26,452.0	5,297.9
<b>Net cash from financing activities</b>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,609.8	(659.8)
Effect of exchange rate fluctuations on cash and cash equivalents held	(36.9)	(17.7)
<b>Cash and cash equivalents, beginning of year</b>	2,875.4	3,552.9
<b>Cash and cash equivalents, end of year [note 1]</b>	7,448.3	2,875.4
<b>Represented by:</b>		
Notes and coins	113.2	107.4
Interest bearing deposits with regulated financial institutions	4,963.7	1,157.7
Non-interest bearing deposits with regulated financial institutions	2,371.4	1,610.3
	7,448.3	2,875.4

See accompanying notes to financial statements.

# notes to financial statements

(In millions of Indian Rupees)



forming part of financial statements

## I. REPORTING ENTITY

ICICI Bank Canada (the "Bank") is a limited liability company, incorporated and domiciled in Canada. It is a wholly owned subsidiary of ICICI Bank Limited (the "Parent") and the address of the Bank's registered office is Don Valley Business Park, 150 Ferrand Drive, Suite 1200, Toronto, ON, M3C 3E5. The Office of the Superintendent of Financial Institutions Canada ("OSFI") granted the Bank its Letters Patent of Incorporation on September 12, 2003, and an Order to Commence and Carry on Business on November 25, 2003. The Bank launched its operations on December 19, 2003.

## II. BASIS OF PREPARATION

### (a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and accounting requirements of OSFI in accordance with Section 308 of the Bank Act (Canada). Section 308(4) of the Bank Act (Canada) states that, except as otherwise specified by OSFI, the financial statements are to be prepared in accordance with generally accepted accounting principles, the primary source of which is the Handbook of The Canadian Institute of Chartered Accountants now referred to as the Handbook of Chartered Professional Accountants of Canada.

The financial statements for the year ended December 31, 2014 have been approved for issue by the Bank's Board of Directors on February 26, 2015.

### (b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the following items in the statements of financial position that are measured at fair value:

- Trading account securities
- Available-for-sale investment securities
- Derivative assets and derivative liabilities

### (c) Functional currency and Indian Rupee financial statements

The Bank's functional currency is the Canadian dollar. For the purpose of inclusion in the annual report of the Parent, all Canadian dollar amounts in these financial statements in respect of 2013 and 2014 have been translated into Indian Rupees using the foreign exchange rate as at December 31, 2014 (1 C\$ = 54.4225 Indian Rupees). Except as otherwise indicated, financial information presented in Indian Rupees has been rounded to the nearest million.

### (d) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### (i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is set out below:

- Note 2 - impairment of financial assets
- Note 3 - accounting for hedges
- Note 4 - impairment of loans
- Note 19 - classification of financial instruments
- Note 10 - accounting for mortgage securitisation

#### (ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the amounts reported in these financial statements is set out below in the following notes:

- Note 4 - loan loss estimates
- Note 13 - deferred tax assets
- Note 19 - fair values of financial instruments

### e) Changes in accounting policies

The Bank actively monitors developments and changes in standards from the IASB as well as regulatory requirements from OSFI. Effective January 1, 2014, the Bank adopted the following accounting policies/revisions as below:

#### Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

As a result of amendments to IAS 32, the Bank has changed its accounting policy for offsetting financial assets and financial liabilities. The amendments clarify that an entity has a legally enforceable right to set-off if that right is not contingent on a future event and is enforceable both in

the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 also clarify when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement. The change did not have any material impact on the Bank's financial statements.

#### IFRIC 21, Levies

In May 2013, the IASB issued IFRIC 21 which provides guidance on when to recognise a liability to pay a levy that is accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The change did not have any material impact on the Bank's financial statements.

#### Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

This amendment to IAS 39, Financial Instruments: Recognition and Measurement, adds a limited exception to allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulation, if specific conditions are met. The change did not have any material impact on the Bank's financial statements.

## III. SIGNIFICANT ACCOUNTING POLICIES AND NOTE DISCLOSURES

The significant accounting policies used in the preparation of these financial statements, including the accounting requirements of OSFI, are summarised below together with the related disclosures. These accounting policies have been applied consistently to all years presented in these financial statements.

### 1. Cash and deposits with banks

Cash and cash equivalents include cash balances on hand and interest bearing and non-interest bearing deposits with regulated financial institutions with an original maturity of 90 days or less and that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term cash commitments. Cash and cash equivalents are measured at amortised cost. As at December 31, 2014, there were no deposits (2013 - nil) with regulated financial institutions with an original maturity of over 90 days.

### 2. Financial assets

Financial assets are classified into the following categories: financial assets held for trading (trading account securities); available-for-sale ("AFS") financial assets; held-to-maturity ("HTM") investments and loans and receivables. Management determines the classification of its financial instruments at initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

#### Trading account securities

Trading account securities are recorded on the statements of financial position at fair value. Transaction costs are recognised in the statements of comprehensive income when incurred. The fair values of trading account securities are based on quoted market prices where available; otherwise, the fair values are estimated using quoted market values for similar securities or other approaches (primarily, discounted cash flows) that maximise use of available market information. Gains and losses arising from changes in fair value are recognised in the statements of comprehensive income under "Net trading income".

As at December 31, 2014, the Bank did not hold any trading account securities. The composition and maturity profile of trading account securities as at December 31, 2013 was as follows:

December 31, 2013	Under 1 year	1 to 5 years	Over 5 years	Total trading securities
Equity shares/warrants <sup>®</sup>	—	12.4	—	12.4
Commercial paper	—	—	738.8	738.8
	—	12.4	738.8	751.2

@ no contractual maturity, but based on expected settlement.

As at December 31, 2013, no trading account securities were denominated in currencies other than Canadian dollars.

During the year ended December 31, 2014, the Bank received full repayment of ₹816.3 invested in commercial papers of Devonshire Trust and accordingly the marked-to-market provision of ₹77.6 has been reversed. Further, the Bank has also realised a gain of ₹4.6 on account of repayment of warrants.

During the year ended December 31, 2013, net gain realised from the sale of fixed income securities was ₹22.9 and unrealised gain of ₹4.8 was recognised directly in net trading income with respect to changes in fair value of other trading account securities.

# notes to financial statements

(In millions of Indian Rupees)

## forming part of financial statements

*Continued*

### **AFS securities:**

AFS securities are recognised initially at fair value and transaction costs are added to the initial carrying value of the securities. AFS securities are subsequently measured at fair value with unrealised gains and losses being recognised in OCI until sale, or impairment, at which point, the cumulative gain or loss is transferred from other comprehensive income to profit or loss. Foreign exchange gains/ losses on foreign currency denominated AFS debt securities are recognised in the statement of comprehensive income under "Foreign exchange gain, net" and reported as a part of "Other Income". Interest income is determined in accordance with the effective interest method and is included in "Interest income: Securities", in the statements of comprehensive income.

As at December 31, 2014, the amortised cost of AFS securities exceeded the fair value by ₹0.5 (2013 - fair value exceeded amortised cost by ₹2.0).

The composition and maturity profile of AFS securities are as follows:

December 31, 2014	₹ in millions			
	Under 1 year	1 to 5 years	Over 5 years	Total AFS securities
Canadian federal & provincial bonds and treasury bills	26,490.8	—	—	26,490.8
	<b>26,490.8</b>	<b>—</b>	<b>—</b>	<b>26,490.8</b>

December 31, 2013	₹ in millions			
	Under 1 year	1 to 5 years	Over 5 years	Total AFS securities
Canadian federal & provincial bonds and treasury bills	25,379.0	—	—	25,379.0
	<b>25,379.0</b>	<b>—</b>	<b>—</b>	<b>25,379.0</b>

The fair values and unrealised gains/losses on the AFS securities are as follows:

December 31, 2014	₹ in millions			
	Amortised cost	Gross unrealised gains	Gross unrealised losses	Fair value of AFS securities
Canadian federal & provincial bonds and treasury bills	26,491.3	1.1	1.6	26,490.8
	<b>26,491.3</b>	<b>1.1</b>	<b>1.6</b>	<b>26,490.8</b>

December 31, 2013	₹ in millions			
	Amortised cost	Gross unrealised gains	Gross unrealised losses	Fair value of AFS securities
Canadian federal & provincial bonds and treasury bills	25,377.0	2.1	0.1	25,379.0
	<b>25,377.0</b>	<b>2.1</b>	<b>0.1</b>	<b>25,379.0</b>

As at December 31, 2014, no AFS securities were denominated in currencies other than Canadian dollars (2013 - nil).

At each reporting date, the Bank assesses on an individual basis, whether there is objective evidence that one or more AFS securities are impaired. An AFS security is impaired when objective evidence demonstrates that a loss event has occurred after the security's initial recognition, and that the loss event has an impact on the future cash flows of the security that can be estimated reliably. Objective evidence of impairment can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the security, indications that a borrower or issuer will enter bankruptcy, or the disappearance of an active market for a security.

Impairment losses on AFS securities are recognised by transferring the cumulative loss that has been recognised in OCI to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from OCI to profit or loss is the difference between the acquisition cost, net of any principal repayment, amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. There were no impairment losses during 2014 (2013 - nil).

During the year ended December 31, 2013, the Bank had reclassified its corporate bonds with a carrying value of ₹28,957.8 from AFS securities classification to Loans classification [refer to note 4]. Further, net unrealised gains of ₹576.8, recognised in the OCI, upto the date of reclassification of AFS securities to Loans classification are being amortised through interest income using the effective interest rate of the securities reclassified.

### **HTM securities:**

HTM securities comprise securities with fixed or determinable payments and fixed maturities, that management has the intention and ability to hold to maturity. They are initially recognised at fair value plus incremental costs directly attributable to the acquisition of the security. HTM securities are subsequently carried at amortised cost using the effective interest method.

At each reporting date, the Bank assesses on an individual basis whether there is objective evidence that one or more HTM securities are impaired. An HTM security is impaired when objective evidence demonstrates that a loss event has occurred after the security's initial recognition, and that the loss event has an impact on the future cash flows of the security that can be estimated reliably. Objective evidence of impairment can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the security, indications that a borrower or issuer will enter bankruptcy, or the disappearance of an active market for a security.

Impairment losses on a HTM security are measured as the difference between the carrying amount of the security and the present value of estimated future cash flows discounted at the security's original effective interest rate. Impairment losses are recognised in the statements of comprehensive income. There were no impairment losses during 2014 (2013 - nil).

The composition and maturity profile of HTM securities are as follows:

December 31, 2014	₹ in millions			
	Under 1 year	1 to 5 years	Over 5 years	Total HTM securities
Asset backed securities	—	—	74.9	74.9
	<b>—</b>	<b>—</b>	<b>74.9</b>	<b>74.9</b>

December 31, 2013	₹ in millions			
	Under 1 year	1 to 5 years	Over 5 years	Total HTM securities
Asset backed securities	—	19.0	111.9	130.9
	<b>—</b>	<b>19.0</b>	<b>111.9</b>	<b>130.9</b>

As at December 31, 2014, no HTM securities were denominated in currencies other than Canadian dollars (2013 - nil).

No HTM securities were sold during the year ended December 31, 2014 (2013 - nil).

### 3. Derivative financial instruments

In the ordinary course of business, the Bank uses derivative financial instruments, primarily over-the-counter interest rate derivatives, forward contracts and forward currency swaps, to manage its exposure to interest rate and currency fluctuations, as part of the Bank's asset liability management program; and the Bank does not undertake proprietary trading positions. The Bank also enters into interest rate swaps and option contracts as a service to clients to assist them in risk management, the risk on which is offset by entering into derivatives with its Parent and, accordingly, it has no net market risk exposure as a result of entering into these simultaneous contracts. The above instruments are treated as "trading" derivatives. Further, the Bank manages the interest rate risk on its secured borrowings by using appropriate hedging instruments, e.g. a bond forward, to lock the interest cost on these liabilities and mitigate the impact of rising interest costs from the date that it decides to issue the debt till the date that the debt is actually issued and classifies such derivatives as "hedging" derivatives. These hedging instruments have been designated as the hedging instruments under cash flow hedge relationship to hedge the benchmark interest rate risk on the secured borrowings.

The Bank formally documents all hedging relationships and its risk management objective and strategy for undertaking these hedge transactions at inception. The hedge documentation includes identification of the asset, liability, firm commitment or highly probable forecasted transaction being hedged, the nature of the risk being hedged, the hedging instrument used and the method used to assess the effectiveness of the hedge. The Bank also formally assesses, both at each hedge's inception and on an ongoing basis, whether the hedging instruments are highly effective in offsetting changes cash flows of hedged items. The change in fair value of the hedging instrument, to the extent effective, is recorded in OCI until the corresponding gains and losses on the hedged item is recognised in income. Hedge ineffectiveness is measured and recorded in "Net trading income – Gain on derivative transactions", in the statements of comprehensive income.

The trading derivatives are carried at fair value with changes in fair value recorded in net trading income in the statements of comprehensive income. The Bank takes into account its own credit risk and that of the relevant counterparties when determining the fair value of derivative instruments. As at December 31, 2014, the fair values of all derivative assets and derivative liabilities were ₹219.8 (2013 - ₹151.4) and ₹3,390.8 (2013 - ₹1,549.5) respectively.

# notes to financial statements

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*Continued*

The following is a summary of the notional amounts by remaining term to maturity of the Bank's outstanding derivative portfolio, all of which are over-the-counter, as at December 31:

	₹ in millions				
			2014		2013
	Under 1 year	1 to 5 years	Over 5 years	Total	Total
<b>Trading</b>					
Forward foreign exchange contracts	0.1	5,050.8	—	5,050.9	15.9
Foreign currency swaps	76,356.3	—	—	76,356.3	75,525.0
Interest rate swaps	10,791.2	2,524.4	—	13,315.6	12,846.5
<b>Hedging</b>					
Interest rate swaps	—	—	—	—	—
	<b>87,147.6</b>	<b>7,575.2</b>	<b>—</b>	<b>94,722.8</b>	<b>88,387.4</b>

The following is a summary of the gross fair value of the Bank's outstanding derivative portfolio, before credit valuation adjustment ("CVA") of ₹2.6 (2013 - ₹0.6) on positive fair values and of ₹7.1 (2013 - ₹1.6) on negative fair values, as at December 31:

	₹ in millions		
	Positive fair value	Negative fair value	Net fair value
<b>December 31, 2014</b>			
<b>Trading</b>			
Forward foreign exchange contracts	159.9	152.1	7.8
Foreign currency swaps	40.0	3,215.0	(3,175.0)
Interest rate swaps	22.5	30.8	(8.3)
<b>Hedging</b>			
Interest rate swaps	—	—	—
	<b>222.4</b>	<b>3,397.9</b>	<b>(3,175.5)</b>
₹ in millions			
<b>December 31, 2013</b>			
<b>Trading</b>			
Forward foreign exchange contracts	—	—	—
Foreign currency swaps	51.4	1,455.5	(1,404.1)
Interest rate swaps	100.6	95.6	5
<b>Hedging</b>			
Interest rate swaps	—	—	—
	<b>152</b>	<b>1,551.1</b>	<b>(1,399.1)</b>

The following is the summary of outstanding derivative contracts with the Parent and its subsidiaries, as at December 31:

	₹ in millions		
	Notional amounts	Negative fair value	Positive fair value
<b>December 31, 2014</b>			
<b>Trading</b>			
Forward foreign exchange contracts	2,525.4	152.1	—
Foreign currency swaps	—	—	—
Interest rate swaps	1,262.2	17.3	—
<b>Hedging</b>			
Interest rate swaps	—	—	—
	<b>3,787.6</b>	<b>169.4</b>	<b>—</b>
₹ in millions			
<b>December 31, 2013</b>			
<b>Trading</b>			
Forward foreign exchange contracts	—	—	—
Foreign currency swaps	—	—	—
Interest rate swaps	2,894.2	95.6	—
<b>Hedging</b>			
Interest rate swaps	—	—	—
	<b>2,894.2</b>	<b>95.6</b>	<b>—</b>

The table below shows the current replacement cost, credit equivalent amount and risk-weighted amount for derivatives as at December 31. Current replacement cost is the positive fair value of outstanding derivative financial instruments, which represents the Bank's derivative credit exposure. Credit equivalent amount is the current replacement cost for favourable contracts plus an amount for future credit exposure associated with the potential for future credit exposure. Future credit exposure is calculated using a formula prescribed by OSFI. Risk-weighted amounts represent the credit equivalent amount weighted according to the creditworthiness of the counterparty, using factors prescribed by OSFI

	₹ in millions			
	December 31, 2014	Current replacement cost	Credit equivalent amount	Risk- weighted amount
<b>Trading</b>				
Forward foreign exchange contracts	159.9	412.5	412.5	
Foreign currency swaps	40.0	803.5	167.7	
Interest rate swaps	22.5	35.1	31	
<b>Hedging</b>				
Interest rate swaps	—	—	—	
	<b>222.4</b>	<b>1,251.1</b>	<b>611.2</b>	

	₹ in millions			
	December 31, 2013	Current replacement cost	Credit equivalent amount	Risk- weighted amount
<b>Trading</b>				
Forward foreign exchange contracts	—	0.2	0.1	
Foreign currency swaps	51.4	806.7	180.9	
Interest rate swaps	100.6	135.8	103.7	
<b>Hedging</b>				
Interest rate swaps	—	—	—	
	<b>152</b>	<b>942.7</b>	<b>284.7</b>	

During the year a loss of ₹48.8 (2013 - nil), net of taxes, was recognised in OCI and there was no ineffectiveness required to be recognised in profit or loss in respect of the cash flow hedges (2013 - nil).

The time period in which the undiscounted hedged cash outflows are expected to occur and affect the statement of comprehensive income are as follows:

	₹ in millions
Less than 1 year	18.4
1 - 3 years	30.8
3 - 5 years	17.1
Greater than 5 years	—
	<b>66.3</b>

#### 4. Loans:

Loans are measured upon initial recognition at fair value plus directly attributable incremental transaction costs. Loans are subsequently measured at amortised cost using the effective interest method, net of allowance for impairment. The amortised cost is the amount at which a loan is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The carrying amounts of the loan balances represent the Bank's maximum exposure to credit risk thereon before considering any collateral and other credit enhancements.

#### *Interest, fee and commission income:*

Interest income is recognised in the statements of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the loan (or, where appropriate, a shorter period) to the carrying amount of the loan. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the loan, but not future credit losses. The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of the loans. The effective interest rate is established at the time of initial recognition of the loans and is not revised subsequently, except for variable rate loans.

# notes to financial statements

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*Continued*

Loan fees received from commercial clients for term loans, demand loans, mortgages and operating lines of credit that are considered integral to the effective interest rate on respective loans are included in the measurement of the effective interest rate, and thereby recognised into income over the term of the respective loans.

Non-refundable loan fees received from commercial clients for facilities that are not approved are recorded in income at the point at which the Bank has no further performance obligations.

### **Impairment:**

At each reporting date, the Bank assesses whether there is objective evidence that loans are impaired. Loans are classified as impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the loan that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- (a) significant financial difficulty of the issuer or obligor;
- (b) a breach of contract, such as a default or delinquency in interest or principal payments;
- (c) the Bank granting to the borrower, on account of the borrower's financial difficulty, a concession that the Bank would not otherwise consider;
- (d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; and
- (e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans since the initial recognition of those loans, although the decrease cannot yet be identified with the individual loans in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the loans in the portfolio.

An allowance for impairment is maintained at a level that management considers adequate to absorb identified credit-related losses that are identifiable for individual loans, as well as losses that have occurred but have not yet been identified on individual loans in a portfolio.

To ensure that any impairment is identified on a timely basis, the Bank's loans are reviewed regularly for their credit quality, taking into consideration all readily available information. When substantive information suggests any significant deterioration in the credit quality of a loan or a portfolio of loans, the credit or credits are reviewed immediately, even if a regularly scheduled review is not due.

The Bank considers evidence of impairment for loans and advances both at an individual asset and collective level. All individually significant loans and advances are assessed for impairment on an individual basis. All individually significant loans and advances found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified at an individual loan level. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics. In assessing collective impairment, the Bank uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical loss modeling.

Default rates, loss rates and the expected timing of future recoveries are benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on loans and advances are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised although an allowance may be established to the extent it may not be recovered. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The Bank writes off loans and advances when they are determined to be uncollectible.

Loans for which interest and principal is contractually past due 90 days are generally recognised as impaired, unless management determines that loan as fully secured, in the process of collection, and the collection efforts are reasonably expected to result in either payment of the loan or restoring it to a current status within 180 days from the date payment has become

contractually in arrears. An exception to these conditions is made for not more than 365 days from the date a loan is contractually in arrears where the loan is guaranteed or insured by a Canadian Government (federal or provincial) or a Canadian Government agency, the validity of the claim is not in dispute and, as a consequence, the lender has reasonable assurance of collection of the full principal and interest, including full compensation for any overdue payments calculated at the loan's contractual interest rate.

As defined in its Credit and Recovery Policy ("CRP"), the Bank follows a two-tier risk rating system for credits, consisting of a borrower/obligor risk rating ("BRR") and a transaction risk rating ("TRR"). Borrowers/Obligors are risk rated using general corporate or sector specific scorecards by assigning a fourteen grade classification system (1 upto 8) to reflect the probability of default. The TRR is then determined by adjusting the BRR to reflect collateral assessment as per the loss given default framework and the TRR framework.

Credits with a BRR 1 through 4C are considered "Satisfactory", BRR 5 considered "Especially mentioned" and BRR 6 treated as "Substandard".

The following table presents the gross loans outstanding as at December 31, that were neither past due nor impaired:

	₹ in millions	
	2014	2013
<b>Borrower Risk Rating categories</b>		
Satisfactory (RR 1 through 4)	244,012.6	228,203.7
Especially mentioned (RR 5)	14,107.4	7,383.2
Substandard (RR 6)	4,359.3	8,976.1
	<b>262,479.3</b>	<b>244,563.0</b>

An exposure rated BRR 7 is closely monitored. Exposures rated BRR 8 are internally classified as "Default and impaired" where losses are identifiable on an individual basis with a specific allowance established against each exposure. As at December 31, 2014, gross loans outstanding in BRR 7 and BRR 8 amounted to ₹9,767.6 (2013 - ₹9,630.5). Included within interest income from loans for the year ended December 31, 2014 is a total of ₹476.8 (2013 - ₹249.3) relating to such exposures.

Based on an assessment of these loans, the following table indicates the amount of specific provisions created in respect of loans:

	₹ in millions			
	2014		2013	
	Gross Loans	Specific allowance	Gross loans	Specific allowance
Commercial loans and commercial mortgages	9,045.0	3,247.2	2,297.4	1,711.6
	<b>9,045.0</b>	<b>3,247.2</b>	<b>2,297.4</b>	<b>1,711.6</b>

The following table presents the carrying value of loans as at December 31, that were past due but not classified as impaired:

	₹ in millions			
	2014		2013	
	Commercial & corporate loans and commercial mortgages	Residential & securitised residential mortgages	Commercial & corporate loans and commercial mortgages	Residential & securitised residential mortgages
1 - 30 days	1,117.5	857.1	3,570.0	678.6
31 - 60 days	—	225.1	—	195.3
61 - 90 days	—	79.7	—	63.6
Above 90 days	—	101.7	—	218.8
	<b>1,117.5</b>	<b>1,263.6</b>	<b>3,570.0</b>	<b>1,156.3</b>

### **Reclassified Financial assets - available for sale securities reclassified to loans**

During the year ended December 31, 2013, the Bank had reclassified its corporate bonds from AFS securities classification to Loans classification. The reclassified securities met the definition of loans and receivables ("L&R") at the date of reclassification and the Bank intends to hold these securities for foreseeable future. The reclassifications were made with effect from December 1, 2013 at fair value at that date. The net unrealised fair value gains recognised in the OCI will be subsequently amortised into interest income using the effective interest rate of the instrument reclassified.

