



MORE THAN  
JUST PEACE OF MIND



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### CORPORATE INFORMATION

# Executive Summary



## Mission Insure India - Life Insurance for All - More than Just Peace of Mind

**₹ 8 OUT OF ₹ 100 REQUIRED<sup>#</sup>**

Is the estimated protection coverage in India and depicts the financial vulnerability of families in India.

<sup>#</sup>Ratio of protection cover taken / protection cover needed, Source: Swiss Re 2015

**2.76%\* OF GDP**

Life insurance penetration in India vis-à-vis global average of 3.33%\*.

\*Source: Swiss Re Sigma No. 3/2018

**Life insurance is a unique tool that provides families with a financial safety net while enabling them to achieve long term financial goals, even in the absence of the breadwinner**

In an emerging economy such as India, financial inclusion is extremely important as it plays a crucial role in economic development and prosperity. It is a reflection of the nation's and its people's prosperity.

The protection gap in the country is estimated by Swiss Re at ₹ 92/- i.e. for every ₹ 100/- of protection coverage required, only ₹ 8/- worth of protection or savings exists. This indicates the financial vulnerability of dependent families in case of the demise of the earning members.

The Indian life insurance industry has made significant progress in spreading awareness and increasing penetration. Still, the life insurance penetration in FY2018 in India was 2.76% of GDP as compared to a global average of 3.33%.

India has one of the largest young workforce in the world. A majority of this workforce is in the unorganised sector

without any form of insurance, which heightens the need for life insurance. As per United Nations estimates, the population in the age group of 25 – 59 years is expected to rise to 724 million by 2030.

As a leading life insurer in the country, ICICI Prudential Life has taken the onus of ensuring that Indian families have adequate financial security. We have embarked on **Mission Insure India – Life Insurance for All**.

The objective of this mission is to convey the importance of life insurance in securing a family's financial goals even in the absence of the earning member. It is our endeavour to ensure that every Indian family has adequate financial protection.

It is our pursuit to provide financial security to Indian families and facilitate fruition of their long term financial goals, so that they achieve **More Than Just Peace of Mind**.

**We are confident of enhancing financial inclusion and enabling every Indian family to be prosperous and secure**

# Company Overview

## Who We Are

We are promoted by ICICI Bank and Prudential Corporation Holdings Limited. We commenced operations in 2001 and have consistently been one of the leading private sector life insurance companies in India. We were the first private sector life insurer to cross the ₹ 1 trillion mark in Assets Under Management (AUM). Our current Total Sum Assured has crossed ₹ 11 trillion.

## Our Vision

To build an enduring institution that serves the protection and long term saving needs of customers with sensitivity.

## Our Strategy for Stakeholder Value Creation

We have articulated our strategy to grow the absolute Value of New Business (VNB) through the four levers of: **Premium Growth, Protection Focus, Persistency Improvement, and Productivity Enhancement** while ensuring customer-centricity remains the bedrock of everything we do.

**Customer-centricity continues to remain the foundation of our strategy**



**Our presence across channels ensures that we are able to cater to the varied needs of customers across all touchpoints**

## Customer-Focussed

Everything we do hinges on providing convenience to customers. Our products are designed to suit the different lifestage requirements of a cross-section of customers. Our multi-channel distribution architecture enables customers to choose their preferred mode of purchasing products. Our presence across channels ensures that we are able to cater to the varied needs of customers across all touchpoints.

Our device agnostic digital platform allows customers 24x7 access to their policies, to register claims online, to initiate and conclude service requests (self-service) etc. As part of our endeavour to be future-ready and to cater to the millennial customer, we are the first life insurer in India to officially offer WhatsApp as a customer service channel. Our AI-powered Chatbot LiGo is equipped to provide accurate responses and to learn with every customer interaction. We are committed to investing in technology, which we see as a key business enabler, to deliver superior products and service to our customers, and in turn create value for our stakeholders.

**Being future-ready is important to cater to millennials. We are the first life insurer in India to officially leverage WhatsApp as a customer service channel**

# Performance Snapshot

₹13.28 bn

Value of New Business (VNB)

3 Yr CAGR 47.7% ↑

17.0%

VNB Margin<sup>1</sup>

₹216.23 bn

Embedded Value (EV)

20.2%

Return on Embedded Value (RoEV)

₹77.99 bn

Annualised Premium Equivalent (APE)<sup>2</sup>

3 Yr CAGR 14.7% ↑

₹70.77 bn

Savings APE

3 Yr CAGR 12.0% ↑

₹7.22 bn

Protection APE

3 Yr CAGR 73.2% ↑

₹11,250 bn

Total Sum Assured

87.4%

Persistency (13<sup>th</sup> Month)<sup>3</sup>

₹145.10 bn

Claims Settled

98.6%

Claims Settlement Ratio<sup>4</sup>

2.34 days

Average Claims Settlement Time<sup>5</sup>

₹1,604.10 bn

Assets Under Management

11.5%

Cost Ratio (Savings Line of Business)<sup>6</sup>

215%

Solvency Ratio<sup>7</sup>

72

Customer Grievance Ratio<sup>8</sup>

<sup>1</sup> VNB Margin is calculated by dividing VNB for the period by APE for the period

<sup>2</sup> APE: Annualised Premium Equivalent (APE) is the sum of the annualised first year premiums on regular premium policies, and ten percent of single premiums, from both individual and group customers

<sup>3</sup> Calculated in accordance with IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014; excluding group policies; for policies issued during March to February period of relevant year measured as on March 31, 2019.

<sup>4</sup> Individual death claims

<sup>5</sup> Average turnaround time for non-investigated claims from receipt of last requirement

<sup>6</sup> Cost Ratio is calculated by dividing total expenses by Total Weighted Received Premium (TWRP)

<sup>7</sup> Regulatory requirement of 150%

<sup>8</sup> per 10,000 new business policies sold  
bn = billion

## Our Values



### CUSTOMER FIRST

Keep customers at the center of everything we do



### HUMILITY

Openness to learn and change



### PASSION

Demonstrate infectious energy to win and excel



### INTEGRITY

Do the right thing



### BOUNDARYLESS

Treat organisation agenda as paramount

# Key Products and their Features

ICICI Prudential Life offers a comprehensive suite of products which are designed to serve the lifestage based protection and savings needs of customers.

We strive to be ahead of the curve by identifying the latent needs of customers and develop products which equip them to face the 'IFs' in life. Our products enable customers to provide financial security to their families as well as achieve long term financial goals.

## PROTECTION PLANS

**We offer affordable protection plans which provide a 360-degree financial safety net to customers and their families. These plans pay out a lump sum amount in case of occurrence of an event covered under the product.**



An innovative term insurance plan which provides customers and their families with a 360-degree financial safety net, it offers both health and life insurance benefits. The product provides cover against 34 critical illnesses and ensures that the family's savings are insulated if the customer is diagnosed with any of the critical illnesses covered. Customers have the option to increase their life cover by choosing the Accidental Death Benefit. The lump sum payout feature provides financial support to the family.



This health plan provides coverage against minor and major conditions related to the heart and cancer at affordable premiums. The lump sum claim amount enables customers to seek immediate medical treatment.

## GROUP TERM PLANS

**The Company's group term plans offer financial protection to employees/group members as well as their families by offering a comprehensive life cover.**



It is a one-year renewable term plan which offers protection to members of employer-employee and non-employer-employee groups at affordable premiums.



A credit-linked group micro-insurance plan that offers financial protection to individuals availing of small ticket loans from financial institutions. Customers have the option to choose the Accidental Death Benefit in this product.



A product offering comprehensive financial protection to customers availing of loans from financial institutions. It safeguards families from the burden of repaying the outstanding loan in case of the demise of customers availing the loan. Customers can choose to include other benefits viz. Critical Illness, Accidental Death, Terminal Illness, Accelerated Total Permanent Disability and Waiver of EMI on Hospitalisation.

## INSURANCE-LINKED SAVINGS PLANS

We offer an array of savings products with a life cover. These products enable customers to systematically contribute towards achieving their long term financial goals e.g. buying the dream home, funding the child's higher education etc. Unit-linked insurance plans are transparent, cost-effective, and offer customers the flexibility to switch their asset allocation between debt and equity to maximise returns. They offer a tax efficient route to build a savings pool.



A Unit Linked Non-Participating Life Insurance Plan

A one-of-its-kind unit-linked plan that returns all premium allocation charges to the customers not just once, but multiple times. With features such as Whole Life term option and Systematic Withdrawal Plan, it offers customers the flexibility to design a financial plan that can be customised to meet their needs.



Unit Linked Insurance Plan

This product offers customers four portfolio strategies - Target Asset Allocation, Trigger Portfolio, Lifecycle-based Portfolio, and Fixed Portfolio strategy to choose from. Long term customers are rewarded by way of Wealth Boosters and Loyalty Additions.



Unit Linked Insurance Plan

This savings plan fulfils customers goals even in their absence, as all future premiums are paid by the Company.



Nonparticipating Single Premium Unit Linked Life Insurance Plan

A cost-efficient plan that helps customers to achieve their goals by paying the premium only once i.e. single premium. It also offers Wealth Boosters as a reward for staying invested till maturity of the policy.

## NON-LINKED INSURANCE SAVINGS PLANS

Non-linked insurance savings products offer customers smoothed returns over the long term. They offer a life cover to ensure customers' families are financially secured.



Non-linked Insurance Plan

A participating insurance plan which provides attractive returns with the comfort of guarantee. Customers receive benefits such as guaranteed maturity benefit, guaranteed additions, regular bonuses and a life cover.



Non-Linked Life Insurance Plan

A participating insurance plan which offers a guaranteed amount every month for ten years, a guaranteed lump sum amount at maturity along with bonuses and life cover that provides financial security to families in case of demise of the breadwinner.



Non Linked Life Micro-Insurance Plan

A micro-insurance plan which offers the dual benefits of savings and protection at affordable premiums starting at ₹ 200 per month.



Non-Linked Life Insurance Plan

This is a participating savings insurance plan. It also offers benefits such as Guaranteed Additions and regular bonuses. Customers have the flexibility of paying premiums for a limited period or throughout the tenure of the policy.

## PENSION PLANS

Pension plans are specially designed to enable customers to build up a savings corpus during their working years. It facilitates making regular contributions during the accumulation phase to ensure customers can lead a financially independent retired life.



Unit Linked Pension Plan

A unit-linked pension product which aids customers to plan for receiving regular income after retirement. It offers the benefit of equity participation with the comfort of a capital guarantee during the accumulation phase.

## ANNUITY PLANS

Annuity plans offer steady and regular income to customers to enable them to meet their expenses in their golden years. Customers pay a lump sum amount and get regular income or annuity payments for life.



Non-Linked Life Insurance Plan

This plan assures customers a regular stream of guaranteed income for life. Customers can choose from 12 different annuity/payout options, which helps in customising the income offering as per their needs.



# Directors' Report

## TO THE MEMBERS

### ICICI Prudential Life Insurance Company Limited

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2019 (FY2019).

## PERFORMANCE

### Industry in FY2019

New business premium (NBP) for the industry, based on retail weighted received premium (RWRP), grew 9.0% from ₹ 634.70 billion in FY2018 to ₹ 691.83 billion in FY2019. The market share of private players increased from 56.2% in FY2018 to 58.0% in FY2019.

### Company in FY2019

Our strategy is to create value for our stakeholders namely customers, employees and shareholders. Customer centricity continues to be at the core of everything we do. With our customer centric approach, we have seen improvement across the service parameters. Claim settlement ratio for individual death claims has increased from 97.9% in FY2018 to 98.6% for FY2019. Average time taken for settlement of claim reduced from 3.0 days in FY2018 to 2.3 days in FY2019. Our grievance ratio as well has improved from 92 in FY2018 to 72 for FY2019.

On the people side, we believe in building a talent pool by providing varied job experience within the organisation along with career growth opportunities. More than 90% of our senior management have served for more than 10 years in the organisation.

For our shareholders, our primary focus continues to be the growth of absolute value of new business (VNB) through the 4P strategy of premium growth, protection business growth, persistency improvement and productivity improvement targeted at improving cost ratios. We believe that this 4P strategy is appropriate in the context of the huge insurance opportunity in the country, coupled with our objective to grow the VNB.

**Premium growth:** The annualised premium equivalent (APE) for the Company increased from ₹ 77.92 billion in FY2018 to ₹ 77.99 billion in FY2019. In FY2019, the Company had a market share of 10.3% based on RWRP.

**Protection business:** The Company continued to focus on the protection business, which grew by 61.9% from ₹ 4.46 billion in FY2018 to ₹ 7.22 billion in FY2019. New business sum assured grew by 32.5% to ₹ 4.43 trillion in FY2019.

**Persistency improvement:** Our continued focus on customer retention has resulted in an increase in retail renewal premium by 15.6% from ₹ 174.97 billion in FY2018 to ₹ 202.25 billion in FY2019. The 13<sup>th</sup> month persistency ratio<sup>1</sup> also improved from 86.8% in FY2018 to 87.4% in FY2019. Total premium collected by the Company grew by 14.3% from

₹ 270.69 billion in FY2018 to ₹ 309.30 billion in FY2019. The Company's assets under management at March 31, 2019 were ₹ 1,604.10 billion.

**Productivity improvement:** Total expenses increased from ₹ 34.75 billion in FY2018 to ₹ 41.94 billion in FY2019. The total cost to total weighted received premium (TWRP<sup>2</sup>) ratio increased from 13.7% in FY2018 to 15.0% in FY2019. The cost ratio for protection products is significantly higher than savings products, while they are value accretive in terms of value of new business. The total cost to TWRP ratio for savings business improved from 11.8% in FY2018 to 11.5% in FY2019.

Profit after tax (PAT) for the Company stood at ₹ 11.41 billion in FY2019 compared to ₹ 16.20 billion in FY2018. The decline in PAT is primarily on account of growth in the protection and annuity businesses, though these business are value accretive from the perspective of value of new business (VNB).

Value of new business grew from ₹ 12.86 billion in FY2018 to ₹ 13.28 billion in FY2019, representing an increase of 3.3%.

Embedded value increased from ₹ 187.88 billion at March 31, 2018 to ₹ 216.23 billion at March 31, 2019.

A summary of key financial and business parameters is set out below:

	(₹ billion)	
Particulars	FY2018	FY2019
Annualised premium equivalent	77.92	77.99
<i>Savings</i>	73.45	70.77
<i>Protection</i>	4.46	7.22
Retail renewal premium	174.97	202.25
Total premium	270.69	309.30
Expenses	34.75	41.94
Standalone profit after tax	16.20	11.41
Sum assured for new business	3,340.93	4,428.12
Assets held	1,395.32	1,604.10
Cost to total weighted received premium (TWRP)*	13.7%	15.0%
13 <sup>th</sup> month persistency	86.8%	87.4%
Value of new business (VNB)	12.86	13.28
Embedded value (EV)	187.88	216.23

\*TWRP: Total premium less 90% of single premium

## OUTLOOK FOR THE INDUSTRY AND THE COMPANY

In India, several reforms have been implemented in recent years, including the goods and services tax (GST), the inflation-targeting framework, the Insolvency and Bankruptcy Code, and steps to liberalise foreign investment and make it easier to do business. Post demonetisation, there has been an increase in financialisation of household savings and this trend is expected to continue going forward as well. The life insurance industry is an important component of financial savings and is expected to gain from this shift in trend.

<sup>1</sup>As per IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014

<sup>2</sup>TWRP: Total premium less 90% of single premium



# Directors' Report (Continued)

Recent events such as shift from physical savings to financial savings, digitisation and the improving customer proposition of insurance products, coupled with fundamental strengths of the Indian economy (high gross domestic product (GDP) growth, high savings and investment rate and favourable demography) are expected to provide continued fillip to the growth of the life insurance industry in India.

The Company would continue to focus on its objective of growing value of new business (VNB) through the 4P approach.

**Premium growth:** The Company would endeavour to grow premium through

- **Deepening penetration in under-served customer segments:** The Company would continue to focus on broadening the customer base through initiatives spanning across both distribution and products.
- **Enhancing distribution:** The Company would strengthen its distribution through a closer mapping of distribution segments with customer segments and products. The company is also focused on expanding the distribution network through acquisition of new partners as well investing in creation of new sourcing channels.
- **Focus on pension & annuity:** The Company would continue to cater to the retirement savings need of customers while managing the investment risk appropriately.

**Protection business growth:** The Company is focused on expanding the health & protection business across both retail and group lines of business. This would be done by offering protection as an add-on to our savings products across channels, penetrating the online term insurance market and partnering with loan providers to offer coverage against loans.

**Persistency:** The Company would seek to drive persistency improvements across all durations by encouraging long term customer behaviour.

**Productivity:** The Company would focus on cost efficiency and in particular would leverage the digital platform to improve customer experience and efficiency of service operations.

## OUR REACH

The Company reaches its customers through 508 offices in 446 locations as at March 31, 2019. On March 31, 2019, the Company had 14,099 employees and 170,572 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

Broadly, all the Company's products can be categorised into savings and protection. Savings products are offered on three platforms - linked, participating and non-participating. These platforms differ in terms of choice of asset allocation, extent of charges apart from other parameters.

Life insurance cover offered is generally the same across all savings products i.e. 10 times annual premium.

Protection products are available on retail, group and credit life platforms. These products provide cover for life, disability, critical illness and accidental death. These are pure risk protection, low premium products.

## CLAIMS

The Company has settled over 10,600 individual mortality claims in FY2019. The claims settlement ratio for the Company was 98.59%. For non-investigated claims, the settlement was completed within an average turnaround time of 2.34 days from the receipt of the last requirement as compared to 30 days allowed by the regulator.

## 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 the population.

During FY2019, the subscribers' funds managed by PFM have increased by 49.5% from ₹ 23,255.1 million at March 31, 2018 to ₹ 34,759.7 million at March 31, 2019. The PFM registered a loss of ₹ 17.2 million (previous year: loss of ₹ 6.6 million). The overall contribution of the subsidiary to the financial results of the Company is not significant currently as the subsidiary is still scaling up.

One of the major developments for the PFM this year is that the pension fund regulator, Pension Fund Regulatory and Development Authority (PFRDA), has granted the PFM, on its application, the license to act as Point of Presence (PoP) entity for distributing products under NPS with effect from February 13, 2019. The PFM is working towards setting up all necessary processes and systems to operationalise its activities as a PoP.

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](http://www.iciciprulife.com)) and will also be made available for inspection by any Member of the Company at its registered office. A statement containing salient features of the financial statements of the subsidiary company forms part of the financial statements of the Company.

## RURAL AND SOCIAL BUSINESS

The Company has micro insurance retail products and group term products to cater to the protection need of the unorganised and economically vulnerable section of the society.

- The Company has provided risk cover to self help group (SHG) members predominantly in the rural areas of Tamil Nadu, Maharashtra, Karnataka & Rajasthan. These members belong to

# Directors' Report (Continued)

a group of micro entrepreneurs having homogeneous social and economic background, who come together to avail micro credit for financing their small and micro enterprises.

- The Company partners with micro finance institutions/ non-banking financial institutions (NBFCs) and extends group term cover to

customers for covering their loss of income risk arising out of unfortunately and untimely demise.

- 204,975 policies were issued in rural areas, constituting 22.9% of total policy issuances. The Company also covered 1,095,830 lives as a part of its 'social sector' business.

## FINANCIALS & AUDIT

### Financials

(₹ billion)

Particulars	Standalone		Consolidated	
	FY2018	FY2019	FY2018	FY2019
<b>Profit after tax</b>	16.20	11.41	16.19	11.39
Balance brought forward from previous year	12.68	16.96	12.66	16.93
Profit available for appropriations	28.88	28.37	28.85	28.32
<b>Appropriations:</b>				
Interim Equity Dividend	(4.88)	(2.30)	(4.88)	(2.30)
Final Equity Dividend	(5.02)	(4.74)	(5.02)	(4.74)
Tax on Equity Dividend	(2.02)	(1.44)	(2.02)	(1.44)
<b>Surplus carried to next year's account</b>	<b>16.96</b>	<b>19.89</b>	<b>16.93</b>	<b>19.84</b>

The financial position of the Company remained strong with a solvency margin of 214.9% at March 31, 2019 (252.5% at March 31, 2018) against the minimum regulatory requirement of 150%.

The AUM increased from ₹ 1,395.32 billion at March 31, 2018 to ₹ 1,604.10 billion at March 31, 2019.

### Dividend and dividend distribution policy

The operations have resulted in a profit after tax of ₹ 11.41 billion as compared to a profit after tax of ₹ 16.20 billion for the previous year. The decline in profit is primarily on account of growth in protection and annuity businesses, which have been our focus areas. The new business strain of protection and annuity is significantly higher than other products. However, based on present value of expected future profits, both protection and annuity business are value accretive even after allowing for the new business strain. The Board had approved payment of interim dividend of ₹ 1.60 per equity share at its Meeting held on October 23, 2018. Further, the Board at its Meeting held on April 24, 2019 has recommended a final dividend of ₹ 1.55 per equity share. Total dividend for the year is ₹ 3.15 per equity share aggregating to ₹ 4.52 billion for FY2019.

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 its website <https://www.iciciprulife.com/about-us/corporate-policies.html>.

### Transfer of unclaimed dividend and shares to Investor Education & Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amounts of dividend remaining unpaid or unclaimed for a period of

seven years from the date of its transfer to the unpaid dividend accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividend for the financial year ended March 31, 2013, would be transferred to the IEPF in February 21, 2020. The corresponding shares, if the dividend is unclaimed for a period of seven years alongwith the unclaimed dividend would also be transferred to the demat account of the IEPF Authority.

Members who have not yet encashed their dividend warrant(s) can claim the same in accordance with the process as made available on the website of the Company by assessing the following link <https://www.iciciprulife.com/about-us/shareholder-information/dividends.html>.

### 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 Company, are not applicable to an insurance company.

### 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 A. Further, as per the shareholding pattern of the related parties, only ICICI Bank Limited and Prudential Corporation Holdings Limited have a holding in

# Directors' Report (Continued)

the Company of 10% or more. The transactions with these entities are disclosed in the note 3.10 of related party transactions under notes to accounts.

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.iciciprulife.com/about-us/corporate-policies.html>.

## Public deposits

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

## 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 are the joint statutory auditors of the Company. Walker Chandio & Co LLP would hold office upto conclusion of 21<sup>st</sup> annual general meeting (AGM) of the Company. B S R & Co. LLP would hold office upto the conclusion of 19<sup>th</sup> AGM and are proposed to be appointed for another term of five years.

### Fees for services to statutory auditors

The Company has incurred ₹ 18.51 million as statutory audit fees to the Company's statutory auditors for the year ended March 31, 2019. Further, the Company has not availed any other services from statutory auditor and its network entities/affiliated firms during the year ended March 31, 2019.

### Secretarial auditors

The Company has, with the approval of its Board of Directors, appointed M/s. Makarand M. Joshi & Co., Company Secretaries to undertake secretarial audit of the Company for FY2019. The secretarial audit report is annexed herewith as Annexure B. There are no qualifications, reservation or adverse remarks made by the auditor in the report.

### Auditor's report

There is no qualification, reservation, adverse remark or disclaimer made by the auditors in their report.

## COMPLIANCE AND RISK

### 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 and safeguarding 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, insurance awareness and customer education policy, grievance redressal policy, record maintenance policy and accounting policy etc.
3. Risk and fraud management framework to identify, measure, monitor and control various risks including operational risk and framework for identifying, monitoring and control over outsourced activities.
4. Independent internal audit department with oversight from the Audit Committee.
5. Employee management framework comprising of hiring, retention, training, performance evaluation, remuneration structure, employee stock options & benefits, succession planning through leadership cover index etc.
6. Framework to ensure compliance to regulations, laws including compliance certification, communication of changes in regulations/laws etc. and litigation management.
7. Budgeting, monitoring and reporting of the performance with key performance indicators.
8. Information and cyber security policy & information security framework along with framework to ensure business continuity and disaster recovery.

**Operating controls:** These comprise information technology (IT) and process controls operating at a system/ process level with the objective of providing assurance at a transaction recording stage. Salient aspects of the control framework include:

1. The Company has implemented the Committee of Sponsoring Organisations of the Treadway Commission (COSO) 2013 framework for ensuring compliance with Section 404 of Sarbanes Oxley Act, 2002. All business processes having implication on financial results are subject to quarterly reviews. Any material deficiency is discussed at the Audit Committee.
2. The Company has deployed automation in most aspects of transaction processing including policy administration, investment

## Directors' Report (Continued)

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 and access controls.
4. The Company has a vendor on-boarding process with due diligence, risk assessment, document review and periodic assessment to ensure controls over third party service providers relevant from a financial reporting perspective. Further, the Board Risk Management Committee has an oversight on implementation of controls and monitors performance of the outsourced vendors.
5. The Company ensures controls 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 internal audit team exercises independent oversight over operational and financial processes and significant observations and recommendations are presented to the Audit Committee. Investment operations are subject to daily concurrent audit certification and an Investment Risk Management Systems (IRMS) audit once in two years. Any significant findings in the concurrent audit or IRMS audit are presented to the Audit Committee.
2. The Company has an effective organisation structure which segregates duties among business groups thereby ensuring orderly and efficient conduct of business. Additionally, the Board has constituted various committees responsible for specific operational areas, formulation of policies and framework, identification, assessment & monitoring of principal risks in accordance with the policies & procedures.
3. Management exercises review control by way of in depth reviews of financials, ledger balances, suspense and payables, liability assumptions, information security, regulatory compliance, communication and reporting, key compliance issues and supervision of risk management function etc., conducted by Chief Financial Officer, Appointed Actuary, Head of Information Technology, Head of Operations and Head of Compliance & Risk.
4. The financials prepared are audited by joint statutory auditors and are reviewed by Audit Committee. They are also submitted to Insurance Regulatory Development Authority of India (IRDAI).

