

CUSTOMER

VALUE OF NEW BUSINESS

RETAIL WEIGHTED RECEIVED PREMIUM

ASSETS UNDER MANAGEMENT

SOLVENCY RATIO

PERSISTENCY

IT'S ABOUT AND TRUST COMES FROM ANNUITY

TRUST. TRANSPARENCY. EMBEDDED

PROTECTION COST VALUE
RATIO SAVINGS

ANNUAL PREMIUM EQUIVALENT

SIMPLICITY



The online report is available on www.iciprulife.com

LIFE INSURANCE IS UNLIKE ANY OTHER BUSINESS.

Unlike manufacturing, it is not about products. Unlike finance, it is not about numbers.
Unlike technology, it is not about patents.

Life insurance is about the most invaluable and yet, most unpredictable of all human truths - life. While insurance can never replace the loss of a loved one, it helps tide over challenges by securing and supporting the lives of those who are left behind. Life insurance ensures life can go on.

In its simplest form, and at its very core, life insurance is a contract of faith. Faith based on deep foundations of trust. And trust comes from transparency.



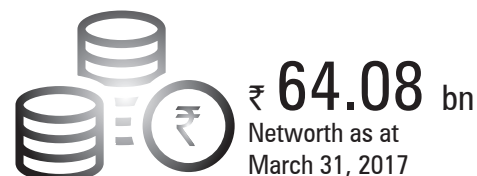
At ICICI Prudential Life Insurance, Trust and Transparency are firmly ensclosed within our DNA. We believe we should simplify complex terms and complicated jargons for all our stakeholders – from our investors to customers to agents to channel partners. It is our constant endeavour and focus to set new benchmarks in transparency. Because, we believe that by being transparent, we are also building trust.

At ICICI Prudential Life Insurance, we never forget that our business is unlike any other. We are in a business that is based on Trust and driven by Transparency.

IT'S ABOUT TRUST. AND TRUST COMES FROM TRANSPARENCY.

EXECUTIVE SUMMARY

NUMBERS THAT DEFINE US



WHO WE ARE

ICICI Prudential Life Insurance Company Ltd. is a joint venture between ICICI Bank Ltd., one of India's largest private sector banks, and Prudential Corporation Holdings Limited (UK). The Company began its operations in fiscal 2001 and has consistently been the market leader on a Retail Weighted Received Premium (RWRP) basis, amongst private sector life insurance companies in India. We are the first private sector life insurance Company to cross the ₹ 1 trillion mark in Assets under Management (AUM) and a total sum assured of ₹ 3 trillion. We are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).


We operate on the core philosophy of customer centricity and offer protection and long term savings products to our customers. The Company has provided financial security to 4.14¹ million customers.

WHERE WE ARE

We are headquartered in Mumbai, India with a pan-India presence.

WHAT WE OFFER

We offer a range of protection and savings products catering to the specific needs of customers across different life stages.



PROTECTION

10
Products

₹ 2.60 bn
Protection APE²

87.1%
APE growth in 2016-17



SAVINGS

18
Products

₹ 63.64 bn
Savings APE

26.5%
APE growth in 2016-17

HOW WE PERFORMED IN 2016-17

₹ 66.25 bn

Annualised Premium Equivalent (APE)

↑ 28.1%

₹ 51.70 bn in 2015-16

₹ 223.54 bn

Total Gross Written Premium (GWP)

↑ 16.6%

₹ 191.64 bn in 2015-16

12.0%

Market Share based on RWRP³

11.3%

in 2015-16

₹ 6.66 bn

Value of New Business (VNB)

↑ 61.7%

₹ 4.12 bn in 2015-16

₹ 161.84 bn

Embedded Value (EV)

↑ 16.1%

₹ 139.39 bn in 2015-16

₹ 16.82 bn

Profit After Tax (PAT)

15.1%

Cost Ratio⁴

281%

Solvency Ratio⁵ as at
March 31, 2017¹Number of lives covered by in-force individual and group policies²APE is calculated by annualising the monthly, quarterly and half yearly premiums and single premium weighted by 10%³Calculated for retail premium with single premium weighted by 10% in addition to first year premium⁴Total expenses divided by Total Weighted Received Premium (TWRP)⁵Regulatory requirement of 150%

Detailed analysis of our performance and embedded value report is available in the Annual Report uploaded on the Company's website www.iciciprulife.com

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DIRECTORS' REPORT

TO THE MEMBERS

ICICI Prudential Life Insurance Company Limited

Your Directors have pleasure in presenting the 17th Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2017.

PERFORMANCE

Industry in FY2017

The new business premiums of life insurance industry increased in FY2017 in terms of retail weighted received premium (RWRP). Some of the key industry trends were:

The retail weighted received premium for the industry grew 20.7% from ₹ 441.06 billion in FY2016 to ₹ 532.18 billion in FY2017. The market share of private players increased from 51.5% in FY2016 to 53.9% in FY2017.

Steady increase in bancassurance mix: During the past 5 years, bancassurance has grown steadily from 13% in FY2011 to 21% till 9MFY2017 on the basis of retail new business premium. Contribution by bancassurance channel to the retail new business premium of the private players has increased to 52% for 9MFY2017 compared to 47% for FY2015.

Company in FY2017

The Company achieved a market share of 12.0% in FY2017 based on RWRP. The Company's RWRP grew by 29.0% from ₹ 49.68 billion in FY2016 to ₹ 64.08 billion in FY2017. The Company continues to retain its market leadership among the private players and achieved market share of 22.3% amongst private players in FY2017. The Company focussed on improving its protection business and there was a 90% increase in sum assured for all business.

Total gross premium collected by the Company grew by 16.6% from ₹ 191.64 billion in FY2016 to ₹ 223.54 billion in FY2017. Our continued focus on customer retention has resulted in increase in retail renewal premium by 18.5% from ₹ 119.95 billion in FY2016 to ₹ 142.19 billion in FY2017. The 13th month persistency ratio also improved from 82.4% in FY2016¹ to 85.7% in FY2017. The Company's assets under management as at March 31, 2017 was ₹ 1,229.19 billion.

Total expenses increased to ₹ 31.60 billion in FY2017 as compared to ₹ 25.45 billion in FY2016 resulting in a marginal increase in total cost to total weighted received premium (TWRP²) ratio from 14.5% in FY2016 to 15.1% in FY2017. Profit after tax (PAT) for the Company stood at ₹ 16.82 billion in FY2017 compared to ₹ 16.50 billion in FY2016.

Value of New Business grew from ₹ 4.12 billion in fiscal 2016 to ₹ 6.66 billion in fiscal 2017, representing an increase of 61.7%.

Embedded Value increased from ₹ 139.39 billion at March 31, 2016 to ₹ 161.84 billion at March 31, 2017.

A summary of key parameters is as set out below:

Particulars	FY 2016	(₹ billion)
		FY 2017
RWRP	49.68	64.08
Retail renewal premium	119.95	142.19
Total premium	191.64	223.54
Expenses	25.45	31.60
Standalone profit after tax	16.50	16.82
Sum assured for new business	1,546.25	2,940.40
Assets held	1,039.39	1,229.19
Cost to TWRP ³	14.5%	15.1%

OUTLOOK FOR THE INDUSTRY AND THE COMPANY

The Indian economy and capital markets performed well in FY2017 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 financials saving and is expected to gain from the shift in trend. Recent events like demonetisation, shift from physical saving to 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 maintain and enhance our position in these markets.

Expand our protection business: The Company is focused on expanding protection by offering protection as an add-on to our savings products across channels, penetrating the online term insurance market and by partnering with loan providers to offer coverage against loans.

Continue to deliver superior customer value: The Company would continue to focus on delivering value to consumers through competitive customer charges, higher returns, and transparent service experience.

1. As per IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014
2. TWRP: Total premium – 90% of single premium
3. Cost/ (Total premium - 90% of single premium)

Strengthen multi-channel architecture: The Company would strengthen its multichannel distribution by non-linear scaleup of agency and proprietary sales force, leveraging the bancassurance franchise and focusing on quality third party distribution.

Maintain market-leading cost efficiency: 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 endeavor to continue to deliver superior risk adjusted returns to customers.

Financial

Particulars	Standalone		Consolidated	
	FY 2016	FY 2017	FY 2016	FY 2017
				(₹ billion)
Profit after tax (PAT)	16.50	16.82	16.50	16.82
Balance brought forward from previous year	0.48	2.51	0.47	2.49
Profit available for appropriations	16.98	19.33	16.97	19.31
Appropriations:				
Interim Equity Dividend	(9.02)	(5.52)	(9.02)	(5.52)
Proposed Final Dividend	(3.01)	-	(3.01)	-
Tax on Equity Dividends	(2.44)	(1.13)	(2.44)	(1.13)
Surplus carried to next year's account	2.51	12.68	2.49	12.66

The financial position of the Company remained strong with a solvency margin of 280.7% in FY2017 compared to 320.0% for FY2016 against regulatory requirement of 150%.

The AUM increased to ₹ 1,229.19 billion as at March 31, 2017 from ₹ 1,039.39 billion as at March 31, 2016.

OUR REACH

The Company reaches its customers through 512 offices in 449 locations at March 31, 2017. On March 31, 2017, the Company had 12,397 employees and 136,114 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

The Company offers a range of life, pension and savings products across traditional and unit-linked platforms to provide a range of long term savings and protection solutions. In order to strengthen our Protection offerings, we have launched new products on retail, mortgage and group platforms.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The operations have resulted in a profit after tax of ₹ 16.82 billion as compared to a profit after tax of ₹ 16.50 billion for the previous year. The Board had approved payment of interim dividend of ₹ 1.10 per equity share and a special dividend of ₹ 1.00 per equity share, for the first quarter of the FY2017 at its Board meeting held on July 20, 2016 and interim dividend of

₹ 1.10 per equity share and a special dividend of ₹ 0.65 per equity share, for the second quarter of the FY2017 at its Board meeting held on October 25, 2016. Further, the Board at its Meeting held on April 25, 2017 has recommended a final dividend of ₹ 3.50 per equity share (including special dividend of ₹ 1.20 per equity share. Total dividend for the year is ₹ 7.35 per equity share aggregating to ₹ 10.55 billion for FY2017.

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy of the Company is disclosed on the website <https://www.iciciprulife.com/about-us/corporate-policies.html>.

CLAIMS

The Company has settled over 10,500 individual mortality claims in FY2017. The claims settlement ratio for the Company in FY2017 is 96.87%. For non-investigated claims, the settlement was completed within an average turnaround time of 3.05 days from receipt of last requirement as compared to the regulatory norm of 30 days.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 (CA2013) 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 an insurance company.

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) with the objective of providing a strategic platform to leverage the substantial pension opportunity in India due to the lack of formal retirement provisions for a large segment of earning population.

During the year ended March 31, 2017, the subscribers' funds managed by PFM have increased by 105.6% from ₹ 7,011.4 million at March 31, 2016 to ₹ 14,414.8 million at March 31, 2017. PFM registered a loss of ₹ 5.7 million (previous year: loss of ₹ 3.1 million).

On the regulatory front, letter of appointment is awaited from Pension Fund Regulatory and Development Authority (PFRDA) in relation to the Request for Proposal issued by PFRDA in September 2016 for selection of Pension Fund Managers for NPS Private Sector wherein the Company has bid for fund management fees at 0.10% p.a.

'Pension' is a niche sector and the Company through its subsidiary intends to continue its presence in this segment. The overall contribution of the subsidiary to the financial results of the Company is not significant currently as it is still scaling up.

The Company will make available separate audited financial statements of the subsidiary company to any Member upon request. These documents/details are available on the Company's website (www.iciciprulife.com)

and will also be available for inspection by any Member of the Company at its Registered Office. A statement containing salient features of the financial statement of the subsidiary company forms part of the financial statements of the Company.

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

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

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Changes in the composition of the Board of Directors and other Key Managerial Personnel (KMP) during the year

Name of Director/ KMP#	Appointment/Resignation/ Cessation of tenure	With effect from
Mr. Keki Dadiseth Independent Director	Cessation of tenure	April 26, 2016
Mr. K. Ramkumar Nominee of ICICI Bank	Resignation	May 31, 2016
Mr. Tony Wilkey Nominee of Prudential Corporation Holdings Limited	Resignation	June 24, 2016
Mr. Rajiv Sabharwal Nominee of ICICI Bank	Resignation	June 30, 2016
Mr. M. S. Ramachandran Additional (Independent) Director	Appointment*	June 29, 2016
Mr. Dilip Karnik Additional (Independent) Director	Appointment*	June 29, 2016
Mr. Binay Agarwala Chief Financial Officer	Resignation	June 29, 2016
Mr. Satyan Jambunathan Chief Financial Officer	Appointment	June 29, 2016

*Subject to the approval of the members at the Company's ensuing Annual General Meeting

#As per CA 2013

Independent Directors

The Board of Directors of the Company at March 31, 2017 consisted of 12 Directors, out of which six are independent Directors, two Directors nominated by ICICI Bank Limited, one nominated by Prudential Corporation Holdings Limited, the Managing Director & CEO and two Executive Directors.

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the CA2013 and Regulation 16 of the Listing Regulations which have been relied on by the Company and were placed at the Board Nomination & Remuneration Committee and Board of Directors Meeting of the Company held on April 24, 2017 and April 25, 2017 respectively.

Separate Meeting of Independent Directors

During FY2017, a separate meeting of the Independent Directors was held on April 26, 2016.

Retirement by rotation

In accordance with the provision of section 152 of the CA2013 Mr. N. S. Kannan (DIN: 00066009) and Mr. Adrian O'Connor (DIN: 02417554) would retire by rotation at the ensuing AGM. Mr. N. S. Kannan and Mr. Adrian O'Connor, being eligible have offered themselves for re-appointment.

AUDITORS

Statutory Auditors

B S R & Co. LLP, bearing registration number 101248W/W-100022, Chartered Accountants and Walker Chandio & Co LLP bearing registration number 001076N/N500013, Chartered Accountants were appointed as joint statutory auditors of the Company at the Sixteenth Annual General Meeting held on June 24, 2016 and would hold office upto the conclusion of the ensuing Annual General Meeting.

The amended IRDAI Guidelines on Corporate Governance requires adherence to the CA2013 in addition to the provisions prescribed by the IRDAI. The CA2013 requires a listed company to appoint its auditor for a period of five years, which can be annually ratified by the members. B S R & Co. LLP bearing registration number 101248W/W-100022 has already served for three years and Walker Chandio & Co LLP bearing registration number 001076N/N500013, has already served for one year, consequently they are proposed to be appointed for a period of two years and four years respectively, subject to the approval of the members of the Company.

Secretarial Auditors

The Company with the approval of its Board of Directors, has appointed Dr. K. R. Chandratre, Company Secretary in Practice to undertake Secretarial Audit of the Company for FY2017. The Secretarial Audit Report is annexed herewith as Annexure A. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report.

Listing of equity shares

During the FY2017, the Company had completed its Initial Public Offer ("IPO") by way of an offer for sale of up to 181,341,058 equity shares of face value of ₹ 10 each of the Company, by the Selling Shareholder (ICICI Bank Limited).

The shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 29, 2016.

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

The statement containing the particulars of employees as required under Section 197(12) of the CA2013, read with Rule 5(2) of the Companies (Appointment & Remuneration) Rules, 2014, is set out in an Annexure and forms part of this Report. In terms of Section 136(1) of CA2013 the Report and the Accounts are sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of this Annexure may write to the Company Secretary at the Registered Office of the Company.

RURAL AND SOCIAL BUSINESS

The Company has Micro Insurance retail products and Group term products to cater to the protection and savings need of the unorganised and economically vulnerable section of the society.

- The Company has provided risk cover to the Self Help Group (SHG) members predominantly in the rural areas of Tamil Nadu, Maharashtra & Karnataka. These members are a group of micro entrepreneurs having homogeneous social and economic background, coming together to avail micro credit for financing their small and micro enterprises.
- Company provides Micro Insurance Savings Product at the door step to the financially backward tea workers in Assam.
- The Company partners with Micro Finance Institutions/ NBFCs and extends Group Term cover to customers for covering their loss of income risk arising out of unfortunately and untimely demise.
- 163,146 policies were issued in rural areas, constituting 23.2 % of total policy issuances. The Company also covered more than 307,300 lives of the total lives covered within the norm of 'social sector' business.

INCREASE IN SHARE CAPITAL

The paid-up capital of the Company increased by ₹ 30.28 million pursuant to exercise of stock options granted under the Employee Stock Option Scheme taking the paid-up capital to ₹ 14.35 billion at March 31, 2017.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits under Section 73 of the CA2013.

Corporate Social Responsibility Initiatives

The Corporate Social Responsibility policy as approved by the Board has been hosted on the Company's website (<https://www.icicprulife.com/about-us/company-overview/corporate-social-responsibility.html>).

The Annual Report on Corporate Social Responsibility is annexed herewith as Annexure C.

Particulars of contracts or arrangements with related parties

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the CA2013 including certain arm's length transactions under third proviso thereto are disclosed in Form AOC -2 appended as Annexure D.

The Company has a Board approved policy on Related Party Transactions, which has been hosted on the website of the Company and can be viewed at <https://www.icicprulife.com/about-us/corporate-policies.html>

Statement in respect of adequacy of internal financial controls

The Company has established an internal financial control framework comprising internal controls over financial reporting, operating controls and fraud prevention controls. The framework is designed to ensure accuracy, completeness and reliability of financial records, orderly and efficient conduct of business, safe guarding of assets as well as prevention

and detection of fraud. Key components of the internal financial control framework include:

Entity level controls: The control environment of the Company relies on a set of Entity level controls (ELCs) which operate at an organisation level and may not be embedded in any single process of the Company. The ELCs set up by the Company include:

1. Corporate governance framework comprising Board and executives committees for oversight on the management of the Company
2. Policies commensurate with the Company's size and level of complexity to establish standards of conduct including code of conduct, whistle blower policy, work place harassment, conflict of interest, information security etc.
3. Risk management framework to identify, measure, monitor and control various risks including operational risk (including fraud risk).
4. Independent Internal Audit department with oversight from the Audit Committee
5. Employee management framework comprising hiring, retention, training, performance evaluation and remuneration structure of the employees
6. Framework to ensure compliance to regulations, laws including compliance certification, communication of changes in regulations/laws etc.
7. Framework for identifying, monitoring of and control over outsourced activities

Operating controls: Comprises of IT and process controls operating at a system/process level with the objective of providing assurance at a transaction recording stage. Salient aspects include:

1. The Company has implemented the COSO 2013 framework for ensuring compliance with Sarbanes Oxley Act, 2002. All business processes having implication on financial results are subject to quarterly reviews. Any material deficiency is discussed at Audit Committee.
2. The Company has deployed automation in most aspects of the transaction processing including policy administration, investment management, actuarial computations, expense processing, claims management, human resource processes and accounting to ensure greater control and efficiency.
3. The Company has in place a robust IT control environment with integrated systems, interface controls, centralised data warehouse, spreadsheet controls, direct database update controls and access controls.
4. Control over third party service providers relevant from a financial reporting perspective.
5. The Company ensures control on safeguarding of assets comprising investment assets, IT assets and other assets.

Review controls: Review control comprises multiple levels of oversight over financial reporting by way of a strong reporting and review framework as follows:

1. The financials prepared are audited by joint statutory auditors, and are reviewed by Audit Committee. They are also submitted to IRDAI.

- Internal audit team exercises independent oversight over operational and financial processes and significant observations and recommendations are presented to the Audit Committee. Investment operations is subject to concurrent audit certification on a daily basis and an investment risk management systems (IRMS) audit on a bi-annual basis. Any significant findings in the concurrent audit or IRMS audit are presented to the Audit Committee.
- Management exercises review control by way of in depth reviews on financials, GL balances, liability assumptions, information security etc. conducted by CFO, Appointed Actuary and Chief of IT and operations.

Fraud prevention: The Company has a Board approved Fraud Risk Management Policy. The Company has an Operational Risk Management Committee (ORMC) which independently monitors frauds. The ORMC reports to Executive Risk Committee which in turn reports to Board Risk Management Committee.

- The Company follows both a proactive and reactive approach to mitigate fraud. Proactive management is done by using risk based 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. It also initiates actions through law enforcement authorities based on severity of the incident.
- The Company creates awareness amongst its employees and customers against fraudulent practices.
- The Company is in compliance with "Insurance Fraud Monitoring Framework" guidelines issued by IRDAI.

Auditor's Report

There is no qualification, reservation, 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 management about the adequacy and effectiveness of the risk management and control framework in the Company. Review of controls is undertaken 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.

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 and anti-money laundering 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.

Ind AS Implementation

The Company along with its subsidiary will adopt Ind AS with effect from April 1, 2018 as per the roadmap laid down by the Ministry of Corporate Affairs for the insurance sector for implementation of Ind AS, in their press release dated January 18, 2016 as well as circulars dated March 1, 2016 and December 30, 2016 on Ind AS implementation issued by IRDAI.

The effect of transition from Indian GAAP to Ind AS is being assessed. Areas which could have a significant impact on account of the transition:

- Fair valuation of certain financial instruments
- Contract classification into insurance and investment contracts as per Ind AS 104 on Insurance Contracts along with policyholder liability valuation
- Share-based payments
- Income taxes

This list of differences identified by the Company should not be viewed as exhaustive and definitive as it is intended to highlight those areas that are considered to be most significant as of date.

Apart from the assessment, Company has made certain representations to IRDAI for further clarifications for the purpose of Ind AS implementation. There would also be a change in the presentation of financial statements including additional disclosures.

Risk Management

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.

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:

- 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.

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 reinsurance 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.

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, loss events and/or audit findings.
- (b) The Company actively promotes a risk awareness culture by improving understanding through communication. It further engages with the law enforcement agencies to create awareness on various insurance frauds and emerging issues
- (c) 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 to Malpractice Matrix. It also initiates actions through law enforcement authorities based on severity of the incident.
- (d) 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.
- (e) 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.
- (f) Information Security: The Company has an information security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organisation.
- (g) 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.

Sexual Harassment Policy

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at the workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at the workplace and has communicated the same to all its employees. 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 programs and e-mail campaigns.

CORPORATE GOVERNANCE

The Company considers its stakeholders as partners in success, and the Company remains committed to maximising stakeholders' value. The Company believes that sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. The Company is committed to exercise overall responsibilities rigorously and diligently throughout the organisation, managing its affairs in a manner consistent with corporate governance requirements.

The Company's corporate governance philosophy is based on an effective independent Board, the separation of Board's supervisory role from the executive management and the Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent Directors, to oversee critical areas.

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 or Directors 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. The Policy has been periodically communicated to the employees and also posted on the Company's intranet and hosted on the website at <https://www.icicprulife.com/about-us/corporate-policies.html>.

Code of Conduct under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

The Company has in place a Code of Conduct to Regulate, Monitor and Report Trades in securities by Directors, Employees & Connected Persons which is in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to the Employees of the Company, Designated Persons, and their Immediate Relatives and Connected Persons, to the extent applicable. The objective of the Code is to prohibit insider trading in any manner by the Designated Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a "need to know" basis.

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. This Code is available on the website of the Company (<https://www.icicprulife.com/about-us/company-overview/board-of-directors.html>). Pursuant to the Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report.

Policy for determining Material Subsidiaries

In accordance with the requirements of the Listing Regulations, the Company has formulated a Policy for determining Material Subsidiaries and the same has been hosted on the website of the Company (<https://www.icicprulife.com/about-us/corporate-policies.html>)

Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the link: (https://www.icicprulife.com/content/dam/icicpru/about-us/corporate_policies/Familiarisation_Programme_for_ID.pdf).

CEO/CFO Certification

In terms of the Listing Regulations, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

Board of Directors

The Company's Board is, constituted in compliance with the CA2013, in accordance with IRDAI Corporate governance guidelines, 2016 and the Listing Regulations. The Board comprises six Independent Directors, two Directors nominated by ICICI Bank Limited, one Director nominated by Prudential Corporation Holdings Limited, 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 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. 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 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, Stakeholders Relationship Committee and With Profits Committee.

There were six Meetings of the Board during FY2017 - on April 26, 2016, June 29, 2016, July 20, 2016, August 26, 2016, October 25, 2016, and January 24, 2017. The maximum interval between any two meetings did not exceed 120 days. The names of the Directors with their qualification and field of specialisation are set out in the following table:

Name of the Director	Directors Identification Number (DIN)	Qualification	Field of specialization
Nominee Directors			
Ms. Chanda Kochhar, Chairperson, Nominee of ICICI Bank Limited	00043617	MMS - Finance, ICWA	Banking, Financial Services
Mr. N. S. Kannan, Nominee of ICICI Bank Limited	00066009	Bachelor of Engineering (Honours) PGDM, Chartered Financial Analyst (ICFAI)	Banking, Financial Services
Mr. K. Ramkumar ¹	00244711	B. Sc, PG Diploma in Personnel & Industrial Relations Management	Human Resources Management, Customer Service and Operations
Mr. Rajiv Sabharwal ²	00057333	B.Tech. (IIT Delhi), PGDM	Banking, Financial Services
Mr. Tony Wilkey ³	02337488	MBA	Insurance, asset management
Mr. Adrian O'Connor, Nominee of Prudential Corporation Holdings Limited	02417554	Fellow of the Institute of Actuaries and Fellow of Society of Actuaries	Financial management, strategic planning
Independent Directors			
Mr. Keki Dadiseth ⁴	00052165	B. Com, F.C.A (England and Wales)	Finance
Prof. Marti G. Subrahmanyam	00306761	B.Tech, PGDM, Ph.D.	Corporate finance, capital markets and international finance
Ms. Rama Bijapurkar	00001835	B.Sc (Hon.), PGDM	Market strategy
Mr. Vinod Kumar Dhall	02591373	LLB , M.Sc, Masters degree in Mathematics	Corporate Affairs, Law and Insurance
Mr. V. Sridar	02241339	B. Com (Hons), FCA	Banking, Finance and Accountancy
Mr. M. S. Ramachandran ⁵	00943629	B. E. (Mechanical)	Oil and Petroleum Industry
Mr. Dilip Karnik ⁶	06419513	B. Sc. and LLB	Former Judge of High Court of Bombay. Currently an Advocate
Executive Directors			
Mr. Sandeep Bakhshi, Managing Director & CEO	00109206	B.E (Mech), PGDM	Banking, Insurance, Financial Services
Mr. Puneet Nanda	02578795	B.E, PGDM	Insurance, Financial Services
Mr. Sandeep Batra	03620913	B.Com, F.C.A., A.C.S.	Banking, Insurance, Financial Services

1. Mr. K. Ramkumar ceased to be a Nominee Director with effect from May 31, 2016.
2. Mr. Rajiv Sabharwal ceased to be a Nominee Director with effect from June 30, 2016
3. Mr. Tony Wilkey ceased to be a Nominee Director with effect from June 24, 2016.
4. Mr. Keki Dadiseth ceased to be an Independent Director with effect from April 26, 2016.
5. Mr. M. S. Ramachandran was appointed as an Additional (Independent) Director with effect from June 29, 2016
6. Mr. Dilip Karnik was appointed as an Additional (Independent) Director with effect from June 29, 2016

The names of the Directors and their attendance at Board Meetings during the year are set out in the following table:

Name of the Director	Board Meetings attended/ held during the year	Attendance at last AGM (June 24, 2016)	Number of other directorships		Number of other committee ⁹ memberships
			Of Indian public limited companies ⁷	Of other companies ⁸	
Nominee Directors					
Ms. Chanda Kochhar, Chairperson, Nominee of ICICI Bank Limited	6/6	Absent	4	2	-
Mr. N. S. Kannan, Nominee of ICICI Bank Limited	5/6	Present	4	2	2
Mr. K. Ramkumar ¹	1/1	N.A.	N. A.	N. A.	N. A.
Mr. Rajiv Sabharwal ²	1/2	Absent	N. A.	N. A.	N. A.
Mr. Tony Wilkey ³	1/1	N. A.	N. A.	N. A.	N. A.
Mr. Adrian O'Connor, Nominee of Prudential Corporation Holdings Limited	4/6	Absent	-	N. A.	-
Independent Directors					
Mr. Keki Dadiseth ⁴	--	N. A.	N. A.	N. A.	N. A.
Prof. Marti G. Subrahmanyam	6/6	Absent	-	2	-
Ms. Rama Bijapurkar	4/6	Present	3	1	2
Mr. Vinod Kumar Dhall	6/6	Absent	6	-	7
Mr. V. Sridar	6/6	Present	9	-	9
Mr. M. S. Ramachandran ⁵	3/4	N. A.	6	3	3
Mr. Dilip Karnik ⁶	4/4	N. A.	2	-	1
Executive Directors					
Mr. Sandeep Bakhshi, Managing Director & CEO	6/6	Absent	1	-	-
Mr. Puneet Nanda	6/6	Present	1	-	-
Mr. Sandeep Batra	6/6	Present	2	1	1

1. Mr. K. Ramkumar ceased to be a Nominee Director with effect from May 31, 2016.
2. Mr. Rajiv Sabharwal ceased to be a Nominee Director with effect from June 30, 2016
3. Mr. Tony Wilkey ceased to be a Nominee Director with effect from June 24, 2016.
4. Mr. Keki Dadiseth ceased to be an Independent Director with effect from April 26, 2016.
5. Mr. M. S. Ramachandran was appointed as an Additional (Independent) Director with effect from June 29, 2016
6. Mr. Dilip Karnik was appointed as an Additional (Independent) Director with effect from June 29, 2016
7. Comprises of public limited companies incorporated in India
8. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
9. Comprises only Audit Committee and Stakeholders Relationship Committee of Indian public companies.

In terms of the Listing Regulations, the number of Committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a Director is a member/chairman were within the limits prescribed under Listing Regulations, for all the Directors of the Company. The number of directorships of each independent Director is also within the limits prescribed under Listing Regulations.

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 process, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible.
- Recommend the appointment, re-appointment, terms of appointment and, if required, the replacement or removal; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/statutory/concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process.
- 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.
- Evaluation of internal financial controls and risk management systems.
- 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 and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the CA2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - 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.

- Approval or any subsequent modification and disclosure of any related party transactions of the Company. Provided that the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.
- Modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.
- To the extent applicable, review with the management, the statement of uses/end use / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, 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.
- Review of housekeeping items, particularly review of suspense balances, reconciliations (including Subsidiary General Ledger (SGL) accounts) and other outstanding assets & liabilities.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), or by any other regulatory authority.

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 would 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.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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 nonpayment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower/Vigil mechanism.

III. Compliance & Ethics

- 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.
- Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches.
- 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 Company's AML/CFT programme.
- Review compliance of Insurance Regulatory & Development Authority of India (IRDAI) 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.
- Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

Composition

There were seven Meetings of the Board Audit Committee held during FY2017 - on April 25, 2016, June 24, 2016, June 29, 2016, July 19, 2016, August 26, 2016, October 24, 2016 and January 23, 2017. 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
Mr. V. Sridar ¹ - Chairman	7/7
Prof. Marti G. Subrahmanyam ²	5/6
Mr. Vinod Kumar Dhall	6/7
Mr. M. S. Ramachandran ³	3/4
Mr. N. S. Kannan ⁴	3/4
Mr. Adrian O'Connor	0/7
Mr. Keki Dadiseth – Chairman ⁵	0/1
Mr. K. Ramkumar ⁶	1/1

- Appointed as a Chairman of the Board Audit Committee with effect from April 26, 2016
- Appointed as a member of the Board Audit Committee with effect from April 26, 2016
- Appointed as a member of the Board Audit Committee with effect from July 8, 2016
- Appointed as a member of the Board Audit Committee with effect from June 29, 2016
- Ceased to be the Chairman of the Board Audit Committee with effect from April 26, 2016.
- Ceased to be a Member of the Board Audit Committee with effect from May 31, 2016.

b) Board Risk Management Committee

The Committee reviews 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 reviews 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

- Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;
- Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
- Reporting to the Board details of the risk exposures and the actions taken to manage the exposures, set the risk tolerance limits and assess the cost and benefits associated with risk exposure and review, monitor and challenge where necessary, risks undertaken by the Company;
- Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;
- Review the Company's risk-reward performance to align with overall policy objectives;
- Discuss and consider best practices in risk management in the market and advise the respective functions;
- Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.;
- Review the solvency position of the Company on a regular basis;
- Monitor and review regular updates on business continuity;
- Formulation of a Fraud monitoring policy and framework for approval by the Board;
- Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
- Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated 21st January, 2013, issued by the Authority.
- To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

B. Asset Liability Management (ALM)

- Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives and ensuring they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity;

- ii. Reviewing the Company’s overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation
- iii. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
- 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 and other relevant factors;
- vi. Quantifying the level of risk exposure (eg. market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
- vii. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
- viii. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
- ix. Managing capital requirements at the company level using the regulatory solvency requirements; and
- x. Reviewing, approving and monitoring capital plans and related decisions over capital transactions.
- xi. To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

There were four Meetings of the Board Risk Management Committee held during FY2017 - on April 25, 2016, July 19, 2016, October 24, 2016 and January 23, 2017. 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
Prof. Marti G. Subrahmanyam – Chairman	4/4
Ms. Rama Bijapurkar	3/4
Mr. N. S. Kannan	3/4
Mr. Adrian O’Connor	0/4

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 recommendation of the Investment Policy and laying down of the operational framework for the investment operations of the Company. The Investment Policy and operational

framework should, inter alia, focus on a prudential asset liability management supported by robust internal control systems; and 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 submit a report to the Board on the performance of investments at least on a quarterly basis and provide an analysis of its investment portfolio (including with regard to the portfolio’s safety and soundness) and on the future outlook.
- The Committee should independently review its investment decisions and ensure that support by the internal due diligence process is an input in making appropriate investment decisions.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Investment Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or by any other regulatory authority.

Composition

There were four Meetings of the Board Investment Committee held during FY2017 - on April 25, 2016, July 19, 2016, October 24, 2016 and January 23, 2017. 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
Prof. Marti G. Subrahmanyam - Chairman	4/4
Mr. N. S. Kannan	3/4
Mr. Adrian O’Connor	0/4
Mr. Sandeep Bakhshi	4/4
Mr. Sandeep Batra	4/4
*Mr. Satyan Jambunathan ¹	4/4
*Mr. Manish Kumar	4/4
*Mr. Binay Agarwala ²	1/1
*Mr. Deepak Kinger ³	2/2
*Ms. Asha Murali ⁴	3/3

* As per IRDAI Corporate Governance guidelines 2016, Board Investment Committee shall also have Appointed Actuary, Chief Investment Officer, Chief Financial Officer and Chief Risk Officer as members.

1. Appointed as a member with effect from June 29, 2016.
2. Ceased to be a member with effect from June 29, 2016
3. Appointed as a member with effect from July 20, 2016
4. Appointed as a member with effect from June 1, 2016

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 mis-selling 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, and take steps to reduce these complaints, at periodic intervals.
- Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
- 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.
- Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof.
- Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
- Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.
- Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims.
- Reviewing Repudiated claims with analysis of reasons.
- Status of settlement of other customer benefit payouts like Surrenders, Loan, and Partial withdrawal requests etc.
- Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.

The Company has a Grievance Redressal Committee (GRC). The key discussions of the GRC Meeting are put up at the Board Customer Service & Policyholders' Protection Committee for information. The GRC is formed to provide effective grievance redressal to the policyholders. The GRC consists of two external members and three members from senior management team of the Company. Mr. R. Narayanan, an external member, chairs the GRC. As part of the grievance redressal mechanism,

the GRC constituted as the final authority to address the policyholders' grievances before approaching the Regulator and the Ombudsman office. The GRC 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.

Composition

There were four Meetings of the Board Customer Service & Policyholders' Protection Committee held during FY2017 - on April 26, 2016, July 19, 2016, October 24, 2016 and January 23, 2017. 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
Mr. Vinod Kumar Dhall - Chairman	3/4
Mr. K. Ramkumar ¹	1/1
Mr. Adrian O'Connor	1/4
Mr. N. S. Kannan ²	3/3

1. Ceased to be a Member with effect from May 31, 2016.

2. Appointed as a Member with effect from June 29, 2016

e) Board Nomination and Remuneration Committee

The Board Nomination & Remuneration Committee shall assist the Board to formulate policies relating to the composition & remuneration of the directors, key managerial personnel, other employees consistent with criteria approved by the Board. The Committee shall coordinate and oversee the self-evaluation of the performance of the Board and succession planning for senior management. The Committee shall ensure that the Board comprises competent and qualified Directors.

Terms of Reference:

- 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 consider and approve employee stock option schemes and to administer and supervise the same.
- To devise a policy on diversity of the Board.
- 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 formulate a criteria for evaluation of every director's performance.
- To scrutinise the declarations of intending applicants before the appointment/ re-appointment/ election of directors by the shareholders at the annual general meeting; and to scrutinise the applications and details submitted by the aspirants for appointment as the key managerial personnel.

- To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 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.
- To ensure that the proposed appointments/ re-appointments of key managerial personnel or directors are in conformity with the Board approved policy on retirement/ superannuation.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

There were four Meetings of the Board Nomination & Remuneration Committee held during FY2017 - on April 26, 2016, June 29, 2016, July 20, 2016 and January 23, 2017. 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
Ms. Rama Bijapurkar - Chairperson	4/4
Prof. Marti G. Subrahmanyam	4/4
Mr. Vinod Kumar Dhall	3/4
Mr. K. Ramkumar ¹	0/1
Mr. Adrian O'Connor	2/4
Mr. N. S. Kannan ²	1/2

1. Ceased to be a Member with effect from May 31, 2016.

2. Appointed as a Member with effect from June 29, 2016

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 CA2013 is put up on the Company's website.

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

There were two Meetings of the Board Corporate Social Responsibility Committee held during FY2017 - on April 25, 2016 and January 24, 2017. 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
Mr. Vinod Kumar Dhall – Chairman	1/2
Mr. K. Ramkumar ¹	1/1
Mr. Adrian O'Connor	1/2
Mr. N. S. Kannan ²	1/1

1. Ceased to be a Member with effect from May 31, 2016.

2. Appointed as a Member with effect from June 29, 2016

g) Stakeholders Relationship Committee

Terms of reference:

- Consider and review redressal and resolutions of the grievances of the security holders of the company, including those of shareholders, debenture holders and other security holders
- Approval and rejection of transfer and transmission of shares or securities, including preference shares, bonds, debentures and securities
- Approval and rejection of requests for split and consolidation of share certificates
- Approval and rejection of issue of duplicate share, issued from time to time
- Redemption of securities and the listing of securities on stock exchanges
- Allotment of shares and securities
- Any other activities which are incidental or ancillary thereto

Composition

There were two Meetings of the Stakeholders Relationship Committee held during FY2017 - on October 25, 2016 and January 24, 2017. 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
Mr. Vinod Kumar Dhall – Chairman	2/2
Mr. Keki Dadiseth ¹	-
Mr. Sandeep Bakhshi	2/2
Mr. Sandeep Batra ²	2/2

1. Ceased to be a Member with effect from April 26, 2016

2. Appointed as a Member with effect from April 26, 2016

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

There was one Meeting of the With Profits Committee held during FY2017- on April 22, 2016. The details of the composition of the Committee and attendance at its Meeting are set out in the following table:

Name of the member	Number of meetings attended/held
Mr. V. Sridar – Chairman	1/1
Mr. N. S. Kannan	0/1
Mr. Adrian O' Connor	0/1
Mr. Sandeep Bakhshi	1/1
*Mr. N. M. Govardhan	1/1
Mr. Satyan Jambunathan ¹	1/1
*Ms. Asha Murali ²	-

* As per IRDAI regulations With Profits Committee shall also have an Independent Actuary and Appointed Actuary as members.

1. Ceased to be a Member with effect from July 20, 2016
2. Appointed as a Member with effect from July 20, 2016

i) Initial Public Offer (IPO) Committee

The Board of Directors at its meeting held on April 26, 2016 had constituted an Initial Public Offer (IPO) Committee to review the progress of the IPO of the Company and to undertake necessary functions for the same including approving of the necessary documents like Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP), and Prospectus etc. The said Committee comprised of Mr. N. S. Kannan, Mr. Adrian O'Connor, Mr. Sandeep Bakhshi and Mr. Sandeep Batra.

The Committee met seven times during the IPO process. The shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on September 29, 2016 and subsequently since the role and objectives of the IPO Committee were successfully completed, the Committee stood dissolved.

Criteria for appointment of Directors & Senior Management

The Company has a well defined Policy for determining criteria for appointment of Directors & Senior Management personnel.

Remuneration Policy

The Company already has in place a Compensation & Benefits Policy applicable to Whole Time Directors (WTDs), Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) and other employees.

Further details with respect to the Compensation Policy are provided under the section titled "Compensation Policy and Practices".

Details of Remuneration paid to Whole Time Directors

The Board Nomination and Remuneration Committee (BNRC) determines and recommends to the Board the amount of remuneration, including performance bonus and perquisites, payable to the Whole Time Directors.

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to Whole Time Directors for fiscal 2017:

Particulars	Details of Remuneration (₹)		
	Mr. Sandeep Bakhshi	Mr. Puneet Nanda	Mr. Sandeep Batra
Basic	19,870,680	11,177,640	8,742,480
Variable pay paid out in fiscal 2017	24,600,402	14,122,225	8,133,493
Allowances and perquisites ¹	15,788,102	13,493,002	14,407,664
Contribution to provident fund	2,384,483	1,341,312	1,049,101
Contribution to superannuation fund	150,000	-	-
Contribution to gratuity fund	1,655,228	931,097	728,249
Stock options of ICICI Bank (Numbers) ²			
Fiscal 2017	830,000	275,500	232,750
Fiscal 2016	875,000	290,000	245,000
Fiscal 2015	875,000	290,000	245,000

- 1 Allowances and perquisites exclude stock options exercised during fiscal 2017 which does not constitute remuneration paid to the Whole Time Directors for fiscal 2017.
- 2 The table excludes special grant of stock options approved by IRDAI aggregating to 1,000,000 for Mr. Sandeep Bakhshi, 4,35,000 for Mr. Puneet Nanda and 3,67,500 for Mr. Sandeep Batra.

Perquisites (evaluated as per Income-Tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the gas, electricity, furnishing, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, were provided in accordance with the scheme(s) and rule(s) applicable from time to time. In lieu of the staff home loan policy applicable to Whole Time Directors (WTDs) and Presidents of ICICI Bank, the interest subsidy scheme for home loan was introduced for the Managing Director & CEO of the Company. The same was approved and revised in April, 2017 by BNRC and the Board. During the year the Compensation and Benefits policy was reviewed, amended and approved by the Board of Directors twice at their meetings held on October 25, 2016 and April 25, 2017.

Details of Remuneration paid to non-executive Directors

As provided in 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 i.e. the promoter group) for attending a Meeting of the Board or Committee thereof is decided by the Board of Directors from time to time within the limits prescribed by the CA2013. The Board of Directors has approved the payment of ₹ 100,000 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 CA2013.

The Board, subject to the approval of shareholders of the Company at the ensuing Annual General Meeting, has approved the proposal for payment of profit related commission upto ₹ 750,000 every year to each non-executive Director of the Company in proportion with their tenure, other than nominee Director(s), for each year effective from financial year ended March 31, 2017. The payments would be subject to the regulatory

provisions applicable to the Company and availability of net profits at the end of each financial year. Sitting fees paid to Independent Directors are outside the purview of the above limits.

The details of the sitting fees are as below:

Sitting fees paid to Independent Directors during the financial year ended March 31, 2017:

Name of the member	Amount (in ₹)
Prof. Marti G. Subrahmanyam	9,40,000
Ms. Rama Bijapurkar	5,40,000
Mr. Vinod Kumar Dhall	9,00,000
Mr. V. Sridar	7,60,000
Mr. M. S. Ramachandran	3,60,000
Mr. Dilip Karnik	4,00,000

* As per requirements of IRDAI regulations, Mr. N. M. Govardhan being an Independent Actuary is required to be a member of the With Profits Committee and is paid fees of ₹ 1,00,000 for attending the Meeting.

Remuneration disclosures pursuant to IRDAI guidelines

Pursuant to IRDAI guidelines on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole Time Directors of Insurers (IRDAI Guidelines) issued vide reference no. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 5, 2016 requires the Company to make following disclosures on remuneration on an annual basis in their Annual Report:

COMPENSATION POLICY AND PRACTICES

(A) Qualitative Disclosures

a Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

Name, composition and mandate of the main body overseeing remuneration

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

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

The Company did not take advice from an external consultant on any area of remuneration during the year ended March 31, 2017.

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

The Compensation Policy of the Company as last amended and approved by the BNRC and the Board at its Meeting held on April 25, 2017, which covers all employees of the Company.

Type of employees covered and number of such employees

All employees of the Company are governed by the compensation policy. The total number of permanent employees governed by the compensation policy of the Company at March 31, 2017 was 12,397.

Key features and objectives of remuneration policy

The Company has under the guidance of the Board and the BNRC, followed compensation practices intended to drive meritocracy within the framework of prudent risk management. This approach has been incorporated in the Compensation Policy, the key elements of which are given below:

Effective governance of compensation:

The BNRC has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for the Organisation 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 BNRC assesses organisational performance as well as the individual performance of WTDs and equivalent positions. Based on its assessment, it makes recommendations to the Board regarding compensation for WTDs and equivalent positions and bonus for employees, including senior management and key management personnel.

Alignment of compensation philosophy with prudent risk taking:

The Company seeks to achieve a prudent mix of fixed and variable pay, with a higher proportion of variable pay at senior levels. Compensation is sought to be aligned to both financial and non-financial indicators of performance including aspects like risk management and customer service. In addition, the Company has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time.

Whether the BNRC reviewed the Company's remuneration policy during the past year, and if so, an overview of any changes that were made

The Compensation & Benefits Policy on remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole Time Directors of Insurers was reviewed vide IRDAI Guidelines bearing no. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 5, 2016 and in line with ICICI Group norms. During the year this Policy was reviewed, amended and approved by the Board of Directors twice at their meeting held on October 25, 2016 and April 25, 2017.

Description of the ways in which current and future risks are taken into account in the remuneration processes

To ensure effective alignment of compensation with prudent risk taking, the Company shall take into account adherence to the risk framework to

ensure remuneration is adjusted for all types of risks in conjunction with other pre-defined performance objectives. Remuneration payout shall be sensitive to the time horizon of the risks involved and symmetric to risk outcomes.

- Compensation is aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others.
- Prudent behaviour is assessed through a Good Order Index for middle and senior management level employees.
- These business objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives.
- Acts of gross negligence and integrity breach are covered under the purview of the compensation policy.
- The deferred part of the variable pay (performance bonus) will be subject to malus, under which, the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.

Description of the ways in which the Company seeks to link performance during a performance measurement period with levels of remuneration

The Company follows a philosophy of meritocracy, which is the relative differentiation of employees based on performance delivered. The design of the variable pay is linked to the individual employee's performance rating which is arrived at basis assessment of performance delivered against a set of pre-defined performance objectives. These objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives. To ensure effective alignment of compensation with prudent risk parameters, the Company will take into account various risk parameters along with other pre-defined performance objectives of the Company. Prudent behavior is assessed through a Good Order Index for middle and senior management level employees.