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The following table presents the details in respect of the reclassified bonds at the reclassification date:

	₹ in millions
	2013
Carrying value	28,957.8
Unrealised fair value gains in OCI	576.8
Effective interest rates:	
- Upper range	7.30%
- Lower range	2.80%
Expected recoverable cash flows	36,392.2

The following table presents the carrying and fair values for the reclassified bonds as at December 31:

	₹ in millions			
	2014		2013	
	Carrying value	Fair value	Carrying value	Fair value
AFS securities reclassified to loans	23,597.1	23,529.0	29,012.0	29,055.3

The table below shows the pre-tax amounts that would have been recognised in profit or loss and OCI if the reclassification had not been made:

	₹ in millions			
	2014		2013	
	Profit or loss	OCI	Profit or loss	OCI
Interest income	—	—	—	—
Net increase/ (decrease) in fair value	—	(476.5)	—	125.5
Amortisation of net unrealised gain deferred in OCI	—	141.4	—	12.8
	<b>(335.1)</b>		<b>138.3</b>	

The table below shows the amount of pre-tax contribution recognised in profit or loss and OCI in respect of the financial assets which have been reclassified:

	₹ in millions			
	2014		2013	
	Profit or loss	OCI	Profit or loss	OCI
Interest income ®	1,583.60	—	147.6	—
Provision for credit losses, net	(64.0)	—	(68.2)	—
Amortisation of net unrealised gain deferred in OCI	—	(141.4)	—	(12.8)
	<b>1,519.6</b>	<b>(141.4)</b>	<b>79.4</b>	<b>(12.8)</b>

® earlier included as a part of interest income on securities now included as interest income on loans.

Impairment analysis for debt instruments required by IAS 39 continues even after reclassification and impairment losses, if any, are taken as a charge to the profit or loss. While AFS securities are also assessed for impairment under IAS 39, per the Bank's policy this assessment is only carried out on an individual security basis and not on a collective basis. For instruments reclassified to L&R, collective impairment charge in profit or loss is recorded for securities that are not individually impaired. If a reclassified financial asset subsequently is assessed as being individually impaired, then the gain or loss that was previously recognised in OCI is reclassified to profit or loss immediately on a proportionate basis.

The composition of the loan portfolio as at December 31 is as follows:

December 31, 2014	₹ in millions				
	Gross amount	Collective allowance	Specific allowance	Deferred loan fees	Net amount
Commercial loans and commercial mortgages	4,551.9	(11.6)	(182.2)	(114.2)	4,243.9
Corporate loans	86,162.4	(471.2)	(3,065.0)	(192.7)	82,433.5
Corporate investment portfolio	33,211.2	(150.6)	—	—	33,060.6
Conventional residential mortgages	178.9	(0.1)	—	—	178.8
Insured residential mortgages	22,434.7	(5.2)	—	—	22,429.5
Securitised residential mortgages	126,065.4	(12.2)	—	—	126,053.2
Personal	2,330.4	(0.6)	—	—	2,329.8
	<b>274,934.9</b>	<b>(651.5)</b>	<b>(3,247.2)</b>	<b>(306.9)</b>	<b>270,729.3</b>

Undrawn commitments and other contingent

liabilities:					
Commercial®	31,374.9	(4.7)	—	—	31,370.2
Personal	6,717.0	—	—	—	6,717.0
	<b>38,091.9</b>	<b>(4.7)</b>	<b>—</b>	<b>—</b>	<b>38,087.2</b>

December 31, 2013	₹ in millions				
	Gross amount	Collective allowance	Specific allowance	Deferred loan fees	Net amount
Commercial loans and commercial mortgages	11,364.5	(22.4)	(1)	(118)	11,223.1
Corporate loans	90,205.1	(1,140.9)	(1,710.6)	(172.8)	87,180.8
Corporate investment portfolio	29,228.1	(68.4)	—	—	29,159.7
Conventional residential mortgages	237.8	—	—	—	237.8
Insured residential mortgages	25,580.7	(5.5)	—	—	25,575.2
Securitised residential mortgages	98,940.6	(14.1)	—	—	98,926.5
Personal	3,653.6	(1)	—	—	3,652.6
	<b>259,210.4</b>	<b>(1,252.3)</b>	<b>(1,711.60)</b>	<b>(290.8)</b>	<b>255,955.7</b>
Undrawn commitments and other credit instruments					
Commercial®	24,963.0	(1.5)	—	—	24,961.5
Personal	5,421.2	—	—	—	5,421.2
	<b>30,384.2</b>	<b>(1.5)</b>	<b>—</b>	<b>—</b>	<b>30,382.7</b>

® provision included in accounts payable and other liabilities.

Unfunded commitments can be drawn at any time during the term of the facility and the Bank manages its liquidity based on expected withdrawals.

Undrawn commitments and other contingent liabilities include an unused portion of commercial and personal mortgages and lines of credit, letters of credit facility to commercial clients, import bills for collection and standby letters of credit and bank guarantees.

During the year ended December 31, 2014, no loan balances were written off (2013 - ₹152.6). The following is a summary of the changes in the allowance for impairment for the year ended December 31:

	₹ in millions	
	2014	2013
Balance, beginning of year	1,252.3	1,711.6
Provision for credit losses ®	(695.9)	1,535.6
Effect of discounting	95.1	—
Write-offs	—	—
<b>Balance, end of year</b>	<b>651.5</b>	<b>3,247.2</b>
	<b>3,898.7</b>	<b>2,963.9</b>

® excludes ₹3.2 (2013 - ₹1.3) provided during the year on other credit instruments.

As at December 31, 2014, the Bank held loans, net of allowances, denominated in U.S. dollars and Euros of ₹66,644.8 (U.S. \$1,055.6 million) and ₹2,406.0 | (€31.5 million) respectively.

As at December 31, 2013, the Bank held loans, net of allowances, denominated in U.S. dollars, British pounds, Euros and Japanese yen of ₹67,189. (U.S. \$1,160.8 million), ₹251.3 (£2.6 million), ₹9,133.7 (€114.5 million), ₹231.4 (¥421.0 million), respectively.

At December 31, 2014, ₹236,735.4 (2013 - ₹205,852.8) of loans are expected to be recovered more than 12 months after the reporting date.

# notes to financial statements

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An analysis of the Bank's loan portfolio, net of allowances for impairment and deferred loan fees, by category and by location of ultimate risk as at December 31, is as follows:

	₹ in millions	
	2014	2013
<b>Canada:</b>		
Commercial loans and commercial mortgages	2,536.2	4,560.5
Corporate loans	57,675.5	52,535.2
Corporate Investment Portfolio	33,211.2	29,228.1
Conventional residential mortgages	178.9	237.8
Insured residential mortgages	22,434.7	25,580.7
Securitised residential mortgages	126,065.4	98,940.6
Personal	2,330.4	3,653.6
	244,432.3	214,736.5
Allowance for impairment	(1,064.4)	(735.1)
	243,367.9	214,001.4
<b>India:</b>		
Commercial loans and commercial mortgages	879.2	4,600.1
Corporate loans	15,064.3	30,637.8
	15,943.5	35,237.9
Allowance for impairment	(2,704.1)	(1,906.2)
	13,239.4	33,331.7
<b>Other:</b>		
Commercial loans and commercial mortgages	1,267.6	2,233.8
Corporate loans	12,984.6	6,711.4
	14,252.2	8,945.2
Allowance for impairment	(130.2)	(322.6)
	14,122.0	8,622.6
	270,729.3	255,955.7

The total fair value of loans at December 31, 2014 is ₹268,243.4 (2013 - ₹254,733), of which the fair value of loans relating to Canada is ₹240,873 (2013 - ₹212,823.3), India is ₹13,266.6 (2013 - ₹33,303.1) and other geographies is ₹14,103.0 (2013 - ₹8,606.8).

The following table summarises industry wise distribution of the Bank's loan portfolio, net of allowances for impairment and deferred loan fees, by category of borrower as at December 31

	₹ in millions	
	2014	2013
Residential mortgages	148,679.0	124,759.1
Personal loans	2,330.4	3,653.6
	151,009.4	128,412.7
Allowance for loan losses	(18.1)	(20.6)
<b>Net retail loans</b>	<b>150,991.3</b>	<b>128,392.1</b>
Accommodation and food services	7,865.8	3,093.4
Admin & Support, Waste Mgmt and Remediation	8,251.8	6,403.9
Construction	6,571.4	6,329.3
Finance & Insurance	2,146.8	7,380.3
Health care and social assistance	327.2	—
Information and Cultural Industries	8,985.0	5,074.9
Manufacturing	30,454.4	37,747.3
Mining, Quarrying and Oil & Gas Extraction	18,931.6	14,475.6
Multiproduct conglomerates	-	8,200.7
Professional, Scientific and Technical Services	7,585.4	6,819.4
Real Estate and Rental & Leasing	6,284.3	6,272.5
Retail Trade	6,065.1	4,658.9
Transportation & Warehousing	1,674.6	5,300.2
Utilities	12,193.2	13,967.8
Wholesale Trade	6,548.3	5,035.7
	123,884.9	130,759.9
Deferred loan fees and premium	(266.3)	(253)
Allowance for loan losses	(3,880.6)	(2,943.3)
<b>Net corporate &amp; commercial loans</b>	<b>119,738.0</b>	<b>127,563.6</b>
<b>Total loans and acceptances net of allowance for loan losses</b>	<b>270,729.3</b>	<b>255,955.7</b>

### 5. Property and equipment:

Property and equipment are carried at cost less accumulated depreciation, which is provided by using the straight-line method over the estimated useful lives of the assets. The estimated useful lives, residual values and depreciation method are reviewed annually, with the effect of any changes in estimate accounted on a prospective basis.

	₹ in millions				
	2014	Cost	Accumulated depreciation	Net book value	Net book value
Useful life					
Computer hardware and software	3 years	81.6	67.8	13.8	11.3
Furniture, fixtures and equipment	5 years	176.4	141.2	35.2	38.3
Leasehold improvements	Lease term	137.3	119.9	17.4	28.2
		395.3	328.9	66.4	77.8

The movement in balances of property and equipment was as follows:

	Computer hardware and software	Furniture, fixtures and equipment	Leasehold improvements	₹ in millions Total
<b>Acquisition cost:</b>				
Opening balance at January 1, 2014	78.5	170.2	208.8	457.5
Acquisitions	9.1	10.1	0.5	19.7
Disposals	—	—	—	—
Assets written off	(5.9)	(3.9)	(72.1)	(81.9)
<b>Closing balance at December 31, 2014</b>	<b>81.7</b>	<b>176.4</b>	<b>137.2</b>	<b>395.3</b>

	Computer hardware and software	Furniture, fixtures and equipment	Leasehold improvements	₹ in millions Total
<b>Accumulated depreciation and impairment losses:</b>				
Opening balance at January 1, 2014	(67.1)	(131.8)	(180.8)	(379.7)
Depreciation	(6.7)	(13.3)	(10.0)	(30.0)
Assets written off	5.9	3.9	71	80.8
<b>Closing balance at December 31, 2014</b>	<b>(67.9)</b>	<b>(141.2)</b>	<b>(119.8)</b>	<b>(328.9)</b>

	Computer hardware and software	Furniture, fixtures and equipment	Leasehold improvements	₹ in millions Total
<b>Acquisition cost:</b>				
Opening balance at January 1, 2013	73.9	152.4	207.8	434.1
Acquisitions	10.4	28	1	39.4
Disposals	—	—	—	—
Assets written off	(5.8)	(10.2)	—	(16.0)
<b>Closing balance at December 31, 2013</b>	<b>78.5</b>	<b>170.2</b>	<b>208.8</b>	<b>457.5</b>

	Computer hardware and software	Furniture, fixtures and equipment	Leasehold improvements	₹ in millions Total
<b>Accumulated depreciation and impairment losses:</b>				
Opening balance at January 1, 2013	(68.4)	(125.6)	(166.6)	(360.6)
Depreciation	(4.5)	(16.1)	(14.2)	(34.8)
Assets written off	5.8	9.9	—	15.7
<b>Closing balance at December 31, 2013</b>	<b>(67.1)</b>	<b>(131.8)</b>	<b>(180.8)</b>	<b>(379.7)</b>

There were no capitalised borrowing costs related to the acquisitions of property and equipment for the years ended December 31, 2014 and 2013.

### 6. Other assets:

	December 31, 2014	December 31, 2013	₹ in millions
Prepaid expenses, deposits and accounts receivable	775.6	517.4	
Shortfall in Mortgage-backed securities ("MBS") pool collections	83	80.4	
Others	5.3	12.1	
	<b>863.9</b>	<b>609.9</b>	

### 7. Deposits:

Deposits are measured upon initial recognition at their fair value less directly attributable incremental transaction costs. Deposits are subsequently measured at amortised cost using the effective interest method. Deposit balances for current, savings and term deposits are shown below:

	Payable on demand	Payable after notice	Payable on fixed date	₹ in millions Total
<b>December 31, 2014</b>	<b>Interest bearing</b>	<b>Non-interest bearing</b>	<b></b>	<b></b>
Personal	2,496.4	—	21,243.6	16,028.4
Commercial	1,989.2	—	2,076.4	629.3
Broker:	—	—	5,992.8	67,065.0
Commercial	—	—	29,312.8	83,722.7
	<b>4,485.6</b>	<b>—</b>	<b>29,312.8</b>	<b>117,521.1</b>

# notes to financial statements

(In millions of Indian Rupees)



## forming part of financial statements

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	₹ in millions				
	Payable on demand		Payable after notice	Payable on fixed date	Total
December 31, 2013	Interest bearing	Non-interest bearing			
Personal	2,186.1	—	21,201.4	13,926.8	37,314.3
Commercial	1,166.7	—	2,158.8	577.9	3,903.4
Broker:					
Personal	—	—	9,286.1	78,880.7	88,166.8
	<b>3,352.8</b>	<b>—</b>	<b>32,646.3</b>	<b>93,385.4</b>	<b>129,384.5</b>

The maturity profile of deposits payable on fixed date, as at December 31, is as follows:

	₹ in millions	
	2014	2013
Under 1 year	<b>34,112.0</b>	<b>27,350.1</b>
1 - 5 years	<b>49,610.7</b>	<b>66,035.3</b>
<b>Total</b>	<b>83,722.7</b>	<b>93,385.4</b>

The Bank sources certain deposits through the use of brokers. Upon the placement of a deposit with the Bank, the broker earns a commission, which the Bank amortises over the life of the related deposit. As at December 31, 2014, the Bank had unamortised broker commissions on deposits of ₹298.8 (2013 - ₹369.9) included in the above balances. There is no single depositor in excess of 0.3% (2013 - 0.3%) of the total liabilities.

### 8. Accounts payable and other liabilities

	₹ in millions	
	December 31, 2014	December 31, 2013
Accounts payable	<b>490.8</b>	<b>601.4</b>
Deferred income	<b>86.8</b>	<b>70.7</b>
Other	<b>99.4</b>	<b>19.0</b>
Payable for investments purchased	<b>—</b>	<b>217.3</b>
	<b>677</b>	<b>908.4</b>

### 9. Subordinated notes

Subordinated notes are measured at amortised cost using the effective interest method.

The Bank issued a subordinated note to ICICI Bank Limited (Bahrain branch) in the amount of ₹1,360.6 on March 31, 2008. As per the original terms, interest was payable at the rate of LIBOR plus 4.6% per annum, quarterly in arrears, until March 31, 2013, and at the rate of LIBOR plus 5.0% per annum thereafter, until maturity on March 31, 2018. The interest step-up clause effective end of the first five years on the note was eliminated and the interest rate for the entire tenor of the note was revised to LIBOR plus 4.6% per annum in December 2012. In the course of 2013, the British Bankers' Association ("BBA"), discontinued LIBOR fixing for a number of currencies including Canadian dollars and consequently the benchmark LIBOR was amended to CDOR effective June 28, 2013.

The Bank issued a subordinated note to ICICI Bank Limited (Bahrain branch) in the amount of ₹1,360.6 on September 23, 2008. As per the original terms, interest was payable at the rate of LIBOR plus 4.6% per annum, quarterly in arrears, until September 23, 2013, and at the rate of LIBOR plus 5.0% per annum thereafter, until maturity on September 23, 2018. The interest step-up clause effective end of the first five years on the note was eliminated and the interest rate for the entire tenor of the note was revised to LIBOR plus 4.6% per annum in December 2012. In the course of 2013, the BBA, discontinued LIBOR fixing for a number of currencies including Canadian dollars and consequently the benchmark LIBOR was amended to CDOR effective June 28, 2013.

The terms and conditions of these subordinated notes require the Bank to gross up the interest payment for any withholding taxes so that the net payment is equal to the total amount of the interest due. The weighted average cost of borrowing for the year ended December 31, 2014 is 7.04% (2013 - 6.21%). The Bank incurred interest expense of ₹191.7 (2013 - ₹196.7) related to the notes during the year ended December 31, 2014, including withholding taxes borne by the Bank.

### 10. Securitisation of mortgages

The Bank has entered into securitisation arrangements in respect of its originated and purchased (originated by third parties) mortgages, to issue National Housing Act Mortgage-backed Securities ("NHA-MBS") and also participates in Canada Mortgage Bonds ("CMB") program as a seller. The NHA MBSs are backed by pools of amortizing residential mortgages insured by the Canada Mortgage and Housing Corporation ("CMHC") or approved third party insurers. The CMB, introduced by CMHC, is a guaranteed, semi-annual coupon, bullet-maturity bond. CMBs are issued by a special purpose trust, known as Canada Housing Trust.

For mortgages securitised and sold into the CMB program, the Bank retains substantially all the risks and rewards, comprising primarily prepayment risk related to ownership of these mortgages and hence, these mortgage securitisations do not qualify for derecognition accounting under International Accounting Standard 39, Financial Instruments: Recognition and Measurement

("IAS 39"). For mortgages that are securitised and the resulting MBS from which are sold outside of the CMB program, the Bank has determined that it neither transfers nor retains substantially all the risks and rewards associated with the ownership of these mortgages. However, the Bank retains control over these mortgages and hence, it continues to recognise the mortgages securitised. For all mortgage securitisations, the amounts received through securitisation and sale are recognised as "Secured borrowings".

As required under the CMB program, the Bank, as an issuer, has undertaken to remit monthly to the Central Payor and Transfer Agent (the "CPTA") the payments of principal and interest accrued and due on the mortgage loans in the pools. The Bank has also undertaken to make the payments to the CPTA on the due dates even if the corresponding amounts have not been received and collected by the Bank in respect of the pools.

The following table presents the movement in the gross balance of securitised residential mortgages during the year ended December 31:

	₹ in millions	
	2014	2013
Balance, beginning of year	<b>98,940.6</b>	<b>86,144.2</b>
Add: Mortgage pools securitised	<b>49,748.1</b>	<b>36,383.4</b>
	<b>148,688.7</b>	<b>122,527.6</b>
Less:		
Repayment of mortgages in the pool	<b>22,249.0</b>	<b>23,253.4</b>
Amortisation of premium	<b>374.3</b>	<b>333.6</b>
Balance, end of year	<b>126,065.4</b>	<b>98,940.6</b>

At December 31, 2014, ₹116,433.6 (2013 - ₹95,931.6) of securitised mortgages are expected to be recovered more than 12 months after the reporting date.

The following table presents the movement in the secured borrowings balance during the year ended December 31:

	₹ in millions	
	2014	2013
Balance, beginning of year	<b>98,782.7</b>	<b>86,555.2</b>
Add: Proceeds of MBS/CMB issued, net of pooling fee and expenses	<b>49,004.9</b>	<b>35,770.4</b>
Amortisation of pool fees and expenses	<b>241.6</b>	<b>183.1</b>
	<b>148,029.2</b>	<b>122,508.7</b>
Less: Repayment of borrowing	<b>21,146.7</b>	<b>23,726.0</b>
Balance, end of year	<b>126,882.5</b>	<b>98,782.7</b>

The maturity profile of the pools of secured borrowings as at December 31, is as follows:

	₹ in millions	
	2014	2013
Under 1 year	<b>11,318.1</b>	<b>3,697.3</b>
1 - 5 years	<b>115,564.4</b>	<b>95,085.4</b>
<b>Total</b>	<b>126,882.5</b>	<b>98,782.7</b>

The following table provides the fair value of the assets, the associated liabilities and the net position in respect of the mortgage securitisations that do not qualify for derecognition:

	₹ in millions	
	2014	2013
Fair value of securitised residential mortgage assets	<b>123,889.5</b>	<b>97,223.5</b>
Fair value of associated secured borrowings	<b>123,004.9</b>	<b>96,057.2</b>
<b>Fair value of net position</b>	<b>884.6</b>	<b>1,166.3</b>

### 11. Related party transactions:

#### (a) Parent and other related parties:

The Bank incurred no interest expense related to short-term borrowings from the Parent or its subsidiaries during the years ended December 31, 2014 and December 31, 2013. There was no interest expense (2013 - ₹6.0) on the subordinated notes issued to ICICI Bank UK PLC, since these were repaid during the previous year. The Bank has incurred interest expense of ₹191.7 (2013 - ₹190.7) on the subordinated notes issued to ICICI Bank Limited, Bahrain branch. For details of subordinated notes from related parties, refer note 9. Further, dividend of ₹0.3 (2013 - ₹0.2) has been received on the common share investment of ₹4.9 (£50,000) (2013 - ₹4.8) in ICICI Bank UK PLC.

In addition to the deposits and borrowing activities, the Bank also transacts with the Parent in normal course of business on commercial terms for various treasury products, and for various services, pursuant to service level agreements, including legal, call center, information technology system development and maintenance, treasury control and services group ("TCSG"), branch operations, internet banking development and maintenance and internal audit services. For the year ended December 31, 2014, the Bank incurred costs of ₹113.4 (2013 - ₹105.4) related to these services, of which ₹27.5 (2013 - ₹24.2) remains payable at the year-end. These transactions are in the normal course of operations and are pursuant to formal agreements between the parties. Note 3 provides a summary of outstanding derivative contracts transacted with related parties.

# notes to financial statements

(In millions of Indian Rupees)

## forming part of financial statements

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As at December 31, 2014, trade and other advances of ₹1,353.9 (2013 - ₹1,940.2) are supported by a letter of undertaking issued by the Parent on behalf of its clients in the normal course of business. Further, the Bank has not issued any performance guarantees (2013 - ₹435.1) to its clients as at December 31, 2014 for which it has received counter-guarantees from the Parent.

During the year ended December 31, 2014, the Bank has conducted certain transactions for sale of loans to its affiliate, ICICI Bank UK PLC., of principal value of ₹2,685.8 [US\$43 million] (2013 - nil). The Bank has transferred all of the risks and rewards of the ownership of these loans and concluded that derecognition criteria were met. The transactions have resulted in a net gain of ₹27.9 (2013 - nil) to the Bank. The Bank does not have any continuing risk and rewards or other continuing involvement related to the portion of the loan transferred and derecognised. Further, the Bank has agreed to participate in a stand-by letter of credit arrangement originally issued by the New York Branch of the Parent to its client. The agreed arrangement is for a value of ₹315.7 [US\$ 5 million] and the Bank would earn a fee of 0.4% p.a. with 0.1% p.a. being retained by the New York Branch. These transactions fall within the purview of "permitted transactions" under the Bank Act and were based on market prices similar to certain other transactions undertaken by the Bank and/ or favourable to the Bank.

### (b) Key management personnel:

Key management personnel ("KMP") are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, and comprise the directors of the Bank, the Chief Executive Officer ("CEO") and all direct reports of the CEO. The definition of KMP in IAS 24 Related Party Disclosures, specifies a role and is not limited to a person. KMP include directors (both executive and non-executive) and other members of the management team with significant authority and responsibility for planning, directing and controlling the Bank's activities.

The following table summarises the compensation paid to the KMP in respect of short-term and other post-employment benefits, during the year ended December 31:

	₹ in millions	
	2014	2013
Short-term employee benefits	145.3	152.8
Post-employment benefits	8.0	4.5
	<b>153.3</b>	<b>157.3</b>

In addition, personnel expenses include the cost of the stock options granted to the employees of the Bank, primarily KMP, under the Employee Stock Option Plan of the Parent. During the year ended December 31, 2014, an amount of ₹38.4 (2013 - ₹30.7) has been expensed as employee benefits and recorded as paid-in-capital.

### 12. Share capital:

The Bank is authorised to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

	December 31, 2014		December 31, 2013	
	Number of Shares	Amount ₹ in millions	Number of shares	Amount ₹ in millions
Common shares	839,500,000	41,606.0	839,500,000	41,606.0
		<b>41,606.0</b>		<b>41,606.0</b>
Preferred shares:				
Series A	10,000,000	544.2	10,000,000	544.2
Series B	509,280	692.9	509,280	692.9
Series C	600,000	816.3	600,000	816.3
Series D	1,000,000	1,360.6	1,000,000	1,360.6
Series E	1,200,000	1,632.7	1,200,000	1,632.7
	<b>5,046.7</b>		<b>5,046.7</b>	

The Bank has issued the common and preferred shares shown above for cash consideration to the Parent. During the year ended December 31, 2013, the Bank had repatriated in cash, by way of 'stated capital reduction', an amount of ₹4,081.7 to its common shareholders after receiving necessary approvals from OSFI.