**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 (BRMC).

1. The fraud control framework consists of preventive measures and incident management. Preventive management includes fraud risk assessment for design of processes, investigation triggers across policy life cycle and proactive use of analytics to identify fraud patterns. Incident management includes recovery of loss, detailed investigation & root cause analysis and fraud incident reporting to BRMC.
2. 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.
3. The Company undertakes several measures from time to time to create awareness amongst its employees and customers against fraudulent practices.
4. The Company is in compliance with 'Insurance Fraud Monitoring Framework' guidelines issued by IRDAI.

### 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 the day-to-day activities to ensure compliance. The compliance function disseminates the information regarding the 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 with Internal Audit function through an integrated risk based audit plan. Key issues observed as part of this monitoring are reported to the Board Audit Committee and implementation of recommendations is actively monitored. A compliance

# Directors' Report (Continued)

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

International Accounting Standard Board (IASB) issued IFRS 17 Insurance Contracts on May 18, 2017, effective mandatorily from January 1, 2021. Subsequently, Insurance Regulatory and Development Authority of India (IRDAI) reviewed the Ind AS implementation and noted that Ind AS in its current form is likely to lead a mismatch in asset & liability accounting, along with volatility in financial statements of insurance companies with double transition. Therefore, IRDAI through circular dated June 28, 2017 deferred the implementation of Ind AS for a period of two years with applicability for accounting periods beginning from April 1, 2020.

Further, IRDAI through its order dated August 21, 2017 constituted a working group on IFRS 17 primarily to review the standard and identify relevant areas/aspects which require suitable adoption in Indian context and changes in regulations/guidelines. The working group released its report dated October 31, 2018 containing the recommendations and draft regulations on preparation of financial statements applicable from accounting periods commencing on or after April 1, 2020. Accounting Standards Board (ASB) of ICAI issued the exposure draft of Ind AS 117 Insurance Contracts (Ind AS equivalent standard of IFRS 17) on February 12, 2018.

International Accounting Standard Board (IASB) on November 14, 2018 proposed a deferral of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022 considering the concerns and implementation challenges received from various stakeholders. Further, IASB also proposed for an additional one year exemption for insurers to apply IFRS 9, Financial Instruments from annual periods beginning on or after January 1, 2022.

Consequently, to review the manner of implementation of Ind AS in insurance sector, IRDAI gathered inputs from insurance companies on the level of preparedness of Ind AS. Additionally, the insurance companies have requested IRDAI to align Ind AS implementation with IFRS 17 adoption globally.

## Risk management

The Company recognises that risk is an integral element of the business and managing risk is essential for generating shareholder value. The risk governance structure of the Company consists 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:

- (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.

## 2. Insurance risk

Insurance risk is the risk arising because of variance to the best estimate or because of random fluctuations in the frequency, size and timing of insurance liabilities. Insurance risk comprise 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



## Directors' Report (Continued)

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 continuously monitors the internal loss events and ensures adequate mitigation for high impact events to avoid repeat instances
- (c) 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
- (d) Fraud management: The Company follows both a proactive and reactive approach to manage fraud. Proactive management is done by using triggers to identify suspected frauds and through random sample checks. Reactive management is done through incident management. Investigation is done for identification of process/system failures and/or identification of responsible internal/external parties. The Company ensures implementation of controls to prevent repeat incidents, financial recovery process and necessary disciplinary action against involved employees. It also initiates actions through law enforcement authorities based on severity of the incident.
- (e) Outsourcing Risk: Processes of the Company are outsourced as permitted under the regulatory guidelines. The Company

carries out required due-diligence for any new activity or vendor empanelment.

- (f) Business Continuity Management (BCM): The Company has a BCM framework to ensure resilience and continuity of key products and services at minimum acceptable level to achieve business-as usual presence in the market place and safety of human resources. This includes systems and processes including use of disaster recovery sites and business continuity plans for critical processes which are being tested periodically. Based on the business continuity practices followed, the Company has been awarded certification under ISO 22301:2012 standard.
- (g) Information and Cyber Security: The Company has an information and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organisation. The Company's controls include deployment of security solutions like firewall, intrusion prevention system, anti-malware solution and dynamic URL filtering. Further a program for regular vulnerability assessment of critical IT applications and infrastructure.
- (h) 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.

### 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 Designated Persons ("Code") which is in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to the Directors, employees of the Company, designated persons, and their immediate relatives, to the extent applicable. The objective of the Code is to achieve compliance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations.

### 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.

### CORPORATE GOVERNANCE

The Company considers its stakeholders as partners in success, and remains committed to delivering stakeholders value. The Company believes that sound corporate governance mechanism is critical to retain

# Directors' Report (Continued)

and enhance stakeholders' trust. It 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. The Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent Directors, to oversee critical areas.

## 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.

## Compliance with Secretarial Standards

The Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India for the financial year 2019.

## Annual return

A copy of the annual return filed with the Registrar of Companies, shall be placed on the website of the Company at <https://www.iciciprulife.com>, in accordance with the provisions of the CA2013. Further, the details forming part of the extract of the annual return in form MGT-9 is annexed herewith as Annexure C.

## 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.

## Corporate Social Responsibility initiatives

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

The annual report on Corporate Social Responsibility activities is annexed herewith as Annexure D.

## 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. During the calendar year 2018, 21 complaints on sexual harassment were filed, which were investigated and disposed off. There are no pending complaints for the calendar year.

Further, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Whistle blower policy

The Company has formulated whistle blower policy to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage.

The Company is committed to adopting the highest business, governance, ethical and legal standards. To aid in achieving this objective, the company has formulated several policies and guidelines that assist the employees in maintaining these standards. Whistle blower policy aims to provide a mechanism to ensure that concerns are properly raised, appropriately investigated and addressed.

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.

No whistle blower has been denied access to the Chairman of the Board Audit Committee.

The policy has been periodically communicated to the employees and an extract of the same has also been posted on the Company's intranet and details pertaining to establishment of vigil mechanism is hosted on the website at <https://www.iciciprulife.com/about-us/corporate-policies.html>.

## Code of conduct

The Company has a code of conduct (Code) for directors and employees of the Company, which was last reviewed by the Board of Directors at its meeting held on March 25, 2019. 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



## Directors' Report (Continued)

of general guiding principles. This Code is available on the website of the Company <https://www.iciciprulife.com/about-us/corporate-policies.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.iciciprulife.com/about-us/corporate-policies.html>.

### Board of Directors

The Company's Board is constituted in compliance with the CA2013, in accordance with Listing Regulations and IRDAI Corporate Governance Guidelines, 2016. The Board comprises six independent Directors, three non-executive Directors, two of whom are nominated by ICICI Bank Limited and one by Prudential Corporation Holdings Limited, the Managing Director & CEO and the Deputy Managing Director. Except the Managing Director & CEO and the Deputy Managing Director, all other Directors including the Chairman of the Board are non-executive Directors.

The Board is responsible for corporate strategy and other responsibilities as laid down by IRDAI under the Corporate Governance guidelines. The Managing Director & CEO and the Deputy Managing Director oversee implementation of the 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 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, With Profits Committee and Strategy Committee.

The Company recognises that a diverse Board will have different thoughts, perspectives, knowledge, skill, industry experience, age and gender, which will ensure that the Company retains its competitive advantage. The Board Nomination & Remuneration Committee recommends the appointment of Director(s) to the Board of the Company based on the criteria for appointment of Directors.

The names of the Directors of the Company, as on March 31, 2019, with their qualification and field of specialisation/core expertise are as set out in the below table:

Name of the Director	Directors Identification Number (DIN)	Qualification	Field of specialisation/core expertise
<b>Non-executive non-independent Directors</b>			
Mr. Anup Bagchi, non-executive (Additional) Director nominated by ICICI Bank Limited <sup>1</sup>	00105962	B. Tech, PGDM	Banking, Financial Services
Mr. Sandeep Batra, non-executive (Additional) Director nominated by ICICI Bank Limited <sup>2</sup>	03620913	B.Com, F.C.A., A.C.S.	Banking, Insurance, Financial Services
Mr. Raghunath Hariharan, non-executive Director nominated by Prudential Corporation Holdings Limited	08007442	MBA, Finance & Strategy Master of Management Studies, Bachelor of Engineering (Production), First Class with Honours	Financial management, strategic planning
<b>Non-executive independent Directors</b>			
Mr. M. S. Ramachandran – Chairman <sup>3</sup>	00943629	B. E. (Mechanical)	Oil and Petroleum Industry
Mr. V. Sridar	02241339	B. Com (Hons), FCA	Banking, Finance and Accountancy
Mr. Dilip Karnik	06419513	B. Sc. and LLB	Former Judge of High Court of Bombay. Currently an Advocate
Mr. R. K. Nair	07225354	MSc, LLB, MBA Financial Management, Diploma in Securities law	Banking, Insurance, Securities Market Regulation
Mr. Dileep Choksi	00016322	B.Com, C.A., LLB, Cost Accountant	Finance and Taxation
Ms. Vibha Paul Rishi <sup>4</sup>	05180796	MBA in Marketing, Honors in Economics	Marketing and Customer Strategy
<b>Wholtime Directors</b>			
Mr. N. S. Kannan, Managing Director & CEO <sup>5</sup>	00066009	B. E. (Honours), PGDM, Chartered Financial Analyst (ICFAI)	Insurance, Banking, Financial Services
Mr. Puneet Nanda <sup>6</sup>	02578795	B.E, PGDM	Insurance, Financial Services

- Mr. Anup Bagchi was appointed as non-executive (Additional) Director with effect from October 8, 2018.
- Mr. Sandeep Batra ceased to be a wholtime Director with effect from close of business hours on July 11, 2018. Thereafter, he was appointed as the non-executive (Additional) Director with effect from October 8, 2018.

# Directors' Report (Continued)

3. Mr. M.S. Ramachandran was appointed as the Chairman of the Company with effect from March 5, 2019.
4. Ms. Vibha Paul Rishi was appointed as an independent (Additional) Director with effect from January 1, 2019.
5. Mr. N. S. Kannan was a non-executive Director nominated by ICICI Bank Limited on the Board till close of business hours on June 18, 2018. He was appointed as the Managing Director & CEO of the Company with effect from June 19, 2018.
6. Mr. Puneet Nanda was elevated as the Deputy Managing Director with effect from July 3, 2018.

There were eleven meetings of the Board during FY2019 held on April 24, 2018, June 18, 2018, June 26, 2018, July 3, 2018, July 24, 2018, October 22, 2018, October 23, 2018, January 22, 2019, February 12, 2019 and two meetings on March 25, 2019. The maximum interval between any two meetings did not exceed 120 days. The attendance of Directors at the 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 26, 2018)
<b>Non-executive non-independent Directors</b>		
Ms. Chanda Kochhar, Chairperson, non-executive Director nominated by ICICI Bank Limited <sup>1</sup>	1/5	Absent
Mr. Sandeep Bakhshi, non-executive Director nominated by ICICI Bank Limited <sup>2</sup>	5/5	Present
Mr. Raghunath Hariharan, non-executive Director nominated by Prudential Corporation Holding Limited <sup>3</sup>	6/11	Present
Mr. Anup Bagchi, non-executive (Additional) Director nominated by ICICI Bank Limited <sup>4</sup>	6/6	NA
Mr. Sandeep Batra, non-executive (Additional) Director nominated by ICICI Bank Limited <sup>5</sup>	9/10	Present
<b>Non-executive independent Directors</b>		
Mr. M. S. Ramachandran, Chairman <sup>6</sup>	11/11	Present
Mr. Vinod Kumar Dhall <sup>7</sup>	7/9	Absent
Mr. V. Sridar <sup>8</sup>	10/11	Present
Mr. Dilip Karnik <sup>9</sup>	10/11	Present
Mr. R. K. Nair	11/11	Present
Mr. Dileep Choksi	11/11	Present
Ms. Vibha Paul Rishi <sup>10</sup>	4/4	NA
<b>Wholetime Directors</b>		
Mr. N. S. Kannan, Managing Director & CEO <sup>11</sup>	11/11	Present
Mr. Puneet Nanda, Deputy Managing Director <sup>12</sup>	11/11	Present

1. Ms. Chanda Kochhar ceased to be a director with effect from October 5, 2018.
2. Mr. Sandeep Bakhshi ceased to be the Managing Director & CEO of the Company with effect from close of business hours on June 18, 2019 and was appointed as the non-executive Director with effect from June 19, 2018. Thereafter, he resigned as a director with effect from October 5, 2018. He attended one meeting through video conference.
3. Participated in two meetings through tele conference and two meetings through video conference.
4. Mr. Anup Bagchi was appointed as a non-executive (Additional) Director with effect from October 8, 2018.
5. Mr. Sandeep Batra ceased to be a wholetime Director with effect from close of business hours on July 11, 2018. Thereafter, he was appointed as the non-executive (Additional) Director with effect from October 8, 2018.
6. Appointed as Chairman with effect from March 5, 2019. Participated in two meetings through video conference.
7. Mr. Vinod Kumar Dhall was appointed as the Chairman of the Company with effect from October 22, 2018. Thereafter, he ceased to a director with effect from March 5, 2019, consequent to cessation of his tenure. He attended two meetings through video conference.
8. Participated in three meetings through video conference.
9. Participated in one meeting through tele conference.
10. Ms. Vibha Paul Rishi was appointed as an independent (Additional) director with effect from January 1, 2019.
11. Mr. N. S. Kannan was a non-executive Director nominated by ICICI Bank Limited on the Board till close of business hours on June 18, 2018. He was appointed as the Managing Director & CEO of the Company with effect from June 19, 2018.
12. Mr. Puneet Nanda was elevated as the Deputy Managing Director with effect from July 3, 2018.

# Directors' Report (Continued)

The details pertaining to other directorships of the Board of Directors of the Company as on March 31, 2019 are set out in the below table:

Name of the Director	Number of other directorships		Number of other committee memberships <sup>3</sup>	Names of equity listed entities where the person is a director
	Of Indian public limited companies <sup>1</sup>	Of other companies <sup>2</sup>		
<b>Non-executive non-independent Directors</b>				
Mr. Anup Bagchi, non-executive (Additional) Director nominated by ICICI Bank Limited	5(1)	0	2	1. ICICI Bank Limited - Wholetime Director 2. ICICI Securities Limited - Additional Director 3. ICICI Prudential Life Insurance Company Limited - Additional Director
Mr. Sandeep Batra, non-executive (Additional) Director nominated by ICICI Bank Limited	2	2(1)	2	1. ICICI Prudential Life Insurance Company Limited - Additional Director 2. ICICI Lombard General Insurance Company Limited - Additional Director
Mr. Baghunath Hariharan, non-executive Director nominated by Prudential Corporation Holding Limited	0	0	0	1. ICICI Prudential Life Insurance Company Limited
<b>Non-executive independent Directors</b>				
Mr. M. S. Ramachandran, Chairman	5	0	2(1)	1. International Paper APPM Limited 2. Supreme Petrochem Limited 3. GULF Oil Lubricants India Limited 4. ESTER Industries Limited 5. GOCL Corporation Limited 6. ICICI Prudential Life Insurance Company Limited
Mr. V. Sridar	7(1)	0	6(5)	1. Ponni Sugars (Erode) Limited 2. Seshasayee Paper and Boards Limited 3. ICICI Prudential Life Insurance Company Limited
Mr. Dilip Karnik	5	0	2	1. Birla Corporation Limited 2. Universal Cables Limited 3. Vindhya Telelinks Limited 4. ICICI Prudential Life Insurance Company Limited
Mr. R. K. Nair	7	1	1	1. ICICI Bank Limited 2. ICICI Prudential Life Insurance Company Limited 3. Geojit Financial Services Limited
Mr. Dileep Choksi	9	2	9(4)	1. Arvind Limited 2. Lupin Limited 3. AIA Engineering Limited 4. Swaraj Engines Ltd 5. ICICI Bank Limited 6. ICICI Prudential Life Insurance Company Limited 7. Hexaware Technologies Limited
Ms. Vibha Paul Rishi	9	0	5(1)	1. Asian Paints Limited 2. Tata Chemicals Limited 3. Escorts Limited 4. The Indian Hotels Company Limited 5. ICICI Prudential Life Insurance Company Limited - Additional Director
<b>Wholetime Directors</b>				
Mr. N. S. Kannan, Managing Director & CEO	1(1)	0	0	ICICI Prudential Life Insurance Company Limited - Managing Director & CEO
Mr. Puneet Nanda, Deputy Managing Director	1	0	1	ICICI Prudential Life Insurance Company Limited - Wholetime Director

1. Comprises of other public limited companies incorporated in India. Figures in parentheses indicate Board chairmanship by the Directors in other unlisted public companies.
2. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies. Figures in parentheses indicate Board chairmanship.
3. Comprises only Audit Committee and Stakeholders Relationship Committee of Indian public limited companies. Figures in parentheses indicate committee chairmanship including alternate chairmanship.

# Directors' Report (Continued)

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.

## Independent Directors

The Board of Directors of the Company at March 31, 2019 comprised eleven Directors, out of which six were independent Directors.

All independent Directors have confirmed that they meet the criteria of independence as laid down under Section 149 of the CA2013 and the Listing Regulations.

The Board at its meeting held on April 24, 2019 has reviewed the declaration of independence received from all the independent Directors and confirm that all the independent Directors fulfil the criteria laid down in the aforementioned regulations and are independent from the management.

## 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 oversees 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 ensures 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 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 Companies Act, 2013;
    - 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, in accordance with applicable provisions, as amended from time to time; and
    - 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

# Directors' Report (Continued)

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 Companies Act, 2013 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; and
- To review the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

## 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 non-payment of declared dividends) and creditors; and
- Review the functioning of the whistle blower/vigil mechanism.

## III. Compliance & ethics

- Monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies, including the Company's code of ethics or conduct;
- 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 program;
- 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; and
- 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.

# Directors' Report (Continued)

## Composition

There were seven meetings of the Board Audit Committee held during FY2019: April 20-24, 2018, June 26, 2018, July 23-24, 2018, October 22-23, 2018, January 18, 2019, January 22, 2019 and March 25, 2019. 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 – Chairman <sup>1</sup>	7/7
Mr. Vinod Kumar Dhall <sup>2</sup>	4/6
Mr. M. S. Ramachandran <sup>3</sup>	6/6
Mr. R. K. Nair	7/7
Mr. Raghunath Hariharan <sup>4</sup>	4/7
Mr. N. S. Kannan <sup>5</sup>	3/3
Mr. Sandeep Batra <sup>6</sup>	4/4
Mr. Dileep Choksi <sup>7</sup>	1/1
Mr. Dilip Karnik <sup>8</sup>	1/1

- Participated in one meeting through video conference.
- Participated in one meeting through video conference. Ceased to be a member with effect from March 5, 2019 consequent to cessation of tenure.
- Ceased to be a member with effect from March 25, 2019.
- Participated in one meeting through video conference.
- Was a non-executive Director of the Company and ceased to be a member later as he assumed the role of the Managing Director & CEO of the Company
- Appointed as a member with effect from October 22, 2018.
- Appointed with effect from March 25, 2019.
- Appointed with effect from March 25, 2019.

## 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;
- Monitoring and reviewing the cyber security system of the Company;
- 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 January 21, 2013, issued by the Authority; and
- 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;
- Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
- Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
- Placing information pertaining to ALM before the Board at periodic intervals;
- Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;

# Directors' Report (Continued)

- 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;
- x. Reviewing, approving and monitoring capital plans and related decisions over capital transactions; and
- 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 FY2019: April 20, 2018, July 23, 2018, October 22, 2018 and January 18, 2019. 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. M. S. Ramachandran – Chairman	4/4
Mr. Raghunath Hariharan	0/4
Mr. N. S. Kannan <sup>1</sup>	2/2
Mr. V. Sridar <sup>2</sup>	2/2
Mr. R. K. Nair <sup>3</sup>	2/2
Mr. Sandeep Batra <sup>4</sup>	2/2

1. Ceased to be a member with effect from July 24, 2018.
2. Appointed as a member with effect from July 24, 2018.
3. Appointed as a member with effect from July 24, 2018.
4. Appointed as a member with effect from October 22, 2018.

## 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 FY2019: April 20, 2018, July 23, 2018, October 22, 2018 and January 18, 2019. 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. R. K. Nair – Chairman <sup>1</sup>	4/4
Mr. M. S. Ramachandran <sup>2</sup>	4/4
Mr. N. S. Kannan	4/4
Mr. Raghunath Hariharan	0/4
Mr. Sandeep Bakhshi <sup>3</sup>	1/ 2
Mr. Sandeep Batra <sup>4</sup>	2/3
Mr. Puneet Nanda <sup>5</sup>	2/2
*Mr. Satyan Jambunathan	4/4
*Mr. Manish Kumar	4/4
*Mr. Deepak Kinger	3/4
*Ms. Asha Murali	4/4

\* 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.



# Directors' Report (Continued)

1. Appointed as Chairman with effect from March 25, 2019.
2. Ceased to be a member with effect from March 25, 2019.
3. Ceased to be a member with effect from July 24, 2018
4. Ceased to be a member with effect from close of business hours on July 11, 2018 due to resignation as Director of the Company. Subsequently, appointed as member with effect from October 22, 2018
5. Appointed as a member with effect from July 24, 2018.

## d) Board Customer Service & Policyholders' Protection Committee

The Board Customer Service & Policyholders' Protection Committee assists 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 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 is constituted as the final authority to address the policyholders' grievances before approaching the Regulator and the Ombudsman office. The key discussions of the GRC meeting are put up at the Board Customer Service & Policyholders' Protection Committee for information.

The GRC meets on a quarterly basis with the following terms of reference:

- a. Evaluate feedback on quality of customer service and claims experience.
- b. Review and approve representations received on claims repudiations.
- c. Ensure that the Company follows all prescribed regulatory requirements on policyholder service.
- d. Submit report on its performance to the Customer Service & Policyholder Protection Committee (CS&PPC) on a quarterly basis.

# Directors' Report (Continued)

## Composition

There were four meetings of the Board Customer Service & Policyholders' Protection Committee held during FY2019: April 23, 2018, July 24, 2018, October 23, 2018 and January 22, 2019. 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. Vibha Paul Rishi – Chairperson <sup>1</sup>	0/0
Mr. Vinod Kumar Dhall <sup>2</sup>	2/4
Mr. Dilip Karnik	4/4
Mr. N. S. Kannan <sup>3</sup>	2/2
Mr. Raghunath Hariharan	1/4
Mr. Dileep Choksi <sup>4</sup>	2/2
Mr. Anup Bagchi <sup>5</sup>	2/2

1. Appointed as a member and a Chairperson with effect from March 25, 2019.
2. Ceased to be member with effect from March 5, 2019 consequent to cessation of tenure.
3. Ceased to be a member with effect from July 24, 2018.
4. Appointed as a member with effect from July 24, 2018.
5. Appointed as a member with effect from October 22, 2018.

## e) Board Nomination and Remuneration Committee

The Board Nomination & Remuneration Committee assists 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 coordinates and oversee the self-evaluation of the performance of the Board and succession planning for senior management. The Committee ensures 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 and specify the manner for effective evaluation of every individual director's performance, evaluation of the performance of Board and its committees; and review its implementation and compliance;
- To recommend to the Board, all remuneration, in whatever form, payable to senior management;

- 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 program 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; and
- 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 Companies Act, 2013 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 eight meetings of the Board Nomination & Remuneration Committee held during FY2019: April 24, 2018, May 24, 2018, June 18, 2018, July 3, 2018, July 24, 2018, two meetings on October 22, 2018 and January 22, 2019. 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. Dilip Karnik – Chairman <sup>1</sup>	0/0
Mr. M. S. Ramachandran <sup>2</sup>	8/8
Mr. Vinod Kumar Dhall <sup>3</sup>	7/8
Mr. N. S. Kannan <sup>4</sup>	2/3
Mr. Raghunath Hariharan <sup>5</sup>	2/8
Mr. Sandeep Bakhshi <sup>6</sup>	2/2
Mr. Anup Bagchi <sup>7</sup>	2/2

1. Appointed as a member and Chairman with effect from March 25, 2019.
2. Ceased to be the Chairman but continues to be a member.

# Directors' Report (Continued)

- Participated in three meetings through video-conference. Ceased to be a member with effect from March 5, 2019 consequent to cessation of tenure.
- Ceased to be a member with effect from June 26, 2018. Participated in one meeting through video-conference.
- Participated in two meeting through teleconference.
- Appointed as a member with effect from June 26, 2018. Thereafter, ceased to be a member with effect from October 5, 2018, consequent to his resignation.
- Appointed as a member with effect from October 22, 2018.

## 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 formulates the annual CSR plan, and monitors 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 FY2019: April 23, 2018 and October 23, 2018. 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. Dilip Karnik – Chairman <sup>1</sup>	2/2
Mr. Vinod Kumar Dhall <sup>2</sup>	1/2
Mr. N. S. Kannan <sup>3</sup>	1/1
Mr. Raghunath Hariharan	0/2
Mr. Dileep Choksi <sup>4</sup>	1/1

- Appointed as Chairman with effect from March 25, 2019.
- Ceased to be a member with effect from March 5, 2019 consequent to cessation of tenure.
- Ceased to be a member with effect from July 24, 2018.
- Appointed as a member with effect from July 24, 2018.