(B) Quantitative disclosures

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Whole Time Directors (including MD & CEO)

Particular	At March 31, 2017
Number of meetings held by the BNRC during the financial year	4
Remuneration paid to its members during the financial year (in million) (sitting fees)	-
Number of WTD/ CEO/ MD having received a variable remuneration award during the financial year	3
Number and total amount of sign on awards made during the financial year -	Nil
Details of guaranteed bonus, if any, paid as joining/ sign on bonus	Nil
Breakup of amount of remuneration awarded for the financial year (in million)	
Fixed ¹	76.5
Variable Pay	46.9
Deferred	23.9
Non-Deferred	22.9
Share-Linked Instruments	Nil
Total amount of outstanding deferred remuneration	

Particular	At March 31, 2017
Cash	26.4
Shares	Nil
Shares-linked instruments	Nil
Other forms	Nil

1 Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Company.

Disclosures required with respect to Section 197(12) of the CA2013

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 CA2013 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, who are part of annual bonus plan, of the Company for the financial year;

Mr. Sandeep Bakhshi, Managing Director & CEO	65:1
Mr. Puneet Nanda, Executive Director	43:1
Mr. Sandeep Batra, Executive Director	40:1

(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 Whole Time Directors, Chief Financial Officer, and Company Secretary ranged between 9.0% and 15.0%.

(iii) The percentage increase in the median remuneration of employees, who are part of annual bonus plan, in the financial year;

The percentage increase in the median remuneration of employees, who are part of annual bonus plan, in the financial year was around 9.0%.

(iv) The number of permanent employees on the rolls of Company;

The number of employees, as mentioned in the section on 'Management's Discussion & Analysis' is 12,397.

(v) The explanation on the relationship between average increase in remuneration and company performance;

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. 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. The design of the variable pay is linked to the individual employee's performance rating which is arrived at basis assessment of performance delivered against a set of pre-defined performance objectives. These objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives.

(vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company;

For the FY2017, the KMPs were paid around 0.63% of the PAT.

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies;

Particulars	At September 29, 2016*	At March 31, 2017
Market capitalisation (₹ in billion)	479.40	548.88
Price/Earnings multiple	NA	32.6
Increase in the market quotations of the equity shares in comparison to the rate at which the last public offer made in September 2016	NA	14.5%

* Date of listing on the stock exchange (market capitalisation computed at issue price)

(viii) 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 in the salaries of total employees other than the Key Managerial Personnel for fiscal 2017 was around 9.0%, while the average increase in the remuneration of the Key Managerial Personnel was in the range of 9.0% to 15.0%.

(ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the company;

The ratio of the remuneration of each KMP (as per CA2013) to the PAT of the Company is given below:

Mr. Sandeep Bakhshi, Managing Director & CEO	0.23%
Mr. Puneet Nanda, Executive Director	0.15%
Mr. Sandeep Batra, Executive Director	0.14%
Mr. Satyan Jambunathan, Chief Financial Officer	0.09%
Ms. Vyoma Manek, Company Secretary	0.02%

(x) The key parameters for any variable component of remuneration availed by the directors;

The Compensation & Benefits Policy applicable to Whole time Directors, Key Managerial Personnel (KMP), Senior Managerial Personnel (SMP) and other employees, is in line with the guidelines issued by IRDAI on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole Time Directors of Insurers and in line with ICICI Group norms.

These KPIs of the Organisation and Whole Time Directors, in addition to financial parameters, include parameters related to quality and health of the business. To ensure effective alignment of compensation with prudent risk parameters, the Company takes

into account various risk parameters along with other pre-defined performance objectives of the Company. At the end of the financial year, the performance of the Company as well as performance of each WTD based on their respective KPI(s) is presented to the BNRC. Based on the performance assessment by the BNRC, the variable component of the remunerations for the WTDs is recommended to and approved by the Board.

(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

Performance evaluation of Board, Committees and Directors

The evaluations for the Directors, the Board and the Chairperson of the Board were undertaken through circulation of three questionnaires, one for the Directors, one for the Board and one for the Chairperson of the Board. The performance of the Board was assessed 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 were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairperson of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on leadership abilities, effective management of meetings and preservation of interest of stakeholders. The evaluation process for Whole Time Directors is further detailed under the section titled "Compensation Policy and Practices."

Employee Stock Option Scheme (ESOS)

The Company has an Employee Stock Option Scheme ("the Scheme" or "ESOS") which was instituted vide approval of its members at the Extra-Ordinary General Meeting (EGM) dated March 28, 2005. The Scheme was subsequently amended vide its EGM dated February 24, 2015. Further, the Scheme has been last amended in April 25, 2017 pursuant to a resolution of the Board of Directors of our Company, which shall be effective subject to the approval of the Members of the Company ("Revised Scheme" or "Revised ESOS"). The details of the Scheme as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 can be reviewed on the website of the Company (<https://www.iciciprulife.com/content/dam/icicipru/about-us/FinancialInformation/AnnualReports/FY2017.pdf>).

The aggregate options granted to the eligible employees under the Scheme are capped at 3% of the issued capital of the Company as on the date of grant(s). The Revised ESOS proposes that the aggregate number of shares issued or issuable since March 31, 2016 pursuant to the exercise of any options granted to the eligible employees issued pursuant to the Scheme or

any other stock option scheme of the Company, shall not exceed a to 2.64% of the number of shares issued as on March 31, 2016

Both the Scheme and the Revised Scheme, provides for a minimum period of one year between the grant of options and vesting of options.

According to the Scheme, the "Exercise Period" means the period commencing from the date of vesting of options and ending on the later of (i) the tenth anniversary of the date of grant of options or (ii) such extended time period for specific grants previously made as may be approved by the Board Nomination & Remuneration Committee from time to time or (iii) the fifth anniversary of the date of vesting of options. The shareholders of the Company in their meeting held on February 24, 2015 approved extension of the exercise period by 3 years for the options granted between 2005 to 2007. Further, it is proposed to amend the definition of "Exercise Period" in the Revised Scheme as the period commencing from the date of vesting and would expire on completion of such period not exceeding ten years from the date of vesting of Options as may be determined by the Board Nomination and Remuneration Committee for each grant.

Pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, note 3.17 and 3.19 of Schedule 16 of the financial statements for the year ended March 31, 2017 include disclosure required by 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards. Further, disclosure regarding diluted earnings per share (EPS), method used to account for options, difference between employee compensation cost as per intrinsic value and as per fair value and its impact on profit and EPS, option movement during the year, weighted-average exercise prices and the various tranches in which the options vest are also disclosed in the Notes to Accounts.

The Company has not granted any options under its Revised ESOS scheme during FY 2017 pending approval from the Members of the Company.

Details of equity shares held by the non-executive Directors as on March 31, 2017:

None of the non-executive Directors of the Company holds shares of the Company as on March 31, 2017.

General Body Meetings

The details of the last three Annual General Meetings (AGM) are given below:

Financial Year ended	Day, Date	Start time	Venue
Fourteenth AGM	Monday, June 23, 2014	4.30 p.m.	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Fifteenth AGM	Thursday, June 25, 2015	10.00 a.m.	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Sixteenth AGM	Friday, June 24, 2016	11.00 a.m.	ICICI Prudential Life Insurance Company Limited, 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 23, 2014

- Revision in remuneration payable to Mr. Sandeep Bakhshi, Managing Director & CEO.
- Revision in remuneration payable to Mr. Puneet Nanda, Executive Director.
- Revision in remuneration payable to Mr. Sandeep Batra, Executive Director.

Annual General Meeting held on June 25, 2015

- Re-appointment & Revision in remuneration payable to Mr. Sandeep Bakhshi, Managing Director & CEO.
- Re-appointment & Revision in remuneration payable to Mr. Puneet Nanda, Executive Director.
- Revision in remuneration payable to Mr. Sandeep Batra, Executive Director.

Annual General Meeting held on June 24, 2016

- Amendment of the Articles of Association of the Company

Means of Communication

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website (www.iciciprulife.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company's share price is released through as per regulatory requirements. The information is also disseminated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from time to time.

The financial and other information and the various compliances as required/prescribed under the Listing Regulations are filed electronically with NSE and BSE through NSE Electronic Application Processing (NEAP) System and through BSE Listing Centre and are also available on their respective websites in addition to the Company's website. Additionally information is also disseminated to BSE/NSE where required by email or fax.

The Company's quarterly financial results are published in the Financial Express (Mumbai, Pune, Ahmedabad, Lucknow, Delhi, Calcutta, Chandigarh, Chennai, Bangalore, Hyderabad, Cochin edition) and Loksatta (Mumbai, Pune, Nagpur, Ahmednagar, Delhi, Aurangabad edition). The financial results, official news releases, analyst call transcripts and presentations are also available on the Company's website.

Management Discussion and Analysis

The Management Discussion and Analysis Report for FY2017 forms part of the Annual Report.

General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Seventeenth AGM	Monday, July 17, 2017, 2.00 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Near Bombay Hospital & Medical Research Centre, New Marine Lines, Mumbai 400 020

Financial Year: April 1, 2016 to March 31, 2017

Book Closure: July 11, 2017 to July 17, 2017

Dividend Payment date: On or before August 16, 2017

Listing of equity shares on Stock Exchange

The Company has listed its equity shares on the following Stock Exchanges:

Stock Exchange	Code for ICICI Prudential Life Insurance Company Limited
BSE Limited (BSE) (Equity) Phiroze.Jeejeebhoy Tower Dalal Street Mumbai 400 001	540133
National Stock Exchange of India Limited (NSE) (Equity) 'Exchange Plaza' Bandra-Kurla Complex Bandra (East), Mumbai 400 051	ICICIPRULI

The Company has paid the annual listing fees for the relevant periods to BSE and NSE where its equity shares are listed.

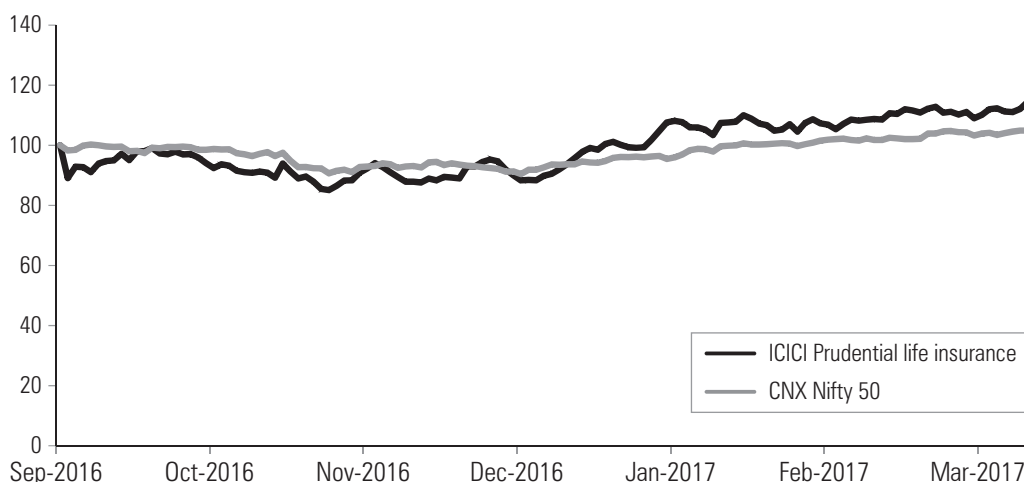
Market price Information

The Company has listed its equity shares on NSE and BSE on September 29, 2016:

The reported high and low closing prices and volume of equity shares of the Company traded on BSE and NSE during the period since the Company is listed (i.e. from September 2016 to March 2017) are set out in the following table:

Particulars	BSE			NSE			Total volume of BSE and NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
September 2016	310.10	297.65	15,026,408	310.25	297.55	101,104,251	116,130,659
October 2016	330.20	304.10	9,187,452	330.90	304.25	41,467,831	50,655,283
November 2016	313.35	283.55	3,704,294	314.10	284.15	22,992,932	26,697,226
December 2016	317.80	292.40	2,717,232	318.25	292.65	21,424,415	24,141,647
January 2017	359.85	306.60	6,921,781	361.15	307.10	38,255,374	45,177,155
February 2017	365.65	348.45	2,350,125	367.45	349.15	14,888,274	17,238,399
March 2017	382.25	361.45	4,673,192	382.40	362.40	35,942,425	40,615,617
Fiscal 2017	382.25	283.55	44,580,484	382.40	284.15	276,075,502	320,655,986

Share performance:



* Share price/index are rebased to 100 for closing value on September 28, 2016 (ICICI Prudential price considered as issue price-334)

Share Transfer System

The Company's Registrar and Transfer Agent (RTA) is Karvy Computershare Private Limited (Karvy). The address of the RTA is as follows:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

Email id: inward.ris@karvy.com Tel No. : +91-40-67162222 Fax No. : +91-40-23420814

During the year the Company has transferred its Share Transfer Agent to Karvy Computershare Private Limited from 3i Infotech Limited

Information on shareholding

Shareholding pattern of the Company as on March 31, 2017

Sr. No.	Category/Name of the Shareholder	Number of shares on March 31, 2017 (in mn)	% Total
1	ICICI Bank Limited (Promoter)	787.82	54.9%
2	Prudential Corporation Holdings Limited (Promoter)	370.78	25.8%
3	Azim Hasham Premji*	57.44	4.0%
4	Compassvale Investments Pte. Ltd.	28.72	2.0%
5	Foreign Institutional Investors /Foreign Portfolio Investors	85.84	6.0%
6	Domestic Mutual Funds	41.36	2.9%
7	Domestic Institutions, Trust & NBFC	1.09	0.1%
8	Domestic Body corporates	12.71	0.9%
9	Domestic Banks	0.38	0.0%
10	Retail Investors & Others	49.20	3.4%
	Total	1435.34	100.0%

*Shares held by Azim Hasham Premji for M/s Hasham Traders.

Shareholders of the Company with more than 1% holding as on March 31, 2017 (other than promoters of the Company)

Sr. No.	Name	No. of shares	% of total number of shares
1	Azim Hasham Premji*	57,435,497	4.00
2	Compassvale Investments Pte. Ltd.	28,717,748	2.00

*Shares held by Azim Hasham Premji for M/s Hasham Traders.

Distribution of shareholding of the Company as on March 31, 2017

Sr. No.	Category	Distribution Schedule As On 31/03/2017 (Total)			
		No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	4,31,310	98.85	29,50,16,210	2.06
2	5001- 10000	2,480	0.57	1,92,10,100	0.13
3	10001- 20000	1,014	0.23	1,49,67,130	0.10
4	20001- 30000	350	0.08	88,98,860	0.06
5	30001- 40000	213	0.05	75,75,030	0.05
6	40001- 50000	183	0.04	86,34,520	0.06
7	50001- 100000	262	0.06	1,93,37,970	0.13
8	100001& Above	530	0.12	13,97,98,31,280	97.40
	Total	4,36,342	100.00	14,35,34,71,100	100.00

Fit and Proper criteria for investors and continuous monitoring requirement

The IRDAI guidelines for Listed Indian Insurance Companies prescribes the following:

- Self-certification of "fit and proper person" criteria by a person holding/intending to acquire equity shares of 1% or more of paid-up equity share capital
- Prior permission of IRDAI for holding shares beyond 5% of the paid-up equity share capital.

Further information on detailed procedure and format for self-certification is hosted on the Company's website https://www.iciciprulife.com/content/dam/icicipru/about-us/investor-awareness/Fit_And_Proper_Criteria.pdf

Queries related to the operational and financial performance of the Company may be addressed to:

Mr. Satyan Jambunathan/Mr. Vikas Gupta
Investor Relations
ICICI Prudential Life Insurance Co. Ltd.
1089 Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025
Telephone: (91 22) 40391600
Fax: (91 22) 6662 2031
Email id: ir@iciciprulife.com

ADDITIONAL INFORMATION

Conservation of Energy and Technology absorption

The Company has undertaken various initiatives for energy conservation at its premises and has used information technology extensively in its operations; further details are given in the Business Responsibility Report.

Business Responsibility Reporting

Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations form part of the Annual Report and is available on the website of the Company (<https://www.iciciprulife.com/content/dam/icicipru/about-us/business-responsibility-report/BRR2017.pdf>).

Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo required under section 134(3)(m) of the CA2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are as under:

Particulars	₹ '000)	
	FY 2016	FY 2017
Foreign exchange earnings and outgo		
- Earnings	61,110	100,802
- Outgo	368,996	394,380

Commodity price risk or foreign exchange risk and hedging activities

This is not relevant to us as we do not have any derivatives or liabilities denominated in foreign currency.

Plant Locations

The branches of the Company are highlighted in this report earlier, however, there are no plants as the Company is not a manufacturing entity.

Address for Correspondence

Ms. Vyoma Manek
Company Secretary and Compliance Officer
ICICI Prudential Life Insurance Company Limited
1089, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025
Telephone: (91 22) 40391600
Fax: (91 22) 6662 2031
Email id: investor@iciciprulife.com

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has annexed to this report (Annexure E), a certificate obtained from the statutory auditors, BSR & Co. LLP, Chartered Accountants and Walker Chandio & Co LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in the Listing Regulations.

Details of unclaimed suspense accounts provided by our RTA i.e. Karvy Computershare Private Limited pursuant to Regulation 39 read with Part F of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Category/Name of the Shareholder	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on April 1, 2016	NIL	NIL
2	Aggregate Number of shareholders and the outstanding shares lying unclaimed on the date of transfer of shares to unclaimed suspense account i.e. as on September 28, 2016(the shares were allotted pursuant to offer for sale under IPO)	6	281
3	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	5	220
4	Number of shareholders to whom shares were transferred from suspense account during the year	5	220
5	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2017*	1	61

*As on the date of this Report, there are no shares lying unclaimed in the unclaimed suspense account

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.

Disclosures

- There are no materially significant related party transactions that may have potential conflict with the interest of the Company.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges, the Securities & Exchange Board of India (SEBI) or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.
- In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.

Adoption of Mandatory and Non-mandatory requirements

The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub Regulation 2 of Regulation 46 and some of the non-mandatory requirements pertaining to Corporate Governance stipulated under the Listing Regulations.

The Company has adopted following non-mandatory requirements:

1. Separate posts of chairperson and chief executive officer
The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer
2. Reporting of internal auditor
The internal auditor may report directly to the audit committee.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the 'Green Initiative', the Company has effected electronic delivery of Notice of Annual General Meeting and Annual Report to those Members whose e-mail IDs were registered with the respective Depository Participants and downloaded from the depositories viz. National Securities Depository Limited/Central Depository Services (India) Limited. The CA2013 and the underlying rules as well as Regulation 36 of the Listing Obligations, permit the dissemination of financial statements and annual report in electronic mode to the Members. Your Directors are thankful to the Members for actively participating in the Green Initiative and seek your continued support for implementation of the Green Initiative.

In order to support the cause, we have been regularly requesting members to register/update their email ids with their Depository Participants so as to enable the Company to send various communication through electronic mode. We believe and endorse the 'Green Initiative' as it would not only rationalise the use of paper but also ensure prompt communication, avoid loss in transit and have reference value of the communication.

DIGITISATION

In furtherance of Green Initiative, the Company has digitised its policy issuance and servicing processes. More than 95% of all our applications are logged digitally. The Company has also offered its customers the facility of opening e-insurance accounts, an electronic repository of the policies to enable it to electronically store and administer a policy.

To the extent permitted the Company also communicates with its customers via sms and emails to reduce the use of paper. The digital platform is extended to employees, advisors and partners too. Due to these initiatives the Company's paper usage has dropped drastically over the years. The above initiatives and digital processes have not only provided speed and convenience to customers and distributors, but has also had a positive impact on environment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the CA2013 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) 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 the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that 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;
- (d) that they have prepared the annual accounts on a going concern basis;
- (e) that they have 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) 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.

ACKNOWLEDGEMENTS

The Company is grateful to the Insurance Regulatory & Development Authority of India, Securities Exchange Board of India, Reserve Bank of India and Government of India for their continued co-operation, support and advice.

The Board of Directors and the Company would also like to take this opportunity to express sincere thanks to its valued customers for their continued patronage and the investors for reposing confidence in the Company.

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

May 30, 2017
Mumbai

CHANDA KOCHHAR
Chairperson
DIN: 00043617

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, 2017.

Sandeep Bakhshi

Managing Director & CEO

DIN: 00109206

May 30, 2017

Mumbai

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Vyoma Manek, hereby certify that the Company has, for the financial year ended March 31, 2017, complied with the corporate governance guidelines as prescribed by Insurance Regulatory and Development Authority of India as amended from time to time and nothing has been concealed or suppressed.

Vyoma Manek

Company Secretary

ACS 20384

May 30, 2017

Mumbai

ANNEXURE A

FORM NO. MR.3 SECRETARIAL AUDIT REPORT

For the Financial year ended 31 March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO THE MEMBERS

ICICI 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 (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 authorised 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 31 March 2017 ('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 31 March 2017 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 Overseas 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'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
- (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 (Not Applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period).

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the Insurance Act, 1938 and regulations, guidelines and directions issued by the Insurance Regulatory & Development Authority of India, which are applicable specifically to the Company.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 its Initial Public Offer, through an offer for sale, except for which the Company had no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

Place : Pune

Date : 25 April 2017

Dr. K. R. Chandratre

Company Secretary in Practice
FCS 1370, CP No 5144

ANNEXURE B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[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	L66010MH2000PLC127837
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	1089, Appasaheb Marathe Marg Prabhadevi Mumbai- 400 025 Tel. :(+91 - 22) 4039 1600 / 6143 1100 Fax :(+91 - 22) 2437 6638
vi)	Whether listed company Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email id: einward.ris@karvy.com Tel No. : +91-40-67162222 Fax No. : +91-40-23420814

II. Principal Business Activities of the Company:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
i)	Life Insurance Company	65110	100

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	% of shares held	Applicable Section
i)	ICICI Prudential Pension Funds Management Company Limited 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	U66000MH2009PLC191935	100	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding.

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year 01-Apr-2016		No. of Shares held at the end of the year 31-Mar-2017		% change during the year
		Demat	Physical	Demat	Physical	
A	Promoters					
	(1) Indian					
	a) Individual / HUF	0	0	0	0	0.00
	b) Central Govt	0	0	0	0	0.00
	c) State Govt(s)	0	0	0	0	0.00
	d) Bodies Corp.	0	0	0	0	0.00
	e) Banks/Fl	969,157,662	0	969,157,662	67.66	54.89
	f) Any Other	0	0	0	0	0.00
	Sub-total (A) (1) :-	969,157,662	0	969,157,662	67.66	54.89
	(2) Foreign					
	a) NRIs - Individuals	0	0	0	0	0.00
	b) Other - Individuals	0	0	0	0	0.00
	c) Bodies Corp.	0	370,784,884	25.89	370,784,884	25.83
	d) Banks/Fl	0	0	0	0	0.00
	e) Any Other	0	0	0	0	0.00
	Sub-total (A) (2) :-	0	370,784,884	25.89	370,784,884	25.83
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	969,157,662	370,784,884	1,339,942,546	93.55	80.72
B	Public Shareholding					
	(1) Institutions					
	a) Mutual Funds / UTH-II	0	0	0	41,358,153	2.88
	b) Banks /Fl / UTH-I	0	0	602,939	602,939	0.04
	c) Central Govt	0	0	0	0	0.00
	d) State Govt(s)	0	0	0	0	0.00
	e) Venture Capital Funds	0	0	0	0	0.00
	f) Insurance Companies	0	0	5,474,155	5,474,155	0.38
	g) Fls	0	0	85,842,852	85,842,852	5.98
	h) Foreign Venture Capital Funds	0	0	0	0	0.00
	i) Other (specify)	0	0	0	0	0.00
	Sub-total (B) (1) :-	0	0	133,278,099	0	9.29

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year 01-Apr-2016			No. of Shares held at the end of the year 31-Mar-2017			% change during the year	
		Physical		Total	Demat		Total		
				% of Total Shares			% of Total Shares		
(2) Non-Institutions									
A Bodies Corp.									
	i. Indian	75,020	0	75,020	0.01	8,043,010	0	8,043,010	0.56
	ii. Overseas	0	0	0	0.00	0	0	0	0.00
B Individuals									
	i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	984,766	102,771	1,087,537	0.08	33,349,449	75,045	33,424,494	2.33
	ii. Individual shareholders holding nominal share capital excess of ₹ 1 lakh*	61,612,680	172,992	61,785,672	4.31	66,268,322	128,000	66,396,322	4.63
C Others (specify)									
	Trust	0	0	0	0	19,938	0	19,938	0.00
	Directors & their Relatives (Resident)	252,500	0	252,500	0.02	378,548	0	378,548	0.03
	Non-Resident Indian Directors	0	0	0	0	0	0	0	0.00
	Foreign Nationals	0	0	0	0	425	0	425	0.00
	Non-Resident Indians	56,100	0	56,100	0	1,510,960	0	1,510,960	0.11
	Clearing Member	0	0	0	0	2,081,579	0	2,081,579	0.15
	Hindu Undivided Families	31,950	0	31,950	0	2,073,782	0	2,073,782	0.14
	Foreign Companies	28,717,748	0	28,717,748	2.00	28,717,748	0	28,717,748	2.00
	Foreign Bodies – DR	0	0	0	0	0	0	0	0.00
	NRI – DR	0	0	0	0	0	0	0	0.00
	NBFC	0	0	0	0	41,159	0	41,159	0.00
	NRI Non-Repatriation	364,575	0	364,575	0.03	779,558	0	779,558	0.05
	Sub-total (B) (2) :-	92,095,339	275,763	92,371,102	6.45	143,264,478	203,045	143,467,523	10.00
	Total Public Shareholding (B) = (B)(1) + (B)(2)	92,095,339	275,763	92,371,102	6.45	276,542,577	203,045	276,745,622	19.28
	D Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00
	Grand Total (A + B + C)	1,061,253,001	371,060,647	1,432,313,648	100	1,435,144,065	203,045	1,435,347,110	100.00

* includes shares held by Azim Hasham Premji for M/s Hasham Traders

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01-Apr-2016		Shareholding at the end of the year 31-Mar-2017		% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	ICICI Bank Limited	969,157,662	67.66	787,816,604	54.89	(12.78)
2	Prudential Corporation Holdings Ltd.	370,784,884	25.89	370,784,884	25.83	(0.06)
Total		1,339,942,546	93.55	1,158,601,488	80.72	(12.83)

Note: There is change in the number of shares held by the promoter companies.

Promoters' Shareholding

Sl No.	Particulars	Date	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		1,339,942,546	93.55	1,339,942,546	93.55
2	Shares sold by ICICI Bank Limited (date wise decrease in Share holding during the year) by way of IPO through offer for sale:	27-Sep-16	181,341,058	12.83	181,341,058	12.83
	At the End of the year	31-Mar-17	1,158,601,488	80.72	1,158,601,488	80.72

Note : There is change in the shareholding of promoters group.

iii) 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 01-Apr-2016		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 31-Mar-2017	
		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	Azim Hasham Premji*	57,435,497	4.01	-	57,435,497	4.00
2	Compassvale Investments Pte. Ltd.	28,717,748	2.00	-	28,717,748	2.00
3	Binayak Dutta	328,750	0.02	-	328,750	0.02
4	Puneet K Nanda jointly with Deepti Nanda	247,500	0.02	26-Aug-16 ESOS	347,500	0.02
5	Kalpna Bharat Sampat	235,000	0.02	-	235,000	0.02
6	Shuba Rao Mayya	175,000	0.01	30-Sep-16 182 Allotment in IPO	175,182	0.01
7	Poonam Bhardwaj	148,750	0.01	9-Sep-16 (5,000) Transfer	133,750	0.01
8	Pankaj Jain	139,250	0.01	19-Aug-16 28,000 ESOS	167,250	0.01
9	Tarun Chugh	137,000	0.01	30-Sep-16 626 Allotment in IPO	167,876	0.01
10	Bhaya Kumar Agarwala	125,000	0.01	15-Jun-16 95,000 ESOS	137,000	0.01
		-	-	22-Jun-16 (35,000) Transfer	220,000	0.01
					185,000	0.01

* Shares held by Azim Hasham Premji for M/s Hasham Traders.

iv) Shareholding of Directors and Key Managerial Personnel

Sl No	For Each of the Directors and KMP Name of the Director / KMP	Shareholding at the beginning of the year 01-Apr-2016		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 31-Mar-2017		Cumulative Shareholding during the year	
		No. of Shares of FV ₹ 10/-	% of total shares of the company		No. of Shares of FV ₹10/- of the company	% of total shares of the company		
1	Sandeep Bakhshi	-	-	27-Sep-16 48 Allotment in IPO	48	0.00	48	0.00
2	Puneet Nanda	247,500	0.02	26-Aug-16 100,000 ESOS	347,500	0.02	347,500	0.02
3	Sandeep Batra	5,000	0.00	18-Apr-16 (5,000) Transfer	0	0.00	0	0.00
		-	-	26-Aug-16 30,000 ESOS	30,000	0.00	30,000	0.00
4	Satyan Jambunathan	76,875	0.01	15-Jun-16 70,000 ESOS	146,875	0.01	146,875	0.01
5	Vyoma Manek	-	-	27-Sep-16 48 Allotment in IPO	48	0.00	48	0.00

V. Indebtedness

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

Particulars	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				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
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				
Total (i + ii + iii)				

VI. 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 (₹'000)
		Mr. Sandeep Bakhshi, Managing Director & CEO	Mr. Puneet Nanda, Executive Director- Business	Mr. Sandeep Batra, Executive Director-Corporate Center	
1.	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,435	36,043	29,857	123,335
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	822	1,617	1,426	3,865
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Options*	-	9,386	4,616	14,002
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify **	4,537	2,474	1,049	8,060
	Total (A)	62,794	49,520	36,949	149,262

*Perquisite value of the stock options exercised.

** Include – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme (Amounts rounded off to nearest decimal)

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors			Total Amount (In ₹)
	Prof. Marti G. Subrahmanyam	Ms. Rama Bijapurkar	Mr. Vinod Kumar Dhall	
Independent Directors				
• Fee for attending board & committee meetings	9,40,000	5,40,000	9,00,000	4,00,000
• Commission*				3,60,000
• Others, please specify				
Total	9,40,000	5,40,000	9,00,000	4,00,000
Others Non-Executive Directors				
• Fee for attending board committee meetings				
• Commission				
• Others, please specify				
Total	9,40,000	5,40,000	9,00,000	4,00,000
Total (B)	9,40,000	5,40,000	9,00,000	4,00,000

No Remuneration is paid to other non-executive Director namely, Ms. Chanda Kochhar, Mr. N. S. Kannan and Mr. Adrian O'Connor

* Profit related commission upto ₹ 750,000 every year to each Non - Executive Director of the Company in proportion with tenure, other than nominee director for each year effective from FY2017 subject to approval of the member of the Company at ensuing Annual General Meeting.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹'000)
		Mr. Binay Agarwala, Chief Financial Officer ***	Mr. Satyan Jambunathan Chief Financial Officer ****	Ms. Vyoma Manek, Company Secretary	
1.	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,110	10,032	3,227	34,369
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	706	575	-	1,281
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Options*	9,217	-	-	9,217
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify **	186	965	204	1,355
	Total	31,218	11,572	3,431	46,222

*Perquisite value of the stock options exercised.

** Include – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme

***Binay Agarwal— Compensation reported from April 1, 2016 to June 28, 2016

**** Satyan Jambunathan – Compensation reported from June 29, 2016 to March 31, 2017

(Amounts rounded off to nearest decimal)

V. 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
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding			NIL		

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) 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 organisations.

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-SocialResponsibility.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 : Mr. Vinod Kumar Dhall (Independent Director)

Member : Mr. N. S. Kannan (Director)

Member : Mr. 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 ₹ 10,869.6 million.

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

The prescribed CSR expenditure requirement for FY2017 is ₹ 217.4 million (FY2016 ₹ 199 million).

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year

Section 135 of the Companies Act 2013 requires that the company spends at least two per cent of the average net profits made during the three immediately preceding financial years towards CSR. The computation of net profit is determined by section 198 of the Companies Act, 2013 and CSR Rules, 2014. Based on the above, the Company was required to spend ₹ 217.4 million (FY2016 ₹ 199 million) for FY2017 towards CSR projects. The Company has spent ₹ 218.8 million for FY2017 (FY2016 ₹ 199.0 million) for CSR programmes.

(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)
Sl. 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 (in ₹)	Cumulative expenditure to the reporting period (in ₹)	Amount spent Direct or through implementing agency*
1	Projects of ICI Foundation for Inclusive Growth	Skill development and sustainable livelihood; elementary Education	<ul style="list-style-type: none"> Twenty-four fully operational skill training centres opened. Centres located in Bengaluru, Bhubaneswar, Jaipur, Indore, Kochi, Kolkata, Lucknow, Trichy, Vadodara, Vijaywada, Zirakpur, Mohali, Nagpur, Narsobawadi, Hyderabad, Chennai, Bangalore, Pune, Coimbatore, Patna, Guwahati, Durg, Delhi and Mumbai Elementary education projects in Rajasthan, Chhattisgarh Vocational training in locally relevant skills in more than 150 villages across the country. 	172.5 million	170.3 million	170.3 million	Amount spent through ICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR.
2	Healthcare	Healthcare	<ul style="list-style-type: none"> Orthanadu, Andipatti, Ponnapur, Kavarapattu, Okkanadu, Melaiyur and Arunthavapuram in Tamil Nadu Mumbai in Maharashtra Mumbai, Delhi, Chennai, Jaipur and Kochi 	5.3 million	6.5 million	6.5 million	<ul style="list-style-type: none"> A health care set up with Sughavazhvu (Tamil Nadu) focussing on chronic disease management for rural India Tata Memorial Hospital for supporting treatment and hospitalisation of children diagnosed with cancer Genesis Foundation for supporting medical aid of underprivileged children diagnosed with cardiac ailments
3	Education and Skill Development and Sustainable Livelihood	Education and Skill development and sustainable livelihoods	<ul style="list-style-type: none"> Indore, Katni, Jabalpur, Chhindwara, Ujjain and Khandwa in Madhya Pradesh Mysore in Tamil Nadu Lakshadweep islands Assam, Arunachal Pradesh, Sikkim, West Bengal, Bihar, Uttar Pradesh, Uttarakhand, Jammu and Kashmir, Rajasthan, Madhya Pradesh, Chhattisgarh, Maharashtra, Tamil Nadu, Karnataka, Kerala. 	9.6 million	16.8 million	16.8 million	<ul style="list-style-type: none"> Catalysts for Social Action (Mumbai) for enhancing childcare conditions, rehabilitation outcomes and vocational and skill development of children living in Child Care Institutes in Madhya Pradesh. Nature Conservation Foundation for supporting a 5 year Ph.D. program for 2 underprivileged students Nature Conservation Foundation for exploring livelihood alternatives for fishermen in Lakshadweep island Financial protection of underprivileged frontline forest staff in case of any eventuality (death or permanent disability while on duty)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. 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 (in ₹)	Cumulative expenditure to the reporting period (in ₹)	Amount spent Direct or through implementing agency*
4	Consumer Awareness and Education on critical illness and eIA	Consumer Protection	<ul style="list-style-type: none"> PAN India 	25.0 million	22.2 million	22.2 million	<ul style="list-style-type: none"> Direct
5	Other Projects	Education & health,	<ul style="list-style-type: none"> PAN India Coimbatore Maharashtra Mumbai in Maharashtra Mumbai in Maharashtra 	17.6 million	3.0 million	3.0 million	<ul style="list-style-type: none"> GiveIndia (Mumbai) Supporting Isha Education with an employee volunteering workshop for crafting learning aid material for remedial children in Isha Vidhya rural schools Supporting medical treatment and surgeries of underprivileged children through Ekam Foundation across Maharashtra Arpan for creating awareness and educating children on personal safety program in school (Mumbai) Catalysts for Social Action (Mumbai)

Details of the Implementing agencies-*a. ICICI Foundation for Inclusive Growth**

Website address – <http://www.icicifoundation.org/>

Regd. Address –

Head Office

ICICI Foundation for Inclusive Growth
ICICI Bank Towers, Bandra-Kurla Complex
Mumbai 400 051, India

Tel: 91 22 26531414, Fax: 91 22 26531511.

Registered Address

ICICI Foundation for Inclusive Growth
1 Cenotaph Road, Teynampet
Chennai 600 018, India

b. Tata Memorial Hospital

Website address: <https://tmc.gov.in/>

Registered Address

Dr. E Borges Road, Parel, Mumbai - 400 012 India
Tel. +91-22- 24177000, 24146750 – 55.

c. SughaVazhvu

Website address – <http://www.sughavazhvu.co.in/index.html>

Registered Address

SughaVazhvu Healthcare
A2, L.P. Amsavalli Illam, 7th Cross Street,
Arulananda Nagar, Thanjavur-613 007,
Tamil Nadu, India.
Tel - +91 4362 231373.

d. Genesis Foundation

Website – www.genesis-foundation.net

Registered Address

Genesis Foundation
C/o. K & S Partners, 109, Sector 44,
Gurgaon, 122003 Haryana, India
Tel – 91 (124) 408-1528.

e. Catalysts for Social Action

Website address – www.csa.org.in

Registered Address

Accelya Enclave, 685, 1st floor, Sharda Arcade, Satara Road,
Pune, Maharashtra 411037 India
Contact # +91-20-66083777 ext. 3959.

f. Nature Conservation Foundation

Website address – <http://ncf-india.org/>

Registered Address

Nature Conservation Foundation
3076/5, IV Cross, Gokulam Park, Mysore 570002
+91-821-2515601.

g. World Wide Fund for Nature – India

Website address – <http://www.wwfindia.org/>

Registered Address

172 B Lodhi Estate, New Delhi – 110003
Tel: +91 11 4150 4815.

h. Isha Foundation

Website address – www.ishavidhya.org

Registered Address

Isha Yoga Centre, Velliangiri Foothills,
Semmedu Po. Coimbatore – 641 114
Tel – 0422-4272740.

i. Arpan

Website address – <http://arpan.org.in/>

Registered Address

1st Floor, Delta Chemicals Pvt Ltd., J/1, Cama Industrial Zone,
Off. Val Bhatt Road, Goregaon East, Cama Industrial Estate,
Goregaon East, Mumbai, Maharashtra 400063
Tel - 022 2686 2444 / 2686 8444.

j. Ekam Foundation

Website address – <http://www.ekamoneness.org/>

Registered Address

EKAM Foundation (Chennai)
New No 16, Old No 19, 2nd Floor, Jayalakshmpuram 1st
Street, Nungambakkam, Chennai,
Tamil Nadu –600034
Phone: 044-42072785.

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.

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, 2017 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 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.	5,726.9
2	Commission expenses	ICICI Bank Limited	Holding company	-	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.	3,902.2
3	Bank Balance	ICICI Bank Limited	Holding company	-	Outstanding balance at March 31, 2017 in current account	1,107.9
4	Recovery of IPO	ICICI Bank Limited	Holding company	-	On actual basis	509.9
5	Sale of certificate of deposits, bonds and debentures of third parties	ICICI Bank Limited	Holding company	-	At market price	3,028.8
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	-	At market price	2,899.2
		ICICI Securities Primary Dealership Limited	Fellow Subsidiary	-	At market price	7,410.2
6	Purchases of government securities, bonds/debentures of third parties	ICICI Bank Limited	Holding company	-	At market price	7,524.2
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	-	At market price	5,467.9
		ICICI Securities Primary Dealership Limited	Fellow Subsidiary	-	At market price	11,806.0
7	Purchase of bonds/debentures issued by related party	ICICI Bank Limited	Holding company	-	At face value	3,250.0

ANNEXURE E

Independent Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF

ICICI Prudential Life Insurance Company Limited

Independent Auditors' Certificate on Corporate Governance

This certificate is issued in accordance with the terms of our engagement letters, wherein we are requested to issue certificate on the compliance of the conditions of Corporate Governance by ICICI Prudential Life Insurance Company Limited (the 'Company') for the period 29 September 2016 to 31 March 2017, as per Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (the 'Listing Regulations').

Management's responsibility

The Company's management is responsible for complying with the conditions of Corporate Governance and for providing all relevant information as per the Listing Regulations.

Auditors' responsibility

Pursuant to the requirements of the aforementioned Listing Regulations, we are required to report, based on our procedures, as to whether the Company has complied with the conditions of Corporate Governance.

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. Accordingly, we do not express such an audit opinion.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

Based on the procedures performed and information and explanations provided by the Company, in our opinion, the Company has complied, in all material respects, with the conditions of the Corporate Governance as per regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

Restrictions on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place : Mumbai
Date : April 25, 2017

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

per Sudhir N. Pillai
Partner
Membership No: 105782

Place : Mumbai
Date : April 25, 2017

CORPORATE GOVERNANCE

DISCLOSURE REQUIREMENTS AS PRESCRIBED BY THE IRDAI GUIDELINES ON CORPORATE GOVERNANCE FOR INSURANCE SECTOR

During the year, the Company had listed its shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Accordingly the Company is in compliance with the disclosure requirement as specified in Regulation 34 and Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same has been furnished as a part of the Directors Report forming part of the Annual Report.

It may be further noted that the Company is also in compliance with the Corporate Governance Guidelines amended by Insurance Regulatory and Development Authority of India (IRDAI) on May 18, 2016.

1. Disclosures regarding the Board Governance Structure

These include:

- Number of Board and Board committee meetings held in the financial year.
- Details of composition of the Board and the Committees mandated including the names of the Directors, their fields of specialisation, status of directorship held, etc.
- Number of meetings held by the Directors and the members of the Committee.
- Details of remuneration paid, if any to the independent directors.

The above data has been furnished as a part of the Directors Report forming part of the Annual Report.

2. Basis, methods and assumptions on which the financial information is prepared and impact of changes, if any

The basis, methods and assumptions using which the financial statements have been prepared have been detailed in the financial statements - Refer Schedule 16: Significant accounting policies and notes forming part of the financial statements.

3. Quantitative and qualitative information on the Company's financial and operating ratios namely, incurred claim, commission and expenses ratios

Information, both quantitative and qualitative on the insurer's financial and operating ratios have been furnished in the Management Discussion & Analysis section of the Annual Report and the financial statements – Refer 'Accounting ratios' section of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

4. Actual solvency margin details vis-à-vis the required margin

The details of the solvency ratio are as below:

Particulars	FY 2017	FY 2016
Actual solvency ratio	280.7%	320.0%
Required solvency ratio	150.0%	150.0%

5. Financial performance including growth rate and current financial position of the insurer

Financial performance of the Company including growth rate and current financial position has been furnished in the Management Discussion & Analysis section forming part of the Annual Report.

6. Description of the risk management architecture

The risk management architecture of the Company has been detailed under Directors Report forming part of the Annual Report.

7. Details of number of claims intimated, disposed of and pending with details of duration

The claims settlement experience for the Company for FY2017 has been as follows:

Sr. No.	Claims experience	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
1	Claims outstanding (beginning of the period)	44	11,111	3,184	6,721	3,931	538	5
2	Claims reported during the period	12,646	103,260	66,515	103,060	471,657	24,463	674
3	Claims Settled during the period	12,335	103,313	68,648	100,689	468,149	22,253	674
4	Terms and condition rejections	2	-	-	-	-	2,379	-
5	Claims repudiated during the period	301	-	-	-	-	63	3
6	Claims reopened	-	-	-	-	-	-	-
7	Claims written back	-	-	-	-	-	-	-
8	Claims outstanding (End of the period)	52	11,058	1,051	9,092	7,439	306	2

Ageing of claims intimated and settled as at March 31, 2017 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/ Pensions	Surrender claims	Health claims	Other benefits
Claims settled at end of the period	12,335	103,313	68,648	100,689	468,149	22,253	674
Less than 3 months	12,294	98,579	67,488	99,548	466,220	22,179	669
3 months to 6 months	9	650	770	720	1,710	72	1
6 months to 1 year	3	1,001	196	181	215	1	-
1 year and above	29	3,083	194	240	4	1	4

Ageing of claims intimated and outstanding as at March 31, 2017 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/ Pensions	Surrender claims	Health claims	Other benefits
Claims outstanding at end of the period	52	11,058	1,051	9,092	7,439	306	2
Less than 3 months	36	5,059	596	6,096	6,246	301	1
3 months to 6 months	7	1,018	307	1,103	782	5	1
6 months to 1 year	3	679	115	1,870	363	-	-
1 year and above	6	4,302	33	23	48	-	-

The claims settlement experience for the Company for FY2016 has been as follows:

Sr. No.	Claims experience	Death claims	Maturity claims	Survival benefits	Annuities/ Pensions	Surrender claims	Health claims	Other benefits
1	Claims outstanding (beginning of the period)	104	10,401	86	7,683	2,207	512	1
2	Claims reported during the period	12,814	30,659	52,040	95,230	438,239	25,585	189
3	Claims Settled during the period	12,491	29,949	48,942	96,192	436,515	22,898	185
4	Terms and condition rejections	-	-	-	-	-	2,575	-
5	Claims repudiated during the period	383	-	-	-	-	86	-
6	Claims reopened	-	-	-	-	-	-	-
7	Claims written back	-	-	-	-	-	-	-
8	Claims outstanding (End of the period)	44	11,111	3,184	6,721	3,931	538	5

Ageing of claims intimated and settled as at March 31, 2016 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/ Pensions	Surrender claims	Health claims	Other benefits
Claims settled at end of the period	12,491	29,949	48,942	96,192	436,515	22,898	185
Less than 3 months	12,302	27,692	48,201	96,192	436,145	22,806	183
3 months to 6 months	173	667	244	-	144	92	2
6 months to 1 year	10	627	243	-	94	-	-
1 year and above	6	963	254	-	132	-	-

Ageing of claims intimated and outstanding as at March 31, 2016 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/ Pensions	Surrender claims	Health claims	Other benefits
Claims outstanding at end of the period	44	11,111	3,184	6,721	3,931	538	5
Less than 3 months	38	2,542	3,183	3,899	3,724	528	3
3 months to 6 months	-	388	-	880	14	10	-
6 months to 1 year	-	428	1	1,825	4	-	-
1 year and above	6	7,753	-	117	189	-	2

Claims long outstanding are on account of:

1. Non-submission of necessary documents by the claimants.
2. Non exercise of the annuity option in case of annuity claims by the annuitant.

8. All pecuniary relationships or transactions of non-executive directors

The Company's Non-Executive and Independent Directors do not have any pecuniary relationships or transactions with the Company, except to the extent of insurance policies taken by them in the ordinary course of business, the sitting fees and reimbursements paid to them for attending Board and Committee Meetings, profit related commission (if approved by the members) and the dividend paid to them during the year in the capacity

of shareholders. These details are disclosed in the Directors' Report and under 'Managerial Remuneration' section of Schedule 16 – Significant accounting policy and notes forming a part of the financial statements.

The premium income received by the Company from insurance policies issued to non-executive directors of the Company is as follows:

Particulars	(₹ '000)	
	FY 2017	FY 2016
Rajiv Sabharwal*	1,105	1,183
N.S. Kannan	25	25
Total	1,130	1,208

*Ceased to be the director from June 30, 2016

The dividend paid by the Company to non-executive directors of the Company is as follows:

Particulars	(₹ '000)
	FY 2017
Rajiv Sabharwal*	0*
N.S. Kannan	350
Total	350

*Dividend amount paid to Mr. Rajiv Sabharwal amounts to ₹ 161

Further, payments made to parties in which directors are interested are disclosed in the Management Report forming part of the Annual Report.

9. Elements of remuneration package (including incentives) of MD & CEO and all other directors and Key Management Persons.

The details of remuneration to MD & CEO, executive directors and KMP's (as specified by IRDAI) are as below.