OSFI must approve any plan to redeem any of the Bank's preferred shares for cash. The Series A preferred shares are not redeemable at the option of the Bank prior to 10 years following their issuance in October 2003 and bear a fixed, non-cumulative cash dividend of 1% per annum. The Series B and Series C preferred shares are not redeemable at the option of the Bank prior to 5 years following their issuance in June 2007 and September 2007 respectively, and bear a fixed, non-cumulative cash dividend of 7% per annum. The Series D and Series E preferred shares are not redeemable at the option of the Bank prior to 5 years following their issuance in August 2008 and September 2008 respectively, and bear a fixed, non-cumulative cash dividend of 7.25% per annum. The terms and conditions of the preferred shares require the Bank to gross up the dividend payment for any withholding taxes so that the net payment is equal to the total amount of the dividend declared, unless waived by the shareholders.

The redemption of these preferred shares would require the payment in cash of the value of the preferred shares, together with declared and unpaid dividends up to the redemption date. The holders of these preferred shares are entitled to annual, non-cumulative preferential cash dividends, subject to the provisions of the Bank Act (Canada) and the declaration by the Board of Directors. The Bank is prohibited from declaring dividends on its preferred or common shares when it would be, as a result of paying a dividend, in contravention of the capital adequacy, liquidity or any other regulatory directives issued under the Bank Act (Canada).

During the year, the Bank has declared and paid a dividend of ₹0.002 (2013 - ₹0.002) per share amounting to ₹1,319.7 (2013 - ₹1,159.2) on its common shares. Further, the Bank has declared and paid a dividend of ₹0.0005 per share on Series A preferred shares, ₹0.09 per share on Series B and Series C preferred shares and ₹0.1 per share on Series D and Series E preferred shares, amounting to a total of ₹328.1 in each of the years ended December 31, 2014 and 2013.

During the year ended December 31, 2014, an amount of ₹38.4 (2013 - ₹30.7) has been expensed as employee benefits and recorded as paid-in capital. This amount represents the cost of the stock options granted to the employees of the Bank under the Employee Stock Option Plan of the Parent.

### 13. Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except, to the extent that it relates to items recognised directly in equity or in OCI.

The Bank's income taxes for the year ended December 31, are summarised as follows:

	₹ in millions	
	2014	2013
Current income taxes	658.1	864.6
Deferred tax expenses/ (recovery)	88.4	141
	<b>746.5</b>	<b>1,005.6</b>

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The following table reconciles income taxes at the combined Canadian federal and provincial statutory rate with the income tax expense in the financial statements as at December 31:

	₹ in millions	
	2014	2013
Income taxes at statutory tax rate	735.2	962.6
Permanent differences	11	9
Other	0.3	34
<b>Income taxes</b>	<b>746.5</b>	<b>1,005.6</b>

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax asset/(liability) is determined for each temporary difference based on management's assumptions regarding the expected timing of the reversal of the temporary difference and the future tax rates that are enacted or substantively enacted by the reporting date.

Significant components of the Bank's deferred tax asset/(liability), as at December 31 are as follows:

	₹ in millions	
	2014	2013
Allowance for impairment	259.8	376.2
Deferred broker commission	(131.2)	(150.2)
Deferred loan & trade fees	90.1	92
Property and equipment	14.7	17.8
Securitisation of mortgages	(7)	(22.7)
Other items	6.1	7.9
<b>Net deferred tax asset</b>	<b>232.5</b>	<b>321</b>

### 14. Fee and commission income:

	₹ in millions	
	2014	2013
Commercial loan fees	110.3	154.5
Trade finance, other service fees and charges	162	158.4
	<b>272.3</b>	<b>312.9</b>

# notes to financial statements

(In millions of Indian Rupees)



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**15. Net trading income:**

	₹ in millions	
	2014	2013
Gain on derivative transactions	20.1	79.6
Realised gain on sale of securities held for trading	82.1	22.8
Unrealised gain on securities held for trading	—	4.8
	<b>102.2</b>	<b>107.2</b>

**16. Other income:**

	₹ in millions	
	2014	2013
Foreign exchange gain, net	754.2	776.1
Realised gain/ (loss) on sale of non-trading securities	(123.6)	130.4
Other	41.4	—
	<b>672</b>	<b>906</b>

**17. Other expenses:**

	₹ in millions	
	2014	2013
Professional fees	178.7	163.5
Call center and outsourcing	135.6	114
Occupancy	121.8	117.2
General and administrative	121.8	133
Marketing and business development	66.1	72.7
Data processing fees	47	42.9
Travel, moving and entertainment	44.8	45.8
Communication	28	29.3
Capital and other taxes	1.1	(0.1)
	<b>744.9</b>	<b>718.3</b>

**18. Foreign currency translation:**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the Bank of Canada exchange rates at the reporting date. Revenue and expense amounts denominated in foreign currencies are translated using average monthly exchange rates. Realised and unrealised gains and losses resulting from translation are included in the statements of comprehensive income under "Other Income, Foreign exchange gain, net".

**19. Financial instruments:**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

IFRS 13 describes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

**Level 1** – inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

**Level 2** – inputs other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices for the asset or liability). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

**Level 3** – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments. Valuation is based on valuation techniques or models which use significant market unobservable inputs or assumptions. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable or when determination of the fair value requires significant management judgement or estimation.

The table below analyses financial instruments measured at fair value on a recurring or non-recurring basis by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

December 31, 2014	Level 1	Level 2	Level 3	Total
Securities	26,490.8	—	—	26,490.8
Derivative assets <sup>1</sup>	—	222.4	—	222.4
Derivative liabilities <sup>1</sup>	—	3,397.90	—	3,397.9

December 31, 2013	Level 1	Level 2	Level 3	Total
Securities	25,391.4	—	738.8	26,130.2
Derivative assets <sup>1</sup>	—	152.0	—	152.0
Derivative liabilities <sup>1</sup>	—	1,551.1	—	1,551.1

<sup>1</sup> Before deducting CVA of ₹2.6 (2013 - ₹0.5) on positive fair values and ₹7.1 (2013 - ₹1.6) on negative fair values.

During the year ended December 31, 2014, the Bank has received full repayment of ₹816.3 invested in ABCPs while the carrying value of Level 3 instruments as at December 31, 2013 represented management's best estimate of the fair value of the ABCP.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	₹ in millions	
	2014	2013
Balance, beginning of year	738.8	738.8
Total gains or losses included in:		
- net trading income @	77.5	—
- OCI	—	—
Foreign currency translation adjustment	—	—
Purchases, issuances and settlements, net	(816.3)	—
Transfer in and out of level 3	—	—
Balance, end of year	—	738.8

@ Gains or losses for assets and liabilities held at the end of the year included in profit or loss of ₹77.5 (2013 - nil).

The following table presents the fair values of HTM securities which are categorised as Level 2:

December 31, 2014	Amortised cost	Fair value	Gross unrealised gain	Gross unrealised loss
Asset-backed securities	74.9	75.4	0.5	—
	<b>74.9</b>	<b>75.4</b>	<b>0.5</b>	<b>—</b>

December 31, 2013	Amortised cost	Fair value	Gross unrealised gain	Gross unrealised loss
Asset-backed securities	130.9	134.4	3.5	—
	<b>130.9</b>	<b>134.4</b>	<b>3.5</b>	<b>—</b>

The book values, i.e., amortised cost, and fair values for fixed rate loans and mortgages, deposits and secured borrowings at December 31, are as follows:

2014	Book value	Fair value	Fair value over/ (under) book value	Level 1	Level 2	Level 3
Fixed-rate loans and mortgages	137,379.5	134,893.8	(2,485.7)	—	32,224.1	102,669.7
Fixed-rate deposits	83,722.6	84,603.7	881.1	—	—	84,603.7
Secured borrowings	75,039.6	72,954.2	(2,085.4)	—	—	72,954.2

2013	Book value	Fair value	Fair value over/ (under) book value	Level 1	Level 2	Level 3
Fixed-rate loans and mortgages	136,349.8	135,127.3	(1,222.5)	—	29,272.6	105,854.7
Fixed-rate deposits	93,385.5	94,347.5	962	—	—	94,347.5
Secured borrowings	66,526.0	64,445.2	(2,080.8)	—	—	64,445.2

As at December 31, the estimated fair values of cash & deposits with banks, variable rate loans & mortgages, other assets, demand deposits, subordinated notes and accounts payable & other liabilities approximate their book values.

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### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

	December 31, 2014					December 31, 2013					₹ in millions
	Fair value held for trading	Fair value through OCI	Amortised cost	Total carrying amount	Fair value	Fair value held for trading	Fair value through OCI	Amortised cost	Total carrying amount	Fair value	
<b>Financial assets:</b>											
Cash and deposits	—	—	7,448.2	7,448.2	7,448.2	—	—	2,875.4	2,875.4	2,875.4	2,875.4
Derivative assets	219.8	—	—	219.8	222.4	151.4	—	—	—	151.4	152
Securities	—	26,490.8	74.9	26,565.7	26,566.2	751.2	25,379.0	130.9	26,261.1	26,264.6	26,264.6
Loans, net	—	—	270,729.2	270,729.2	268,243.4	—	—	255,955.5	255,955.5	254,733.2	254,733.2
Other assets	—	—	1,302.9	1,302.9	1,302.9	—	—	1,350.5	1,350.5	1,350.5	1,350.5
<b>Total</b>	<b>219.8</b>	<b>26,490.8</b>	<b>279,555.2</b>	<b>306,265.8</b>	<b>303,783.1</b>	<b>902.6</b>	<b>25,379.0</b>	<b>260,312.3</b>	<b>286,593.9</b>	<b>285,375.7</b>	
<b>Financial liabilities:</b>											
Derivative liabilities	3,390.8	—	—	3,390.8	3,397.9	1,549.5	—	—	1,549.5	1,551.1	1,551.1
Deposits	—	—	117,521.0	117,521.0	118,402.1	—	—	129,384.6	129,384.6	130,346.5	130,346.5
Accounts payable and other liabilities	—	—	2,915.9	2,915.9	2,915.9	—	—	2,768.7	2,768.7	2,768.7	2,768.7
Secured borrowings	—	—	126,882.5	126,882.5	123,004.9	—	—	98,782.7	98,782.7	96,057.2	96,057.2
Subordinated notes	—	—	2,721.1	2,721.1	2,721.1	—	—	2,721.1	2,721.1	2,721.1	2,721.1
<b>Total</b>	<b>3,390.8</b>	<b>—</b>	<b>250,040.5</b>	<b>253,431.3</b>	<b>250,441.9</b>	<b>1,549.5</b>	<b>—</b>	<b>233,657.1</b>	<b>235,206.6</b>	<b>233,444.6</b>	

### 20. Contractual repricing and maturity schedule:

The following table summarises the carrying amounts of assets, liabilities and equity, and derivative instrument notional amounts in order to arrive at the Bank's interest rate gap based on the earlier of contractual repricing or maturity dates:

December 31, 2014	Floating rate	Under 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest sensitive	Total	₹ in millions
<b>Assets</b>									
Cash and deposits	—	7,335.1	—	—	—	—	113.2	7,448.3	
Derivative assets	—	219.8	—	—	—	—	—	219.8	
Securities	—	13,858.60	12,632.2	—	—	74.9	—	26,565.7	
Loans, net	133,349.7	888.9	808	11,294.0	110,133.2	14,255.5	—	270,729.3	
Property and equipment, net	—	—	—	—	—	—	66.4	66.4	
Other assets	—	—	—	—	—	—	1,954.5	1,954.5	
<b>Total</b>	<b>133,349.7</b>	<b>22,302.4</b>	<b>13,440.2</b>	<b>11,294.0</b>	<b>110,133.2</b>	<b>14,330.4</b>	<b>2,134.1</b>	<b>306,984.0</b>	
<b>Liabilities and Shareholders' Equity</b>									
Derivative liabilities	—	3,390.8	—	—	—	—	—	3,390.8	
Deposits	33,798.4	2,234.7	1,242.7	30,634.6	49,610.7	—	—	117,521.1	
Accounts payable and other liabilities	—	—	—	—	—	—	4,178.3	4,178.3	
Secured borrowing	50,050.7	2,546.8	—	7,495.1	66,789.9	—	—	126,882.5	
Subordinated notes	2,721.1	—	—	—	—	—	—	2,721.1	
Shareholders' equity	—	—	—	—	—	—	52,290.2	52,290.2	
<b>Total</b>	<b>86,570.2</b>	<b>8,172.3</b>	<b>1,242.7</b>	<b>38,129.7</b>	<b>116,400.6</b>	<b>—</b>	<b>56,468.5</b>	<b>306,984.0</b>	
On-balance sheet gap	46,779.5	14,130.1	12,197.5	(26,835.7)	(6,267.4)	14,330.4	(54,334.4)	—	
Off-balance sheet gap	—	(2,109.0)	(3,171.9)	5,273.1	7.8	—	—	—	
Interest rate sensitivity gap based on contractual repricing	46,779.5	12,021.1	9,025.6	(21,562.6)	(6,259.6)	14,330.4	(54,334.4)	—	
<b>Cumulative gap</b>	<b>46,779.5</b>	<b>58,800.6</b>	<b>67,826.2</b>	<b>46,263.6</b>	<b>40,004.0</b>	<b>54,334.4</b>	<b>—</b>	<b>—</b>	

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		₹ in millions							
December 31, 2013	Floating rate	Under 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest sensitive	Total	
<b>Assets</b>									
Cash and deposits	—	2,768.0	—	—	—	—	107.4	2,875.4	
Derivative assets	—	151.4	—	—	—	—	—	151.4	
Securities	—	21,635.1	3,743.8	—	31.4	850.8	—	26,261.1	
Loans, net	119,605.9	3,747.2	1,329.8	9,759.0	101,570.8	19,943.0	—	255,955.7	
Property and equipment, net	—	—	—	—	—	—	77.8	77.8	
Other assets	—	—	—	—	—	—	2,033.2	2,033.2	
<b>Total</b>	<b>119,605.9</b>	<b>28,301.7</b>	<b>5,073.6</b>	<b>9,759.0</b>	<b>101,602.2</b>	<b>20,793.8</b>	<b>2,218.4</b>	<b>287,354.6</b>	
<b>Liabilities and Shareholders' Equity</b>									
Derivative liabilities	—	1,549.5	—	—	—	—	—	1,549.5	
Deposits	35,999.1	2,530.2	736.4	24,083.5	66,035.3	—	—	129,384.5	
Accounts payable and other liabilities	—	—	—	—	—	—	2,858.4	2,858.4	
Secured borrowing	31,612.0	1,248.7	—	2,448.6	63,473.4	—	—	98,782.7	
Subordinated notes	2,721.1	—	—	—	—	—	—	2,721.1	
Shareholders' equity	—	—	—	—	—	—	52,058.4	52,058.4	
<b>Total</b>	<b>70,332.2</b>	<b>5,328.4</b>	<b>736.4</b>	<b>26,532.1</b>	<b>129,508.7</b>	<b>—</b>	<b>54,916.8</b>	<b>287,354.6</b>	
On-balance sheet gap	49,273.7	22,973.3	4,337.2	(16,773.1)	(27,906.5)	20,793.8	(52,698.4)	—	
Off-balance sheet gap	—	(4,753.2)	1,192.4	3,560.8	—	—	—	—	
Interest rate sensitivity gap based on contractual repricing	49,273.7	18,220.1	5,529.6	(13,212.3)	(27,906.5)	20,793.8	(52,698.4)	—	
<b>Cumulative gap</b>	<b>49,273.7</b>	<b>67,493.8</b>	<b>73,023.4</b>	<b>59,811.1</b>	<b>31,904.6</b>	<b>52,698.4</b>	<b>—</b>	<b>—</b>	

The following table details the undiscounted future cash flows on the Bank's deposit liability and secured borrowings as at December 31:

	₹ in millions			
	2014	2013	2014	2013
	Up to 1 year	1 to 5 years	Up to 1 year	1 to 5 years
Deposits	71,508.8	52,243.4	66,616.2	69,263.4
Secured borrowing	29,475.4	112,843.2	17,211.6	91,789.9
<b>Total</b>	<b>100,984.2</b>	<b>165,086.6</b>	<b>83,827.8</b>	<b>161,053.3</b>

#### 21. Guarantees and commitments:

Undrawn commitments and guarantees include the unused portion of commercial/personal lines of credit, letters of credit facility to commercial clients, import bills for collection, standby letters of credit and bank guarantees.

##### Trade guarantees:

As a part of its trade finance banking activities, the Bank issues guarantees and documentary credits (letters of credit) on behalf of its customers in favour of third parties, 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 of failure of the customers to fulfil their financial or performance obligations.

A letter of credit ("LC") is a written undertaking by a bank (issuing bank) given to the seller (beneficiary) at the request of the bank's client, i.e., buyer (applicant) to pay a sum of money against presentation of documents complying with the terms of the credit within a set time limit.

Bank guarantees ("BG") and Standby Letters of Credit ("SBLC") are written promises issued by a bank to pay a sum of money to the beneficiary in the event that the obligor (customer) fails to honor its obligations in accordance with the terms and conditions of the guarantee. BG and SBLC differ from LC in that they are triggered only if the applicant or principal has made a default and the Bank is required to honour the commitment as per the terms of the instrument.

Bank guarantees are in the form of financial guarantees or performance guarantees. Financial guarantees are obligations to pay a third party beneficiary where a customer fails to make payment towards a specified financial obligation. Performance guarantees are obligations to pay a third party beneficiary where

a customer fails to perform a non-financial contractual obligation. The Bank generally has collateral available to mitigate potential losses on the guarantees. Margins available to mitigate losses realised under guarantees were ₹1,073.3 (2013 - ₹986.9), as at the statements of financial position date.

The gross outstanding amount of guarantees provided to its customers and other third parties as at December 31 are as follows:

	₹ in millions	
	2014	2013
BG	4,740.3	1,880.5
LC	—	25.4
SBLC	—	—
<b>Total</b>	<b>4,740.3</b>	<b>1,905.9</b>

The maturity profile of the gross outstanding amount of guarantees as at December 31 are presented below; however, the Bank may be called upon to honour the commitment at any point before the maturity date, based on fulfillment of the terms and conditions of the guarantee:

	₹ in millions			
	2014	BG	LC	SBLC
Upto 1 year	4,703.9	—	—	4,703.9
Over 1 year	36.4	—	—	36.4
<b>Total</b>	<b>4,740.3</b>	<b>—</b>	<b>—</b>	<b>4,740.3</b>

	₹ in millions			
	2013	BG	LC	SBLC
Upto 1 year	1,598.2	25.4	—	1,623.6
Over 1 year	282.3	—	—	282.3
<b>Total</b>	<b>1,880.50</b>	<b>25.4</b>	<b>—</b>	<b>1,905.9</b>

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### *Lease commitments:*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. The Bank leases a number of branch and office premises under operating leases. The leases typically run for a period of up to 10 years, with an option to renew the lease after that period. During the year ended December 31, 2014, an amount of ₹107.6 (2013 - ₹105.7) has been recognised as expense for these leases.

Future minimum annual rental commitments for premises and equipment under long-term non-cancellable operating leases for the next five years ending December 31 and thereafter, are shown below:

	₹ in millions
2015	104.6
2016	91.1
2017	88.9
2018	33.3
2019	6.5
Thereafter	—
	<u><u>324.4</u></u>

### 22. Capital adequacy:

OSFI requires all banks to maintain sufficient capital to meet or exceed its capital adequacy requirements. The Bank has a Capital Management Policy, which is reviewed and approved annually by the Board of Directors, governing the quantity and quality of capital to be maintained by the Bank. The objective of this policy is to maintain strong and sufficient capital at levels that is appropriate for business requirements from time to time.

Effective January 1, 2013, the Bank has adopted the Basel III framework as required by OSFI. The Bank is in compliance with OSFI's capital adequacy requirements in respect of the assets to capital multiple and risk-based Common Equity Tier 1, Tier 2 and total capital ratios.

Further, OSFI has issued amended CAR Guidelines in November 2014 to remove references to the Assets to Capital Multiple ("ACM") effective January 1, 2015. In accordance with the amended CAR Guideline, OSFI expects all institutions to maintain a leverage ratio (which replaces the ACM) that meets or exceeds 3% at all times and has also prescribed authorised "Leverage Ratio" requirements for individual institutions. These leverage requirements apply on a consolidated basis and apply to all institutions.

On conversion to IFRS, OSFI has permitted Federally Regulated Entities to exclude from total assets:

- a) mortgages securitised through CMHC Programs up to and including March 31, 2010; and
- b) all existing and future reinvestments related to Canada Mortgage Bond/ Insured Mortgage Purchase Program transactions completed up to and including March 31, 2010.

Accordingly, the Bank has excluded ₹51.1 (2013 - ₹4,970.4) relating to mortgages securitised under CMHC Programs upto March 31, 2010 from total assets considered for asset to capital multiple.

The composition of regulatory capital and the regulatory capital ratios, as at December 31, are presented below:

	₹ in millions	2014	2013
<b>Regulatory Capital</b>			
<b>Common Equity Tier 1 (CET1) Capital</b>			
Common shares	41,606.0	41,606.0	
Additional paid-in capital	—	163.7	
Retained earnings	5,201.1	4,821.0	
Accumulated other comprehensive income	283	421	
	<u><u>47,090.1</u></u>	<u><u>47,011.7</u></u>	

### **Regulatory adjustments to CET1 Capital**

Debit valuation adjustment on derivatives	5.2	1.1
<b>Net CET1 Capital</b>	<b>47,084.9</b>	<b>47,010.6</b>
<b>Additional Net Tier 1 capital</b>		
Preferred share capital		
(after phase out arrangements for capital adequacy purposes)	4,037.4	4,541.9
<b>Net Tier 1 Capital</b>	<b>51,122.3</b>	<b>51,552.5</b>
<b>Tier 2 Capital</b>		
Subordinated notes		
(after phase out arrangements and net of amortization for capital adequacy purposes)	1,632.7	2,176.9
<b>Net Tier 2 Capital</b>	<b>1,632.7</b>	<b>2,176.9</b>
<b>Total Capital</b>	<b>52,755.0</b>	<b>53,729.4</b>
<b>Regulatory capital ratios:</b>		
CET1 (%)	29.61%	27.66%
Tier 1 (%)	32.15%	30.33%
Total (%)	33.17%	31.61%
<b>Assets to capital multiple</b>	<b>5.91</b>	<b>5.29</b>

### 23. Employee future benefits

The Bank has a defined contribution group retirement savings plan for its employees. Under the plan, employees are allowed to contribute a portion of their annual salary to the plan and the Bank matches such contributions up to 5% of the employee's annual salary. The amount of the benefit expense for the year ended December 31, 2014 was ₹19.6 (2013 - ₹17.1) and is included in personnel expenses in the statements of comprehensive income.

### 24. Risk management:

#### *Risk management framework*

As a financial intermediary, the Bank is exposed to various types of risks. The objective of the risk management framework at the Bank is to ensure that the key risks facing the Bank are identified, understood, measured and monitored and that the Bank follows the policies and procedures established to address these risks.

The key principles underlying the risk management framework at the Bank are:

- 1) The Board of Directors (the "Board") has oversight over the risks assumed by the Bank. Specific Board Committees have been constituted to facilitate focused oversight over these risks.
- 2) Policies approved from time to time by the Board and Board Committees form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
- 3) Independent groups and sub-groups have been constituted across the Bank and its Parent to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business groups.

The Bank ensures it has a sound and safe risk management governance framework that is shared at all levels of the organisation in support of its purpose, mission, business objectives, values and growth principles and is aligned with its risk appetite. The Bank identifies the significant issues and risks that need to be addressed and is able to demonstrate that they are being meaningfully dealt with and provides the Board with the assurance that the Bank is managed proactively rather than reactively. Decision making is based on a strong understanding of risk metrics and analytics.