## g) Stakeholders Relationship Committee

### Terms of reference:

- Consider and review redressal and resolutions of the grievances and complaints of the security holders of the company, including those of shareholders, debenture holders and other security holders related to transfer/transmission of shares, non-receipt of annual report, non-

receipt of declared dividends, issue of new/duplicate certificates, general meetings;

- 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
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- Any other activities which are incidental or ancillary to the various aspects of interests of shareholders, debenture holders and/or other security holders.

### Composition

There were four meetings of the Stakeholders Relationship Committee held during FY2019: April 24, 2018, July 24, 2018, October 23, 2018 and January 18, 2019. 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 – Chairman <sup>1</sup>	0/0
Mr. Vinod Kumar Dhall <sup>2</sup>	3/4
Mr. Sandeep Bakhshi <sup>3</sup>	2/2
Mr. Sandeep Batra <sup>4</sup>	1/1
Mr. N. S. Kannan <sup>5</sup>	2/2
Mr. Puneet Nanda <sup>6</sup>	2/2

- Appointed as a member and Chairman with effect from March 25, 2019.
- Ceased to be a member with effect from March 5, 2019 consequent to cessation of tenure.
- Ceased to be a member with effect from October 5, 2018, consequent to his resignation.
- Ceased to be a member with effect from July 12, 2018, consequent to resignation.
- Appointed as a member with effect from July 24, 2018.
- Appointed as a member with effect from July 24, 2018.

# Directors' Report (Continued)

Ms. Vyoma Manek, Company Secretary acts as the Compliance Officer of the Company in accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The total number of complaints from shareholders in FY2019 was 267 and 265 complaints have been resolved. At March 31, 2019, two complaints were pending which were responded to within timeline.

## 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 FY2019: April 20, 2018. 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. R. K. Nair	1/1
Mr. N. S. Kannan	1/1
Mr. Raghunath Hariharan	0/1
Mr. Sandeep Bakhshi <sup>1</sup>	1/1
Mr. Sandeep Batra <sup>2</sup>	0/0
*Mr. N. M. Govardhan	1/1
*Ms. Asha Murali	1/1

\* 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 24, 2018.
2. Appointed as a member with effect from October 22, 2018.

## i) Strategy Committee

The Board of Directors at its Meeting held on January 19, 2018 had constituted a Strategy Committee to consider and evaluate any combination, arrangement, transfer of assets, acquisition, divestiture and any other strategic initiative and recommend such proposals to the Board of Directors. Consequent to the changes in the Board structure, the Committee was re-constituted and currently comprises following members:

- 1) Mr. R. K. Nair - Chairman
- 2) Mr. Anup Bagchi
- 3) Mr. Raghunath Hariharan
- 4) Mr. N. S. Kannan
- 5) Mr. Puneet Nanda

No meeting for this Committee was convened in the financial year ended March 31, 2019.

### 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 the industry and the business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, business overview, key regulatory developments, governance, strategy, investment, human resource and operating 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.iciciprulife.com/about-us/company-overview/familiarization.html>.

# Directors' Report (Continued)

Changes in the composition of the Board of Directors and other key managerial personnel (KMP) during the year

Name of Director/ KMP <sup>#</sup>	Appointment/ Resignation/ Cessation of tenure/ Withdrawal of nomination	With effect from
Mr. Sandeep Bakhshi, Non-executive Director <sup>1</sup>	Resignation	October 5, 2018
Ms. Vibha Paul Rishi – Independent (Additional) Director	Appointment*	January 1, 2019
Mr. Vinod Kumar Dhall – Independent Director	Cessation of tenure	March 5, 2019
Ms. Chanda Kochhar, Non-executive Director nominated by ICICI Bank Limited	Resignation	October 5, 2018
Mr. Anup Bagchi, Non-executive (Additional) Director nominated by ICICI Bank Limited	Appointment*	October 8, 2018
Mr. Sandeep Batra, Non-executive (Additional) Director nominated by ICICI Bank Limited <sup>2</sup>	Appointment*	October 8, 2018
Mr. N. S. Kannan, Managing Director & CEO <sup>3</sup>	Appointment	June 19, 2018

# As per CA2013

\* Subject to the approval of the Members at the Company's ensuing Annual General Meeting.

- Mr. Sandeep Bakhshi resigned as the Managing Director & CEO with effect from close of business hours on June 18, 2018 and was appointed as a non-executive Director nominated by ICICI Bank Limited with effect from June 19, 2018. Thereafter, he resigned as a Director of the Company with effect from October 5, 2018.
- Mr. Sandeep Batra was the wholetime director of the Company till close of business hours on July 11, 2018
- Mr. N. S. Kannan was a non-executive Director nominated by ICICI Bank Limited on the Board till close of business hours on June 18, 2018. He was appointed as the Managing Director & CEO of the Company with effect from June 19, 2018.

Note: Mr. Vinod Kumar Dhall was appointed as a Chairman of the Company with effect from October 22, 2018. Thereafter, consequent to cessation of his tenure, Mr. M. S. Ramachandran was appointed as the Chairman of the Company with effect from March 5, 2019.

## Separate meeting of Independent Directors

During FY2019, a separate meeting of the independent Directors was held on April 24, 2018.

## Retirement by rotation

In accordance with the relevant provision of the CA2013, Mr. Raghunath Hariharan (DIN: 08007442) would retire by rotation at the ensuing AGM. Mr. Hariharan, being eligible has offered himself for re-appointment.

## Criteria for appointment of Directors & Senior Management

The Company has a well-defined criteria for appointment of Directors and those in senior management positions (that is who may be appointed as key managerial person/personnel (KMP) or as senior managerial personnel (SMP)) in accordance with the requirements prescribed.

## Remuneration

### Remuneration policy

The Company already has in place a Compensation & Benefits Policy (Compensation policy) applicable to wholetime 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", which has also been hosted on the website of the Company and can be accessed on the link: <https://www.iciciprulife.com/about-us/corporate-policies.html>.

# Directors' Report (Continued)

## Details of Remuneration paid to wholetime Directors

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

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to wholetime Directors during fiscal 2019:

Particulars	Details of Remuneration (₹)			
	Mr. Sandeep Bakhshi	Mr. N. S. Kannan	Mr. Puneet Nanda	Mr. Sandeep Batra
Period	April 1, 2018 to June 18, 2018	June 19, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019	April 1, 2018 to July 11, 2018
Basic	5,693,766	18,253,202	15,078,472	3,065,920
Variable pay paid out in fiscal 2019 <sup>1</sup>	22,219,534	-	15,161,606	14,422,562
Allowances and perquisites <sup>2</sup>	4,589,177	13,836,677	19,453,569	5,271,350
Contribution to provident fund	683,252	2,190,387	1,809,418	367,910
Contribution to superannuation fund	32,500	2,737,984	-	-
Contribution to gratuity fund	474,291	1,520,492	1,256,037	255,391
<b>Stock options of the Company (Numbers)</b>				
Granted in fiscal 2019	255,500	-	102,200	76,600
Granted in fiscal 2018	165,000	-	66,000	49,500
<b>Stock options of ICICI Bank (Numbers)</b>				
Granted in fiscal 2019	606,500	-	242,500	181,900
Granted in fiscal 2018	673,750	-	269,500	202,125

Note: For the year-ended March 31, 2019 the remuneration details pertain to the amount paid/options granted for the period of service as per IRDAI approval

<sup>1</sup> Variable pay includes the deferred component of the variable pay of previous years as approved by IRDAI

<sup>2</sup> Perquisite excludes perquisites on exercise of stock option. Considering the value of stock option exercised during fiscal 2019 does not constitute remuneration paid to the whole time directors for fiscal 2019 the same is not considered here.

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.

## 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 independent Directors 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.

For FY2019, the Company has paid ₹ 100,000 as sitting fees for each Meeting of Board, ₹ 50,000 for each Board Audit Committee Meeting and ₹ 30,000 as sitting fees for each Meeting of Board Committee attended. This amount is within the limits prescribed as per Rule 4 of Companies (Appointment & Remuneration) Rules, 2014 of the CA2013.

The members of the Company at the Annual General Meeting held on July 17, 2017 have approved the payment of profit related commission upto

₹ 750,000 every year to each non-executive independent Director of the Company in proportion to the time served as a Director in a year, effective from financial year ended March 31, 2017. The Board has, subject to the approval of shareholders of the Company at the ensuing Annual General Meeting, approved the payment of profit related commission, to each director, upto one million per annum, in proportion to the time served by him/her as a Director in a year, to each non-executive Director of the Company (other than the non-executive Directors nominated by ICICI Bank Limited and Prudential Corporation Holdings Limited), from the financial year ending March 31, 2020. The payments are 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.

# Directors' Report (Continued)

The details of the sitting fees and commission paid are as below:

## Sitting fees paid to independent Directors for the financial year ended March 31, 2019:

Name of the Director	Amount (in ₹)
Mr. M. S. Ramachandran, Chairman	1,880,000
Mr. Vinod Kumar Dhall	1,290,000
Mr. V. Sridar	1,440,000
Mr. Dilip Karnik	1,230,000
Mr. R. K. Nair	1,660,000
Mr. Dileep Choksi	1,240,000
Ms. Vibha Paul Rishi	400,000

## Commission to be paid to independent Directors for the financial year ended March 31, 2019:

Name of the Director	Amount (in ₹)
Mr. M. S. Ramachandran	750,000
Mr. V. Sridar	750,000
Mr. Dilip Karnik	750,000
Mr. R. K. Nair	750,000
Mr. Dileep Choksi	750,000
Mr. Vinod Kumar Dhall	694,521*
Ms. Vibha Paul Rishi	184,932*

\* In proportion to the time served as an independent Director of the Company in the year

## Remuneration disclosures pursuant to IRDAI guidelines

Pursuant to IRDAI guidelines on remuneration of non-executive Directors and Managing Director/Chief Executive Officer/wholtime 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.

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

The Board Nomination and Remuneration Committee (BNRC) is the body which oversees the remuneration aspects. The functions of the BNRC 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 wholtime/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 wholtime 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.

- ii) 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, 2019.

- iii) 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.

- iv) 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, 2019 was 14,099.

- v) 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:



# Directors' Report (Continued)

## Effective governance of compensation

The BNRC has oversight over compensation. The BNRC defines key performance indicators (KPIs) for the organisation and the performance threshold 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 Company has a Board approved Compensation policy on remuneration of non-executive Directors and Managing Director/Chief Executive Officer/wholtime Directors.

### **b. 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.
- 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.
- The quantum of bonus does not exceed a certain percentage (as stipulated in compensation policy) of total fixed pay in a year, for wholtime Directors if the quantum of bonus exceeds a pre-defined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period.

### **c. 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.

# Directors' Report (Continued)

## (B) Quantitative disclosures

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

Particulars	At March 31, 2019
Number of meetings held by the BNRC during the financial year	8
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 <sup>1</sup>	91.1
Variable Pay <sup>2</sup>	56.4
Deferred	22.6
Non-Deferred	33.9
Share-Linked Instruments – Company <sup>2</sup>	434,300
Share-Linked Instruments – ICICI Bank <sup>2</sup>	1,030,900
Total amount of deferred remuneration paid out in the financial year	17.9
Total amount of outstanding deferred remuneration Cash (₹ in million)	42.2
Shares	Nil
Shares-linked instruments – Company	630,650
Shares-linked instruments – ICICI Bank	2,421,493
Other forms	Nil

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

<sup>2</sup> For the year ended March 31, 2019, variable pay and share-linked instruments represent amounts paid/options during the year FY2019 as per IRDAI approval.

### 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. For the purpose of this section, aspects of fixed remuneration which includes basic salary, supplementary allowance and retiral (provident fund, gratuity and superannuation) have been considered.

(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. N S Kannan, Managing Director & CEO*	82:1
Mr. Puneet Nanda, Deputy Managing Director	58:1

\*The annualised remuneration has been considered for the purpose of determining this ratio

(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 wholetime Directors, Chief Financial Officer, and Company Secretary ranged between 11% and 19%.

(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 7.5%.

(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 14,099.

(v) 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 2019 was around 10.0%, while the average increase in the remuneration of the Key Managerial Personnel was in the range of 11% to 19%.

## Directors' Report (Continued)

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company

Yes

### Employee Stock Option Scheme (ESOS)

The Company granted options to its employees under its Employee Stock Option Scheme, prior to listing, since approval of its Employee Stock Option Scheme – 2005. This pre-IPO scheme shall be referred to as 'Scheme'. The Scheme has six tranches namely Founder, 2004-05, 2005-06, 2006-07, Founder II and 2007-08, pursuant to which shares have been allotted and listed in accordance with the in-principle approval extended by the stock exchanges. The Scheme was instituted vide approval of its Members at the Extra-Ordinary General Meeting (EGM) dated March 28, 2005 and subsequently amended by the Members of the Company vide its EGM dated February 24, 2015.

The Scheme was last ratified and amended by the members of the Company at its Annual General Meeting held on July 17, 2017 which is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (referred to as the 'Revised Scheme').

Further, the Board Nomination and Remuneration Committee (BNRC) and the Board held on April 24, 2019, with the objective to align the employees' interests with those of shareholders, has approved the amendment to the definition of "Exercise Period" to read as "Exercise Period" would commence from the date of vesting and will expire on completion of such period not exceeding five years from the date of vesting of Options as may be determined by the Board Nomination & Remuneration Committee for each grant.

The amendment is not intended to impact any grants made earlier. The revision to the definition would come into effect after approval by Members at the ensuing annual general meeting. There are no other changes proposed to the existing terms of the Revised Scheme.

As per the Revised Scheme 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 2.64% of the number of shares issued as on March 31, 2016; which pursuant to the Scheme was capped at 3% of the issued capital of the Company as on the date of grant(s). Further, pursuant to the Revised Scheme the maximum number of options that can be granted to any eligible employee is restricted to 0.1% of the issued Shares of the Company at the time of grant of Options, which pursuant to the Scheme was 1% of the issued capital of the Company to any eligible employee. Both, the Scheme and the Revised Scheme, provides for a minimum period of one year between the grant of options and vesting of options. Shares are allotted to all those who have exercised their options, as granted by the Board of the Company and/or the BNRC in accordance with the criteria ascertained pursuant to the Company's Compensation and Benefits Policy.

Pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, the disclosures are available on the website of the Company at <https://www.icicprulife.com/about-us/investor-relations/financial-information.html>.

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 Revised Scheme.

# Directors' Report (Continued)

The salient features of tranches issued under the Scheme and the Revised Scheme are as stated below:

Date of Grant	Founder	2004-05	2005-06	2006-07 Founder II	2007-08	2017-18	2018-19	2018-19 Special Options	2018-19 Joining Options
	March 28, 2005	April 25, 2005	April 26, 2006	April 24, 2007	April 25, 2008	July 25, 2017	April 24, 2018	April 24, 2018	January 22, 2019
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	656,300	2,167,900 <sup>1</sup>	4,980,250	156,000
Maximum term for exercising the options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options	Exercise period would commence from the date of vesting and expire on completion of ten years from the date of vesting of options	Five years from date of vesting of stock options		
Graded Vesting Period									
1 <sup>st</sup> Year	50% of option granted	25% of options granted				30% of options granted	-	30% of options granted	
2 <sup>nd</sup> Year		25% of options granted				30% of options granted	-	30% of options granted	
3 <sup>rd</sup> Year		25% of options granted				40% of options granted	50% of options granted	40% of options granted	
4 <sup>th</sup> Year	-	25% of options granted					50% of options granted	-	
Mode of settlement	Equity								

Exercise prices of all the options outstanding for all years/quarter for tranches Founder, 2004-2005, 2005-06, 2006-07, Founder II, 2007-08, 2017-18, 2018-19, 2018-19 Special Options and 2018-19 Joining Options are ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130, ₹ 400, ₹ 468.6, ₹ 388.4, ₹ 388.4 and ₹ 351.65, respectively.

Particulars of options granted by the Company up to March 31, 2019 are given below:

Options granted	7,304,150
Options forfeited/ lapsed	2,115,950
Options vested	188,220
Options exercised	285,771
Total number of options in force	4,902,429
Number of shares allotted pursuant to exercise of options	285,771
Extinguishment or modification of options	Nil
Amount realised by exercise of options (₹)	47,038,980

Note: For details on option movement during the year refer Notes to accounts.

## Directors' Report (Continued)

The following Key Managerial Personnel, other than wholetime Directors, and senior management personnel (SMP) were granted stock options of the Company upto a maximum of 209,800 options to an individual, aggregating to 1,099,000 options during FY2019.

Sr. No.	Name	Designation
1	Judhajt Das	Chief-Human Resources
2	Satyan Jambunathan	Chief Financial Officer
3	V. V. Balaji*	Chief – IT & Operations
4	Deepak Kinger	Chief Risk and Compliance Officer
5	Manish Kumar	Chief Investments Officer
6	Manish Dubey	Executive Vice President & Chief Marketing Officer
7	Asha Murali	Executive Vice President & Appointed Actuary
8	Vyoma Manek	Company Secretary

\* Mr. V.V. Balaji ceased to be an employee with the Company with effect from November 1, 2018.

No employee was granted options during any one year equal to or exceeding 0.1% of the issued equity shares of the Company at the time of the grant.

Out of the total outstanding stock options of the previous year, 188,220 options were vested during the year ended March 31, 2019 and ₹ 47.0 million was realised by exercise of options during the year ended March 31, 2019. During the year ended March 31, 2019 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2018: ₹ nil) as the intrinsic value of the options.

Had the Company followed fair value method based on binomial tree model valuing its options compensation cost for the year ended would have been higher by ₹ 316.8 million (March 31, 2018: ₹ 39.7 million) and the proforma profit after tax would have been ₹ 11,089.7 million (March 31, 2018: ₹ 16,158.6 million). On a proforma basis, the Company's basic and diluted earnings per share would have been ₹ 7.72 (March 31, 2018: ₹ 11.26) and ₹ 7.72 (March 31, 2018: ₹ 11.25), respectively.

### Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year ended March 31, 2019 were:

Particulars	March 31, 2018	March 31, 2019	Basis
Risk-free interest rate	6.68% to 6.96%	7.34% to 8.08%	G-Sec yield at grant date for tenure equal to the expected term of ESOPs
Expected life of the options	6 to 8 years	3.50 to 6.50 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	0.96%	1.16% to 1.28%	Based on recent dividend declared
Expected volatility	15.82% to 16.39%	13.21% to 14.89%	Based on historical volatility determined on the basis of Nifty 50

The weighted average price of options exercised during the year ended March 31, 2019 is ₹ 164.60 (year ended March 31, 2018: ₹ 261.08).

Further disclosures pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014, Guidance Note on accounting for employees share based payments issued by ICAI or any other relevant accounting standard have been included in the Notes to Accounts.

ICICI Bank Limited ("Holding company") has granted their options to certain employees of the Company. The Holding company follows an intrinsic value method and has recognised a cost of ₹ nil for the year ended March 31, 2019, for the options granted to employees of the Company (year ended March 31, 2018: ₹ nil).

### Performance evaluation of Directors, Chairman, the Board and its Committees

The Company with the approval of its Board Nomination & Remuneration Committee has put in place an evaluation framework for evaluation of the Directors, Chairman, the Board and its Committees.

The performance evaluation was undertaken through an online survey portal. 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

# Directors' Report (Continued)

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 criteria for the Committees was based on effective discharge of its terms of reference and its contribution to the functioning of the Board. The evaluation process for wholetime Directors is further detailed under the section titled "Compensation Policy and Practices."

## General Body Meetings

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

Financial Year ended	Day, Date	Start time	Venue
Sixteenth AGM	Friday, June 24, 2016	11.00 a.m.	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
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
Eighteenth AGM	Tuesday, June 26, 2018	2.30 p.m.	Swatanrya Veer Sawarkar Auditorium, 252, Shivaji Park, Dadar (West), Mumbai – 400 028

The following special resolutions were passed by the members during the last three Annual General Meetings:

### Annual General Meeting held on June 24, 2016

- Amendment of the Articles of Association of the Company.

### Annual General Meeting held on July 17, 2017

- Approval and ratification of ICICI Prudential Life Insurance Company Limited - Employees Stock Option Scheme.
- Approval to Grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the Revised Scheme.

### Annual General Meeting held on June 26, 2018

- No special resolution was proposed.

## Postal ballot

During the year FY2019, the Company conducted a postal ballot vide notice of postal ballot issued on July 11, 2018 under Section 110 of the Companies Act, 2013. No special resolution(s) were passed through the postal ballot. The Company followed the procedure as prescribed under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration), Rules, 2014, and the Secretarial Standard 2 issued by the Institute of Company Secretaries of India. The Members were provided the facility to cast their votes electronically (e-voting) and through postal ballot.

The Board of Directors of the Company, had appointed M/s Mehta & Mehta, Company Secretaries, as the scrutiniser for conducting the postal ballot voting process. The scrutiniser submitted their report dated August 24, 2018 after the completion of the scrutiny of the postal ballots (including e-voting). Considering the combined results of the postal ballot via postal ballot forms and e-voting facility, the resolution was approved on August 24, 2018. The results were declared on August 25, 2018 and communicated to the stock exchange(s) and displayed on the Company's website [www.iciciprulife.com](http://www.iciciprulife.com).

At present, no special resolution is proposed to be passed through postal ballot.

## 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](http://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.

# Directors' Report (Continued)

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, Kolkatta, Chandigarh, Chennai, Bangalore, Hyderabad, Kochi and Ahmedabad (Gujarati) 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.

## General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Nineteenth AGM	Wednesday, July 17, 2019, 2.00 p.m.	Swatantrya Veer Sawarkar Auditorium, 252, Shivaji Park, Dadar (West), Mumbai – 400 028

Financial Year: April 1, 2018 to March 31, 2019

Book Closure: July 11, 2019 to July 17, 2019 (both days inclusive)

Dividend Payment date: On or before August 16, 2019.

## Fit and Proper criteria for investors and continuous monitoring requirement

The IRDAI guidelines for Listed Indian Insurance Companies prescribe 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/about-us/shareholder-information/other.html>.

## 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.

## Maintenance of cost records

The maintenance of cost records, for the services rendered by the Company, pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, is not required.

## Business responsibility reporting

Business responsibility report as stipulated under Regulation 34 of the Listing Regulations forms part of the Annual Report and has been hosted on the website of the Company and can be viewed at <https://www.iciciprulife.com/about-us/shareholder-information/other.html>.

## 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 is as under:

Particulars	₹ billion)	
	FY2018	FY2019
Foreign exchange earnings and outgo		
- Earnings	0.15	0.25
- Outgo	0.32	0.18

## 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 Company has various branches across the country, however, there are no plants as the Company is not a manufacturing entity.

## Details of unclaimed suspense account as provided by our RTA i.e. Karvy Fintech 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

For financial year 2019, there were no shares lying in the unclaimed suspense account.



# Directors' Report (Continued)

## 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

1. There are no materially significant related party transactions that may have potential conflict with the interest of the Company.
2. 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.
3. 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 requirement:

- Reporting of internal auditor: The internal auditor reports directly to the Board 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 Regulations, 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 the 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.