Particulars	(₹ '000)					
	FY 2017			FY 2016		
	MD & CEO	Directors	KMP	MD & CEO	Directors	KMP
Basic	19,871	19,920	26,925	17,279	17,525	28,299
Bonus	13,388	17,256	23,561	11,876	15,373	22,052
Retirals	4,522	3,508	5,340	3,901	3,075	5,058
Allowance/Perquisites	13,801	40,785	103,244	12,162	24,872	47,983
LTRS	11,212	5,000	21,558	20,409	8,750	23,440
TOTAL	62,794	86,469	180,628	65,627	69,595	126,832

In addition to the above, stock options of ICICI Bank are granted under ICICI Bank Employee Stock Option Scheme-2000.

The details of remuneration/payment to non-executive directors are disclosed in the Directors' Report and under 'Managerial Remuneration' section of Schedule 16 – Significant accounting policy and notes forming a part of the financial statements.

For further details on remuneration, please refer the disclosures given in Directors' Report. Remuneration package of individual directors is detailed in the Directors' Report forming part of the Annual Report.

10. Payment made to group entities from the Policyholders Funds

Details of Payment made to group entities (related party transactions) by the Company are included as a part of the financial statements – Refer 'Details of related parties and transactions with related parties' section of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

11. Disclosure requirements of the Participating and Unit Linked policyholders'

Disclosure requirements of the Participating and Unit Linked policyholders' has been furnished as a part of the financial statements – Refer Annexures 1, 2 and 3 annexed to Schedule 16: Significant accounting policies and notes forming part of the financial statements.

12. Persistency ratio

Persistency ratio which is furnished as a part of the financial statements - Refer 'Accounting ratios' section of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

13. Any other matters which have material impact on the financial position

There are no matters which have material impact on the financial position except those disclosed in the financial statements.

ENTERPRISE RISK MANAGEMENT

The Company recognises that risk is an integral element of the business and managed acceptance of risk is essential for generation of shareholder value. The Company's acceptance of risk is dependent on the return on risk-adjusted capital and consistency with its strategic objectives. Having accepted a risk, the Company may cede or hedge it where this is cost-effective. In general therefore, the Company's control procedures and systems are designed to manage risk, rather than eliminate it. However, at certain times, there may also exist some risks for which the Company has no tolerance and which are actively avoided.

The Company has in place a risk management framework with the following aims:

- Determining the risk profile of the Company i.e. the aggregate level of risks that the Company has undertaken in pursuit of profitable business.
- Identification, measuring, monitoring and control of risk for the purpose of protecting the interests of key stakeholders.
- Enhancing the Company's ability to identify and pursue opportunities that offer attractive risk-adjusted returns by providing transparent, accurate and timely risk information.
- Embedding risk-based decision making in key management processes and fostering a culture of risk awareness.
- Limiting the Company's exposure to adverse outcomes through risk limits.
- Ensuring compliance with regulatory requirements.
- Focusing on ensuring that it possesses the appropriate capabilities and experience in managing and transferring risks.
- Minimising reputational risk.

RISK GOVERNANCE FRAMEWORK

The risk governance structure of the Company consists of the Board, the Board Risk Management Committee (BRMC), the Executive Risk Committee (ERC) and its supporting committees.

The risks faced by the Company are classified into market, credit, liquidity, insurance and operational risks. The risk management model of the Company comprises a four-stage continuous cycle, namely the identification and assessment, measurement, monitoring and control of risks.

The Board approved risk policy ("the Policy") details identification, measurement, monitoring and control standards relating to the various individual risks. The Policy covers aspects related to:

- Financial Risk Management or Asset Liability Management ("ALM"): covering market risk, credit risk, liquidity risk and insurance risk.
- Operational Risk Management

In addition to the above, the Board has approved the following policies that assist in managing some of the above risks:

- Reinsurance Policy
- Underwriting Policy
- Outsourcing Policy
- Fraud Prevention Policy

This framework in conjunction with the three lines of defence helps the Company manage risk. The key responsibilities of each line are laid out below:



1. Risk Identification

The Company identifies its risk exposures through a variety of techniques and processes, including:

1. Stress testing of the current financial condition of the Company. Risk may be identified by reference to the Embedded Value¹ (EV) or to the solvency position of the Company.
2. Product development process by way of analysis of the sensitivity of profit margins and of profit patterns to market and insurance risks. Any liquidity or operational risk arising out of the new product or modification of an existing product is assessed prior to product launch.
3. Business planning process by way of analysis of the sensitivity of the projected solvency and emergence of profit to market and insurance risks.
4. Tracking of key liquidity risk indicators.
5. Risk and Control Self-Assessment (RCSA) to identify and assess operational risks in terms of their likelihood and impact by each business unit within the Company. The RCSA should be done with due cognizance to any loss events or audit findings.

2. Risk Measurement

The Company uses the following approaches to measure its risk exposure.

1. Risk to the EV: Value at Risk (VaR) of the EV is an appropriate measure of risk exposure for market, credit and insurance risks. The VaR is measured by calculating the reduction in the EV under extreme economic and non-economic scenarios. The stresses are benchmarked to European Insurance and Occupational Pensions Authority (EIOPA) standards as they develop, subject to appropriate adjustments for local conditions and the Company's stage of development.
2. Risk to the growth of the EV: In addition to the risk to the current EV, the Company also considers risks that impede future growth of the EV like insufficient new business profit growth and over-run in acquisition or renewal expenses, caused by adverse deviation of actual unit costs from planned unit costs.
3. Risk to the statutory position: The Company considers the impact of market risk on its statutory position and assess the quality of its ALM by performing a resilience test periodically on the quasi-regulatory balance sheet. The quasi-regulatory balance sheet is obtained by marking to market the assets on the regulatory balance sheet. The liabilities are determined with reference to the market value of assets and by preserving the margins for adverse deviation in accordance with applicable regulation and professional guidance. The quasi-regulatory balance sheet is subjected to economic shocks and the solvency ratios and free assets under the stress scenarios monitored.
4. Operational and fraud losses are measured as a proportion of profit for the same period to identify the extent of deviation from the agreed tolerance limit. In addition, key operational risk indicators are tracked.

5. Liquidity Ratio of highly liquid assets to near term liabilities is tracked in order to assess the liquidity position.

3. Risk Monitoring

The ERC reviews all the risks and presents a risk report to the BRMC on a quarterly basis. The BRMC informs the Board of the key findings.

4. Risk Control

Identified risk are managed by one or more of the following techniques

- Retention (acceptance),
- Avoidance,
- Transfer or,
- Reduction (mitigation).

The nature of the controls implemented and the level of control exercised are based upon the:

- Potential severity of the risk;
- Frequency of the risk occurring;
- Cost of implementing controls relative to the significance of the risk;
- Risk Appetite.

(a) Market risk:

1. Launching new products can significantly alter the risk profile of the Company's balance sheet. Market risks inherent in the new products or significant modifications to existing products are identified at the product design stage and a risk report placed before the ERC. The products are launched only after approval by the ERC.
2. Asset Liability Management (ALM): Asset-liability management involves minimising the risk due to mismatches in assets and liabilities. Mismatches could arise either due to asymmetric changes in the value of assets and liabilities as a consequence of changes in macroeconomic factors such as interest rates, or due to asynchronous cash inflows and outflows. The Company has developed 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 along with duration guidelines for fixed income instruments. The Investment Specifications are designed to achieve the risk versus return objectives and policyholders' reasonable expectations while maintaining the risk within the Company's risk appetite and with due consideration of regulatory requirements. The mitigation strategies for different portfolios are as follows:
 - i. Category 1: Non-linked business where the benefits to policyholders are based on performance of the underlying investments
For these funds the Company's asset allocation strategy, which includes investments in equities, is designed to achieve the twin objectives of managing risks arising from

¹The Embedded Value of the Company is the present value of shareholders' interests in the earnings distributable from assets allocated to the covered business after sufficient allowance for the aggregate risks in the covered business.

guarantees and optimising policyholder returns, subject to regulatory constraints. Asset Liability Management (ALM) is done through regular monitoring of the equity backing ratio and debt duration against limits as applicable. The bonus declaration mechanism for participating products also helps in the smoothing of the volatility of the investment returns.

- ii. Category 2: Non-linked business where the benefits and premiums are fixed at the start of the contract

The liabilities for these lines of business are obligations to policyholders or to meet expenses and have to be met either at a fixed time or on the occurrence of a contingency. The Company manages the risk on such products by investing only in fixed income instruments. Further, a combination of duration matching and cash flow matching approaches is used to mitigate asset liability mismatches.

- iii. Category 3: Linked products with guarantees

The Company uses a mix of stochastic and deterministic approaches to calculate the cost for providing the guarantee and holds a reserve on this account. The Company manages the investment risk arising from these products by setting limits on the equity backing ratio and debt duration.

- iv. Category 4: Linked products without guarantees

The linked portfolio without guarantees has minimal investment risk to the solvency of the Company. These funds are managed with respect to an appropriate benchmark index and do not require any active ALM.

(b) Credit risk: The Company manages the credit risk of its investments through the following measures:

- i. Exposure limits for companies, groups and industries in accordance with IRDAI norms and limits as per its own Investment Policy;
- ii. Restricting investments primarily to securities rated AA and above
- iii. Engagement with select and financially sound reinsurers as per internal guidelines for reinsurance. The credit risk on reinsurance contracts are reviewed when the Company plans to enter into a relationship with a new reinsurer, or in case of significant events like credit rating downgrades of existing reinsurers.
- iv. Approved counter-parties are used to minimise settlement risk

(c) Liquidity risk: The Company faces limited liquidity risk due to the nature of its liabilities. The Company has put the following mitigants in place:

- i. The Investment Specifications as a part of the asset-liability management framework provide guidelines to manage liquidity risk by specifying the minimum investment in highly liquid assets, taking account of constraints on the fungibility of assets among funds, and by specifying cashflow matching for certain funds.

- ii. The Company has a liquidity contingency plan, which addresses the following
 - a. Identifying mitigants to liquidity stress arising out of contingencies;
 - b. Communication and action protocol;
 - c. Restoring normality in the event of any contingency.
- iii. New products are launched only after approval by the ERC.

The ERC also evaluates the impact of market liquidity on any hedging or asset allocation strategy required by the product.

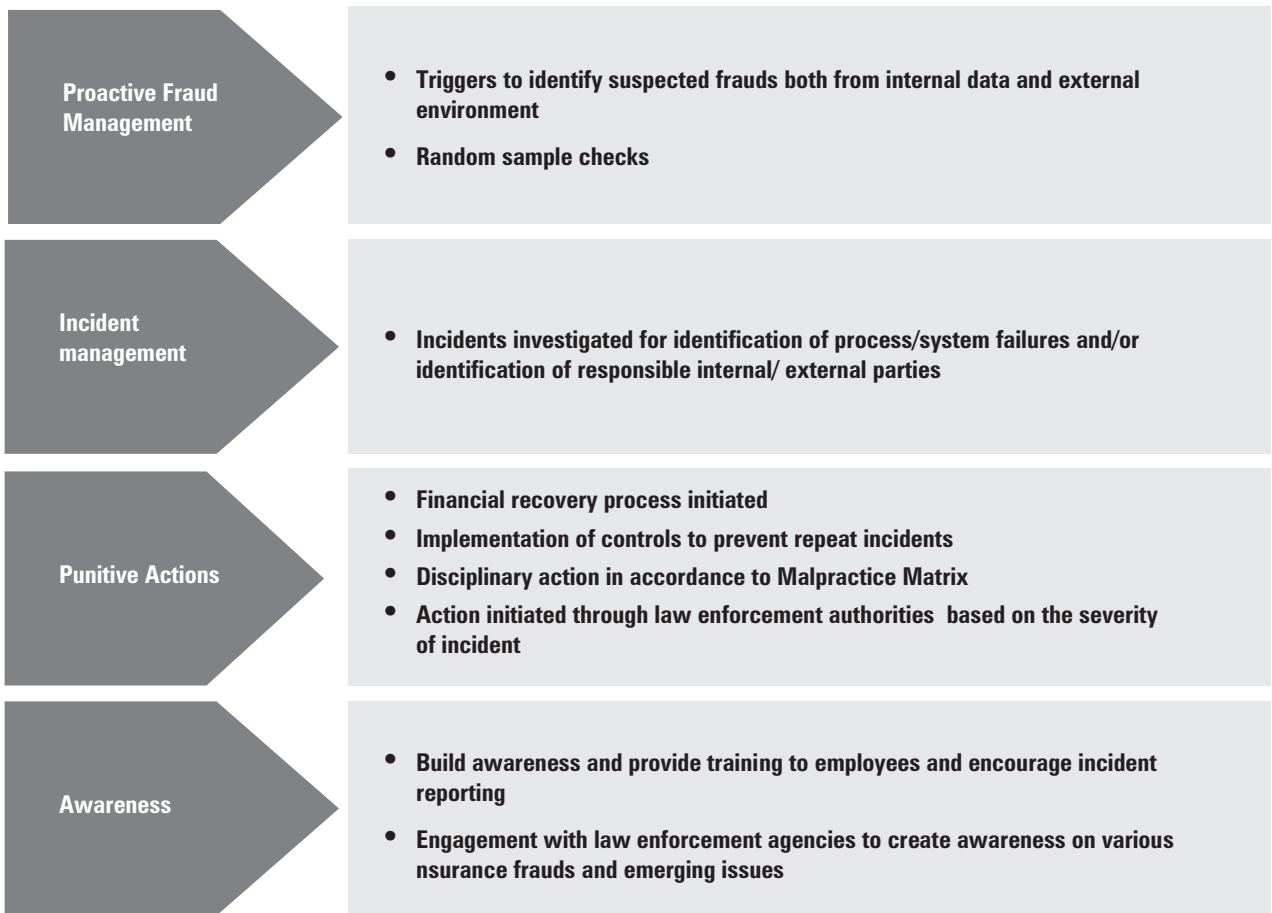
(d) Morbidity and Mortality risk: The Company uses the following approaches to manage its mortality and morbidity risk:

- i. Product approval process: Launching new products can significantly alter the risk profile of the Company's balance sheet. 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.
- ii. Reinsurance: The Company uses appropriate reinsurances arrangements, including catastrophe reinsurance, to manage insurance risk. The Company's reinsurance exposures are considered and approved by the ERC periodically.
- iii. Repricing: The Company also reserves the right to reprice future new business, in case of adverse experience, with IRDAI approval.
- iv. Underwriting and claims controls: Underwriting and claims policies and procedures are in place to assess and manage the risks. The Company conducts periodic reviews of both underwriting and claims procedures.
- v. Experience analysis: The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions are in line with experience.

(e) Persistency risk: The Company uses the following approaches to manage the risk:

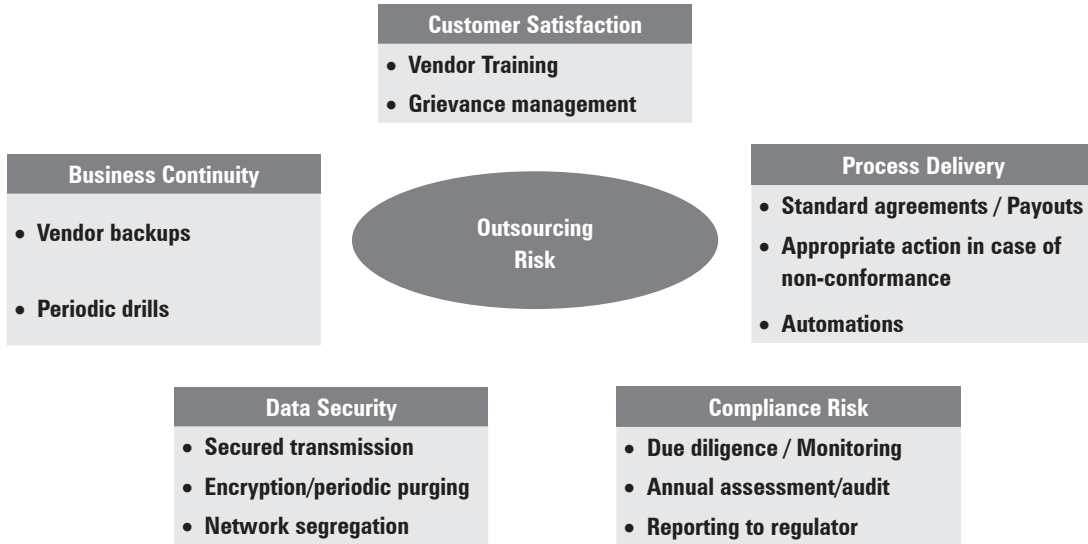
- i. Experience analysis: The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing and embedded value reporting are in line with experience.
- ii. Product features: The Company uses features like loyalty bonuses and additional allocation of units to encourage policyholders to continue with the policy.
- iii. Service initiatives: The Company uses a combination of proactive and reactive interventions to manage persistency. The interventions could include attaching direct debit or ECS mandates at new business stage, sending communication via different media like email to customers and distributors and reminders and telephonic interviews with customers.

- iv. Aligning key performance indicators: The Company uses different key performance indicators for different levels of hierarchy in sales and operations to align interests and ensure adequate focus on persistency.
- (f) Expense risk: The Company uses the following approaches to manage the risk:
 - i. Experience analysis: The Company actively monitors its expense levels, which are then fed back into new product pricing, calculation of reserves and management reporting. In case of any adverse deviations between actual unit costs and planned unit costs, mitigation measures are taken.
 - ii. Aligning key performance indicators: The Company uses different key performance indicators to align interests and ensure adequate focus on expense.
- (g) Operational risk: The Company uses the following approaches to manage the risk:
 - i. Mitigation plans are developed for high risk items identified and monitored by the risk committees
 - ii. The Company actively promotes a risk awareness culture by improving the understanding through communication and education amongst management, employees, contractors and vendors. Appropriate training material is developed and cascaded to improve knowledge and promote a strong operational risk practice. Further, Risk champions have been nominated across various functions who support the Risk management teams to identify risks and create an awareness culture within such functions.
 - iii. The company also has in place policies to manage operational risk like Whistle-blower policy, Code of Business Conduct and Ethics for directors/employees, Code of Conduct for Prevention of Insider trading, Anti Money Laundering and Counter financing of Terrorism policy and Anti Bribery Policy.
- iv. Fraud Management: The Company ensures adherence to Fraud prevention framework laid down by the regulator and directives under Companies Act 2013. The following approach has been adopted to prevent fraud:



- v. Outsourcing Risk: Processes of the Company are outsourced, where it is convinced of the advantages by entering in such arrangements, as permitted under the regulatory guidelines. As per the guidelines only non-core or specified supporting core activities can be outsourced. The Company has an

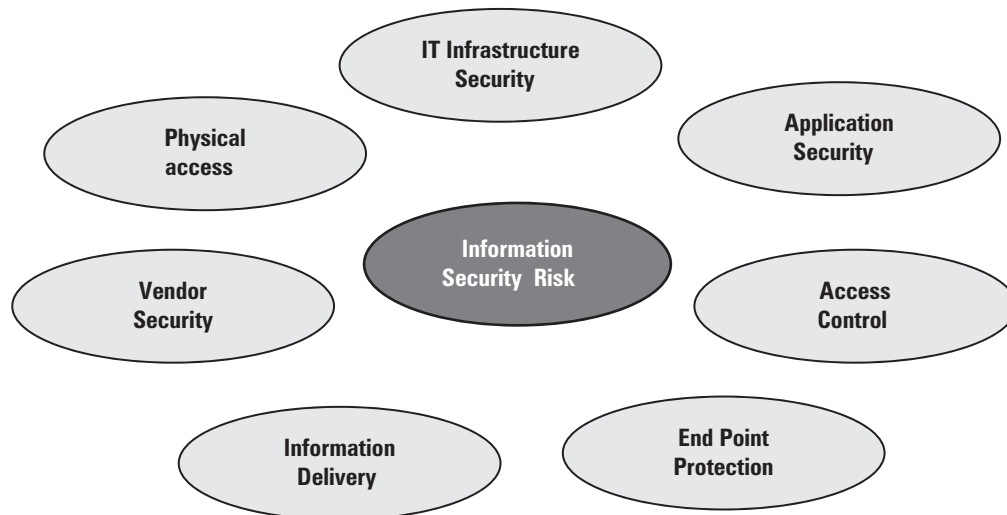
Outsourcing policy and it follows the below operating framework for the required due-diligence for any new activity or vendor empanelment. The Company has constituted an Outsourcing Committee which oversees the compliance to the regulation.



vi Business Continuity Management (BCM): The Company has a Business Continuity Management (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. The key BCM objectives and the framework are depicted below.

Safety of personnel	Availability of Information	Continuity of critical process	Crisis communication
<ul style="list-style-type: none"> • Disaster management protocol • Employee Training and awareness • Assessment and testing 	<ul style="list-style-type: none"> • Periodic testing • Disaster recovery plan • Back up for all critical information 	<ul style="list-style-type: none"> • Identify critical functions • Minimum resource defined • BCM plan tested 	<ul style="list-style-type: none"> • Employee level communication • Alternative locations/transcript for customers • Inform regulator/management

vii. Information Security: The Company has an information security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organisation and business information is protected adequately through appropriate controls and proactive measures. The Company aims to reduce risks of unauthorised access, modification, sharing or destruction of data, service disruption. Access rights are role-based and a system-based authority matrix is used to govern the same. All IT applications are periodically assessed for security vulnerabilities.



Regular risk assessment and audits conducted to validate controls

MANAGEMENT REPORT

for the year ended March 31, 2017

In accordance with the Insurance Regulatory and Development Authority (IRDA) (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, 2017:

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, 2017 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 in the notes to accounts forming part of the financial statements.

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 the statutory requirements.

There was no capital infusion by the promoters during the year. There was a public offer of 181,341,058 equity shares of face value of ₹ 10 each of the Company through an offer for sale by ICICI Bank Limited. The offer constituted 12.63% of the post offer paid up equity share capital of the Company.

The shareholding pattern is available in Schedule 5A which forms part of financial statements. Further, the shareholding pattern in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the website of the Company at www.iciciprulife.com and that of the stock exchanges, i.e. www.nseindia.com and www.bseindia.com.

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, 2016) 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, 2017	March 31, 2016
Actual solvency ratio	280.7%	320.0%

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, Dividend 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	₹ '000			
	March 31, 2017		March 31, 2016	
	Balance Sheet value	Market value	Balance Sheet value	Market value
Debt investments in non-linked and shareholder funds	257,778,202	267,715,218	231,083,913	236,622,038
Total investments in non-linked and shareholder funds	337,076,242	347,013,258	277,312,872	282,850,998

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 and in accordance in with IRDAI (Investment) Regulations, 2016.

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, loss events and/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. It further engages with the law enforcement agencies to create awareness on various insurance frauds and emerging issues
- (c) 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 to Malpractice Matrix. It also initiates actions through law enforcement authorities based on severity of the incident.
- (d) 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.
- (e) 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.
- (f) Information Security: The Company has an information security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization.
- (g) 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 behavior.

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 2017	4
FY 2016	5
FY 2015	6
FY 2014	6
FY 2013	4
FY 2012	5

The ageing of mortality and morbidity claims registered and not settled at March 31, 2017 has been detailed herein below:

Linked business:

Period	(₹ '000)			
	At March 31, 2017		At March 31, 2016	
	Number of claims	Amount	Number of claims	Amount
Upto 30 days	249	17,915	412	27,126
Greater than 30 days and upto 6 months	46	10,306	107	24,114
Greater than 6 months and upto 1 year	-	-	-	-
Greater than 1 year and upto 5 years	-	-	-	-
Greater than 5 years	-	-	1	881

Non Linked business:

Period	(₹ '000)			
	At March 31, 2017		At March 31, 2016	
	Number of claims	Amount	Number of claims	Amount
Upto 30 days	29	10,413	39	47,232
Greater than 30 days and upto 6 months	23	88,089	18	18,132
Greater than 6 months and upto 1 year	3	2,646	-	-
Greater than 1 year and upto 5 years	2	8,135	5	15,396
Greater than 5 years	-	-	-	-

Claims which have remained unpaid for greater than 6 months are due to lack of proof of title or pending receipt of necessary documentation from the customer.

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 based on previous days' net asset values. 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, preference shares and equity ETFs 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 based on previous days' net asset value. 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, 2017 is as follows:

Asset class	Linked funds	Non-Linked funds	Shareholders funds	Total	Amount (₹ billion)
Equity shares ^	58.1%	16.0%	18.2%	46.2%	568.34
Government securities	15.5%	58.7%	30.7%	26.2%	322.53
Debentures and bonds*	13.7%	16.0%	30.2%	15.1%	185.93
Money market instruments	6.8%	0.3%	0.0%	4.9%	60.60
Fixed deposits	0.8%	0.8%	3.7%	1.0%	12.23
Mutual funds	3.7%	3.9%	6.4%	3.9%	47.74
Investment property	0.0%	0.7%	6.4%	0.5%	6.34
Loan against policies	0.0%	0.3%	0.0%	0.1%	0.81
Net current assets and other investments	1.4%	3.5%	4.3%	2.0%	24.67
Total	878.78	281.06	69.35	100.0%	1,229.19
Fund mix (%)	71.5%	22.9%	5.6%	100.0%	-

^ includes investment of ₹ 6.08 bn in equity exchange traded funds in linked line of business

* includes convertible preference shares

The Company has a diversified portfolio spread across various asset classes, companies, groups and industries. Investments in equity and related instruments are made with the objective of long term capital appreciation to deliver superior long-term returns. 79.1% of the equity investments are held in companies forming part of Nifty 50 and 98.0% in companies forming part of Nifty 500 index.

The Company maintains a fixed income portfolio of superior asset quality at all points of time. At March 31, 2017, 95.2% of assets in the fixed income portfolio (including money market instruments) are in highest credit rated securities (Sovereign/AAA or equivalent) and 99.2% are in securities rated AA and above. 100% of the money market instruments have sovereign/A1+ or equivalent rating. The Company does not hold any non-performing assets in its debt portfolio.

12.2. Fund performance

Linked funds

At March 31, 2017, funds representing 70% of the linked assets performed better than the respective benchmark over trailing three year and 91% since inception. The benchmark of debt funds does not carry fund management charges and if the fund management charges had been adjusted in benchmark, 100% of the linked funds would have outperformed over trailing three year.

The fund performance of linked funds, which have completed three years and with an asset size of over ₹ 5.00 billion, for trailing three year and since inception is as follows:

Fund name	SFIN	Assets held* (₹ billion)	1 year return		3 year return		
			Annualised returns				
			Fund	Bench-mark	Fund	Bench-mark	
Equity funds							
Maximiser Fund V	ULIF 114 15/03/11 LMaximis5 105	168.13	17.35%	21.17%	13.11%	12.27%	
Maximiser Fund	ULIF 001 22/10/01 LMaximis1 105	35.73	18.11%	21.17%	13.04%	12.27%	
Multi Cap Growth Fund	ULIF 085 24/11/09 LMCapGro 105	45.05	22.68%	23.91%	19.76%	15.22%	
Dynamic P/E Fund	ULIF 097 11/01/10 LDynmicPE 105	23.00	17.25%	16.70%	10.97%	11.30%	
Pension Flexi Growth Fund	ULIF 029 20/03/07 PFlexiGro1 105	20.98	22.12%	23.91%	18.30%	15.22%	
Flexi Growth Fund	ULIF 026 20/03/07 LFlexiGro1 105	16.86	22.06%	23.91%	17.88%	15.22%	
Pension Flexi Growth Fund II	ULIF 030 20/03/07 PFlexiGro2 105	16.32	23.77%	23.91%	19.60%	15.22%	
Life Growth Fund	ULIF 134 19/09/13 LGF 105	14.20	17.15%	21.17%	12.43%	12.27%	
Pension RICH Fund	ULIF 052 17/03/08 PRICH1 105	13.46	18.19%	22.47%	17.20%	14.17%	
Flexi Growth Fund II	ULIF 027 20/03/07 LFlexiGro2 105	12.59	22.67%	23.91%	18.71%	15.22%	
Pension Multi Cap Growth Fund	ULIF 091 11/01/10 PMCpGro 105	12.03	23.30%	23.91%	19.64%	15.22%	
Pension Maximiser Fund II	ULIF 013 17/05/04 PMaximis2 105	11.97	19.11%	21.17%	14.03%	12.27%	
Maximiser Fund II	ULIF 012 17/05/04 LMaximis2 105	11.28	18.72%	21.17%	13.97%	12.27%	
Flexi Growth Fund IV	ULIF 038 27/08/07 LFlexiGro4 105	9.69	23.35%	23.91%	18.91%	15.22%	
Pension Dynamic P/E Fund	ULIF 098 11/01/10 PDynmicPE 105	8.28	17.27%	16.70%	10.98%	11.30%	
RICH Fund II	ULIF 049 17/03/08 LRICH2 105	7.99	19.11%	22.47%	14.54%	14.17%	
Pension RICH Fund II	ULIF 053 17/03/08 PRICH2 105	7.75	19.29%	22.47%	17.67%	14.17%	
Multiplier Fund	ULIF 042 22/11/07 LMultipl1 105	7.58	17.95%	18.55%	13.58%	11.01%	
Bluechip Fund	ULIF 087 24/11/09 LBluChip 105	7.42	19.20%	18.55%	14.36%	11.01%	
Opportunities Fund	ULIF 086 24/11/09 LOpport 105	5.79	18.96%	22.47%	16.86%	14.17%	
Pension Maximiser Fund	ULIF 004 03/05/02 PMaximis1 105	5.76	18.00%	21.17%	12.74%	12.27%	
RICH Fund	ULIF 048 17/03/08 LRICH1 105	5.49	18.14%	22.47%	13.56%	14.17%	
Health Flexi Growth Fund	ULIF 057 15/01/09 HFlexiGro 105	5.22	18.96%	23.91%	16.88%	15.22%	
Balanced funds							
Highest NAV Fund B	ULIF 116 15/03/11 LHighNavB 105	54.01	10.65%	NA	10.75%	NA	
Group Balanced Fund	ULGF 001 03/04/03 GBalancer 105	18.18	11.16%	12.67%	10.25%	11.56%	
Group Balanced Fund II	ULGF 041 30/04/13 GBalancer2 105	11.72	11.05%	12.67%	10.44%	11.56%	
Multi Cap Balanced Fund	ULIF 088 24/11/09 LMCapBal 105	10.13	17.37%	18.22%	14.73%	13.72%	
Balancer Fund	ULIF 002 22/10/01 LBalancer1 105	9.85	13.88%	14.74%	11.11%	11.88%	
Pinnacle Fund	ULIF 081 26/10/09 LPinnacle 105	8.90	11.25%	NA	10.98%	NA	
Group Growth Fund	ULGF 004 30/10/03 GGrowth 105	6.46	15.56%	16.77%	12.56%	12.11%	
Pinnacle Fund II	ULIF 105 26/10/10 LPinnacle2 105	5.97	12.36%	NA	11.49%	NA	
Highest NAV Fund B	ULIF 116 15/03/11 LHighNavB 105	54.01	10.65%	NA	10.75%	NA	
Debt funds							
Income Fund	ULIF 089 24/11/09 LIncome 105	56.56	11.49%	11.09%	10.81%	11.26%	
Pension Protector Fund	ULIF 006 03/05/02 PProtect1 105	12.90	10.51%	11.09%	9.69%	11.26%	
Life Secure Fund	ULIF 135 19/09/13 LSF 105	12.10	10.94%	11.09%	10.74%	11.26%	
Group Debt Fund	ULGF 002 03/04/03 GDebt 105	11.13	11.06%	11.09%	10.49%	11.26%	
Protector Fund	ULIF 003 22/10/01 LProtect1 105	6.56	10.65%	11.09%	10.34%	11.26%	
Pension Income Fund	ULIF 095 11/01/10 PIncome 105	5.65	11.26%	11.09%	10.53%	11.26%	
Protector Fund IV	ULIF 041 27/08/07 LProtect4 105	5.11	11.93%	11.09%	10.91%	11.26%	
Invest Shield Cash Fund	ULIF 020 03/01/05 LInvCash 105	5.01	11.52%	11.09%	10.70%	11.26%	
Liquid funds							
Discontinued Fund – Life	ULIF 100 01/07/10 LDiscont 105	38.39	7.03%	NA	7.77%	NA	
Money Market Fund	ULIF 090 24/11/09 LMoneyMkt 105	26.72	7.32%	7.11%	8.06%	8.04%	
Pension Preserver Fund	ULIF 011 17/05/04 PPreserv 105	5.93	7.36%	7.11%	8.10%	8.04%	

* Assets held at March 31, 2017

Non-linked and Shareholders' funds

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
Policyholders' fund					
Participating	114.69	14.0%	9.7%	13.3%	9.3%
Non-participating	166.37	13.2%	8.4%	12.5%	8.1%
Shareholders' fund					
	69.35	12.3%	11.9%	12.2%	10.9%

* Assets held at March 31, 2017 at carrying value

^ annualised

13. Payments made to parties in which Directors are interested

The details of such payments for the year ended March 31, 2017 are given below:

(₹ '000)

Name of Director	Entity in which Director is interested	Interested as	Amount paid	
			FY2017	FY2016
Chanda Kochhar	ICICI Bank Limited	Managing Director & CEO	13,275,376	16,400,777
	ICICI Prudential Asset Management Company Limited	Chairperson	320	240
	ICICI Securities Limited	Chairperson	729,181	597,827
	ICICI Lombard General Insurance Company Limited	Chairperson	120,508	151,375
	ICICI Foundation for Inclusive Growth	Member- Governing Council	170,263	150,000
N. S. Kannan	ICICI Bank Limited	Director	13,275,376	16,400,777
	ICICI Lombard General Insurance Company Limited	Director	120,508	151,375
	ICICI Prudential Asset Management Company Limited	Director	320	240
	ICICI Foundation for Inclusive Growth	Member - Governing Council	170,263	150,000
Vinod Kumar Dhall	Schneider Electric Infrastructure Limited	Director/Chairman	3	127
	ICICI Securities Limited	Director	729,181	597,827
	Advani Hotels & Resorts (India) Limited	Director	-	1,102
V. Sridhar	ICICI Bank Limited	Director	13,275,376	16,400,777
Sandeep Batra	ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Trustee	114,772	200,009
Sandeep Bakhshi	ICICI Foundation for Inclusive Growth	Trustee	170,263	150,000
M. S. Ramachandran (From 29th June 2016)	ICICI Bank Limited	Director	13,275,376	16,400,777
Dilip Karnik (From 29th June 2016)	ICICI Prudential Asset Management Company Limited	Director	320	240
Rajiv Sabharwal (till 29th June 2016)	ICICI Bank Limited	Director	13,275,376	16,400,777
	ICICI Home Finance Company Limited	Chairman	2,061	1,408
	ICICI Foundation for Inclusive Growth	Member- Governing Council	170,263	150,000
K Ramkumar (Till 31st May 2016)	ICICI Bank Limited	Director	13,275,376	16,400,777
	ICICI Venture Funds Management Company Limited	Director	-	5
	ICICI Foundation for Inclusive Growth	Member- Governing Council	170,263	150,000
Keki Dadiseth (Till 25th April 2016)	The Indian Hotels Company Limited	Non-Executive Director	7,943	6,363
	PIEMS Hotels Ltd	Non-Executive Director	-	95
	PwC- Price Waterhouse Coopers Private Limited	Member, India Advisory Board	46,098	26,907

14. Management Responsibility Statement

The Management confirms that:

- 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;
- 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;
- 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, 2016), 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;
- The management has prepared the financial statements on a going concern basis;
- 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

V. Sridar

Director

DIN: 02241339

Sandeep Bakhshi

Managing Director and CEO

DIN:00109206

Sandeep Batra

Executive Director

DIN:03620913

Satyan Jambunathan

Chief Financial Officer

Asha Murali

Appointed Actuary

Place: Mumbai

Date: April 25, 2017

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, 2017, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or the "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 the 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 Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") in this regard, and 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 safe guarding 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' REASONABILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, orders/directions/circulars issued by the IRDAI, 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 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 standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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. 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 standalone 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 with 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, 2017;
- (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 MATTERS

1. 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, 2017 has been duly certified by the Appointed Actuary and in her opinion, the

assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the 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, as contained in the standalone financial statements of the Company.

2. The standalone financial statements of the Company for the year ended March 31, 2016 were audited by the joint auditors of the Company, of which only one auditor is a continuing auditor, who expressed an unmodified opinion on the standalone financial statements on April 26, 2016.

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, 2017 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 our audit and have found them to be satisfactory;
 - (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) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
 - (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) 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 / circulars issued by IRDAI in this regard;

- (f) 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 / circulars issued by IRDAI in this regard;
- (g) On the basis of written representations received from the Directors of the Company, as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer schedule 16 note 3.44 to the financial statements;
 - b) 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 3.45 to the financial statements;
 - c) There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - d) The disclosure requirement as envisaged in Notification G.S.R 308(E) dated March 30, 2017 is not applicable to the Company – Refer schedule 16 note 3.48 to the financial statements.

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 25, 2017

For **Walker Chandiook & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

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

Place : Mumbai
Date : April 25, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of

ICICI Prudential Life Insurance Company Limited

We have audited the internal financial controls over financial reporting of ICICI Prudential Life Insurance Company Limited (the "Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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 25, 2017

OTHER MATTER

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2017 has been certified by the Appointed Actuary as per the regulations, and has been relied upon by us, as mentioned in para "Other Matter" of our audit report on the financial statements for the year ended March 31, 2017. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation. Our opinion is not modified in respect of the above matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

per **Sudhir N. Pillai**

Partner

Membership No: 105782

Place : Mumbai

Date : April 25, 2017

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,

(Referred to in paragraph 1 of our Independent Auditors' Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 25, 2017)

This certificate is issued in accordance with the terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company"), wherein we are requested to issue certificate for compliance 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'S RESPONSIBILITY

The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act 2015) (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.

AUDITORS' RESPONSIBILITY

Pursuant to the requirements, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the Regulations read with regulation 3 of Regulations.

We audited financial statements of the Company as of and financial year ended March 31, 2017 on which we issued an unmodified audit opinion vide our report dated April 25, 2017. Our audits of these financial

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 25, 2017

statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

In accordance with 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 the Company for the year ended March 31, 2017, we certify that:

1. We have reviewed the Management Report attached to the financial statements for year ended March 31, 2017, and on the basis of our review, there is no apparent mistake or material inconsistencies with the standalone 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, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration as stipulated by the 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, 2017, 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, 2017, 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 relating to the application and investments of the Policyholders' Funds.

For **Walker Chandio & Co LLP**

Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

per **Sudhir N. Pillai**

Partner
Membership No: 105782

Place : Mumbai
Date : April 25, 2017

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

Independent Auditors' Certificate in accordance with Schedule I(B) (11)(d) of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016.

- This certificate is issued in accordance with terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company") and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 (the "Regulations"), wherein we are requested to issue certificate regarding applicable Net Asset Value ("NAV") for applications received as at March 31, 2017.

MANAGEMENT'S RESPONSIBILITY

- The preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal controls relevant to the applicability of NAV for applications received as at March 31, 2017.
- The Company's management is responsible for complying with conditions stated in the Regulations.

AUDITORS' RESPONSIBILITY

- Pursuant to the requirements of this certificate, it is our responsibility to provide reasonable assurance that and form an opinion on the conditions stated in the Regulations.
- In this connection, we have performed the following procedures:
 - Obtained the list of applications for New Business, Renewal premium, Top up, Surrender, Free – Look Cancellation, Fund Switches, Withdrawal and Partial Withdrawal received in respect of Unit Linked Products on March 31, 2017 (together referred to as "Application Forms"), from the Company;
 - Selected samples of application forms from listing mentioned in paragraph 5(a) above and verified whether:
 - The applications received on Friday, March 31, 2017, upto 3.00 p.m. have been appropriately stamped and the NAV of March 31, 2017 is applied for such applications for the selected samples; and

- The applications received on Friday, March 31, 2017, after 3.00 p.m. have been appropriately stamped and the NAV of April 03, 2017 is applied for such applications for the selected samples.

- We have read the certificate dated April 22, 2017 of the concurrent auditors of the Company, M/s. Chokshi and Chokshi LLP, Chartered Accountants which has been furnished to us certifying compliance with Regulation 5 of Schedule I(B);

- Obtained representation from the Management that the Company has declared March 31, 2017 as a business day for accepting application forms and that it has declared NAV for March 31, 2017.

- We have examined the other relevant records of the Company, to the extent necessary for the purpose of issuing this certificate and have conducted our examination in accordance with the Guidance Note on Report or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

- Based on our examination, as above and information, explanations and representations given to us by the Company's management, we report that:
 - The applications received on Friday, March 31, 2017 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2017 is applied for proposals received upto 3.00 p.m.;
 - The applications received on Friday, March 31, 2017 after 3.00 p.m. have been stamped and that the NAV of April 03, 2017 is applied for proposals received after 3.00 p.m.; and
 - The Company has declared NAV for March 31, 2017 on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2017.