The Bank recognises that there are emerging risks, i.e., risk events which may have the potential to increase in significance and/or may be material to the organisation and/or significant events, i.e., events or activities which may have significant or material impact on the achievement of corporate goals, or an event or activity which may cause a significant opportunity to be missed, which are inherent in its business activities. Accordingly, policies and procedures

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are developed to ensure that all material risks to which the Bank is exposed to and any risks associated with key governance elements and operating activities are identified, managed, measured, monitored and reported. The Bank takes appropriate and timely action to address any significant weaknesses or breakdowns related to strategic risk, liquidity, funding and capital management process matters identified.

The Bank manages emerging risks and significant events efficiently and effectively through an integrated risk management framework, which includes a comprehensive infrastructure of corporate policies, processes, procedures, methods, oversight and independent review, designed to reduce and manage these risks to an appropriate threshold. The integrated risk management framework ensures that operating practices consider the balance of risk and reward, alignment to business strategy, adequate diversification of risk, pricing that is appropriate for the risk, mitigation of risk through preventative controls and risk transfer to third parties as applicable. The integrated risk management framework provides the Board reasonable assurance that the Bank is in control.

Management frameworks for each risk type are developed which set the parameters regarding decisions considered to be within the business lines' discretion versus those which require involvement of either the risk management group or the Board. These also establish a threshold for decisions to be elevated for further review. Risk management frameworks are maintained for the major risk categories of credit, market (including interest rate risk, foreign exchange risk, liquidity and funding risk) and operational risk. Other risk categories are recognised within these frameworks, as a result of the failure of the frameworks or as residual. Processes not governed by the requirements of credit, market or liquidity and funding frameworks are included in the operational risk management framework.

The Bank's financial objectives, strategic principles and risk management principles are the foundations of its Risk Appetite Framework. Risk management principles are set through quantitative and qualitative risk appetite statements that guide management actions and serve as a foundation to the self-imposed limits set in the specific risk management corporate policies.

The Bank's risk appetite framework is defined by the Bank's Corporate Policy Governance Framework, which defines the levels of risk that the Bank is willing to take in pursuit of achieving its business goals and delivering on its strategic plan while maintaining a sound and safe financial institution. In particular, the Bank's risk management corporate policies articulate self-imposed constraints and risk limits establishing qualitative and quantitative thresholds that guide risk-taking activities in credit risk, market risk, liquidity and funding risk, operational risk, legal and regulatory compliance.

A risk appetite framework balances the needs of all stakeholders by acting as both a governor of risk and driver of current and future business strategy. The objective of establishing a risk appetite framework is to:

- Improve investor/creditor/depositor/regulator confidence in the Bank's risk profile;
- Improve management confidence regarding the Bank's risk profile;
- Give the Bank greater control and coordination of risk-taking across businesses; and
- Rebalance the risk profile to achieve a superior risk-return profile.

A set of interrelated considerations, including capital adequacy, liquidity, stress testing and regulatory requirements collectively define the Bank's capacity for risk-taking in pursuit of its mission, vision, business objectives and overall strategic goals. The Bank's strategy is supported by its risk and financial management policies and procedures. The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process ("ICAAP") conducted annually and which determines the adequate level of capitalisation for the Bank to meet regulatory norms and current and future business needs, including under stress scenarios.

Stress testing, is conducted to assess the impact of stress events on the Bank's risk profile and internal capital adequacy requirements. Stress testing which is key aspect of the ICAAP and the risk management framework provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the Board-approved stress testing framework, the Bank conducts stress tests on its various portfolios and assesses the impact on its capital ratios and the adequacy of capital buffers for current and future periods.

The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market

conditions. The Bank uses the ICAAP to determine the Bank's growth strategy, risk profile and minimum capital resource requirements and formulates its internal capital level targets based on the ICAAP and endeavors to maintain its capital adequacy level in accordance with the targeted levels at all times.

The approach of management to handle the key risks facing the Bank is outlined below:

## (a) Credit risk:

Credit risk is the risk that the bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations and arises principally from the Bank's loans and advances to customers and other banks, derivative assets and investment in debt securities. The Bank's CRP, which is approved by its Board, describes the principles which underlie and drive the Bank's approach to credit risk management together with the systems and processes through which it is implemented and administered. The CRP aims to maximise the Bank's risk-adjusted rate of return while maintaining the Bank's credit risk exposure within limits and parameters as approved by the Board. Additionally the Bank has implemented a Residential Mortgage Underwriting Policy ("RMUP"). The policy provides guidelines in respect of the manner in which lending and recovery activities of residential mortgage business shall be conducted by the Bank. The principles underlying overall credit risk management are covered in the CRP while the RMUP applies specifically only to the residential mortgage underwriting business.

The Bank takes a two-tier approach to assessment of credit risk: initially, by a commercial lending officer proposing the transaction, followed by a credit officer independently assessing the same. The CRP lays down a structured and standardised credit approval process, which includes a well-established procedure of independent and comprehensive credit risk assessment and the assignment of an internal risk rating to the borrower. The risk rating is a critical input for the credit approval process and is used as an input in arriving at the credit risk spread, and also subsequently, in arriving at the loan loss allowance against the credit.

Credit proposals are approved by either the Risk Committee ("RC") or the Management Credit Committee ("MCC") based on, inter alia, the amount and internal risk rating of the facility. All credit proposals are approved by the MCC before being recommended to the RC by the Chief Risk Officer ("CRO"). The credit middle office function is responsible for credit administration, which includes monitoring compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security for assets financed and post-disbursement monitoring as per stipulated terms and conditions.

Additionally, the residential mortgage applications are electronically transmitted from the mortgage brokers into an underwriting system with built-in business rules to determine parameters/approval authorities to facilitate the underwriting process. Each application is also submitted to credit insurer for approval. Only the applications approved by the credit insurer are adjudicated by the underwriting team based on the Bank's RMUP. The underwriting team is also responsible for credit administration, which includes monitoring compliance with the terms and conditions for the committed mortgages prior to disbursement. The closing centers review the completeness of documentation and creation of security including title insurance for the mortgage.

The Bank follows an approach consistent with the Parent Bank in terms of dealing with sovereign and financial institutions worldwide. The primary responsibility for evaluating global financial institution exposures rests with the Parent Bank's International Financial Institutions Group (IFIG). Global bank lines are advised by the Parent Bank annually. The Bank adopts the lower of the globally approved limit or the maximum permissible limits as applicable under large exposure limit under the Portfolio Management section in the CRP. Lending officers approach IFIG and obtain their first line approval for entering in to a relationship, before progressing on a proposal for a particular bank or non-bank financial institution or counterparty and present their evaluation in writing to MCC. The Bank has also setup aggregate exposure limits which are monitored and reported to MCC on a monthly basis and to RC on a quarterly basis.

The Bank has put in place a Board-approved comprehensive limit framework (as included in CRP and RMUP) to prudently manage the credit risk profile of the Bank. The Bank complies with the norms on exposure

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stipulated by OSFI for both single borrower as well as at a connection level. Limits have been set as a percentage of the Bank's capital funds and are regularly monitored. The material limits included as part of the CRP include limits on single party exposure, connection exposure, risk rating category, industry, geographical exposures, portfolio exposures, type of borrower, class of security, tenor, and Loss Given Default ("LGD") profile. Similarly, the material limits documented as part of the RMUP includes the limits on total portfolio, provincial exposures, private mortgage insurer exposures and unsecuritised exposures.

All credit exposures are measured and monitored using a centralised exposure management system. The analysis of the composition of the portfolio and limits compliance is presented to MCC on a monthly basis and quarterly to RC. In addition, credit limits for Corporate and Treasury clients are monitored by the Middle Office Groups and the monitoring reports which detail deficiencies and limit breaches, are sent to Senior Management on a regular basis.

Monitoring of credits, while ongoing as part of scheduled periodic credit reviews, can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. All borrower accounts, including their ratings and underlying collateral, are reviewed at least on an annual basis or in a shorter interval if recommended by the CRO or the relevant sanctioning committee.

Credit risk is also managed at the portfolio level by monitoring and reporting to the MCC and RC, the key parameters of risk concentration; namely, product specific exposures, large exposures, industry/sectoral exposures, country/geographical exposures and rating category-based exposures..

Collateral is obtained when the loan is initially granted and is monitored periodically. For impaired loans, the available collateral has been considered in determining loan loss allowances. The types of acceptable collateral are documented in the CRP. The main types of collateral obtained are as follows:

- For corporate/commercial lending, assets of the borrower/corporate guarantors, personal assets of the principals and/or pledge of equity interests, charge on equipment and current assets, hypothecation of movables. Generally, for commercial lending, the Bank also obtains guarantees from parent companies for loans to their subsidiaries;
- For retail lending, charge on personal assets, including real estate/property; and
- For residential mortgages, first/second mortgage charge in favour of the Bank, as well as insurance by CMHC or approved private insurers.

The amount of loans based on the types of collateral held in respect of the loans as at December 31 are summarised

Monitoring credits, while ongoing, can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. All borrower accounts, including their ratings and underlying collateral, are reviewed at least on an annual basis or in a shorter interval if recommended by the CRO or the relevant sanctioning committee. Collateral is obtained when the loan is initially granted and is monitored periodically. For impaired loans, the available collateral has been considered in determining loan loss allowances.

- Commercial and corporate loans and corporate bonds of:
  - ₹6,882.9 (2013 - ₹14,936.6) are collateralised by guarantees.
  - ₹77,686.6 (2013 - ₹63,771.9) are collateralised by variety of assets and/ or charge on fixed/ current assets.
  - ₹39,049.1 (2013 - ₹33,017.0) are either unsecured or senior unsecured facilities.
- Personal loans include advances of ₹2,268.1 (2013 - ₹3,600.8), under the "Immigrant Investor Program", which is secured by a promissory note, fully and unconditionally guaranteed by either the Federal government or the respective province in Canada.
- Commercial mortgages are usually secured by a first charge on property.
- Trade finance exposures are backed by guarantees by other financial institutions or current assets of the borrower.
- Except for the conventional mortgages, all residential mortgages are fully insured with CMHC or approved private insurers.

Further, as at December 31, 2014 there are no loans collateralised by shares (2013 - ₹9,729.2).

### (b) Market risk:

Market risk is the uncertainty of earnings faced by the Bank as a result of volatility in market factors (i.e., interest rates, currency exchange rates, market liquidity and asset prices). Market risk events may impact the valuation of investments and the net interest income and net interest margin resulting in an impact on the profit and loss account. The policies approved by the Board for addressing market and liquidity risks are Liquidity Management Policy ("LMP"), Market Risk Management Policy ("MRMP") and Liquidity Contingency Plan ("LCP").

The Asset Liability Management Committee ("ALCO") considers various investment and treasury operations matters, implementation of risk mitigation measures, and recommends major policy changes governing treasury activities to the RC. Furthermore, an independent TCSG is set up to monitor and report the various risk limits set through the LMP and the MRMP.

The key risks to which the Bank is exposed from a market risk perspective relate to:

- (i) **Interest rate risk** - Interest rate risk is defined as the exposure of a bank's financial condition to adverse movements in interest rates. Earnings from interest-sensitive investments and the overall value of the investment portfolio will be impacted by changes in interest rates. The MRMP currently sets out the measurement process to include the use of repricing gap reports and estimation of the sensitivity of the Bank's net interest income to a 100 bps adverse change in the level of interest rates, defined as Earnings at Risk ("EaR"). The sum of EaR for the Bank over a 4-quarter horizon for an adverse 100 bps parallel shift in interest rates shall not exceed 5% of the Bank's current Tier 1 plus Tier 2 capital or ₹1,088.5 (whichever is lower). At December 31, 2014, the actual limit utilisation was 0.97% of the Bank's current Tier 1 plus Tier 2 capital (₹514.1).

Further, the Bank uses various measures, including Duration of Equity ("DoE"), which takes into consideration duration and value of both assets and liabilities. DoE is a measure of interest rate sensitivity, which indicates how much the market value of equity would change if interest rates change by 1%. The Bank has set a maximum limit of (+/-) 5% of Tier 1 capital given a 100 bps change in interest rates and as at December 31, 2014, the actual DoE was 0.55 years, based on which the actual limit utilisation was 0.55% of capital.

- (ii) **Foreign exchange risk** - The risk arises due to positions in non-Canadian denominated currencies, which in turn arises from assets and liabilities in those currencies. The risk originates as a result of the impact on revenue due to the potential revaluation of non-Canadian assets and liabilities. The aggregate net overnight open exchange position across all foreign currencies as per the MRMP shall not exceed U.S. \$15,000. Generally, Value-at-Risk ("VaR") is a tool for measuring market risk on trading positions. It seeks to ascertain the maximum loss on a portfolio at a given confidence level over a specific holding period. As per the MRMP, a VaR limit (99%-1day) has been set on the aggregate overnight open position is U.S. \$250,000 and the actual VaR as at December 31, 2014 was U.S. \$40,000. The Bank uses one-year data to compute VaR and there have been no breaches of the VaR limit in the year ended December 31, 2014.

- (iii) **Liquidity and funding risk** - Liquidity risk relates to the potential difficulty in accessing financial markets in order to meet payment obligations. Liquidity risk is the potential for losses that could be incurred from holding insufficient liquidity to survive a liquidity contingent stress event, whether name-specific or market-wide in origin. It includes the risk of unexpected increases in the cost of funding the assets, and the risk of being unable to access the market or to liquidate investments in a timely manner at a reasonable price. The LMP captures the details of the risk appetite framework and risk capacity of the Bank. The Bank expresses its liquidity risk appetite through a range of limits across liquidity gaps covering the entire spectrum of the balance sheet, including limits specified in major currencies (Canadian and U.S. dollars).

# notes to financial statements

(In millions of Indian Rupees)



## forming part of financial statements

The LCP serves as a framework for early identification and calibrated action in the event of tight liquidity conditions. The LCP includes various indicators which are monitored regularly, and lays down the mechanism for escalation, remedial action and crisis management until return to normalcy.

Treasury ensures that adequate liquidity is maintained at all times through systematic funds planning and maintenance of liquid investments. The Bank at all times seeks to maintain diversification in the sources and tenor of its funding. The Bank's liabilities are largely drawn from retail deposits, commercial deposits, other financial institutions, inter bank borrowings, securitisations and other funding sources which may become available from time to time. In addition, liquidity stress testing analyses as per the LCP are regularly performed to assess the Bank's ability to withstand an extreme crisis situation.

The Head of Treasury in consultation with the CRO manages the market risk of treasury positions and the day-to-day liquidity of the Bank. It is subject to periodic review by Internal Audit, and is approved by the Board of Directors. Senior management also regularly monitors the positions taken on a daily basis. The ALCO and the RC undertake a periodic review of the market risk and liquidity position of the Bank.

### **(c) Operational risk:**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

The Bank has developed and implemented an Operational Risk Management Policy, which covers the aspects pertaining to minimizing losses due to process failures, flaws in product designs that can expose the Bank to losses due to fraud, impact of failures in technology/systems and continuity in the Bank's operations.

The senior management of the Bank is responsible for establishment and maintenance of an adequate and effective system of internal controls, a measurement system for assessing the various risks of the Bank's activities, a system for relating risks to the Bank's capital level appropriate methods for monitoring compliance with laws, regulations and supervisory and internal policies. The senior management reports to the Board on these issues. The Bank has implemented its risk and control self-assessment approach to identify and ensure effective control of its operational risks.

To identify operational risks in new products/processes, all such proposals are approved by the Product and Process Approval Committee ("PAC"), comprising senior executives after obtaining inputs from the relevant groups and control functions in the Bank. The Operational Risk Management Group ("ORMG") under the supervision of Chief Risk Officer is responsible for providing oversight over operational risk within the Bank, by undertaking the activities of operational risk identification, assessment, measurement, monitoring and reporting to management level Operational Risk Committee ("ORC"), the Risk Committee and the Board. All PAC proposals are internally rated by ORMG. ORMG performs the independent challenge process in all areas of operational risk. Independent challenge process at the time of PAC note review is documented in the PAC instructions.

The Bank has developed and implemented a Business Continuity Plan ("BCP"). This plan is designed to facilitate continuity in critical business operations in the event of a disaster or an emergency situation. The BCP has been formulated on the basis of a business impact analysis carried out for the individual groups involving identification of critical activities and determination of their recovery time objectives.

The Bank has outsourced certain activities in the interest of cost and process efficiencies, including mid-office operations for treasury and corporate banking, information technology, corporate operations and trade finance operations to the Parent, terms of which are governed

through a master service level agreement ("SLA") and specific SLAs. All these activities are closely monitored under the framework of outsourcing risk with regular monitoring of SLA performance dashboards and any material shortfalls are taken up with the service provider and the same is reported to management and Board level committees.

The Bank has developed and implemented an Outsourcing Policy to mitigate outsourcing risks and ensure the application of a standardised approach for all outsourcing arrangements entered into by the Bank. All proposed outsourcing arrangements are assessed for their criticality prior to outsourcing. For all such arrangements deemed to be critical, a detailed assessment is conducted and the proposal is approved by the Outsourcing Committee. The performance of vendors are periodically reviewed and assessment reports are presented to the RC.

Operational risk incidents are reported regularly and transactions resulting in losses are routed through operational risk account. Root cause analysis is carried out for the significant operational risk incidents (beyond the threshold limits) reported and corrective actions are incorporated back into respective processes. The Bank has implemented incident reporting process, which facilitate capturing of operational risk incidents by the employees of the Bank.

The operational risk losses and incident analysis are submitted to the Risk Committee and to the Board on a periodic basis. Operational risk exposures (risk and control self-assessment results, operational risk incidents analysis and key risk indicators) are monitored by the ORC on a regular basis and reported to the Senior Management in the form of dashboards on a periodic basis.

In keeping with the Bank's enterprise-wide approach for managing Regulatory and Compliance Risks, the Bank has implemented a Legislative Compliance Management ("LCM") Policy. The policy applies to every aspect of the Bank's operations and activities without exception. The Bank recognises the risk of legal and regulatory sanctions, material financial loss, and loss to reputation that it may suffer in the event that it does not comply with any of regulatory requirements. The Bank has implemented a formal risk assessment methodology which outlines the overall Regulatory Risk management process. This methodology uses international standards and best practices including the COSO Internal Control Framework and COSO ERM Integrated Framework, as guidelines.

### **Group risk management framework:**

The Bank is aligned with the Parent's risk management framework, which has been developed in order to identify, evaluate and manage key risks on a worldwide basis. The framework is applicable to all overseas banking entities of the Parent. The policies applicable to the Bank are formulated in consultation with the Risk Management Group of the Parent and are independently reviewed and approved by the Bank's Board.

## **25. Standards issued but not yet mandatorily effective**

New international financial reporting standards and related interpretations, amendments to existing standards and interpretations not yet mandatorily effective for the year ended December 31, 2014 have not been applied in preparing these financial statements. This section contains standards and interpretations issued, which will be applicable to the Bank at a future date. The Bank intends to adopt those standards when they become effective.

### **IFRS 9, Financial Instruments ("IFRS 9"):**

#### **Presentation of own credit risk**

IFRS 9, Financial Instruments, requires an entity choosing to measure a liability at fair value to present the portion of the change in fair value due to the changes in the entity's own credit risk in the Consolidated Statement of Other Comprehensive Income, rather than within the Consolidated Statement of Income. The IASB permits entities to early adopt this requirement prior to the IFRS 9 mandatory effective date of January 1, 2018. The Bank will however adopt these requirements as on the effective date.

Classification and Measurement, Impairment and Hedging.

# notes to financial statements

(In millions of Indian Rupees)

## forming part of financial statements

### a) Classification and Measurement

The standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. Financial assets will be measured at fair value through profit or loss unless certain conditions are met which permits measurement at amortised cost or at fair value through OCI. Most of the IFRS 9 requirements for financial liabilities have been carried forward unchanged from IAS 39.

### b) Impairment

The standard introduces a new single model for the measurement of impairment losses on all financial instruments subject to impairment accounting. The expected credit loss (ECL) model replaces the current "incurred loss" model and is based on a forward looking approach. The ECL model contains a "dual stage" approach which is based on the change in credit quality of loans since initial recognition. Under the first stage, an amount equal to 12 months expected credit losses will be recorded for financial instruments where there has not been a significant increase in credit risk since initial recognition. Under the second stage, an amount equal to the lifetime expected losses will be recorded for those financial instruments where there has been a significant increase in credit risk since initial recognition.

### c) Hedging

The standard expands the scope of hedged items and hedging items to which hedge accounting can be applied. It changes the effectiveness testing requirements and removes the ability to voluntarily discontinue hedge accounting. The standard is effective for the Bank on January 1, 2018 on a retrospective basis with certain exceptions. The Bank is currently assessing the impact of adopting this new standard.

### **IFRS 15, Revenue from Contracts with Customers, ("IFRS 15"):**

On May 28, 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments, and as such will impact the businesses that earn fee and commission revenues. The new standard is a control based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognised when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017. Management currently is in process of assessing the impact that IFRS 15 will have on the financial statements.

# ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED

## 22nd ANNUAL REPORT AND ACCOUNTS 2014-2015

### Directors

Chanda Kochhar, *Chairperson*  
 N. S. Kannan  
 Barry Stowe  
 Vijay Thacker  
 C. R. Muralidharan  
 Suresh Kumar  
 M. K. Sharma  
 Nimesh Shah, *Managing Director*

**Statutory Auditors**  
 B S R & Co. LLP  
*Chartered Accountants*

**Secretarial Auditor**  
 P. K. Pandya & Co.  
*Company Secretary*

Rakesh Shetty  
*Company Secretary*

**Registered Office**  
 12th Floor, Narain Manzil  
 23, Barakhamba Road  
 New Delhi - 110 001

**Corporate Office**  
 3rd Floor, Hallmark  
 Business Plaza  
 Sant Dyaneshwar Marg  
 Bandra (East)  
 Mumbai - 400 051

**Corporate Identity Number**  
 U99999DL1993PLC054135

## directors' report

### to the members,

Your Directors have pleasure in presenting the Twenty Second Annual Report, together with the audited financial statements of accounts of ICICI Prudential Asset Management Company Limited (the AMC/the Company) for the year ended March 31, 2015 (fiscal 2015).

### FINANCIAL RESULTS

A summary of the Company's financial results for fiscal 2015 are as follows:

	Fiscal 2014	Fiscal 2015
Gross Income	5,491.1	8,399.8
Profit before tax	2,766.7	3,761.9
Provision for taxation	939.8	1,264.7
Profit after tax	1,826.9	2,478.9
Profit brought forward from previous year	890.5	1,708.6
Profit available for appropriation	2,717.4	4,176.7
<b>Appropriations</b>		
Transfer to General Reserve	182.7	190.1
Interim Dividend	706.1	794.3
Dividend Distribution Tax	120.0	147.2
<b>Leaving balance to be carried forward to the new year</b>	1,708.6	3,045.1

### DIVIDEND

The Directors of the Company have pleasure in informing that the Company had declared interim dividends during the year in the following manner:

Record Date for Dividend	Rate of Dividend	Total Dividend Amount (₹ in million)
June 26, 2014	₹ 11 per share (110% of the face value)	194.2
September 24, 2014	₹ 11 per share (110% of the face value)	194.2
December 24, 2014	₹ 11 per share (110% of the face value)	194.2
March 24, 2015	₹ 12 per share (120% of the face value)	211.8

### PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the fiscal 2015, the Company had not given any Loan or Guarantee to be covered under the provisions of section 186 of the Companies Act, 2013 (the Act). Details of Investments covered under the provisions of section 186 of the Act are given in the notes to the financial statements.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

### PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in ordinary course of business. Particulars of contract or arrangements with related parties referred to in section 188(1) are annexed herewith in as Annexure - A.

### OPERATIONS DURING THE YEAR

- Average Assets Under Management (AUM):** The average AUM of the Fund for FY2015 was ₹ 1,485.59 billion.
- Awards received by ICICI Prudential Mutual Fund (the Fund):** In FY2015, the Company won the Asia Asset Management Annual Best of the Best Awards 2014 for the Best Fund House, India & CEO of the Year, India for Nimesh Shah, Managing Director.

Asia Asset Management's annual Best of the Best Awards, is an annual awards programme that gives recognition to financial institutions and pension funds for outstanding achievements over the past calendar year. These prestigious awards recognize our innovation, dynamism and high standards of practice.

The Company also won the Outlook Money Award for Best Fund House of the Year. Besides this, the Company received numerous other prestigious accolades during the year like Best Debt Fund House at the Money Today FPCIL Awards and the highest number of Lipper Fund Awards across several fund categories.