## DETAILS PERTAINING TO SHAREHOLDING

### 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.

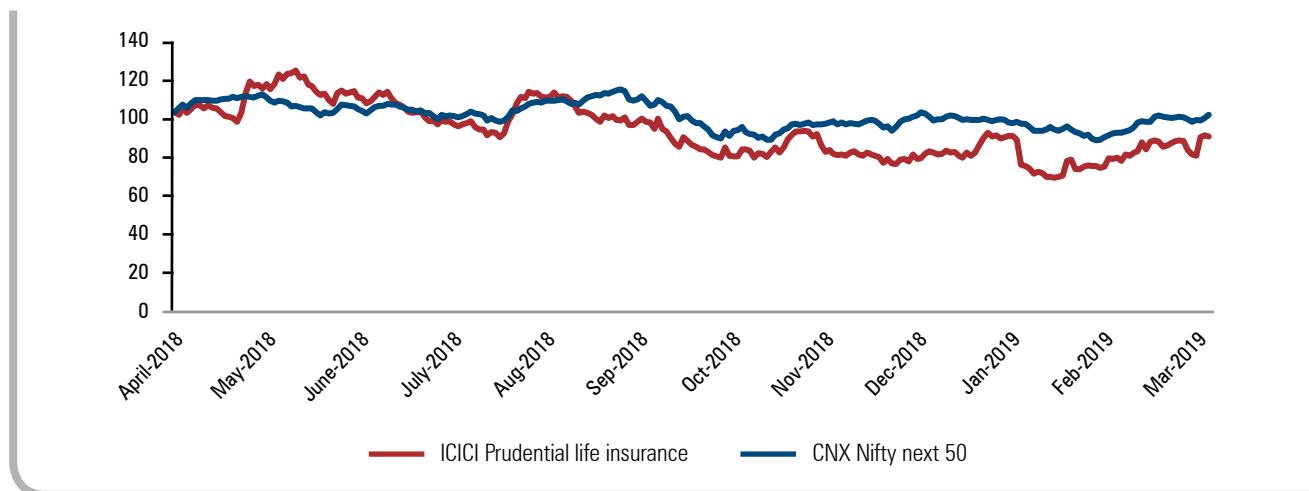
# Directors' Report (Continued)

## Market price Information

The reported high and low closing prices and volume of equity shares of the Company traded during fiscal 2019 on BSE and NSE are set out in the following table:

Month	BSE			NSE			Total volume of BSE and NSE
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
April 2018	438.70	374.25	3,359,442	438.35	374.10	51,926,421	55,285,863
May 2018	454.85	402.60	2,629,042	455.45	402.60	35,467,511	38,096,553
June 2018	421.95	370.25	2,440,947	422.00	369.90	32,094,326	34,535,273
July 2018	420.20	349.00	2,317,828	421.25	349.20	45,404,338	47,722,166
August 2018	419.90	374.30	1,218,623	420.25	374.20	20,011,181	21,229,804
September 2018	379.95	333.45	1,197,995	380.65	333.75	30,201,544	31,399,539
October 2018	332.45	316.35	1,335,049	333.20	316.50	27,825,908	29,160,957
November 2018	359.50	318.65	1,039,501	359.85	319.60	27,053,261	28,092,762
December 2018	327.40	306.70	1,691,366	327.90	306.60	20,378,747	22,070,113
January 2019	355.55	286.25	4,784,426	356.55	285.85	54,704,565	59,488,991
February 2019	320.85	284.45	2,070,498	321.55	284.75	28,113,788	30,184,286
March 2019	351.85	320.15	4,965,867	352.40	320.25	90,693,043	95,658,910
Fiscal 2019	454.85	284.45	29,050,584	455.45	284.75	463,874,633	492,925,217

## SHARE PERFORMANCE:



\* Share price/index are rebased to 100 for closing value on March 28, 2018

## Share Transfer System

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

Karvy Fintech 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

# Directors' Report (Continued)

## Information on shareholding

### Shareholding pattern of the Company as on March 31, 2019

Sr. No.	Category/Name of the Shareholder	Number of shares on March 31, 2019 (in million)	% Total
1	ICICI Bank Limited (Promoter)	759.11	52.87%
2	Prudential Corporation Holdings Limited (Promoter)	317.52	22.11%
3	Foreign Institutional Investors /Foreign Portfolio Investors/Foreign Bodies	173.47	12.09%
4	Domestic Mutual Funds	85.04	5.92%
5	Domestic Institutions, Trust & NBFC	35.80	2.49%
6	Domestic Body corporates including Insurance Company	12.13	0.84%
7	Domestic Banks	0.84	0.07%
8	Retail Investors & Others	51.88	3.61%
	<b>Total</b>	<b>1,435.78</b>	<b>100.00%</b>

### Shareholders of the Company with more than 1% holding as on March 31, 2019 (other than promoters of the Company)

Sr. No.	Category/Name of the Shareholder	Number of shares (in million)	% to total
1	SBI Funds Management	53.69	3.74%
2	M/s Apex Trust*	33.83	2.36%
3	Compassvale Investments Pte. Ltd.	28.72	2.00%
4	Amansa Holdings Private Limited	15.52	1.08%

\*Includes the shares held by M/s Apex Trust jointly with Mr. Rishad Azim Premji and by M/s Apex Trust, together for M/s Hasham Traders.

### Distribution of shareholding of the Company as on March 31, 2019

Distribution schedule as on March 31, 2019 (Total)					
Sr.No	Category	No. of holders	% of holders	Number of shares	% of equity
1	1-5000	334,038	99.71	34,872,824	2.43
2	5001- 10000	383	0.11	2,799,986	0.20
3	10001- 20000	177	0.05	2,554,390	0.18
4	20001- 30000	84	0.03	2,054,508	0.14
5	30001- 40000	47	0.01	1,649,426	0.11
6	40001- 50000	43	0.01	1,986,338	0.14
7	50001- 100000	68	0.02	5,002,988	0.35
8	100001 & Above	183	0.05	1,384,864,021	96.45
	<b>Total</b>	<b>335,023</b>	<b>100.00</b>	<b>1,435,784,481</b>	<b>100.00</b>

The Company's equity shares are traded mainly in dematerialised form. During the year, 270,082 equity shares of face value ₹ 10/- each involving 22 certificates were dematerialised. At March 31, 2019, 99.99% of paid-up equity share capital is held in dematerialised form.

### Increase in share capital

The paid-up capital of the Company increased by ₹ 0.29 million, consequent to allotment of shares resulting due to the exercise of stock options granted under the Company's Employee Stock Option Scheme, and the paid-up capital was ₹ 14.36 billion at March 31, 2019.

# Directors' Report (Continued)

**Details of equity shares held by the non-executive Directors of the Company as on March 31, 2019 is as set out in the table below:**

Sr. No.	Name of the Director	Number of shares held
1.	Mr. Anup Bagchi	8,500
2.	Mr. Dileep Choksi	20

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

Mr. Satyan Jambunathan/Mr. Dhiren Salian

Investor Relations

Registered office:

ICICI Prudential Life Insurance Co. Ltd.

1089 Appasaheb Marathe Marg,

Prabhadevi, Mumbai 400025

Telephone: (91 22) 5039 1600

Fax: (91 22) 2422 4484

Email id: ir@iciciprulife.com

## Address for Correspondence

Ms. Vyoma Manek

Company Secretary

ICICI Prudential Life Insurance Company Limited

1089, Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400025

Telephone: (91 22) 5039 1600

Fax: (91 22) 2422 4484

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, B S R & Co. LLP, Chartered Accountants and Walker Chandiook & Co LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in the Listing Regulations.

## CERTIFICATE FROM A PRACTICING COMPANY SECRETARY

A certificate has been received from Tushar Shridharani, a Practicing Company Secretary confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any such statutory authority.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report for FY2019 forms part of the Annual Report.

## 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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- 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;
- that they have prepared the annual accounts on a going concern basis;
- 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
- 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 our 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 deliver and extend quality services. 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**

**M. S. RAMACHANDRAN**

Chairman

DIN: 00943629

April 24, 2019

Mumbai

# Directors' Report (Continued)

## 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, 2019.

April 24, 2019  
Mumbai

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

## CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Vyoma Manek, hereby certify that the Company has, for the financial year ended March 31, 2019, complied with the requirements stipulated under the corporate governance guidelines of Insurance Regulatory and Development Authority of India as amended from time to time and nothing has been concealed or suppressed.

April 24, 2019  
Mumbai

**Vyoma Manek**  
Company Secretary  
ACS 20384

Executive Summary

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# Annexure A

## 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, 2019 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	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.  The commission paid is as per the File and use approval for the relevant product and in compliance with the Board approved policy on payment of commission.	9,760.20
2	Premium Income	ICICI Bank Limited	Holding company	-	Premium income for group term policy for employees of the group company and for offering insurance to its customers. Premium income is as per the product features approved by IRDAI.	3,758.47
3	Bank Balance	ICICI Bank Limited	Holding company	-	Outstanding book balance at March 31, 2019 in current accounts.	3,583.18
4	Sale of government securities, certificate of deposits, bonds and debentures of third parties	ICICI Bank Limited	Holding company	-	At market price	3,066.35
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	-	At market price	501.08
		ICICI Home Finance Limited	Fellow Subsidiary	-	At market price	1,000.00
5	Purchases of government securities, bonds and debentures, certificate of deposits of third parties	ICICI Bank Limited	Holding company	-	At market price	18,391.07
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	-	At market price	952.78
		ICICI Securities Primary Dealership Limited	Fellow Subsidiary	-	At market price	15,330.82

For and on behalf of the Board

**M. S. RAMACHANDRAN**

Chairman

DIN: 00943629

April 24, 2019

Mumbai

# Annexure B

## FORM NO. MR.3

### DRAFT SECRETARIAL AUDIT REPORT

#### For The Financial Year Ended 31<sup>st</sup> March, 2019

[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,  
ICICI Prulife Towers 1089  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai 400025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICICI Prudential Life Insurance Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter called the '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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; (External Commercial Borrowings and Overseas Direct Investment not Applicable to the Company during the Audit Period)
- (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; **(Not Applicable to the Company during the Audit Period)**
- (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)**

We 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 and Standards, etc.

**We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- (i) Insurance Act, 1938 and Insurance Rules, 1939
- (ii) Insurance Regulatory and Development Authority Act, 1999 and Rules and Regulation, Circular and Notification issued thereunder.

#### **We further report that**

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



## Annexure B (Continued)

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.

**We 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.

**We further report that** during the audit period the Company has allotted 2,85,771 Equity Shares under the ESOP Scheme of the Company.

**For Makarand M. Joshi & Co.**

Practicing Company Secretaries

**Makarand Joshi**

Partner

FCS No. 5533

CP No. 3662

Place: Mumbai

Date: April 24, 2019

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

### ANNEXURE A'

To  
The Members,  
ICICI Prudential Life Insurance Company Limited  
ICICI Prulife Towers 1089  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai 400025

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Makarand M. Joshi & Co.**

Practicing Company Secretaries

**Makarand Joshi**

Partner

FCS No. 5533

CP No. 3662

Place: Mumbai

Date: April 24, 2019

# Annexure C

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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
v)	Address of the Registered office and contact details	1089, Appasaheb Marathe Marg Prabhadevi Mumbai- 400 025 Tel. : (+91 - 22) 5039 1600 Fax : (+91 - 22) 2422 4484 Email : investor@iciciprulife.com
vi)	Whether listed company Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) (Karvy) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email id: einward.ris@karvy.com Tel No. : +91 - 40 - 6716 2222 Fax No. : +91-40-23420814

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Life Insurance Company	65110	100

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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	ICICI Bank Limited ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, Gujarat - 390007	L65190GJ1994PLC021012	Holding	52.87	2(46)
2.	ICICI Prudential Pension Funds Management Company Limited 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.	U66000MH2009PLC191935	Wholly owned subsidiary	100	2(87)

# Annexure C (Continued)

## 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-2018				No. of Shares held at the end of the year 31-Mar-2019				% change during the year
		Demat		Total	Demat		Total	% of Total Shares		
		Physical	% of Total Shares	Physical	% of Total Shares					
<b>A Promoters</b>										
<b>(1) Indian</b>										
	a) Individual / HUF	0	0.00	0	0	0	0.00	0	0.00	0.00
	b) Central Govt	0	0.00	0	0	0	0.00	0	0.00	0.00
	c) State Govt(s)	0	0.00	0	0	0	0.00	0	0.00	0.00
	d) Bodies Corp.	0	0	0	0	0	0	0	0	0
	e) Banks/Fl	787,816,604	54.88	787,816,604	759,105,504	52.87	759,105,504	52.87	(2.01)	
	f) Any Other	0	0.00	0	0	0.00	0	0.00	0.00	
	<b>Sub-total (A) (1):-</b>	<b>787,816,604</b>	<b>54.88</b>	<b>787,816,604</b>	<b>759,105,504</b>	<b>52.87</b>	<b>759,105,504</b>	<b>52.87</b>	<b>(2.01)</b>	
<b>(2) Foreign</b>										
	a) NRIs - Individuals	0	0.00	0	0	0.00	0	0.00	0.00	
	b) Other - Individuals	0	0.00	0	0	0.00	0	0.00	0.00	
	c) Bodies Corp.	370,784,884	25.83	370,784,884	317,517,279	22.11	317,517,279	22.11	(3.72)	
	d) Banks/Fl	0	0.00	0	0	0.00	0	0.00	0.00	
	e) Any Other	0	0.00	0	0	0.00	0	0.00	0.00	
	<b>Sub-total (A) (2):-</b>	<b>370,784,884</b>	<b>25.83</b>	<b>370,784,884</b>	<b>317,517,279</b>	<b>22.11</b>	<b>317,517,279</b>	<b>22.11</b>	<b>(3.72)</b>	
	<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>1,158,601,488</b>	<b>80.71</b>	<b>1,158,601,488</b>	<b>1,076,622,783</b>	<b>74.98</b>	<b>1,076,622,783</b>	<b>74.98</b>	<b>(5.73)</b>	
<b>B Public Shareholding</b>										
<b>(1) Institutions</b>										
	a) Mutual Funds / UTI	41,329,128	2.88	41,329,128	85,035,069	5.92	85,035,069	5.92	3.04	
	b) Banks /Fl	1,119,768	0.08	1,119,768	1,015,103	0.07	1,015,103	0.07	(0.01)	
	c) Central Govt	0	0.00	0	0	0.00	0	0.00	0.00	
	d) State Govt(s)	0	0.00	0	0	0.00	0	0.00	0.00	
	e) Venture Capital Funds	0	0.00	0	0	0.00	0	0.00	0.00	
	f) Insurance Companies	10,683,774	0.74	10,683,774	7,629,650	0.53	7,629,650	0.53	(0.21)	
	g) Fls	93,553,239	6.52	93,553,239	144,752,867	10.08	144,752,867	10.08	3.56	
	h) Foreign Venture Capital Funds	0	0.00	0	0	0.00	0	0.00	0.00	
	i) Alternative Investment fund	291,643	0.02	291,643	194,844	0.01	194,844	0.01	(0.01)	
	j) Other (specify)	0	0.00	0	0	0.00	0	0.00	0.00	
	<b>Sub-total (B) (1) :-</b>	<b>146,977,552</b>	<b>10.24</b>	<b>146,977,552</b>	<b>238,627,533</b>	<b>16.62</b>	<b>238,627,533</b>	<b>16.62</b>	<b>6.38</b>	
<b>(2) Non-Institutions</b>										
<b>A Bodies Corp.</b>										
	I Indian	4,688,948	0.33	4,688,948	4,502,646	0.31	4,502,646	0.31	(0.02)	
	II Overseas	0	0.00	0	0	0.00	0	0.00	0.00	

## Annexure C (Continued)

Sl. No.	Category of shareholders	No. of Shares held at the beginning of the year 01-Apr-2018				No. of Shares held at the end of the year 31-Mar-2019				% change during the year
		Demat		Physical		Demat		Physical		
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
<b>B Individuals</b>										
I	Individual shareholders holding nominal share capital upto ₹1 lac	32,197,289	60,957	32,258,246	2.25	32,771,402	17,416	32,788,818	2.28	0.03
II	Individual shareholders holding nominal share capital excess of ₹ 1 lac	7,884,656	128,000	8,012,656	0.56	8,012,025	32,500	8,044,525	0.56	0.00
<b>C Others (specify)</b>										
	Trust*	47,693,836	0	47,693,836	3.32	34,338,067	0	34,338,067	2.39	(0.93)
	Directors & their Relatives (Resident)	378,487	0	378,487	0.03	556,020	0	556,020	0.04	0.01
	Non-Resident Indian Directors	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Nationals	0	0	0	0.00	456	0	456	0.00	0.00
	Non-Resident Indians	1,348,807	0	1,348,807	0.09	1,534,598	0	1,534,598	0.11	0.02
	Clearing Member	842,723	0	842,723	0.06	5,246,242	0	5,246,242	0.37	0.31
	Hindu Undivided Families	1,732,509	1,000	1,733,509	0.12	1,737,060	1,000	1,738,060	0.12	0.00
	Foreign Companies	28,717,748	0	28,717,748	2.00	28,717,748	0	28,717,748	2.00	0.00
	Foreign Bodies – DR	0	0	0	0.00	0	0	0	0.00	0.00
	NRI – DR	0	0	0	0.00	0	0	0	0.00	0.00
	NBFC	2,748,358	0	2,748,358	0.19	1,294,930	0	1,294,930	0.09	(0.10)
	NRI Non-Repatriation	1,496,352	0	1,496,352	0.10	1,772,055	0	1,772,055	0.12	0.02
	<b>Sub-total (B) (2) :-</b>	<b>129,729,713</b>	<b>189,957</b>	<b>129,919,670</b>	<b>9.05</b>	<b>120,483,249</b>	<b>50,916</b>	<b>120,534,165</b>	<b>8.40</b>	<b>(0.65)</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B)(2)</b>	<b>276,707,265</b>	<b>189,957</b>	<b>276,897,222</b>	<b>19.29</b>	<b>359,110,782</b>	<b>50,916</b>	<b>359,161,698</b>	<b>25.02</b>	<b>5.73</b>
	<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A + B + C)</b>	<b>1,435,308,753</b>	<b>189,957</b>	<b>1,435,498,710</b>	<b>100.00</b>	<b>1,435,733,565</b>	<b>50,916</b>	<b>1,435,784,481</b>	<b>100.00</b>	<b>0.00</b>

\*Includes the shares held by M/s Apex Trust, jointly with Mr. Rishad Azim Premji and by M/s Apex Trust, together for M/s Hasham Traders.

## ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year 01-Apr-2018				Shareholding at the end of the year 31-Mar-2019				% change in shareholding during the year
		No. of Shares		% of Shares Pledged/ encumbered to total shares		No. of Shares		% of Shares Pledged/ encumbered to total shares		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% of total Shares of the Company	
1	ICICI Bank Limited	787,816,604	54.88	-	-	759,105,504	52.87	-	-	(2.01)
2	Prudential Corporation Holdings Limited	370,784,884	25.83	-	-	317,517,279	22.11	-	-	(3.72)
	<b>Total</b>	<b>1,158,601,488</b>	<b>80.71</b>	<b>-</b>	<b>-</b>	<b>1,076,622,783</b>	<b>74.98</b>	<b>-</b>	<b>-</b>	<b>(5.73)</b>

Note: There is a change in the number of shares held by the promoter companies consequent to offer for sale by ICICI Bank Limited and Prudential Corporation Holdings Limited.

## Annexure C (Continued)

### 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-Apr-18	1,158,601,488	80.71	1,158,601,488	80.71
2	Shares sold by ICICI Bank Limited, through offer for sale	13-Jun-18	28,711,100	2.00	759,105,504	52.87
	Shares sold by Prudential Corporation Holdings Limited, through offer for sale	25-Mar-19	53,267,605	3.71	317,517,279	22.11
3	At the end of the year	31-Mar-19	1,076,622,783	74.98	1,076,622,783	74.98

Note: There is change in the shareholding of promoters.

### iii) Shareholding pattern of top ten shareholders (Other than directors, promoters and holders of GDRs and ADRs)

Sr. No.	Top 10 shareholders	Shareholding at the beginning of the year 01-Apr-2018		Shareholding at the end of the year 31-Mar-2019	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SBI Funds Management*	8,563,566	0.60	53,690,205	3.74
2	M/s Apex Trust ^	47,328,548	3.30	33,828,593	2.36
3	Compassvale Investments PTE. Ltd.*	28,717,748	2.00	28,717,748	2.00
4	Amansa Holdings Private Limited*	6,625,775	0.46	15,524,185	1.08
5	Stichting Depository APG Emerging Markets Equity Pool (APG Asset Management)#	3,612,589	0.25	8,303,570	0.58
6	Nomura Asset Management *	7,075,101	0.49	7,075,101	0.49
7	Government Pension Fund Global#	0	0.00	7,047,519	0.49
8	ICICI Prudential Asset Management Company Limited*	4,648,130	0.32	6,726,304	0.47
9	Aditya Birla Sun Life Trustee Private Limited Account#	1,301,420	0.09	6,657,071	0.46
10	City of New York Group Trust#	4,146,863	0.29	6,643,470	0.46
11	National Westminster Bank PLC as Trustee of the Jupiter India Fund@	5,058,262	0.35	5,205,196	0.36
12	Vanguard Emerging Markets Stock Index Fund, Aserie@	4,494,943	0.31	4,509,932	0.31
13	Government of Singapore@	6,404,886	0.45	2,861,768	0.20
14	Reliance Capital Trustee Co Ltd - Reliance Top 200@	4,671,683	0.33	444,628	0.03

1) The shares of the Company are substantially held in dematerialised form, and are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

2) \* Common top 10 shareholders as on April 1, 2018 and March 31, 2019

@ Top 10 shareholders only as on April 1, 2018

# Top 10 shareholders only as on March 31, 2019

^ Includes the shares held by M/s Apex Trust jointly with Mr. Rishad Azim Premji and by M/s Apex Trust, together for M/s Hasham Traders.

# Annexure C (Continued)

## 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-2018		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			Cummulative Shareholding during the year		Shareholding at the end of the year 31-Mar-2019	
		No. of Shares of FV ₹10/-	% of total shares of the company				No. of Shares of FV ₹10/-	% of total shares of the company	No. of share	% of total shares of the Company
1	Mr. N. S. Kannan	0	0.00	20-Nov-18	200,000	Exercise of options	200,000	0.01	200,000	0.01
2	Mr. Puneet Nanda	347,500	0.02	-	-	-	347,500	0.02	347,500	0.02
3	Mr. Dileep Choksi	0	0.00	25-Mar-19	20	Purchase*	20	0.00	20	0.00
4	Mr. Anup Bagchi	8,500	0.00	-	-	-	-	-	8,500	0.00
5	Mr. Sandeep Batra	30,000	0.00	3-Aug-18	25,000	Sale	5,000	0.00		
				8-Aug-18	2,361	Sale	2,639	0.00	0	0.00
				12-Mar-19	2,639	Sale	0	0.00		
6	Mr. Satyan Jambunathan	146,875	0.01	-	-	-	146,875	0.01	146,875	0.01
7	Ms. Vyoma Manek	68	0.00	16-Jun-18	251	Purchase	319	0.00	949	0.00
				17-Sep-18	35	Purchase	354	0.00		
				19-Sep-18	50	Purchase	404	0.00		
				31-Oct-18	20	Purchase	424	0.00		
				22-Nov-18	35	Purchase	459	0.00		
				29-Nov-18	60	Purchase	519	0.00		
				6-Dec-18	120	Purchase	639	0.00		
				10-Dec-18	50	Purchase	689	0.00		
				25-Jan-19	150	Purchase	839	0.00		
				28-Jan-19	60	Purchase	899	0.00		
				4-Feb-19	50	Purchase	949	0.00		

\*under the offer for sale by promoter(s) of the Company.

## 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 paid				
<b>Total (i + ii + iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Addition				
Reduction	NIL	NIL	NIL	NIL
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 paid				
<b>Total (i + ii + iii)</b>	NIL	NIL	NIL	NIL

# Annexure C (Continued)

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Wholetime Directors and/or Manager for the year ended March 31, 2019:

(₹'000)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Sandeep Bakhshi, Managing Director & CEO <sup>1</sup>	Mr. N S Kannan, Managing Director & CEO <sup>2</sup>	Mr. Puneet Nanda, Deputy Managing Director <sup>3</sup>	Mr. Sandeep Batra, Executive Director-Corp Center <sup>4</sup>	
1.	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <sup>5</sup>	31,828	31,220	47,460	22,449	132,957
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961 <sup>6</sup>	180	870	572	157	1,779
c)	Profits in lieu of salary under section of the 17(3) Income-tax Act, 1961	-	-	-	-	-
2..	Stock Options <sup>7</sup>	-	39,595	-	-	39,595
3..	Sweat Equity	-	-	-	-	-
4..	Commission - as % of profit - others, specify	-	-	-	-	-
5.	Others, please specify <sup>8</sup>	1,211	4,928	3,470	522	10,131
	<b>Total</b>	<b>33,219</b>	<b>76,613</b>	<b>51,502</b>	<b>23,128</b>	<b>184,462</b>

<sup>1</sup>Mr. Sandeep Bakhshi – Compensation reported from April 1, 2018 to June 18, 2018.

<sup>2</sup>Mr. N. S. Kannan – Compensation reported from June 19, 2018 to March 31, 2019.

<sup>3</sup>Mr. Puneet Nanda was elevated as the Deputy Managing Director with effect from July 3, 2018.

<sup>4</sup>Mr. Sandeep Batra – Compensation reported from April 1, 2018 to July 11, 2018.

<sup>5</sup>Includes basic pay, allowances, encashment in lieu of un-availed leave, annual bonus paid during the financial year, and interest subsidy as applicable to the MD & CEO and Deputy Managing Director.

<sup>6</sup>Includes all or any of the perquisites like use of car, gas and electricity, club fees, soft furnishings, domiciliary medical, home loan subsidy.

<sup>7</sup>Perquisite value, as per the Income-tax Act, 1961, of the stock options exercised. Additionally the directors are granted options pursuant to Company's Employees Stock Option Scheme (2005) and ICICI Bank's Employees Stock Option Scheme.

<sup>8</sup>Includes – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme.

(Amounts rounded off to nearest decimal)

### B. Remuneration to other Directors for the year ended March 31, 2019:

(In ₹)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. M. S. Ramachandran	Mr. Vinod Kumar Dhall	Mr. V. Sridar	Mr. Dilip Karnik	Mr. R. K. Nair	Mr. Dileep Choksi	Ms. Vibha Paul Rishi	
a) Independent Directors								
• Fee for attending board & committee meetings	1,880,000	1,290,000	1,440,000	1,230,000	1,660,000	1,240,000	400,000	9,140,000
• Commission*	750,000	694,521	750,000	750,000	750,000	750,000	184,932	4,629,453
• Others, please specify	-	-	-	-	-	-	-	-
<b>Sub Total (a)</b>	<b>2,630,000</b>	<b>1,984,521</b>	<b>2,190,000</b>	<b>1,980,000</b>	<b>2,410,000</b>	<b>1,990,000</b>	<b>584,932</b>	<b>13,769,453</b>
b) Others Non-Executive Directors								
• Fee for attending board & committee meetings	No remuneration is paid to non-executive non-independent Directors of the Company							
• Commission								
• Others, please specify								
<b>Sub Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a + b)</b>	<b>2,630,000</b>	<b>1,984,521</b>	<b>2,190,000</b>	<b>1,980,000</b>	<b>2,410,000</b>	<b>1,990,000</b>	<b>584,932</b>	<b>13,769,453</b>

\* In proportion to the time served as an independent Director of the Company in the financial year ended March 31, 2019.

Note: The above payment to the independent directors excludes reimbursement of expenses for attending the Board and other meetings of the Company.