RESTRICTION ON USE

- This certificate is addressed to and provided to the Board of Directors of the Company, solely for inclusion in the annual accounts of the Company as per Schedule I (B) (11) (d) of the Regulations and should not be used by any other person or for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

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 25, 2017

For **Walker Chandio & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

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

Place : Mumbai
Date : April 25, 2017

REVENUE ACCOUNT

for the year ended March 31, 2017

FORM A-RA

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule	FORM A-RA											Total		
		Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group			
Premiums earned (Net of service tax)															
(a) Premium	1	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420		223,540,020	
(b) Reinsurance ceded		(16,701)	(47)	(1,158,189)	-	-	-	(35,294)	(459,637)	(83)	(317,561)	(32)		(1,987,544)	
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-			
Sub-total		25,609,818	329,776	26,824,429	891,208	137,913	2,058,089	101,314	150,579,078	6,606,743	874,720	7,539,388		221,552,476	
Income from Investments															
(a) Interest, dividend & rent - Gross		5,773,911	799,264	7,460,821	39,612	6,385	1,825,435	44,227	17,345,787	4,630,897	224,585	3,778,245		41,929,169	
(b) Profit on sale/redemption of investments		1,887,566	166,343	740,144	1,801	-	406,141	1,813	41,439,269	23,593,975	616,524	3,130,259		71,983,835	
(c) (Loss) on sale/redemption of investments		(87,526)	(14,080)	(26,708)	(131)	-	(8,306)	-	(7,203,558)	(2,271,478)	(50,164)	(796,182)		(10,458,133)	
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	35,476,906	3,563,819	573,404	965,284		40,579,413	
(e) Accretion of discount/(amortisation of premium) (Net)		31,101	37,212	(35,482)	1,249	811	(2,263)	562	4,457,152	576,893	15,112	652,823		5,735,170	
Sub-total		7,605,052	988,739	8,138,775	42,531	7,196	2,221,007	46,602	91,515,556	30,094,106	1,379,461	7,730,429		149,769,454	
Other income															
Contribution from the Shareholders' account		-	-	-	16,204	1,815	-	-	-	-	-	-		18,019	
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	403,684	-	-	-		403,684	
Fees and charges		71,575	608	96,548	-	-	-	129	353	-	-	-		169,213	
Miscellaneous income		3,186	21	2,905	2	-	36	10	10,728	465	39	166		17,558	
Sub-total		74,761	629	99,453	16,206	1,815	36	139	414,765	465	39	166		608,474	
Total (A)		33,289,631	1,319,144	35,062,657	949,945	146,924	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983		371,930,404	
Commission	2	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-		7,589,160	
Operating expenses related to Insurance business	3	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581		23,571,961	
Provision for doubtful debts		(9,331)	(34)	(15,982)	(75)	-	-	12	(41)	(29,406)	(125)	(100)		(55,405)	
Bad debts written off		22,019	187	26,268	-	-	171	225	62,992	3,518	703	1		116,084	
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-			
(a) For diminution in the value of investments (Net) - Refer note 3.25 of schedule 16		33,361	-	31,764	-	-	-	-	-	-	-	-		65,125	
(b) Others		-	-	-	-	-	-	-	-	-	-	-			
Service tax charge on linked charges		-	-	-	-	-	-	-	3,390,007	497,356	145,390	129,909		4,162,662	
Total (B)		5,717,270	22,925	5,529,097	16,182	1,924	43,002	15,965	22,489,656	1,086,668	227,507	299,391		35,449,587	
Benefits paid (Net)	4	4,942,515	869,817	1,932,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722		149,644,086	
Interim bonus paid		330,901	3,763	-	-	-	-	-	-	-	-	-		334,664	
Change in valuation of policy liabilities		-	-	-	-	-	-	-	-	-	-	-			
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		20,179,513	42,196	48,659,800	923,605	136,843	1,704,143	(32,576)	1,053,994	(109,534)	52,992	(17,256)		72,593,720	
(b) Amount ceded in reinsurance		-	-	(23,446,270)	-	-	-	-	-	-	-	-		(23,446,270)	
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-			
(d) Fund reserve		-	-	-	-	-	-	-	124,354,140	(10,374,995)	1,220,604	4,262,086		119,461,835	
(e) Funds for discontinued policies		-	-	-	-	-	-	-	5,905,839	460,426	-	-		6,366,265	
Total (C)		25,452,929	915,776	27,206,298	933,763	145,000	3,174,820	(4,619)	217,998,597	32,703,299	1,650,885	14,777,552		324,954,300	
Surplus/(deficit) (D) = (A)-(B)-(C)		2,119,432	380,443	2,327,262	-	-	1,061,310	136,709	2,021,146	2,911,347	375,828	193,040		11,526,517	
Provision for taxation															
(a) Current tax credit/(charge) - Refer note 3.7 of schedule 16		(788,117)	-	-	-	-	-	-	-	-	-	-		(788,117)	
(b) Deferred tax credit/(charge) - Refer note 3.7 of schedule 16		-	-	-	-	-	-	-	(233)	-	-	-		(233)	
Surplus/(deficit) after tax		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040		10,738,167	
Appropriation															
Transfer to Shareholders' account		394,734	32,836	4,124,399	-	-	1,061,310	136,709	2,022,530	2,920,712	429,172	193,040		11,315,442	
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-			
Balance being funds for future appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-		(577,275)	
Total		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040		10,738,167	
Details of Surplus after tax															
(a) Interim bonuses paid		330,901	3,763	-	-	-	-	-	-	-	-	-		334,664	
(b) Allocation of bonus to policyholders'		3,221,705	291,759	-	-	-	-	-	-	-	-	-		3,513,464	
(c) Surplus shown in the Revenue Account		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040		10,738,167	
Total Surplus		4,883,921	675,965	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040		14,586,295	
Funds for future appropriation															
Opening balance as at April 1, 2016		2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-		6,619,133	
Add: Current period appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-		(577,275)	
Balance carried forward to Balance Sheet		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-		6,041,858	
Significant accounting policies & notes	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 and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Reg. No. 101248W/W-100022

For Walker Chandio & Co LLP
Chartered Accountants
ICAI Firm Reg. No. 001076N/N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

REVENUE ACCOUNT

for the year ended March 31, 2016

		FORM A-RA											(₹ '000)
		ICICI Prudential Life Insurance Company Limited Regn.No. 105 dated 24.11.2000											Total
		POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)											Total
Particulars	Schedule	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Premiums earned (Net of service tax)													
(a) Premium	1	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909
(b) Reinsurance ceded		(9,948)	(57)	(880,824)	-	-	-	(37,490)	(412,674)	(110)	(315,806)	(29)	(1,656,938)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		21,396,783	357,461	23,148,305	-	-	1,867,461	116,189	117,741,472	7,952,208	1,106,879	16,300,213	189,986,971
Income from Investments													
(a) Interest, dividend & rent - Gross		4,562,620	931,891	6,052,155	-	-	1,757,617	47,004	15,121,824	5,498,684	214,620	3,982,612	38,169,027
(b) Profit on sale/redemption of investments		714,919	134,113	470,729	-	-	25,008	4,327	28,831,694	18,669,378	400,205	1,580,775	50,831,148
(c) (Loss) on sale/redemption of investments		(98,875)	(44,171)	(125,104)	-	-	(869)	-	(6,858,446)	(2,579,514)	(83,809)	(830,927)	(10,621,715)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	(43,315,051)	(25,859,855)	(686,176)	(1,830,284)	(71,691,366)
(e) Accretion of discount/(amortisation of premium) (Net)		99,947	59,817	(2,304)	-	-	8,444	601	3,844,779	687,503	10,423	687,376	5,396,586
Sub-total		5,278,611	1,081,650	6,395,476	-	-	1,790,200	51,932	(2,375,200)	(3,583,804)	(144,737)	3,589,552	12,083,680
Other income													
Contribution from the Shareholders' account		-	-	-	-	-	-	-	-	-	-	-	-
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	-	-	-	-	-
Fees and charges		74,433	1,056	100,919	-	-	-	194	578	-	-	-	177,180
Miscellaneous income		5,640	46	2,569	-	-	84	18	21,484	1,211	126	444	31,622
Sub-total		80,073	1,102	103,488	-	-	84	212	22,062	1,211	126	444	208,802
Total (A)		26,755,467	1,440,213	29,647,269	-	-	3,657,745	168,333	115,388,334	4,369,615	962,268	19,890,209	202,279,453
Commission	2	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768
Operating expenses related to Insurance business	3	3,630,199	26,151	1,685,608	-	-	43,319	11,627	12,556,820	689,625	77,121	163,019	18,883,489
Provision for doubtful debts		5,652	95	1,082	-	-	17	(73)	1,391	(513)	(222)	(50)	7,379
Bad debts written off		8,280	40	9,164	-	-	43	55	25,468	985	172	5	44,212
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) - Refer note 3.25 of schedule 16		66,150	311	59,957	-	-	-	-	-	-	-	-	126,418
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-
Service tax charge on linked charges		-	-	-	-	-	-	-	2,661,882	547,981	136,839	118,254	3,464,956
Total (B)		5,521,832	29,675	2,755,471	-	-	44,972	15,524	18,562,385	1,290,819	223,815	281,729	28,726,222
Benefits paid (Net)	4	4,148,799	8,448,046	1,262,321	-	-	1,326,416	32,081	43,497,250	43,541,248	365,151	21,465,509	124,086,821
Interim bonus paid		183,788	3,623	-	-	-	-	-	-	-	-	-	187,411
Change in valuation of policy liabilities		-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		14,910,258	(7,344,630)	28,146,723	-	-	789,050	(220,219)	679,619	(137,622)	210,021	(9,408)	37,023,792
(b) Amount ceded in reinsurance		-	-	(7,063,465)	-	-	-	-	-	-	-	-	(7,063,465)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	41,217,532	(43,928,845)	(62,134)	(2,098,913)	(4,872,360)
(e) Funds for discontinued policies		-	-	-	-	-	-	-	9,811,358	255,489	-	-	10,066,847
Transfer to linked fund		-	-	-	-	-	-	-	-	-	-	-	-
Total (C)		19,242,845	1,107,039	22,345,579	-	-	2,115,466	(188,138)	95,205,759	(269,730)	513,038	19,357,188	159,429,046
Surplus/(deficit) (D) = (A)-(B)-(C)		1,990,790	303,499	4,546,219	-	-	1,497,307	340,947	1,620,190	3,348,526	225,415	251,292	14,124,185
Provision for taxation													
(a) Current tax credit/(charge) - Refer note 3.7 of schedule 16		(702,871)	-	-	-	-	-	-	-	-	-	-	(702,871)
(b) Deferred tax credit/(charge) - Refer note 3.7 of schedule 16		-	-	-	-	-	-	-	(636)	-	-	-	(636)
Surplus/(deficit) after tax		1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	13,420,678
Appropriation													
Transfer to Shareholders' account		337,682	41,053	4,416,948	-	-	1,497,307	340,947	1,623,967	3,347,626	219,613	251,292	12,076,435
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		950,237	262,446	129,271	-	-	-	-	(4,413)	900	5,802	-	1,344,243
Total		1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	13,420,678
Details of Surplus after tax													
(a) Interim bonuses paid		183,788	3,623	-	-	-	-	-	-	-	-	-	187,411
(b) Allocation of bonus to policyholders'		2,855,345	365,849	-	-	-	-	-	-	-	-	-	3,221,194
(c) Surplus shown in the Revenue Account		1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	13,420,678
Total Surplus		4,327,052	672,971	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	16,829,283
Funds for future appropriation													
Opening balance as at April 1, 2015		2,028,450	1,508,366	1,667,866	-	-	-	-	9,281	13,385	47,542	-	5,274,890
Add: Current period appropriation		950,237	262,446	129,271	-	-	-	-	(4,413)	900	5,802	-	1,344,243
Balance carried forward to Balance Sheet		2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-	6,619,133
Significant accounting policies & notes	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 and on behalf of the Board of Directors

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

For **Walker Chandiook & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N/N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

PROFIT & LOSS ACCOUNT

for the year ended March 31, 2017

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

FORM A-PL

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedule	(₹ '000)	
		March 31, 2017	March 31, 2016
Amounts transferred from Policyholders' account (Technical account)		11,315,442	12,076,435
Income from investments			
(a) Interest, dividend & rent - Gross		3,740,683	3,877,663
(b) Profit on sale/redemption of investments		2,881,074	2,004,385
(c) (Loss) on sale/redemption of investments		(114,046)	(196,145)
(d) Accretion of discount/(amortisation of premium) (Net)		139,232	309,798
Other income		285,299	-
Total (A)		18,247,684	18,072,136
Expenses other than those directly related to the insurance business	3A	379,564	312,566
Bad debts written-off		-	-
Provisions (other than taxation)			
(a) For diminution in value of investments (Net) - Refer note 3.25 of schedule 16		-	43,908
(b) Provision for doubtful debts		-	-
Contribution to Policyholders' account (Technical account)		18,019	-
Total (B)		397,583	356,474
Profit before Tax		17,850,101	17,715,662
Provision for Taxation			
(a) Current tax credit/(charge) - Refer note 3.7 of schedule 16		(1,027,798)	(1,211,055)
(b) Deferred tax credit/(charge) - Refer note 3.7 of schedule 16		-	-
Profit after Tax		16,822,303	16,504,607
Appropriations			
(a) Balance at the beginning of the year		2,507,743	482,018
(b) Interim dividends paid during the year - Refer note 3.40 of schedule 16		5,521,572	9,022,041
(c) Proposed final dividend - Refer note 3.40 of schedule 16		-	3,007,883
(c) Final dividend - Refer note 3.40 of schedule 16		1,142	17
(d) Dividend distribution tax - Refer note 3.40 of schedule 16		1,124,291	2,448,941
Profit carried to Balance Sheet		12,683,041	2,507,743
Earnings per equity share - Refer note 3.19 of schedule 16			
Basic earnings per equity share ₹		11.73	11.53
Diluted earnings per equity share ₹		11.72	11.51
Nominal value per equity share ₹		10.00	10.00
Significant accounting policies & notes	16		

The Schedules and accompanying notes referred to herein form an integral part of the Profit and Loss Account.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

For **Walker Chandio & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N/N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

BALANCE SHEET

At March 31, 2017

FORM A-BS

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

(₹ '000)

Particulars	Schedule	March 31, 2017	March 31, 2016
Sources of funds			
Shareholders' funds :			
Share capital	5	14,353,471	14,323,193
Share application money		-	780
Reserve and surplus	6	46,996,096	36,415,012
Credit/(debit) fair value change account		2,730,821	2,508,793
Sub - total		64,080,388	53,247,778
Borrowings	7	-	-
Policyholders' funds :			
Credit/(debit) fair value change account		17,866,609	9,712,325
Revaluation reserve - Investment property- Refer note 3.24 of schedule 16		603,548	577,076
Policy liabilities (A) + (B) + (C)		1,130,470,597	955,495,047
Non unit liabilities (mathematical reserves) (A)		251,695,317	202,547,867
Provision for linked liabilities (fund reserves) (B)		839,364,705	719,902,870
(a) Provision for linked liabilities		729,695,155	650,825,008
(b) Credit/(debit) fair value change account (Linked)		109,669,550	69,077,862
Funds for discontinued policies (C) - Refer note 3.37 of schedule 16		39,410,575	33,044,310
(a) Discontinued on account of non-payment of premium		39,373,557	33,027,408
(b) Other discontinuance		49,293	16,902
(c) Credit/(debit) fair value change account		(12,275)	-
Total linked liabilities (B) + (C)		878,775,280	752,947,180
Sub - total		1,148,940,754	965,784,448
Funds for Future Appropriations			
Linked - Refer note 3.3 of schedule 16		8,171	10,768
Non linked - Refer note 3.3 of schedule 16		6,033,687	6,608,365
Sub - total		6,041,858	6,619,133
Total		1,219,063,000	1,025,651,359
Application of funds			
Investments			
Shareholders'	8	66,402,564	62,156,674
Policyholders'	8A	270,673,678	215,156,198
Asset held to cover linked liabilities	8B	878,783,451	752,957,948
Loans	9	806,448	442,718
Fixed assets - net block	10	2,137,759	2,195,346
Deferred tax asset - Refer note 3.7 of schedule 16		469	702
Current assets			
Cash and Bank balances	11	2,136,956	2,002,062
Advances and Other assets	12	26,483,897	12,750,803
Sub-Total (A)		28,620,853	14,752,865
Current liabilities	13	28,157,262	18,213,785
Provisions	14	204,960	3,797,307
Sub-Total (B)		28,362,222	22,011,092
Net Current Assets (C) = (A-B)		258,631	(7,258,227)
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)		-	-
Total		1,219,063,000	1,025,651,359
Contingent liabilities - Refer note 3.1 of schedule 16		2,072,659	2,006,489
Significant accounting policies & notes	16		

The Schedules and accompanying notes referred to herein form an integral part of the Profit and Loss Account.

As per our report of even date attached.

For and on behalf of the Board of Directors

For B S R & Co. LLP Chartered Accountants ICAI Firm Reg. No. 101248W/W-100022	For Walker Chandio & Co LLP Chartered Accountants ICAI Firm Reg. No. 001076N/N500013	Chanda Kochhar Chairperson DIN: 00043617	V. Sridar Director DIN: 02241339	Sandeep Bakhshi Managing Director and CEO DIN: 00109206	Sandeep Batra Executive Director DIN: 03620913
Venkataramanan Vishwanath Partner Membership No. 113156	Sudhir N. Pillai Partner Membership No. 105782	Satyan Jambunathan Chief Financial Officer	Asha Murali Appointed Actuary	Vyoma Manek Company Secretary	

Place : Mumbai
Date : April 25, 2017

RECEIPTS & PAYMENTS ACCOUNT

for the year ended March 31, 2017

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

Particulars	April 1, 2016 to March 31, 2017		April 1, 2015 to March 31, 2016	
(₹ '000)				
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers:				
Premium and other receipts		254,552,613		215,147,600
Cash paid towards operating activities:				
Commission paid	(7,646,310)		(6,182,997)	
Policy benefits paid	(149,235,790)		(124,291,893)	
Other expenses	(47,890,796)		(42,431,766)	
Service tax paid	(5,172,072)		(3,651,481)	
Reinsurance premium ceded (net of recovery amount)	(346,370)		(308,784)	
Advances and deposits	12,059		24,753	
Taxes paid	(2,949,490)	(213,228,769)	(1,943,811)	(178,785,979)
Net cash generated from operating activities (A)		41,323,844		36,361,621
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(536,049)		(529,838)	
Sale of fixed assets	22,674	(513,375)	21,024	(508,814)
Purchase of investments		(1,497,721,734)		(1,047,489,172)
Investment in Subsidiary		(20,000)		
Loan		(363,730)		(241,597)
Sale of investments		1,413,465,084		1,004,836,551
Advance/deposit for investment property		64,338		(1,395,827)
Interest & rent received (net of Tax deducted at source)		36,517,047		36,232,935
Dividend received		7,259,761		6,085,481
Investments in money market instruments and in liquid mutual funds (Net)		34,524,975		2,899,797
Expense related to investment		(201,816)		(171,102)
Net cash generated from/(used) investing activities (B)		(6,989,450)		248,252
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital ¹		327,337		54,116
Final Dividend		(3,008,328)		(3,006,852)
Interim Dividend paid		(5,521,572)		(9,022,041)
Dividend Distribution tax paid		(1,736,625)		(2,448,798)
Net cash used in financing activities (C)		(9,939,188)		(14,423,575)
D. Effect of foreign exchange rates on cash and cash equivalents (net) (D)		(678)		(755)
E. Net increase in cash and cash equivalents (A+B+C+D)		24,394,528		22,185,543
F. Cash and cash equivalents at beginning of the period		40,942,376		18,756,833
G. Cash and cash equivalents at end of the period		65,336,904		40,942,376

Note:**Cash and cash equivalents at the end of the year**

- Cash (Including cheques in hand and stamps in hand)	1,408,060	1,286,298
- Bank Balances and Money at call and short notice ²	1,137,083	720,043
[Including bank balance for linked business of ₹ 408,187 thousands (₹ 4,279 thousands at March 31, 2016)]		
- Other short term liquid investment ³		
[Forming part of investments in financials and unclaimed assets as disclosed in Schedule 12]	65,777,884	39,937,787
- Banks having negative book balance		
[Forming part of Other Liabilities under Schedule 13 in financials]	(2,958,301)	(968,933)
Stamps on Hand		
[Part of Cash (including cheques, drafts and stamps) under Schedule 11, however not a part of cash and cash equivalents]	(27,822)	(32,819)
Total	65,336,904	40,942,376

¹Includes movement in share application money²Includes balance in dividend account which is unclaimed amounting to ₹ 693 thousands³Includes a fixed deposit amounting to ₹ 575,679 thousands given as a lien against guarantee to NSE and which is having a maturity of less than 3 months

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 and on behalf of the Board of DirectorsFor **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No. 101248W/W-100022

For **Walker Chandio & Co LLP**

Chartered Accountants

ICAI Firm Reg. No. 001076N/N500013

Chanda Kochhar

Chairperson

DIN: 00043617

V. Sridar

Director

DIN: 02241339

Sandeep Bakhshi

Managing Director and CEO

DIN: 00109206

Sandeep Batra

Executive Director

DIN: 03620913

Venkataramanan Vishwanath

Partner

Membership No. 113156

Sudhir N. Pillai

Partner

Membership No. 105782

Satyan Jambunathan

Chief Financial Officer

Asha Murali

Appointed Actuary

Vyoma Manek

Company Secretary

Place : Mumbai

Date : April 25, 2017

SCHEDULES

forming part of Standalone financial statements

SCHEDULE – 1

PREMIUM (net of service tax)

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,186,130	4	2,432,625	-	-	-	(19)	54,463,295	364,781	(532)	-	63,446,284
Renewal premiums	19,440,389	329,819	20,845,844	-	-	-	136,627	94,351,150	5,969,601	1,192,813	2,640,759	144,907,002
Single premiums	-	-	4,704,149	891,208	137,913	2,058,089	-	2,224,270	272,444	-	4,898,661	15,186,734
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
Premium Income from business written:												
In India	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,922,295	2	1,156,735	-	-	-	429	40,737,639	427,200	(509)	-	49,243,791
Renewal premiums	14,484,436	357,516	20,839,607	-	-	-	153,250	75,599,639	7,263,517	1,423,194	3,865,242	123,986,401
Single premiums	-	-	2,032,787	-	-	1,867,461	-	1,816,868	261,601	-	12,435,000	18,413,717
Total Premium	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909
Premium Income from business written:												
In India	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909

Note: Refer Schedule 16 Note 2.3.1 for accounting policy on Premium recognition.

SCHEDULE – 2

COMMISSION EXPENSES

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission												
Direct – First year premiums	1,174,597	-	545,455	-	-	-	(8)	2,875,099	5,861	(124)	-	4,600,880
– Renewal premiums	735,707	1,663	800,389	-	-	-	3,407	1,316,590	38,236	7,238	-	2,903,230
– Single premiums	-	-	58,532	25	-	1,633	-	24,106	754	-	-	85,050
Total	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Break-up of the commission by distribution network												
Individual agents	726,303	1,158	478,050	-	-	961	2,249	859,982	26,181	6,231	-	2,101,115
Corporate agents	889,392	492	760,007	-	-	666	1,024	3,335,824	13,792	566	-	5,001,763
Brokers	293,745	13	166,103	25	-	6	126	19,950	4,878	317	-	485,163
Insurance Marketing Firm	863	-	151	-	-	-	-	39	-	-	-	1,053
Web Aggregators	1	-	64	-	-	-	-	-	-	-	-	65
Total Commission	1,910,304	1,663	1,404,375	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,159

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission												
Direct – First year premiums	1,273,258	-	179,360	-	-	-	69	2,286,143	5,416	(127)	-	3,744,119
– Renewal premiums	538,293	3,078	790,457	-	-	-	3,846	1,010,391	46,173	10,032	-	2,402,270
– Single premiums	-	-	29,843	-	-	1,593	-	20,290	1,152	-	501	53,379
Total	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768
Break-up of the commission by distribution network												
Individual agents	658,977	2,326	263,300	-	-	673	2,620	664,251	28,888	8,803	301	1,630,139
Corporate agents	925,615	748	606,566	-	-	744	1,160	2,627,981	18,074	708	-	4,181,596
Brokers	226,959	4	129,794	-	-	176	135	24,592	5,779	394	200	388,033
Insurance Marketing Firm	-	-	-	-	-	-	-	-	-	-	-	-
Web Aggregators	-	-	-	-	-	-	-	-	-	-	-	-
Total Commission	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768

Note: Refer Schedule 16 Note 2.4 for accounting policy on Acquisition cost.

SCHEDULE – 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	1,409,501	9,580	1,132,245	7,445	951	15,208	5,309	5,084,718	256,219	29,204	85,794	8,036,174
Travel, conveyance and vehicle running expenses	49,205	212	43,077	1,232	131	888	264	315,857	13,426	1,495	9,884	435,671
Agents training, recruitment and incentives	427,738	-	228,018	9	-	511	160	1,050,558	22,299	1,920	1	1,731,214
Rents, rates and taxes	94,329	1,790	391,180	263	38	1,335	363	514,496	17,448	1,973	4,927	1,028,142
Repairs	52,481	3,659	32,724	145	15	675	219	215,279	10,096	1,177	1,479	317,949
Printing and stationery	8,334	113	11,537	-	1	221	112	21,909	2,132	414	95	44,868
Communication expenses	137,562	2,228	176,317	102	13	3,293	2,218	405,695	44,368	8,378	1,280	781,454
Legal and professional charges	80,131	778	93,603	179	18	1,921	652	233,083	16,957	2,775	6,454	436,551
Medical fees	5,089	-	138,739	21	3	-	-	11,320	15	(28)	184	155,343
Auditors' fees, expenses etc :												-
(a) as auditor	3,154	51	3,979	-	-	83	50	7,632	946	185	-	16,080
(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	412,741	6	650,617	4,898	523	972	352	802,462	47,416	4,135	30,807	1,954,929
Interest and bank charges	19,197	292	22,896	609	88	1,619	107	92,377	7,499	254	6,680	151,618
Others												-
- Administration support expenses	590,681	-	694,478	-	-	8,089	-	4,503,427	36,000	-	(655)	5,832,020
- Business conferences and meetings	191,483	-	109,089	184	26	238	70	495,865	9,830	836	2,603	810,224
- Information technology cost	121,667	1,139	189,372	217	28	3,494	1,132	308,551	21,959	4,162	1,949	653,670
- Office running expenses	28,434	156	27,891	105	13	540	183	162,624	8,161	968	1,051	230,126
- Data entry related expenses	32,977	692	37,136	369	41	815	687	77,322	12,751	2,527	4,210	169,527
- Miscellaneous expenses	14,340	60	32,727	34	6	250	277	94,852	6,158	2,158	2,140	153,002
Depreciation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	578,164
Service tax expenses	9,381	47	19,811	162	-	(204)	(56)	8,689	(987)	10,835	7,557	55,235
Total	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	1,617,844	19,122	677,430	-	-	14,789	3,323	4,547,857	348,634	30,787	90,342	7,350,128
Travel, conveyance and vehicle running expenses	56,406	224	29,040	-	-	772	303	279,887	18,330	1,577	15,258	401,797
Agents training, recruitment and incentives	326,883	-	87,165	-	-	468	155	640,790	22,314	1,389	984	1,080,148
Rents, rates and taxes	110,930	480	207,434	-	-	1,614	578	603,469	29,212	2,695	6,140	962,552
Repairs	48,125	245	26,543	-	-	769	307	233,164	16,058	1,481	2,475	329,167
Printing and stationery	9,615	138	7,035	-	-	262	150	20,437	3,058	511	399	41,605
Communication expenses	124,576	1,736	85,859	-	-	2,895	1,902	328,522	42,350	6,650	1,637	596,127
Legal and professional charges	105,855	1,100	61,941	-	-	2,458	1,069	224,272	27,148	4,033	5,286	433,162
Medical fees	5,884	-	65,790	-	-	-	-	10,160	14	(134)	234	81,948
Auditors' fees, expenses etc :												-
(a) as auditor	3,164	45	2,315	-	-	89	49	6,623	981	165	-	13,431
(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	160,148	5	55,318	-	-	1,104	207	701,619	37,850	2,274	5,922	964,447
Interest and bank charges	14,667	319	17,707	-	-	1,184	121	64,429	9,055	361	11,166	119,009
Others												-
- Administration support expenses	620,302	-	118,867	-	-	8,021	-	3,734,806	45,936	-	-	4,527,932
- Business conferences and meetings	140,893	-	27,537	-	-	129	53	262,205	8,402	525	1,954	441,698
- Information technology cost	124,601	903	87,431	-	-	3,645	997	247,303	20,734	3,342	2,590	491,546
- Office running expenses	37,596	229	23,483	-	-	767	282	168,784	13,291	1,288	1,787	247,507
- Data entry related expenses	27,300	548	20,687	-	-	640	592	59,059	11,765	2,026	3,813	126,430
- Miscellaneous expenses	22,228	693	51,227	-	-	2,774	1,185	73,833	24,474	2,621	2,418	181,453
Depreciation	66,569	295	23,451	-	-	1,031	296	349,401	9,535	1,030	3,692	455,300
Service tax expenses	6,613	69	9,348	-	-	(92)	58	200	484	14,500	6,922	38,102
Total	3,630,199	26,151	1,685,608	-	-	43,319	11,627	12,556,820	689,625	77,121	163,019	18,883,489

SCHEDULE – 3A

EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

For the year ended March 31, 2017

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Employees' remuneration and welfare benefits	109,372	102,523
Travel, conveyance and vehicle running expenses	55	69
Rent, rates and taxes	21,952	148
Printing and stationery	-	-
Communication expenses	1,834	35
Legal and professional charges	7,698	569
Interest and bank charges	965	581
CSR expenses	218,842	199,111
Information technology cost	-	-
Others	18,751	9,434
Depreciation	95	96
Total	379,564	312,566

SCHEDULE – 4

BENEFITS PAID [net]

For the year ended March 31, 2017

Particulars	(₹ '000)											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims												
(a) Claims by death	510,951	20,147	2,329,853	-	-	80,794	-	2,281,302	630,022	9,724	49,756	5,912,549
(b) Claims by maturity	1,303,730	253,554	233,272	-	-	-	-	18,630,325	2,409,108	-	-	22,829,989
(c) Annuities/Pension payment	-	-	-	-	-	1,389,762	-	-	-	-	-	1,389,762
(d) Other benefits												
- Surrender/Withdrawal	1,105,200	594,979	389,773	10,158	8,157	97	-	65,663,047	39,686,369	-	10,482,966	117,940,746
- Survival	2,008,886	-	16	-	-	-	-	-	-	-	-	2,008,902
- Rider	25,170	1,137	48,025	-	-	24	-	31,846	1,903	14	-	108,119
- Health	-	-	37,400	-	-	-	53,202	-	-	680,015	-	770,617
- Interest on unclaimed amounts	-	-	-	-	-	-	-	390,569	-	-	-	390,569
Sub Total (A)	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253
2 (Amount ceded in reinsurance)												
(a) Claims by death	(11,422)	-	(1,044,508)	-	-	-	-	(312,465)	-	-	-	(1,368,395)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits												
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(1,063)	-	-	-	(25,245)	-	-	(312,464)	-	(338,772)
Sub Total (B)	(11,422)	-	(1,045,571)	-	-	-	(25,245)	(312,465)	-	(312,464)	-	(1,707,167)
3 Amount accepted in reinsurance												
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	4,942,515	869,817	1,992,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722	149,644,086
Benefits paid to claimants:												
In India	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253

SCHEDULE – 4**BENEFITS PAID [net]****For the year ended March 31, 2016**

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims												
(a) Claims by death	429,411	16,927	1,535,427	-	-	53,238	-	2,076,100	608,664	9,019	63,231	4,792,017
(b) Claims by maturity	757,786	185,816	25,936	-	-	-	-	2,808,595	1,129,229	-	-	4,907,362
(c) Annuities/Pension payment	-	-	-	-	-	1,270,916	-	-	-	-	-	1,270,916
(d) Other benefits												
- Surrender/Withdrawal	1,472,116	8,242,713	348,316	-	-	-	-	38,846,339	41,755,672	-	21,402,138	112,067,294
- Survival	1,463,288	-	-	-	-	-	-	-	-	-	-	1,463,288
- Rider	22,657	747	29,592	-	-	2	-	36,630	1,262	-	-	90,890
- Health	-	-	10,952	-	-	-	60,488	-	-	664,365	-	735,805
- Interest on unclaimed amounts	6,237	1,843	3,780	-	-	2,260	660	30,339	46,421	560	140	92,240
Sub Total (A)	4,151,495	8,448,046	1,954,003	-	-	1,326,416	61,148	43,798,003	43,541,248	673,944	21,465,509	125,419,812
2 (Amount ceded in reinsurance)												
(a) Claims by death	(2,696)	-	(691,182)	-	-	-	-	(300,753)	-	-	-	(994,631)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits												
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(500)	-	-	-	(29,067)	-	-	(308,793)	-	(338,360)
Sub Total (B)	(2,696)	-	(691,682)	-	-	-	(29,067)	(300,753)	-	(308,793)	-	(1,332,991)
3 Amount accepted in reinsurance												
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	4,148,799	8,448,046	1,262,321	-	-	1,326,416	32,081	43,497,250	43,541,248	365,151	21,465,509	124,086,821
Benefits paid to claimants:												
In India	4,151,495	8,448,046	1,954,003	-	-	1,326,416	61,148	43,798,003	43,541,248	673,944	21,465,509	125,419,812
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,151,495	8,448,046	1,954,003	-	-	1,326,416	61,148	43,798,003	43,541,248	673,944	21,465,509	125,419,812

Note: Refer Schedule 16 Note 2.8 of for accounting policy on benefits paid.

SCHEDULE – 5

SHARE CAPITAL

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Authorised capital		
1,500,000,000 Equity shares of ₹ 10/- each	15,000,000	15,000,000
Issued, subscribed and called-up capital		
1,435,347,110 Equity shares of ₹ 10/- each fully paid up (March 31, 2016: 1,432,319,348 Equity shares)	14,353,471	14,323,193
Total	14,353,471	14,323,193

Out of the total equity share capital, 787,816,604 equity shares (March 31, 2016 - 969,157,662 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

SCHEDULE – 5A

PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	(₹ '000)			
	March 31, 2017		March 31, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	787,816,604	54.89	969,157,662	67.66
- Foreign (Prudential Corporation Holdings Limited)	370,784,884	25.83	370,784,884	25.89
Others	276,745,622	19.28	92,376,802	6.45
Total	1,435,347,110	100.00	1,432,319,348	100.00

SCHEDULE – 6

RESERVES AND SURPLUS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	34,195,244	33,897,405
Revaluation reserve	117,811	9,864
General reserve		
Opening balance	-	-
Less: Transfer to Profit and Loss	-	-
Closing balance	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilised for buy-back	-	-
Catastrophe reserve	-	-
Other reserves	-	-
Balance of profit in Profit and Loss Account	12,683,041	2,507,743
Total	46,996,096	36,415,012

SCHEDULE – 7

BORROWINGS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULE – 8

INVESTMENTS- SHAREHOLDERS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
LONG TERM INVESTMENT		
Government securities¹	13,561,317	24,864,463
(Market value at March 31, 2017: ₹ 14,234,582 thousands)		
(Market value at March 31, 2016: ₹ 25,546,690 thousands)		
Other approved securities	8,340,862	3,646,674
(Market value at March 31, 2017: ₹ 8,463,016 thousands)		
(Market value at March 31, 2016: ₹ 3,713,743 thousands)		
Other approved investments		
Equity shares	6,701,072	7,545,834
(Historical value at March 31, 2017: ₹ 4,470,202 thousands)		
(Historical value at March 31, 2016: ₹ 5,192,612 thousands)		
Preference shares	317,562	301,671
(Market value at March 31, 2017: ₹ 347,825 thousands)		
(Market value at March 31, 2016: ₹ 331,262 thousands)		
Debentures/Bonds	3,336,602	2,823,053
(Market value at March 31, 2017: ₹ 3,484,534 thousands)		
(Market value at March 31, 2016: ₹ 2,924,687 thousands)		
Investments in subsidiary ⁴	290,000	270,000
CCIL deposit	70,029	70,029
(Market value at March 31, 2017: ₹ 70,029 thousands)		
(Market value at March 31, 2016: ₹ 70,029 thousands)		
Fixed deposits	627,000	694,500
(Market value at March 31, 2017: ₹ 627,000 thousands)		
(Market value at March 31, 2016: ₹ 694,500 thousands)		
Property	4,472,454	713,496
(Historical value at March 31, 2017: ₹ 4,354,643 thousands)		
(Historical value at March 31, 2016: ₹ 703,632 thousands)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	13,126,939	6,331,124
(Market value at March 31, 2017: ₹ 13,675,982 thousands)		
(Market value at March 31, 2016: ₹ 6,631,271 thousands)		
Equity shares	1,696,513	1,367,540
(Historical value at March 31, 2017: ₹ 1,353,475 thousands)		
(Historical value at March 31, 2016: ₹ 1,174,187 thousands)		
Other investments		
Equity shares	214,761	189,081
(Historical value at March 31, 2017: ₹ 275,403 thousands)		
(Historical value at March 31, 2016: ₹ 226,864 thousands)		
Other investments		
Debentures/Bonds	833,095	1,371,006
(Market value at March 31, 2017: ₹ 890,439 thousands)		
(Market value at March 31, 2016: ₹ 1,427,264 thousands)		
Equity shares	3,687,372	21,665
(Historical value at March 31, 2017: ₹ 3,469,818 thousands)		
(Historical value at March 31, 2016: ₹ 21,665 thousands)		
SHORT TERM INVESTMENT		
Government securities	-	-
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ Nil)		

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Other approved securities	-	-
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ Nil)		
Other approved investments		
Debentures/Bonds	299,824	917,857
(Market value at March 31, 2017: ₹ 301,996 thousands)		
(Market value at March 31, 2016: ₹ 924,494 thousands)		
Fixed deposits ²	1,931,613	1,656,699
(Market value at March 31, 2017: ₹ 1,931,613 thousands)		
(Market value at March 31, 2016: ₹ 1,656,699 thousands)		
Certificate of deposits	-	3,379,241
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 3,379,241 thousands)		
Mutual fund	4,460,521	-
(Historical value at March 31, 2017: ₹ 4,460,521 thousands)		
(Historical value at March 31, 2016: ₹ Nil)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	2,435,028	1,569,494
(Market value at March 31, 2017: ₹ 2,460,641 thousands)		
(Market value at March 31, 2016: ₹ 1,579,901 thousands)		
Commercial papers	-	3,225,705
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 3,225,705 thousands)		
Certificate of deposits	-	701,683
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 701,683 thousands)		
Other investments		
Debentures/Bonds	-	250,000
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 255,643 thousands)		
Mutual fund	-	245,859
(Historical value at March 31, 2017: ₹ Nil)		
(Historical value at March 31, 2016: ₹ 245,859 thousands)		
Total	66,402,564	62,156,674
In India	66,402,564	62,156,674
Total	66,402,564	62,156,674

- Government securities of ₹ 1,450,956 thousands (Market value of ₹ 1,521,000 thousands) at March 31, 2017 [At March 31, 2016: ₹ 927,356 thousands (Market value of ₹ 968,300 thousands) and ₹ 77,354 thousands (Market value of ₹ 80,880 thousands) at March 31, 2017 [At March 31, 2016: ₹ Nil (Market value of ₹ Nil) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit and CCIL default fund respectively. Refer note 3.25 of schedule 16
- Includes Fixed deposit of ₹ 1,000,000 thousands at March 31, 2017 [At March 31, 2016: ₹ 1,050,000 thousands] and ₹ 100,000 thousands at March 31, 2017 [At March 31, 2016: ₹ 99,000 thousands] deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement
- Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	44,879,867	51,803,197
Market value of above Investments	46,487,659	53,062,812
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	18,674,061	7,834,818

- Investments in subsidiary at cost is ₹ 290,000 thousands at March 31, 2017 [At March 31, 2016: ₹ 270,000 thousands]. For Investments in holding company and other related entities - Refer note 3.1 to 9 of schedule 16.
- Investments made out of Catastrophe reserve is ₹ Nil.
- 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 note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8A

INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2017											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government securities¹	49,825,645	5,772,630	67,106,859	-	-	19,780,819	347,010	4,128,123	355,155	139,530	-	147,455,771
(Market value: ₹ 153,787,265 thousands)												
Other approved securities	10,031,979	742,701	4,476,388	-	-	213,199	-	1,765,933	54,119	104,849	105,320	17,494,488
(Market value: ₹ 17,794,433 thousands)												
Other approved investments												
Equity shares	14,902,724	1,404,461	20,682,269	-	-	-	-	-	-	-	-	36,989,454
(Historical value: ₹ 21,518,925 thousands)												
Preference shares	98,190	-	2,513	-	-	-	-	-	-	-	-	100,703
(Market value: ₹ 115,792 thousands)												
Debentures/Bonds	1,612,777	729,402	1,812,719	250,327	100,000	285,589	47,235	194,546	78,341	-	97,329	5,208,265
(Market value: ₹ 5,470,810 thousands)												
Property	1,481,744	384,760	-	-	-	-	-	-	-	-	-	1,866,504
(Historical value: ₹ 1,262,956 thousands)												
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	71
(Market value: ₹ 71 thousands)												
Fixed deposits	626,400	144,500	874,600	-	-	356,000	-	173,000	49,000	-	-	2,223,500
(Market value: ₹ 2,223,500 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Equity shares	1,935,824	126,831	3,073,330	-	-	-	-	-	-	-	-	5,135,985
(Historical value: ₹ 3,364,763 thousands)												
Debentures/Bonds	11,855,605	1,531,294	14,164,073	535,084	20,334	1,498,596	100,000	1,948,374	226,151	110,052	312,516	32,302,079
(Market value: ₹ 33,587,926 thousands)												
Other investments												
Equity shares	77,235	-	212,723	-	-	-	-	-	-	-	-	289,958
(Historical value: ₹ 324,262 thousands)												
Debentures/Bonds	210,000	-	-	-	-	-	-	-	-	-	-	210,000
(Market value: ₹ 216,049 thousands)												
Other investments												
Equity shares	1,215,955	-	1,383,257	-	-	-	-	-	-	-	-	2,599,212
(Historical value: ₹ 1,940,049 thousands)												
Debentures/Bonds	313,145	-	1,336,775	-	-	-	-	-	-	-	-	1,649,920
(Market value: ₹ 1,714,219 thousands)												
SHORT TERM INVESTMENT												
Government securities	2,691	6,405	79,594	-	-	-	-	-	-	-	-	88,690
(Market value: ₹ 89,067 thousands)												
Other approved securities	-	-	249,885	-	-	-	-	-	-	-	-	249,885
(Market value: ₹ 253,807 thousands)												
Other approved investments												
Debentures/Bonds	540,114	125,000	1,250,773	-	-	219,000	-	70,000	30,000	-	-	2,234,887
(Market value: ₹ 2,262,018 thousands)												
Commercial papers	-	245,776	-	-	-	-	-	-	-	-	-	245,776
(Market value: ₹ 245,776 thousands)												
Mutual fund	3,518,185	-	5,531,775	-	-	-	23,541	1,065,728	571,890	27,802	155,311	10,894,232
(Historical value: ₹ 10,894,232 thousands)												
Collateralized borrowing and lending obligation	54,506	190,331	-	22,354	10,156	256,395	-	-	-	-	-	533,742
(Market value: ₹ 533,742 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Debentures/Bonds	575,657	350,038	1,716,504	-	-	50,035	-	25,000	13,857	-	-	2,731,091
(Market value: ₹ 2,749,840 thousands)												
Other investments												
Venture fund	169,465	-	-	-	-	-	-	-	-	-	-	169,465
(Market value: ₹ 183,243 thousands)												
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
In India	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678

1. Government securities of ₹ 508,511 thousands with market value of ₹ 546,500 thousands (at March 31, 2016: ₹ 498,374 thousands with market value of ₹ 519,250 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 207,120 thousands with market value of ₹ 218,000 thousands (at March 31, 2016: ₹ 207,848 thousands with market value of ₹ 209,850 thousands) has been deposited with CCIL for trades in the Collateralized borrowing and lending obligation segment - Refer note 3.25 of Schedule 16

2. Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	212,898,335	179,280,716
Market value of above Investments	221,227,559	183,559,226
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	39,305,188	25,615,228

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

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

SCHEDULE – 8A
INVESTMENTS - POLICYHOLDERS

Particulars	(₹ '000)											
	March 31, 2016											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government securities¹	42,113,368	5,437,942	53,155,150	-	-	16,580,873	346,758	4,971,550	330,373	137,010	-	123,073,024
(Market value: ₹ 126,223,782 thousands)												
Other approved securities	4,045,239	603,687	4,104,808	-	-	905,118	-	102,178	-	-	-	9,761,030
(Market value: ₹ 9,952,066 thousands)												
Other approved investments												
Equity shares	11,096,887	1,198,769	16,222,249	-	-	-	-	-	-	-	-	28,517,905
(Historical value: ₹ 19,490,939 thousands)												
Preference shares	92,116	-	1,698	-	-	-	-	-	-	-	-	93,814
(Market value: ₹ 110,278 thousands)												
Debentures/Bonds	2,415,101	855,372	2,711,456	-	-	708,584	76,925	274,458	78,155	-	97,055	7,217,106
(Market value: ₹ 7,453,385 thousands)												
Property	1,466,232	373,800	-	-	-	-	-	-	-	-	-	1,840,032
(Historical value: ₹ 1,262,956 thousands)												
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	71
(Market value: ₹ 71 thousands)												
Fixed deposits	626,400	144,500	471,100	-	-	356,000	-	173,000	49,000	-	-	1,820,000
(Market value: ₹ 1,820,000 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Equity shares	1,286,999	93,293	2,004,556	-	-	-	-	-	-	-	-	3,384,848
(Historical value: ₹ 2,763,746 thousands)												
Debentures/Bonds	8,184,225	1,432,413	11,255,208	-	-	2,277,226	100,000	1,028,502	240,056	9,607	313,595	24,840,832
(Market value: ₹ 25,518,333 thousands)												
Other investments												
Equity shares	92,223	-	200,409	-	-	-	-	-	-	-	-	292,632
(Historical value: ₹ 253,622 thousands)												
Debentures/Bonds	210,000	-	-	-	-	-	-	-	-	-	-	210,000
(Market value: ₹ 207,846 thousands)												
Other investments												
Equity shares	71,724	-	59,119	-	-	-	-	-	-	-	-	130,843
(Historical value: ₹ 105,596 thousands)												
Debentures/Bonds	613,576	-	1,336,898	-	-	-	-	-	50,675	-	-	2,001,149
(Market value: ₹ 1,981,786 thousands)												
Venture fund	146,768	-	-	-	-	-	-	-	-	-	-	146,768
(Market value: ₹ 156,854 thousands)												
SHORT TERM INVESTMENT												
Government securities	-	-	20,521	-	-	-	-	-	-	-	-	20,521
(Market value: ₹ 20,656 thousands)												
Other approved securities	-	699	-	-	-	-	-	21,411	-	-	-	22,110
(Market value: ₹ 22,240 thousands)												

(₹ '000)

Particulars	March 31, 2016											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Other approved investments												
Debentures/Bonds (Market value: ₹ 2,059,932 thousands)	471,832	211,055	916,482	-	-	129,912	-	114,000	103,457	50,313	50,000	2,047,051
Fixed deposits (Market value: ₹ 198,000 thousands)	99,000	99,000	-	-	-	-	-	-	-	-	-	198,000
Certificate of deposits (Market value: ₹ 3,384,702 thousands)	325,455	493,528	391,015	-	-	531,976	-	1,056,740	323,642	56,392	205,954	3,384,702
Mutual fund (Historical value: ₹ 1,051,504 thousands)	-	-	982,893	-	-	-	-	25,494	41,976	1,141	-	1,051,504
Investments in infrastructure/housing sector												
Other approved investments												
Debentures/Bonds (Market value: ₹ 1,433,573 thousands)	556,453	161,389	308,401	-	-	114,855	-	205,860	81,289	-	-	1,428,247
Certificate of deposits (Market value: ₹ 187,108 thousands)	187,108	-	-	-	-	-	-	-	-	-	-	187,108
Commercial papers (Market value: ₹ 2,703,623 thousands)	644,131	-	1,913,083	-	-	-	-	146,409	-	-	-	2,703,623
Other investments												
Debentures/Bonds (Market value: ₹ 48,646 thousands)	50,825	-	-	-	-	-	-	-	-	-	-	50,825
Venture fund (Market value: ₹ 76,347 thousands)	74,735	-	-	-	-	-	-	-	-	-	-	74,735
Mutual fund (Historical value: ₹ 657,718 thousands)	317,213	-	325,256	-	-	-	7,199	-	-	-	8,050	657,718
Total	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	215,156,198
In India	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	215,156,198
Total	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	215,156,198

- Government securities of ₹ 498,374 thousands with market value of ₹ 519,250 thousands has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 206,938 thousands with market value of ₹ 207,848 thousands has been deposited with CCIL for trades in the Collateralized borrowing and lending obligation segment - Refer note 3.25 of Schedule 16
- Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)
	March 31, 2016
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	179,280,716
Market value of above Investments	183,559,226
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	25,586,083

- 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, 2016
- 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 note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8B

ASSETS HELD TO COVER LINKED LIABILITIES

(₹ '000)

Particulars	March 31, 2017				Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	
LONG TERM INVESTMENTS					
Government securities	89,891,501	6,370,506	365,816	8,015,583	104,643,406
(Historical value: ₹ 102,197,174 thousands)					
Other approved securities	23,066,125	3,600,838	198,814	4,372,378	31,238,155
(Historical value: ₹ 31,002,970 thousands)					
Other approved investments					
Equity shares	284,958,797	86,553,654	4,808,504	6,572,088	382,893,043
(Historical value: ₹ 289,799,327 thousands)					
Preference shares	383,198	195,707	9,987	355,618	944,510
(Historical value: ₹ 764,890 thousands)					
Debentures/Bonds	13,616,044	5,962,403	279,219	9,404,456	29,262,122
(Historical value: ₹ 28,745,748 thousands)					
Fixed deposits	720,779	123,794	44,700	66,827	956,100
(Historical value: ₹ 956,100 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Equity shares	64,828,955	17,224,017	675,878	1,790,323	84,519,173
(Historical value: ₹ 72,367,735 thousands)					
Debentures/Bonds	38,719,839	13,243,046	852,800	15,909,974	68,725,659
(Historical value: ₹ 67,952,120 thousands)					
Other investments					
Equity shares	7,781,096	1,333,650	58,548	259,036	9,432,330
(Historical value: ₹ 13,030,998 thousands)					
Debentures/Bonds	-	-	-	41,046	41,046
(Historical value: ₹ 37,653 thousands)					
Other investments					
Equity shares	20,665,058	6,230,938	263,599	651,585	27,811,180
(Historical value: ₹ 24,913,186 thousands)					
Debentures/Bonds	452,873	536,010	11,617	863,312	1,863,812
(Historical value: ₹ 1,772,589 thousands)					
Mutual fund	5,260,416	751,379	-	68,555	6,080,350
(Historical value: ₹ 5,351,333 thousands)					
SHORT TERM INVESTMENTS					
Government securities	22,772,322	2,673,117	19,765	2,795,653	28,260,857
(Historical value: ₹ 28,118,974 thousands)					
Other approved securities	1,907,940	-	-	-	1,907,940
(Historical value: ₹ 1,915,654 thousands)					
Other approved investments					
Debentures/Bonds	1,197,775	392,571	11,461	613,437	2,215,244
(Historical value: ₹ 2,218,043 thousands)					
Commercial papers	6,056,189	909,302	5,382	898,151	7,869,024
(Historical value: ₹ 7,651,896 thousands)					
Fixed deposits	3,889,600	936,300	103,500	1,565,625	6,495,025
(Historical value: ₹ 6,495,025 thousands)					
Collateralized borrowing and lending obligation	5,709,467	1,250,291	6,299	740,373	7,706,430
(Historical value: ₹ 7,705,185 thousands)					
Mutual fund	24,657,966	3,996,356	491,024	3,242,901	32,388,247
(Historical value: ₹ 32,388,247 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Debentures/Bonds	9,227,837	2,588,229	82,609	3,692,671	15,591,346
(Historical value: ₹ 15,422,105 thousands)					
Certificate of deposits	8,525,214	923,034	34,688	2,250,693	11,733,629
(Historical value: ₹ 11,669,600 thousands)					
Commercial papers	4,084,751	151,589	-	65,555	4,301,895
(Historical value: ₹ 4,088,886 thousands)					
Other investments					
Venture Fund	6,559	-	-	-	6,559
(Historical value: ₹ 10,030 thousands)					
Net current asset	6,118,294	2,369,042	126,661	3,282,372	11,896,369
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
In India	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451

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.