- Sales, Operations and Consumer Service:** Your Company has established a wide network of 134 well-equipped offices for selling its products and rendering timely and efficient services to its customers located at various locations across the country.
- Personnel:** Your Company continues to place emphasis on attracting and recruiting quality manpower and takes a lot of effort in training and retaining them. The total strength of the Company at March 31, 2015 stood at 1,006 against 773 at March 31, 2014.

### UPDATE ON NEW PRODUCTS

During fiscal 2015, ICICI Prudential Mutual Fund launched 51 fixed maturity plans, 19 capital protection oriented schemes, 15 multiple yield funds, 12 close ended equity funds, 2 open ended equity funds and 1 open ended debt fund. These Funds have collected ₹ 116.5 billion in fiscal 2015.

### PORTFOLIO MANAGEMENT AND OTHER SERVICES

As you are aware, the Company is offering Portfolio Management and Advisory Services across equity, fixed income and real estate assets. At March 31, 2015, the AMC was rendering Portfolio Management services to 2,895 clients. The Company is also providing investment management services to the scheme under ICICI Prudential Venture Capital Fund under its Portfolio Management Services License. During FY2015, your Company has commenced investment management services to the Alternative Investment Funds registered under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and is currently acting as an investment manager to ICICI Prudential Debt Fund and ICICI Prudential Real Estate AIF.

### FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

In fiscal 2015, your Company has earned ₹ 283.2 million (fiscal 2014 - ₹ 260.6 million) as foreign exchange income and has incurred ₹ 46.5 million (fiscal 2014 - ₹ 61.3 million) towards foreign exchange expenditure.

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

### DEPOSITS

During the year, the Company did not accept any deposits from the public under Chapter V of the Act.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company consisted of the following Directors at March 31, 2015:

- Chanda Kochhar, Chairperson and Nominee Director
- Barry Stowe, Nominee Director
- N. S. Kannan, Nominee Director
- Vijay Thacker, Independent Director
- Suresh Kumar, Independent Director
- C. R. Muralidharan, Independent Director
- M. K. Sharma, Independent Director
- Nimesh Shah, Managing Director

At the Annual General Meeting held on June 17, 2014, the Members of the Company appointed M. K. Sharma as an Independent Directors under the Act, for a term of five consecutive years up to March 31, 2019.

Further, at the Extra-ordinary General Meeting of the Company held on March 20, 2015, the Members of the Company had appointed the existing Independent Directors viz. Vijay Thacker, Suresh Kumar and C. R. Muralidharan as Independent Directors under the Act, for the following term:

- Vijay Thacker – from January 27, 2015 upto January 21, 2017

# directors' report

## to the members,

2. Suresh Kumar – from January 27, 2015 upto June 30, 2019
3. C. R. Muralidharan – from January 27, 2015 upto June 30, 2019

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

Section 152 of the Act, notified effective April 1, 2014 provides that Independent Directors would need to be excluded from the total number of Directors for the purpose of computing the number of Directors whose period of office will be liable to determination by retirement of directors by rotation. In terms of the aforesaid provisions, Chanda Kochhar retires at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment.

During fiscal 2015, five meetings of the Board of Directors were held.

The Board in its meeting held on April 24, 2014 was informed that the Company was in compliance with the requirement of having the key managerial personnel (KMP) (the Managing Director, the Chief Financial Officer and the Company Secretary) as specified in the Act. Following are the KMPs of the Company:

1. Nimesh Shah, Managing Director
2. B. Ramakrishna, Chief Financial Officer
3. Rakesh Shetty, Company Secretary.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee consisted of the following Directors at March 31, 2015:

Vijay Thacker  
Suresh Kumar  
M. K. Sharma

During the year, M. K. Sharma was appointed as a member of Audit and Risk Committee of the Company. During fiscal 2015, five meetings of the Audit and Risk Committee were held.

### NOMINATION AND REMUNERATION COMMITTEE

At March 31, 2015, the Nomination and Remuneration Committee consisted of the following Directors:

Suresh Kumar  
Chanda Kochchar  
Barry Stowe  
Vijay Thacker

During fiscal 2015, three meetings of the Nomination and Remuneration Committee were held.

### INVESTMENT COMMITTEE

At March 31, 2015, the Investment Committee consisted of the following Directors:

C. R. Muralidharan  
N. S. Kannan  
Nimesh Shah

During fiscal 2015, four meetings of the Investment Committee were held.

### COMMITTEE OF DIRECTORS

At March 31, 2015, the Committee of Directors consisted of the following Directors:

N. S. Kannan  
Nimesh Shah

During fiscal 2015, three meetings of the Committee of Directors were held.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

At March 31, 2015, the Corporate Social Responsibility Committee consisted of the following Directors:

M. K. Sharma  
N. S. Kannan  
Nimesh Shah

During fiscal 2015, one meeting of the Corporate Social Responsibility Committee was held.

### MEETING OF INDEPENDENT DIRECTORS

In accordance with schedule IV of the Act, one meeting of Independent Directors was held during fiscal 2015.

### RISK MANAGEMENT

The Company has an independent Risk Management and Control framework. The Company on an ongoing basis performs risk identification, measurement and control evaluation with an objective to administer risk and control effectiveness.

### POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company has put in place a framework for identifying persons who are qualified to become directors, which specify the criteria such as qualifications, positive attributes and independence of a director. The Company has also framed a Compensation Policy in line with the requirements of section 178 (3) and (4) of the Act. The Company's approach to compensation is intended to drive meritocracy within the framework of prudent risk management. The Managing Director of the Company is granted stock options of the holding company i.e. ICICI Bank Limited (Bank) which is issued pursuant to the Employee Stock Option Scheme of the Bank.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place vigil mechanism titled Whistle Blower Policy which provide a mechanism to ensure that concerns are properly raised, appropriately investigated and addressed. The Whistle Blower Policy encourages employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. The Whistle Blower policy of the Company is available on the website of the Company.

### CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Act, Rules made thereunder and relevant circulars issued from time to time by the Ministry of Corporate Affairs (MCA), the

Company has adopted a Corporate Social Responsibility Policy, which specifies following as the primary focus areas for CSR activities:

1. Skill development and sustainable livelihoods;
2. Education;
3. Financial inclusion;
4. Health care;
5. Sanitation;
6. Support employee engagement in CSR activities;
7. Capacity building for corporate social responsibility;
8. Other areas viz. continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support.

As per the Board approved CSR Policy, the CSR activities could be undertaken by the Company directly or through ICICI Foundation or through any other entity.

The annual report on CSR activities is enclosed herewith as Annexure - B. The CSR Policy of the Company is available on the website of the Company.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, the Company has not received any sexual harassment complaints.

### AUDITORS

#### i. Statutory Auditors

M/s. B S R and Co. LLP (registration no. 101248W/W-100022), Chartered Accountants were appointed as statutory auditors of the Company in the 21st Annual General Meeting (AGM) held on June 17, 2014 to hold office for a period of three years from the conclusion of the 21st AGM till the conclusion of the 24th AGM, subject to ratification of their appointment at the 22nd and 23rd AGM of the Company. The proposal for ratification of appointment of M/s. B S R and Co. LLP will be placed in the ensuing 22nd AGM of the Company. The Company has received certificate under section 139 (1) of the Act from the statutory auditors of the Company.

#### ii. Secretarial Auditor

Pursuant to provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the Company with the approval of its Board has appointed M/s. P.K. Pandya & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for fiscal 2015. The Report of the Secretarial Auditor is annexed herewith as Annexure - C.

There are no qualification, reservation, adverse remark or disclaimer made by the auditor in the report.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT9 is annexed herewith as Annexure - D.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis; and
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to the investors and clients for their continued support and patronage.

Your Directors further wish to place on record their appreciation for the support and cooperation received from the Securities and Exchange Board of India, the Reserve Bank of India, Stock Exchanges, Depositories, ICICI Bank Limited and Prudential plc.

Your Directors thank Computer Age Management Services Private Limited - the Registrar and Transfer Agents to the schemes of the Fund, the Custodians to the Fund and the Company's bankers for the support provided by them in carrying out the operations in an efficient manner.

The Directors would also like to express their sincere thanks and appreciation to all the employees, Agents and Distributors of the products of the Company for their contribution during the year. Finally, the Directors wish to express their gratitude to the Members for their continued support.

For and on behalf of the Board

Place : Mumbai,  
Date : April 20, 2015

Sd/-  
Chanda Kochhar  
Chairperson

# directors' report



to the members,

Annexure A

Details of material related party transactions at an aggregate level for year ended March 31, 2015

Sr. No.	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts/transactions	₹ in million
1.	Short-term borrowing	ICICI Bank Limited	Holding Company	—	Outstanding overdraft amount at March 31, 2015 at contractual interest rate	1,311.9

Annexure B

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015

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

In terms of the provisions of section 135 of the Companies Act, 2013 (the Act), read with applicable Rules under the Companies (Corporate Social Responsibility) Rules, 2014, the Company has framed its Corporate Social Responsibility Policy ("CSR Policy").

The CSR Policy of the Company broadly describes overall framework for implementing, functioning and monitoring of CSR activities. The CSR Policy defines the broad framework of areas where CSR activities may be undertaken by the Company directly or through any not-for-profit entities including ICICI Foundation for Inclusive Growth (IFIG), with primary focus on the following areas:

- 1) Skill development and sustainable livelihoods;
- 2) Education;
- 3) Financial inclusion;
- 4) Health care;
- 5) Sanitation;
- 6) Support employee engagement in CSR activities;
- 7) Capacity building for corporate social responsibility;
- 8) Other areas viz. continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support.

The CSR Policy of the Company is available on the website of the Company. Following is the link of the Company's website: <https://www.icicipruamc.com>.

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

The CSR Committee comprises three members. It has one Independent Director who is also the Chairman of the Committee. The composition of the Committee is given below:

- 1) M. K. Sharma, Chairman
- 2) N. S. Kannan, Member
- 3) Nimesh Shah, Member

The functions of the Committee include: formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the company and recommendation of the amount of the expenditure to be incurred on such activities; reviewing and recommending the annual CSR plan to the Board and monitoring the CSR activities, implementation of and compliance with the CSR Policy.

### 3. Average net profit of the company for the last three financial years.

The average net profit of the company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 1.90 billion.

### 4. Prescribed CSR Expenditure for the FY2015 (two per cent of the amount as in item 3 above).

The prescribed CSR expenditure requirement for FY2015 is ₹ 0.04 billion.

### 5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;

Total amount spent towards CSR during FY2015 was ₹ 0.04 billion.

(b) Amount unspent, if any; NIL

(c) Manner in which the amount spent during the financial year is detailed below;

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount in (₹ mn) outlay (budget) project or programs wise	Amount in (₹ mn) spent on the projects or programs Sub heads:	Cumulative expenditure upto the reporting Period in (₹ mn)	Amount spent in (₹): Direct or through implementing agency
1	Projects of ICICI Foundation for Inclusive Growth ("IFIG")	As per Annexure	As per Annexure	36.46	Expenditure on projects & administration: 36.46	36.46	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR.
2	Contribution to Prime Minister's relief fund	Relief & welfare	Jammu & Kashmir	1.56	1.56	1.56	Direct

### 6. In case the company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable as the entire amount was spent.

### 7. The CSR Committee of the Company hereby certifies that the implementation and monitoring of CSR activities are in compliance with the CSR objectives and Policy of the Company.

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

Sd/-  
Managing Director

Sd/-  
Chairman CSR Committee

## ICICI Foundation Programmes

Annexure

Sr. No.	Sector in which the Project is covered	District/Location	State/s
A.	<b>Skill Development &amp; Sustainable Livelihood</b>		
1.	ICICI Academy for Skills	Jaipur	Rajasthan
		Patna	Bihar
		Hyderabad	Andhra Pradesh
		Coimbatore	Tamil Nadu
		Chennai	Tamil Nadu
		Bangalore	Karnataka
		Pune	Maharashtra
		Narsobawadi	Maharashtra
		Guwahati	Assam
		Durg	Chhattisgarh
B.	<b>Elementary Education</b>		
2.	School and Teacher Education Reform Programme	State-wide	Rajasthan
		State-wide	Chhattisgarh
C.	<b>Primary Health</b>		
3.	Outpatient Healthcare Programme	Puri	Odisha
		Mehsana	Gujarat
4.	Child Nutrition Programme	Baran	Rajasthan
5.	Apna Clinic (Truckers Programme)	Pune	Maharashtra
D.	<b>Financial Inclusion</b>		
6.	Financial Literacy Project for youth, Self-Help Groups (SHGs) and school students through Rural Self Employment Training Institutes	Udaipur	Rajasthan
		Jodhpur	Rajasthan

# secretarial audit report

for the financial year ended 31 March 2015

ANNEXURE C

Form No. MR-3

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,

ICICI Prudential Asset Management Company Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICICI Prudential Asset Management Company Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

Note: Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same are not applicable to the Company.

- (a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (b) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

Note: The following Regulations and Guidelines prescribed under the SEBI Act are not applicable to the company:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

## Annexure A

To,  
The Members,

ICICI Prudential Asset Management Company Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to ICICI Prudential Asset Management Company Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (iv) Other laws as specifically applicable to the Company:
  - (a) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
  - (b) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993; and
  - (c) The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

The following are not applicable to the company:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India, as the same is not approved by the Central Government under section 118 (10) of the Companies Act, 2013; and
- (ii) The Listing Agreements as none of the securities of the Company are listed on any recognised stock exchanges of India or abroad.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through and there was no instance of any of the Directors expressing dissent.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For P. K. Pandya & Co.  
Practising Company Secretary

Sd/-  
Prakash K. Pandya  
FCS No.: 3901  
C P No.: 2311

Place: Mumbai  
Date: April 20, 2015

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

facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. K. Pandya & Co.  
Practising Company Secretary

Sd/-  
Prakash K. Pandya  
FCS No.: 3901  
C P No.: 2311

Place: Mumbai  
Date: April 20, 2015

# directors' report



to the members,

Annexure D

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015**

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN:- U99999DL1993PLC054135
ii) Registration Date: June 22, 1993
iii) Name of the Company: ICICI Prudential Asset Management Company Limited
iv) Category / Sub-Category of the Company: Company limited by Shares
v) Address of the Registered office and contact details: 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi-110001. Tel no.022-26852000
vi) Whether listed company: No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i. Category-wise Share Holding.

S. No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
(1)	Indian									
(a)	Individual/HUF									
(b)	Central Govt									
(c)	State Govt (s)									
(d)	Bodies Corporate									
(e)	Banks / FI	9,001,873	Nil	9,001,873	50.996	9,001,873	Nil	9,001,873	50.996	Nil
(f)	Any Other....	700	Nil	700	0.004	700	Nil	700	0.004	Nil
<b>Sub-total (A) (1)</b>		<b>9,002,573</b>	<b>Nil</b>	<b>9,002,573</b>	<b>51</b>	<b>9,002,573</b>	<b>Nil</b>	<b>9,002,573</b>	<b>51</b>	<b>Nil</b>
(2)	Foreign									
a)	NRIs - Individuals									
b)	Other -Individuals									
c)	Bodies Corp.	8,649,517	Nil	8,649,517	48.99	8,649,517	Nil	8,649,517	49	Nil
d)	Banks / FI									
e)	Any Other....									
<b>Sub-total (A) (2):-</b>		<b>8,649,517</b>	<b>Nil</b>	<b>8,649,517</b>	<b>48.99</b>	<b>8,649,517</b>		<b>8,649,517</b>	<b>49</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>		<b>17,652,090</b>	<b>Nil</b>	<b>17,652,090</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>	<b>17,652,090</b>	<b>100</b>	<b>Nil</b>
<b>B. Public Shareholding</b>										
(1)	Institutions									
(a)	Mutual Funds									
(b)	Banks/FI									
(c)	Central Govt									
(d)	State Govt(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	FII's									
(h)	Foreign Venture Capital Funds									
i)	Others (specify)									
<b>Sub-total (B)(1):-</b>										

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Management Fees from The Schemes of ICICI Prudential Mutual Fund	66301	88.94%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	ICICI Bank Limited Landmark Race Course Circle, Alkapuri, Baroda - 390015	L65190GJ-1994PLC021012	Holding	51%	2(46)
2	Prudential Corporation Holdings Limited Laurence Pountney Hill, London, EC4R 0HH, United Kingdom		Foreign Company	Associate	49%

# directors' report

to the members,

S. No.	Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
2.	<b>Non-Institutions</b>										
a)	Bodies Corp.										
i)	Indian										
ii)	Overseas										
b)	Individuals										
i)	Individual shareholders holding nominal share capital upto ₹1 lakh										
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh										
c)	Others (specify)										
<b>Sub-total (B)(2):-</b>											
Total Public Shareholding (B)=(B)(1)+ (B)(2)											
C.	<b>Shares held by</b>										
	Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	<b>Grand Total (A+B+C)</b>	<b>17,652,090</b>		<b>17,652,090</b>		<b>100</b>	<b>17,652,090</b>		<b>17,652,090</b>	<b>100</b>	<b>Nil</b>

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	ICICI Bank Limited*	9,002,573	51	Nil	9,002,573	51	Nil	Nil
2	Prudential Corporation Holdings Limited	8,649,517	49	Nil	8,649,517	49	Nil	Nil

\*Out of the above 9,002,573 shares held by ICICI Bank Limited, 700 shares are beneficially held by ICICI Bank Limited and registered in the name of various nominees.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				No changes
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year ( or on the date of separation, if separated during the year)				

Nil, for shares held by top ten shareholders other than directors, promoters and holders of GDR and ADRs.

# directors' report



to the members,

## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise				
	Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Nil	
	At the End of the year				

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹' in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
• Addition	1,741.5	NIL	NIL	1,741.5
• Reduction	429.6	NIL	NIL	429.6
<b>Net Change</b>	<b>1,311.9</b>	<b>NIL</b>	<b>NIL</b>	<b>1,311.9</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,311.9	NIL	NIL	1,311.9
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>1,311.9</b>	<b>NIL</b>	<b>NIL</b>	<b>1,311.9</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹' in million)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager Nimesh Shah	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	46.3 0.3	46.3 0.3
2.	Stock Options*		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify.		
5.	Others, please specify		
	<b>Total (A)</b>	<b>46.6</b>	<b>46.6</b>
	Ceiling as per the Act	188.0	188.0

\* The Managing Director of the Company is granted stock options of the holding company i.e. ICICI Bank Limited (Bank) which is issued pursuant to the Employee Stock Option Scheme of the Bank.

# directors' report

to the members,

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹' in million)
		C.R. Muralidharan	Mahendra Kumar Sharma	Suresh Kumar	Vijay Thacker	
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.6 — —	0.3 — —	0.5 — —	0.6 — —	2.0 — —
	<b>Total (1)</b>	<b>0.6</b>	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>0.2</b>
	4. Other Non-Executive Directors • Fee for attending board /committee meetings • Commission • Others, please specify	— — —	— — —	— — —	— — —	— — —
	Total (2)	—	—	—	—	—
	<b>Total (B)=(1+2)</b>	<b>0.6</b>	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>2.0</b>
	<b>Total Managerial Remuneration</b>					
	Overall Ceiling as per the Act (applicable for all the directors taken together)	37.6	37.6	37.6	37.6	37.6

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				(₹' in million)
		CEO	Company Secretary	CFO	Total	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	46.3 0.3	2.4 0.0	17.1 0.5	65.8 0.8	
2.	Stock Option*					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	<b>Total</b>	<b>46.6</b>	<b>2.4</b>	<b>17.6</b>	<b>66.6</b>	

Note: The CEO (Managing Director) receives stock options from ICICI Bank Limited, in line with ICICI Bank Group Policy. The same information is also being provided under point VI A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Sections of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			NIL		

# independent auditors' report

to the members of ICICI Prudential Asset Management Company Limited



## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Prudential Asset Management Company Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-  
MILIND RANADE  
Partner  
Membership No.: 100564

Mumbai, April 20, 2015

## Annexure to the Independent Auditors' Report

### annexure to the independent auditors' report - March 31, 2015

(Referred to in our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - ii) The Company is a service company primarily rendering asset management services, portfolio management services and advisory services. Accordingly, it does not hold any inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
  - iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
  - iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
  - v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
  - vi) The Central Government has not prescribed the maintenance of cost records under sub- section 1 of Section 148 of the Act, for any of the services rendered by the Company.
  - vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of custom, duty of excise, value added tax, cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us the following dues of Income-tax have not been deposited on account dispute by the Company.
- | Name of The Statute | Nature of Dues    | Amount (₹ in million) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------|-------------------|-----------------------|------------------------------------|------------------------------------|
| Direct Tax          | Income tax demand | 1.1                   | AY 2006-2007                       | CIT (A)                            |
| Direct Tax          | Income tax demand | 0.7                   | AY 2007-2008                       | ITAT                               |
- (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
  - viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
  - ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues from financial institution or debentures holder during the year.
  - x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3 (x) of the Order is not applicable.
  - xi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company does not have any term loans and hence, paragraph 3 (xi) of the Order is not applicable.
  - xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Sd/-  
MILIND RANADE  
Partner  
Membership No.: 100564

Mumbai, April 20, 2015

# balance sheet

# statement of profit and loss

as at March 31, 2015

for the year ended March 31, 2015

	Notes	March 31, 2015	March 31, 2014	(₹ in million)	Note	March 31, 2015	March 31, 2014	(₹ in million)
<b>Equity and liabilities</b>					<b>Income</b>			
<b>Shareholders' funds</b>					Revenue from operations	20	8,260.0	5,307.0
Share capital	3	176.5	176.5		Other income	21	139.8	184.1
Reserves and surplus	4	4,213.8	2,687.1					
		4,390.3	2,863.6		<b>Total revenue</b>		8,399.8	5,491.1
<b>Non-current liabilities</b>					<b>Expenses</b>			
Long term provisions	5	251.7	270.2		Employee benefit expenses	22	1,248.9	1,051.3
		251.7	270.2		Finance cost	23	24.5	—
<b>Current liabilities</b>					Depreciation and amortization expenses		101.8	73.4
Short term borrowings	6	1,311.9	—					
Trade Payables	7	745.2	543.4		Operating and administrative expenses	24	3,262.7	1,599.7
Other current liabilities	8	238.1	565.8					
Short-term provisions	9	346.1	316.4		<b>Total expenses</b>		4,637.9	2,724.4
		2,641.3	1,425.6		<b>Profit before tax</b>		3,761.9	2,766.7
<b>TOTAL Assets</b>		<b>7,283.3</b>	<b>4,559.4</b>		Tax expenses:			
<b>Non-current assets</b>					- Current tax		1,264.7	934.8
Fixed assets					- Excess provision of earlier years written back		(1.7)	(14.3)
Tangible assets	10	156.3	152.1					
Intangible assets	11	36.3	39.8		- Deferred tax expense		30.7	19.3
Capital work-in-progress		6.7	2.7					
Intangible assets under development		3.7	9.9		<b>Total tax expense</b>		1,293.7	939.8
Non-current investments	12	854.0	529.9		<b>Net Profit after tax</b>		2,468.2	1,826.9
Deferred tax assets (net)	13	96.0	126.7		Earnings per share of face value ₹ 10 each – Basic and Diluted (in ₹)	28	139.83	103.49
Long term loans and advances	14	2,828.5	1,234.4					
		3,981.5	2,095.5		<b>Significant accounting policies and notes to the financial statements</b>	2-37		
<b>TOTAL</b>		<b>7,283.3</b>	<b>4,559.4</b>					
Significant accounting policies and notes to the financial statements	2 – 37							

The Notes referred to above form an integral part of this balance sheet.

The Notes referred to above form an integral part of the statement of profit and loss.

As per our report of even date attached.