# Annexure C (Continued)

## C. Remuneration to key managerial personnel (KMP) other than MD/Manager/WTD for the year ended March 31, 2019

(₹'000)

Sr. No.	Particulars of Remuneration	Key managerial personnel		Total Amount
		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 <sup>1</sup>	27,894	4,802	32,696
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 <sup>2</sup>	148	34	182
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2..	Stock Options <sup>3</sup>	-	-	-
3..	Sweat Equity	-	-	-
4..	Commission	-	-	-
	- as % of profit			
	- others, specify			
5.	Others, please specify <sup>4</sup>	2,017	220	2,237
	<b>Total</b>	<b>30,059</b>	<b>5,056</b>	<b>35,115</b>

<sup>1</sup> Includes basic pay, allowances, encashment in lieu of un-availed leave and annual bonus paid during the financial year.

<sup>2</sup> Includes all or any of the perquisites like use of car, soft furnishings, domiciliary medical.

<sup>3</sup> Perquisite value, as per the Income-tax Act, 1961, of the stock options exercised. Additionally the KMPs are granted options pursuant to Company's Employees Stock Option Scheme (2005)

<sup>4</sup> Includes – Tax-free Medical, Tax-free LTA, Provident Fund, Superannuation and National Pension Scheme.  
(Amounts rounded off to nearest decimal)

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES AS PER COMPANIES ACT, 2013

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

For and on behalf of the Board

M. S. RAMACHANDRAN

Chairman

DIN: 00943629

April 24, 2019  
Mumbai

# Annexure D

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Corporate Social Responsibility (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 past few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organizations.

The Company's objective is to proactively 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 Board 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, skill development and sustainable livelihoods, healthcare, 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 Board CSR Committee in October 2014, and subsequently was put up on the Company website. Web link for the Company's CSR Policy is as under:

[http://www.iciciprulife.com/public/About-us/Corporate-Social-Responsibility.htm/ICICI\\_Prudential\\_Life\\_CSR\\_Policy.pdf](http://www.iciciprulife.com/public/About-us/Corporate-Social-Responsibility.htm/ICICI_Prudential_Life_CSR_Policy.pdf)

### 2. Composition of the Board CSR Committee

The Company's Board CSR Committee comprises of three non-executive directors including two independent directors. The Board CSR Committee is chaired by an independent director. The composition of the Board CSR Committee is set out below:

Chairman : Mr. Dilip Karnik (Independent Director)

Member : Mr. Dileep Choksi (Independent Director)

Member : Mr. Raghunath Hariharan (Non-executive Director nominated by Prudential Corporation Holdings Limited)

The functions of the Board CSR 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, for the purpose of the CSR requirement, was ₹ 11,264.2 million.

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

The prescribed CSR expenditure requirement for FY2019 is ₹ 225.3 million (FY2018 ₹ 230.1 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 corporate social responsibility (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 ₹ 225.3 million (FY2018 ₹ 230.1 million) for FY2019 towards CSR projects. The Company has spent ₹ 226.9 million for FY2019 (FY2018 ₹ 230.5 million) for CSR programs.

#### (b) Amount unspent, if any;

Not Applicable

## Annexure D (Continued)

## (c) Manner in which the amount spent during the financial year is detailed below.

(1) S.No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs-wise (in ₹)	(6) Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (in ₹)	(7) Cumulative expenditure to the reporting period (in ₹)	(8) Amount spent Direct or through implementing agency*
1.	Projects of ICICI Foundation for Inclusive Growth	<ul style="list-style-type: none"> <li>Promoting sustainable livelihood through vocational skill development projects through the ICICI Academy for Skills and Rural Initiative</li> </ul>	<ul style="list-style-type: none"> <li>26 centres of the ICICI Academy for Skills located at Bengaluru, Bhubaneswar, Chennai, Coimbatore, Dehradun, Delhi, Durg, Gorakhpur, Guwahati, Hyderabad, Indore, Jaipur, Karnal, Kochi, Kolkata, Lucknow, Mohali, Mumbai, Mysore, Nagpur, Narsobawadi, Patna, Pune, Trichy, Vadodara and Vijayawada</li> <li>Around 1,200 villages across the country under the Rural Initiative.</li> </ul>	172.6 million	172.6 million	902.0 million	Amount spent through ICICI Foundation for Inclusive Growth
2.	Healthcare	Healthcare	<ul style="list-style-type: none"> <li>Mumbai in Maharashtra</li> <li>Kolkata in West Bengal</li> <li>Mumbai, Pune in Maharashtra, Delhi, Chennai in Tamil Nadu, Jaipur in Rajasthan, Kochi in Kerala and Hyderabad in Telangana</li> <li>Mumbai in Maharashtra</li> <li>Kolkata in West Bengal</li> <li>Dharampur in Gujarat</li> </ul>	8.3 million	10.0 million	36.3 million	<ul style="list-style-type: none"> <li>Tata Memorial Hospital for supporting treatment and hospitalisation of underprivileged children diagnosed with cancer</li> <li>Tata Medical Centre for supporting treatment and hospitalisation of underprivileged children and young adults diagnosed with cancer</li> <li>Geresis Foundation for supporting medical treatment of underprivileged children diagnosed with cardiac ailments</li> <li>Ekam Foundation Mumbai for supporting medical treatment and hospitalisation of underprivileged children suffering from cardiac, orthopaedic ailments</li> <li>Shrimad Rajchandra Sarvamangal Trust for supporting underprivileged critically ill infants with medical treatment and hospitalisation at Shrimad Rajchandra Hospital</li> </ul>

# Annexure D (Continued)

(1) S.No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs-wise (in ₹)	(6) Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (in ₹)	(7) Cumulative expenditure to the reporting period (in ₹)	(8) Amount spent Direct or through implementing agency*
3.	Education and Skill Development and Sustainable Livelihoods	Education and Skill development and sustainable livelihoods	<ul style="list-style-type: none"> <li>• Raipur in Chhattisgarh and Visakhapatnam in Andhra Pradesh</li> <li>• Indore, Karni, Jabalpur, Chhindwara, Ujjain and Khairwa in Madhya Pradesh</li> <li>• Mysore in Tamil Nadu</li> <li>• Spiti in Himachal Pradesh</li> <li>• Assam, Arunachal Pradesh, Sikkim, West Bengal, Bihar, Uttar Pradesh, Uttarakhand, Jammu and Kashmir, Rajasthan, Madhya Pradesh, Chhattisgarh, Maharashtra, Tamil Nadu, Karnataka, Kerala</li> <li>• Pir Panjal and Ladakh in Jammu and Kashmir</li> <li>• Sirmour in Himachal Pradesh</li> <li>• Mumbai in Maharashtra</li> </ul>	21.5 million	27.5 million	84.3 million	<ul style="list-style-type: none"> <li>• Holistic development of orphan/ abandoned underprivileged children living in 2 children homes with SOS – Children's Villages of India</li> <li>• Catalyst for Social Action (Mumbai) for enhancing childcare conditions, rehabilitation outcomes and vocation and skill development of underprivileged children living in Child Care Institutes</li> <li>• Nature Conservation Foundation for supporting 2 underprivileged students on a 5 year Ph.D. program</li> <li>• Nature Conservation Foundation for skill development and sustainable livelihood of underprivileged rural women living in Himalayan rangelands</li> <li>• Financial protection of underprivileged frontline forest guards in case of any eventuality (death or permanent disability while on duty) with World Wide Fund for Nature-India (WWF- India)</li> <li>• Sustainable livelihood of underprivileged local communities in Himalayan rangelands with WWF-India</li> <li>• Scholarship school education for 3 underprivileged students at Plenum school with Change Makers Society</li> <li>• Arpan for creating awareness and educating underprivileged children on personal safety program in school</li> </ul>
4.	Environmental sustainability and ecological balance	Environmental sustainability and ecological balance	Satpuda Maikal Landscape (Madhya Pradesh, Chhattisgarh and Maharashtra), Brahmputra Landscape (Assam), Western Ghats Nilgiris Landscape (Tamil Nadu, Kerala and Karnataka) and the Terai Arc Landscape (Uttarakhand, Uttar Pradesh and Bihar)	4.0 million	4.0 million	4.0 million	<ul style="list-style-type: none"> <li>• Programme with WWF-India to manage environmental sustainability and ecological balance through avoidance of retaliatory predator killing by supporting the underprivileged villagers financially for their loss.</li> </ul>
5.	Consumer Awareness and Education on acting early and being financially prepared for critical illness and significance of having an electronic insurance account (eIA).	Consumer Awareness	Pan-India	15.0 million	10.8 million	127.4 million	Direct
6.	Other Projects	Education & healthcare	<ul style="list-style-type: none"> <li>• Pan-India</li> <li>• Mumbai in Maharashtra</li> </ul>	8.7 million	2.0 million	31.8 million	<ul style="list-style-type: none"> <li>• GiveIndia (Mumbai)</li> <li>• Catalyst for Social Action</li> </ul>

# Annexure D (Continued)

## \*Details of the Implementing agencies

### 1. ICICI Foundation for Inclusive Growth

Website: <http://www.icicifoundation.org/>  
Registered address:  
Head Office  
ICICI Foundation for Inclusive Growth  
ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai 400 051, India

#### Registered Office

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

### 2. Tata Memorial Hospital

Website: <https://tmc.gov.in/>  
Registered address:  
Dr. E Borges Road, Parel, Mumbai - 400 012 India  
Email id – [hrd@tmc.gov.in](mailto:hrd@tmc.gov.in)  
Tel. +91-22- 24177000, 24146750 – 55.

### 3. Tata Medical Centre

Website address: <http://www.tmckolkata.com/>  
Registered address:  
Tata Medical Center  
14 MAR (E-W), New Town,  
Rajarhat,  
Kolkata 700 160  
E-mail: [info@tmckolkata.com](mailto:info@tmckolkata.com)  
Phone: +91 33 6605 7000.

### 4. Genesis Foundation

Website: [www.genesis-foundation.net](http://www.genesis-foundation.net)  
Registered address:  
Genesis Foundation  
C/o. K & S Partners,  
109, Sector 44,  
Gurgaon, 122003  
Haryana, India  
Email: [dolly.malvai@genesis-foundation.net](mailto:dolly.malvai@genesis-foundation.net)  
Tel: 91 (124) 408-1528.

### 5. Ekam Foundation, Mumbai

Website: [www.ekamfoundationmumbai.org](http://www.ekamfoundationmumbai.org)  
Registered address:  
Ekam Mumbai  
VIP House, Mezzanine Floor,  
88- C, Old Prabhadevi Road,  
Prabhadevi, Dadar – Mumbai 400025  
Email: [sachin.ataware@yahoo.com](mailto:sachin.ataware@yahoo.com)  
Tel: 9869818705

### 6. Shrimad Rajchandra Sarvamangal Trust

Website: [www.shrimadrajchandramission.org](http://www.shrimadrajchandramission.org)  
Registered address:  
401 Sumangal Corporation,  
Union Square Rangeela Park,  
Char Rasta,  
Surat 395 007, Gujarat  
  
Shrimad Rajchandra Hospital  
Dharampur, Dist. Valsad  
Gujarat  
Email: [srhaspi@gmail.com](mailto:srhaspi@gmail.com)  
Tel: 9619601006

### 7. Catalysts for Social Action

Website: [www.csa.org.in](http://www.csa.org.in)  
Registered address:  
Accelya Enclave, 685, 1st floor, Sharda Arcade, Satara Road,  
Pune, Maharashtra 411037 India  
Mumbai address - 711 & 712, Bhaveshwar Arcade Annex,  
Near Shreyas Cinema Bus Stop, Nityanand Nagar,  
LBS Marg, Ghatkopar 400086  
Tel: +91-20-66083777 ext. 3959.

### 8. Nature Conservation Foundation

Website: <http://ncf-india.org/>  
Registered address:  
Nature Conservation Foundation  
3076/5, IV Cross, Gokulam Park, Mysore 570002  
Tel: +91-821-2515601.

### 9. World Wide Fund for Nature – India

Website: <http://www.wwfindia.org/>  
Registered address: 172 B Lodhi Estate, New Delhi – 110003  
Tel: +91 11 4150 4815.

### 10. SOS – Children's Villages of India

Website: <https://www.soschildrensvillages.in/>  
Registered address:  
National Office, Plot No. 4, Block C-1, Institutional Area,  
Nelson Mandela Marg, Vasant Kunj,  
New Delhi – 110 070  
INDIA  
Email: [soscvindia@soscvindia.org](mailto:soscvindia@soscvindia.org)  
Tel: +91-11- 4323 9200  
Fax: +91-11- 4323 9292

## Annexure D (Continued)

### 11. Change Makers Society

Website: <https://www.plenumschool.edu.in>  
 Registered address:  
 312, Chiranjiv Towers, 43, Nehru Place,  
 New Delhi – 110 019  
 Email: [Saurabh.kishore@thepenumschool.edu.in](mailto:Saurabh.kishore@thepenumschool.edu.in)  
 Tel: +91 9013470285  
 Plenum School address  
 Mauza Anji, Bagthan  
 Dist. Sirmour  
 Himachal Pradesh – 173001

### 12. Arpan

Website: <http://arpan.org.in/>  
 Registered address:  
 1st Floor, Delta Chemicals Pvt Ltd., J/1, Cama Industrial Zone,  
 Off. Val Bhatt Road, Goregaon East, Mumbai,  
 Maharashtra 400063  
 Tel - 022 2686 2444 / 2686 8444

### 13. Give India

Website: [www.giveindia.org](http://www.giveindia.org)  
 Registered address:  
 Ground floor, C9, First class main road MCHS colony, sector 6,  
 HSR layout, Bangalore,  
 Karnataka – 560102  
  
 Mumbai office - B 91 Spring road, B wing,  
 5th floor, Akruti Trade Centre,  
 MIDC, Andheri east,  
 Mumbai 400093  
 Tel: 810003886

### 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 Board CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The Board 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.

**For and on behalf of the Board**

**M. S. RAMACHANDRAN**

Chairman

DIN: 00943629

April 24, 2019  
 Mumbai

# Annexure E

## 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 joint engagement letter, 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 year ended March 31, 2019, as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended thereto (the 'Listing Regulations'), other than the ones which shall be applicable with effect from April 1, 2019.

### 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. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### Auditor's responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of opinion as to whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2019.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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.

### Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us by the Company, in our opinion, the Company has complied with the conditions of the Corporate Governance as per the provisions of regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, other than the ones which shall be applicable with effect from April 1, 2019.

We 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.

### Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Listing 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  
ICAI Firm Registration No:  
101248W/W-100022

**Manoj Kumar Vijai**  
Partner  
Membership No: 046882

Place: Mumbai  
Date: April 24, 2019

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

**Khushroo B. Panthaky**  
Partner  
Membership No: 42423

Place: Mumbai  
Date: April 24, 2019



# Corporate Governance

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

The Company is in compliance with the disclosure requirements 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 are prepared and impact of changes, if any, have been detailed as part of the financial statements - Refer Schedule 16: Significant accounting policies and notes forming part of the financial statements.

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

#### a. Details of number of claims intimated, disposed of & pending:

The following table sets forth the movement of claims for FY2019:

Sr. No.	Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
1.	Claims outstanding at March 31, 2018	65	10,659	972	8,354	6,375	277	-
2.	Claims reported during the period	31,908	111,642	79,012	128,118	301,761	22,217	182
3.	Claims settled during the period	30,595	114,688	79,536	124,952	303,467	20,449	181
4.	Terms and condition rejections	27	-	-	-	-	1,686	-
5.	Claims repudiated during the period	140	-	-	-	-	39	-
6.	Claims outstanding at March 31, 2019	1,211	7,613	448	11,520	4,669	320	1

### 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 forming part of the Annual Report and in 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 against the required margin

The details of the solvency ratio are as below:

Particulars	FY2019	FY2018
Actual solvency ratio	214.9%	252.5%
Required solvency ratio	150.0%	150.0%

### 5. 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.

### 6. 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.

### 7. 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.

# Corporate Governance (Continued)

The following table sets forth the movement of claims for FY2018:

Sr. No.	Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
1.	Claims outstanding at March 31, 2017	52	11,058	1,051	9,092	7,439	306	2
2.	Claims reported during the period	14,105	133,638	59,156	107,924	427,330	23,007	396
3.	Claims settled during the period	13,886	134,037	59,235	108,662	428,394	21,160	398
4.	Terms and condition rejections	1	-	-	-	-	1,836	-
5.	Claims repudiated during the period	205	-	-	-	-	40	-
6.	Claims outstanding at March 31, 2018	65	10,659	972	8,354	6,375	277	-

## b. Ageing of number of claims settled:

The following table sets forth the ageing of claims settled during the year ended March 31, 2019:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
On or before Maturity	-	69,076	48,891	37,531	-	-	-
Less than 1 month	30,349	30,597	21,939	4,751	296,382	20,125	172
1 month to 3 months	207	7,756	4,459	48,013	4,761	292	9
3 months to 6 months	23	3,334	2,587	22,253	1,634	26	-
6 months to 1 year	8	2,332	1,534	12,042	599	4	-
1 year and above	8	1,593	126	362	91	2	-
<b>Total claims settled during the year ended March 31, 2019</b>	<b>30,595</b>	<b>114,688</b>	<b>79,536</b>	<b>124,952</b>	<b>303,467</b>	<b>20,449</b>	<b>181</b>

The following table sets forth the ageing of claims settled during the year ended March 31, 2018:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
On or before Maturity	-	71,219	40,758	42,474	-	-	-
Less than 1 month	13,837	45,576	16,229	14,996	419,425	20,852	391
1 month to 3 months	30	8,521	1,829	49,172	6,696	267	5
3 months to 6 months	5	2,999	174	584	1,661	40	1
6 months to 1 year	5	1,457	156	1,093	362	1	-
1 year and above	3	4,265	89	343	172	-	1
<b>Total claims settled during the year ended March 31, 2018</b>	<b>13,880</b>	<b>134,037</b>	<b>59,235</b>	<b>108,662</b>	<b>428,316</b>	<b>21,160</b>	<b>398</b>

## c. Ageing of number of claims outstanding:

The following table sets forth the ageing of claims outstanding at March 31, 2019:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Less than 3 months	1,123	4,553	265	1,026	3,948	314	1
3 months to 6 months	71	601	55	162	94	6	-
6 months to 1 year	4	980	85	6,231	181	-	-
1 year and above	13	1,479	43	4,101	446	-	-
<b>Total claims outstanding at March 31, 2019</b>	<b>1,211</b>	<b>7,613</b>	<b>448</b>	<b>11,520</b>	<b>4,669</b>	<b>320</b>	<b>1</b>

# Corporate Governance (Continued)

The following table sets forth the ageing of claims outstanding at March 31, 2018:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Less than 3 months	40	7,997	858	4,318	5,642	275	-
3 months to 6 months	6	736	73	237	223	1	-
6 months to 1 year	9	836	18	628	135	-	-
1 year and above	10	1,090	23	3,171	375	1	-
<b>Total claims outstanding at March 31, 2018</b>	<b>65</b>	<b>10,659</b>	<b>972</b>	<b>8,354</b>	<b>6,375</b>	<b>277</b>	<b>-</b>

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 maturity claims by the annuitant.

## 9. 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 and dividend paid to them during the year in the capacity as a shareholder. Details of sitting fees, reimbursements and profit related commission are disclosed in 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 the non-executive directors of the Company is as follows:

Particulars	(₹ '000)	
	FY2019	FY2018
Sandeep Batra*	496	-
N. S. Kannan**	-	25
<b>Total</b>	<b>496</b>	<b>25</b>

\* appointed as a non-executive director with effect from October 08, 2018

\*\*ceased to be a non-executive director from June 18, 2018

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

Particulars	(₹ '000)	
	FY2019	FY2018
Anup Bagchi*	14	-
Sandeep Batra*	4	-
Rama Bijapurkar**	-	36
Dileep Choksi	-	2
<b>Total</b>	<b>18</b>	<b>38</b>

\* appointed as a non-executive director with effect from October 08, 2018

\*\*ceased to be a non-executive director from January 17, 2018

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

# Corporate Governance (Continued)

## 10. 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:

(₹ '000)

Particulars	FY2019			FY2018		
	MD & CEO	Directors	KMP	MD & CEO	Directors	KMP
Basic	23,947	18,144	34,985	22,851	22,646	28,630
Bonus	22,220	29,584	25,067	18,602	24,770	24,396
Retirals	6,139	3,685	7,088	5,177	4,003	5,655
Allowance/ Perquisites	57,526	23,217	60,110	16,284	28,784	57,917
Long Term Retention Scheme (LTRS)	-	-	14,574	-	-	14,868
<b>Total</b>	<b>109,831</b>	<b>74,631</b>	<b>141,824</b>	<b>62,914</b>	<b>80,203</b>	<b>131,466</b>

In addition to the above, stock options, of the Company pursuant to the Revised Employee Stock Option Scheme and that of ICICI Bank pursuant to ICICI Bank Employee Stock Option Scheme, as applicable, are granted.

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.

## 11. 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.

## 12. 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: Fund Balance Sheet, Annexures 2: Fund Revenue Account and Annexure 3: Annexure to Revenue Account and Additional ULIP Disclosures annexed to 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.

# Management Discussion and Analysis

## I. INDUSTRY AND BUSINESS REPORT

### Macroeconomic environment and outlook

#### Growth and Inflation

The global GDP growth rate for 2018 was estimated at 3.6%<sup>1</sup>. US economy led the growth in developed markets with an estimated GDP growth rate of 2.9%, while India and China led the growth within developing economies at 7.0%<sup>2</sup> and 6.6%<sup>1</sup> respectively.

Retail inflation based on consumer price index (CPI) moderated in FY2019 with average inflation at 3.4%<sup>3</sup> compared to 3.6%<sup>3</sup> in FY2018. The fall in inflation was mainly driven by a fall in food inflation which averaged at 0.2% year on year in FY2019 compared to 1.8% year on year in FY2018.

#### Financial markets

FY2019 was characterised by high volatility in bond yields and heightened credit concerns in the market. The government bond yields rose sharply by 100 basis points in first half of the financial year as macroeconomic variables such as crude oil prices, trade deficit and rupee depreciation caused concern for financial markets. RBI hiked the policy rates by 50 basis points during this period. However, in the second half of the financial year, reduction in oil prices, slowing growth and inflation, Open Market Operations (OMOs) by RBI and change in stance of global central banks helped revive the market sentiment leading to fall in government bond yields. Simultaneously, RBI also cut policy rate by 25 basis points. The RBI policy stance was changed from “neutral” in April 2018 to “calibrated tightening” in October 2018 and again changed to “neutral” in February 2019.

Despite several challenges including global trade tensions, high crude oil prices and issues relating to certain domestic sectors, the Indian equities market emerged as one of the best performing markets globally in FY2019. The Nifty 50 index gained 15%, leading to highest growth since FY2010. This was on the back of strong domestic flows during FY2019 and strong FII inflows in March 2019.

Foreign Direct Investment (FDI) from April 2018 to December 2018 was recorded at USD 33.49<sup>4</sup> billion compared to USD 35.94<sup>4</sup> billion during the same period last year, registering a drop of 7%. Foreign Institutional Investors (FII) remained net sellers for most part of FY2019, but that changed starting February 2019 and they ended the year turning net buyers of Indian equity worth USD 1.49 billion<sup>5</sup>.

The Indian rupee depreciated by 8%<sup>6</sup> against USD in FY2019 (compared to an appreciation of 4% in FY2018). The real effective exchange rate (REER) which measures the Indian currency against a basket of 36 currencies depreciated by 5% in FY2019.

### Financial savings

The household sector continued to account for the predominant share (over 50%) of overall savings<sup>7</sup>. Gross financial savings as a percentage of household savings increased from 54.8%<sup>8</sup> in FY2017 to 63.6%<sup>8</sup> in FY2018. Within the financial savings (excluding currency) there has been a shift towards shares/ debentures/ mutual funds and share of insurance fund increased from 20.3% in FY2017 to 23.3% in FY2018.

Particulars <sup>9</sup>	FY2016	FY2017	FY2018
Nominal GDP (₹ trillion)	137.64	152.54	167.73
Household savings as % of GDP	18.0%	17.2%	17.5%
Gross financial savings as % of Household saving	60.5%	54.8%	63.6%
<b>Insurance share of financial assets (excluding currency)</b>	<b>20.5%</b>	<b>20.3%</b>	<b>23.3%</b>

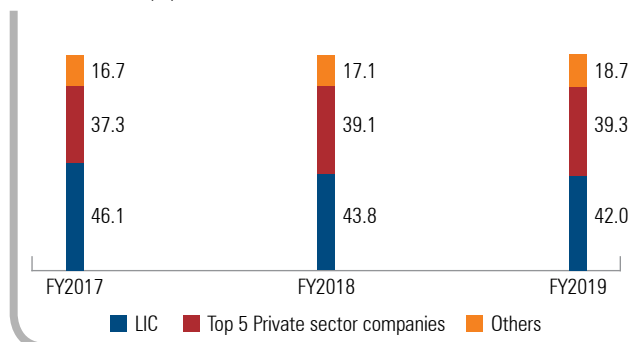
With the reforms taking effect, India seems poised towards a sustained growth trajectory fuelled by favourable demographics, rising per capita income, digitalisation, moderate inflation and higher savings.

### Insurance industry structure and developments

The size of the Indian life insurance sector was ₹ 4.6 trillion<sup>9</sup> on a total premium basis in FY2018, making it the tenth largest life insurance market in the world and the fifth largest in Asia<sup>10</sup>. The total premium in the Indian life insurance sector grew at a CAGR of approximately 15% between FY2002 and FY2018 outpacing the GDP CAGR of 13% during the same period. Based on retail weighted received premium (RWRP), new business premium of the industry has grown at a CAGR of 11% during FY2002 to FY2019.