Note: Refer note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8B**ASSETS HELD TO COVER LINKED LIABILITIES**

(₹ '000)

Particulars	March 31, 2016				Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	
LONG TERM INVESTMENTS					
Government securities					
(Historical value: ₹ 115,374,996 thousands)	86,649,122	13,502,614	807,842	16,577,173	117,536,751
Other approved securities					
(Historical value: ₹ 11,276,212 thousands)	6,237,748	2,235,513	140,215	2,722,282	11,335,758
Other approved investments					
Equity shares	246,288,789	100,732,036	4,424,316	6,656,087	358,101,228
(Historical value: ₹ 290,082,870 thousands)					
Preference shares	327,753	186,441	9,155	309,508	832,857
(Historical value: ₹ 676,530 thousands)					
Debentures/Bonds	6,160,477	3,882,784	112,273	5,293,347	15,448,881
(Historical value: ₹ 15,011,618 thousands)					
Fixed deposits	3,037,229	1,352,291	6,900	1,454,705	5,851,125
(Historical value: ₹ 5,851,125 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Equity shares	42,242,473	15,268,200	533,776	1,292,253	59,336,702
(Historical value: ₹ 57,743,549 thousands)					
Debentures/Bonds	14,095,789	6,805,810	267,818	8,477,341	29,646,758
(Historical value: ₹ 29,042,094 thousands)					
Other investments					
Equity shares	6,990,914	2,006,111	79,702	332,090	9,408,817
(Historical value: ₹ 12,482,094 thousands)					
Debentures/Bonds	-	-	-	39,962	39,962
(Historical value: ₹ 37,653 thousands)					
Other investments					
Equity shares	2,088,044	1,222,986	74,815	22,042	3,407,887
(Historical value: ₹ 4,101,151 thousands)					
Debentures/Bonds	1,290,978	812,465	28,826	875,335	3,007,604
(Historical value: ₹ 3,031,550 thousands)					
Mutual fund	1,983,730	317,521	6,176	35,789	2,343,216
(Historical value: ₹ 2,513,326 thousands)					
Venture fund	-	-	-	-	-
(Historical value: Nil)					
SHORT TERM INVESTMENTS					
Government securities					
(Historical value: Nil)	-	-	-	-	-
Other approved securities					
(Historical value : ₹ Nil)	-	-	-	-	-
Other approved investments					
Debentures/Bonds	3,472,953	599,754	10,077	474,467	4,557,251
(Historical value: ₹ 4,546,486 thousands)					
Certificate of deposits	44,944,783	7,067,337	186,173	7,583,978	59,782,271
(Historical value: ₹ 59,627,886 thousands)					
Commercial papers	5,130,158	937,113	1,430	1,123,792	7,192,493
(Historical value: ₹ 7,107,283 thousands)					
Fixed deposits	2,535,550	1,200,600	29,700	800,500	4,566,350
(Historical value: ₹ 4,566,350 thousands)					
Collateralized borrowing and lending obligation	545,621	164,919	-	39,021	749,561
(Historical value: ₹ 749,416 thousands)					
Mutual fund	2,923,960	1,584,773	77,649	196,377	4,782,759
(Historical value: ₹ 4,782,760 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Debentures/Bonds	4,257,422	1,696,264	61,842	1,999,868	8,015,396
(Historical value: ₹ 7,996,580 thousands)					
Certificate of deposits	7,603,467	1,496,746	52,720	2,081,173	11,234,106
(Historical value: ₹ 11,180,905 thousands)					
Commercial papers	12,601,220	2,034,587	90,205	2,235,116	16,961,128
(Historical value: ₹ 16,646,884 thousands)					
Other investments					
Debentures/Bonds	70,711	20,177	-	-	90,888
(Historical value: ₹ 90,664 thousands)					
Mutual fund	5,629,503	1,581,104	135,586	195,964	7,542,157
(Historical value: ₹ 7,542,157 thousands)					
Venture Fund	13,473	-	-	-	13,473
(Historical value: ₹ 13,189 thousands)					
Net current asset	7,118,361	1,523,177	93,074	2,437,957	11,172,569
Total	514,240,228	168,231,323	7,230,270	63,256,127	752,957,948
In India	514,240,228	168,231,323	7,230,270	63,256,127	752,957,948
Total	514,240,228	168,231,323	7,230,270	63,256,127	752,957,948

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 3.28 of schedule 16.

Note: Refer note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 9**LOANS**

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
1. Security-wise classifications		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt Securities, etc.	-	-
(c) Loans against policies	806,448	442,718
(d) Others	-	-
Unsecured	-	-
Total	806,448	442,718
2. Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Policyholders - Loans against policies	806,448	442,718
(f) Others	-	-
Total	806,448	442,718
3. Performance-wise classification		
(a) Loans classified as standard		
(aa) In India	806,448	442,718
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	806,448	442,718
4. Maturity-wise classification		
(a) Short-term	21,470	29,326
(b) Long-term	784,978	413,392
Total	806,448	442,718

SCHEDULE – 10**FIXED ASSETS**

Particulars	Gross Block				Depreciation			Net Block		
	At April 1, 2016	Additions	Deductions	At March 31, 2017	At April 1, 2016	For the period	Deductions	At March 31, 2017	At March 31, 2017	At March 31, 2016
Intangible assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software ¹	977,865	186,201	-	1,164,066	741,771	201,725	-	943,496	220,570	236,094
Tangible assets										
Freehold land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Improvements to leasehold property	1,340,535	45,904	-	1,386,439	999,893	76,460	-	1,076,353	310,086	340,642
Office buildings on freehold land	89,000	-	-	89,000	13,101	1,469	-	14,570	74,430	75,899
Furniture and fixtures	230,393	70,273	5,646	295,020	145,314	75,913	4,890	216,337	78,683	85,079
Information technology equipment	378,986	95,665	23,792	450,859	239,221	91,990	13,124	318,087	132,772	139,765
Motor vehicles	59,496	50,036	7,096	102,436	35,492	10,612	4,597	41,507	60,929	24,004
Office equipment	375,117	67,102	4,922	437,297	209,054	77,445	3,468	283,031	154,266	166,063
Communication networks	288,222	23,444	4	311,662	138,624	42,645	4	181,265	130,397	149,598
Total	4,642,894	538,625	41,460	5,140,059	2,522,470	578,259	26,083	3,074,646	2,065,413	2,120,424
Capital work in progress including capital advances	-	-	-	-	-	-	-	-	72,346	74,922
Total	4,642,894	538,625	41,460	5,140,059	2,522,470	578,259	26,083	3,074,646	2,137,759	2,195,346
At March 31, 2016	4,572,326	514,525	443,957	4,642,894	2,482,035	455,396	414,961	2,522,470		

¹ All software are other than those generated internally.

Note: Refer Schedule 16 Note 2.13 for accounting policy on fixed assets

SCHEDULE – 11

CASH AND BANK BALANCES

Particulars	₹ '000	
	March 31, 2017	March 31, 2016
Cash (including cheques, drafts and stamps)	1,408,060	1,286,298
Bank Balance		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	728,199	715,764
(c) Unclaimed Dividend Accounts- Refer Note 3.40 of schedule 16	697	-
Money at call and short notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	2,136,956	2,002,062
Balances with non-scheduled banks included above	6,831	8,022
Cash and Bank Balances		
In India	2,116,146	1,981,516
Outside India	20,810	20,546
Total	2,136,956	2,002,062

SCHEDULE – 12

ADVANCES AND OTHER ASSETS

Particulars	₹ '000	
	March 31, 2017	March 31, 2016
Advances		
Reserve deposits with ceding companies	-	-
Application money for investments (including advance for investment property)	-	1,595,088
Prepayments	382,615	208,185
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	3,041,332	1,618,470
Advances to Employees	-	11,016
Deposits		
Gross	372,418	384,477
Less: Provision for doubtful deposits	(30,933)	(39,439)
Net	341,485	345,038
Other advances		
Gross	184,769	121,103
Less: Provision for doubtful advances	(3,921)	(9,737)
Net	180,848	111,366
Other receivables		
Gross	151,322	90,718
Less: Provision for doubtful receivables	(30,288)	(24,121)
Net	121,034	66,597
Total (A)	4,067,314	3,955,760
OTHER ASSETS		
Income accrued on investments and deposits	7,613,849	6,704,838
Outstanding premiums	1,815,959	1,489,510
Agents' balances		
Gross	31,150	93,373
Less: Provision for doubtful agents' balance	(27,053)	(74,303)
Net	4,097	19,070
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	88,632	42,766
Due from subsidiary - Refer note 3.10 of Schedule 16	6,044	5,531
Deposit with Reserve Bank of India	-	-
Receivable towards investments sold	6,081,217	491,118
Service tax un-utilised credit	216,360	42,210
Assets held for unclaimed amount of policyholders - Refer note 3.5 of schedule 16	6,590,425	-
Total (B)	22,416,583	8,795,043
Total (A + B)	26,483,897	12,750,803

SCHEDULE – 13

CURRENT LIABILITIES

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Agents' balances	669,308	760,701
Balances due to reinsurance companies	43,440	63,567
Deposits held on re-insurance ceded	-	-
Premium received in advance	1,284,802	1,076,081
Unallocated premium	4,867,753	753,902
Sundry creditors	89,114	70,553
Due to holding company - Refer note 3.10 of Schedule 16	1,064,851	483,675
Claims outstanding	691,659	486,264
Due to Officers/ Directors	-	-
Deposits	88,475	24,137
Expenses payable	5,335,940	4,279,966
TDS payable	196,994	170,604
Payable towards investments purchased	1,192,640	195,948
Unclaimed amount of Policyholders - Refer note 3.6 of schedule 16	6,590,425	4,956,498
Payable to unit fund	1,567,612	3,004,460
Service tax payable	7,620	9,091
Other liabilities*	4,466,629	1,878,338
Total	28,157,262	18,213,785

* Includes unclaimed dividend amounting to ₹ 697 thousands - Refer note 3.40 of schedule 16

SCHEDULE – 14

PROVISIONS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
For taxation	-	-
For proposed dividends - Refer note 3.40 of schedule 16	-	3,007,883
For dividend distribution tax - Refer note 3.40 of schedule 16	-	612,334
For leave encashment and gratuity- Refer note 3.16 of schedule 16	204,960	177,090
For interim dividend - Refer note 3.40 of schedule 16	-	-
Total	204,960	3,797,307

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Discount allowed in issue of shares / debentures	-	-
Others	-	-
Total	-	-

SCHEDULE: 16**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****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, 2013 ('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 is in force as at March 31, 2017.

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, non-participating variable 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.

During the year ended March 31, 2017, the Company completed the Initial Public Offering (IPO) through an offer for sale of 181,341,058 equity shares of ₹ 10 each at a price of ₹ 334 per equity share, by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 6,057 crores. The equity shares of the Company were listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited on September 29, 2016.

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 further amended by Companies (Accounting Standards) Amendment Rules, 2016, 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 orders/directions/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 where differential 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 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.

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, equity exchange traded fund (ETF) 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 in Balance Sheet as "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

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

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 and includes long term retention incentive payable to employees on fulfilment of criteria prescribed 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 discounted 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 issued by the Institute of Chartered Accountants of India (ICAI), 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.

2.10. Funds for Future Appropriations (FFA)**FFA (Unit 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.

FFA (Non-unit and Non-participating)

On the basis of recommendation of the Appointed Actuary surplus in the non-unit fund of linked line of business and non-participating funds may be held as Funds for Future Appropriations or appropriated to the Shareholders' funds. When held in the policyholders' funds, FFA provides capital for contingencies such as revival of lapsed or foreclosed policies.

FFA (Participating)

Based on the recommendation of Appointed Actuary unappropriated surplus is 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 of India (Investment) Regulations, 2016, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investments – Master circular, 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 purchase.

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 based on the previous day's net asset values.

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 Credit Rating Information Services of India 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 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, redeemable preference shares and equity ETF 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 based on previous day's Net Asset Value.

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.

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.

The 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

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.

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 capital 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 ultimate 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.

2.14. 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 calculates tax for 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 recognised 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), Non-Participating, Non-Participating variable (Life and Pension), Annuity, Health and Linked (Life, Pension, Health and Group).

There are no reportable geographical segments, since all business is written in India.

The allocation and apportionment 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 apportioned 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

Particulars	(₹ '000)	
	At March 31, 2017	At March 31, 2016
Partly-paid up investments	-	-
Claims, other than those under policies, not acknowledged as debts comprising of:		
- Claims made by vendors for disputed payments	1,034	534
- Claims for damages made by landlords (of premises taken on lease)	37,971	39,420
- Claims made by employees and advisors for disputed dues and compensation	5,182	4,076
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 [#]	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	86,513	101,661
- Claims against repudiation	404,963	323,802
Others	-	-
Total	2,072,659	2,006,489

[#] ₹ 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:

- The interest rates used for valuing the liabilities are in the range of 3.49% to 6.20% per annum. The interest rates used at March 31, 2016 were in the range of 4.92% to 5.53% per annum.
- 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.
- 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 4.55% per annum. The expense inflation assumption used at March 31, 2016 was 5.18%.
- No allowance is made for expected lapses in the future.

- The bonus rates for participating business to be declared in the future is consistent with the valuation assumptions.
- The tax rate applicable for valuation at March 31, 2017 is 14.42% p.a.

Certain explicit additional provisions are made, which include the following:

- 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.
- Reserves for guarantees available to individual and group insurance policies.
- Reserves for cost of non-negative claw back additions.
- Reserves for free look option given to policyholders calculated using a free look cancellation rate of 2.2%. The free look cancellation assumption used at March 31, 2016 was 2.80%.
- Reserves for lapsed policies eligible for revivals.

3.3. Funds for Future Appropriations ('FFA')

The balance of unit-linked FFA at March 31, 2017 is ₹ 8,171 thousand (March 31, 2016: ₹ 10,768 thousand), non-unit/ non-participating FFA is ₹ nil (March 31, 2016: ₹ 1,858,866 thousand) and participating FFA is ₹ 6,033,687 thousand (March 31, 2016: ₹ 4,749,499 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 at March 31, 2017 is ₹ 15,358 thousand (March 31, 2016: ₹ 14,135 thousand).

3.5. Reconciliation of unclaimed amounts of policyholders

Pursuant to IRDAI circular No. IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015 and IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015 on "Handling of unclaimed amounts pertaining to policyholders", the Company has created a single segregated fund to manage all the unclaimed monies. The amount in such unclaimed fund has been invested in money market instruments and /or fixed deposit of scheduled banks with effect from April 01, 2016.

The amount in the unclaimed fund has been disclosed in schedule 12 as "Assets held for unclaimed amount of policyholders". Investment income accruing to such unclaimed fund has been credited to the fund and disclosed as other income under Linked life segment in the Revenue Account. Such investment income net of fund management charges ('FMC') is paid/ accrued as "interest on unclaimed amounts" in schedule 4 "Benefits paid".

Reconciliation of unclaimed amounts of policyholders:

In accordance with circular IRDA/F&I/CIR/CLD/114/05/2015 issued by the IRDAI on May 28, 2015, the details of unclaimed amounts and investment income at March 31, 2017 is tabulated as below:

Particulars	(₹ in lacs)	
	For the year ended March 31, 2017	
Opening balance		49,565
Add: Amount transferred to unclaimed fund		136,713
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (stale cheques)		1,878
Add: Investment income (net of FMC)		3,906
Less: Amount paid out of unclaimed fund		(126,158)
Closing balance as on March 31, 2017		65,904

3.6. Age wise analysis of unclaimed amount of policyholders

In accordance with circular IRDA/F&I/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, 2017 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	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	370	2	368	-	-	-	-	-	-
March 31, 2016	3,060	2,903	157	-	-	-	-	-	-

- b. Sum due to the insured/policyholders on maturity or otherwise:

At	Total amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	2,339,310	660,261	782,293	214,240	138,055	87,228	209,154	29,193	218,886
March 31, 2016	1,714,054	241,783	319,867	151,295	465,191	69,478	238,566	34,034	193,840

- 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	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	77,638	41,605	34,759	1,036	194	-	44	-	-
March 31, 2016	67,222	61,180	5,376	109	348	37	1	146	25

- d. Cheques issued but not encashed by the policyholder / insured:

At	Total amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	9,679,464	4,410,308	1,904,883	624,088	418,369	83,455	90,279	131,439	2,016,643
March 31, 2016	6,239,054	2,427,147	1,082,909	212,249	124,371	169,792	518,162	244,371	1,460,053

The cheques issued but not encashed by policyholder/insured category include ₹ 5,506,357 thousand pertaining to cheques which are within the validity period but not yet encashed by the policyholders at March 31, 2017 (March 31, 2016: ₹ 3,066,892 thousand). This amount forms part of bank reconciliation and consequently not considered in unclaimed amount of policyholders as disclosed under Schedule 13 - Current liabilities.

3.7. Direct taxes

The current tax provision is determined in accordance with the provisions of the Income Tax Act, 1961. The provision for current tax for the year ended March 31, 2017 is ₹ 1,815,915 thousand (year ended March 31, 2016: ₹ 1,913,926).

The provision for current tax includes an amount of ₹ 788,117 thousand for the year ended March 31, 2017 (year ended March 31, 2016: ₹ 702,871 thousand) which has been charged on the total surplus of the participating line of business in Revenue Account, in line with the Company's accounting policy. Further, tax expense amounting to ₹ 1,027,798 thousand for the year ended March 31, 2017 (year ended March 31, 2016: ₹ 1,211,055 thousand) pertaining to other than participating line of business has been charged to Profit & loss account.

Deferred tax asset is recognised on the linked funds for future appropriation 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 realised. The deferred tax position and the movement for the year ended March 31, 2017 is summarised below:

	At April 1, 2016	(Charge)/ Credit for the year	(₹ '000) At March 31, 2017
Deferred tax assets			
Linked funds for future appropriation	702	(233)	469

Deferred tax charge for the year ended March 2017 is ₹ 233 thousand (year ended March 31, 2016: ₹ 636 thousand).

3.8. 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, 2017 is ₹ 539,758 thousand (year ended March 31, 2016: ₹ 685,977 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, 2017 is ₹ 33,184 thousand (year ended March 31, 2016: ₹ 223,114 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

Particulars	(₹ '000)	
	At March 31, 2017	At March 31, 2016
Not later than one year	33,518	31,570
Later than one year but not later than five years	86,589	113,126
Later than five years	-	-

3.9. 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 and Profit and Loss account for the year ended March 31, 2017 is ₹ 66,797 thousand (year ended March 31, 2016: ₹ 52,909 thousand).

3.10. 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 Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited
Consolidated under AS-21 by holding company	ICICI Strategic Investments Fund
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
Key management personnel as per AS-18 disclosure	Sandeep Bakhshi, Managing Director and CEO Puneet Nanda, Executive Director Sandeep Batra, Executive Director Judhajit Das, Chief – Human Resources Asha Murali, Appointed Actuary

Relatives of Key management personnel as per AS-18 disclosure

Nature of relationship	Name of the related party				
Relatives of KMP	Sandeep Bakhshi	Sandeep Batra	Puneet Nanda	Asha Murali	Judhajit Das
Spouse	Mona Bakhshi	Deepa Batra	Deepti Nanda	P A Murali	Isheeta Ganguly
Parent	Swarn Bakhshi	Veena Batra	Kul Bhushan Nanda Asha Nanda	P S Nagaraj	Mita Das
Brother/Sister	Sameer Bakhshi	Vivek Batra	Pankaj Nanda	Rekha Somayajula Krishna Nagaraj	Satrajit Das
Children & their Spouse	Shivam Bakhshi	Arushi Batra	Rikhil Nanda	Rajiv Murali	Adarsh Ganguly Das
	Esha Thakurta	Pranav Batra	Rishita Nanda		Akaash Ganguly Das
	Ritwik Thakurta				
	Minal Bakhshi				

The following represents significant transactions between the Company and its related parties:

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)	
			FY 2017	FY 2016	At	At
					March 31, 2017	March 31, 2016
ICICI Bank Limited	Holding company	Premium income	521,860	214,183	(3,758)	(719)
		Benefits Paid	(103,635)	(110,555)	-	(7,000)
		Interest income on investments	149,574	74,984	93,464	1,789
		Recovery of expenses				
		- Rent, rates and taxes	866	2,204	-	600
		- Employees' remuneration and welfare benefits	7	7	-	-
		- Recovery of IPO expenses	509,914	-	635	-
		- Information Technology cost	1,264	-	1,454	-
		Reimbursement of other expenses				
		- Legal and Professional Charges	(11,430)	(11,780)	(13,062)	(11,575)
		- Employees' remuneration and welfare benefits	(1,920)	(2,942)	-	(76)
		- Rent, rates and taxes	(2,398)	(1,424)	(955)	(431)
		- Information technology cost	(170,619)	(174,714)	(99,656)	(71,358)
		Administration support expenses	(5,726,917)	(4,290,652)	(880,445)	(298,261)
		Commission expenses	(3,902,223)	(3,312,550)	(63,749)	(90,762)
		Bank charges	(45,959)	(43,640)	(5,630)	(4,212)
		Sale of fixed assets	1,850	-	194	-
		Purchase of investments	(13,950,900)	(846,323)	-	-
		Sale of investments	4,685,841	2,332,749	-	-
		Security Deposit outstanding	-	-	121	121
Outstanding investments	-	-	2,531,571	265,983		
Cash & bank balances	-	-	(2,958,301)	(968,749)		
Dividend	(3,413,910)	(8,563,075)	-	(2,035,231)		
ICICI Securities Limited	Fellow subsidiary	Premium income	2,362	1,950	(244)	(347)
		Benefits Paid	(614)	(495)	-	-
		Recovery of expenses				
		- Rent, rates and taxes	2,642	-	97	-
		- Information Technology cost	326	-	374	-
		Reimbursement of other expenses				
		- Rents, rates and taxes	(89)	(51)	(101)	-
		Administration support expenses	-	(48,345)	-	(23,625)
		Advertisement & Publicity	(379,990)	(265,020)	(96,669)	(90,890)
		Commission expenses	(333,061)	(272,721)	(19,246)	(16,808)
Brokerage	(22,203)	(11,689)	-	(190)		
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	523	523	(749)	(789)
		Reimbursement of other expenses				
ICICI Home Finance Company Limited	Fellow subsidiary	- Rent, rates and taxes	-	(5)	-	-
		Interest income on investments	3,074	-	3,689	-
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Recovery of expenses				
		- Rent, rates and taxes	2,145	943	104	1,079
		Commission Expenses	(2,061)	(1,408)	(73)	(82)
		Outstanding investments	-	-	1,004,932	-
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	280	324	(187)	(177)
		Benefits Paid	-	(1,001)	-	-
		Interest income on investments	57,053	57,197	30,867	30,939
		Purchase of investments	(13,353,705)	(12,149,080)	-	-
		Sale of investments	9,155,498	1,596,033	-	-
		Outstanding investments	-	-	637,994	626,292

(₹ '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)			
			FY 2017	FY 2016	At March 31, 2017	At March 31, 2016		
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	7,070	3,753	(883)	(600)		
		Benefits Paid	(2,875)	(650)	-	-		
		Reimbursement of other expenses						
		- Employees' remuneration and welfare benefits	(320)	(240)	-	-		
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	7,511	5,980	(799)	(315)		
		Benefits Paid	(5,288)	(3,000)	-	-		
		Claims received	2,573	432	-	-		
		Reimbursement of other expenses						
		- Rent, rates and taxes	(2,177)	(2,365)	(54)	(27)		
		- Employees' remuneration and welfare benefits	(400)	(1,089)	-	-		
		Premium Expense	(117,930)	(147,921)	75,418	38,994		
		Purchase of investments	(5,711,461)	(3,282,935)	-	-		
		Sale of investments	3,320,963	2,351,936	-	-		
		Security Deposit outstanding	-	-	547	547		
		ICICI Prudential Pension Funds Management Company Limited	Subsidiary	Share capital subscribed	(20,000)	-	-	-
Recovery of expenses								
- Communication expenses	66			55	20	21		
- Employees' remuneration and welfare benefits	17,414			16,235	5,402	4,851		
- Information technology cost	186			143	67	59		
- Legal and Professional Charges	1			-	-	-		
- Miscellaneous Expenditure	-			5	-	1		
- Rent, rates and taxes	1,859			1,414	516	512		
- Travel, conveyance and vehicle running	174			205	39	87		
Prudential Corporation Holdings Limited	Substantial Interest			Recovery of expenses				
				- Travel Cost	-	213	-	-
		Reimbursement of other expenses						
		- Employees' remuneration and welfare benefits	-	(15)	-	-		
		- Agents training, recruitment and incentives	(19,611)	(9,253)	-	-		
		Dividend	(1,427,522)	(3,114,593)	-	(778,648)		
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	194,167	(186,024)	(274)	(274)		
		Contribution to trust	(178,350)	(189,776)	(27,776)	-		
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	7,632	7,401	-	-		
		Contribution to trust	(6,845)	(7,401)	-	-		
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(114,772)	(200,009)	(30,417)	(33,604)		
ICICI Prudential life Insurance advisor benefit trust	Significant influence	Premium income	-	5,818	-	-		
		Contribution to trust	-	(6,644)	-	-		
Key management personnel	Key management personnel	Premium income	3,933	2,401	-	-		
		Dividend	(1,242)	(3,890)	-	(954)		
		Managerial remuneration	(221,404)	(186,640)	-	-		
		Employee stock options outstanding (numbers)	-	-	275,000	671,000		
		Employee stock options exercised (numbers)	260,000	30,000	-	-		
Key management personnel	Relatives of key management personnel	Premium income	95	140	-	-		
		Benefits Paid	(2,521)	-	-	-		
		Dividend	(2)	-	-	-		

During the year ended March 31, 2017, the Company completed the Initial Public Offering (IPO) through an offer for sale of 181,341,058 equity shares of ₹ 10 each at a price of ₹ 334 per equity share, by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 6,057 crores. As the IPO was through an offer for sale, the Company did not receive any proceeds from the offer and the proceeds were paid to ICICI Bank Limited. Hence the same has not been disclosed under related party disclosure

3.1.1. Segmental reporting

As per the requirements of Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting life insurance business) Regulations, 2016, the Company has put in place a Board approved policy for allocation of direct expenses and apportionment of indirect expenses of management amongst various business segments.

Segment wise information of various items as required under AS 17 "Segmental reporting" are given below:

For the year ended March 31, 2017

Particulars	Segments										Total		
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Amnity Non Par	Health	Linked Life	Linked Pension	Linked Health		Linked Group	Shareholders
Segment revenue (excluding contribution from the Shareholders' account)	33,289,631	1,319,144	35,062,657	933,740	145,109	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983	6,932,242	378,844,626
Segment result -													
Surplus/ Deficit post tax (net of contribution from the Shareholders' account)	1,331,315	380,443	2,327,262	(16,205)	(1,815)	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	5,524,881	16,245,028
Depreciation/ Amortisation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	95	578,259
Significant non-cash expenses*	20,225,562	42,349	25,255,580	923,530	136,843	1,704,326	(32,392)	131,347,559	(10,020,908)	1,274,174	4,244,731	-	175,101,354

For the year ended March 31, 2016

Particulars	Segments										Total		
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Amnity Non Par	Health	Linked Life	Linked Pension	Linked Health		Linked Group	Shareholders
Segment revenue (excluding contribution from the Shareholders' account)	26,755,467	1,440,213	29,847,269	-	-	3,657,745	168,333	115,388,334	4,369,615	962,268	19,890,209	5,995,701	208,275,154
Segment result -													
Surplus/ Deficit post tax (net of contribution from the Shareholders' account)	1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	4,428,172	17,848,850
Depreciation/ Amortisation	66,569	295	23,451	-	-	1,031	296	349,401	9,535	1,030	3,692	96	455,396
Significant non-cash expenses*	14,990,340	(7,344,184)	21,153,461	-	-	789,110	(220,237)	51,735,368	(43,810,506)	147,837	(2,108,366)	43,908	35,376,731

* 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.

3.12. Segmental Balance sheet

Segmental Balance Sheet as at March 31, 2017

Particulars	Schedule	Segment										Shareholder	Total			
		Par Life	Per Pension	Non Par	Non Par Variable	Non Par Variable Pension	Amuity Non Par	Health	Linked Life	Linked Pension	Linked Health			Linked Group		
Sources of funds																
Shareholders' funds :																
Share capital	5	-	-	-	-	-	-	-	-	-	-	-	-	-	14,353,471	14,353,471
Share application money	6	-	-	-	-	-	-	-	-	-	-	-	-	-	46,996,096	46,996,096
Reserve and surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	2,730,821	2,730,821
Credit/(debit) fair value change account		-	-	-	-	-	-	-	-	-	-	-	-	-	64,080,388	64,080,388
Sub - total																
Borrowings	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Policyholders' funds :																
Credit/(debit) fair value change account		8,730,743	955,560	8,180,306	-	-	-	-	-	-	-	-	-	-	-	17,866,609
Revaluation reserve- Investment property - Refer note 3.24 of schedule 16		311,546	292,002	-	-	-	-	-	-	-	-	-	-	-	-	603,548
Policy liabilities (A) + (B) + (C)		89,112,075	8,390,561	121,015,079	923,605	136,843	22,890,173	289,279	652,438,023	158,888,863	8,854,935	67,531,161	12,949	-	1,130,470,597	
Non unit liabilities (mathematical reserves) (A)		89,112,075	8,390,561	121,015,079	923,605	136,843	22,890,173	289,279	7,942,679	578,010	404,064	-	-	-	251,895,317	
Provision for linked liabilities (fund reserves) (B)		-	-	-	-	-	-	-	606,104,993	157,290,629	8,450,871	67,518,212	-	-	839,364,705	
(a) Provision for linked liabilities		-	-	-	-	-	-	-	572,329,030	86,123,926	6,746,442	65,495,757	-	-	729,695,155	
(b) Credit/(debit) fair value change account (Linked)		-	-	-	-	-	-	-	33,775,963	72,166,703	1,704,429	2,022,455	-	-	109,669,550	
Funds for discontinued policies (C) - Refer note 3.37 of schedule 16		-	-	-	-	-	-	-	38,390,351	1,020,224	-	-	-	-	39,410,575	
(a) Discontinued on account of non-payment of premium		-	-	-	-	-	-	-	38,393,333	1,020,224	-	-	-	-	39,413,557	
(b) Other discontinuance		-	-	-	-	-	-	-	49,239	-	-	-	-	-	49,293	
(c) Credit/(debit) fair value change account		-	-	-	-	-	-	-	(12,275)	-	-	-	-	-	(12,275)	
Total linked liabilities (B) + (C)		96,154,364	9,638,123	129,195,385	923,605	136,843	22,890,173	289,279	644,496,344	158,310,853	8,450,871	67,518,212	-	-	878,175,280	
Sub - total		96,154,364	9,638,123	129,195,385	923,605	136,843	22,890,173	289,279	652,438,023	158,888,863	8,854,935	67,531,161	-	-	1,148,940,754	
Funds for Future Appropriations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Linked - Refer note 3.3 of schedule 16		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non linked - Refer note 3.3 of schedule 16		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	-	-	8,171	
Sub - total		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	-	-	6,033,667	
Total		102,069,632	11,756,542	129,195,385	923,605	136,843	22,890,173	289,279	652,441,274	158,893,783	8,854,935	67,531,161	-	-	1,219,063,000	
Application of funds																
Investments																
Shareholders'																
8		-	-	-	-	-	-	-	-	-	-	-	-	-	66,402,564	66,402,564
8A		99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,533	517,786	3,370,755	1,378,531	382,233	670,478	-	-	270,873,678	
Policyholders'																
8B		-	-	-	-	-	-	-	644,498,556	158,315,773	8,450,871	67,518,212	-	-	878,783,451	
Asset held to cover linked liabilities		-	-	-	-	-	-	-	3,698	-	-	-	-	-	806,448	
9		319,573	-	483,277	-	-	-	-	-	-	-	-	-	-	806,448	
Loans																
10		-	-	-	-	-	-	-	-	-	-	-	-	-	2,137,759	2,137,759
Fixed assets - net block																
Deferred tax asset - Refer note 3.7 of schedule 16		-	-	-	-	-	-	-	-	-	-	-	-	-	469	469
Current assets																
- Cash and Bank balances	11	46,905	216	66,840	35	13	7,873	121	441,762	5,085	230	263	-	-	1,567,613	2,136,956
- Advances and Other assets	12	4,702,262	349,241	6,854,653	26,425	6,742	838,654	12,387	7,878,479	98,417	6,733	32,376	-	-	5,877,528	26,483,897
Sub-Total (A)		4,749,167	349,457	6,721,493	26,460	6,755	846,527	12,508	8,320,241	103,502	6,963	32,639	-	-	7,445,141	28,220,853
Current liabilities	13	2,014,200	346,860	1,927,923	(89,571)	385	615,629	240,907	8,627,841	889,317	(15,517)	688,693	-	-	11,906,545	28,157,262
Provisions	14	32,699	184	35,489	141	17	358	108	129,124	4,706	649	1,475	-	-	204,960	
Sub-Total (B)		2,046,999	347,044	1,963,422	(89,380)	402	616,987	241,015	9,751,965	904,023	(14,868)	690,168	-	-	28,362,222	
Net Current Assets (C) = (A-B)		2,702,268	2,413	4,758,071	115,840	6,353	230,540	(228,507)	(1,431,724)	(800,521)	21,831	(657,529)	-	-	11,905,545	
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-	-	-	-	-	-	-	-	-	-	-	-	23,627,222	23,627,222
Debit Balance in Profit & Loss Account (Shareholders' account)		-	-	-	-	-	-	-	-	-	-	-	-	-	(4,460,404)	(4,460,404)
Total		102,069,632	11,756,542	129,195,385	923,605	136,843	22,890,173	289,279	652,441,274	158,893,783	8,854,935	67,531,161	-	-	64,080,388	1,219,063,000

3.12. Segmental Balance sheet
Segmental Balance Sheet as at March 31, 2016

Particulars	Segment										Total		
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Amuity Non Par	Health	Linked Life	Linked Pension	Linked Health		Linked Group	Shareholder
Sources of funds													
Shareholders' funds :													
Share capital	-	-	-	-	-	-	-	-	-	-	-	14,323,193	14,323,193
Share application money	-	-	-	-	-	-	-	-	-	-	-	780	780
Reserve and surplus	-	-	-	-	-	-	-	-	-	-	-	36,415,012	36,415,012
Credit/(debit) fair value change account	-	-	-	-	-	-	-	-	-	-	-	2,508,793	2,508,793
Sub - total	-	-	-	-	-	-	-	-	-	-	-	53,247,778	53,247,778
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Policyholders' funds :													
Credit/(debit) fair value change account	5,279,632	750,419	3,682,274	-	-	-	-	-	-	-	-	-	-
Revaluation reserve - Investment property - Refer note 3.74 of schedule 16	296,035	281,041	-	-	-	-	-	-	-	-	-	-	-
Policy liabilities (A) + (B) + (C)	68,932,563	8,346,365	95,801,548	-	-	21,186,030	321,855	521,124,045	168,912,967	7,581,342	63,286,332	-	955,495,047
Non unit liabilities (mathematical reserves) (A)	68,932,563	8,346,365	95,801,548	-	-	21,186,030	321,855	6,888,685	687,544	351,072	30,205	-	202,547,867
Provision for linked liabilities (fund reserves) (B)	-	-	-	-	-	-	-	481,750,848	167,865,625	7,230,270	63,256,127	-	719,902,670
(a) Provision for linked liabilities	-	-	-	-	-	-	-	445,073,327	137,453,479	6,089,245	62,198,957	-	650,825,008
(b) Credit/(debit) fair value change account (Linked)	-	-	-	-	-	-	-	36,677,521	30,212,146	1,131,025	1,057,170	-	69,077,862
Funds for discontinued policies (C) - Refer note 3.37 of schedule 16	-	-	-	-	-	-	-	32,484,512	559,798	-	-	-	33,044,310
(a) Discontinued on account of non-payment of premium	-	-	-	-	-	-	-	32,467,610	559,798	-	-	-	33,027,408
(b) Other discontinuance	-	-	-	-	-	-	-	16,902	-	-	-	-	16,902
(c) Credit/(debit) fair value change account	-	-	-	-	-	-	-	-	-	-	-	-	-
Total linked liabilities (B) + (C)	-	-	-	-	-	-	-	514,235,360	168,225,423	7,230,270	63,256,127	-	752,947,180
Sub - total	74,508,230	9,379,825	99,483,822	-	-	21,186,030	321,855	521,124,045	168,912,967	7,581,342	63,286,332	-	965,784,448
Funds for Future Appropriations													
Linked - Refer note 3.3 of schedule 16	-	-	-	-	-	-	-	4,868	5,900	-	-	-	10,768
Non linked - Refer note 3.3 of schedule 16	2,978,687	1,770,812	1,797,137	-	-	-	-	-	8,385	53,344	-	-	6,608,965
Sub - total	2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-	-	6,619,133
Total	77,486,917	11,150,637	101,280,959	-	-	21,186,030	321,855	521,128,913	168,927,252	7,634,686	63,286,332	53,247,778	1,025,651,359
Application of funds													
Investments													
Shareholders' funds :													
Policyholders' Asset held to cover linked liabilities	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	-	215,156,198
Loans	210,214	-	228,722	-	-	-	-	514,240,228	188,231,323	7,230,270	63,256,127	-	752,957,948
Fixed assets - net block	-	-	-	-	-	-	-	3,782	-	-	-	-	442,718
Deferred tax asset - Refer note 3.6 of schedule 16	-	-	-	-	-	-	-	-	-	-	-	2,195,346	2,195,346
Current assets												702	702
- Cash and Bank balances	6,431	256	3,000	-	-	132	30	21,789	1,265	143	283	1,868,713	2,002,062
- Advances and Other assets	3,069,433	440,803	2,863,005	-	-	727,332	21,777	788,289	99,823	7,581	29,125	4,703,635	12,750,803
Sub-Total (A)	3,075,864	441,059	2,866,005	-	-	727,464	21,807	810,088	101,088	7,724	29,418	6,672,348	14,752,865
Current liabilities	952,724	395,626	(1,821,738)	-	-	1,145,572	230,725	1,927,320	687,081	(142,943)	672,345	14,157,073	18,213,785
Provisions	34,047	243	15,808	-	-	406	109	117,518	6,719	714	1,524	3,820,219	3,797,307
Sub-Total (B)	986,771	395,869	(1,805,930)	-	-	1,145,978	230,834	2,044,838	703,800	(142,229)	673,869	17,777,292	22,011,092
Net Current Assets (C) = (A-B)	2,089,093	45,190	4,671,935	-	-	(418,514)	(209,027)	(1,234,750)	(602,712)	149,953	(644,451)	(11,104,944)	(7,258,227)
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	77,486,917	11,150,637	101,280,959	-	-	21,186,030	321,855	521,128,913	168,927,252	7,634,686	63,286,332	53,247,778	1,025,651,359

3.13. Fund Balance Sheet at March 31, 2017

Fund Balance Sheet for each segregated linked fund is annexed herewith - Refer Annexure 1

3.14. Fund Revenue Account for the year ended March 31, 2017

Fund Revenue Account for each segregated linked fund is annexed herewith - Refer Annexure 2

3.15. Annexure to the Revenue account and Additional ULIP Disclosures

Additional disclosure in respect of Unit linked portfolio as prescribed by IRDAI vide circulars 054/IRDA/F&A/FEB-07 dated February 20, 2007 and IRDA/F&A/001/APR-07 dated April 16, 2007 - Refer Annexure 3.

3.16. 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, 2017 is ₹ 51,520 thousand (year ended March 31, 2016: ₹ 43,188 thousand).

(b) Defined benefit plans**Gratuity**

Particulars	(₹ '000)	
	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	1,007,930	787,608
Fair value of plan assets at period end (B)	980,154	747,780
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	(27,776)	(39,828)
Total net cost recognised as employee remuneration in Revenue / Profit and loss account	178,350	189,776
Change in defined benefit obligation:		
Opening obligations at April 1	787,608	656,645
Service cost	88,310	76,881
Interest cost	60,147	52,394
Actuarial (gain)/loss	137,735	74,362
Past service costs	-	-
Liability assumed on transfer of employees.	-	-
Benefits paid	(65,870)	(72,674)
Present value of the defined benefit obligations at period end (A)	1,007,930	787,608
Change in Plan Asset:		
Opening plan assets, at fair value at April 1	747,780	621,030
Expected return on plan assets	52,357	43,991
Actuarial gain/(loss)	55,484	(30,130)
Contributions	190,403	185,563
Assets acquired on acquisition/(settled on divestiture)	-	-
Benefits paid	(65,870)	(72,674)
Fair value of plan assets at period end (B)	980,154	747,780
Cost for the period:		
Service cost	88,310	76,881
Interest cost	60,147	52,394
Expected return on plan assets	(52,357)	(43,991)
Actuarial (gain)/loss	82,251	104,492
Past service cost	-	-
Losses /(gains) on acquisition/divestiture	-	-
Total net cost recognised as employee remuneration in Revenue / Profit and loss account	178,350	189,776
Investment details of plan assets:		
Plan assets invested in insurer managed funds	100.0%	100.0%
Fund earning rate	11.2%	3.3%
Asset allocation:		
- Debentures and Bonds	51.8%	28.6%
- Fixed deposits	0.7%	1.3%
- Government securities	21.8%	36.7%
- Equity shares	15.8%	16.6%
- Money market instruments	0.0%	13.2%
- Others	9.9%	3.6%
Total	100.0%	100.0%

Particulars	(₹ '000)	
	Year ended March 31, 2017	Year ended March 31, 2016
Assumptions:		
Discount rate	6.80%	7.65%
Salary escalation rate*	8.5%	8.0%
Estimated rate of return on plan assets#	7.50%	7.50%
Expected future contribution from employer for next year	120,000	80,000

*Salary escalation rate considered in valuation take into account impact of inflation, seniority, promotion and other factors impacting future salary cost.

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

Experience adjustments on gratuity provisioning

Particulars	(₹ '000)				
	Period ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	1,007,930	787,608	656,645	593,293	500,636
Plan assets	980,154	747,780	621,030	554,816	476,280
Surplus/(deficit)	(27,776)	(39,828)	(35,615)	(38,477)	(24,356)
Experience adjustments					
- on plan liabilities	56,420	60,235	(5,301)	26,710	49,715
- on plan assets	55,484	(30,130)	61,489	4,319	10,794

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 is towards Government administered pension fund and balance portion is contributed to the fund administered by trustees. 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

Particulars	(₹ '000)	
	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	2,983,343	2,655,621
Fair value of plan assets at period end (B)	(2,983,343)	(2,655,621)

Particulars	(₹ '000)	
	Year ended March 31, 2017	Year ended March 31, 2016
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	-	-
Total net cost recognised as "Employee Benefit Expense" in Revenue / Profit and loss account	105,149	94,634
Change in defined benefit obligation:		
Opening defined benefit obligations	2,655,621	2,354,199
Current service cost	105,149	94,634
Interest cost	202,282	186,660
Actuarial (gain)/loss	53,775	37,592
Employees contribution	227,226	206,289
Liability assumed on Acquisition / (Settled on Divestiture)	(27,593)	(21,927)
Benefits paid	(233,117)	(201,827)
Closing defined benefit obligation	2,983,343	2,655,621
Change in Fair Value of Assets:		
Opening value of plan assets	2,655,621	2,354,199
Expected return on plan assets	235,627	216,417
Actuarial gain/(loss)	20,430	7,835
Contributions – Employer	105,149	94,634
Contributions – Employee	227,226	206,289
Assets acquired on acquisition / (Distributed on divestiture)	(27,593)	(21,927)
Benefits paid	(233,117)	(201,827)

(₹ '000)

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Closing value of plan assets	2,983,343	2,655,621
Cost for the period:		
Service cost	105,149	94,634
Interest cost	202,282	186,660
Expected return on plan assets	(235,627)	(216,417)
Actuarial (gain)/loss	33,345	29,757
Total net cost recognised as employee "Employee benefit expense" in Revenue / Profit and loss account	105,149	94,634

Experience adjustments

(₹ '000)

Particulars	Period ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	2,983,343	2,655,621	2,354,199	2,163,657	1,962,380
Plan assets	2,983,343	2,655,621	2,354,199	2,163,657	1,962,380
Surplus/(deficit)	-	-	-	-	-
Experience adjustments:					
- on plan liabilities	53,775	37,592	8,487	41,092	(132)
- on plan assets	20,430	7,835	4,431	20,136	(11,194)

The assumptions used in actuarially valuing the defined benefit obligations of interest rate guarantee are as follows:

Particulars	At March 31, 2017	At March 31, 2016
Discount rate for the term of the obligation	6.80%	7.65%
Average historic yield on the investment portfolio	8.99%	9.01%
Discount rate for the remaining term to maturity of the investment portfolio	7.20%	7.95%
Expected investment return	8.59%	8.71%
Guaranteed rate of return	8.65%	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	At March 31, 2017	At March 31, 2016
Discount rate	6.50%	7.40%

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	At March 31, 2017	At March 31, 2016
Discount rate	6.80%	7.65%
Salary escalation rate	8.5%	8.0%

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 availment has been assumed for each subsequent year following the valuation date.

3.17. Employee Stock Option Scheme ("ESOS")

The Company Employees Stock Option Scheme (2005) ("ESOS 2005") has six tranches namely Founder, 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 Board of Directors have approved the amendment of ESOS 2005 (ESOS 2005 (Revised)). As per the ESOS 2005 (Revised), the aggregate number of Shares issued or issuable since March 31, 2016 pursuant to the exercise of any Options granted to the Eligible Employees issued pursuant to the Scheme or any other stock option scheme of the Company, shall not exceed a figure equal to 2.64% of the number of shares issued as on March 31, 2016. The maximum number of options that can be granted to any eligible employee is restricted to 0.1% of the issued capital. The Exercise Price shall be determined by the Board Nomination & Remuneration Committee

in concurrence with the Board of Directors of the Company on the date the Options are granted and shall be reflected in the award confirmation. These changes (ESOS 2005 (Revised)) is subject to approval of the shareholders of the Company and no fresh grant will be made under the ESOS 2005 until such approval by shareholders

The Company follows intrinsic value method and hence there was 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 March 28, 2005	2004-05 April 25, 2005	2005-06 April 26, 2006	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008
Number of options granted	2,662,500	3,782,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000
Maximum term options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options
Graded Vesting Period					
1st Year	50% of option granted		25% of options granted		
2nd Year	25% of options granted		25% of options granted		
3rd Year	25% of options granted		25% of options granted		
4th Year	-		25% of options granted		
Mode of settlement	Equity				

Exercise price of all the options outstanding for all years/quarter for Founder (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme, Founder II and 2007-08 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	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	5,999,175	233.72	7,057,417	232.45
Add: Granted during the period	-	NA	-	NA
Less: Forfeited/lapsed during the period	(578,575)	396.80	(559,175)	329.58
Less: Exercised during the period	(3,021,762)	108.33	(499,067)	108.43
Outstanding at the end of the period	2,398,838	352.49	5,999,175	233.72
Exercisable at the end of the year	2,398,838	352.49	5,999,175	233.72

Nil options are vested during the year ended March 31, 2017 and ₹ 327,337,140 was realised by exercise of options during the year ended March 31, 2017. During the year ended March 31, 2017 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2016: ₹ nil) as the intrinsic value of the options. Had the company followed fair value method for valuing its options, no additional cost would have been charged in Revenue and Profit and Loss account and hence no change in Profit after tax, Basic EPS and Diluted EPS for year ended March 31, 2017 and year ended March 31, 2016. The weighted average price of options exercised during the year ended March 31, 2017 is ₹ 108.3 (year ended March 31, 2016: ₹ 108.4).

The weighted average remaining contractual life of options outstanding at the end of the period is as follows

Exercise price range (in ₹)	At March 31, 2017		At March 31, 2016	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
30	-	-	21,438	2.0
42	-	-	152,175	2.1
70	-	-	832,612	3.1
130	422,113	3.1	2,445,850	4.1
400	1,976,725	1.1	2,547,100	2.1
Total	2,398,838	1.4	5,999,175	3.0

ICICI Bank Limited ("Holding company") has granted options to certain employees of the Company. Holding company follows an intrinsic value method and has recognised a cost of ₹ nil for the year ended March 31, 2017, for the options granted to employees of the Company (year ended March 31, 2016: ₹ nil).