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

Sd/-  
**MILIND RANADE**  
*Partner*  
*Membership 100564*

For and on behalf of the Board of Directors of  
**ICICI Prudential Asset Management Company Limited**

Sd/- <b>CHANDA KOCHHAR</b> <i>Chairperson</i>	Sd/- <b>VIJAY THACKER</b> <i>Director</i>	Sd/- <b>NIMESH SHAH</b> <i>Managing Director</i>
Sd/- <b>B. RAMAKRISHNA</b> <i>Chief Financial Officer</i>	Sd/- <b>RAKESH SHETTY</b> <i>Company Secretary</i>	

*Mumbai, April 20, 2015*

*Mumbai, April 20, 2015*

# cash flow statement



for the year ended March 31, 2015

	(₹ in million)	March 31, 2015	March 31, 2014
<b>Cash flows from operating activities</b>			
Net profit before tax for the year	3,761.9	2,766.7	
Adjustment for:			
Depreciation and amortization expenses	101.8	73.4	
(Profit)/Loss on sale of fixed assets	0.6	(2.1)	
Interest expense	24.5	—	
Investment income (dividend)	(17.4)	(30.1)	
Investment income on PMS investment	(84.3)	(50.0)	
(Profit)/Loss on sale of investments (net)	(31.8)	(15.9)	
<b>Working capital changes</b>			
(Decrease)/Increase in long term provisions	(18.5)	21.3	
Increase in short term provisions	29.7	65.7	
(Decrease) / Increase in trade payables	201.8	(183.0)	
(Decrease) / Increase in other current liabilities	42.9	(56.6)	
(Increase) in other long-term loans and advances	(1,590.8)	(316.9)	
Decrease/(Increase) in trade receivables	67.4	(95.6)	
(Increase) in short-term loans and advances	(1,732.4)	(273.2)	
Direct taxes paid (net of refunds)	<u>(1,262.9)</u>	<u>(920.5)</u>	
Cash generated from / (used in) working capital changes	<u>(4,262.8)</u>	<u>(1,758.8)</u>	
<b>Net cash provided / (used) by operating activities</b>	<u>(507.5)</u>	<u>983.2</u>	
<b>Cash flows from investing activities</b>			
Purchase of tangible assets/capital work-in-progress	(106.0)	(108.9)	
Purchase of investments	(9,803.6)	(6,088.3)	
Dividend received	17.4	30.0	
Investment income on PMS investment	66.0	50.0	
Proceeds from sale of fixed assets	1.8	8.9	
Proceeds from sale of investments	<u>9,676.8</u>	<u>6,299.1</u>	
<b>Net Cash generated / (used) in Investing activities</b>	<u>(147.6)</u>	<u>190.8</u>	
<b>Cash flows from financing activities</b>			
Proceeds from short term borrowings	1,741.5	—	
Repayment of short term borrowings	(429.6)	—	
Interest paid	(24.5)	—	
Dividends paid (including dividend distribution tax)	<u>(1,312.2)</u>	<u>(487.9)</u>	
Net cash generated / (used) in financing activities	<u>(24.8)</u>	<u>(487.9)</u>	
<b>Net (decrease)/increase in cash and cash equivalents (A)</b>	<u>(679.9)</u>	<u>686.1</u>	
<b>Add: Cash and cash equivalents at the beginning of the period (B)</b>	<u>778.4</u>	<u>92.3</u>	
<b>IV. Cash and cash equivalents at the end of the period (A+B)</b>	<u>98.5</u>	<u>778.4</u>	

As per our report of even date attached.

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

Sd/-  
 MILIND RANADE  
*Partner*  
*Membership 100564*

Mumbai, April 20, 2015

For and on behalf of the Board of Directors of  
 ICICI Prudential Asset Management Company Limited

Sd/- CHANDA KOCHHAR <i>Chairperson</i>	Sd/- VIJAY THACKER <i>Director</i>	Sd/- NIMESH SHAH <i>Managing Director</i>
Sd/- B. RAMAKRISHNA <i>Chief Financial Officer</i>	Sd/- RAKESH SHETTY <i>Company Secretary</i>	

Mumbai, April 20, 2015

# notes

to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees million)

*Continued*

## 1 BACKGROUND

ICICI Prudential Asset Management Company Limited ('the Company') was incorporated on June 22, 1993.

The principal shareholders of the Company are ICICI Bank Limited (51%) ('the Holding Company') and Prudential Corporation Holdings Limited (49%).

The Company is registered with Securities and Exchange Board of India ('SEBI') under SEBI (Mutual Funds) Regulations, 1996, SEBI (Portfolio Managers) Regulations, 1993, SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Alternative Investment Funds) Regulations, 2012.

The Company's principal activity is to act as an investment manager to ICICI Prudential Mutual Fund ('the Fund'), to provide services to the clients under SEBI (Portfolio Managers) Regulations, 1993 and SEBI (Venture Capital Funds) Regulations, 1996. The Company manages the investment portfolios of the Fund and provides various administrative services to the Fund and ICICI Prudential Trust Limited as laid down in the Investment Management Agreement dated September 3, 1993. The Company also provides advisory services to clients and acts as the investment manager to Alternative Investment Funds registered under SEBI (Alternative Investment Funds) Regulations, 2012.

## 2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

### 2.1 Basis of preparation

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable.

### 2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 2.3 Current – non current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

### 2.4 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation is charged over the estimated useful life of a fixed asset on a straight line basis.

Further, as disclosed in table below, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Companies Act, 2013. Based on the nature of fixed assets used by the Company and past experience of its usage, the Company considers that the useful life for respective assets to be appropriate.

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013 in Years
Furniture & fixture	6	10
Computer – Servers & Networks	3	6
Office Equipment	3 -10	5
Vehicles	5	8

Leasehold improvements are amortised over the period of the lease on straight-line basis or useful life of the asset which ever is lower.

Intangible assets comprising software purchased or developed and licensing costs are depreciated on straight line basis over the useful life of the software up to a maximum of three years commencing from the month in which such software is first utilised.

Assets individually costing Rupees Five Thousand or less are fully depreciated in the year of purchase or acquisition.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

### 2.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or of the cash generating unit to which the asset belongs to or the cash generating unit. If such estimated recoverable amount of the asset or of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### 2.6 Investments

Investments are classified as long term or current based on intention of the management at the time of purchase.

Long term investments are carried at carrying cost less diminution in value other than temporary in nature, determined separately for each individual investment.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Purchase and sale of investments are recorded on trade date. The gains or losses on sale of investments are recognised in the statement of profit and loss on the trade date. Profit or loss on sale of investments is determined on the basis of First In First Out ('FIFO') basis.

### 2.7 Revenue recognition

#### Management fees

Fund management and portfolio management fees (net of service tax) are recognised on an accrual basis in accordance with the respective terms of contract between the Company and ICICI Prudential Trust Limited, Portfolio Management Scheme ('PMS') Clients, Venture Capital Fund and Regulations of Securities Exchange Board of India ("SEBI").

#### Advisory fees

Advisory fees are recognised on an accrual basis in accordance with the respective terms of contract with counter parties.

#### Other income

Interest income is accounted on an accrual basis.

Dividend income is recognised when the right to receive dividend is established.

### 2.8 Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at the closing exchange rates on that date and the resultant exchange differences, if any, are recognised in the statement of profit and loss.

### 2.9 Retirement benefits

#### Provident fund

The Company's contribution to the Statutory Provident Fund, a defined contribution scheme, made at 12% of the basic salary of each employee is charged to the statement of profit and loss as incurred.

#### Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value and the fair value of plan assets, if any, is deducted from such determined present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

# notes



## to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees million)

*Continued*

### Superannuation

The Company contributes to an approved superannuation fund which is a defined contribution plan for all its eligible employees who have opted for the scheme. The Company's contribution to the Superannuation fund with the Life Insurance Corporation of India (LIC) is charged to the statement of profit and loss as incurred.

### Leave encashment

The Company provides for leave encashment liability based on actuarial valuation as at the balance sheet date, carried out by an independent actuary.

### 2.10 New Fund Offer ('NFO') expenses

Expenses relating to NFO for no load schemes of the Fund are charged to statement of profit and loss of the Company in the year in which these expenses are incurred.

### 2.11 Fund expenses

Expenses incurred (inclusive of advertisement and brokerage expenses) on behalf of schemes of the Fund are recognised in the statement of profit and loss of the Company unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

### 2.12 Brokerage and incentives

Brokerage and incentive payments are charged to statement of profit and loss as and when incurred.

### 2.13 Long term incentive plan ('LTIP')

For LTIP 2012, LTIP 2013 and LTIP 2014 launched in the year ended March 31, 2012, March 31, 2013 and March 31, 2014 respectively, the grant value will be paid in three annual tranches. The provision is assessed on a yearly basis based on actuarial valuation.

The Company has launched LTIP 2015 for which the grant value will be paid in three annual tranches. The year end provision is measured at the present value of estimated future cash flows and the same will be assessed on a yearly basis based on actuarial valuation.

### 2.14 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense in the statement of profit and loss on straight line basis over the lease term.

### 2.15 Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

#### Current tax

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income-tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

#### Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

### 2.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

### 2.17 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company recognises that it has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements

	(₹ in million)	March 31, 2015	March 31, 2014
<b>3. SHARE CAPITAL</b>			
<b>Authorised share capital</b>			
25,000,000 (Previous year: 25,000,000) equity shares of ₹ 10 each	<b>250.0</b>	250.0	
<b>Issued, subscribed and paid-up capital</b>			
17,652,090 (Previous year: 17,652,090) equity shares of ₹ 10 each, fully paid up	<b>176.5</b>	176.5	
There is no change in equity shares in the current year.			
<b>Rights attached to the equity shares</b>			
The Company has a single class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.			
Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of preferential amounts, if any, in proportion to the number of equity shares held.			
<b>Shares held by Holding Company:</b>			
9,002,573 (Previous year: 9,002,573) equity shares of ₹ 10 each are held by ICICI Bank Limited, the Holding Company and its nominees.			
<b>Shareholders holding more than 5%:</b>			
9,002,573 (Previous year: 9,002,573) equity shares of ₹ 10 each are held by ICICI Bank Limited and its nominees.			
8,649,517 (Previous year: 8,649,517) equity shares of ₹ 10 each are held by Prudential Corporation Holdings Limited.			
The Board of Directors had declared interim dividends aggregating to ₹ 45.0 per equity share (Previous year: ₹ 40.0). The total dividend appropriation for the year ended March 31, 2015 amounted to ₹ 941.5 (Previous year: ₹ 826.1) including dividend distribution tax of ₹ 147.2 (Previous year: ₹ 120.0).			
	(₹ in million)	March 31, 2015	March 31, 2014
<b>4. RESERVE AND SURPLUS</b>			
Capital redemption reserve	<b>8.7</b>	8.7	
Securities premium	<b>33.5</b>	33.5	
General reserve			
Balance at the beginning of the year	<b>833.3</b>	650.6	
Add: Transfer from surplus in the statement of profit and loss	<b>190.1</b>	182.7	
Balance at the end of the year	<b>1,023.4</b>	833.3	
Contingency reserve <sup>1</sup>	<b>103.0</b>	103.0	
Surplus in the statement of profit and loss			
Profit brought forward	<b>1,708.6</b>	890.5	
Net profit after tax	<b>2,468.2</b>	1,826.9	
Transfer to general reserve	<b>(190.1)</b>	(182.7)	
Dividend	<b>(794.3)</b>	(706.1)	
Dividend distribution tax	<b>(147.2)</b>	(120.0)	
Net surplus in the statement of profit and loss	<b>3,045.2</b>	1,708.6	
<b>Total reserves and surplus</b>	<b>4,213.8</b>	2,687.1	

<sup>1</sup>The contingency reserve is a free reserve, created voluntarily by the Company in earlier years, by transferring up to 5% of the profits.

# notes

to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees million)

*Continued*

	(₹ in million)	March 31, 2015	March 31, 2014	(₹ in million)	March 31, 2015	March 31, 2014
<b>5. LONG TERM PROVISION</b>						
Non-current portion of employee benefits						
- for LTIP <sup>1</sup>	<b>179.0</b>	166.6			<b>167.2</b>	132.2
- for leave encashment	3.6	4.0			—	353.0
- for gratuity	30.8	57.6			42.4	60.0
Other non-current provision						
- Lease equalization	38.3	42.0			26.9	15.8
	<b>251.7</b>	<b>270.2</b>			Accrued expenses	1.6
					238.1	565.8
<sup>1</sup> Refer Note to Non current investments						
<b>6. SHORT TERM BORROWING</b>						
Cash credit from bank (secured)(related party)	<b>1,311.9</b>	—			Bonus	256.5
	<b>1,311.9</b>	<b>—</b>			LTIP <sup>1</sup>	78.5
Cash credit from bank is secured against the receivables of the company which includes receivables on management fees from mutual fund operations and advances recoverable in cash or kind from the schemes of mutual fund. The cash credit is repayable on demand and carries interest of 11%.					Leave encashment	1.8
<b>7. TRADE PAYABLES</b>						
Trade Payables	729.5	532.9			Gratuity	—
Trade Payables to related parties	15.7	10.5			Other current provision	13.8
	<b>745.2</b>	<b>543.4</b>			Lease Equalization	3.1
					Provision for tax (net of advance tax)	6.2
					346.1	316.4
<b>10. TANGIBLE ASSETS</b>						
(₹ in million)						
<b>2015</b>						
<b>Description</b>	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Office equipments</b>	<b>Computers</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross block</b>						
As at 1 April,	173.6	50.0	96.1	218.2	45.7	583.6
Additions during the year	18.8	3.5	15.3	34.1	13.3	85.0
Deletions during the year	(17.4)	(3.2)	(2.6)	(0.2)	(4.8)	(28.1)
<b>As at 31 March,</b>	<b>175.0</b>	<b>50.3</b>	<b>108.8</b>	<b>252.1</b>	<b>54.3</b>	<b>640.5</b>
<b>Accumulated depreciation</b>						
As at 1 April,	126.0	43.3	62.1	179.3	20.8	431.5
Charge for the year	29.2	3.9	8.9	27.2	8.9	78.1
On deletions during the year	(17.1)	(3.0)	(1.7)	(0.1)	(3.5)	(25.4)
<b>As at 31 March,</b>	<b>138.1</b>	<b>44.2</b>	<b>69.3</b>	<b>206.4</b>	<b>26.2</b>	<b>484.2</b>
<b>Net block</b>						
<b>As at 31 March,</b>	<b>36.9</b>	<b>6.1</b>	<b>39.5</b>	<b>45.7</b>	<b>28.1</b>	<b>156.3</b>
<b>2014</b>						
<b>Description</b>	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Office equipments</b>	<b>Computers</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross block</b>						
As at 1 April,	178.4	52.1	96.0	205.4	47.9	579.8
Additions during the year	7.8	1.8	3.3	34.6	8.7	56.2
Deletions during the year	(12.6)	(3.9)	(3.2)	(21.8)	(10.9)	(52.4)
<b>As at 31 March,</b>	<b>173.6</b>	<b>50.0</b>	<b>96.1</b>	<b>218.2</b>	<b>45.7</b>	<b>583.6</b>
<b>Accumulated depreciation</b>						
As at 1 April,	122.8	41.5	55.7	180.6	19.2	419.8
Charge for the year	15.8	5.3	8.4	19.3	8.5	57.3
On deletions during the year	(12.6)	(3.5)	(2.0)	(20.6)	(6.9)	(45.6)
<b>As at 31 March,</b>	<b>126.0</b>	<b>43.3</b>	<b>62.1</b>	<b>179.3</b>	<b>20.8</b>	<b>431.5</b>
<b>Net block</b>						
<b>As at 31 March,</b>	<b>47.6</b>	<b>6.7</b>	<b>34.0</b>	<b>38.9</b>	<b>24.9</b>	<b>152.1</b>

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*Continued*

	(₹ in million)	March 31, 2015	March 31, 2014	(₹ in million)	March 31, 2015	March 31, 2014
<b>11. INTANGIBLE ASSETS</b>						
<b>Software</b>						
<b>Gross block</b>						
As at 1 April,	135.0	89.2				
Additions during the year	20.2	45.8				
Deletions during the year	—	—				
As at 31 March,	<u>155.2</u>	<u>135.0</u>				
<b>Accumulated amortisation</b>						
As at 1 April,	95.2	79.1				
Charge for the year	23.7	16.1				
On deletions during the year	—	—				
As at 31 March,	<u>118.9</u>	<u>95.2</u>				
<b>Net block</b>						
<b>As at 31 March,</b>	<b>36.3</b>	<b>39.8</b>				
<b>12. NON-CURRENT INVESTMENTS</b>						
<b>Trade Investment</b>						
<b>Unquoted (at cost)</b>						
Contribution made to ICICI Prudential Venture Capital Fund	500.0	300.0				
Investment in schemes of Portfolio Management Services	54.1	122.9				
Investment in Alternative Investment Fund	15.0	—				
Share Capital in MF Utility India Pvt Limited	0.5	—				
<b>Non – Trade Investment</b>						
<b>Quoted (at cost)</b>						
Mutual fund units of face value of ₹10 each:						
60,000 Units (Previous year 60,000 Units) of ICICI Prudential Fixed Maturity Plan Series 67 - 3 Year Plan F Direct Plan Cumulative	0.6	0.6				
Nil Units (Previous year 410,000 Units) of ICICI Prudential Fixed Maturity Plan Series 70 - 745Days Plan P Direct Plan Cumulative	—	4.1				
Nil Units (Previous year 250,000 Units) of ICICI Prudential Fixed Maturity Plan Series 72 - 483 Days Plan J Direct Plan Cumulative	—	2.5				
2,50,000 Units (Previous year 250,000 Units) of ICICI Prudential Fixed Maturity Plan Series 72-785 Days Plan O Direct Plan Cumulative	2.5	2.5				
1,39,584 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Plan I- Direct Monthly Growth	1.6	—				
4,18,851 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series VI Annual Plan D Direct	5.0	—				
4,16,951 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series VI Annual Plan C Direct Plan Cumulative	5.0	—				
2,25,334 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series V Monthly Plan A Direct Plan Growth	2.6	—				
3,34,414 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series I Quarterly Plan I- Direct Plan Growth	5.0	—				
4,36,353 Units (Previous year Nil Units) of ICICI Prudential Interval Fund II Quarterly Plan C- Direct Plan Growth	5.0	—				
2,58,113 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series VI Annual Plan A- Direct Plan Growth	3.1	—				
4,15,686 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series II Quarterly Plan B- Direct Plan Growth	5.0	—				
4,55,377 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series VII Annual Interval C Direct Plan Growth	5.0	—				
<b>Non – Trade Investment</b>						
2,00,404 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series II Quarterly Plan F- Direct Plan Growth	3.0	—				
4,34,510 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series II Quarterly Plan A- Direct Plan Growth				5.0	—	
3,37,616 Units (Previous year Nil Units) of ICICI Prudential Interval Fund Series III Quarterly Direct Plan Growth				5.0	—	
3,00,000 Units (Previous year Nil Units) of ICICI Prudential Fixed Maturity Plan Series 74 -9 Years Plan U Direct Plan Cumulative				3.0	—	
3,50,522 Units (Previous year Nil Units) of ICICI Prudential Interval Annual Plan -I Direct Plan Growth				5.0	—	
55,523 Units (Previous year Nil Units) of ICICI Prudential Interval Annual Plan -II Direct Plan Growth				1.0	—	
1,77,082 Units (Previous year Nil Units) of ICICI Prudential Interval Annual Plan -III Direct Plan Growth				2.5	—	
3,03,363 Units (Previous year Nil Units) of ICICI Prudential Interval Annual Plan -IV Direct Plan Growth				5.0	—	
30,137 Units (Previous year Nil Units) of ICICI Prudential Interval Half Yearly Plan -II Direct Plan Growth				0.4	—	
3,39,466 Units (Previous year Nil Units) of ICICI Prudential Interval Fund II Quarterly Plan D Direct Plan Growth				5.0	—	
60,501 Units (Previous year Nil Units) of ICICI Prudential Interval Fund II Quarterly Direct Plan Growth				1.0	—	
101,517 Units (Previous year Nil Units) of ICICI Prudential Interval Fund IV Quarterly Plan B Direct Plan Growth				1.5	—	
<b>Aggregate amount of non - current quoted investments ₹ 77.9 (Previous year ₹ 9.7) market value (net asset value) thereof ₹79.4 (Previous year ₹ 10.0)</b>						
<b>Unquoted (at cost)</b>						
<b>Mutual fund units of face value of ₹10 each:</b>						
Nil Units (Previous Year 755,895 Units) ICICI Prudential Focused Bluechip Equity Fund Direct Plan Growth <sup>1</sup>					—	14.2
75,947 Units (Previous Year 1,298,878 Units) ICICI Prudential Dynamic Bond Fund Direct Plan Growth <sup>1</sup>					1.0	17.7
Nil Units (Previous Year 1,084,686 Units) of ICICI Prudential Short Term – Direct Plan - Growth <sup>1</sup>						25.5
Nil Units (Previous Year 667,947 Units) of ICICI Prudential Value Discovery Fund Direct Plan Growth <sup>1</sup>						36.9
Nil Units (Previous Year 655,887 Units) of ICICI Prudential Balanced Advantage Fund Direct Plan Growth <sup>1</sup>						11.5
13,56,146 Units (Previous Year Nil Units) of ICICI Prudential Dividend Yield Equity Fund Direct Plan Growth <sup>1</sup>				13.6	—	
5,00,000 Units (Previous Year Nil Units) of ICICI Prudential Equity Income Fund Direct Plan Growth Cumulative				5.0	—	
2,45,885 Units (Previous Year Nil Units) of ICICI Prudential Blended Plan B Direct Plan Option I				5.0	—	
7,50,000 Units (Previous Year Nil Units) of ICICI Prudential Constant Maturity Gilt Fund -Direct -Growth				7.5	—	
14,11,699 Units (Previous Year Nil Units) of ICICI Prudential Value Discovery Fund Direct Plan Growth <sup>1</sup>				90.4	—	
4,72,435 Units (Previous Year Nil Units) of ICICI Prudential Long Term Gilt Fund Direct Plan Growth <sup>1</sup>				19.3	—	
40,838 Units (Previous Year Nil Units) of ICICI Prudential Dynamic Direct Plan Growth 1				6.3	—	
Mutual fund units of face value of ₹100 each:						
3,03,494 Units (Previous Year Nil Units) of ICICI Prudential Money Market Fund-Direct Growth				58.5	—	
<b>Aggregate provision for diminution in value of non - current investments</b>				—	(8.5)	
<b>Total non-current investments</b>				<u>854.0</u>	<u>529.9</u>	
Aggregate amount of non - current unquoted investments ₹ 776.1 (Previous year ₹ 520.2)						
<sup>1</sup> In accordance with Long Term Incentive Plan ('LTIP') 2012, 2013 and 2014, investments are identified and separated to meet LTIP liabilities in future. As any gain or loss on these investments belongs to employees, it is valued at cost..						