The Indian Life Insurance industry has 24 companies including Life Insurance Corporation of India (LIC). The top 5 private sector companies contribute to around 39.3% of the market.

#### Market Share (%)



Based on RWRP, Source: IRDAI

Based on RWRP, new business premium of the industry grew by 9.0% in FY2019. LIC and the private sector grew by 4.5% and 12.5% respectively.

<sup>1</sup> Source: International Monetary Fund (January – December)

<sup>2</sup> Source: Central Statistics Office (April 2018-March 2019)

<sup>3</sup> Source: Central Statistics Office

<sup>4</sup> Source: Department for Promotion of Industry and Internal Trade

<sup>5</sup> Source: National Securities Depository Limited

<sup>6</sup> Source: Reserve Bank of India

<sup>7</sup> Source: Central Statistics Office

<sup>8</sup> Source: Reserve Bank of India, Central Statistics Office

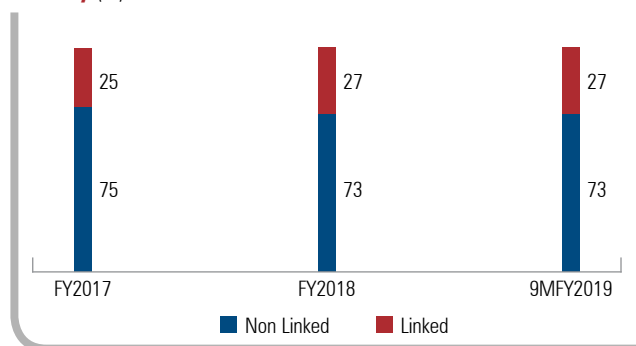
<sup>9</sup> Source: Life Insurance Council

<sup>10</sup> Source: Swiss Re sigma No 3/2018

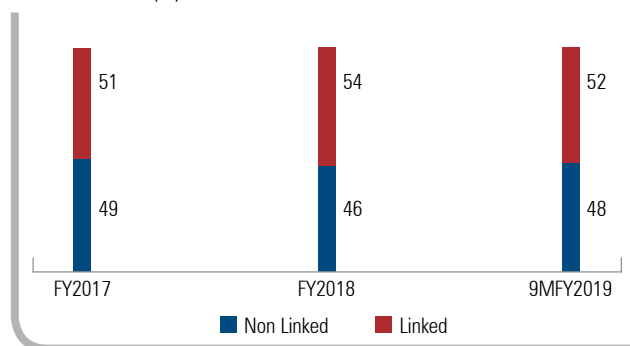
# Management Discussion and Analysis (Continued)

## Product Mix:

### Industry (%)



### Private sector (%)

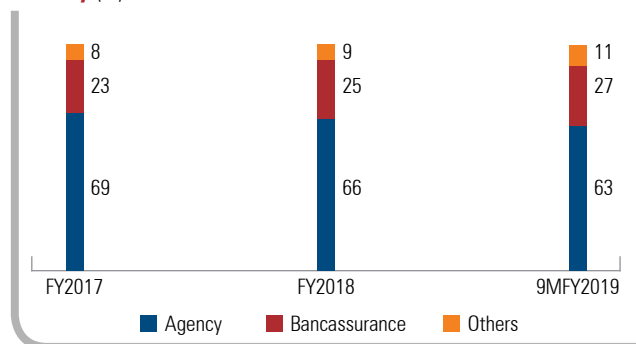


Based on new business weighted premium; Source: IRDAI, Life Insurance Council

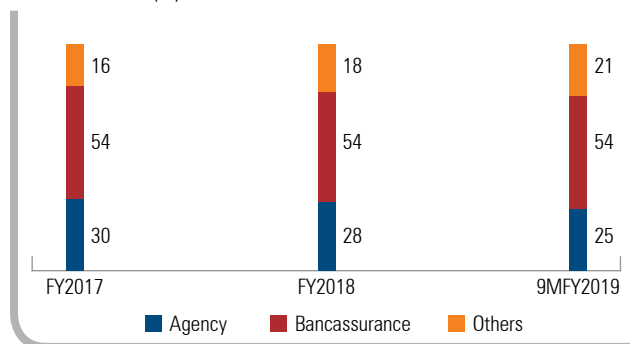
As can be seen above there has been no significant change in the product mix of the industry from FY2018 till 9MFY2019.

## Distribution Trends:

### Industry (%)



### Private sector (%)



Based on retail new business premium; Source: Life Insurance Council

The Agency channel continues to be the predominant channel for the industry, mainly driven by LIC. For private insurers, the share of agency channel has reduced from 28% in FY2018 to 25% in 9MFY2019. The share of the Bancassurance channel has remained at 54% in 9MFY2019 similar to FY2018 levels for private companies. Direct sales through proprietary sales force and internet are becoming increasingly relevant.

## Contribution of the life insurance industry

In Indian financial services, the life insurance industry is uniquely positioned to cover a range of customer needs. The industry can offer a variety of savings products across fixed income and equity platforms. It can also offer annuity, term plans and defined benefit health plans. The life insurance industry acts as a risk manager by providing cover against mortality and morbidity risks. Life insurance products ensure that the financial goals of an individual are met, irrespective of occurrence of mortality or morbidity events. As of December 2018, the number of lives covered through Individual policies was 253 million while lives covered through group policies were 389 million.

The Indian life insurance industry plays a key role in channelising household savings to the financial markets. The industry has been able to leverage its extensive distribution network throughout the country to provide long term funds to both debt and equity markets. The life Insurance industry also provides long term capital needed for infrastructure projects. Details of investments made in the infrastructure sector by the industry are as follows:

₹ billion	FY2017	FY2018	9MFY2019
Infrastructure/Housing investments	3,440.75	3,760.97	3,705.80

Source: Life Insurance Council

The insurance industry in India is also a significant source of part time and full time employment to professionals with varied skill levels.

Numbers in '000s	31-Mar-17	31-Mar-18	31-Dec-18
No. of agents (individual)	2,089	2,083	2,137
No. of direct employees	250	266	278
<b>Total</b>	<b>2,338</b>	<b>2,348</b>	<b>2,415</b>

Source: Life Insurance Council

# Management Discussion and Analysis (Continued)

## Regulatory updates and developments

The key regulatory updates during FY2019 are as detailed below:

### 1. Customer KYC:

The Supreme Court vide its judgment dated September 26, 2018 held Aadhaar authentication by body corporates as unconstitutional. IRDAI through its directions dated January 29, 2019, has allowed insurance companies to accept voluntary submission of Aadhaar by appropriately masking the first 8 digits. Further, the Prevention of Money Laundering Rules, 2019 made PAN/ Form 60 mandatory for all customers.

### 2. Insurance Regulatory and Development Authority of India (IRDAI) Reinsurance regulations:

IRDAI has introduced a shift from product level to portfolio level retentions and has withdrawn the right of first refusal from Indian reinsurers. The regulation has introduced the concept of alternative risk transfer and domestic insurance pools for Indian insurers. The regulations require insurers to file with IRDAI a board approved underwriting policy for inward re-insurance business.

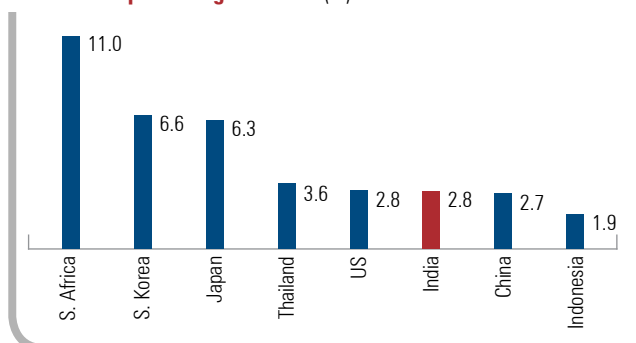
## Opportunities and Threats

### Opportunities

#### • Insurance underpenetration

India continues to be an underpenetrated insurance market with a life insurance penetration (premium as % of GDP) of 2.8% in FY2018 as compared to a global average of 3.3%<sup>11</sup>. At USD 55 in FY2018, the insurance density (premium per capita) in India also remains very low as compared to other developed and emerging market economies. The macroeconomic factors such as growth in GDP and rise in per capita income, coupled with India's young and working population, higher financial saving as a percentage of GDP, increasing urbanisation and increase in digitalisation would continue to aid the growth of the Indian life insurance sector.

#### Premium as percentage of GDP<sup>1</sup> (%)



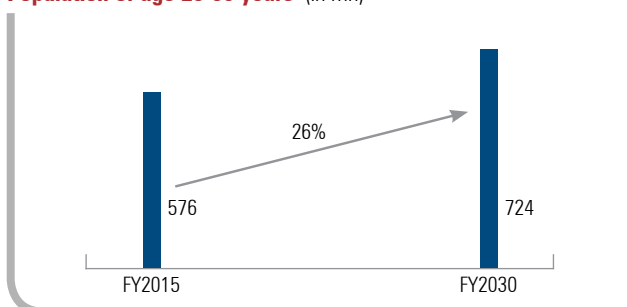
<sup>1</sup>Source: Swiss Re sigma No 3/2018

<sup>11</sup>Source: Swiss Re sigma No 3/2018

#### • Favorable demographics

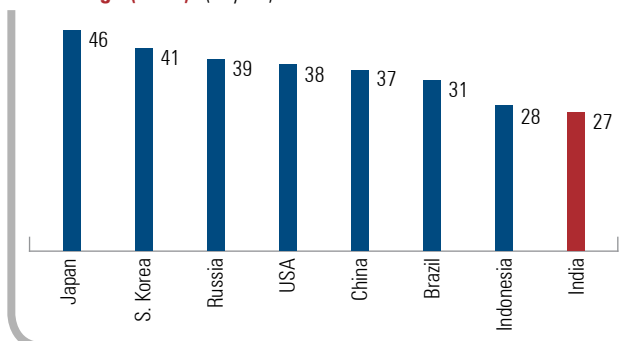
According to United Nations estimates, the working population is expected to increase by 26% by the year 2030. With a median age of 27 years, India has a very young population, especially compared to countries such as Japan, U.S.A, and China. These factors are likely to increase demand for life insurance products.

#### Population of age 25-59 years<sup>1</sup> (in mn)



<sup>1</sup>Source: United Nations population division estimates

#### Median Age (2015)<sup>1</sup> (In year)

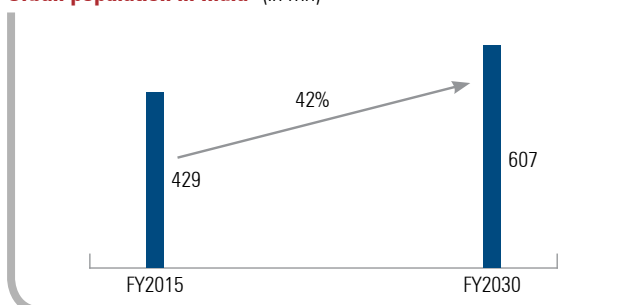


<sup>1</sup>Source: United Nations population division estimates

#### • Increasing urbanisation

According to United Nations Population division estimates, India's urban population is expected to increase by 42% by the year 2030. Increased urbanisation can lead to improvement in standard of living and better access to financial products such as life insurance.

#### Urban population in India<sup>1</sup> (in mn)



<sup>1</sup>Source: United Nations population division estimates



# Management Discussion and Analysis (Continued)

## Financial savings

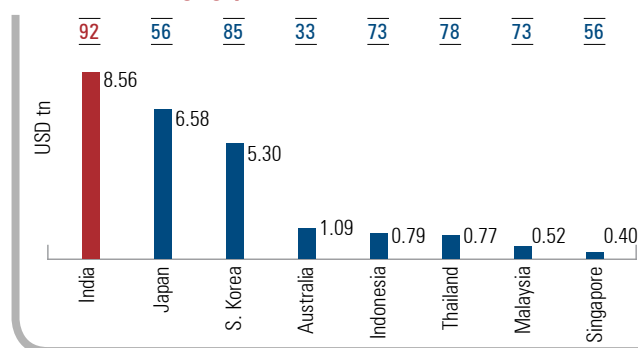
India has a large pool of household savings and in FY2018, the ratio of household savings to GDP was 17.5%. The share of gross financial savings as a proportion of household savings increased from 54.8% in FY2017 to 63.6% in FY2018. This is expected to rise further, as stable inflationary trends and positive real interest rates generally diminish the relative attractiveness of physical savings such as investments in gold and real estate. The share of life insurance as a proportion of financial savings (excluding currency) in India reached its peak level at 29.0% in FY2010. However, with regulatory changes in the sector and a downturn in the economic environment, the share of life insurance declined sharply to the lowest share of 18.8% of financial savings in FY2014. In FY2018, the share of life insurance increased to 23.3%, aided by the improving customer value proposition of insurance products.

## High protection gap

According to Swiss Re, Mortality Protection Gap for India is at USD 8.56 trillion which is high compared to the rest of the world. Protection coverage ratio which is the ratio between protection gap and protection needs is also very high for India. Sum assured to GDP is also a measure of protection coverage in a country and sum assured to GDP ratio is significantly lower in India compared to the rest of the world. This provides significant opportunities for Indian life insurance companies to expand their protection business.

Retail credit has been growing at a CAGR of 16.3% from FY2013 to FY2018. This provides an additional opportunity for the industry for the credit cover business. This product provides mortality/morbidity cover to borrowers.

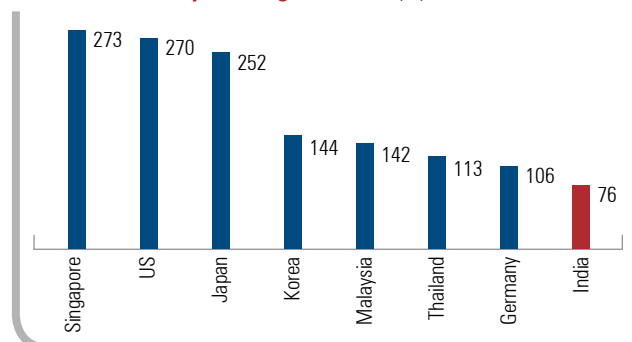
Protection coverage gap<sup>1,2</sup> (%)



<sup>1</sup> Protection gap (%): Ratio of protection lacking/protection needed

<sup>2</sup> Source: Swiss Re, Economic Research and Consulting 2015

Sum Assured as a percentage of GDP<sup>1,2</sup> (%)



<sup>1</sup> As of FY2018 for India; As of FY2015 for US, Germany and others as of FY2017

<sup>2</sup> Source: McKinsey estimates.

## Increasing internet and mobile penetration

According to Boston Consulting Group report, online insurance is expected to grow 20 times by 2020, while digital influence in terms of number of buyers engaging in pre purchase and post purchase activity online is expected to grow to 50% from the current 12% of all buyers. With the spread of internet and mobile technology, new channels for distribution have come to the fore. Further, the advances in data analytics have given the opportunity to insurance companies to reach new consumer segments, establish better communication channel, provide new services beyond traditional insurance and do more accurate risk assessment and pricing.

## Strategy and performance brief

Our primary focus continues to be to grow the absolute Value of New Business (VNB) through the 4P strategy of Premium growth, Protection business growth, Persistency improvement and Productivity improvement targeted at improving cost ratios. We believe that this 4P strategy is appropriate in the context of the large insurance opportunity in the country, coupled with our objective to grow the VNB.

- Premium growth:** We would endeavor to grow premium through customer centric product portfolio and simplified on-boarding process. We would continue to focus on broadening the customer base through initiatives spanning across both distribution and products. From a distribution perspective we are focused on expanding the network and strengthen our reach through a closer mapping of distribution segments with customer segments and products. Our Annualised Premium Equivalent (APE) grew from ₹ 77.92 in FY2018 by 0.1% to ₹ 77.99 billion in FY2019.

# Management Discussion and Analysis (Continued)

APE (₹ billion)	FY2017	FY2018	FY2019
<b>Savings</b>	<b>63.64</b>	<b>73.45</b>	<b>70.77</b>
ULIP	55.69	63.81	62.10
Par	6.38	8.46	6.72
Annuity	0.21	0.31	0.69
Others	1.38	0.87	1.27
<b>Protection</b>	<b>2.60</b>	<b>4.46</b>	<b>7.22</b>
<b>Total</b>	<b>66.25</b>	<b>77.92</b>	<b>77.99</b>

- Protection business growth:** We are focused on expanding the health & protection business across both retail and group lines of business. This would be done by offering protection as an add-on to our savings products across channels, penetrating the online term insurance market and partnering with loan providers to offer coverage against loans. During the year, the protection APE recorded a growth of 61.9% from ₹ 4.46 billion in FY2018 to ₹ 7.22 billion in FY2019.

APE (₹ billion)	FY2017	FY2018	FY2019
Retail protection	2.09	2.71	4.36
Credit Life	0.38	0.61	1.57
Group term	0.13	1.15	1.28
<b>Total</b>	<b>2.60</b>	<b>4.46</b>	<b>7.22</b>

- Persistency improvement:** Maintaining a high level of persistency is critical to drive value for both customers as well as shareholders. We would seek to drive persistency improvements across all cohorts by encouraging long term investment behavior. Our 13th month persistency improved to 87.4% for FY2019 as compared to 86.8% in FY2018. The 49th month persistency improved to 65.2% in FY2019 as compared to 64.2% in FY2018.

Particulars	FY2017	FY2018	FY2019 <sup>1</sup>
13 <sup>th</sup> month	85.7%	86.8%	87.4%
25 <sup>th</sup> month	73.9%	78.3%	78.0%
37 <sup>th</sup> month	66.8%	68.8%	71.3%
49 <sup>th</sup> month	59.3%	64.2%	65.2%
61 <sup>st</sup> month	56.2%	54.5%	57.6%

As per IRDA circular dated January 23, 2014

<sup>1</sup> For policies issued during March to February period of relevant year measured at March 31, 2019

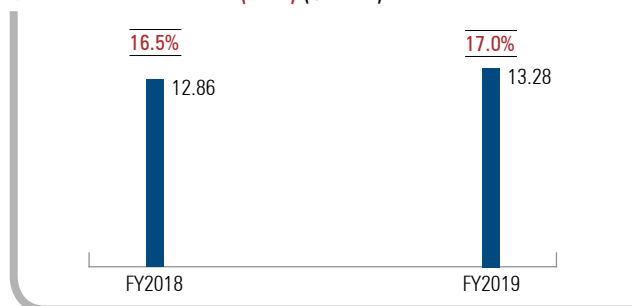
- Productivity improvement targeted at improving cost ratios:** Technology and process re-engineering have been at the centre of our efforts to improve cost ratios. We would continue to leverage the digital platform to improve customer experience and efficiency of our service operations. The cost to total weighted received premium (TWRP) ratio stood at 15.0% in FY2019 compared to 13.7% in FY2018.

Particulars	FY2017	FY2018	FY2019
Cost/TWRP	15.1%	13.7%	15.0%
Cost / Average AUM	2.8%	2.6%	2.8%
Cost/TWRP (Savings LOB)	13.3%	11.8%	11.5%

## Value of New Business (VNB)

Our VNB increased from ₹ 12.86 billion in FY2018 to ₹ 13.28 billion in FY2019 showing a growth of 3.3% and VNB margin improved from 16.5% in FY2018 to 17.0% in FY2019. VNB for protection and savings is ₹ 7.89 billion and ₹ 5.40 billion respectively in FY2019.

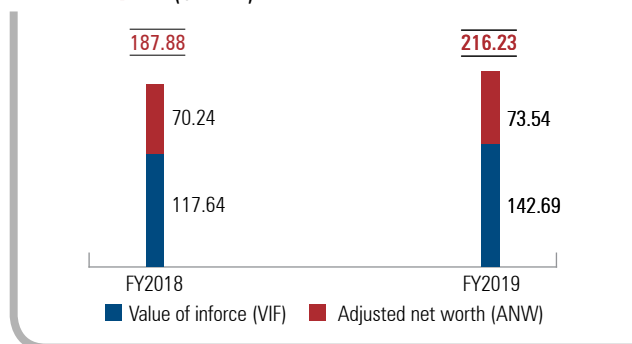
## Value of New Business (VNB) (₹ billion)



## Embedded Value

Embedded Value is sum of the Company's net worth and the present value of all future profits to shareholders from the existing book of the Company (including new business written in the year). Our embedded value increased from ₹ 187.88 billion at March 31, 2018 to ₹ 216.23 billion at March 31, 2019, showing a growth of 15.1%.

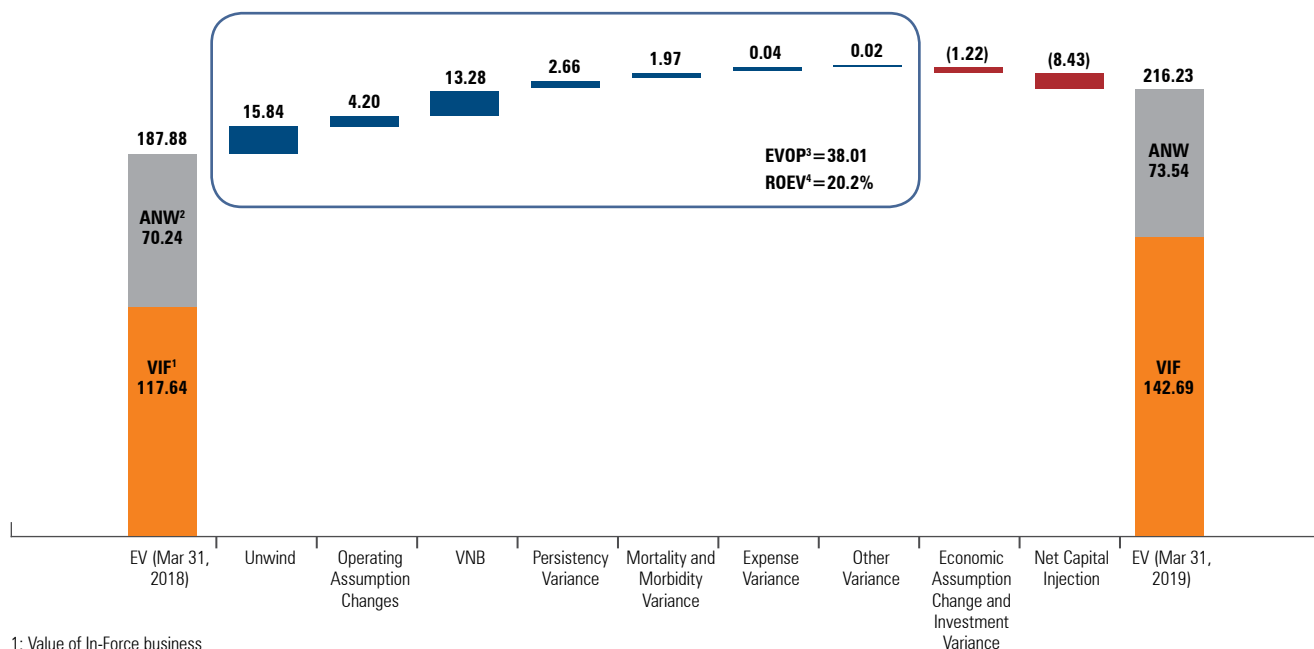
## Embedded Value (₹ billion)



Key factors which have contributed to the growth in embedded value are the value added by new business written during the year and positive variances in respect of operating assumptions. The significant operating parameters are mortality, persistency and expenses. A large part of the variance is due to mortality and persistency.

# Management Discussion and Analysis (Continued)

## Analysis of movement of Embedded Value for the year ended March 31, 2019 (₹ billion)



1: Value of In-Force business  
2: Adjusted Net Worth  
3: Embedded Value Operating Profit net of tax  
4: Return On Embedded Value net of tax

The operating assumption change for the year is predominantly due to true up impact of effective tax rate, reduction in maintenance expenses and reduction in surrender rates beyond 5 years for unit-linked business. Embedded value operating profit (EVOP) increased from ₹ 36.80 in FY2018 to ₹ 38.01 in FY2019. Return on EV was 20.2% in FY2019.

### Solvency

We have a solvency ratio of 214.9% at March 31, 2019, compared to the regulatory minimum required level of 150%.

### Company outlook

We expect favorable demographics, rise in the working population, improving per capita income, increasing urbanisation and shift towards household financial savings to continue to provide strong potential for growth in premium.

The large protection gap in India coupled with a low sum assured to GDP ratio suggest significant opportunities for the protection business. Retail credit growth provides an ample opportunity for the credit protect business. We expect to be able to leverage both these trends to grow our protection business at a multiple of our savings business growth rate.

Through various customer awareness initiatives, we expect to drive continued improvement in persistency and quality parameters that will ultimately help customers get the intended benefits from their policies.

We will continue to leverage technology for process re-engineering and to provide best in class service to our customers. We expect these initiatives to result in improving cost ratios for the business.

### Risks and concerns

Indian insurance industry is highly competitive with 24 companies operating in the market.

Indian consumer demands are changing continuously which requires companies to modify their offering in alignment with customer needs. This poses an opportunity as well as risk to the industry as inability to meet the consumer demand would hamper the growth.