3.18. 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, 2017 is ₹ 3,221 thousand (year ended March 31, 2016: loss ₹ 1,445 thousand)

3.19. Earnings per share

Sr. No.	Particulars	(₹ '000)	
		March 31, 2017	March 31, 2016
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	16,822,303	16,504,607
II	Weighted average number of equity shares for earnings per equity share		
(a)	For basic earnings per equity share	1,434,273,461	1,432,016,936
(b)	For diluted earnings per equity share	1,434,273,461	1,432,016,936
	Number of equity shares for basic earnings per equity share as per (II) (a)		
	Add: Weighted average outstanding employee stock options	979,023	1,927,727
	Weighted number of equity shares for diluted earnings per equity share	1,435,252,484	1,433,944,663
III	Earnings per equity share		
	Basic (in ₹)	11.73	11.53
	Diluted (in ₹)	11.72	11.51

3.20. Managerial remuneration

IRDAI has issued guidelines on August 05, 2016 on remuneration of Non-Executive Directors and Managing Director ('MD') /Chief Executive Officer ('CEO') /Whole Time Directors ('WTD'), which have prescribed certain qualitative and quantitative disclosures. The disclosures for year ended March 31, 2017 are given below:

Remuneration to MD/CEO/WD:

Qualitative disclosures:

A) Information relating to the bodies that oversee remuneration. Name, composition and mandate of the main body overseeing remuneration:

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

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

The Company did not take advice from an external consultant on any area of remuneration during the year ended March 31, 2017.

Scope of the Company's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches:

The Compensation Policy of the Company as last amended and approved by the BNRC and the Board at its Meeting held on October 21, 2016 covers all employees of the Company.

Type of employees covered and number of such employees:

All employees of the Company are governed by the compensation policy. The total number of permanent employees governed by the compensation policy of the Company at March 31, 2017 was 12,397.

B) Information relating to the design and structure of remuneration process.

Key features and objectives of remuneration policy:

The Company has under the guidance of the Board and the BNRC, followed compensation practices intended to drive meritocracy within the framework of prudent risk management. This approach has been incorporated in the Compensation Policy, the key elements of which are given below:

Effective governance of compensation:

The BNRC has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for the Organisation 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 BNRC assesses organisational performance as well as the individual performance of WTDs and equivalent positions. Based on its assessment, it makes recommendations to the Board regarding compensation for WTDs and equivalent positions and bonus for employees, including senior management and key management personnel.

Alignment of compensation philosophy with prudent risk taking:

The Company seeks to achieve a prudent mix of fixed and variable pay, with a higher proportion of variable pay at senior levels. Compensation is sought to be aligned to both financial and non-financial indicators of performance including aspects like risk management and customer service. In addition, the Company has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time.

Whether the Remuneration Committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

Pursuant to IRDAI guidelines on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole-time Directors of Insurers (IRDAI Guidelines) issued vide reference no. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 5, 2016 and in line with ICICI Group norms the Compensation & Benefits Policy was reviewed and amended by the BNRC and the Board at its meeting held on October 25, 2016. The Compensation & Benefits Policy was further reviewed and amended by the BNRC on October 21, 2016.

C) Description of the ways in which current and future risks are taken into account in the remuneration processes.

To ensure effective alignment of compensation with prudent risk taking, the Company shall take into account adherence to the risk framework to ensure remuneration is adjusted for all types of risks in conjunction with other pre-defined performance objectives. Remuneration payout shall be sensitive to the time horizon of the risks involved and symmetric to risk outcomes.

- Compensation is aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others.
- Prudent behavior is assessed through a Good Order Index for middle and senior management level employees.
- These business objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives.
- Acts of gross negligence and integrity breach shall be covered under the purview of the compensation policy. The deferred part of the variable pay (performance bonus) will be subject to mauls, under which, the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.

D) Description of the ways in which the Company seeks to link performance during a performance measurement period with levels of remuneration.

The Company follows a philosophy of meritocracy, which is the relative differentiation of employees based on performance delivered. The design of the variable pay is linked to the individual employee's performance rating which is arrived at basis assessment of performance delivered against a set of pre-defined performance objectives. These objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives. To ensure effective alignment of compensation with prudent risk parameters, the Company will take into account various risk parameters along with other pre-defined performance objectives of the Company.

Prudent behavior is assessed through a Good Order Index for middle and senior management level employees.

Quantitative disclosures:

Particulars	FY2017	FY2016
Number of MD/CEO/WTDs*	3	3
Number and total amount of sign on awards made during the financial year	-	-
Details of guaranteed bonus, if any, paid as joining / sign bonus	-	-
Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	Given below	Given below
Total amount of deferred remuneration paid out in the financial year	Given below	Given below
Breakup of amount of remuneration awarded for the financial year to show fixed and variable, deferred and non-deferred	Given below	Given below

	(₹ '000)			
FY2017	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra	Total
Basic	19,871	11,178	8,742	39,791
Retirals (Only PF)	2,384	1,341	1,049	4,774
Allowances ¹	15,116	11,876	12,981	39,973
Variable Pay	24,600	14,122	8,133	46,855
- Deferred Variable Pay (paid during FY2017)	14,816	7,505	1,616	23,937
- Non deferred variable pay (paid during FY2017)	9,784	6,617	6,517	22,918
Perquisites	822	11,003	6,042	17,867
Total	62,794	49,520	36,949	149,262
Shares linked Instruments (Employee Stock Options) ²	830,000	275,500	232,750	1,338,250

	(₹ '000)			
FY2016	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra	Total
Basic	17,279	9,720	7,806	34,805
Retirals (Only PF)	2,073	1,166	937	4,176
Allowances ¹	12,736	10,327	11,590	34,653
Variable Pay	32,285	16,849	7,274	56,408
- Deferred Variable Pay (paid during FY2017)	21,650	9,656	-	31,306
- Non deferred variable pay (paid during FY2017)	10,635	7,193	7,274	25,102
Perquisites	1,254	463	3,464	5,181
Total	65,627	38,525	31,070	135,222
Shares linked Instruments (Employee Stock Options) ²	875,000	290,000	245,000	1,410,000

- Allowances include NPS, Superannuation, Leave encashment and Medical as per policy. For Sandeep Bakhshi, allowances also includes Interest subsidy.
- The stock options mentioned in the above table were granted by ICICI Bank Ltd. in FY 2016 and FY2017 respectively. The table excludes special grant of stock options granted in FY2016 approved by IRDAI on June 3, 2016 aggregating to 1,000,000 for Sandeep Bakhshi, 4,35,000 for Puneet Nanda and 3,67,500 for Sandeep Batra. (as they are on conditional vesting)

Perquisites (evaluated as per Income-Tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the gas, electricity, furnishing, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, were provided in accordance with the scheme(s) and rule(s) applicable from time to time.

	(₹ '000)		
Outstanding Deferred Remuneration for FY 2017	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra
Cash ¹	11,249	7,608	7,577
Shares	-	-	-
Shares linked Instruments ²	1,792,500	594,500	566,000
Other Forms	-	-	-

	(₹ '000)		
Outstanding Deferred Remuneration for FY 2016	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra
Cash ¹	19,543	10,702	4,849
Shares	-	-	-
Shares linked Instruments ²	2,475,000	768,500	836,750
Other Forms	-	-	-

¹ Cash Amounts mentioned in above table are outstanding deferred bonus and LTRS of previous year/s and is paid post March 31, 2016 & March 31, 2017 respectively. March 31, 2017 figure does not include the bonus payable for FY2017 which will be paid in April 30, 2017.

² Options mentioned in above table are outstanding vesting as on March 31, 2016 & March 31, 2017. This excludes special grant of stock options in FY2016 approved by IRDAI on June 3, 2016 aggregating to 1,000,000 for Sandeep Bakhshi, 4,35,000 for Puneet Nanda and 3,67,500 for Sandeep Batra

Remuneration to non-executive directors:

	(₹ '000)
Particulars	Amount
Sitting fees paid	3,900
Reimbursement of expenses	5,011
Profit related commission (provided for, subject to approval from members)	4,200
Total	13,111

Payment of compensation in the form of profit related commission to the non-executive directors.

The Board at its Meeting held in October 2016, subject to the approval of shareholders and such other regulatory approvals as may be applicable and subject to the availability of net profits at the end of each financial year, approved the payment of profit related commission of ₹ 7.5 lakhs to be paid, to each non-executive Director (excluding nominee directors), for a year or part thereof based on their term in the Company, beginning financial year ended March 31, 2017. The Company will seek the approval for payment, from its shareholders at the forthcoming Annual General Meeting.

3.21. Commitments

Commitments made and outstanding (net of advances) for Company's investment in Real estate (Investment property) is ₹ nil (March 31, 2016 ₹ 487,113 thousand).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 112,616 thousand (March 31, 2016: ₹ 91,398 thousand)

There are no loan commitments made by the Company (March 31, 2016 ₹ Nil).

3.22. Investments

- The investments are made from the respective funds of the Policyholders' or Shareholders' and investment income thereon has been accounted accordingly.
- All investments are performing investments.

3.23. Restructured assets

There are no assets including loans subject to re-structuring (March 31, 2016: ₹ nil)

3.24. 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, 2017. 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 ₹ 6,338,958 thousand at March 31, 2017 (March 31, 2016: ₹ 2,553,528 thousand). The historical cost of the property is ₹ 5,617,599 thousand (March 31, 2016: ₹ 1,966,588 thousand).

3.25. 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, 2017 is ₹ 65,125 thousand (year ended March 31, 2016: ₹ 170,326 thousand).

3.26. 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 ₹ 1,000,000 thousand (March 31, 2016: ₹ 1,050,200 thousand) and ₹ 100,000 thousand (March 31, 2016: ₹ 99,000 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, 2017		At March 31, 2016	
	Market value	Amortised cost	Market value	Amortised cost
	(₹ '000)			
Pledged under securities segment				
Government securities	2,067,500	1,959,467	1,487,550	1,425,730
Cash	70,000	70,000	70,000	70,000
Pledged under Collateralized Borrowing and Lending Obligation segment (CBLO)				
Government securities	218,000	207,120	207,848	206,938
Cash	100	100	100	100
Pledged for Default Fund under securities segment				
Government securities	60,660	58,015	-	-
Cash	-	-	-	-
Pledged for Default Fund under CBLO segment				
Government securities	20,220	19,338	-	-
Cash	-	-	-	-

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. Other encumbrances

The Company has placed fixed deposits with banks for issuing bank guarantee/ based on the directive from the Court as per below details:

Particulars	At March 31, 2017		At March 31, 2016	
Fixed deposit placed with bank based on the directive from the Hon. Patna High Court in case of one death claim settlement pertaining to a deceased policyholder	606		561	
Bank guarantees issued:				
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5,000		5,000	
- towards purchase of postage on policy welcome kit document	2,000		2,000	
- in lieu of earnest money deposit towards tender of Indian Oil Corp Refineries Trust for administration of EDLI scheme	229		139	
- in favour of Dr. Balabhai Nanavati Hospital to provide service with respect to health claims settlements	500		-	
- in favour of National Stock Exchange of India Limited as part of listing obligation	575,679		-	
- in favour of Cleartrip Private Limited for timely performance of obligations as per the terms of the agreement	100		-	

3.27. 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, 2017 (March 31, 2016: ₹ Nil) except the assets disclosed in the note 3.26.

3.28. 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, 2017 is ₹ Nil (March 31, 2016: ₹ 1,113,943 thousands).

3.29. 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:

Particulars	At March 31, 2017							
	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
Securities sold under repo								
i. Government securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government securities	4,999,951	1,499,972	4,999,951	26,999,331	4,999,951	7,698,661	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-

3.30. Value of investment contracts where settlement or delivery is pending is as follows

Particulars	At March 31, 2017					
	March 31, 2017			March 31, 2016		
	Shareholders	Policyholders	Unit linked	Shareholders	Policyholders	Unit linked
Purchases where deliveries are pending	107,999	1,075,545	8,294,898	-	195,873	2,990,007
Sales where receipts are pending	1,770,293	4,310,853	11,267,468	50,693	387,925	5,280,066

There are no investment contracts where sales have been made and payments are overdue at the Balance Sheet date.

3.31. 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, 2016: ₹ Nil).

3.32. 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:

Particulars	At March 31, 2017		At March 31, 2016	
	FY2017	FY2016	FY2017	FY2016
Outsourcing expenses	3,234,523	2,222,833		
Business development expenses	1,697,207	1,027,138		
Market support expenses	5,832,020	4,527,932		

3.33. Disclosure on fines and penalties

The additional disclosures with respect to fines and penalties for penal actions pursuant to the IRDAI circular no. 005/IRDA/F&A/CIR/MAY-09 dated May 7, 2009 have been detailed herein below:

		(₹ '000)			
Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority of India	IRDAI has levied a penalty for other payments to/ arrangements with group master policyholders and insurance intermediaries	2,000.0	2,000.0	-
2	Service Tax Authorities	NIL	-	-	-
3	Income Tax Authorities	NIL	-	-	-
4	Any other Tax Authorities	NIL	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	NIL	-	-	-
6	Registrar of Companies / National Company Law Tribunal / Company Law Board / Department of Corporate Affairs or any Authority under Companies Act, 2013	NIL	-	-	-
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation	Non-compliance under section of Minimum Wages Act	5.2	5.2	-
		Non – compliance to Section 29, R – 24(11) of Karnataka Shops & Commercial Establishments Act	3.0	3.0	-
		Non – compliance to Section 29 of Kerala Shops & Commercial Establishments Act and Sec 22 of Minimum Wages Act.	3.9	3.9	-
		Non – compliance to Section 13(a) of Payment of Wages Act	1.5	1.5	-
8	Competition Commission of India	NIL	-	-	-
9	Any other State / Central / Local Government / Statutory Authority		-	-	-
	Shop and Establishment Act	NIL	-	-	-
	Equal Remuneration Act	NIL	-	-	-
	Electricity Act	NIL	-	-	-
	Contract Labour (Regulation and Abolishment) Act	NIL	-	-	-
	Profession Tax Act	NIL	-	-	-
	Industrial Dispute Act	NIL	-	-	-
	Maternity Benefit Act	NIL	-	-	-
	Payment of Gratuity Act	NIL	-	-	-
	Total		2,013.6	2,013.6	-

Penalties awarded to and penalties paid by the company during the year ended March 31, 2016 is as follows:

		(₹ '000)			
Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Non- compliance observed towards outsourcing guidelines	500.0	500.0	-
2	Service Tax Authorities	NIL	-	-	-
3	Income Tax Authorities	NIL	-	-	-
4	Any other Tax Authorities	NIL	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	NIL	-	-	-
6	Registrar of Companies / National Company Law Tribunal / Company Law Board / Department of Corporate Affairs or any Authority under Companies Act, 2013	NIL	-	-	-
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation	Non-compliance under section 22(4) & under 18 (1)R & 29 (1) of Minimum Wages Act	2.0	2.0	-
		Non – compliance to Section 29, R – 24(11) of Karnataka Shops & Commercial Establishments Act	2.0	2.0	-
		Contravention of Section 381 B of the MMC Act	4.0	4.0	-
8	Competition Commission of India	NIL	-	-	-
9	Any other State / Central / Local Government / Statutory Authority		-	-	-
	Shop and Establishment Act	NIL	-	-	-
	Equal Remuneration Act	NIL	-	-	-
	Electricity Act	NIL	-	-	-
	Contract Labour (Regulation and Abolishment) Act	NIL	-	-	-
	Profession Tax Act	NIL	-	-	-
	Industrial Dispute Act	NIL	-	-	-
	Maternity Benefit Act	NIL	-	-	-
	Payment of Gratuity Act	NIL	-	-	-
	Total		508.0	508.0	-

3.34. Disclosures on other work given to auditors

Pursuant to Corporate Governance Guidelines issued by the IRDAI on May 18, 2016 the additional work entrusted to the statutory auditor is given below:

Name of the Auditor	Services rendered	₹ '000	
		FY2017	FY2016
B S R & Co. LLP	Report on restated financial statements, the related certificates and the comfort letters in relation to the offering of the Company's equity shares by certain selling shareholders.	16,905	-
Walker Chandiook & Co. LLP		6,459	-

In accordance with SEBI rules, the remuneration disclosed above has been reimbursed by the selling shareholders and hence does not reflect as charge in Company's Profit and Loss account.

3.35. 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	FY2017	FY2016
Rural - Number of policies	163,146	183,695
- Percentage of total policies	23.2%	31.6%
Social - Gross premium underwritten for new lives (₹ '000)	31,998	4,876
- Number of policies issued (including group business)	52,586	29,755
- Number of new lives covered	307,340	65,012
- Percentage of total lives	11.3%	3.6%
Total - Number of policies (including group business)	702,734	580,685
- Number of total lives	2,722,109	1,784,405

3.36. Risk retained and reinsured

Extent of risk retained and reinsured based on sum at risk, is as follows:

Particulars	At March 31, 2017	At March 31, 2016
Individual business		
Risk retained	46%	51%
Risk reinsured	54%	49%
Group business		
Risk retained	70%	52%
Risk reinsured	30%	48%

3.37. 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::

Particulars	₹ '000	
	March 31, 2017	March 31, 2016
Opening balance of funds for discontinued policies	33,044,310	22,977,463
Add: Fund of policies discontinued during the year	26,384,843	22,041,796
Less: Fund of policies revived during the year	(10,691,135)	(9,332,742)
Add: Income on investments of fund	2,840,033	2,378,328
Less: Fund management charges	(222,120)	(168,276)
Less: Amount refunded to policyholders during the year	(11,945,356)	(4,852,259)
Closing balance of fund for discontinued policies	39,410,575	33,044,310

b) Number of policies discontinued during the year ended March 31, 2017 is 94,884 (year ended March 31, 2016: 117,080).

c) Percentage of discontinued to total policies (product wise):

Product Name	March 31, 2017	March 31, 2016
ICICI Pru Guaranteed Wealth Protector	9.4%	11.7%
ICICI Pru Smart Life RP	9.2%	0.6%
ICICI Pru Easy Retirement	9.1%	13.0%
ICICI Pru Shubb Retirement	7.5%	14.1%
ICICI Pru Elite Wealth II	7.4%	8.4%
ICICI Pru Wealth Builder II	6.4%	8.5%
ICICI Pru Elite Life II	5.9%	7.3%
ICICI Pru Elite Wealth	5.9%	16.2%

Product Name	March 31, 2017	March 31, 2016
ICICI Pru Elite Life	5.1%	15.3%
ICICI Pru Wealth Builder	5.0%	13.9%
ICICI Pru SmartKid Premier	4.1%	12.4%
ICICI Pru Pinnacle Super	4.1%	12.2%
ICICI Pru LifeStage Wealth II	3.4%	11.0%
ICICI Pru LifeTime Premier	2.2%	7.9%
ICICI Pru Pinnacle II	0.0%	4.1%

d) Number and percentage of policies revived:

Particulars	March 31, 2017	March 31, 2016
Number of policies revived	142,132	99,107
Number of policies discontinued	352,190	355,990
Percentage of policies revived	40.4%	27.8%

e) Charges imposed/readjusted on account of discontinued policies/revival of discontinued policies are as follows:

Particulars	₹ '000	
	Year ended March 31, 2017	Year ended March 31, 2016
Charges imposed on account of discontinued policies	328,164	297,130
Charges readjusted on account of revival of discontinued policies	(113,162)	(96,700)
Total	215,002	200,430

3.38. 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	: Mr. Sandeep Bakhshi
Designation of person in-charge	: Managing Director & CEO
Occupation of person in-charge	: Service
Directorships held by the person in-charge during the year or at March 31, 2017	: ICICI Prudential Pension Funds Management Company Limited, Chairman

3.39. 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, 2017 is ₹ 775 thousand (for year ended March 31, 2016: ₹ 35,397 thousand).

The amount of recovery towards extra allocation for the year ended March 31, 2017 is ₹ 7,755 thousand (year ended March 31, 2016: ₹ 550 thousand).

3.40. Dividend

Interim dividend appropriation for the year ended March 31, 2017 amounted to ₹ 6,645,630 thousand (year ended March 31, 2016: ₹ 10,858,715 thousand) including dividend distribution tax of ₹ 1,124,058 thousand (year ended March 31, 2016: ₹ 1,836,674 thousand).

The Board of directors have also proposed a final dividend of ₹ 5,023,715 thousand (Previous year ₹ 3,007,883 thousand). Dividend distribution tax on the same amounts to ₹ 1,022,710 thousand (Previous year ₹ 612,334 thousand).

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Rules, 2016 is effective March 30, 2016. According to the amended rules, the above mentioned proposed dividend is not recorded as a liability at March 31, 2017.

The final dividend amounting to ₹ 1,142 thousand (year ended March 31, 2016: ₹ 17 thousand) and dividend distribution tax of ₹ 233 thousand (year ended March 31, 2016: ₹ 3 thousand) pertains to dividend on 543,828 equity shares for year ended March 31, 2016 and allotted between date of Board Meeting i.e. April 26, 2016 and Record Date i.e. June 22, 2016. The dividend distribution tax for the year ended March 31, 2017 includes a reversal of ₹ Nil due to rounding off of provision for dividend distribution tax for the year ended March 31, 2016 (year ended March 31, 2016: ₹ 70 thousand)

Unclaimed dividend of ₹ 697 thousand at March 31, 2017 (at March 31, 2016: ₹ Nil) represents dividends paid, but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

3.41. Summary of financial statements

		(₹ in lacs)				
Sr.No.	Particulars	FY2017	FY2016	FY2015	FY2014	FY2013
Policyholders' Account						
1	Gross premium income	2,235,400	1,916,439	1,530,662	1,242,865	1,353,824
2	Net premium income [#]	2,215,525	1,899,870	1,516,045	1,228,265	1,341,724
3	Income from investments (net) ^{##}	1,497,044	119,573	1,871,770	920,825	618,044
4	Other income	6,085	2,088	5,938	11,190	56,532
	Contribution from the Shareholders a/c	180	-	4,146	9,465	54,125
	Fees and Charges	1,868	2,088	1,792	1,725	2,407
	Income on unclaimed amount of policyholders	4,037	-	-	-	-
5	Total income	3,718,654	2,021,531	3,393,753	2,160,280	2,016,300
6	Commissions	75,892	61,998	55,317	62,749	76,542
7	Brokerage	-	-	-	-	-
8	Operating expenses related to insurance business [@]	277,953	224,001	195,844	192,653	203,825
9	Provisions for tax	7,884	7,035	5,040	4,374	2,385
10	Total Expenses	361,729	293,034	256,201	259,776	282,752
11	Payment to policy holders *	1,499,788	1,242,742	1,225,736	1,208,334	1,329,273
12	Increase in actuarial liability	491,474	299,603	344,627	278,489	268,960
13	Provision for Linked Liabilities	1,258,281	51,945	1,450,984	287,684	(9,653)
14	Surplus/(Deficit) from operations	107,382	134,207	116,205	125,997	144,968
Shareholders' Account						
15	Total income under Shareholders Account ^{@ ^ ^}	69,322	59,518	53,351	37,109	41,607
16	Total expenses under Shareholder's Account	3,796	3,126	4,537	1,141	585
17	Profit/(loss) before tax	178,501	177,157	158,528	152,921	156,961
18	Provisions for tax	10,278	12,111	(4,901)	(3,745)	7,367
19	Profit/ (loss) after tax	168,223	165,046	163,429	156,666	149,594
20	Profit/(loss) carried to Balance sheet	126,830	25,077	4,820	(58,878)	(87,634)
MISCELLANEOUS						
21	(A) Policyholders account:					
	Total funds **	11,489,408	9,657,844	9,326,570	7,462,421	6,873,444
	Total Investments	11,494,571	9,681,141	9,363,549	7,476,714	6,880,782
	Yield on investments (%) ^	14.1%	1.3%	22.2%	12.8%	9.1%
	(B) Shareholders account :					
	Total funds	640,804	532,478	526,782	439,302	396,487
	Total Investments	664,026	621,567	585,677	535,277	491,996
	Yield on investments (%) ^	10.3%	9.9%	9.5%	7.0%	9.8%
22	Yield on total investments ^	13.9%	1.8%	21.4%	12.4%	9.1%
23	Paid up equity capital	143,535	143,232	143,172	142,926	142,894
24	Net worth	640,804	532,478	526,782	439,302	396,487
25	Total Assets	12,190,630	10,256,514	9,906,101	7,952,127	7,320,756
26	Earnings per share					
	Basic earnings per share (₹)	11.73	11.53	11.43	10.96	10.47
	Diluted earnings per share (₹)	11.72	11.51	11.41	10.94	10.44
27	Book value per share (₹)	44.64	37.18	36.79	30.74	27.75

Net of reinsurance

Net of losses (includes diminution in the value of investments)

@ Includes unit fund expenses

* Inclusive of interim bonuses, if any

** Includes Provision for linked liabilities

^ Investment income/(Opening investments + Closing investments)/2)

^^ Includes other income of profit and loss account

3.42 Accounting ratios

Sr No.	Particulars	March 31, 2017	March 31, 2016
1	NEW BUSINESS PREMIUM INCOME GROWTH (SEGMENT-WISE)		
	Participating Life	(10.6%)	12.4%
	Participating Pension	100.0%	(103.2%)
	Non Participating	123.8%	143.0%
	Non Participating Variable	NA	NA
	Non Participating Variable Pension	NA	NA
	Annuities Non Participating	10.2%	(15.1%)
	Health	(104.4%)	152.4%
	Linked Life	33.2%	7.9%
	Linked Pension	(7.5%)	(10.0%)
	Linked Health	4.5%	(114.6%)
	Linked Group	(60.6%)	262.6%
2	Net retention ratio	99.1%	99.1%
	(Net premium divided by gross premium)		
3	Ratio of expenses of management	13.9%	13.1%
	(Expenses of management including commission divided by the total gross direct premium)		
4	Commission Ratio	3.4%	3.2%
	(Gross commission paid to Gross premium)		
5	Ratio of policyholders liabilities to shareholders funds	1802.4%	1826.2%
6	Growth rate of shareholders fund	20.3%	1.1%
7	Ratio of surplus to policyholders liability		
	Participating Life	1.3%	1.7%
	Participating Pension	3.2%	2.7%
	Non Participating	1.8%	4.5%
	Non Participating Variable	(1.8%)	NA
	Non Participating Variable Pension	(1.3%)	NA
	Annuities Non Participating	4.6%	7.1%
	Health	47.3%	105.9%
	Linked Life	0.3%	0.3%
	Linked Pension	1.8%	2.0%
	Linked Health	4.2%	3.0%
	Linked Group	0.3%	0.4%
8	Change in networth (₹ '000)	10,832,610	569,532
9	Profit after tax / Total income	4.4%	7.9%
10	(Total Real Estate + Loans) / Cash & invested assets	0.7%	0.4%
11	Total Investment / (Capital + Surplus)	1897.4%	1934.9%
12	Total Affiliated Investment / (Capital + Surplus)	7.0%	2.2%
13	Investment Yield (Gross and Net)		
	A. Without unrealised gains		
	- Shareholders' Fund	11.9%	10.6%
	- Policyholders' Fund		
	- Non Linked		
	Par	9.7%	8.7%
	Non Par	8.4%	8.1%
	- Linked		
	Non Par	11.0%	9.1%
	B. With unrealised gains		
	- Shareholders' Fund	12.3%	5.8%
	- Policyholders' Fund		
	- Non Linked		
	Par	14.0%	5.7%
	Non Par	13.2%	5.8%
	- Linked		
	Non Par	15.4%	(2.1%)
14	Conservation Ratio		
	Participating Life	90.8%	88.3%
	Participating Pension	92.3%	92.8%
	Non Participating	94.8%	96.1%
	Non Participating Variable	NA	NA
	Non Participating Variable Pension	NA	NA
	Annuities Non Participating	NA	NA
	Health	88.9%	90.6%
	Linked Life	81.1%	82.7%
	Linked Pension	77.6%	73.5%
	Linked Health	83.8%	85.2%
	Linked Group	68.3%	98.5%

Sr No.	Particulars	March 31, 2017	March 31, 2016
15	Persistence Ratio*		
	13 th Month	86.0%	82.4%
	25 th Month	74.2%	71.2%
	37 th Month	67.3%	61.6%
	49 th Month	61.1%	62.2%
	61 th Month	57.9%	46.0%
16	NPA Ratio		
	- Gross NPA Ratio	NIL	NIL
	- Net NPA Ratio	NIL	NIL
17	Solvency Ratio	280.7%	320.0%

*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 FY2016, policies issued in the April to March period of the relevant year have been measured on April 30, 2016.

For 11m-2017, policies issued in the April to February period of the relevant year have been measured on March 31, 2017. Group policies and policies under micro insurance products are excluded."

3.43. Statement showing Controlled fund of ICICI Prudential Life Insurance Company Limited

Sr No.	Particulars	2016-2017	(₹ in crores) 2015-2016
1	COMPUTATION OF CONTROLLED FUND AS PER THE BALANCE SHEET		
	Policyholders' Fund (Life Fund)		
	Participating		
	Individual Assurance	9,714	7,305
	Individual Pension	818	768
	Group Assurance	102	146
	Group Pension	146	170
	Non-participating		
	Individual Assurance	12,920	9,948
	Group Assurance	-	-
	Individual Annuity	2,289	2,119
	Health	29	32
	Group Variable Insurance	92	-
	Group Variable Insurance Pension	14	-
	Linked		
	Individual Assurance	65,243	52,112
	Group Assurance	-	-
	Individual Pension	15,889	16,891
	Group Superannuation & Gratuity	6,753	6,329
	Health	885	758
	Funds for Future Appropriations	604	662
	Total (A)	115,498	97,240
	Shareholders' Fund		
	Paid up Capital*	1,435	1,432
	Reserves & Surplus	4,700	3,642
	Fair Value Change	273	251
	Total (B)	6,408	5,325
	Misc. expenses not written off	-	-
	Credit / (Debit) from P&L A/c.	-	-
	Total (C)	-	-
	Total shareholders' funds (B+C)	6,408	5,325
	Controlled Fund (Total (A+B-C))	121,906	102,565
2	Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account		
	Opening Balance of Controlled Fund	102,565	99,061
	Add: Inflow		
	Premium Income	22,354	19,164
	Less: Reinsurance ceded	(199)	(166)
	Net Premium	22,155	18,998
	Investment Income**	14,970	1,196
	Other Income	59	21
	Funds transferred from Shareholders' Accounts	2	-
	Total Income	37,186	20,215
	Less: Outgo		
	(i) Benefits paid (Net)	14,964	12,408
	(ii) Interim Bonus Paid	33	19
	(iii) Change in Valuation of Liability	17,498	3,516
	(iv) Commission	759	620
	(v) Operating Expenses	2,363	1,894
	(vi) Service tax charge on linked charges	416	346

Sr No.	Particulars	(₹ in crores)	
		2016-2017	2015-2016
	(vi) Provision for Taxation		
	(a) FBT	-	-
	(b) I.T.	79	70
	Total Outgo	36,112	18,873
	Surplus of the Policyholders' Fund	1,074	1,342
	Less: transferred to Shareholders' Account	1,132	1,208
	Net Flow in Policyholders' account	(58)	134
	Add: Net income in Shareholders' Fund	1,682	1,650
	Net Inflow / Outflow	1,624	1,784
	Add: change in valuation Liabilities	17,498	3,516
	Add: Increase in Paid up Capital	33	6
	Less: Dividend & dividend distribution tax	(665)	(1,447)
	Closing balance of controlled fund as per cash flow	121,055	102,920
	Change in fair value change & revaluation reserve account	851	(355)
	Closing balance of controlled fund	121,906	102,565
	As Per Balance Sheet	121,906	102,565
	Difference, if any	-	-
3	Reconciliation with Shareholders' and Policyholders' Fund		
	Policyholders' Funds		
3.1	Policyholders' Funds - Traditional-PAR and NON-PAR		
	Opening Balance of the Policyholders' Fund	21,143	18,289
	Add: Surplus of the Revenue Account	(51)	134
	Add: change in valuation Liabilities	4,817	2,923
	Total	25,909	21,346
	Change in fair value change & revaluation reserve account	818	(203)
	Total	26,727	21,143
	As per Balance Sheet	26,727	21,143
	Difference, if any	-	-
3.2	Policyholders' Funds - Linked		
	Opening Balance of the Policyholders' Fund	76,097	75,504
	Add: Surplus of the Revenue Account	(7)	-
	Add: change in valuation Liabilities	12,681	593
	Total	88,771	76,097
	As per Balance Sheet	88,771	76,097
	Difference, if any	-	-
3.3	Shareholders' Funds		
	Opening Balance of Shareholders' Fund	5,325	5,268
	Add: net income of Shareholders' account (P&L)	1,682	1,650
	Add: Infusion of Capital	33	6
	Less: Dividend & dividend distribution tax	(665)	(1,447)
	Closing Balance of the Shareholders' fund	6,375	5,477
	Change in fair value change	33	(152)
	Closing Balance of the Shareholders' fund	6,408	5,325
	As per Balance Sheet	6,408	5,325
	Difference, if any	-	-

* Includes Share application money pending allotment

** Includes provision for diminution in the value of investments

3.44. 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, 2017. 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 ₹ 169,015 thousand at March 31, 2017 (At March 31, 2016: ₹ 135,466 thousand).

3.45. 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 valuation of liabilities 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.

3.46. Corporate Social Responsibility

The amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ended March 31, 2017 was ₹ 217,391 thousand (year ended March 31, 2016: ₹ 198,965 thousand).

The following table sets forth, for the periods indicated, the amount spent by the Company on CSR related activities.

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
	Construction/acquisition of any asset	-	-	-	-	-
On purposes other than above	194,207	24,635	218,842	173,687	25,424	199,111

Amounts of related party transactions pertaining to CSR related activities for year ended March 31, 2017 was ₹ Nil (year ended March 31, 2016: ₹ Nil)

The following table sets forth, for the periods indicated, the details of movement of amounts yet to be paid for CSR related activities.

Particulars	March 31, 2017	March 31, 2016
Opening balance	25,424	-
Paid during the year	(25,246)	-
Provided during the year	24,635	25,424
Closing balance	24,813	25,424

3.47. Loans and advances to subsidiaries, associates and related entities

Pursuant to Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015, disclosures pertaining to loans and advances given to subsidiaries, associates and related entities are given below:

There are no loans and advances given to subsidiaries, associates and firms/companies in which directors are interested expect for advances which are in the normal course of business but not in the nature of loans (year ended March 31, 2016: ₹ nil)

There are no investments by the loanee in the shares of the Company.

3.48. Specified bank notes

Being an insurance company, Schedule III of the Companies Act, 2013 is not applicable and hence the disclosure requirements for the details of Specified Bank Notes (SBNs) as envisaged in Notification G.S.R. 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs (MCA) is not provided.

3.49. Previous year comparatives

Previous period's figures have been regrouped and reclassified wherever necessary to conform to current period's presentation. The details for regrouping are as follows:

Sr. No.	Regrouped to	Regrouped from	Amount (in ₹ '000)	Reason
1	Receipts and Payments Account Cash and cash equivalents at beginning of the period	Receipts and Payments Account Other expenses	23,543	Stamps on hand which is disclosed as part of cash and bank balance in schedule 11 is reclassified in receipts and payments account for correct presentation of cash and cash equivalents.
2	Receipts and Payments Account Cash and cash equivalents at end of the period	Receipts and Payments Account Other expenses	32,819	
3	Revenue Account: Details of Surplus: (c) Surplus shown in the Revenue Account		Not Applicable	It is in the nature of a disclosure change and not regrouping. Till FY2016, the surplus shown in the Revenue Account was disclosed as surplus before tax (₹ 14,124,185 thousands). The same is now disclosed as surplus after tax (₹ 13,420,678 thousands) to align with quarterly disclosure to stock exchanges.-

As per our report of even date attached.

For and on behalf of the Board of Directors

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

For **Walker Chandio & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N / N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

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****(₹ '000)**

Sr No.	Particulars	March 31, 2017	March 31, 2016
1	Name of the subsidiary	ICICI Prudential Pension Funds Management Company Limited	
2	Reporting period for the subsidiary	March 31, 2017	March 31, 2016
3	Share Capital	290,000	270,000
4	Reserves & surplus	(20,125)	(14,434)
5	Extent of interest of ICICI Prudential Life Insurance Company Limited in capital of subsidiary	100%	100%
6	Total Assets	279,041	263,182
7	Total liabilities	9,166	7,616
8	Investments	59,737	50,465
9	Turnover	997	470
10	Profit before taxation	(5,873)	(2,143)
11	Provision for taxation	(181)	1,009
12	Profit after taxation	(5,692)	(3,152)
13	Proposed dividend	Nil	Nil

For and on behalf of the Board of Directors**Chanda Kochhar**Chairperson
DIN:00043617**V. Sridar**Director
DIN: 02241339**Sandeep Bakhshi**Managing Director and CEO
DIN:00109206**Sandeep Batra**Executive Director
DIN:03620913**Satyan Jambunathan**

Chief Financial Officer

Asha Murali

Appointed Actuary

Vyoma Manek

Company Secretary

Place: Mumbai

Date: April 25, 2017

ANNEXURES

forming part of the financial statements

Annexure 1 on Fund Balance Sheet for each segregated linked fund, Annexure 2 on Fund Revenue Account for each segregated linked fund and Annexure 3 on Additional disclosure in respect of Unit linked portfolio is available in the Annual Report uploaded on the Company's website www.icicprulife.com

INDEPENDENT AUDITORS' REPORT

To the Members of

ICICI Prudential Life Insurance Company Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of ICICI Prudential Life Insurance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary "ICICI Prudential Pension Funds Management Company Limited" (the Holding Company and its subsidiary together referred to as the "Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Consolidated Profit and Loss Account (also called the "Shareholders' Account" or the "Non-Technical Account") and Consolidated Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and the consolidated Receipts and Payments Account of the Group 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"/ "Authority") in this regard, and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, orders/directions/circulars issued by the IRDAI 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, 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 consolidated financial statements. The procedures selected depend on the auditors' 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 Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (b) of the Other Matters paragraph below, 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 aforesaid consolidated financial statements give the information required by 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, of the consolidated state of affairs of the Group as at March 31, 2017, the related consolidated Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the consolidated Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the consolidated Receipts and Payments Account for the year ended on that date.

OTHER MATTERS

- a. The actuarial valuation of liabilities for life policies in force is the responsibility of the Holding 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, 2017 has been duly certified by the Appointed Actuary and in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the 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, as contained in the consolidated financial statements of the Group.

- b. We did not audit the financial statement of subsidiary company, whose financial statements reflects total assets of ₹ 279,041 thousand as at March 31, 2017, total revenue of ₹ 23,844 thousand and net cash inflow amounting to ₹ 98 thousand for the year ended March 31, 2017 on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor, whose report have been furnished to us by the management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.
- c. The consolidated financial statements of the Holding Company for the year ended March 31, 2016 were audited by the joint auditors of the Holding Company, of which only one auditor is a continuing auditor, who expressed an unmodified opinion on the consolidated financial statements on April 26, 2016.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the IRDA Financial Statements Regulations, read with section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements and have found them to be satisfactory;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- (c) The Consolidated Balance Sheet, the Consolidated Revenue Account, the Consolidated Profit and Loss Account and the Consolidated Receipts and Payments Account dealt with by this Report are in agreement with the relevant books of account for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated 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 / circulars 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 / circulars issued by IRDAI in this regard;
- (f) On the basis of written representations received from the Directors of the Holding Company, as on March 31, 2017 and taken on record by the Board of Directors of Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements has disclosed the impact of pending litigations on consolidated financial position of the Group – Refer schedule 16 note 3.21 to the consolidated financial statements;
 - Provision has been made in the consolidated financial statements, 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 3.22 to the consolidated financial statements;
 - There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company.
 - The Group has provided requisite disclosures in the financial statements as to holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016– Refer schedule 16 note 3.25 to the financial statements.

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 25, 2017

For **Walker Chandiook & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

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

Place : Mumbai
Date : April 25, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Independent Auditors' report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of

ICICI Prudential Life Insurance Company Limited

In conjunction with our audit of the consolidated financial statements of ICICI Prudential Life Insurance Company Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of ICICI Prudential Life Insurance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary company 'ICICI Prudential Pension Funds Management Company Limited' (the Holding Company and its subsidiary together referred to as "the Group"), which is a company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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 25, 2017

OTHER MATTERS

- a. The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2017 has been certified by the Appointed Actuary as per the regulations, and has been relied upon by us, as mentioned in para "Other Matters" of our audit report on the financial statements for the year ended March 31, 2017. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation.
- b. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to the subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

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

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

Place : Mumbai
Date : April 25, 2017

CONSOLIDATED REVENUE ACCOUNT

for the year ended March 31, 2017

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

FORM A-RA

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule											₹ '000	
		Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Premiums earned (Net of service tax)													
(a) Premium	1	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
(b) Reinsurance ceded		(16,701)	(47)	(1,158,189)	-	-	-	(35,294)	(459,637)	(83)	(317,561)	(32)	(1,987,544)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		25,609,818	329,776	26,824,429	891,208	137,913	2,058,089	101,314	150,579,078	6,606,743	874,720	7,539,388	221,552,476
Income from Investments													
(a) Interest, dividend & rent - Gross		5,773,911	799,264	7,460,821	39,612	6,385	1,825,435	44,227	17,345,787	4,630,897	224,585	3,778,245	41,929,169
(b) Profit on sale/redemption of investments		1,887,566	166,343	740,144	1,801	-	406,141	1,813	41,439,269	23,593,975	616,524	3,130,259	71,983,835
(c) (Loss) on sale/redemption of investments		(87,526)	(14,080)	(26,708)	(131)	-	(8,306)	-	(7,203,558)	(2,271,478)	(50,164)	(796,182)	(10,458,133)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	35,476,906	3,563,819	573,404	965,284	40,579,413
(e) Accretion of discount/(amortisation of premium) (Net)		31,101	37,212	(35,482)	1,249	811	(2,263)	562	4,457,152	576,893	15,112	652,823	5,735,170
Sub-total		7,605,052	988,739	8,138,775	42,531	7,196	2,221,007	46,602	91,515,556	30,094,106	1,379,461	7,730,429	149,769,454
Other income													
Contribution from the Shareholders' account		-	-	-	16,204	1,815	-	-	-	-	-	-	18,019
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	403,684	-	-	-	403,684
Fees and charges		71,575	608	96,548	-	-	-	129	353	-	-	-	169,213
Miscellaneous income		3,186	21	2,905	2	-	36	10	10,728	465	39	166	17,558
Sub-total		74,761	629	99,453	16,206	1,815	36	139	414,765	465	39	166	608,474
Total (A)		33,289,631	1,319,144	35,062,657	949,945	146,924	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983	371,930,404
Commission	2	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Operating expenses related to Insurance business	3	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961
Provision for doubtful debts		(9,331)	(34)	(15,982)	(75)	-	12	(41)	(29,406)	(323)	(125)	-	(55,405)
Bad debts written off		22,019	187	26,268	-	-	171	225	62,992	3,518	703	1	116,084
Provisions (other than taxation)													
(a) For diminution in the value of investments (Net) - Refer note 3.16 of schedule 16		33,361	-	31,764	-	-	-	-	-	-	-	-	65,125
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-
Service tax charge on linked charges		-	-	-	-	-	-	-	3,390,007	497,356	145,390	129,909	4,162,662
Total (B)		5,717,270	22,925	5,529,097	16,182	1,924	43,002	15,965	22,489,656	1,086,668	227,507	299,391	35,449,587
Benefits paid (Net)	4	4,942,515	869,817	1,932,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722	149,644,086
Interim bonus paid		330,901	3,763	-	-	-	-	-	-	-	-	-	334,664
Change in valuation of policy liabilities													
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		20,179,513	42,196	48,659,800	923,605	136,843	1,704,143	(32,576)	1,053,994	(109,534)	52,992	(17,256)	72,593,720
(b) Amount ceded in reinsurance		-	-	(23,446,270)	-	-	-	-	-	-	-	-	(23,446,270)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	124,354,140	(10,374,995)	1,220,604	4,262,086	119,461,835
(e) Funds for discontinued policies		-	-	-	-	-	-	-	5,905,839	460,426	-	-	6,366,265
Total (C)		25,452,929	915,776	27,206,298	933,763	145,000	3,174,820	(4,619)	217,998,597	32,703,299	1,650,885	14,777,552	324,954,300
Surplus/(deficit) (D) = (A)-(B)-(C)		2,119,432	380,443	2,327,262	-	-	1,061,310	136,709	2,021,146	2,911,347	375,828	193,040	11,526,517
Provision for taxation													
(a) Current tax credit/(charge) - Refer note 3.5 of schedule 16		(788,117)	-	-	-	-	-	-	-	-	-	-	(788,117)
(b) Deferred tax credit/(charge) - Refer note 3.5 of schedule 16		-	-	-	-	-	-	-	(233)	-	-	-	(233)
Surplus/(deficit) after tax		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Appropriation													
Transfer to Shareholders' account		394,734	32,836	4,124,399	-	-	1,061,310	136,709	2,022,530	2,920,712	429,172	193,040	11,315,442
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-	(577,275)
Total		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Details of Surplus after tax													
(a) Interim bonuses paid		330,901	3,763	-	-	-	-	-	-	-	-	-	334,664
(b) Allocation of bonus to policyholders'		3,221,705	291,759	-	-	-	-	-	-	-	-	-	3,513,464
(c) Surplus shown in the Revenue Account		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Total Surplus		4,883,921	675,965	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	14,586,295
Funds for future appropriation													
Opening balance as at April 1, 2016		2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-	6,619,133
Add: Current period appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-	(577,275)
Balance carried forward to Balance Sheet		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	6,041,858
Significant accounting policies & notes	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 and on behalf of the Board of Directors

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N / N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