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*Continued*

	(₹ in million)			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>13. DEFERRED TAX</b>				
The Company has net deferred tax asset of ₹ 96.0 (Previous year ₹ 126.7).				
The composition of deferred tax asset is as follows:				
Deferred tax asset				
Written down value of fixed assets	44.7	39.0	5,00,513 Units (Previous year 5,16,271 Units) of ICICI Prudential Short Term Plan–Direct – Growth Option <sup>1</sup>	11.8
Employee benefits	91.1	106.7	3,43,582 Units (Previous year 4,16,276 Units) of ICICI Prudential Value Discovery Fund Direct Plan Growth <sup>1</sup>	19.0
Lease rentals	14.3	15.6	Nil Units (Previous Year 3,333,827 Units) ICICI Prudential Dynamic BondFund Direct Plan Monthly Dividend	—
Prepaid brokerage - VCF & AIF	(54.0)	(37.5)	Nil Units (Previous Year 352,075 Units) ICICI Prudential Focused Bluechip Equity Fund Direct Plan Growth <sup>1</sup>	33.9
Unrealised gain on foreign exchange	(0.1)	—	Mutual fund units of face value of ₹ 100/- each	6.6
Unrealised loss on non - current investment	—	2.9	Nil Units (Previous Year 778,759 Units) of ICICI Prudential Flexible Income Direct Plan Daily Dividend	—
<b>Total deferred tax asset</b>	<b>96.0</b>	<b>126.7</b>	Nil Units (Previous Year 985,315 Units) of ICICI Prudential Liquid Direct Plan Daily Dividend	<b>82.3</b>
<b>14. LONG TERM LOANS &amp; ADVANCES</b>			<b>Total current investments</b>	<b>188.4</b>
<b>Non Current loans &amp; advances</b>			Aggregate amount of current unquoted investments ₹ 175.8 (Previous year ₹ 354.0)	<b>354.0</b>
Security Deposits	113.0	95.4	'In accordance with Long Term Incentive Plan ('LTIP') 2012, 2013 and 2014, investments are identified and separated to meet LTIP liabilities in future. As any gain or loss on these investments belongs to employees, it is valued at cost.	
Advance tax (net of provision for tax)	167.4	197.2		
Staff loan	0.9	0.9		
Statutory dues recoverable	—	4.0		
Prepaid expenses	224.8	177.3		
Advances recoverable in cash or in kind or for value to be received	2,319.0	759.6		
Capital Advance	3.4	—		
	<b>2,828.5</b>	<b>1,234.4</b>		
<b>15. CURRENT INVESTMENTS</b>			<b>16. TRADE RECEIVABLES</b>	
<b>Trade Investment</b>			<b>Unsecured and considered good</b>	
<b>Unquoted (at cost)</b>			- Less than six months	317.7
Investment in schemes of Portfolio Management Services	97.3	39.3	- More than six months	1.7
<b>Non – Trade Investment</b>				<b>386.9</b>
<b>Quoted (at cost)</b>			<b>Total current receivables</b>	<b>319.4</b>
<i>Mutual fund units of face value of ₹10 each:</i>				<b>386.9</b>
4,10,000 Units (Previous year Nil Units) of ICICI Prudential Fixed Maturity Plan Series 70 - 745 Days Plan P Direct Plan Cumulative	4.1	—	<b>17. CASH &amp; BANK BALANCES</b>	
2,50,000 Units (Previous year Nil Units) of ICICI Prudential Fixed Maturity Plan Series 72 - 483 Days Plan J Direct Plan Cumulative	2.5	—	Cheque on hand	—
6,00,000 Units (Previous year Nil Units) of ICICI Prudential Fixed Maturity Plan Series 74 - 370 Days Plan V Direct Plan Cumulative	6.0	—	Balance with banks	398.9
Nil Units (Previous year 2,250,000 Units) of ICICI Prudential Fixed Maturity Plan Series 68 - 368 Days Plan D Direct Plan Cumulative	—	22.5	- in Current Accounts	98.3
Nil Units (Previous year 250,000 Units) of ICICI Prudential Fixed Maturity Plan Series 71 - 367 Days Plan G Direct Plan Cumulative	—	2.5	- in PMS Accounts	0.2
Nil Units (Previous year 500,000 Units) of ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan I Direct Plan Cumulative	—	5.0	Interim dividend account	—
<b>Aggregate amount of current quoted investments ₹ 12.6 (Previous year 30.0)</b>			<b>Cash and cash equivalents</b>	<b>353.0</b>
<b>market value (net asset value) thereof ₹ 13.9 (Previous year 31.6)</b>				
<b>Unquoted (at cost)</b>				
<i>Mutual fund units of face value of ₹ 10 each</i>			<b>18. SHORT TERM LOANS AND ADVANCES</b>	
18,78,779 Units (Previous year 6,35,842 Units) of ICICI Prudential Balanced Advantage fund Direct plan <sup>1</sup>	34.8	11.1	Current portion of long term loans and advances	
7,47,354 Units (Previous year Nil Units) of ICICI Prudential Dividend Yield Equity Fund Direct Plan Growth <sup>1</sup>	7.5	—	- Advances recoverable in cash or in kind or for value to be received	2,155.0
4,02,395 Units (Previous year 12,59,181 Units) of ICICI Prudential Dynamic Bond Fund Direct Plan Growth <sup>1</sup>	5.4	17.1	- Advance to related parties	557.4
			- Staff loan	20.8
			- Prepaid expenses	1.8
				0.8
				460.2
				348.4
				2,637.8
				908.1
<b>19. OTHER CURRENT ASSETS</b>			<b>20. REVENUE FROM OPERATIONS</b>	
<b>Unsecured and considered good</b>			Management fees from:	
- Interest accrued on investments			- Mutual fund operations	52.9
- Dividend on investments			- PMS operations	4.8
			Advisory Services	57.7
				34.5
				2.0
				36.5

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## 21. OTHER INCOME

	(₹ in million)	
	March 31, 2015	March 31, 2014
Interest		
- Non-current investments	<b>77.7</b>	50.0
- Current Investment	6.7	—
Dividend from:		
- Non-current investments	5.7	4.7
- Current investments	<b>11.7</b>	25.3
Profit on Sale of:		
- Non-current investments (net)	15.9	14.8
- Current investments	<b>15.8</b>	1.1
Net gain on account of foreign exchange fluctuation	1.9	1.5
Others	<b>4.4</b>	86.7
	<b>139.8</b>	<b>184.1</b>

## 22. EMPLOYEE BENEFIT EXPENSES

Salaries, bonus and allowances	<b>1,133.9</b>	954.0
Contribution to provident and other funds	<b>70.2</b>	53.5
Staff welfare expenses	<b>44.8</b>	43.8
<b>Total</b>	<b>1,248.9</b>	<b>1,051.3</b>

## 23. FINANCE COST

Interest expenses	24.5	—
<b>Total</b>	<b>24.5</b>	<b>—</b>

## 24. OPERATING AND ADMINISTRATIVE EXPENSES

Fund expenses	1,943.0	769.3
Brokerage and incentives (PMS)	496.6	178.4
Rent	<b>141.7</b>	140.8
Communication expenses	62.2	48.1
Travelling and conveyance	80.2	62.4
Fund accounting expenses (PMS)	20.9	9.1
Fund expenses (PMS)	1.5	3.3
Legal and professional fees	51.6	49.0
SEBI fees	0.8	1.1
Information technology	60.0	41.4
Electricity	38.2	36.6
Insurance	29.0	24.4
Books, periodicals and subscriptions	28.0	22.9
Repairs and maintenance		
- Equipment	10.4	10.4
- Others	22.3	17.7
Marketing, advertisement and publicity	<b>113.2</b>	56.6
Printing and stationery	9.6	11.3
Training and consultancy	13.1	10.5
Loss on sale of fixed assets (net)	0.6	—
Rates and taxes	4.8	2.1
Directors sitting fees	2.0	0.5
Housekeeping expenses	34.1	25.1
NFO filing fees	31.5	22.7
Corporate Social Responsibility expenditure <sup>2</sup>	38.0	—
Miscellaneous expenses	<b>26.8</b>	<b>53.6</b>
	<b>3,260.1</b>	<b>1,597.3</b>
Auditors remuneration:		
- Statutory audit	1.9	1.9
- Tax audit	0.4	0.4
- Other matters	0.2	0.1
- Reimbursement of out of pocket expenses	0.1	0.0
	2.6	2.4
<b>Total</b>	<b>3,262.7</b>	<b>1,599.7</b>

<sup>2</sup>For CSR activities contribution has been made to Prime Minister Relief Fund for relief and rehabilitation of flood victims of Jammu & Kashmir and to ICICI Foundation for Inclusive Growth with primary focus in areas like Skill development & sustainable livelihood, elementary educational programmes in Rajasthan & Chhattisgarh, primary health programme in Rajasthan

## 25. OPERATING LEASES

The Company has entered into non-cancellable leasing arrangement for certain office premises for a period ranging from 3 to 5 years. As per the term of the lease all maintenance charges and municipal levies are borne by the lessee.

The total future minimum lease payments under non-cancellable operating lease for each of the periods is given below:

	2015	2014
Total future minimum lease payments:		
not later than one year	6.7	24.5
later than one year and not later five years	<b>18.1</b>	—
later than five years	—	—

The total lease payments recognised in the statement of profit and loss amount to ₹ 141.7 (Previous year ₹ 140.8) which includes reversal of ₹ 4.4 (Previous year ₹ 0.7) provision towards straight lining of lease rentals.

The terms of renewal or purchase option and escalation clauses are those normally prevalent in similar agreements and there are no undue restrictions or onerous clauses in the agreements.

## 26. SEGMENTAL REPORTING

The Company's operations predominantly relate to providing asset management services. It acts as an investment manager to schemes launched by the Mutual Fund and provides advisory services to other funds. It also provides Portfolio Management Services to corporate, high net worth individuals and ICICI Prudential Venture Capital Fund & acts as a investment manager to Alternative Investment Funds. Accordingly, the asset management business is split into Fund management & advisory and Portfolio Management Services as primary reporting segments.

Secondary segment reporting does not require separate disclosure as all activities of the Company are within India.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as depreciation, etc. are not specifically allocable to specific segments as the underlying assets or services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to such items, and accordingly they are separately disclosed as "unallocable expenses" and directly charged against total income.

Current assets, non current assets, current liabilities and non current liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as fixed assets and deferred tax asset are similarly not allocated to segments.

### Primary segment information

	(₹ in million)					
	Fund Management and Advisory		Portfolio Management and others		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Segment revenue</b>						
Management fees	7,566.5	4,817.7	693.5	489.3	<b>8,260.0</b>	5,307.0
Inter segment revenue	—	—	—	—	—	—
Total segment revenue	<b>7,566.5</b>	<b>4817.7</b>	<b>693.5</b>	<b>489.3</b>	<b>8,260.0</b>	5,307.0
Identifiable operating expenses	(3,533.5)	(1,993.2)	(463.6)	(285.6)	(3,997.1)	(2,278.8)
<b>Segmental operating income</b>						
Unallocable expense					(640.8)	(445.6)
Operating income					3,622.1	2,582.6
Other income					139.8	184.1
Net Profit before taxation and prior period items					3,761.9	2,766.7
Provision for income tax					(1,264.7)	(934.8)
Excess provision of earlier years written back					1.7	14.3
Deferred tax credit \ (expense)					(30.7)	(19.3)
Net profit after tax					<b>2,468.2</b>	<b>1,826.9</b>

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## to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees million)

As at	(₹ in million)				
	Fund Management and Advisory		Portfolio Management and others		Total
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	
<b>Segment assets and liabilities</b>					
Segment assets	5,175.7	2,019.1	544.7	415.6	5,720.4
Unallocable assets	—	—	—	—	1,562.9
Total assets					7,283.3
Segment liabilities	2,343.3	871.8	374.4	257.5	2,717.7
Unallocable liabilities					175.3
Total liabilities					2,893.0
					1,695.8

### 27. RELATED PARTY INFORMATION

- Related parties where control exists  
ICICI Bank Limited – Holding Company.
- Other related parties with whom transactions have taken place in ordinary course of business during the year  
Prudential Corporation Holdings Limited – Holds significant influence in the Company.  
ICICI Prudential Trust Limited – Fellow subsidiary  
ICICI Lombard General Insurance Company Limited – Fellow subsidiary  
ICICI Prudential Life Insurance Company Limited – Fellow subsidiary  
ICICI International Limited – Fellow subsidiary  
ICICI Securities Limited – Fellow subsidiary  
ICICI Securities Primary Dealership Limited – Fellow subsidiary  
ICICI Foundation for Inclusive Growth –Fellow entity

### Key management personnel:

Nimesh Shah – Managing Director

	ICICI Bank Limited	Prudential Corporation Holdings Limited	ICICI International Limited	ICICI Securities Limited	ICICI Lombard General Insurance Company Limited	ICICI Prudential Life Insurance Company Limited	ICICI Trust Limited	ICICI Primary Dealership Limited	ICICI Foundation for Inclusive Growth	KMP
Nature of Transaction	Holding Company	Significant Influence	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	KMP
Previous year	—	—	—	—	—	—	—	—	—	—
Purchase of fixed asset	—	—	—	—	—	—	—	—	—	—
Previous year	0.4	—	—	—	—	—	—	—	—	—
<b>Balance Outstanding:</b>										
Receivable / Advance (Payable)*	(1,324.3)	—	—	(3.3)	19.7	1.1	—	—	—	—
Previous year	(188.8)	(173.0)	—	(1.7)	0.8	0.0	—	—	—	—
Cash and bank balance	98.3	—	—	—	—	—	—	—	—	—
Previous year	379.1	—	—	—	—	—	—	—	—	—

Note:<sup>2</sup> The amounts disclosed are net of service tax.

\*The payable includes short term borrowings from ICICI bank Limited of ₹ 1311.9 (March 31, 2014: Nil).

	ICICI Bank Limited	Prudential Corporation Holdings Limited	ICICI International Limited	ICICI Securities Limited	ICICI Lombard General Insurance Company Limited	ICICI Prudential Life Insurance Company Limited	ICICI Trust Limited	ICICI Primary Dealership Limited	ICICI Foundation for Inclusive Growth	
Nature of Transaction	Holding Company	Significant Influence	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow entity	KMP
Dividend paid / provided	405.1	389.2	—	—	—	—	—	—	—	—
Previous year	360.1	346.0	—	—	—	—	—	—	—	—
Common Cost, Brokerage & Marketing expenses	34.1 <sup>3</sup>	—	—	25.0 <sup>3</sup>	—	—	—	—	—	—
Previous year	20.2 <sup>3</sup>	—	—	5.8 <sup>3</sup>	—	—	—	5.0 <sup>3</sup>	—	—
Insurance premium	—	—	—	—	24.1	4.2	—	—	—	—
Previous year	—	—	—	—	21.2	2.9	—	—	—	—
Corporate social responsibility	—	—	—	—	—	—	—	—	36.5	—
Previous year	—	—	—	—	—	—	—	—	—	—
Finance cost	24.5	—	—	—	—	—	—	—	—	—
Previous year	—	—	—	—	—	—	—	—	—	—
Remuneration Paid	—	—	—	—	—	—	—	—	—	49.7
Previous year	—	—	—	—	—	—	—	—	—	40.8
Management Fees Earned	—	—	—	—	—	—	—	—	—	—
Previous year	—	—	1.6	—	—	—	—	—	—	—
Other expenses incurred & reimbursed by Company (including custody fees)	8.5	—	—	—	—	—	0.0	—	—	—

	(₹ in million)	March 31, 2015	March 31, 2014
--	----------------	----------------	----------------

### 28. EARNINGS PER SHARE ('EPS')

Basic and diluted EPS is computed in accordance with Accounting Standard 20 on 'Earnings Per Share'. The computation of earnings per share is given below:

Net profit after tax	2,468.2	1,826.9
Weighted average number of equity shares outstanding during the year (in units)	17,652,090	17,652,090
Basic and diluted EPS of face value ₹ 10 each (in ₹)	139.83	103.49
<b>29. PROVISION FOR GRATUITY</b>		
The following disclosures have been set out in accordance with the requirement of Accounting Standard 15 on 'Employee Benefits'.		
<b>A) Amount recognised in balance sheet</b>		
Present value of funded obligations	109.7	76.7
Fair value of plan assets	(78.9)	(5.3)
Unrecognised past service cost	—	—
Net liability	30.8	71.4
<u>Amounts in the Balance Sheet</u>		
<b>Net liability</b>	<b>30.8</b>	<b>71.4</b>
<b>B) Expense recognised in the profit and loss account</b>		
Current service cost	11.8	10.3
Interest on defined benefit obligation	6.9	5.0
Expected return on plan assets	(0.1)	(0.6)
Net actuarial losses / (gains) recognised in year	16.5	8.6
Past service cost	—	—
<b>Total, included in "Employee Benefit Expenses"</b>	<b>35.1</b>	<b>23.3</b>
Actual return on plan assets	3.9	0.7

# notes



to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees million)

*Continued*

**C) Reconciliation of opening and closing balances of PV of defined benefit obligation and fair value of plan assets for the year ended 31 March**

	2015	2014
<b>Change in defined benefit obligation</b>		
<b>Opening defined benefit obligation as at 1 April</b>	<b>76.7</b>	60.4
current service cost	11.8	10.3
Interest cost	6.9	5.0
Actuarial losses / (gains)	20.3	8.7
Benefits paid	(6.0)	(7.7)
<b>Closing defined benefit obligation as at 31 March</b>	<b>109.7</b>	76.7
<b>Change in the fair value of plan assets</b>		
<b>Opening fair value of plan assets as at 1 April</b>	<b>5.3</b>	6.6
Expected return on plan assets	0.1	0.6
Actuarial gain/(losses)	3.8	0.1
Contributions by employer	75.8	5.7
Benefits paid	(6.0)	(7.7)
<b>Closing fair value of plan assets as at 31 March</b>	<b>79.0</b>	5.3

**D) Asset information**

<b>Category of assets</b>	100%	100%
The approximate full value of the assets as at March 31, 2015 as advised by the insurer is as follows:		
<b>Category of assets</b>	79.0	5.31

**E) Summary of actuarial assumptions**

**Financial assumptions at the valuation date:**

Discount rate (per annum)	8.00%	8.70%
Expected rate of return on assets (per annum)	8.50%	7.50%
Salary escalation rate (per annum)	8.45%	7.00%

**a) Discount rate:**

The discount rate is based on the prevailing market yields of Indian government securities as at March 23, 2015 for the estimated term of the obligations.

**b) Expected rate of return on plan assets:**

This is based on our expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

**c) Salary escalation rate:**

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

**Demographic assumptions at the valuation date:**

**d) Retirement age:**

The employees of the company are assumed to retire at the age of 58 years.

**e) Mortality:**

Published rates under the Indian Assured Lives Mortality (2006-2008).

**f) Leaving service:**

We have assumed 23% per annum withdrawal rate at all ages in this valuation.

**g) Disability:**

Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph (f) above).

**F) Experience adjustments**

	2015	2014	2013	2012	2011
Defined benefit obligation	109.8	76.7	60.4	58.2	51.6
Plan assets	79.0	5.3	6.5	17.6	18.5
Surplus / (Deficit)	(30.8)	(71.4)	(53.9)	(40.6)	(33.1)
Exp. Adj. on plan liabilities	10.9	11.4	3.6	(1.0)	11.0
Exp. Adj. on plan assets	3.8	0.1	0.0	(3.9)	0.5

**30. CAPITAL COMMITMENTS**

As at March 31, 2015, the Company had investment capital commitments (net of advances) amounting to ₹ 266.6 (Previous year ₹ 200.0) of which investment commitment of ₹ 231.6 pursuant to Regulation 28(3) of SEBI (Mutual Funds) Regulations, 1996 and investment commitment of ₹ 35 pursuant to contribution agreement entered into with ICICI Prudential Real estate AIF – I for which no provision is required to be made.

**31. CONTINGENT LIABILITIES**

Disputed income tax demand ₹ 96.0 (Previous year ₹ 96.0)

**32. TRADE PAYABLES**

Trade payables do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Principal amount remaining unpaid to any supplier as at the year end	Nil
Interest due thereon	Nil
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil

**33. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

	₹ in million
	March 31, 2015
	March 31, 2014
Fee from advisory services	220.1
Management Fees – PMS	63.0
<b>Total</b>	<b>283.1</b>
	260.6

**34. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

	₹ in million
Information technology	28.6
Travelling	0.7
Distribution support expenses	0.6
Consultancy fees	6.4
Employee cost	8.9
Membership & Subscription Fees	1.3
<b>Total</b>	<b>46.5</b>
	61.3

# notes

**to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees million)**

**35. UNHEDGED FOREIGN CURRENCY EXPOSURE**

The unhedged foreign currency exposure as on March 31, 2015 is given below:

	2015	2014
	Foreign currency (in millions)	₹ Foreign currency (in millions)
Payables		
SG\$	0.3	<b>13.7</b>
	<hr/> <b>13.7</b>	<hr/> <b>27.7</b>
Receivables		
US\$	1.6	<b>98.1</b>
	<hr/> <b>98.1</b>	<hr/> <b>114.6</b>

**36. REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON RESIDENT SHAREHOLDERS (ON CASH BASIS)**

	(₹ in million)	
	March 31, 2015	March 31, 2014
Amount remitted	<b>562.2</b>	229.2
No. of non resident shareholders	<b>1</b>	1
No. of shares held	<b>8,649,517</b>	8,649,517
dividend paid in the year	<b>2014-2015</b>	2013-2014

**37. TRANSFER PRICING**

The Company has developed a system of maintaining of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961. Management is of the opinion that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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

Sd/-  
MILIND RANADE  
Partner  
Membership 100564

Mumbai, April 20, 2015

For and on behalf of the Board of Directors of  
ICICI Prudential Asset Management Company Limited

Sd/- CHANDA KOCHHAR Chairperson	Sd/- VIJAY THACKER Director	Sd/- NIMESH SHAH Managing Director
Sd/- B. RAMAKRISHNA Chief Financial Officer	Sd/- RAKESH SHETTY Company Secretary	

Mumbai, April 20, 2015

# ICICI PRUDENTIAL TRUST LIMITED

## 22ND ANNUAL REPORT AND ACCOUNTS 2014 - 2015

### Directors

M. N. Gopinath, *Chairman*  
 Keki Bomi Dadiseth  
 M. S. Parthasarathy (Up to April 30, 2015)  
 Vinod Dhall  
 Sandeep Batra

### Auditors

S. R. Batliboi & Co. LLP  
*Chartered Accountants*

### Registered Office

12th Floor, Narain Manzil  
 23, Barakhamba Road  
 New Delhi - 110 001

### Corporate Office

3rd Floor, Hallmark  
 Business Plaza  
 Sant Dyaneshwar Marg  
 Bandra (East)  
 Mumbai - 400 051

**Corporate Identity Number**  
 U74899DL1993PLC054134

# directors' report

## to the members

Your Directors have pleasure in presenting the Twenty Second Annual Report, together with the audited financial statements of accounts of ICICI Prudential Trust Limited (the Company), for the year ended March 31, 2015 (fiscal 2015).

### FINANCIAL RESULTS

A summary of the Company's financial results for fiscal 2015 are as follows:

Particulars	Fiscal 2014	Fiscal 2015
Gross Income	5,703	7,473
Profit before tax	3,835	2,376
Provision for taxation	1,105	140
Profit after tax	2,730	2,236
Profit brought forward from previous year	8,100	8,496
Profit available for appropriation	10,830	10,732
<b>Appropriations</b>		
Transfer to General Reserve	273	0
Proposed Dividend	1,762	1,762
Dividend Distribution Tax	299	359
<b>Balance to be carried forward</b>	<b>8,496</b>	<b>8,611</b>

### DIVIDEND

Your Directors are pleased to recommend payment of dividend at the rate of 175% i.e. ₹ 17.5 per share (₹ 17.50 per share for fiscal 2015), on 100,700 equity shares of ₹ 10 each, amounting to ₹ 1.8 million for the year.

### PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the fiscal 2015, the Company had not given any Loan or Guarantee to be covered under the provisions of section 186 of the Companies Act, 2013 (the Act).

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

### PARTICULAR OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

The Company do undertakes various transactions related parties in the ordinary course of business. The Company has a Board approved policy on related party transactions. All the related party transactions that were entered into during the year ended March 31, 2015, were in the ordinary course of business and based on the principles of arm's length. In terms of the Board approved policy there were no material related party transactions for the year ended March 31, 2015.

### UPDATE ON NEW PRODUCTS

During fiscal 2015, ICICI Prudential Mutual Fund launched 51 fixed maturity plans, 19 capital protection oriented schemes, 15 multiple yield funds, 12 close ended equity funds, two open ended equity funds and one open ended debt fund. These Funds have collected ₹ 116.5 billion in fiscal 2015.

### THE STATE OF COMPANY'S AFFAIRS DURING THE YEAR

#### Mutual Fund Business

- a. **Average Assets Under Management (AUM):** The AUM of the Fund for the fiscal 2015 was ₹ 1,485.59 billion.
- b. **Awards received by ICICI Prudential Mutual Fund (the Fund):** In FY2015, ICICI Prudential Asset Management Company Limited (the AMC) won the Asia Asset Management Annual Best of the Best Awards 2014 for the Best Fund House, India & CEO of the Year, India for Nimesh Shah, the AMC's Managing Director.

Asia Asset Management's annual Best of the Best Awards, is an annual awards programme that gives recognition to financial institutions and pension funds for outstanding achievements over the past calendar year. These prestigious awards recognize our innovation, dynamism and high standards of practice.

The AMC also won the Outlook Money Award for Best Fund House of the Year. Besides this, the AMC received numerous other prestigious accolades during the year like Best Debt Fund House at the Money Today FPCIL Awards and the highest number of Lipper Fund Awards across several fund categories.

#### FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

Your Company has neither incurred any expenditure nor earned any income in foreign exchange.

#### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

#### DEPOSITS

During the year, the Company did not accept any deposits from the public under Chapter V of the Act.