Some of the macroeconomic factors which could be risk for the industry are:

- 1) Slowdown in the GDP and GDP per capita growth rates
- 2) Global slowdown of the financial market and economies contributing to weakness in the Indian financial and economic environment
- 3) Superior return on physical savings instrument
- 4) Inferior fund performance in comparison to other savings instrument
- 5) Changes in tax rate structure for the industry

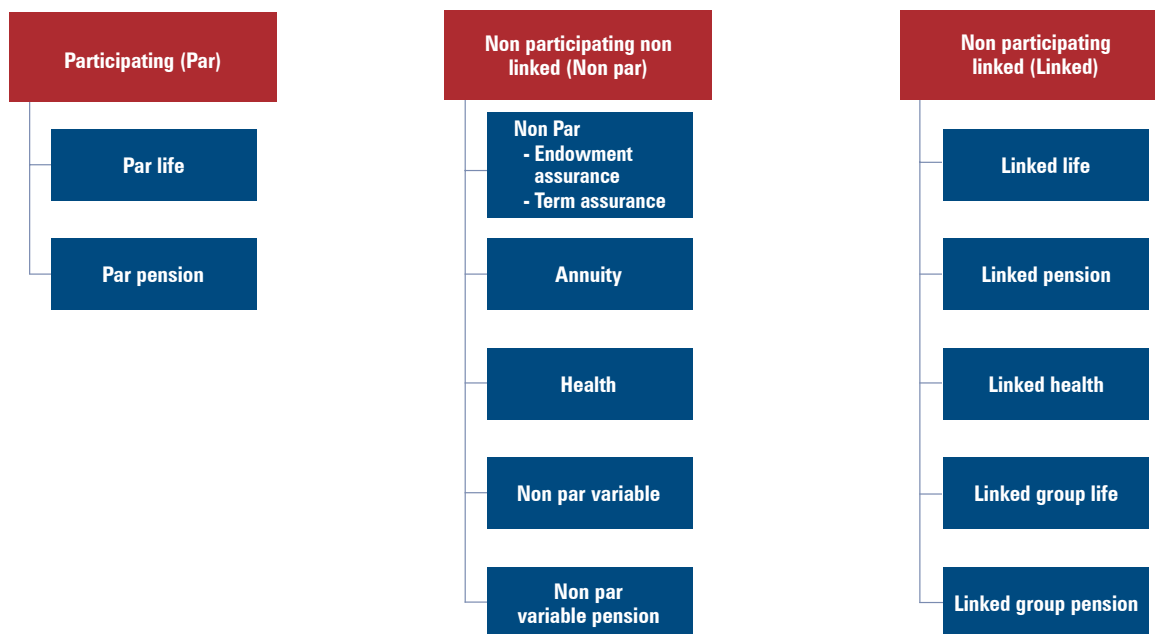
The Company recognises that risk is an integral element of the business and managed acceptance of risk is essential for generation of shareholder value. The Company has instituted an enterprise risk management framework which details the governance and management of all aspects of risks that we face.

# Management Discussion and Analysis (Continued)

## II. DISCUSSION ON FINANCIAL PERFORMANCE AND ANALYSIS OF FINANCIAL STATEMENTS

### A. Overview of Lines of Business (LOB)

The Company operates in various lines of business. A brief description of each line of business is given below:-



**1. Participating products** - Product where the policyholder is entitled to at least 90% share of the surplus emerging in participating fund and the remaining belongs to the shareholders. The participating fund is managed by the Company and the surplus emerging in the fund is added back to the policies in the form of bonuses. Shareholders' profits arising on participating business depend on the total bonuses declared to policyholders on an annual basis. Currently shareholders' profit is one-ninth of the bonus declared to the policyholders. The level of bonuses declared to policyholders is influenced by the actual returns on investments and the expectation of future rates of return. The Company has Par life and Par pension line of business.

**2. Non-participating non-linked products** - These products offer pre-defined benefit at inception for specified events. Further, the policyholder is not entitled to any surplus arising from the investment fund. Surplus arising in case of non-participating business is transferred to shareholders account based on the recommendation of the Appointed Actuary. Non-par non-linked products include endowment assurance, term assurance, annuity, health, variable insurance plan etc.

**a. Non par**

**Endowment assurance** - An endowment assurance is a contract to pay benefit on the life assured surviving the stipulated date or on death of the life assured before maturity.

**Term assurance** - A contract to pay an assured amount on the death of the insured during the term of the policy.

**b. Annuity**

Annuities provide for a series of guaranteed payout to the annuitant at regular intervals for lifetime of the annuitant.

**c. Health**

It provides fixed benefit on specified health events like on hospitalisation, on diagnosis of an illness, on undergoing a surgery or procedure etc.

**d. Variable insurance product (Life & Pension)**

Products where the benefits are partially or wholly dependent on the performance of an approved external index / benchmark.

# Management Discussion and Analysis (Continued)

Of the above, protection business includes term assurance and health line of business for both retail and group.

**3. Non-participating linked products** - These products provide returns which are directly linked to performance of an approved index or value of the underlying assets. The investment risk in these products is borne by the policyholder. The products have a transparent charge structure, including charge for either life cover or health cover. Surplus arising in case of non-participating linked business is transferred to shareholders account based on the recommendation of the Appointed Actuary. The Company has linked life, pension, health & group line of business.

## B. Standalone financial statements

### a. Results from operations:

The Company's financial statements include Revenue account (also known as policyholders' account) and Profit and loss account (also known as shareholders' account). The Revenue account contains income and expenses relating to policyholders, and the surplus generated in this account is appropriated to the Profit and loss account based on the recommendation of the Appointed Actuary. A deficit in any line of business

in the Revenue account is funded from the Profit and loss account. Other than the transfers to and from the Revenue account, the Profit and loss account contains the income and expenses pertaining to shareholders. Surplus as per Revenue account, not appropriated to Profit and loss account, is held as Funds for future appropriations (FFA) which is shown in the Balance Sheet. Funds for Future Appropriation comprise funds which have not been explicitly allocated either to policyholders or to shareholders at the balance sheet date.

Line of business disclosed in Revenue account is as per the requirements of IRDAI regulations. However, for analysis of our Revenue account, it can be viewed from three broad lines of business as given above i.e., participating, non-participating (including variable insurance product) and linked. Shareholders' profits in participating business depend on the total bonuses declared to policyholders on an annual basis. Currently one-ninth of bonus declared to policyholders is transferred to shareholders. In case of non-participating business, profit arises primarily from premium and investment income net of expenses, claims and policyholders liabilities whereas in case of linked business, profit primarily arises from charges levied on the policyholders fund net of expenses, claims and policyholders liabilities.

## Segment wise performance of Company's Revenue and Profit and loss account:

### Revenue account (Policyholders account)

(₹ billion)

Particulars	FY2018				FY2019			
	Par	Non Par <sup>1</sup>	Linked	Total	Par	Non Par <sup>1</sup>	Linked	Total
<b>Income</b>								
Gross premium (net of Goods and service tax)	32.08	34.73	203.88	270.69	34.91	47.21	227.18	309.30
Reinsurance ceded	(0.02)	(1.76)	(0.80)	(2.58)	(0.03)	(2.68)	(0.80)	(3.51)
<b>Net earned premium</b>	<b>32.06</b>	<b>32.97</b>	<b>203.08</b>	<b>268.11</b>	<b>34.88</b>	<b>44.53</b>	<b>226.38</b>	<b>305.79</b>
Income from investments <sup>2</sup>	12.16	12.13	88.28	112.57	11.63	17.07	73.44	102.14
Other income (including fees and charges)	0.07	0.11	0.51	0.69	0.14	0.15	0.51	0.80
Contribution from the shareholders' account	-	0.75	-	0.75	-	5.00	0.27	5.27
<b>Total income (A)</b>	<b>44.29</b>	<b>45.96</b>	<b>291.87</b>	<b>382.12</b>	<b>46.65</b>	<b>66.75</b>	<b>300.60</b>	<b>414.00</b>
<b>Outgo</b>								
Commission	2.65	1.83	9.55	14.03	2.41	2.32	10.78	15.51
Operating expenses relating to insurance business <sup>3</sup>	3.14	4.69	12.50	20.33	2.95	9.52	13.58	26.05
Goods and service tax charge on linked charges	-	-	5.65	5.65	-	-	6.35	6.35
Benefits paid (net) and interim bonus paid	8.12	4.88	159.81	172.81	9.03	6.03	127.54	142.60
Change in valuation of policy liabilities	25.92	32.29	96.26	154.47	28.97	46.56	134.50	210.03
<b>Total outgo (B)</b>	<b>39.83</b>	<b>43.69</b>	<b>283.77</b>	<b>367.29</b>	<b>43.36</b>	<b>64.43</b>	<b>292.75</b>	<b>400.54</b>
Provision for taxation (C)	1.20	-	-	1.20	1.13	-	-	1.13
<b>Surplus after tax (D=A-B-C)</b>	<b>3.26</b>	<b>2.27</b>	<b>8.10</b>	<b>13.63</b>	<b>2.16</b>	<b>2.32</b>	<b>7.85</b>	<b>12.33</b>
Transfer to shareholders' account	0.52	2.27	8.10	10.89	0.60	2.32	7.85	10.77
Balance being funds for future appropriations	2.74	-	-	2.74	1.56	-	-	1.56

<sup>1</sup> Includes balance of Variable insurance products

<sup>2</sup> Netted for any impairment in investments, which is shown as Provision for diminution in the value of investments in our Revenue account.

<sup>3</sup> Including provision for doubtful debt and bad debts written off.

# Management Discussion and Analysis (Continued)

## Profit and loss account (Shareholders' account)

(₹ billion)

Particulars	FY2018	FY2019
Amounts transferred from Policyholders' account (Net of contribution from shareholders)	10.14	5.50
Investment income <sup>1</sup>	7.40	6.42
Other income	0.05	0.09
Expenses other than those directly related to insurance business	(0.39)	(0.38)
<b>Profit before tax (A)</b>	<b>17.20</b>	<b>11.63</b>
Provision for taxation (B)	1.00	0.22
<b>Profit after tax (C=A-B)</b>	<b>16.20</b>	<b>11.41</b>

<sup>1</sup> Netted for any impairment in investments, which is shown as provision for diminution in the value of investments in Profit and loss account.

## Element-wise analysis of Revenue account and Profit and loss account is given below:

### 1. Gross premium (Revenue account)

The following table sets forth, for the periods indicated, summary of gross premium income:

(₹ billion)

Line of business	FY2018				FY2019			
	First year	Renewal	Single	Total	First year	Renewal	Single	Total
Retail								
Par	7.97	24.00	-	31.97	6.55	28.34	-	34.89
Non par	2.72	20.92	6.82	30.46	4.11	17.86	8.64	30.61
Linked	62.87	130.05	3.64	196.56	59.12	156.05	2.98	218.15
<b>Total retail</b>	<b>73.56</b>	<b>174.97</b>	<b>10.46</b>	<b>258.99</b>	<b>69.78</b>	<b>202.25</b>	<b>11.62</b>	<b>283.65</b>
Group premium	-	3.60	8.10	11.70	-	3.40	22.25	25.65
<b>Gross total premium</b>	<b>73.56</b>	<b>178.57</b>	<b>18.56</b>	<b>270.69</b>	<b>69.78</b>	<b>205.65</b>	<b>33.87</b>	<b>309.30</b>

The gross premium increased by 14.3% from ₹ 270.69 billion in FY2018 to ₹ 309.30 billion in FY2019 primarily on account of an increase in retail renewal collection and group business. The retail first year premium decreased from ₹ 73.56 billion in FY2018 to ₹ 69.78 billion in FY2019 and the single premium increased from ₹ 10.46 billion in FY2018 to ₹ 11.62 billion in FY2019. Consequently, new business premium (First year premium & Single premium) decreased from ₹ 84.02 billion in FY2018 to ₹ 81.40 billion in FY2019 primarily on account of lower unit-linked business offset in part by an increase in protection and annuity business under Non Par line of business. The retail renewal premium increased by 15.6% from ₹ 174.97 billion in FY2018 to ₹ 202.25 billion in FY2019 primarily on account of better persistency and customer service. The total group premium increased from ₹ 11.70 billion in FY2018 to ₹ 25.65 billion in FY2019 primarily on account of an increase in group term & credit life business.

### 2. Reinsurance ceded (Revenue account)

Reinsurance premium increased by 36.0% from ₹ 2.58 billion in FY2018 to ₹ 3.51 billion in FY2019 primarily on account of an increase in protection business from retail and group segment.

### 3. Investment income (Revenue account)

The following table sets forth, for the periods indicated, summary of income from investments:

(₹ billion)

Particulars	FY2018	FY2019
Interest, dividend and rent	48.13	52.43
Accretion of discount/ (amortisation of premium)	4.72	7.04
Profit/(loss) on sale of investments	68.75	32.88
Unrealised gains/(loss)	(8.98)	9.79
<b>Total</b>	<b>112.62</b>	<b>102.14</b>
Provision for diminution in the value of investments	(0.05)	-
<b>Investment income (net)</b>	<b>112.57</b>	<b>102.14</b>

Income from investments decreased from ₹ 112.57 billion in FY2018 to ₹ 102.14 billion in FY2019 primarily on account of decrease in investment income of unit-linked portfolio from ₹ 87.30 billion in FY2018 to ₹ 72.52 billion in FY2019. The investment income for unit-linked portfolio is directly passed on to the policyholders with corresponding changes in fund reserve. Investment income of other than unit-linked portfolio increased from ₹ 25.27 billion in FY2018 to ₹ 29.62 billion in FY2019 primarily on account of an increase in investment income corresponding to an increase in interest earning assets and net realised gains.

**Interest, dividend, and rent (including accretion of discount/ amortisation of premium):** Interest, dividend and rent increased from ₹ 48.13 billion in FY2018 to ₹ 52.43 billion in FY2019 and accretion of discount/ (amortisation of premium) increased from ₹ 4.72 billion in FY2018 to ₹ 7.04 billion in FY2019. The increase is primarily on account of an increase in interest income (net of accretion of discount/amortisation of premium) by 14.7% from

# Management Discussion and Analysis (Continued)

₹ 44.49 billion in FY2018 to ₹ 51.02 billion in FY2019 with an increase in average debt assets under management by 12.6%.

**Profit/(loss) on sale on investments (net of provision for diminution in the value of investments):** Profits and losses are realised as the portfolio is realigned based on the market conditions and expected attractiveness of securities and sectors. During FY2019, profit on sale of investments (net of loss on sale of investments and provision for diminution in the value of investments) decreased from ₹ 68.70 billion in FY2018 to ₹ 32.88 billion in FY2019.

**Unrealised gains/(loss):** Unrealised gains or losses resulting from mark-to-market valuation of assets held in the unit-linked portfolio increased from loss of ₹ 8.98 billion in FY2018 to gain of ₹ 9.79 billion in FY2019 primarily due to better market performance in FY2019.

#### 4. Commission expense (Revenue account)

The following table sets forth, for the periods indicated, summary of commission expense:

(₹ billion)		
Particulars	FY2018	FY2019
Initial commission	10.24	11.20
Single commission	0.35	0.47
<b>New business commission</b>	<b>10.59</b>	<b>11.67</b>
Renewal commission	3.44	3.84
<b>Total commission</b>	<b>14.03</b>	<b>15.51</b>
Commission rate <sup>1</sup>	5.5%	5.6%

<sup>1</sup> Commission/(total premium- 90% of single premium).

The total commission expense increased from ₹ 14.03 billion in FY2018 to ₹ 15.51 billion in FY2019 primarily on account of growth in total premium with a marginal increase in commission rates from 5.5% in FY2018 to 5.6% in FY2019.

New business commission increased from ₹ 10.59 billion in FY2018 to ₹ 11.67 billion in FY2019 along with an increase in new business commission rates from 14.0% in FY2018 to 15.9% in FY2019. The increase is primarily on account of shift in product mix towards protection business which has a higher commission rate.

Renewal commission increased from ₹ 3.44 billion in FY2018 to ₹ 3.84 billion in FY2019 on account of an increase in renewal premium

#### 5. Operating expense relating to insurance business (Revenue account)

The following table sets forth, for the periods indicated, summary of operating expenses relating to insurance business

(₹ billion)		
Particulars	FY2018	FY2019
Employee related cost	9.65	9.73
Advertisement & sales related cost	4.49	9.11
Other cost	6.19	7.21
<b>Total expenses</b>	<b>20.33</b>	<b>26.05</b>

The employee headcount at March 31, 2019 was 14,099. Operating expenses relating to insurance business increased by 28.1% from ₹ 20.33 billion in FY2018 to ₹ 26.05 billion in FY2019 on account of an increase in advertisement and sales related cost given the increased focus on protection business.

#### 6. Goods and service tax charge on linked charges (Revenue account)

Goods and service tax charge on linked charges represents the tax payable on the charges collected on linked products, and the tax is collected from policyholders. Goods and service tax charge on linked charges increased by 12.4% from ₹ 5.65 billion in FY2018 to ₹ 6.35 billion in FY2019.

#### 7. Benefits paid (net) and interim bonus paid (Revenue account)

The following table sets forth, for the periods indicated, summary of benefits paid:

(₹ billion)		
Particulars	FY2018	FY2019
Surrender	127.61	106.12
Maturity and annuity claims	35.11	24.50
Mortality (death) claims	8.64	10.94
Survival benefits and other claims	4.10	4.71
Amount recovered from reinsurer	(2.65)	(3.67)
<b>Total</b>	<b>172.81</b>	<b>142.60</b>

Benefits paid (net of reinsurance) and interim bonus paid decreased from ₹ 172.81 billion in FY2018 to ₹ 142.60 billion in FY2019. This decrease was primarily on account of decrease in surrender claims from ₹ 127.61 in FY2018 to ₹ 106.12 in FY2019 due to various persistency related initiatives undertaken by the Company and a decrease in maturity & annuity claims from ₹ 35.11 billion in FY2018 to ₹ 24.50 billion in FY2019 primarily due to lower policies completing their policy term as compared to previous year.



# Management Discussion and Analysis (Continued)

## 8. Change in valuation of policy liabilities (Revenue account)

The following table sets forth, for the periods indicated, summary of change in valuation of liabilities

(₹ billion)		
Particulars	FY2018	FY2019
Gross: Policy liabilities (non-unit/mathematical reserves)	79.46	118.60
Amount ceded in reinsurance	(21.23)	(43.01)
<b>Change in non-unit/mathematical reserves (net) (A)</b>	<b>58.23</b>	<b>75.59</b>
Fund reserve	83.76	113.88
Funds for discontinued policies	12.48	20.56
<b>Change in fund reserve (B)</b>	<b>96.24</b>	<b>134.44</b>
<b>Total change in valuation of policy liabilities (A+B)</b>	<b>154.47</b>	<b>210.03</b>

Change in non-unit/mathematical reserves (net of amount ceded in reinsurance) increased from ₹ 58.23 billion in FY2018 to ₹ 75.59 billion in FY2019 reflecting broadly the increase in premium net of benefit outgo.

Change in fund reserve (including discontinued policies), which represents liability carried on account of units held by unit-linked policyholders, increased from ₹ 96.24 billion in FY2018 to ₹ 134.44 billion in FY2019 primarily on account of lower benefits paid and an increase in total premium, offset in part by lower investment income.

## 9. Provision for tax (Revenue account)

In order to ensure that the expenses pertaining to and identifiable with the Participating line of business are accounted under that line of business itself, the Company calculates and charges tax on Participating line of business.

Provision for tax decreased from ₹ 1.20 billion in FY2018 to ₹ 1.13 billion in FY2019 due to decrease in surplus (grossed up for bonus).

## 10. Surplus after tax (Revenue account) and Transfer to shareholders' account (net of contribution from shareholders)

As a result of the above changes in income and expenses, surplus after tax in Revenue account decreased from ₹ 13.63 billion in FY2018 to ₹ 12.33 billion in FY2019.

Segment-wise breakup of surplus after tax is as under:

(₹ billion)		
Particulars	FY2018	FY2019
Participating business	3.26	2.16
Non participating business	1.52	(2.68)
Linked business	8.10	7.58
<b>Surplus after tax (net of contribution from shareholders)</b>	<b>12.88</b>	<b>7.06</b>
Add: Contribution from shareholders	0.75	5.27
<b>Surplus after tax</b>	<b>13.63</b>	<b>12.33</b>

The surplus generated in the Revenue account after setting aside fund for future appropriation is transferred to Profit and loss account (Shareholders account) based on the recommendation of the Appointed Actuary. Transfer to shareholders' account (net of contribution from shareholders) decreased from ₹ 10.14 billion in FY2018 to ₹ 5.50 billion in FY2019. The remaining surplus of ₹ 1.56 billion in FY2019 was retained as fund for future appropriation.

**Participating business:** The surplus in Revenue account for participating line of business is net of bonus and interim bonus. The surplus (grossed up for bonus) decreased from ₹ 7.93 billion in FY2018 to ₹ 7.53 billion in FY2019. Shareholders' profits in participating business depend on the total bonuses declared to policyholders on an annual basis. Currently one-ninth of bonus declared to policyholders is transferred to shareholders. The transfer to shareholder for participating line of business increased from ₹ 0.52 billion in FY2018 ₹ 0.60 billion in FY2019 on account of an increase in bonus declared to policyholders.

**Non participating business:** The surplus in Revenue account for non participating line of business arises primarily from premium and investment income net of expenses, claims and policyholders liabilities. Surplus in non participating line of business net of contribution from shareholders decreased from ₹ 1.52 billion in FY2018 to ₹ (2.68) billion in FY2019 primarily on account of higher new business strain<sup>12</sup> resulting from the new business growth of protection and annuity business.

**Linked business:** The surplus in Revenue account for linked line of business arises primarily arises from charges levied on the policyholders fund net of expenses, claims and policyholders liabilities. Surplus in linked line of business net of contribution from shareholders decreased from ₹ 8.10 billion in FY2018 to ₹ 7.58 billion in FY2019.

<sup>12</sup> New business strain arises when the premium paid at the commencement of a contract is not sufficient to cover the initial expenses including acquisition costs and any mathematical reserve that our Company needs to set up at that point.

# Management Discussion and Analysis (Continued)

## 11. Investment and other income (Profit and loss account)

The following table sets forth, for the periods indicated, summary of income from investments:

(₹ billion)		
Particulars	FY2018	FY2019
Interest, dividend and rent	4.19	4.25
Profit/(loss) on sale of investments	3.23	2.22
Accretion of discount/ (amortisation of premium)	(0.02)	(0.05)
<b>Investment income (net)</b>	<b>7.40</b>	<b>6.42</b>
Other income	0.05	0.09
<b>Total income</b>	<b>7.45</b>	<b>6.51</b>

Investment income (net) decreased from ₹ 7.40 billion in FY2018 to ₹ 6.42 billion in FY2019 primarily on account of lower profit on sale of investments. Profits and losses are realised as the portfolio is realigned based on the market conditions and expected attractiveness of securities and sectors. During FY2019, profit on sale on investments (net of loss on sale of investments) decreased from ₹ 3.23 billion in FY2018 to ₹ 2.22 billion in FY2019.

Other income increased from ₹ 0.05 billion in FY2018 to ₹ 0.09 billion in FY2019 primarily on account of an increase in interest on income tax refund.

## 12. Expenses other than those directly related to insurance business (Profit and loss account)

Expenses other than those directly related to the insurance business has remained at similar level in FY2019. Corporate social responsibility expenses of ₹ 0.23 billion in FY2019 (FY2018: ₹ 0.23 billion) has been charged to Profit and loss account.

## 13. Provision for tax (Profit and loss account)

Tax on other than participating line of business and shareholders income is shown in Profit and loss account. Provision for tax has decreased from ₹ 1.00 billion in FY2018 to ₹ 0.22 billion in FY2019 primarily on account of lower surplus in non participating line of business and shareholders income.

## 14. Profit after tax (Profit and loss account)

Profit after tax decreased by 29.6% from ₹ 16.20 billion in FY2018 to ₹ 11.41 billion in FY2019 primarily on account of decrease in transfers from policyholders account (net of contribution from shareholders) from ₹ 10.14 billion to ₹ 5.50 billion primarily on account of higher new business strain resulting from the new business growth of protection and annuity business.

## b. Financial position

The following table sets forth, for the periods indicated, the financial position of the Company:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
<b>Sources of funds</b>		
Shareholders' funds	68.84	70.47
Policyholders' funds		
Fair value change account and revaluation reserve - investment property	21.18	18.48
Policy liabilities	1,284.94	1,494.97
Funds for future appropriations	8.78	10.34
<b>Total</b>	<b>1,383.74</b>	<b>1,594.26</b>
<b>Application of funds</b>		
Investments	1,385.40	1,590.09
Loans	1.45	2.70
Fixed assets	4.22	4.76
Current assets (A)	27.14	33.36
Current liabilities and provisions (B)	34.47	36.65
<b>Net current assets (A-B)</b>	<b>(7.33)</b>	<b>(3.29)</b>
<b>Total</b>	<b>1,383.74</b>	<b>1,594.26</b>
<b>Contingent liabilities</b>	<b>1.98</b>	<b>4.03</b>

## 1. Shareholders fund & capital position

The following table sets forth, for the periods indicated, the details of shareholders' fund of the Company:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
Equity share capital	14.35	14.36
Share premium	34.23	34.28
Balance of profit in profit and loss account	16.96	19.89
Revaluation reserve	0.22	0.23
Fair value change account	3.08	1.71
<b>Shareholders' fund</b>	<b>68.84</b>	<b>70.47</b>
<b>Solvency ratio</b>	<b>252.5%</b>	<b>214.9%</b>

The net-worth of the Company increased from ₹ 68.84 billion at March 31, 2018 to ₹ 70.47 billion at March 31, 2019, primarily on account of an increase in balance of profit in profit and loss account. The Company had no capital infusion in FY2019 except for exercise of stock options to employees under Employee Stock Option Scheme.