CONSOLIDATED REVENUE ACCOUNT

for the year ended March 31, 2016

FORM A-RA

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

Particulars	Schedule												(₹ '000)
		Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Premiums earned (Net of service tax)													
(a) Premium	1	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909
(b) Reinsurance ceded		(9,948)	(57)	(880,824)	-	-	-	(37,490)	(412,674)	(110)	(315,806)	(29)	(1,656,938)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		21,396,783	357,461	23,148,305	-	-	1,867,461	116,189	117,741,472	7,952,208	1,106,879	16,300,213	189,986,971
Income from Investments													
(a) Interest, dividend & rent - Gross		4,562,620	931,891	6,052,155	-	-	1,757,617	47,004	15,121,824	5,498,684	214,620	3,982,612	38,169,027
(b) Profit on sale/redemption of investments		714,919	134,113	470,729	-	-	25,008	4,327	28,831,694	18,669,378	400,205	1,580,775	50,831,148
(c) (Loss) on sale/redemption of investments		(98,875)	(44,171)	(125,104)	-	-	(869)	-	(6,858,446)	(2,579,514)	(83,809)	(830,927)	(10,621,715)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	(43,315,051)	(25,859,855)	(686,176)	(1,830,284)	(71,691,366)
(e) Accretion of discount/(amortisation of premium) (Net)		99,947	59,817	(2,304)	-	-	8,444	601	3,844,779	687,503	10,423	687,376	5,396,586
Sub-total		5,278,611	1,081,650	6,395,476	-	-	1,790,200	51,932	(2,375,200)	(3,583,804)	(144,737)	3,589,552	12,083,680
Other income													
Contribution from the Shareholders' account		-	-	-	-	-	-	-	-	-	-	-	-
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	-	-	-	-	-
Fees and charges		74,433	1,056	100,919	-	-	-	194	578	-	-	-	177,180
Miscellaneous income		5,640	46	2,569	-	-	84	18	21,484	1,211	126	444	31,622
Sub-total		80,073	1,102	103,488	-	-	84	212	22,062	1,211	126	444	208,802
Total (A)		26,755,467	1,440,213	29,647,269	-	-	3,657,745	168,333	115,388,334	4,369,615	962,268	19,890,209	202,279,453
Commission	2	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768
Operating expenses related to Insurance business	3	3,630,199	26,151	1,685,608	-	-	43,319	11,627	12,556,820	689,625	77,121	163,019	18,883,489
Provision for doubtful debts		5,652	95	1,082	-	-	17	(73)	1,391	(513)	(222)	(50)	7,379
Bad debts written off		8,280	40	9,164	-	-	43	55	25,468	985	172	5	44,212
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) - Refer note 3.16 of schedule 16		66,150	311	59,957	-	-	-	-	-	-	-	-	126,418
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-
Service tax charge on linked charges		-	-	-	-	-	-	-	2,661,882	547,981	136,839	118,254	3,464,956
Total (B)		5,521,832	29,675	2,755,471	-	-	44,972	15,524	18,562,385	1,290,819	223,815	281,729	28,726,222
Benefits paid (Net)	4	4,148,799	8,448,046	1,262,321	-	-	1,326,416	32,081	43,497,250	43,541,248	365,151	21,465,509	124,086,821
Interim bonus paid		183,788	3,623	-	-	-	-	-	-	-	-	-	187,411
Change in valuation of policy liabilities		-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		14,910,258	(7,344,630)	28,146,723	-	-	789,050	(220,219)	679,619	(137,622)	210,021	(9,408)	37,023,792
(b) Amount ceded in reinsurance		-	-	(7,063,465)	-	-	-	-	-	-	-	-	(7,063,465)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	41,217,532	(43,928,845)	(62,134)	(2,098,913)	(4,872,360)
(e) Funds for discontinued policies		-	-	-	-	-	-	-	9,811,358	255,489	-	-	10,066,847
Total (C)		19,242,845	1,107,039	22,345,579	-	-	2,115,466	(188,138)	95,205,759	(269,730)	513,038	19,357,188	159,429,046
Surplus/(deficit) (D) = (A)-(B)-(C)		1,990,790	303,499	4,546,219	-	-	1,497,307	340,947	1,620,190	3,348,526	225,415	251,292	14,124,185
Provision for taxation		(702,871)	-	-	-	-	-	-	-	-	-	-	(702,871)
(a) Current tax credit/(charge) - Refer note 3.5 of schedule 16		-	-	-	-	-	-	-	-	-	-	-	-
(b) Deferred tax credit/(charge) - Refer note 3.5 of schedule 16		-	-	-	-	-	-	-	(636)	-	-	-	(636)
Surplus/(deficit) after tax		1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	13,420,678
Appropriation													
Transfer to Shareholders' account		337,682	41,053	4,416,948	-	-	1,497,307	340,947	1,623,967	3,347,626	219,613	251,292	12,076,435
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		950,237	262,446	129,271	-	-	-	-	(4,413)	900	5,802	-	1,344,243
Total		1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	13,420,678
Details of Surplus after tax													
(a) Interim bonuses paid		183,788	3,623	-	-	-	-	-	-	-	-	-	187,411
(b) Allocation of bonus to policyholders'		2,855,345	365,849	-	-	-	-	-	-	-	-	-	3,221,194
(c) Surplus shown in the Revenue Account		1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	13,420,678
Total Surplus		4,327,052	672,971	4,546,219	-	-	1,497,307	340,947	1,619,554	3,348,526	225,415	251,292	16,829,283
Funds for future appropriation													
Opening balance as at April 1, 2015		2,028,450	1,508,366	1,667,866	-	-	-	-	9,281	13,385	47,542	-	5,274,890
Add: Current period appropriation		950,237	262,446	129,271	-	-	-	-	(4,413)	900	5,802	-	1,344,243
Balance carried forward to Balance Sheet		2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-	6,619,133
Significant accounting policies & notes	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 and on behalf of the Board of Directors

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N / N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

CONSOLIDATED PROFIT & LOSS ACCOUNT

for the year ended March 31, 2017

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

FORM A-PL

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedule	(₹ '000)	
		March 31, 2017	March 31, 2016
Amounts transferred from Policyholders' account (Technical account)		11,315,442	12,076,435
Income from investments			
(a) Interest, dividend & rent - Gross		3,763,147	3,900,209
(b) Profit on sale/redemption of investments		2,881,450	2,005,049
(c) (Loss) on sale/redemption of investments		(114,046)	(196,145)
(d) Accretion of discount/(amortisation of premium) (Net)		139,232	309,798
Other income		286,303	490
Total (A)		18,271,528	18,095,836
Expenses other than those directly related to the insurance business	3A	409,280	338,409
Bad debts written-off		-	-
Provisions (other than taxation)			
(a) For diminution in value of investments (Net) - Refer note 3.16 of schedule 16		-	43,908
(b) Provision for doubtful debts		-	-
Contribution to Policyholders' account (Technical account)		18,019	-
Total (B)		427,299	382,317
Profit before Tax		17,844,229	17,713,519
Provision for Taxation			
(a) Current tax credit/(charge) - Refer note 3.5 of schedule 16		(1,027,714)	(1,212,122)
(b) Deferred tax credit/(charge) - Refer note 3.5 of schedule 16		97	58
Profit after Tax		16,816,612	16,501,455
Appropriations			
(a) Balance at the beginning of the year		2,493,309	470,736
(b) Interim dividends paid during the year		5,521,572	9,022,041
(c) Proposed final dividend - Refer note 3.20 of schedule 16		-	3,007,883
(c) Final dividend - Refer note 3.20 of schedule 16		1,142	17
(d) Dividend distribution tax - Refer note 3.20 of schedule 16		1,124,291	2,448,941
Profit carried to Balance Sheet		12,662,916	2,493,309
Earnings per equity share - Refer note 3.13 of schedule 16			
Basic earnings per equity share ₹		11.72	11.52
Diluted earnings per equity share ₹		11.72	11.51
Nominal value per equity share ₹		10.00	10.00
Significant accounting policies & notes	16		

The Schedules and accompanying notes referred to herein form an integral part of the Profit and Loss Account.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

For **Walker Chandio & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N / N500013

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

Sudhir N. Pillai
Partner
Membership No. 105782

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 25, 2017

CONSOLIDATED BALANCE SHEET

At March 31, 2017

FORM A-BS

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

(₹ '000)

Particulars	Schedule	March 31, 2017	March 31, 2016
Sources of funds			
Shareholders' funds :			
Share capital	5	14,353,471	14,323,193
Share application money		-	780
Reserve and surplus	6	46,975,971	36,400,578
Credit/(debit) fair value change account		2,730,821	2,508,793
Deferred tax liability - Refer note 3.5 of schedule 16		49	147
Sub - total		64,060,312	53,233,491
Borrowings	7	-	-
Policyholders' funds :			
Credit/(debit) fair value change account		17,866,609	9,712,325
Revaluation reserve - Investment property- Refer note 3.15 of schedule 16		603,548	577,076
Policy liabilities (A) + (B) + (C)		1,130,470,597	955,495,047
Non unit liabilities (mathematical reserves) (A)		251,695,317	202,547,867
Provision for linked liabilities (fund reserves) (B)		839,364,705	719,902,870
(a) Provision for linked liabilities		729,695,155	650,825,008
(b) Credit/(debit) fair value change account (Linked)		109,669,550	69,077,862
Funds for discontinued policies (C)		39,410,575	33,044,310
(a) Discontinued on account of non-payment of premium		39,373,557	33,027,408
(b) Other discontinuance		49,293	16,902
(c) Credit/(debit) fair value change account		(12,275)	-
Total linked liabilities (B) + (C)		878,775,280	752,947,180
Sub - total		1,148,940,754	965,784,448
Funds for Future Appropriations			
Linked		8,171	10,768
Non linked		6,033,687	6,608,365
Sub - total		6,041,858	6,619,133
Total		1,219,042,924	1,025,637,072
Application of funds			
Investments			
Shareholders'	8	66,349,201	62,123,939
Policyholders'	8A	270,673,678	215,156,198
Asset held to cover linked liabilities	8B	878,783,451	752,957,948
Loans	9	806,448	442,718
Fixed assets - net block	10	2,137,975	2,195,962
Deferred tax asset - Refer note 3.5 of schedule 16		469	702
Current assets			
Cash and Bank balances	11	2,137,280	2,002,288
Advances and Other assets	12	26,519,717	12,770,348
Sub-Total (A)		28,656,997	14,772,636
Current liabilities	13	28,160,335	18,215,724
Provisions	14	204,960	3,797,307
Sub-Total (B)		28,365,295	22,013,031
Net Current Assets (C) = (A-B)		291,702	(7,240,395)
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)		-	-
Total		1,219,042,924	1,025,637,072
Contingent liabilities - Refer note 3.1 of schedule 16		2,072,659	2,006,489
Significant accounting policies & notes	16		

The Schedules and accompanying notes referred to herein form an integral part of the Profit and Loss Account.

As per our report of even date attached.

For and on behalf of the Board of Directors

For B S R & Co. LLP Chartered Accountants ICAI Firm Reg. No. 101248W/W-100022	For Walker Chandio & Co LLP Chartered Accountants ICAI Firm Reg. No. 001076N / N500013	Chanda Kochhar Chairperson DIN: 00043617	V. Sridar Director DIN: 02241339	Sandeep Bakhshi Managing Director and CEO DIN: 00109206	Sandeep Batra Executive Director DIN: 03620913
Venkataramanan Vishwanath Partner Membership No. 113156	Sudhir N. Pillai Partner Membership No. 105782	Satyan Jambunathan Chief Financial Officer	Asha Murali Appointed Actuary	Vyoma Manek Company Secretary	

Place : Mumbai
Date : April 25, 2017

CONSOLIDATED RECEIPTS & PAYMENTS ACCOUNT

for the year ended March 31, 2017

ICICI Prudential Life Insurance Company Limited
Regn.No. 105 dated 24.11.2000

Particulars	April 1, 2016 to March 31, 2017		April 1, 2015 to March 31, 2016	
(₹ '000)				
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers:				
Premium and other receipts		254,553,454		215,148,025
Interest on Tax Refund		7		391
Cash paid towards operating activities:				
Commission paid	(7,646,310)		(6,182,997)	
Policy benefits paid	(149,235,790)		(124,291,893)	
Other expenses	(47,918,591)		(42,455,835)	
Service tax paid	(5,172,072)		(3,651,481)	
Reinsurance premium ceded (net of recovery amount)	(346,370)		(308,784)	
Advances and deposits	12,059		24,753	
Taxes paid	(2,949,392)	(213,256,466)	(1,943,811)	(178,810,048)
Net cash generated from operating activities (A)		41,296,995		36,338,368
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(536,049)		(529,838)	
Sale of fixed assets	22,674	(513,375)	21,024	(508,814)
Purchase of investments		(1,497,762,210)		(1,047,502,572)
Loan		(363,730)		(241,597)
Sale of investments		1,413,507,610		1,004,868,219
Advance/deposit for investment property		64,338		(1,395,827)
Interest & rent received (net of Tax deducted at source)		36,521,944		36,238,140
Dividend received		7,259,761		6,085,481
Investments in money market instruments and in liquid mutual funds (Net)		34,524,975		2,899,797
Expense related to investment		(201,816)		(171,102)
Net cash generated from investing activities (B)		(6,962,503)		271,725
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital ¹		327,337		54,116
Final Dividend		(3,008,328)		(3,006,852)
Interim Dividend Paid		(5,521,572)		(9,022,041)
Dividend Distribution tax paid		(1,736,625)		(2,448,798)
Net cash used in financing activities (C)		(9,939,188)		(14,423,575)
D. Effect of foreign exchange rates on cash and cash equivalents (net) (D)		(678)		(755)
E. Net increase in cash and cash equivalents (A+B+C+D)		24,394,626		22,185,763
F. Cash and cash equivalents at beginning of the period		40,942,602		18,756,839
G. Cash and cash equivalents at end of the period		65,337,228		40,942,602
NOTE:				
Cash and cash equivalents at the end of the year				
- Cash (Including cheques in hand and stamps in hand)		1,408,060		1,286,298
- Bank Balances and Money at call and short notice ²		1,137,407		720,269
[Including bank balance for linked business of ₹ 408,187 thousands (₹ 4,279 thousands at March 31, 2016)]				
- Other short term liquid investment ³				
[Forming part of investments in financials and unclaimed assets as disclosed in Schedule 12]		65,777,884		39,937,787
- Banks having negative book balance				
[Forming part of Other Liabilities under Schedule 13 in financials]		(2,958,301)		(968,933)
Stamps on Hand				
[Part of Cash (including cheques, drafts and stamps) under Schedule 11, however not a part of cash and cash equivalents]		(27,822)		(32,819)
Total		65,337,228		40,942,602

¹ Includes movement in share application money² Includes balance in dividend account which is unclaimed amounting to ₹ 693 thousands³ Includes a fixed deposit amounting to ₹ 575,679 thousands given as a lien against guarantee to NSE and which is having a maturity of less than 3 months

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 and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Reg. No. 101248W/W-100022

For **Walker Chandik & Co LLP**

Chartered Accountants

ICAI Firm Reg. No. 001076N / N500013

Chanda Kochhar

Chairperson

DIN: 00043617

V. Sridar

Director

DIN: 02241339

Sandeep Bakhshi

Managing Director and CEO

DIN: 00109206

Sandeep Batra

Executive Director

DIN: 03620913

Venkataramanan Vishwanath

Partner

Membership No. 113156

Sudhir N. Pillai

Partner

Membership No. 105782

Satyan Jambunathan

Chief Financial Officer

Asha Murali

Appointed Actuary

Vyoma Manek

Company Secretary

Place : Mumbai

Date : April 25, 2017

SCHEDULES

forming part of consolidated financial statements

SCHEDULE – 1

PREMIUM (net of service tax)

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,186,130	4	2,432,625	-	-	-	(19)	54,463,295	364,781	(532)	-	63,446,284
Renewal premiums	19,440,389	329,819	20,845,844	-	-	-	136,627	94,351,150	5,969,601	1,192,813	2,640,759	144,907,002
Single premiums	-	-	4,704,149	891,208	137,913	2,058,089	-	2,224,270	272,444	-	4,898,661	15,186,734
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
Premium Income from business written:												
In India	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,922,295	2	1,156,735	-	-	-	429	40,737,639	427,200	(509)	-	49,243,791
Renewal premiums	14,484,436	357,516	20,839,607	-	-	-	153,250	75,599,639	7,263,517	1,423,194	3,865,242	123,986,401
Single premiums	-	-	2,032,787	-	-	1,867,461	-	1,816,868	261,601	-	12,435,000	18,413,717
Total Premium	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909
Premium Income from business written:												
In India	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	21,406,731	357,518	24,029,129	-	-	1,867,461	153,679	118,154,146	7,952,318	1,422,685	16,300,242	191,643,909

Note: Refer Schedule 16 Note 2.3.1 for accounting policy on Premium recognition.

SCHEDULE – 2

COMMISSION EXPENSES

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission												
Direct – First year premiums	1,174,597	-	545,455	-	-	-	(8)	2,875,099	5,861	(124)	-	4,600,880
– Renewal premiums	735,707	1,663	800,389	-	-	-	3,407	1,316,590	38,236	7,238	-	2,903,230
– Single premiums	-	-	58,532	25	-	1,633	-	24,106	754	-	-	85,050
Total	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Break-up of the commission by distribution network												
Individual agents	726,303	1,158	478,050	-	-	961	2,249	859,982	26,181	6,231	-	2,101,115
Corporate agents	889,392	492	760,007	-	-	666	1,024	3,335,824	13,792	566	-	5,001,763
Brokers	293,745	13	166,103	25	-	6	126	19,950	4,878	317	-	485,163
Insurance Marketing Firm	863	-	151	-	-	-	-	39	-	-	-	1,053
Web Aggregators	1	-	64	-	-	-	-	-	-	-	-	65
Total Commission	1,910,304	1,663	1,404,375	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,159

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission												
Direct – First year premiums	1,273,258	-	179,360	-	-	-	69	2,286,143	5,416	(127)	-	3,744,119
– Renewal premiums	538,293	3,078	790,457	-	-	-	3,846	1,010,391	46,173	10,032	-	2,402,270
– Single premiums	-	-	29,843	-	-	1,593	-	20,290	1,152	-	501	53,379
Total	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768
Break-up of the commission by distribution network												
Individual agents	658,977	2,326	263,300	-	-	673	2,620	664,251	28,888	8,803	301	1,630,139
Corporate agents	925,615	748	606,566	-	-	744	1,160	2,627,981	18,074	708	-	4,181,596
Brokers	226,959	4	129,794	-	-	176	135	24,592	5,779	394	200	388,033
Insurance Marketing Firm	-	-	-	-	-	-	-	-	-	-	-	-
Web Aggregators	-	-	-	-	-	-	-	-	-	-	-	-
Total Commission	1,811,551	3,078	999,660	-	-	1,593	3,915	3,316,824	52,741	9,905	501	6,199,768

Note: Refer Schedule 16 Note 2.4 for accounting policy on Acquisition cost.

SCHEDULE – 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	1,409,501	9,580	1,132,245	7,445	951	15,208	5,309	5,084,718	256,219	29,204	85,794	8,036,174
Travel, conveyance and vehicle running expenses	49,205	212	43,077	1,232	131	888	264	315,857	13,426	1,495	9,884	435,671
Agents training, recruitment and incentives	427,738	-	228,018	9	-	511	160	1,050,558	22,299	1,920	1	1,731,214
Rents, rates and taxes	94,329	1,790	391,180	263	38	1,335	363	514,496	17,448	1,973	4,927	1,028,142
Repairs	52,481	3,659	32,724	145	15	675	219	215,279	10,096	1,177	1,479	317,949
Printing and stationery	8,334	113	11,537	-	1	221	112	21,909	2,132	414	95	44,868
Communication expenses	137,562	2,228	176,317	102	13	3,293	2,218	405,695	44,368	8,378	1,280	781,454
Legal and professional charges	80,131	778	93,603	179	18	1,921	652	233,083	16,957	2,775	6,454	436,551
Medical fees	5,089	-	138,739	21	3	-	-	11,320	15	(28)	184	155,343
Auditors' fees	3,154	51	3,979	-	-	83	50	7,632	946	185	-	16,080
Auditors' fees, expenses etc :												-
(a) as auditor	3,154	51	3,979	-	-	83	50	7,632	946	185	-	16,080
(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	412,741	6	650,617	4,898	523	972	352	802,462	47,416	4,135	30,807	1,954,929
Interest and bank charges	19,197	292	22,896	609	88	1,619	107	92,377	7,499	254	6,680	151,618
Others												-
- Administration support expenses	590,681	-	694,478	-	-	8,089	-	4,503,427	36,000	-	(655)	5,832,020
- Business conferences and meetings	191,483	-	109,089	184	26	238	70	495,865	9,830	836	2,603	810,224
- Information technology cost	121,667	1,139	189,372	217	28	3,494	1,132	308,551	21,959	4,162	1,949	653,670
- Office running expenses	28,434	156	27,891	105	13	540	183	162,624	8,161	968	1,051	230,126
- Data entry related expenses	32,977	692	37,136	369	41	815	687	77,322	12,751	2,527	4,210	169,527
- Miscellaneous expenses	14,340	60	32,727	34	6	250	277	94,852	6,158	2,158	2,140	153,002
Depreciation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	578,164
Service tax expenses	9,381	47	19,811	162	-	(204)	(56)	8,689	(987)	10,835	7,557	55,235
Total	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	1,617,844	19,122	677,430	-	-	14,789	3,323	4,547,857	348,634	30,787	90,342	7,350,128
Travel, conveyance and vehicle running expenses	56,406	224	29,040	-	-	772	303	279,887	18,330	1,577	15,258	401,797
Agents training, recruitment and incentives	326,883	-	87,165	-	-	468	155	640,790	22,314	1,389	984	1,080,148
Rents, rates and taxes	110,930	480	207,434	-	-	1,614	578	603,469	29,212	2,695	6,140	962,552
Repairs	48,125	245	26,543	-	-	769	307	233,164	16,058	1,481	2,475	329,167
Printing and stationery	9,615	138	7,035	-	-	262	150	20,437	3,058	511	399	41,605
Communication expenses	124,576	1,736	85,859	-	-	2,895	1,902	328,522	42,350	6,650	1,637	596,127
Legal and professional charges	105,855	1,100	61,941	-	-	2,458	1,069	224,272	27,148	4,033	5,286	433,162
Medical fees	5,884	-	65,790	-	-	-	-	10,160	14	(134)	234	81,948
Auditors' fees	3,164	45	2,315	-	-	89	49	6,623	981	165	-	13,431
Auditors' fees, expenses etc :												-
(a) as auditor	3,164	45	2,315	-	-	89	49	6,623	981	165	-	13,431
(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	160,148	5	55,318	-	-	1,104	207	701,619	37,850	2,274	5,922	964,447
Interest and bank charges	14,667	319	17,707	-	-	1,184	121	64,429	9,055	361	11,166	119,009
Others												-
- Administration support expenses	620,302	-	118,867	-	-	8,021	-	3,734,806	45,936	-	-	4,527,932
- Business conferences and meetings	140,893	-	27,537	-	-	129	53	262,205	8,402	525	1,954	441,698
- Information technology cost	124,601	903	87,431	-	-	3,645	997	247,303	20,734	3,342	2,590	491,546
- Office running expenses	37,596	229	23,483	-	-	767	282	168,784	13,291	1,288	1,787	247,507
- Data entry related expenses	27,300	548	20,687	-	-	640	592	59,059	11,765	2,026	3,813	126,430
- Miscellaneous expenses	22,228	693	51,227	-	-	2,774	1,185	73,833	24,474	2,621	2,418	181,453
Depreciation	66,569	295	23,451	-	-	1,031	296	349,401	9,535	1,030	3,692	455,300
Service tax expenses	6,613	69	9,348	-	-	(92)	58	200	484	14,500	6,922	38,102
Total	3,630,199	26,151	1,685,608	-	-	43,319	11,627	12,556,820	689,625	77,121	163,019	18,883,489

SCHEDULE – 3A**EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS**

For the year ended March 31, 2017

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Employees' remuneration and welfare benefits	126,958	118,891
Travel, conveyance and vehicle running expenses	223	278
Rent, rates and taxes	23,822	1,593
Printing and stationery	-	-
Communication expenses	1,899	91
Legal and professional charges	9,316	1,925
Interest and bank charges	965	581
CSR expenses	218,842	199,111
Information technology cost	1,205	1,304
Others	25,555	14,140
Depreciation	495	495
Total	409,280	338,409

SCHEDULE – 4**BENEFITS PAID [net]**

For the year ended March 31, 2017

Particulars	(₹ '000)											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims												
(a) Claims by death	510,951	20,147	2,329,853	-	-	80,794	-	2,281,302	630,022	9,724	49,756	5,912,549
(b) Claims by maturity	1,303,730	253,554	233,272	-	-	-	-	18,630,325	2,409,108	-	-	22,829,989
(c) Annuities/Pension payment	-	-	-	-	-	1,389,762	-	-	-	-	-	1,389,762
(d) Other benefits												
- Surrender/Withdrawal	1,105,200	594,979	389,773	10,158	8,157	97	-	65,663,047	39,686,369	-	10,482,966	117,940,746
- Survival	2,008,886	-	16	-	-	-	-	-	-	-	-	2,008,902
- Rider	25,170	1,137	48,025	-	-	24	-	31,846	1,903	14	-	108,119
- Health	-	-	37,400	-	-	-	53,202	-	-	680,015	-	770,617
- Interest on unclaimed amounts	-	-	-	-	-	-	-	390,569	-	-	-	390,569
Sub Total (A)	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253
2 (Amount ceded in reinsurance)												
(a) Claims by death	(11,422)	-	(1,044,508)	-	-	-	-	(312,465)	-	-	-	(1,368,395)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits												
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(1,063)	-	-	-	(25,245)	-	-	(312,464)	-	(338,772)
Sub Total (B)	(11,422)	-	(1,045,571)	-	-	-	(25,245)	(312,465)	-	(312,464)	-	(1,707,167)
3 Amount accepted in reinsurance												
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	4,942,515	869,817	1,992,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722	149,644,086
Benefits paid to claimants:												
In India	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253

SCHEDULE – 4 BENEFITS PAID [net]

For the year ended March 31, 2016

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims												
(a) Claims by death	429,411	16,927	1,535,427	-	-	53,238	-	2,076,100	608,664	9,019	63,231	4,792,017
(b) Claims by maturity	757,786	185,816	25,936	-	-	-	-	2,808,595	1,129,229	-	-	4,907,362
(c) Annuities/Pension payment	-	-	-	-	-	1,270,916	-	-	-	-	-	1,270,916
(d) Other benefits												
- Surrender/Withdrawal	1,472,116	8,242,713	348,316	-	-	-	-	38,846,339	41,755,672	-	21,402,138	112,067,294
- Survival	1,463,288	-	-	-	-	-	-	-	-	-	-	1,463,288
- Rider	22,657	747	29,592	-	-	2	-	36,630	1,262	-	-	90,890
- Health	-	-	10,952	-	-	-	60,488	-	-	664,365	-	735,805
- Interest on unclaimed amounts	6,237	1,843	3,780	-	-	2,260	660	30,339	46,421	560	140	92,240
Sub Total (A)	4,151,495	8,448,046	1,954,003	-	-	1,326,416	61,148	43,798,003	43,541,248	673,944	21,465,509	125,419,812
2 (Amount ceded in reinsurance)												
(a) Claims by death	(2,696)	-	(691,182)	-	-	-	-	(300,753)	-	-	-	(994,631)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits												
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(500)	-	-	-	(29,067)	-	-	(308,793)	-	(338,360)
Sub Total (B)	(2,696)	-	(691,682)	-	-	-	(29,067)	(300,753)	-	(308,793)	-	(1,332,991)
3 Amount accepted in reinsurance												
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	4,148,799	8,448,046	1,262,321	-	-	1,326,416	32,081	43,497,250	43,541,248	365,151	21,465,509	124,086,821
Benefits paid to claimants:												
In India	4,151,495	8,448,046	1,954,003	-	-	1,326,416	61,148	43,798,003	43,541,248	673,944	21,465,509	125,419,812
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,151,495	8,448,046	1,954,003	-	-	1,326,416	61,148	43,798,003	43,541,248	673,944	21,465,509	125,419,812

Note: Refer Note 2.8 of Schedule 16 for accounting policy on Benefits paid.

SCHEDULE – 5 SHARE CAPITAL

(₹ '000)

Particulars	March 31, 2017	March 31, 2016
Authorised capital		
1,500,000,000 Equity shares of ₹ 10/- each	15,000,000	15,000,000
Issued, subscribed and called-up capital		
1,435,347,110 Equity shares of ₹ 10/- each fully paid up (March 31, 2016: 1,432,319,348 Equity shares)	14,353,471	14,323,193
Total	14,353,471	14,323,193

Out of the total equity share capital, 787,816,604 equity shares (March 31, 2016 - 969,157,662 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

SCHEDULE – 5A PATTERN OF SHAREHOLDING [As certified by the Management]

Particulars	March 31, 2017		March 31, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	787,816,604	54.89	969,157,662	67.66
- Foreign (Prudential Corporation Holdings Limited)	370,784,884	25.83	370,784,884	25.89
Others	276,745,622	19.28	92,376,802	6.45
Total	1,435,347,110	100.00	1,432,319,348	100.00

SCHEDULE – 6

RESERVES AND SURPLUS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	34,195,244	33,897,405
Revaluation reserve	117,811	9,864
General reserve		
Opening balance	-	-
Less: Transfer to Profit and Loss	-	-
Closing balance	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilised for buy-back	-	-
Catastrophe reserve	-	-
Other reserves	-	-
Balance of profit in Profit and Loss Account	12,662,916	2,493,309
Total	46,975,971	36,400,578

SCHEDULE – 7

BORROWINGS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULE – 8

INVESTMENTS- SHAREHOLDERS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
LONG TERM INVESTMENT		
Government securities¹	13,561,317	24,864,463
(Market value at March 31, 2017: ₹ 14,234,582 thousands)		
(Market value at March 31, 2016: ₹ 25,546,690 thousands)		
Other approved securities	8,340,862	3,646,674
(Market value at March 31, 2017: ₹ 8,463,016 thousands)		
(Market value at March 31, 2016: ₹ 3,713,743 thousands)		
Other approved investments		
Equity shares	6,701,072	7,545,834
(Historical value at March 31, 2017: ₹ 4,470,202 thousands)		
(Historical value at March 31, 2016: ₹ 5,192,612 thousands)		
Preference shares	317,562	301,671
(Market value at March 31, 2017: ₹ 347,825 thousands)		
(Market value at March 31, 2016: ₹ 331,262 thousands)		
Debentures/Bonds	3,336,602	2,823,053
(Market value at March 31, 2017: ₹ 3,484,534 thousands)		
(Market value at March 31, 2016: ₹ 2,924,687 thousands)		

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
CCIL deposit	70,029	70,029
(Market value at March 31, 2017: ₹ 70,029 thousands)		
(Market value at March 31, 2016: ₹ 70,029 thousands)		
Fixed deposits ³	643,000	878,800
(Market value at March 31, 2017: ₹ 643,000 thousands)		
(Market value at March 31, 2016: ₹ 878,800 thousands)		
Property	4,472,454	713,496
(Historical value at March 31, 2017: ₹ 4,354,643 thousands)		
(Historical value at March 31, 2016: ₹ 703,632 thousands)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	13,176,939	6,381,124
(Market value at March 31, 2017: ₹ 13,729,968 thousands)		
(Market value at March 31, 2016: ₹ 6,683,621 thousands)		
Equity shares	1,696,513	1,367,540
(Historical value at March 31, 2017: ₹ 1,353,475 thousands)		
(Historical value at March 31, 2016: ₹ 1,174,187 thousands)		
Other investments		
Equity shares	214,761	189,081
(Historical value at March 31, 2017: ₹ 275,403 thousands)		
(Historical value at March 31, 2016: ₹ 226,864 thousands)		
Other investments		
Debentures/Bonds	833,095	1,371,006
(Market value at March 31, 2017: ₹ 890,439 thousands)		
(Market value at March 31, 2016: ₹ 1,427,264 thousands)		
Equity shares	3,687,372	21,665
(Historical value at March 31, 2017: ₹ 3,469,818 thousands)		
(Historical value at March 31, 2016: ₹ 21,665 thousands)		
SHORT TERM INVESTMENT		
Government securities	-	-
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ Nil)		
Other approved securities	-	-
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ Nil)		
Other approved investments		
Debentures/Bonds	299,824	917,857
(Market value at March 31, 2017: ₹ 301,996 thousands)		
(Market value at March 31, 2016: ₹ 924,494 thousands)		
Fixed deposits ^{2,3}	2,092,513	1,659,199
(Market value at March 31, 2017: ₹ 2,092,513 thousands)		
(Market value at March 31, 2016: ₹ 1,659,199 thousands)		
Certificate of deposits	-	3,379,241
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 3,379,241 thousands)		
Mutual fund	4,460,521	-
(Historical value at March 31, 2017: ₹ 4,460,521 thousands)		
(Historical value at March 31, 2016: ₹ Nil)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	2,435,028	1,569,494
(Market value at March 31, 2017: ₹ 2,460,641 thousands)		

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
(Market value at March 31, 2016: ₹ 1,579,901 thousands)		
Commercial papers	-	3,225,705
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 3,225,705 thousands)		
Certificate of deposits	-	701,683
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 701,683 thousands)		
Other investments		
Debentures/Bonds	-	250,000
(Market value at March 31, 2017: ₹ Nil)		
(Market value at March 31, 2016: ₹ 255,643 thousands)		
Mutual fund	-	245,859
(Historical value at March 31, 2017: ₹ Nil)		
(Historical value at March 31, 2016: ₹ 245,859 thousands)		
Mutual fund investment of subsidiaries	9737	465
(Market value at March 31, 2017: ₹ 9,929 thousands)		
(Market value at March 31, 2016: ₹ 476 thousands)		
Total	66,349,201	62,123,939
In India	66,349,201	62,123,939
Total	66,349,201	62,123,939

- Government securities of ₹ 1,450,956 thousands (Market value of ₹ 1,521,000 thousands) at March 31, 2017 [At March 31, 2016: ₹ 927,356 thousands (Market value of ₹ 968,300 thousands) and ₹ 77,354 thousands (Market value of ₹ 80,880 thousands) at March 31, 2017 [At March 31, 2016: ₹ Nil (Market value of ₹ Nil) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit and CCIL default fund respectively . - Refer note 3.17 of Schedule 16
- Includes Fixed deposit of ₹ 1,000,000 thousands at March 31, 2017 [At March 31, 2016: ₹ 1,050,000 thousands] and ₹ 100,000 thousands at March 31, 2017 [At March 31, 2016: ₹ 99,000 thousands] deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement. - Refer note 3.17 of Schedule 16
- Includes Fixed deposit of ₹ 3,500 thousands at March 31, 2017 (at March 31, 2016: ₹ 3,500 thousands). Of this, ₹ 1,000 thousands at March 31, 2017 (at March 31, 2016: ₹ 1,000 thousands) pertains to a deposit made with State Bank of Travancore as a security towards guarantee issued by the bank on behalf of the ICICI Prudential Pension Funds Management Company Limited in favour of PFRDA and ₹ 2,500 thousands at March 31, 2017 (at March 31, 2016: ₹ 2,500 thousands) deposited with National Securities Clearing Corporation Limited towards margin requirement for equity trade settlement of Scheme E Tier I and II of ICICI Prudential Pension Funds Management Company Limited issued of in favour of National Securities Clearing Corporation Limited.
- Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary , investment in property and derivative instruments	45,106,767	52,039,999
Market value of above Investments	46,718,545	53,301,962
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	18,683,798	7,835,283

- Investments made out of Catastrophe reserve is ₹ Nil.
- 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 note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8A

INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2017											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government securities¹ (Market value: ₹ 153,787,265 thousands)	49,825,645	5,772,630	67,106,859	-	-	19,780,819	347,010	4,128,123	355,155	139,530	-	147,455,771
Other approved securities (Market value: ₹ 17,794,433 thousands)	10,031,979	742,701	4,476,388	-	-	213,199	-	1,765,933	54,119	104,849	105,320	17,494,488
Other approved investments												
Equity shares (Historical value: ₹ 21,518,925 thousands)	14,902,724	1,404,461	20,682,269	-	-	-	-	-	-	-	-	36,989,454
Preference shares (Market value: ₹ 115,792 thousands)	98,190	-	2,513	-	-	-	-	-	-	-	-	100,703
Debentures/Bonds (Market value: ₹ 5,470,810 thousands)	1,612,777	729,402	1,812,719	250,327	100,000	285,589	47,235	194,546	78,341	-	97,329	5,208,265
Property (Historical value: ₹ 1,262,956 thousands)	1,481,744	384,760	-	-	-	-	-	-	-	-	-	1,866,504
CCIL deposit (Market value: ₹ 71 thousands)	-	-	-	-	-	-	-	51	18	-	2	71
Fixed deposits (Market value: ₹ 2,223,500 thousands)	626,400	144,500	874,600	-	-	356,000	-	173,000	49,000	-	-	2,223,500
Investments in infrastructure/housing sector												
Other approved investments												
Equity shares (Historical value: ₹ 3,364,763 thousands)	1,935,824	126,831	3,073,330	-	-	-	-	-	-	-	-	5,135,985
Debentures/Bonds (Market value: ₹ 3,587,926 thousands)	11,855,605	1,531,294	14,164,073	535,084	20,334	1,498,596	100,000	1,948,374	226,151	110,052	312,516	32,302,079
Other investments												
Equity shares (Historical value: ₹ 324,262 thousands)	77,235	-	212,723	-	-	-	-	-	-	-	-	289,958
Debentures/Bonds (Market value: ₹ 216,049 thousands)	210,000	-	-	-	-	-	-	-	-	-	-	210,000
Other investments												
Equity shares (Historical value: ₹ 1,940,049 thousands)	1,215,955	-	1,383,257	-	-	-	-	-	-	-	-	2,599,212
Debentures/Bonds (Market value: ₹ 1,714,219 thousands)	313,145	-	1,336,775	-	-	-	-	-	-	-	-	1,649,920
SHORT TERM INVESTMENT												
Government securities (Market value: ₹ 89,067 thousands)	2,691	6,405	79,594	-	-	-	-	-	-	-	-	88,690
Other approved securities (Market value: ₹ 253,807 thousands)	-	-	249,885	-	-	-	-	-	-	-	-	249,885
Other approved investments												
Debentures/Bonds (Market value: ₹ 2,262,018 thousands)	540,114	125,000	1,250,773	-	-	219,000	-	70,000	30,000	-	-	2,234,887
Commercial papers (Market value: ₹ 245,776 thousands)	-	245,776	-	-	-	-	-	-	-	-	-	245,776
Mutual fund (Historical value: ₹ 10,894,232 thousands)	3,518,185	-	5,531,775	-	-	-	23,541	1,065,728	571,890	27,802	155,311	10,894,232
Collateralized borrowing and lending obligation (Market value: ₹ 533,742 thousands)	54,506	190,331	-	22,354	10,156	256,395	-	-	-	-	-	533,742
Investments in infrastructure/housing sector												
Other approved investments												
Debentures/Bonds (Market value: ₹ 2,749,840 thousands)	575,657	350,038	1,716,504	-	-	50,035	-	25,000	13,857	-	-	2,731,091
Other investments												
Venture fund (Market value: ₹ 183,243 thousands)	169,465	-	-	-	-	-	-	-	-	-	-	169,465
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
In India	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678

1. Government securities of ₹ 508,511 thousands with market value of ₹ 546,500 thousands (at March 31, 2016: ₹ 498,374 thousands with market value of ₹ 519,250 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 207,120 thousands with market value of ₹ 218,000 thousands (at March 31, 2016: ₹ 207,848 thousands with market value of ₹ 209,850 thousands) has been deposited with CCIL for trades in the Collateralized borrowing and lending obligation segment - Refer note 3.17 of Schedule 16

2. Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	212,898,335	179,280,716
Market value of above Investments	221,227,559	183,559,226
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	39,305,188	25,615,228

3. For Investments in holding company and other related entities - Refer note 3.8 of schedule 16.

4. Investments made out of Catastrophe reserve is ₹ Nil

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 note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8A
INVESTMENTS - POLICYHOLDERS

Particulars	(₹ '000)											
	March 31, 2016											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government securities¹												
(Market value: ₹ 126,223,782 thousands)	42,113,368	5,437,942	53,155,150	-	-	16,580,873	346,758	4,971,550	330,373	137,010	-	123,073,024
Other approved securities												
(Market value: ₹ 9,952,066 thousands)	4,045,239	603,687	4,104,808	-	-	905,118	-	102,178	-	-	-	9,761,030
Other approved investments												
Equity shares												
(Historical value: ₹ 19,490,939 thousands)	11,096,887	1,198,769	16,222,249	-	-	-	-	-	-	-	-	28,517,905
Preference shares												
(Market value: ₹ 110,278 thousands)	92,116	-	1,698	-	-	-	-	-	-	-	-	93,814
Debentures/Bonds												
(Market value: ₹ 7,453,385 thousands)	2,415,101	855,372	2,711,456	-	-	708,584	76,925	274,458	78,155	-	97,055	7,217,106
Property												
(Historical value: ₹ 1,262,956 thousands)	1,466,232	373,800	-	-	-	-	-	-	-	-	-	1,840,032
CCIL deposit												
(Market value: ₹ 71 thousands)	-	-	-	-	-	-	-	51	18	-	2	71
Fixed deposits												
(Market value: ₹ 1,820,000 thousands)	626,400	144,500	471,100	-	-	356,000	-	173,000	49,000	-	-	1,820,000
Investments in infrastructure/housing sector												
Other approved investments												
Equity shares												
(Historical value: ₹ 2,763,746 thousands)	1,286,999	93,293	2,004,556	-	-	-	-	-	-	-	-	3,384,848
Debentures/Bonds												
(Market value: ₹ 25,518,333 thousands)	8,184,225	1,432,413	11,255,208	-	-	2,277,226	100,000	1,028,502	240,056	9,607	313,595	24,840,832
Other investments												
Equity shares												
(Historical value: ₹ 253,622 thousands)	92,223	-	200,409	-	-	-	-	-	-	-	-	292,632
Debentures/Bonds												
(Market value: ₹ 207,846 thousands)	210,000	-	-	-	-	-	-	-	-	-	-	210,000
Other investments												
Equity shares												
(Historical value: ₹ 105,596 thousands)	71,724	-	59,119	-	-	-	-	-	-	-	-	130,843
Debentures/Bonds												
(Market value: ₹ 1,981,786 thousands)	613,576	-	1,336,898	-	-	-	-	-	50,675	-	-	2,001,149
Venture fund												
(Market value: ₹ 156,854 thousands)	146,768	-	-	-	-	-	-	-	-	-	-	146,768
SHORT TERM INVESTMENT												
Government securities												
(Market value: ₹ 20,656 thousands)	-	-	20,521	-	-	-	-	-	-	-	-	20,521
Other approved securities												
(Market value: ₹ 22,240 thousands)	-	699	-	-	-	-	-	21,411	-	-	-	22,110
Other approved investments												
Debentures/Bonds												
(Market value: ₹ 2,059,932 thousands)	471,832	211,055	916,482	-	-	129,912	-	114,000	103,457	50,313	50,000	2,047,051
Fixed deposits												
(Market value: ₹ 198,000 thousands)	99,000	99,000	-	-	-	-	-	-	-	-	-	198,000
Certificate of deposits												
(Market value: ₹ 3,384,702 thousands)	325,455	493,528	391,015	-	-	531,976	-	1,056,740	323,642	56,392	205,954	3,384,702
Mutual fund												
	-	-	982,893	-	-	-	-	25,494	41,976	1,141	-	1,051,504

Particulars	March 31, 2016											(₹ '000)
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
(Historical value: ₹ 1,051,504 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Debentures/Bonds (Market value: ₹ 1,433,573 thousands)	556,453	161,389	308,401	-	-	114,855	-	205,860	81,289	-	-	1,428,247
Certificate of deposits (Market value: ₹ 187,108 thousands)	187,108	-	-	-	-	-	-	-	-	-	-	187,108
Commercial papers (Market value: ₹ 2,703,623 thousands)	644,131	-	1,913,083	-	-	-	-	146,409	-	-	-	2,703,623
Other investments												
Debentures/Bonds (Market value: ₹ 48,646 thousands)	50,825	-	-	-	-	-	-	-	-	-	-	50,825
Venture fund (Market value: ₹ 76,347 thousands)	74,735	-	-	-	-	-	-	-	-	-	-	74,735
Mutual fund (Historical value: ₹ 657,718 thousands)	317,213	-	325,256	-	-	-	7,199	-	-	-	8,050	657,718
Total	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	215,156,198
In India	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	215,156,198
Total	75,187,610	11,105,447	96,380,302	-	-	21,604,544	530,882	8,119,653	1,298,641	254,463	674,656	215,156,198

- Government securities of ₹ 498,374 thousands with market value of ₹ 519,250 thousands has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 206,938 thousands with market value of ₹ 207,848 thousands has been deposited with CCIL for trades in the Collateralized borrowing and lending obligation segment - Refer 3.17 of Schedule 16
- Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)
	March 31, 2016
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	179,280,716
Market value of above Investments	183,559,226
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	25,586,083

- For Investments in holding company and other related entities - Refer note 3.8 of schedule 16.
- Investments made out of Catastrophe reserve is ₹ Nil at March 31, 2016
- 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 note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8B

ASSETS HELD TO COVER LINKED LIABILITIES

(₹ '000)

Particulars	March 31, 2017				
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
LONG TERM INVESTMENTS					
Government securities	89,891,501	6,370,506	365,816	8,015,583	104,643,406
(Historical value: ₹ 102,197,174 thousands)					
Other approved securities	23,066,125	3,600,838	198,814	4,372,378	31,238,155
(Historical value: ₹ 31,002,970 thousands)					
Other approved investments					
Equity shares	284,958,797	86,553,654	4,808,504	6,572,088	382,893,043
(Historical value: ₹ 289,799,327 thousands)					
Preference shares	383,198	195,707	9,987	355,618	944,510
(Historical value: ₹ 764,890 thousands)					
Debentures/Bonds	13,616,044	5,962,403	279,219	9,404,456	29,262,122
(Historical value: ₹ 28,745,748 thousands)					
Fixed deposits	720,779	123,794	44,700	66,827	956,100
(Historical value: ₹ 956,100 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Equity shares	64,828,955	17,224,017	675,878	1,790,323	84,519,173
(Historical value: ₹ 72,367,735 thousands)					
Debentures/Bonds	38,719,839	13,243,046	852,800	15,909,974	68,725,659
(Historical value: ₹ 67,952,120 thousands)					
Other investments					
Equity shares	7,781,096	1,333,650	58,548	259,036	9,432,330
(Historical value: ₹ 13,030,998 thousands)					
Debentures/Bonds	-	-	-	41,046	41,046
(Historical value: ₹ 37,653 thousands)					
Other investments					
Equity shares	20,665,058	6,230,938	263,599	651,585	27,811,180
(Historical value: ₹ 24,913,186 thousands)					
Debentures/Bonds	452,873	536,010	11,617	863,312	1,863,812
(Historical value: ₹ 1,772,589 thousands)					
Mutual fund	5,260,416	751,379	-	68,555	6,080,350
(Historical value: ₹ 5,351,333 thousands)					
SHORT TERM INVESTMENTS					
Government securities	22,772,322	2,673,117	19,765	2,795,653	28,260,857
(Historical value: ₹ 28,118,974 thousands)					
Other approved securities	1,907,940	-	-	-	1,907,940
(Historical value: ₹ 1,915,654 thousands)					
Other approved investments					
Debentures/Bonds	1,197,775	392,571	11,461	613,437	2,215,244
(Historical value: ₹ 2,218,043 thousands)					
Commercial papers	6,056,189	909,302	5,382	898,151	7,869,024
(Historical value: ₹ 7,651,896 thousands)					
Fixed deposits	3,889,600	936,300	103,500	1,565,625	6,495,025
(Historical value: ₹ 6,495,025 thousands)					
Collateralized borrowing and lending obligation	5,709,467	1,250,291	6,299	740,373	7,706,430
(Historical value: ₹ 7,705,185 thousands)					
Mutual fund	24,657,966	3,996,356	491,024	3,242,901	32,388,247
(Historical value: ₹ 32,388,247 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Debentures/Bonds	9,227,837	2,588,229	82,609	3,692,671	15,591,346
(Historical value: ₹ 15,422,105 thousands)					
Certificate of deposits	8,525,214	923,034	34,688	2,250,693	11,733,629
(Historical value: ₹ 11,669,600 thousands)					
Commercial papers	4,084,751	151,589	-	65,555	4,301,895
(Historical value: ₹ 4,088,886 thousands)					
Other investments					
Venture Fund	6,559	-	-	-	6,559
(Historical value: ₹ 10,030 thousands)					
Net current asset	6,118,294	2,369,042	126,661	3,282,372	11,896,369
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
In India	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451

1. For Investments in holding company and other related entities - Refer note 3.8 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 3.18 of schedule 16.