#### DIRECTORS

The Board of Directors of the Company consisted of the following Directors at March 31, 2015:

1. M.N. Gopinath, Chairperson
2. Keki Bomi Dadiseth, Nominee Director
3. Sandeep Batra, Nominee Director
4. M.S. Parthasarathy, Independent Director
5. Vinod Dhall, Independent Director

Further, at the Extra-ordinary General Meeting of the Company held on March 20, 2015, the Members of the Company had appointed the existing Independent Directors viz. M.N. Gopinath, M.S. Parthasarathy and Vinod Dhall as Independent Directors under the Act, for the following term:

1. M.N. Gopinath – from February 23, 2015 upto February 22, 2020
2. M.S. Parthasarathy – from February 23, 2015 upto February 22, 2020
3. Vinod Dhall – from February 23, 2015 upto February 22, 2020

M.S. Parthasarathy has resigned as Independent Director from the Board effective from April 30, 2015. The Board placed on record its appreciation of the valuable contribution and guidance provided by M.S. Parthasarathy to the Company.

During the financial year ended March 31, 2015, seven Board meetings were held.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

# directors' report

## to the members

### RETIREMENT BY ROTATION

In terms of Section 152 of the Companies Act, 2013, Sandeep Batra, Non-Executive Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. Sandeep Batra has offered himself for re-appointment.

### AUDIT COMMITTEE

As at March 31, 2015, the Audit Committee comprised the following three Directors:

M. N. Gopinath  
M. S. Parthasarathy  
Vinod Dhall

During the financial year ended March 31, 2015, six meetings of the Audit Committee were held.

### RISK MANAGEMENT

The Company on an ongoing basis monitors the risk identification, measurement and control evaluation carried out by the AMC with an objective to administer risk and control effectiveness.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There are no employees in the Company and hence during the year, the Company has not received any sexual harassment complaint.

### AUDITORS

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (registration no. 301003E), Chartered Accountants were appointed as statutory auditors of the Company in the 21st Annual General Meeting (AGM) held on June 17, 2014 to hold office for a period of three years from the conclusion of the 21<sup>st</sup> AGM till the conclusion of the 24<sup>th</sup> AGM, subject to ratification of their appointment at the 22<sup>nd</sup> and 23<sup>rd</sup> AGM of the Company. The proposal for ratification of appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (registration no. 301003E) is placed in the ensuing 22<sup>nd</sup> AGM of the Company. The Company has received certificate under section 139 (1) of the Act from the statutory auditors of the Company.

### EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT9 is annexed herewith as Annexure - A.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a "going concern" basis and;
5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to the investors for their continued support and patronage to the products of ICICI Prudential Mutual Fund and ICICI Prudential Venture Capital Fund.

Your Directors wish to place on record their appreciation for the support and co-operation received from Securities and Exchange Board of India, Reserve Bank of India, ICICI Bank Limited, Prudential plc., the Company's bankers and the AMC.

Your Directors thank Computer Age Management Services Private Limited, the Registrar and Transfer Agents to the Schemes of the Fund, and the Custodians to the Fund, for the support provided by them in carrying out the operations in an efficient manner.

The Directors would also like to express their sincere thanks and appreciation to all the Agents and Distributors for handling the products of the Fund and for their contribution thereto during the year. Finally, the Directors wish to express their gratitude to the Members for their continued support.

For and on behalf of the Board

Sd/-  
M. N. GOPINATH  
Chairman

# Annexure

## Annexure

### ANNEXURE TO BOARD'S REPORT

#### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U74899DL1993PLC054134
- ii) Registration Date:- June 22, 1993
- iii) Name of the Company:- ICICI Prudential Trust limited
- iv) Category / Sub-Category of the Company:- Company limited by Shares
- v) Address of the registered office and contact details:- 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi-110001.  
Tel no.022-26852000
- vi) Whether listed company:- No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr No	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Trusteeship Fees from Mutual Fund & Venture Capital Fund	64300	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1	ICICI Bank Limited, Landmark Race Course Circle, Alkapuri, Baroda - 390015	L65190GJ1994 PLC021012	Holding	51%	2(46)
2	Prudential Corporation Holdings Limited Laurence Pountney Hill, London, EC4R 0HH, United Kingdom.	Foreign Company	Associate	49%	2(6)

# directors' report



to the members

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a. Individual/HUF									
b. Central Govt									
c. State Govt (s)									
d. Bodies Corp.									
e. Banks / FI	50657	Nil	50657	50.3	50657	Nil	50657	50.3	Nil
f. Any Other....	700	Nil	700	0.7	700	Nil	700	0.7	Nil
<b>Sub-total (A) (1):-</b>	<b>51357</b>	<b>Nil</b>	<b>51357</b>	<b>51</b>	<b>51357</b>	<b>Nil</b>	<b>51357</b>	<b>51</b>	<b>Nil</b>
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.	49343	Nil	49343	49	49343	49	49343	49	Nil
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>	<b>49343</b>	<b>Nil</b>	<b>49343</b>	<b>49</b>	<b>49343</b>	<b>49</b>	<b>49343</b>	<b>49</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>100700</b>	<b>Nil</b>	<b>100700</b>	<b>100</b>	<b>100700</b>	<b>Nil</b>	<b>100700</b>	<b>100</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FILs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>100700</b>	<b>Nil</b>	<b>100700</b>	<b>100</b>	<b>100700</b>	<b>Nil</b>	<b>100700</b>	<b>100</b>	<b>Nil</b>

# directors' report

## to the members

### ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ICICI Bank Limited	50,657	50.30	Nil	50,657	50.30	Nil	Nil
2	Prudential Corporation Holdings Limited	49,343	49.00	Nil	49,343	49.00	Nil	Nil
3	Others (Individuals) - including shares beneficially held by ICICI Bank	700	0.70		700	0.70	Nil	Nil
	<b>Total</b>	<b>100700</b>	<b>100</b>	<b>Nil</b>	<b>100700</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>

### iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			No changes	
	At the End of the year				

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Nil, for shares held by top ten shareholders other than directors, promoters and holders of GDR and ADRs.	
	At the End of the year ( or on the date of separation, if separated during the year)				

### V. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			Nil	
	At the End of the year				

# directors' report



to the members

## VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		—	—	—	—	—
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission - as % of profit - others, specify...	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	<b>Total (A)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	Ceiling as per the Act	—	—	—	—	—

B. Remuneration to other directors:

(₹ in 000's)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		M.N. Gopinath	M.S. Parthasarathy	Vinod Dhall	
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	690 — —	800 — —	800 — —	2,290 — —
	<b>Total (1)</b>	<b>690</b>	<b>800</b>	<b>800</b>	<b>2,290*</b>
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	— — — — —	— — — — —	— — — — —	— — — — —
	<b>Total (2)</b>	<b>— —</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B)=(1+2)</b>	<b>690</b>	<b>800</b>	<b>800</b>	<b>2,290</b>
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act (applicable for all the directors taken together)</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>

\*The consideration stated above is the sitting fees paid to Directors for attending Board and Committee meetings and is excluded from Overall Ceiling as per the Act.

# directors' report

## to the members

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission - as % of profit - others, specify	—	—	—	—
5.	Others, please Specify	—	—	—	—
	<b>Total</b>	—	—	—	—

### VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty	NIL				
Punishment					
Compounding					

# independent auditors' report



to the members of ICICI Prudential Trust Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Prudential Trust Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

# Annexure to the Auditors Report

referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirement" of our report on even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) The Company provides trusteeship services to ICICI Prudential Mutual Fund; and accordingly, provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2015 related to inventory are not applicable.
- (iii) According to the information and explanations provided by the management, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of this area.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for the services provided by the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) There are no dues of income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise and cess which have not been deposited on account of any dispute.  
(d) There is no amount required to be transferred to investor education and protection fund by the Company as at March 31, 2015.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our examination of documents and records, the Company has not taken any loans from financial institutions or banks or issued debentures and accordingly the provisions of clause ix of Companies (Auditor's Report) Order, 2015 are not applicable.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

Place: Mumbai  
Date: April 25, 2015

Sd/-  
per VIREN MEHTA  
Partner  
Membership No.: 048749

# balance sheet

# statement of profit and loss

as at March 31, 2015

for the year ended March 31, 2015

	Notes	March 31, 2015	( ₹ in 000's )	March 31, 2014	Notes	March 31, 2015	( ₹ in 000's )	March 31, 2014			
<b>EQUITY AND LIABILITIES</b>											
<b>Shareholder's Funds</b>											
(a) Share capital	3	1,007		1,007	Revenue						
(b) Reserves and surplus	4	11,431		11,316	Revenue from operations	16	5,200	5,200			
		12,438		12,323	Other Income	17	2,273	503			
<b>Non-Current Liabilities</b>											
(a) Deferred tax liabilities	5	18		5	<b>Total Revenue</b>		7,473	5,703			
<b>Current Liabilities</b>					<b>Expenses:</b>						
(a) Trade payables	6	101		81	Depreciation and amortization expense	18	53	50			
(b) Other current liabilities	7	334		69	Operating and administrative expenses	19	5,044	1,818			
(c) Short-term provisions	8	2,159		2,098	<b>Total expenses</b>		5,097	1,868			
		2,594		2,248	<b>Profit before tax</b>		2,376	3,835			
<b>TOTAL EQUITY AND LIABILITIES</b>					<b>Tax expense</b>						
<b>ASSETS</b>											
<b>Non-current assets</b>											
(a) Fixed assets					Current tax (MAT)		403	1,115			
Tangible assets	9	121		27	Mat Credit entitlement		(276)	—			
(b) Non-current investments	10	9,624		12,749	Net Current Tax		127	1,115			
(c) Long term loans and advances	11	1,065		381	Deferred tax		13	(10)			
		10,810		13,157	<b>Net Profit after tax</b>		140	1,105			
<b>Current assets</b>											
(a) Current Investment	12	2,890		—	<b>Basic and diluted earnings per equity share</b>	20	22.21	27.11			
(b) Short term loans and advances	13	61		—	<b>Summary of significant accounting policies</b>	2					
(c) Trade receivables	14	1,264		1,264							
(d) Cash and cash equivalents	15	25		155							
		4,240		1,419							
<b>TOTAL ASSETS</b>											
Summary of significant accounting policies	2	15,050		14,576							

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration No.: 301003E  
Chartered Accountants

Sd/-  
per VIREN H. MEHTA  
Partner  
Membership No. 048749

Place : Mumbai  
Date : April 25, 2015

For and on behalf of the Board of Directors of  
ICICI Prudential Trust Limited.

Sd/-  
M. N. GOPINATH  
Director

Sd/-  
M. S. PARTHASARATHY  
Director

Sd/-  
VINOD DHALL  
Director

Place : Mumbai  
Date : April 25, 2015

# cash flow statement



**for the year ended March 31, 2015**

(₹ in 000's)

March 31, 2015

March 31, 2014

## **A. CASH FLOW FROM OPERATING ACTIVITIES**

Profit from operating activities	2,376	3,835
<b>Adjustments for:</b>		
Depreciation and amortization	53	50
Dividend on non - current investments	(279)	(354)
Profit on sale of non - current investments	(1,895)	(149)
<b>Operating profit before working capital changes</b>	<b>255</b>	<b>3,382</b>
Decrease in trade receivables	0	3,826
Increase in trade payables	20	46
Increase in other current liabilities	265	(1)
(Increase) in short term loans & advances	(61)	
Cash generated from operations	479	7,252
Direct taxes paid (Net of refunds)	(810)	(1,085)
<b>Net cash from operating activities before prior period expenses</b>	<b>(331)</b>	<b>6,168</b>

## **B. CASH FLOW FROM INVESTING ACTIVITIES**

Proceeds from sale of investments	14,746	4,619
Purchase of investments	(12,615)	(9,154)
Purchase of Fixed Asset	(147)	—
Dividend received	279	354
<b>Net cash from/ (used in) investing activities</b>	<b>2,263</b>	<b>(4,181)</b>

## **C. CASH FLOW FROM FINANCING ACTIVITIES**

Dividends paid (including dividend distribution tax)	(2,062)	(2,061)
<b>Net cashflow from/(used) in financing activities</b>	<b>(2,062)</b>	<b>(2,061)</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents D = (A+B+C)</b>	<b>(130)</b>	<b>(74)</b>
<b>Add: Cash and cash equivalents at the beginning of the year (E)</b>	<b>155</b>	<b>229</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>25</b>	<b>155</b>

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration No.: 301003E  
Chartered Accountants

For and on behalf of the Board of Directors of  
ICICI Prudential Trust Limited.

Sd/-  
per VIREN H. MEHTA  
*Partner*  
Membership No. 048749

Sd/-  
M. N. GOPINATH  
*Director*

Sd/-  
M. S. PARTHASARATHY  
*Director*

Sd/-  
VINOD DHALL  
*Director*

Place: Mumbai  
Date: April 25, 2015

Place: Mumbai  
Date: April 25, 2015

# notes

## to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees thousand)

### 1. CORPORATE INFORMATION

ICICI Prudential Trust Limited ('the Company') was incorporated on June 22, 1993 under the Companies Act, 1956 and a limited company within the meaning of Companies Act, 2013. The principal shareholders of the Company are ICICI Bank Limited (51%) ('the Holding Company') and Prudential Corporation Holdings Limited (49%).

The Company's principal activity is to act as a trustee to ICICI Prudential Mutual Fund ('the Fund').

### 2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.1 Summary of significant accounting policies

##### a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### b. Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation is charged over the estimated useful life of a fixed asset on a straight line basis.

Class of asset	Useful Life
Computer	3 years

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

Depreciation is calculated at cost less residual value.

##### c. Investments

Investments that are readily realisable and intended to be held for not more than year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

##### d. Revenue recognition

Trustee fee is recognized on accrual basis, at the specific rates/ amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of ICICI Prudential Mutual Fund.

Trusteeship Fees are shown net of service tax.

Purchase and sale of investments are recorded on trade date. The profit/ loss on sale of investments is recognized in the statement of profit and loss on trade date, using the weighted average cost method.

Dividend income is recognized when right to receive dividend is established.

##### e. Taxes on income

Tax expense comprises current tax and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to

the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Company is liable to Minimum Alternative Tax (MAT) under section 115JB of Income Tax Act 1961, the Company is entitled to MAT credit for the excess of MAT paid over normal income tax for the assessment year for which MAT is paid. The MAT credit so determined can be carried forward and set-off up to seven succeeding assessment years. The amount of MAT credit to be set off in the year in which the company is liable to pay tax as per normal provision of the Act and the tax is in excess of MAT for that year. Company is availing MAT credit of ₹ 276 for the FY 2014-2015.

##### f. Earnings per share

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

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

##### g. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

##### h. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

##### i. Contingent Liabilities

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

Particulars	(₹ in '000s)	
	March 31, 2015	March 31, 2014
<b>3. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
1,000,000 (Previous year: 1,000,000) equity shares of ₹ 10 each	<u>10,000</u>	<u>10,000</u>
<b>Issued, subscribed and paid-up capital</b>		
100,700 (Previous year: 100,700) equity shares of ₹ 10 each, fully paid up	<u>1,007</u>	<u>1,007</u>
Total Issued, subscribed and fully paid up shares	<u>1,007</u>	<u>1,007</u>
<b>a. Reconciliation of the shares outstanding at the beginning and end of the year</b>		
<b>Particulars</b>		
	March 31, 2015	March 31, 2014
No. of shares		
₹ No. of shares		
<b>Equity shares</b>		
At the beginning of the year	<u>100,700</u>	<u>1,007,000</u>
Add: Issued during the year	<u>—</u>	<u>—</u>
<b>Outstanding at the end of the year</b>	<b><u>100,700</u></b>	<b><u>1,007,000</u></b>

# notes

	(₹ in 000's)			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>b. Terms /rights attached to equity shares</b>				
The Company has only one class of shares referred to as equity shares having par value of ₹10 each holder of equity shares is entitled to one vote per share.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distributions of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.				
<b>c. Details of shares held by holding company and shareholders holding more than 5% shares</b>				
<b>Particulars</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
ICICI Bank Limited and its nominee	511,570	51%	511,570	51%
Prudential Corporation Holdings Limited	493,430	49%	493,430	49%
<b>4. Reserves &amp; Surplus</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>General reserve</b>				
Balance at the beginning of the year	2,820	2,547		
Add: Transfer from profit and loss account	—	273		
<b>Closing balance</b>	<b>2,820</b>	<b>2,820</b>	<b>2,820</b>	<b>2,820</b>
Surplus in statement of profit and loss				
Balance at the beginning of the year	8,496	8,100		
Add: Profit for the year	2,236	2,730		
<b>Closing balance</b>	<b>10,732</b>	<b>10,830</b>	<b>10,732</b>	<b>10,830</b>
Less: Appropriations				
Proposed Dividend	1,762	1,762		
Dividend distribution tax	359	299		
Transfer to General Reserve	—	273		
<b>Closing balance</b>	<b>8,611</b>	<b>8,496</b>	<b>8,611</b>	<b>8,496</b>
<b>Total reserves and surplus</b>	<b>11,431</b>	<b>11,316</b>	<b>11,431</b>	<b>11,316</b>
<b>5 Deferred tax asset / liability</b>				
<b>Deferred tax liability</b>				
Depreciation on fixed assets	18	5		
	<b>18</b>	<b>5</b>	<b>18</b>	<b>5</b>
<b>6 Trade payables</b>				
Trade payables (Refer Note 22)	101	81		
	<b>101</b>	<b>81</b>	<b>101</b>	<b>81</b>
<b>7 Other current liabilities</b>				
For accrued expenses (Refer Note 22)	23	61		
Statutory dues	11	8		
Nomination Deposit	300	—		
	<b>334</b>	<b>69</b>	<b>334</b>	<b>69</b>
<b>8 Short term provision</b>				
Provision for proposed dividend	1,762	1,762		
Provision for dividend distribution tax	359	299		
Provision for Income tax (net of advance tax)	38	37		
	<b>2,159</b>	<b>2,098</b>	<b>2,159</b>	<b>2,098</b>
<b>9 Tangible assets</b>				
<b>Description - Computers</b>				
<b>Gross block</b>				
As at 1 April, 2014	157	157		
Additions during the period	147	—		
Deletions during the period	—	—		
<b>As at 31 March, 2015</b>	<b>304</b>	<b>157</b>	<b>304</b>	<b>157</b>
<b>Accumulated depreciation</b>				
As at 1 April, 2014	130	80		
Charge for the period	53	50		
On deletions during the period	—	—		
<b>As at 31 March, 2015</b>	<b>183</b>	<b>130</b>	<b>183</b>	<b>130</b>
<b>Net block</b>				
<b>As at 31 March, 2015</b>	<b>121</b>	<b>27</b>	<b>121</b>	<b>27</b>
As at 31 March, 2014	27	—	27	—
<b>10 Non Current Investment</b>				
<b>Mutual fund units of face value of ₹10 each:</b>				
1,52,756,072 units (Previous Year: 212,071,072 Units) in ICICI Prudential Short Term Regular Plan Growth option			1,688	2,343
Nil units (Previous Year: 4,98,317,444 Units) in ICICI Prudential Short Term Plan Regular Monthly Dividend			—	5,445
2,81,315,628 units (Previous Year: Nil Units) in ICICI Prudential Short Term -Direct Growth			7,936	—
<b>Mutual fund units of face value of ₹100 each:</b>				
Nil units (Previous Year: 27,001,913 Units) in ICICI Prudential Liquid Plan-Direct Growth			—	4,961
<b>Total Non-current Investments</b>			<b>9,624</b>	<b>12,749</b>
Net assets value of non - current unquoted investments			<b>12,529</b>	<b>16,457</b>
Above investments are unquoted.				
Non current investments are long term in nature and valued at cost.				
<b>11 Long term loans &amp; advances</b>				
Advance tax (net of provision)			789	381
MAT credit entitlement			276	—
			<b>1,065</b>	<b>381</b>
<b>12 Current Investment</b>				
<b>Mutual fund units of face value of ₹100 each:</b>				
14,711,947 units (Previous Year: Nil Units) in ICICI Prudential Liquid Plan-Direct Growth			2,890	—
Net assets value of current unquoted investments			2,890	—
Above investments are unquoted.			3,047	—
Current investments are valued at cost or market price whichever is less.				
<b>13 Short term loans &amp; advances</b>				
Advances recoverable in cash or in kind or for value to be received				
Service tax input credit on expenses			61	—
			<b>61</b>	<b>—</b>
<b>14 Trade receivables</b>				
Unsecured considered good and outstanding for less than six months			1,264	1,264
Others			—	—
			<b>1,264</b>	<b>1,264</b>
<b>15 Cash &amp; cash equivalents</b>				
Balance with bank			25	155
			<b>25</b>	<b>155</b>
<b>16 Revenue from operations</b>				
Trusteeship fees			5,200	5,200
			<b>5,200</b>	<b>5,200</b>
<b>17 Other Income</b>				
Dividend on non-current investment			279	354
Profit on Sale of non-current Investments			1,895	149
Miscellaneous Income (Refer Note 23)			99	—
			<b>2,273</b>	<b>503</b>
<b>18 Depreciation &amp; amortization</b>				
Depreciation on computers			53	50
			<b>53</b>	<b>50</b>
<b>19 Administrative &amp; other expenses</b>				
Director's Sitting Fees			2,290	517
Professional & Consultancy Fees			1,439	111
Board Meeting Expenses			1,209	1,100
Auditors remuneration			73	59
Communication Costs			28	27
Bank Charges			5	4
			<b>5,044</b>	<b>1,818</b>

# notes

## to the financial statements for the year ended March 31, 2015 (Currency: Indian rupees thousand)

### 20. Earnings Per Share ('EPS')

EPS is computed in accordance with AS-20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India (ICAI). The numerators and denominators used to calculate Basic and Diluted Earnings per Share are given below:

Particulars	March 31, 2015	March 31, 2014
(a) Nominal value of equity share (₹)	10	10
(b) Net profit available to equity shareholders (₹)	2,236	2,730
(c) Weighted average number of equity shares outstanding	100,700	100,700
(d) Basic and Diluted EPS (₹) = (b)/ (c)	22.21	27.11

The Company has not issued any potential equity shares and, accordingly, the basic EPS and diluted EPS are the same.

### 21. Related Party Disclosure

- Related parties where control exists  
ICICI Bank Limited – Holding Company
  - Other related party with whom transactions have taken place during the year Prudential Corporation Holdings Limited – Holds significant influence in the Company
- ICICI Prudential Asset Management Company Limited – Fellow Subsidiary

The nature and volume of transactions of the Company with the above related parties for the year ended March 31, 2015 were as follows:

Nature of Transactions	Holding company	Fellow subsidiary companies	Party with Significant influence	Total
<b>Dividend Paid</b>	<b>886</b>	—	<b>864</b>	<b>1,750</b>
(Previous Year)	(886)	—	(864)	(1,750)
<b>Recovery of expense</b>	—	<b>42</b>	—	<b>42</b>
(Previous Year)	—	(138)	—	(138)
<b>Reimbursement of expense</b>	—	<b>1</b>	—	<b>1</b>
(Previous Year)	—	—	—	—

### 22. Dues to Micro Small and Medium Enterprises

Other current liabilities do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA).

### 23. Miscellaneous income

Miscellaneous income includes cenvat credit utilized and expense recovery of previous year

### 24. Segment reporting

The Company acts as a Trustee for the schemes of ICICI Prudential Mutual Fund. As the Company is engaged only in one business segment and has no geographical segments, the Balance Sheet and the Statement of Profit and Loss pertain to one business segment.

### 25. Contingent liabilities

Contingent liabilities and capital commitments are Nil (March 31, 2014 : Nil)

### 26. Prior period comparatives

Figures of the previous year have been regrouped / reclassified wherever necessary to conform to current year's presentation.

As per our report of even date

For S. R. BATLIBOI & CO. LLP

ICAI Firm Registration No.: 301003E

Chartered Accountants

Sd/-  
per VIREN H. MEHTA  
Partner  
Membership No.: 048749

For and on behalf of the Board of Directors of  
ICICI Prudential Trust Limited

Sd/-  
M. N. Gopinath  
Director

Sd/-  
M. S. Parthasarathy  
Director

Sd/-  
Vinod Dhall  
Director

Place: Mumbai  
Date: April 25, 2015

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Over the last 60 years, the ICICI Group has transformed from a project finance institution to India's leading financial services conglomerate. Fuelling the nation's industrial growth and helping millions of Indians fulfil their aspirations, the ICICI Group has pioneered innovative services that revolutionised the financial sector in India. Through an array of products and services that blend technology and innovation, ICICI Bank caters to its large, diverse customer base, upholding its promise of *Khayaal Aapka*.

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