Note: Refer note 2.11 of schedule 16 for accounting policy related to investments

SCHEDULE – 8B**ASSETS HELD TO COVER LINKED LIABILITIES**

(₹ '000)

Particulars	March 31, 2016				Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	
LONG TERM INVESTMENTS					
Government securities					
(Historical value: ₹ 115,374,996 thousands)	86,649,122	13,502,614	807,842	16,577,173	117,536,751
Other approved securities					
(Historical value: ₹ 11,276,212 thousands)	6,237,748	2,235,513	140,215	2,722,282	11,335,758
Other approved investments					
Equity shares					
(Historical value: ₹ 290,082,870 thousands)	246,288,789	100,732,036	4,424,316	6,656,087	358,101,228
Preference shares					
(Historical value: ₹ 676,530 thousands)	327,753	186,441	9,155	309,508	832,857
Debentures/Bonds					
(Historical value: ₹ 15,011,618 thousands)	6,160,477	3,882,784	112,273	5,293,347	15,448,881
Fixed deposits					
(Historical value: ₹ 5,851,125 thousands)	3,037,229	1,352,291	6,900	1,454,705	5,851,125
Investments in infrastructure/housing sector					
Other approved investments					
Equity shares					
(Historical value: ₹ 57,743,549 thousands)	42,242,473	15,268,200	533,776	1,292,253	59,336,702
Debentures/Bonds					
(Historical value: ₹ 29,042,094 thousands)	14,095,789	6,805,810	267,818	8,477,341	29,646,758
Other investments					
Equity shares					
(Historical value: ₹ 12,482,094 thousands)	6,990,914	2,006,111	79,702	332,090	9,408,817
Debentures/Bonds					
(Historical value: ₹ 37,653 thousands)	-	-	-	39,962	39,962
Other investments					
Equity shares					
(Historical value: ₹ 4,101,151 thousands)	2,088,044	1,222,986	74,815	22,042	3,407,887
Debentures/Bonds					
(Historical value: ₹ 3,031,550 thousands)	1,290,978	812,465	28,826	875,335	3,007,604
Mutual fund					
(Historical value: ₹ 2,513,326 thousands)	1,983,730	317,521	6,176	35,789	2,343,216
Venture fund					
(Historical value: Nil)	-	-	-	-	-
SHORT TERM INVESTMENTS					
Government securities					
(Historical value: Nil)	-	-	-	-	-
Other approved securities					
(Historical value : ₹ Nil)	-	-	-	-	-
Other approved investments					
Debentures/Bonds					
(Historical value: ₹ 4,546,486 thousands)	3,472,953	599,754	10,077	474,467	4,557,251
Certificate of deposits					
(Historical value: ₹ 59,627,886 thousands)	44,944,783	7,067,337	186,173	7,583,978	59,782,271
Commercial papers					
(Historical value: ₹ 7,107,283 thousands)	5,130,158	937,113	1,430	1,123,792	7,192,493
Fixed deposits					
(Historical value: ₹ 4,566,350 thousands)	2,535,550	1,200,600	29,700	800,500	4,566,350
Collateralized borrowing and lending obligation					
(Historical value: ₹ 749,416 thousands)	545,621	164,919	-	39,021	749,561
Mutual fund					
(Historical value: ₹ 4,782,760 thousands)	2,923,960	1,584,773	77,649	196,377	4,782,759
Investments in infrastructure/housing sector					
Other approved investments					
Debentures/Bonds					
(Historical value: ₹ 7,996,580 thousands)	4,257,422	1,696,264	61,842	1,999,868	8,015,396
Certificate of deposits					
(Historical value: ₹ 11,180,905 thousands)	7,603,467	1,496,746	52,720	2,081,173	11,234,106
Commercial papers					
(Historical value: ₹ 16,646,884 thousands)	12,601,220	2,034,587	90,205	2,235,116	16,961,128
Other investments					
Debentures/Bonds					
(Historical value: ₹ 90,664 thousands)	70,711	20,177	-	-	90,888
Mutual fund					
(Historical value: ₹ 7,542,157 thousands)	5,629,503	1,581,104	135,586	195,964	7,542,157
Venture Fund					
(Historical value: ₹ 13,189 thousands)	13,473	-	-	-	13,473
Net current asset	7,118,361	1,523,177	93,074	2,437,957	11,172,569
Total	514,240,228	168,231,323	7,230,270	63,256,127	752,957,948
In India	514,240,228	168,231,323	7,230,270	63,256,127	752,957,948
Total	514,240,228	168,231,323	7,230,270	63,256,127	752,957,948

1. For Investments in holding company and other related entities - Refer note 3.8 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 3.18 of schedule 16.

SCHEDULE – 9**LOANS**

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
1. Security-wise classifications		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt Securities, etc.	-	-
(c) Loans against policies	806,448	442,718
(d) Others	-	-
Unsecured	-	-
Total	806,448	442,718
2. Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Policyholders - Loans against policies	806,448	442,718
(f) Others	-	-
Total	806,448	442,718
3. Performance-wise classification		
(a) Loans classified as standard		
(aa) In India	806,448	442,718
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	806,448	442,718
4. Maturity-wise classification		
(a) Short-term	21,470	29,326
(b) Long-term	784,978	413,392
Total	806,448	442,718

SCHEDULE – 10**FIXED ASSETS**

Particulars	Gross Block				Depreciation			Net Block		
	At April 1, 2016	Additions	Deductions	At March 31, 2017	At April 1, 2016	For the period	Deductions	At March 31, 2017	At March 31, 2017	At March 31, 2016
Intangible assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software ¹	982,525	186,201	-	1,168,726	745,929	202,060	-	947,989	220,737	236,596
Tangible assets										
Freehold land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Improvements to leasehold property	1,340,535	45,904	-	1,386,439	999,893	76,460	-	1,076,353	310,086	340,642
Office buildings on freehold land	89,000	-	-	89,000	13,101	1,469	-	14,570	74,430	75,899
Furniture and fixtures	230,393	70,273	5,646	295,020	145,314	75,913	4,890	216,337	78,683	85,079
Information technology equipment	378,986	95,665	23,792	450,859	239,221	91,990	13,124	318,087	132,772	139,765
Motor vehicles	59,496	50,036	7,096	102,436	35,492	10,612	4,597	41,507	60,929	24,004
Office equipment	375,469	67,102	4,922	437,649	209,292	77,510	3,468	283,334	154,315	166,177
Communication networks	288,222	23,444	4	311,662	138,624	42,645	4	181,265	130,397	149,598
Total	4,647,906	538,625	41,460	5,145,071	2,526,866	578,659	26,083	3,079,442	2,065,629	2,121,040
Capital work in progress including capital advances	-	-	-	-	-	-	-	-	72,346	74,922
Total	4,647,906	538,625	41,460	5,145,071	2,526,866	578,659	26,083	3,079,442	2,137,975	2,195,962
At March 31, 2016	4,577,338	514,525	443,957	4,647,906	2,486,032	455,795	414,961	2,526,866		

¹ All software are other than those generated internally.

Note: Refer schedule 16, note 2.13 of accounting policy on fixed assets.

SCHEDULE – 11

CASH AND BANK BALANCES

Particulars	₹ '000	
	March 31, 2017	March 31, 2016
Cash (including cheques, drafts and stamps)	1,408,060	1,286,298
Bank Balance		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	728,523	715,990
(c) Unclaimed Dividend Accounts- Refer Note 3.20 of schedule 16	697	-
Money at call and short notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	2,137,280	2,002,288
Balances with non-scheduled banks included above	6,831	8,022
Cash and Bank Balances		
In India	2,116,470	1,981,742
Outside India	20,810	20,546
Total	2,137,280	2,002,288

SCHEDULE – 12

ADVANCES AND OTHER ASSETS

Particulars	₹ '000	
	March 31, 2017	March 31, 2016
Advances		
Reserve deposits with ceding companies	-	-
Application money for investments (including advance for investment property)	-	1,595,088
Prepayments	382,694	208,261
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	3,041,490	1,618,531
Advances to Employees	-	11,016
Deposits		
Gross	372,418	384,477
Less: Provision for doubtful deposits	(30,933)	(39,439)
Net	341,485	345,038
Other advances		
Gross	184,769	121,103
Less: Provision for doubtful advances	(3,921)	(9,737)
Net	180,848	111,366
Other receivables		
Gross	151,649	90,867
Less: Provision for doubtful receivables	(30,288)	(24,121)
Net	121,361	66,746
Total (A)	4,067,878	3,956,046
Other Assets		
Income accrued on investments and deposits	7,655,149	6,729,628
Outstanding premiums	1,815,959	1,489,510
Agents' balances		
Gross	31,150	93,373
Less: Provision for doubtful agents' balance	(27,053)	(74,303)
Net	4,097	19,070
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	88,632	42,766
Deposit with Reserve Bank of India	-	-
Receivable towards investments sold	6,081,217	491,118
Service tax un-utilised credit	216,360	42,210
Assets held for unclaimed amount of policyholders - Refer note 3.3 of schedule 16	6,590,425	-
Total (B)	22,451,839	8,814,302
Total (A + B)	26,519,717	12,770,348

SCHEDULE – 13

CURRENT LIABILITIES

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Agents' balances	669,308	760,701
Balances due to reinsurance companies	43,440	63,567
Deposits held on re-insurance ceded	-	-
Premium received in advance	1,284,802	1,076,081
Unallocated premium	4,867,753	753,902
Sundry creditors	89,154	70,848
Due to holding company - Refer note 3.8 of Schedule 16	1,064,851	483,675
Claims outstanding	691,659	486,264
Due to Officers/ Directors	-	-
Deposits	88,475	24,137
Expenses payable	5,338,424	4,281,555
TDS payable	197,543	170,659
Payable towards investments purchased	1,192,640	195,948
Unclaimed amount of Policyholders - Refer note 3.4 of schedule 16	6,590,425	4,956,498
Payable to unit fund	1,567,612	3,004,460
Service tax payable	7,620	9,091
Other liabilities*	4,466,629	1,878,338
Total	28,160,335	18,215,724

* Includes unclaimed dividend amounting to ₹ 697 thousands - Refer note 3.20 of schedule 16

SCHEDULE – 14

PROVISIONS

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
For taxation	-	-
For proposed dividends - Refer note 3.20 of schedule 16	-	3,007,883
For dividend distribution tax - Refer note 3.20 of schedule 16	-	612,334
For leave encashment and gratuity - Refer note 3.10 of schedule 16	204,960	177,090
For interim dividend - Refer note 3.20 of schedule 16	-	-
Total	204,960	3,797,307

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Discount allowed in issue of shares / debentures	-	-
Others	-	-
Total	-	-

SCHEDULE: 16**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****1. Corporate Information**

These financial statements comprise of the consolidated financial statements of ICICI Prudential Life Insurance Company Limited, the holding company, with the financial statements of its subsidiary ICICI Prudential Pension Funds Management Company Limited (together referred to as "the Group").

ICICI Prudential Life Insurance Company Limited ('the holding 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, 2013 ('the Act'). The holding company is licensed by the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying life insurance business in India. The license is in force as at March 31, 2017.

The holding 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, non-participating variable and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the holding company's proprietary sales force and the holding company website.

ICICI Prudential Pension Funds Management Company Limited ('the Subsidiary') is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited, incorporated on April 22, 2009 as a company under the Companies Act, 1956 ('the Act'). The Subsidiary 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, 2017.

During the year ended March 31, 2017, the Company completed the Initial Public Offering (IPO) through an offer for sale of 181,341,058 equity shares of ₹ 10 each at a price of ₹ 334 per equity share, by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 6,057 crores. The equity shares of the Company were listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited on September 29, 2016.

2. Summary of significant accounting policies**2.1. Basis of preparation**

The accompanying consolidated financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on the accrual basis of accounting, in accordance with accounting principles generally accepted in India ('Indian GAAP'). The Group has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 further amended by Companies (Accounting Standards) Amendment Rules, 2016, 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 orders/directions/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 where differential 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 Group'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.

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. In case of Life insurance business, 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.

In case of Pension Fund Management business, amortisation of premium or accretion of discount on debt securities is recognised over the holding/maturity period on a straight-line basis.

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, equity exchange traded fund (ETF) 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 in Balance Sheet as "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

In case of Life Insurance business, 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.

In case of Pension Fund Management business, Investment management fees are recognised on an accrual basis in accordance with the terms of contract between the subsidiary and the National Pension System Trust, established by the PFRDA.

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

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 holding company has both defined contribution and defined benefit plans.

Defined contribution plan

The holding 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 holding 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 holding company is as per the provisions of the Payment of Gratuity Act, 1972 or the holding company's gratuity plan, whichever is higher. The gratuity liability of the holding company is actuarially determined at each Balance Sheet date using projected unit credit method.

The holding company contributes towards net liabilities to ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme.

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

Provident fund: The holding 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 holding company and includes long term retention incentive payable to employees on fulfilment of criteria prescribed the holding company. The holding 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 discounted 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 holding 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 issued by the Institute of Chartered Accountants of India (ICAI), 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 Group 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.

2.10. Funds for Future Appropriations (FFA)**FFA (Unit 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.

FFA (Non-unit and Non-participating)

On the basis of recommendation of the Appointed Actuary surplus in the non-unit fund of linked line of business and non-participating funds may be held as Funds for Future Appropriations or appropriated to the Shareholders' funds. When held in the policyholders' funds, FFA provides capital for contingencies such as revival of lapsed or foreclosed policies.

FFA (Participating)

Based on the recommendation of Appointed Actuary unappropriated surplus is 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 of India (Investment) Regulations, 2016, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investments – Master circular, Investment Policy of the group 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 purchase.

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

In case of Life Insurance 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 holding company retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on the previous days' net asset values.

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 Group. 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 Group 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 Credit Rating Information Services of India 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 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, redeemable preference shares and equity ETF 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 based on previous day's Net Asset Value.

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.

2.11.4. Valuation - Pension fund management business

Short term investments are carried at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost.

2.11.5. Transfer of investments

In case of Life insurance business, 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.

The 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

Schedule II of the Companies Act 2013 specifies the useful life of eight years for motor vehicle. As per holding 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 holding 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.

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 capital 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 ultimate 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.

2.14. 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 group calculates tax for 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 consolidated 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 recognised when the group 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

In case of Life Insurance business, 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 Group has classified and disclosed segmental information separately for Shareholders' and Policyholders'. Within Policyholders', the businesses are further segmented into Participating (Life and Pension), Non-Participating, Non-Participating variable (Life and Pension), Annuity, Health and Linked (Life, Pension, Health and Group).

There are no reportable geographical segments, since all business is written in India.

The allocation and apportionment 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 apportioned 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

Particulars	₹ '000	
	At March 31, 2017	At March 31, 2016
Partly-paid up investments	-	-
Claims, other than those under policies, not acknowledged as debts comprising of:		
- Claims made by vendors for disputed payments	1,034	534
- Claims for damages made by landlords (of premises taken on lease)	37,971	39,420
- Claims made by employees and advisors for disputed dues and compensation	5,182	4,076
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 [#]	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	86,513	101,661
- Claims against repudiation	404,963	323,802
Others	-	-
Total	2,072,659	2,006,489

[#] ₹ 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:

- The interest rates used for valuing the liabilities are in the range of 3.49% to 6.20% per annum. The interest rates used at March 31, 2016 were in the range of 4.92% to 5.53% per annum.
- 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.
- 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 4.55% per annum. The expense inflation assumption used at March 31, 2016 was 5.18%.
- No allowance is made for expected lapses in the future.
- The bonus rates for participating business to be declared in the future is consistent with the valuation assumptions.
- The tax rate applicable for valuation at March 31, 2017 is 14.42% p.a.

Certain explicit additional provisions are made, which include the following:

- 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.
- Reserves for guarantees available to individual and group insurance policies.
- Reserves for cost of non-negative claw back additions.
- Reserves for free look option given to policyholders calculated using a free look cancellation rate of 2.2%. The free look cancellation assumption used at March 31, 2016 was 2.80%.
- Reserves for lapsed policies eligible for revivals.

3.3. Reconciliation of unclaimed amounts of policyholders

Pursuant to IRDAI circular No. IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015 and IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015 on "Handling of unclaimed amounts pertaining to policyholders", the Company has created a single segregated fund to manage all the unclaimed monies. The amount in such unclaimed fund has been invested in money market instruments and /or fixed deposit of scheduled banks with effect from April 01, 2016.

The amount in the unclaimed fund has been disclosed in schedule 12 as "Assets held for unclaimed amount of policyholders". Investment income accruing to such unclaimed fund has been credited to the fund and disclosed as other income under Linked life segment in the Revenue Account. Such investment income net of fund management charges ('FMC') is paid/ accrued as "interest on unclaimed amounts" in schedule 4 "Benefits paid".

Reconciliation of unclaimed amounts of policyholders:

In accordance with circular IRDA/F&A/CIR/CLD/114/05/2015 issued by the IRDAI on May 28, 2015, the details of unclaimed amounts and investment income at March 31, 2017 is tabulated as below:

Particulars	(₹ 'lacs)
	For the year ended March 31, 2017
Opening balance	49,565
Add: Amount transferred to unclaimed fund	136,713
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (stale cheques)	1,878
Add: Investment income (net of FMC)	3,906
Less: Amount paid out of unclaimed fund	(126,158)
Closing balance as on March 31, 2017	65,904

3.4. Age wise analysis of unclaimed amount of policyholders

In accordance with circular IRDA/F&A/CIR/CPM/174/11/2010 issued by the IRDAI on November 4, 2010, the age wise analysis of unclaimed amount of the policyholders at March 31, 2017 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	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	370	2	368	-	-	-	-	-	-
March 31, 2016	3,060	2,903	157	-	-	-	-	-	-

- b. Sum due to the insured/policyholders on maturity or otherwise:

At	Total amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	2,339,310	660,261	782,293	214,240	138,055	87,228	209,154	29,193	218,886
March 31, 2016	1,714,054	241,783	319,867	151,295	465,191	69,478	238,566	34,034	193,840

- 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	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	77,638	41,605	34,759	1,036	194	-	44	-	-
March 31, 2016	67,222	61,180	5,376	109	348	37	1	146	25

- d. Cheques issued but not encashed by the policyholder / insured:

At	Total amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	01-06	07-12	13-18	19-24	25-30	31-36	> 36
March 31, 2017	9,679,464	4,410,308	1,904,883	624,088	418,369	83,455	90,279	131,439	2,016,643
March 31, 2016	6,239,054	2,427,147	1,082,909	212,249	124,371	169,792	518,162	244,371	1,460,053

The cheques issued but not encashed by policyholder/insured category include ₹ 5,506,357 thousand pertaining to cheques which are within the validity period but not yet encashed by the policyholders at March 31, 2017 (March 31, 2016: ₹ 3,066,892, thousand). This amount forms part of bank reconciliation and consequently not considered in unclaimed amount of policyholders as disclosed under Schedule 13 - Current liabilities.

3.5. Direct taxes

The current tax provision is determined in accordance with the provisions of the Income Tax Act, 1961. The provision for current tax for the year ended March 31, 2017 is ₹ 1,815,831 thousand (year ended March 31, 2016: ₹ 1,914,993).

The provision for current tax includes an amount of ₹ 788,117 thousand for the year ended March 31, 2017 (year ended March 31, 2016: ₹ 702,871 thousand) which has been charged on the total surplus of the participating line of business in Revenue Account, in line with the group's accounting policy. Further, tax expense amounting to ₹ 1,027,714 thousand for the year ended March 31, 2017 (year ended March 31, 2016: ₹ 1,212,122 thousand) pertaining to other than participating line of business has been charged to Profit & loss account.

Deferred tax asset is recognised on the linked funds for future appropriation 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 realised. The deferred tax position and the movement for the year ended March 31, 2017 is summarised below:

Particulars	(₹ '000)		
	At April 1, 2016	(Charge)/ Credit for the year	At March 31, 2017
Deferred tax assets on:			
- Linked funds for future appropriation	702	(233)	469
Total	702	(233)	469
Deferred tax liability on:			
- Amortisation of computer software and incorporation expenses (net)	(147)	97	(49)
Total	(147)	97	(49)

Deferred tax charge for the year ended March 2017 is ₹ 136 thousand (year ended March 31, 2016: ₹ 578 thousand).

3.6. 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, 2017 is ₹ 539,758 thousand (year ended March 31, 2016: ₹ 685,977 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, 2017 is ₹ 33,184 thousand (year ended March 31, 2016: ₹ 223,114 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

Particulars	(₹ '000)	
	At March 31, 2017	At March 31, 2016
Not later than one year	33,518	31,570
Later than one year but not later than five years	86,589	113,126
Later than five years	-	-

3.7. 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 and Profit and Loss account for the year ended March 31, 2017 is ₹ 66,797 thousand (year ended March 31, 2016: ₹ 52,909 thousand).

3.8. 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
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 Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited
Consolidated under AS-21 by holding company	ICICI Strategic Investments Fund
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
Key management personnel as per AS-18 disclosure	Sandeep Bakhshi, Managing Director and CEO Puneet Nanda, Executive Director Sandeep Batra, Executive Director Judhajit Das, Chief – Human Resources Asha Murali, Appointed Actuary

Relatives of Key management personnel as per AS-18 disclosure

Nature of relationship	Name of the related party				
Relatives of KMP	Sandeep Bakhshi	Sandeep Batra	Puneet Nanda	Asha Murali	Judhajit Das
Spouse	Mona Bakhshi	Deepa Batra	Deepti Nanda	P A Murali	Isheeta Ganguly
Parent	Swarn Bakhshi	Veena Batra	Kul Bhushan Nanda Asha Nanda	P S Nagaraj	Mita Das
Brother/Sister	Sameer Bakhshi	Vivek Batra	Pankaj Nanda	Rekha Somayajula Krishna Nagaraj	Satrajit Das
Children & their Spouse	Shivam Bakhshi Esha Thakurta Ritwik Thakurta Minal Bakhshi	Arushi Batra Pranav Batra	Rikhil Nanda Rishita Nanda	Rajiv Murali	Adarsh Ganguly Das Akaash Ganguly Das

The following represents significant transactions between the Company and its related parties:

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)	
			FY 2017	FY 2016	At March 31, 2017	At March 31, 2016
			(₹ '000)			
ICICI Bank Limited	Holding company	Premium income	521,860	214,183	(3,758)	(719)
		Benefits Paid	(103,635)	(110,555)	-	(7,000)
		Interest income on investments	149,574	74,984	93,464	1,789
		Recovery of expenses				
		- Rent, rates and taxes	866	2,204	-	600
		- Employees' remuneration and welfare benefits	7	7	-	-
		- Recovery of IPO expenses	509,914	-	635	-
		- Information Technology cost	1,264	-	1,454	-
		Reimbursement of other expenses				
		- Legal and Professional Charges	(11,430)	(11,780)	(13,062)	(11,575)
		- Employees' remuneration and welfare benefits	(1,920)	(2,942)	-	(76)
		- Rent, rates and taxes	(2,398)	(1,424)	(955)	(431)
		- Information technology cost	(170,619)	(174,714)	(99,656)	(71,358)
		Administration support expenses	(5,726,917)	(4,290,652)	(880,445)	(298,261)
		Commission expenses	(3,902,223)	(3,312,550)	(63,749)	(90,762)
		Bank charges	(45,959)	(43,640)	(5,630)	(4,212)
		Sale of fixed assets	1,850	-	194	-
		Purchase of investments	(13,950,900)	(846,323)	-	-
		Sale of investments	4,685,841	2,332,749	-	-
		Security Deposit outstanding	-	-	121	121
Outstanding investments	-	-	2,531,571	265,983		
Cash & bank balances	-	-	(2,958,301)	(968,749)		
Dividend	(3,413,910)	(8,563,075)	-	(2,035,231)		
ICICI Securities Limited	Fellow subsidiary	Premium income	2,362	1,950	(244)	(347)
		Benefits Paid	(614)	(495)	-	-
		Recovery of expenses				
		- Rent, rates and taxes	2,642	-	97	-
		- Information Technology cost	326	-	374	-
		Reimbursement of other expenses				
		- Rents, rates and taxes	(89)	(51)	(101)	-
		Administration support expenses	-	(48,345)	-	(23,625)
Advertisement & Publicity	(379,990)	(265,020)	(96,669)	(90,890)		
Commission expenses	(333,061)	(272,721)	(19,246)	(16,808)		
Brokerage	(22,203)	(11,689)	-	(190)		
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	523	523	(749)	(789)
		Reimbursement of other expenses				
ICICI Home Finance Company Limited	Fellow subsidiary	- Rent, rates and taxes	-	(5)	-	-
		Interest income on investments	3,074	-	3,689	-
		Recovery of expenses				
		- Rent, rates and taxes	2,145	943	104	1,079
		Commission Expenses	(2,061)	(1,408)	(73)	(82)
Outstanding investments	-	-	1,004,932	-		
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	280	324	(187)	(177)
		Benefits Paid	-	(1,001)	-	-

			(₹ '000)			
Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)	
			FY 2017	FY 2016	At March 31, 2017	At March 31, 2016
		Interest income on investments	57,053	57,197	30,867	30,939
		Purchase of investments	(13,353,705)	(12,149,080)	-	-
		Sale of investments	9,155,498	1,596,033	-	-
		Outstanding investments	-	-	637,994	626,292
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	7,070	3,753	(883)	(600)
		Benefits Paid	(2,875)	(650)	-	-
		Reimbursement of other expenses				
		- Employees' remuneration and welfare benefits	(320)	(240)	-	-
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	7,511	5,980	(799)	(315)
		Benefits Paid	(5,288)	(3,000)	-	-
		Claims received	2,573	432	-	-
		Reimbursement of other expenses				
		- Rent, rates and taxes	(2,177)	(2,365)	(54)	(27)
		- Employees' remuneration and welfare benefits	(400)	(1,089)	-	-
		Premium Expense	(117,930)	(147,921)	75,418	38,994
		Purchase of investments	(5,711,461)	(3,282,935)	-	-
		Sale of investments	3,320,963	2,351,936	-	-
		Security Deposit outstanding	-	-	547	547
Prudential Corporation Holdings Limited	Substantial Interest	Recovery of expenses				
		- Travel Cost	-	213	-	-
		Reimbursement of other expenses				
		- Employees' remuneration and welfare benefits	-	(15)	-	-
		- Agents training, recruitment and incentives	(19,611)	(9,253)	-	-
		Dividend	(1,427,522)	(3,114,593)	-	(778,648)
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	194,167	(186,024)	(274)	(274)
		Contribution to trust	(178,350)	(189,776)	(27,776)	-
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	7,632	7,401	-	-
		Contribution to trust	(6,845)	(7,401)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(114,772)	(200,009)	(30,417)	(33,604)
ICICI Prudential life Insurance advisor benefit trust	Significant influence	Premium income	-	5,818	-	-
		Contribution to trust	-	(6,644)	-	-
Key management personnel	Key management personnel	Premium income	3,933	2,401	-	-
		Dividend	(1,242)	(3,890)	-	(954)
		Managerial remuneration	(221,404)	(186,640)	-	-
		Employee stock options outstanding (numbers)	-	-	275,000	671,000
		Employee stock options exercised (numbers)	260,000	30,000	-	-
Key management personnel	Relatives of key management personnel	Premium income	95	140	-	-
		Benefits Paid	(2,521)	-	-	-
		Dividend	(2)	-	-	-

During the year ended March 31, 2017, the Company completed the Initial Public Offering (IPO) through an offer for sale of 181,341,058 equity shares of ₹ 10 each at a price of ₹ 334 per equity share, by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 6,057 crores. As the IPO was through an offer for sale, the Company did not receive any proceeds from the offer and the proceeds were paid to ICICI Bank Limited. Hence the same has not been disclosed under related party disclosure

3.9. Segmental reporting

As per the requirements of Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting life insurance business) Regulations, 2016, the Company has put in place a Board approved policy for allocation of direct expenses and apportionment of indirect expenses of management amongst various business segments.

Segment wise information of various items as required under AS 17 "Segmental reporting" are given below:

For the year ended March 31, 2017

Particulars	Segments										Shareholders	Total	
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health			Linked Group
Segment revenue (excluding contribution from the Shareholders' account)	33,289,631	1,319,144	35,062,657	933,740	145,109	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983	6,956,086	378,868,471
Segment result -													
Surplus/ Deficit post tax (net of contribution from the Shareholders' account)	1,331,315	380,443	2,327,262	(16,205)	(1,815)	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	5,519,189	16,239,336
Depreciation/ Amortisation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,067	3,141	494	578,658
Significant non-cash expenses*	20,225,562	42,349	25,255,580	923,530	136,943	1,704,326	(32,392)	131,347,559	(10,020,908)	1,274,174	4,244,731	-	175,101,354

For the year ended March 31, 2016

Particulars	Segments										Shareholders	Total	
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health			Linked Group
Segment revenue (excluding contribution from the Shareholders' account)	26,755,467	1,440,213	29,647,269	-	-	3,657,745	168,333	115,388,334	4,369,615	962,268	19,890,209	6,019,401	208,298,854
Segment result -													
Surplus/ Deficit post tax (net of contribution from the Shareholders' account)	1,287,919	303,499	4,546,219	-	-	1,497,307	340,947	1,619,554	3,346,526	225,415	251,292	4,425,020	17,845,698
Depreciation/ Amortisation	66,569	295	23,451	-	-	1,031	296	349,401	9,535	1,030	3,692	495	455,795
Significant non-cash expenses*	14,990,340	(7,344,184)	21,153,461	-	-	789,110	(220,237)	51,735,368	(43,810,506)	147,837	(2,106,366)	43,998	35,376,731

* 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.

3.10. 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, 2017 is ₹ 51,520 thousand (year ended March 31, 2016: ₹ 43,188 thousand).

(b) Defined benefit plans**Gratuity**

Particulars	(₹ '000)	
	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	1,007,930	787,608
Fair value of plan assets at period end (B)	980,154	747,780
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	(27,776)	(39,828)
Total net cost recognised as employee remuneration in Revenue / Profit and loss account	178,350	189,776
Change in defined benefit obligation:		
Opening obligations at April 1	787,608	656,645
Service cost	88,310	76,881
Interest cost	60,147	52,394
Actuarial (gain)/loss	137,735	74,362
Past service costs	-	-
Liability assumed on transfer of employees.	-	-
Benefits paid	(65,870)	(72,674)
Present value of the defined benefit obligations at period end (A)	1,007,930	787,608
Change in Plan Asset:		
Opening plan assets, at fair value at April 1	747,780	621,030
Expected return on plan assets	52,357	43,991
Actuarial gain/(loss)	55,484	(30,130)
Contributions	190,403	185,563
Assets acquired on acquisition/(settled on divestiture)	-	-
Benefits paid	(65,870)	(72,674)
Fair value of plan assets at period end (B)	980,154	747,780
Cost for the period:		
Service cost	88,310	76,881
Interest cost	60,147	52,394
Expected return on plan assets	(52,357)	(43,991)
Actuarial (gain)/loss	82,251	104,492
Past service cost	-	-
Losses /(gains) on acquisition/divestiture	-	-
Total net cost recognised as employee remuneration in Revenue / Profit and loss account	178,350	189,776
Investment details of plan assets:		
Plan assets invested in insurer managed funds	100.00%	100.00%
Fund earning rate	11.20%	3.30%
Asset allocation:		
- Debentures and Bonds	51.80%	28.60%
- Fixed deposits	0.70%	1.30%
- Government securities	21.80%	36.70%
- Equity shares	15.80%	16.60%
- Money market instruments	0.00%	13.20%
- Others	9.90%	3.60%
Total	100.00%	100.00%
Assumptions:		
Discount rate	6.80%	7.65%
Salary escalation rate*	8.50%	8.00%
Estimated rate of return on plan assets [#]	7.50%	7.50%
Expected future contribution from employer for next year	120,000	80,000

*Salary escalation rate considered in valuation take into account impact of inflation, seniority, promotion and other factors impacting future salary cost.

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

Experience adjustments on gratuity provisioning

(₹ '000)

Particulars	Period ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	1,007,930	787,608	656,645	593,293	500,636
Plan assets	980,154	747,780	621,030	554,816	476,280
Surplus/(deficit)	(27,776)	(39,828)	(35,615)	(38,477)	(24,356)
Experience adjustments					
- on plan liabilities	56,420	60,235	(5,301)	26,710	49,715
- on plan assets	55,484	(30,130)	61,489	4,319	10,794

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 is towards Government administered pension fund and balance portion is contributed to the fund administered by trustees. 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.

(₹ '000)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	2,983,343	2,655,621
Fair value of plan assets at period end (B)	(2,983,343)	(2,655,621)

(₹ '000)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	-	-
Total net cost recognised as "Employee Benefit Expense" in Revenue / Profit and loss account	105,149	94,634
Change in defined benefit obligation:		
Opening defined benefit obligations	2,655,621	2,354,199
Current service cost	105,149	94,634
Interest cost	202,282	186,660
Actuarial (gain)/loss	53,775	37,592
Employees contribution	227,226	206,289
Liability assumed on Acquisition / (Settled on Divestiture)	(27,593)	(21,927)
Benefits paid	(233,117)	(201,827)
Closing defined benefit obligation	2,983,343	2,655,621
Change in Fair Value of Assets:		
Opening value of plan assets	2,655,621	2,354,199
Expected return on plan assets	235,627	216,417
Actuarial gain/(loss)	20,430	7,835
Contributions – Employer	105,149	94,634
Contributions – Employee	227,226	206,289
Assets acquired on acquisition / (Distributed on divestiture)	(27,593)	(21,927)
Benefits paid	(233,117)	(201,827)
Closing value of plan assets	2,983,343	2,655,621
Cost for the period:		
Service cost	105,149	94,634
Interest cost	202,282	186,660
Expected return on plan assets	(235,627)	(216,417)
Actuarial (gain)/loss	33,345	29,757
Total net cost recognised as employee "Employee benefit expense" in Revenue / Profit and loss account	105,149	94,634

Experience adjustments

(₹ '000)

Particulars	Period ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	2,983,343	2,655,621	2,354,199	2,163,657	1,962,380
Plan assets	2,983,343	2,655,621	2,354,199	2,163,657	1,962,380
Surplus/(deficit)	-	-	-	-	-
Experience adjustments:					
- on plan liabilities	53,775	37,592	8,487	41,092	(132)
- on plan assets	20,430	7,835	4,431	20,136	(11,194)

The assumptions used in actuarially valuing the defined benefit obligations of interest rate guarantee are as follows:

Particulars	At	At
	March 31, 2017	March 31, 2016
Discount rate for the term of the obligation	6.80%	7.65%
Average historic yield on the investment portfolio	8.99%	9.01%
Discount rate for the remaining term to maturity of the investment portfolio	7.20%	7.95%
Expected investment return	8.59%	8.71%
Guaranteed rate of return	8.65%	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	At	At
	March 31, 2017	March 31, 2016
Discount rate	6.50%	7.40%

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	At	At
	March 31, 2017	March 31, 2016
Discount rate	6.80%	7.65%
Salary escalation rate	8.5%	8.0%

Leave accumulation policy of the Company is given below:

Criteria	Level 1 to 6	Level 7 & above
	Employment upto 5 years	NA
Employment more than 5 years	60 days	90 days

While computing liability, 2% leave availment has been assumed for each subsequent year following the valuation date.

3.11. Employee Stock Option Scheme ("ESOS")

The Company Employees Stock Option Scheme (2005) ("ESOS 2005") has six tranches namely Founder, 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 Board of Directors have approved the amendment of ESOS 2005 (ESOS 2005 (Revised)). As per the ESOS 2005 (Revised), the aggregate number of Shares issued or issuable since March 31, 2016 pursuant to the exercise of any Options granted to the Eligible Employees issued pursuant to the Scheme or any other stock option scheme of the Company, shall not exceed a figure equal to 2.64% of the number of shares issued as on March 31, 2016. The maximum number of options that can be granted to any eligible employee is restricted to 0.1% of the issued capital. The Exercise Price shall be determined by the Board Nomination & Remuneration Committee in concurrence with the Board of Directors of the Company on the date the Options are granted and shall be reflected in the award confirmation. These changes (ESOS 2005 (Revised)) is subject to approval of the shareholders of the Company and no fresh grant will be made under the ESOS 2005 until such approval by shareholders

The Company follows intrinsic value method and hence there was 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 March 28, 2005	2004-05 April 25, 2005	2005-06 April 26, 2006	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008
Number of options granted	2,662,500	3,782,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000
Maximum term options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options
Graded Vesting Period					
1 st Year	50% of option granted		25% of options granted		
2 nd Year	25% of options granted		25% of options granted		
3 rd Year	25% of options granted		25% of options granted		
4 th Year	-		25% of options granted		
Mode of settlement	Equity				

Exercise price of all the options outstanding for all years/quarter for Founder (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme, Founder II and 2007-08 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	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	5,999,175	233.72	7,057,417	232.45
Add: Granted during the period	-	NA	-	NA
Less: Forfeited/lapsed during the period	(578,575)	396.80	(559,175)	329.58
Less: Exercised during the period	(3,021,762)	108.33	(499,067)	108.43
Outstanding at the end of the period	2,398,838	352.49	5,999,175	233.72
Exercisable at the end of the year	2,398,838	352.49	5,999,175	233.72

Nil options are vested during the year ended March 31, 2017 and ₹ 327,337,140 was realised by exercise of options during the year ended March 31, 2017. During the year ended March 31, 2017 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2016: ₹ nil) as the intrinsic value of the options. Had the company followed fair value method for valuing its options, no additional cost would have been charged in Revenue and Profit and Loss account and hence no change in Profit after tax, Basic EPS and Diluted EPS for year ended March 31, 2017 and year ended March 31, 2016. The weighted average price of options exercised during the year ended March 31, 2017 is ₹ 108.3 (year ended March 31, 2016: ₹ 108.4).

The weighted average remaining contractual life of options outstanding at the end of the period is as follows:

Exercise price range (in ₹)	At March 31, 2017		At March 31, 2016	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
30	-	-	21,438	2.0
42	-	-	152,175	2.1
70	-	-	832,612	3.1
130	422,113	3.1	2,445,850	4.1
400	1,976,725	1.1	2,547,100	2.1
Total	2,398,838	1.4	5,999,175	3.0

ICICI Bank Limited ("Holding Company") has granted options to certain employees of the Company. Holding Company follows an intrinsic value method and has recognised a cost of ₹ nil for the year ended March 31, 2017, for the options granted to employees of the Company (year ended March 31, 2016: ₹ nil).

3.12. 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, 2017 is ₹ 3,221 thousand (year ended March 31, 2016: loss ₹ 1,445 thousand).

3.13. Earnings per share

Sr. No.	Particulars	(₹ '000)	
		March 31, 2017	March 31, 2016
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	16,816,612	16,501,455
II	Weighted average number of equity shares for earnings per equity share		
(a)	For basic earnings per equity share	1,434,273,461	1,432,016,936
(b)	For diluted earnings per equity share	1,434,273,461	1,432,016,936
	Number of equity shares for basic earnings per equity share as per (II) (a)		
	Add: Weighted average outstanding employee stock options	979,023	1,927,727
	Weighted number of equity shares for diluted earnings per equity share	1,435,252,484	1,433,944,663
III	Earnings per equity share		
	Basic (in ₹)	11.72	11.52
	Diluted (in ₹)	11.72	11.51

3.14. Commitments

Commitments made and outstanding (net of advances) for Company's investment in Real estate (Investment property) is ₹ nil (March 31, 2016 ₹ 487,113 thousand). Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 112,616 thousand (March 31, 2016: ₹ 91,398 thousand) There are no loan commitments made by the Company (March 31, 2016 ₹ nil).

3.15. 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, 2017. 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 ₹ 6,338,958 thousand at March 31, 2017 (March 31, 2016: ₹ 2,553,528 thousand). The historical cost of the property is ₹ 5,617,599 thousand (March 31, 2016: ₹ 1,966,588 thousand).

3.16. 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, 2017 is ₹ 65,125 thousand (year ended March 31, 2016: ₹ 170,326 thousand).

3.17. 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 ₹ 1,000,000 thousand (March 31, 2016: ₹ 1,050,200 thousand) and ₹ 100,000 thousand (March 31, 2016: ₹ 99,000 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)

(₹ '000)

Particulars	At March 31, 2017		At March 31, 2016	
	Market value	Amortised cost	Market value	Amortised cost
Pledged under securities segment				
Government securities	2,067,500	1,959,467	1,487,550	1,425,730
Cash	70,000	70,000	70,000	70,000
Pledged under Collateralized Borrowing and Lending Obligation segment (CBLO)				
Government securities	218,000	207,120	207,848	206,938
Cash	100	100	100	100
Pledged for Default Fund under securities segment				
Government securities	60,660	58,015	-	-
Cash	-	-	-	-
Pledged for Default Fund under CBLO segment				
Government securities	20,220	19,338	-	-
Cash	-	-	-	-

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. Other encumbrances

The Company has placed fixed deposits with banks for issuing bank guarantee/ based on the directive from the Court as per below details:

(₹ '000)

Particulars	At March 31, 2017	At March 31, 2016
Fixed deposit placed with bank based on the directive from the Hon. Patna High Court in case of one death claim settlement pertaining to a deceased policyholder	606	561
Bank guarantees issued:		
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5,000	5,000
- towards purchase of postage on policy welcome kit document	2,000	2,000
- in lieu of earnest money deposit towards tender of Indian Oil Corp Refineries Trust for administration of EDLI scheme	229	139
- in favour of Dr. Balabhai Nanavati Hospital to provide service with respect to health claims settlements	500	-
- in favour of National Stock Exchange of India Limited as part of listing obligation	575,679	-
- in favour of Cleartrip Private Limited for timely performance of obligations as per the terms of the agreement	100	-
- Fixed deposit placed with State Bank of Travancore as a security towards guarantee issued by the bank on behalf of the Company in favour of PFRDA	1,000	1,000
- Fixed deposit placed 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	2,500	2,500

3.18. 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, 2017 is ₹ nil (March 31, 2016: ₹ 1,113,943 thousands).

3.19. 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, 2016: ₹ nil).

3.20. Dividend

Interim dividend appropriation for the year ended March 31, 2017 amounted to ₹ 6,645,630 thousand (year ended March 31, 2016: ₹ 10,858,715 thousand) including dividend distribution tax of ₹ 1,124,058 thousand (year ended March 31, 2016: ₹ 1,836,674 thousand).

The Board of directors have also proposed a final dividend of ₹ 5,023,715 thousand (Previous year ₹ 3,007,883 thousand). Dividend distribution tax on the same amounts to ₹ 1,022,710 thousand (Previous year ₹ 612,334 thousand).

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Rules, 2016 is effective March 30, 2016. According to the amended rules, the above mentioned proposed dividend is not recorded as a liability at March 31, 2017.

The final dividend amounting to ₹ 1,142 thousand (year ended March 31, 2016: ₹ 17 thousand) and dividend distribution tax of ₹ 233 thousand (year ended March 31, 2016: ₹ 3 thousand) pertains to dividend on 543,828 equity shares for year ended March 31, 2016 and allotted between date of Board Meeting i.e. April 26, 2016 and Record Date i.e. June 22, 2016. The dividend distribution tax for the year ended March 31, 2017 includes a reversal of ₹ nil due to rounding off of provision for dividend distribution tax for the year ended March 31, 2016 (year ended March 31, 2016: ₹ 70 thousand)

Unclaimed dividend of ₹ 697 thousand at March 31, 2017 (at March 31, 2016: ₹ nil) represents dividends paid, but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

3.21. 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, 2017. 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 ₹ 169,015 thousand at March 31, 2017 (At March 31, 2016: ₹ 135,466 thousand).

3.22. 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 valuation of liabilities 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.

3.23. Corporate Social Responsibility

The amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ended March 31, 2017 was ₹ 217,391 thousand (year ended March 31, 2016: ₹ 198,965 thousand).

The following table sets forth, for the periods indicated, the amount spent by the Company on CSR related activities.

Particulars	(₹ '000)					
	Year ended March 31, 2017			Year ended March 31, 2016		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	194,207	24,635	218,842	173,687	25,424	199,111

Amounts of related party transactions pertaining to CSR related activities for year ended March 31, 2017 was ₹ nil (year ended March 31, 2016: ₹ nil)

The following table sets forth, for the periods indicated, the details of movement of amounts yet to be paid for CSR related activities.

Particulars	(₹ '000)	
	March 31, 2017	March 31, 2016
Opening balance	25,424	-
Paid during the year	(25,246)	-
Provided during the year	24,635	25,424
Closing balance	24,813	25,424

3.24. Loans and advances to subsidiaries, associates and related entities

Pursuant to Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015, disclosures pertaining to loans and advances given to subsidiaries, associates and related entities are given below:

There are no loans and advances given to subsidiaries, associates and firms/companies in which directors are interested expect for advances which are in the normal course of business but not in the nature of loans (year ended March 31, 2016: ₹ nil)

There are no investments by the loanee in the shares of the Company.

3.25. Specified bank notes

Being an insurance company, Schedule III of the Companies Act, 2013 is not applicable and hence the disclosure requirements for the details of Specified Bank Notes (SBNs) as envisaged in Notification G.S.R. 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs (MCA) is not provided.

However for consolidation purpose since the disclosure is applicable to the subsidiary company, details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 for the subsidiary is as below.

Particulars	(₹ '000)		
	SBN	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on December 30, 2016	NIL	NIL	NIL

3.26. Previous year comparatives

Previous period's figures have been regrouped and reclassified wherever necessary to conform to current period's presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

For B S R & Co. LLP Chartered Accountants ICAI Firm Reg. No. 101248W/W-100022	For Walker Chandiok & Co LLP Chartered Accountants ICAI Firm Reg. No. 001076N / N500013	Chanda Kochhar Chairperson DIN: 00043617	V. Sridar Director DIN: 02241339	Sandeep Bakhshi Managing Director and CEO DIN: 00109206	Sandeep Batra Executive Director DIN: 03620913
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Venkataramanan Vishwanath Partner Membership No. 113156	Sudhir N. Pillai Partner Membership No. 105782	Satyan Jambunathan Chief Financial Officer	Asha Murali Appointed Actuary	Vyoma Manek Company Secretary
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Place : Mumbai
Date : April 25, 2017

HOW TO CONTACT US

CONTACT INFORMATION

At ICICI Prudential Life Insurance Company Limited, we believe that all stakeholders and customers should have access to complete information regarding the Company, its products, its position, etc.

The ICICI Prudential Life Insurance website: www.iciciprulife.com serves as an easy mode of communication for all customers/stakeholders. We also promote self-service transactions on our website.

Customers/stakeholders can also contact us as follows:

WRITE TO US :

ICICI Prudential Life Insurance Company Ltd.

Raheja Tipco Plaza, Rani Sati Marg,

Malad (East),

Mumbai 400097

CALL US :

1860 266 7766

Timings : 10 am to 7 pm IST, Monday to Saturday (except national holidays); 24 x 7 for claimants. Customers within India are advised to not prefix + or 91 or 00 before the number. Customers outside India can call us on our international Customer Service Helpline : +91-22-61930777.

Charges as applicable

EMAIL US :

Customer: To know more about our policies or for any comments, queries or suggestions about our services and products or our website, please write to lifeline@iciciprulife.com from your registered Email ID.

NRI Customers: To know more about our policies or for any comments, queries or suggestions about our services and products or our website, please write to eliteservice@iciciprulife.com from your registered Email ID.

Online Customers: For queries regarding online application, please write to buyonline@iciciprulife.com from the email id entered in the application along with 10 digit application number.

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Group Superannuation Customers: To know more about our group superannuation policy or for any request, queries or suggestions about our services and products, please write to mysuperannuation@iciciprulife.com

WALK INTO ANY OF OUR OFFICES :

You could walk into any of our offices located across the country, details of which can be obtained from Branch locator section on our website:

www.iciciprulife.com



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