The balance of profit in profit & loss account increased from ₹ 16.96 billion in FY2018 to ₹ 19.89 billion in FY2019 on account of profit for the year net of dividends (including dividend distribution tax).

The Company had performed an independent valuation of their investment property and consequently revaluation reserve increased from ₹ 0.22 billion (Historical cost: ₹ 3.65 billion; revalued amount: ₹ 3.87 billion) at March 31, 2018 to ₹ 0.23 billion (Historical cost: ₹ 3.65 billion; revalued amount: ₹ 3.88 billion) at March 31, 2019.

# Management Discussion and Analysis (Continued)

Fair value change account represents the unrealised gains/loss on equity securities and mutual fund and it decreased from ₹ 3.08 billion at March 31, 2018 to ₹ 1.71 billion at March 31, 2019. Movement in fair value change account is a function of performance of the equity markets and the mix of equity and mutual funds in the portfolio.

The Company had a solvency ratio of 214.9% at March 31, 2019, compared to the regulatory minimum required level of 150%.

## 2. Policyholders' fund

### Fair value change account and revaluation reserve - investment property

Fair value change account decreased from ₹ 20.56 billion at March 31, 2018 to ₹ 17.83 billion at March 31, 2019. Movement in fair value change account is a function of performance of the equity markets and the mix of equity and mutual funds in the portfolio.

The Company had performed an independent valuation of investment property and consequently revaluation reserve increased from ₹ 0.62 billion (Historical cost: ₹ 0.19 billion; revalued amount: ₹ 0.81 billion) at March 31, 2018 to ₹ 0.65 billion (Historical cost: ₹ 0.19 billion; revalued amount: ₹ 0.84 billion) at March 31, 2019.

### Policy liabilities:

The following table sets forth, for the periods indicated, summary of policy liabilities:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
Non unit liabilities (mathematical reserves)	309.93	385.52
Provision for linked liabilities (fund reserves)	923.12	1,037.00
Funds for discontinued policies	51.89	72.45
<b>Policy liabilities</b>	<b>1,284.94</b>	<b>1,494.97</b>

The movement in policy liabilities is explained in the element-wise analysis of Revenue account.

## 3. Funds for future appropriation (FFA)

The following table sets forth, for the periods indicated, summary of funds for future appropriation:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
FFA-Non linked	8.77	10.33
FFA-Linked	0.01	0.01
<b>Total</b>	<b>8.78</b>	<b>10.34</b>

FFA increased from ₹ 8.78 billion in FY2018 to ₹ 10.34 billion in FY2019 primarily on account of undistributed surplus of participating line of business.

## 4. Investments

The following table sets forth, for the periods indicated, summary of investments:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
Shareholders' investments	77.49	79.92
Policyholders' investments	332.89	400.71
Asset held to cover linked liabilities	975.02	1,109.46
<b>Total Investments</b>	<b>1,385.40</b>	<b>1,590.09</b>

Total investments grew by 14.8% from ₹ 1,385.40 billion at March 31, 2018 to ₹ 1,590.09 billion at March 31, 2019. The increase in shareholders' investments is largely attributable to the profit generated during the year net of dividend (including dividend distribution tax) paid to the shareholders.

The increase in policyholders' non linked funds is largely attributable to net inflows into the fund. In case of the Asset held to cover linked liabilities, the increase is primarily attributable to increase in premium and investment income of linked portfolio which is partly offset by net outgo during the year.

The investment held in unit linked funds (Asset held to cover linked liabilities) at March 31, 2019 was 69.8% of the total investment assets as against 70.4% at March 31, 2018. Further, of the total investment assets at March 31, 2019, 48.5% of the assets were held as equity at March 31, 2019 as against 47.4% at March 31, 2018.

## 5. Loans

The Company has seen a healthy growth in loan against policies from ₹ 1.45 billion at March 31, 2018 to ₹ 2.70 billion at March 31, 2019 primarily on account of higher number of policyholders availing this facility. The Company had performed an impairment assessment and accordingly no cost is required to be recognised.

## 6. Fixed assets

Fixed assets increased from ₹ 4.22 billion at March 31, 2018 to ₹ 4.76 billion at March 31, 2019 on account of higher capital expenditure on communication networks and improvements to office buildings during the year.

# Management Discussion and Analysis (Continued)

## 7. Net current assets

### (i) Details of current assets

The following table sets forth, for the periods indicated, summary of current assets:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
Income accrued on investments	9.24	11.02
Assets held for unclaimed amount of policyholders	8.10	6.65
Cash and bank balances	2.04	6.61
Advance taxes and tax deducted at source	2.10	2.32
Outstanding premium	1.65	1.61
Sundry Debtors (Investments)	1.02	0.90
Prepayments	0.39	0.45
Deposits	0.29	0.34
Other advances and receivables	2.31	3.46
<b>Total</b>	<b>27.14</b>	<b>33.36</b>

The explanation for key elements is as mentioned below:

**Income accrued on investments** increased from ₹ 9.24 billion at March 31, 2018 to ₹ 11.02 billion at March 31, 2019 primarily on account of an increase in debt investments of the Company.

Pursuant to IRDAI circular on "Handling of unclaimed amounts pertaining to policyholders", the Company has created a single segregated fund to manage all the unclaimed monies. **Assets held for unclaimed amount of policyholders** decreased from ₹ 8.10 billion at March 31, 2018 to ₹ 6.65 billion at March 31, 2019 primarily on account of net payments made to customers out of unclaimed fund.

**Cash and bank balances** increased from ₹ 2.04 billion at March 31, 2018 to ₹ 6.61 billion at March 31, 2019. The increase was primarily due to interest on government securities received on the last day of financial year, which could not be invested due to bank holiday.

**Advance taxes and tax deducted at source** increased from ₹ 2.10 billion at March 31, 2018 to ₹ 2.32 billion at March 31, 2019 on account of advance paid net of provision for tax.

### (ii) Details of current liabilities

The following table sets forth, for the periods indicated, summary of current liabilities:

(₹ billion)		
Particulars	March 31, 2018	March 31, 2019
Payable to unit fund	4.58	8.51
Sundry creditors	8.59	7.47
Unclaimed amount of policyholders	8.10	6.65

(₹ billion)

Particulars	March 31, 2018	March 31, 2019
Unallocated premium (including advance premium)	4.61	4.75
Policyholders' claims payable	2.55	2.87
Taxes payable	1.86	2.37
Payable to agents (agents balances)	1.18	1.28
Reinsurance premium payable	0.10	0.09
Other liabilities	2.68	2.40
Provision for leave encashment and gratuity	0.22	0.26
<b>Total</b>	<b>34.47</b>	<b>36.65</b>

The explanation for key elements is as mentioned below:

**Payable to unit fund** increased from ₹ 4.58 billion at March 31, 2018 to ₹ 8.51 billion at March 31, 2019. The increase was primarily on account of interest on government securities received on the last day of financial year and money received for premium collection from unit-linked policyholders for last few days of the financial year, which was pending to be transferred from shareholder to unit-linked policyholders account.

**Sundry creditors** representing creditors for expenses and investment decreased from ₹ 8.59 billion at March 31, 2018 to ₹ 7.47 billion at March 31, 2019 primarily on account of payable towards investment trades of last few days.

The details of **unclaimed amounts of policyholders** including breakup and ageing at March 31, 2019 and March 31, 2018 is given in point 3.5 and 3.6 of Schedule 16: Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2019. The decrease is attributable to net payments made to customers out of unclaimed fund.

**Unallocated premium includes premium received in advance** which increased from ₹ 4.61 billion at March 31, 2018 to ₹ 4.75 billion at March 31, 2019 on account of advances received from customers pending application.

**Policyholders' claims payable** represent amounts payable to the policyholders for all claims (death, maturity, survival, etc.) that are intimated to the Company and are outstanding due to pending investigation as a part of the normal claims process or pending due to incomplete documentation from the policyholders. The increase in claims payable from ₹ 2.55 billion at March 31, 2018 to ₹ 2.87 billion at March 31, 2019 is primarily on account of an increase in maturity claims payable.

# Management Discussion and Analysis (Continued)

## 8. Contingent liability

The contingent liability increased from ₹ 1.98 billion at March 31, 2018 to ₹ 4.03 billion at March 31, 2019. The increase in Contingent liability is primarily attributable to the investment made in partly paid secured non-convertible debentures during the year. At March 31, 2019 the uncalled portion of the debentures amounted to ₹ 2.00 billion.

## c. Cash flow statement

The following table sets forth, for the periods indicated, a summary of the cash flows:

	(₹ billion)	
Particulars	FY2018	FY2019
Net cash generated from/(used in) operating activities	56.93	113.81
Net cash generated from/(used in) investing activities	(53.92)	(75.63)
Net cash generated from/(used in) financing activities	(11.88)	(8.43)

### Cash flows from operating activities:

Net cash flows generated from operating activities increased from ₹ 56.93 billion in FY2018 to ₹ 113.81 billion in FY2019 primarily on account of an increase in premium and other receipts and lower policy benefits paid.

### Cash flows from investing activities:

Net cash flows used in investing activities increased from ₹ 53.92 billion in FY2018 to ₹ 75.63 billion in FY2019 primarily on account of lower sale of investments in FY2019 as compared to FY2018

### Cash flows from financing activities:

Net cash flows used in financing activities decreased from ₹ 11.88 billion in FY2018 to ₹ 8.43 billion in FY2019 primarily due to a decrease in dividends paid (including dividend distribution tax) from ₹ 11.92 billion in FY2018 to ₹ 8.48 billion in FY2019

## d. Key financial ratios

The following table sets forth, for the periods indicated, the key financial ratios:

Particulars	FY2018	FY2019
Persistence ratio <sup>1</sup>		
13th month	86.8%	87.4% <sup>2</sup>
49th month	78.3%	78.0% <sup>2</sup>
Expense ratio <sup>3</sup>	13.7%	15.0%
Solvency ratio	252.5%	214.9%

<sup>1</sup> As per IRDA circular dated January 23, 2014.

<sup>2</sup> For policies issued during March to February period of relevant year measured at March 31, 2019.

<sup>3</sup> Total cost including commission/total premium-10% of Single premium.

**Persistence ratio:** The Company has strong focus on improving the quality of business and customer retention, which is reflected in our best in class 13th month persistency ratios. Our 13th month persistency stood at 87.4% for FY2019. The 49th month persistency stood at 78.0%.

**Expense ratio:** The cost to total weighted received premium (TWRP) ratio stood at 15.0% in FY2019 compared to 13.7% in FY2018. The increase is primarily attributable to increase in expense for protection & annuity business.

**Solvency ratio:** The Company had a solvency ratio of 214.9% at March 31, 2019, compared to the regulatory minimum required level of 150%.

## C. Consolidated financial results and subsidiary performance

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 the population.

One of the major developments for the PFM this year is that the pension fund regulator, Pension Fund Regulatory and Development Authority (PFRDA), has granted the PFM, on its application, the license to act as Point of Presence (PoP) entity for distributing products under NPS with effect from February 13, 2019. The PFM is working towards setting up all necessary processes and systems to operationalise its activities as a PoP

### Industry

The total assets under management of the industry has grown from ₹ 2,345.79 billion at March 31, 2018 to ₹ 3,182.14 billion at March 31, 2019

### Business

The subscribers' funds managed by the PFM increased from ₹ 23.26 billion at March 31, 2018 to ₹ 34.76 billion at March 31, 2019, an increase of 49.5% during the year.

The PFM has market share of 17.9% in the private sector AUM at March 31, 2019 as against 19.4% at March 31, 2018.

The net worth of PFM increased from ₹ 0.26 billion at March 31, 2018 to ₹ 0.35 billion at March 31, 2019 primarily due to capital of ₹ 0.10 billion infused by the Company during the year.

For the year ended March 31, 2019 the PFM registered a loss of ₹ 0.02 billion (previous year: loss of ₹ 0.01 billion). The current operations of the PFM are not material in context of overall operations of the Company.

# Management Discussion and Analysis (Continued)

## Basis of consolidation

The consolidated financial statements are prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, section 129(4) of the Companies Act, 2013. The financials are consolidated on a line-by-line basis in accordance with AS 21 on 'Consolidated Financial Statements'.

The consolidated profit after tax for the Company decreased from ₹ 16.19 billion in FY2018 to ₹ 11.39 billion in FY2019.

## III. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal controls of the Company are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting and compliance with applicable regulations.

In most aspects of operations and processes, the Company has deployed automation for control and efficiency. The Company operates in a robust IT control environment with adequate controls focused on reconciliation

between systems, auto checks to avoid any duplicate data upload, reconciliation of all jobs run at the beginning and end of day, matching of trial balance and ensuring no unposted entries in the system monthly. The database update in system is conducted only through an activity monitoring tool and the logs reviewed & signed off by application owners on a predefined frequency. Further, the entire IT change management work flow is tracked in an application and changes moved to production only after user acceptance testing sign off by business teams. The Company has an automated control over access management with addition/deletion/modification of access to IT environment as per defined authorisation matrix. The reconciliation of user rights in applications is conducted every quarter as part of access management. In conjunction with the IT controls, all financial transactions also have a compensating detective controls (system exception reports, maker checker etc.) at process level. These controls are covered under the COSO framework and tested every quarter.

In addition, internal audits are undertaken to reviews significant operational areas regularly. The Audit Reports, submitted by the Internal Auditors, are reviewed by the Audit committee and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Statutory and Internal Auditors are also invited to the Audit Committee meetings to ascertain their views on the adequacy of internal control systems. The management believes that strengthening internal controls is a continuous process and it will therefore continue its effort to keep pace with changing business needs and environment.

# 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, measurement, 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 Risk Management Policy
- Information & Cyber Security 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:





# Enterprise Risk Management (Continued)

## 1. Risk Identification

The Company identifies its risk exposure 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 Value<sup>1</sup> (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 cognisance to any loss events or audit findings.
6. The Company evaluates legal and regulatory risk by monitoring the implementation of relevant requirements and monitoring for any deviations.
7. Reputation risk is monitored based on trends in regulatory orders (if any), media mentions, customer complaints and legal cases.

## 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 assesses 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. Liquidity ratio of highly liquid assets to near-term liabilities is tracked in order to assess the liquidity position.
5. Operational and fraud losses are measured as a proportion of profit before tax to identify the extent of deviation from the agreed tolerance limit. In addition, key operational risk indicators are tracked.

## 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 risks 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.

<sup>1</sup>The 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.

# Enterprise Risk Management (Continued)

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 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 cash flow 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.

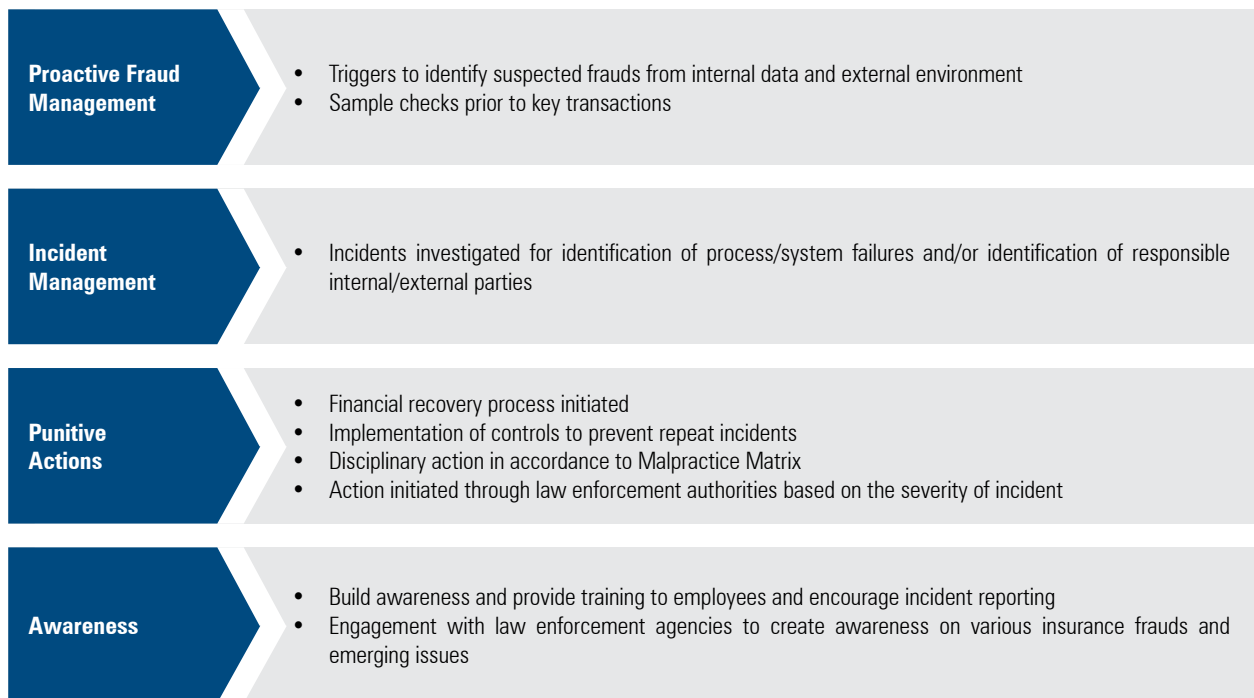
# Enterprise Risk Management (Continued)

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

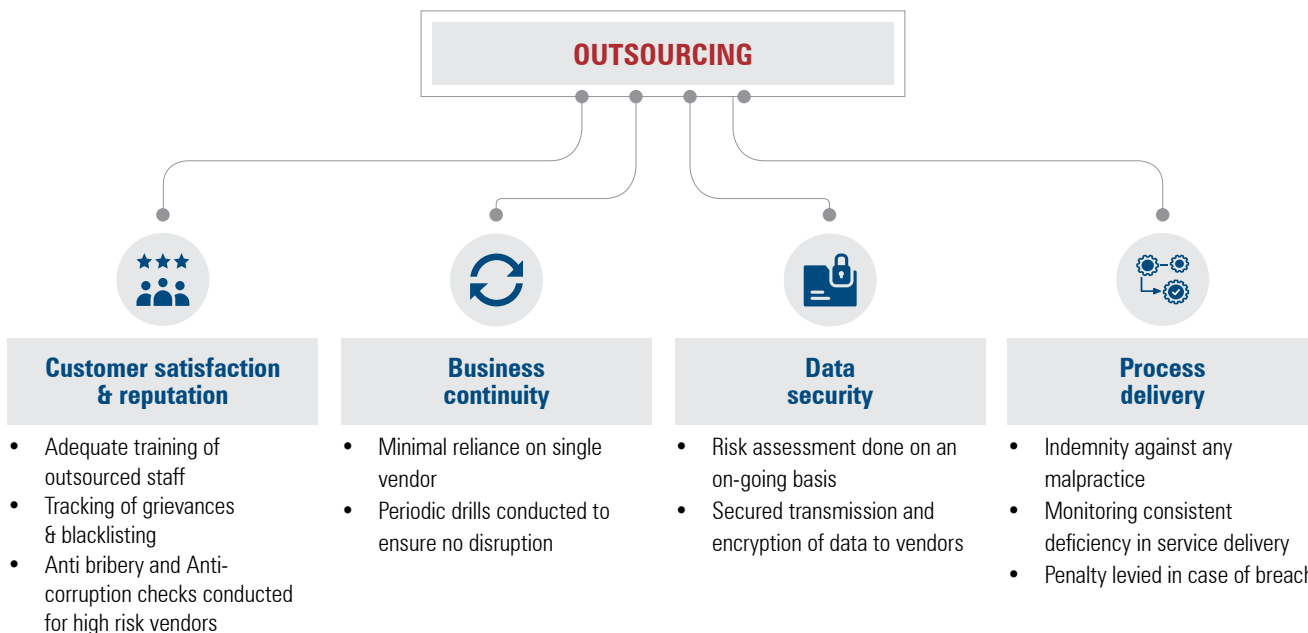
- (d) **Morbidity and Mortality risk:** The Company uses the following approaches to manage its mortality and morbidity risk:
- i. **Product approval process:** Launching new products can significantly alter the risk profile of the Company's balance sheet. Insurance risks inherent in the new products 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 such as emails 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 understanding through communication and education among 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.

# Enterprise Risk Management (Continued)

iv. Fraud Risk 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 IRDAI (Outsourcing of Activities by Indian Insurers) Regulations 2017 (“the regulation”). 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.

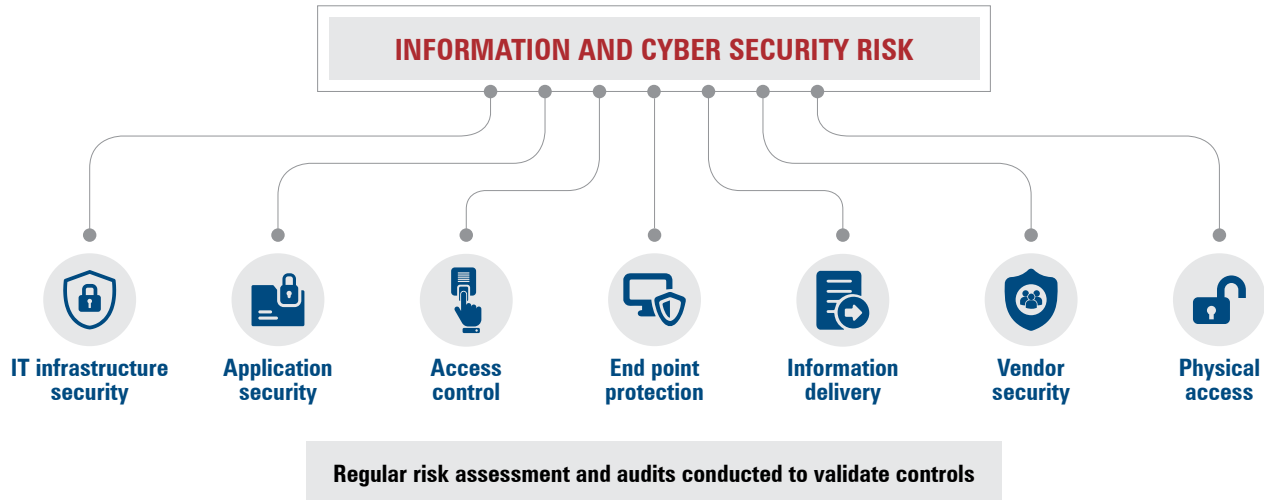


# Enterprise Risk Management (Continued)

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 Company has been accredited with the ISO 22301:2012 certification for the business continuity management systems. The key BCM objectives and the framework are depicted below.

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

vii. Information and Cyber Security: The Company has an information and cyber 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. The Company has mechanism in place to monitor cyber security events to detect and respond to any threats to its network, application and infrastructure.



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# Management Report

for the year ended March 31, 2019

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, 2019:

## 1. CERTIFICATE OF REGISTRATION

The certificate of registration under Section 3 of the Insurance Act, 1938 granted by IRDAI on November 24, 2000 is valid at March 31, 2019 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.

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](http://www.iciciprulife.com) and that of the stock exchanges, i.e. [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://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 and the IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016.

The actual solvency ratio as compared to required minimum solvency ratio of 150% are as below:

Particulars	March 31, 2019	March 31, 2018
Actual solvency ratio	214.9%	252.5%

## 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, 2019		March 31, 2018	
	Balance Sheet value	Market value	Balance Sheet value	Market value
Debt investments in non-linked and shareholder funds	376,407,940	380,661,986	316,394,442	317,362,557
Total investments in non-linked and shareholder funds	480,627,288	484,881,335	410,381,414	411,349,529

## 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 relating to the application and investments of the life insurance funds and all investments made are 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

# Management Report

for the year ended March 31, 2019 (Continued)

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 continuously monitors the internal loss events and ensures adequate mitigation for high impact events to avoid repeat instances
- (c) 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
- (d) Fraud Management: The Company follows both a proactive and reactive approach to manage fraud. Proactive management is done by using triggers to identify suspected frauds and through random sample checks. Reactive management is done through incident management. Investigation is done for identification of process/system failures and/or identification of responsible internal/external parties. The Company ensures implementation of controls to prevent repeat incidents,

# Management Report

for the year ended March 31, 2019 (Continued)

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.

- (e) Outsourcing Risk: Processes of the Company are outsourced as permitted under the regulatory guidelines. The Company carries out required due-diligence for any new activity or vendor empanelment.
- (f) Business Continuity Management (BCM): The Company has a BCM framework to ensure resilience and continuity of key products and services at minimum acceptable level to achieve business-as usual presence in the market place and safety of human resources. This includes systems and processes including use of disaster recovery sites and business continuity plans for critical processes which are being tested periodically.
- (g) Information and Cyber Security: The Company has an information and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization. The Company's controls include deployment of security solutions like firewall, intrusion prevention system, anti-malware solution and dynamic URL filtering, further a program for regular vulnerability assessment of critical IT applications and infrastructure.

- (h) 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 does 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 2019	4
FY 2018	3
FY 2017	4
FY 2016	5
FY 2015	6
FY 2014	6

The ageing of mortality and morbidity claims registered and not settled at March 31, 2019 has been detailed herein below:

### Linked business:

(₹ in lacs)

Period	Up to 30 days		Greater than 30 days and up to 6 months		Greater than 6 months and up to 1 year		Greater than 1 year and up to 5 years		Greater than 5 years	
	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount
FY2019	251	333	36	131	1	1	2	39	-	-
FY2018	213	184	31	89	-	-	2	18	-	-
FY2017	249	179	46	103	-	-	-	-	-	-
FY2016	412	271	107	241	-	-	-	-	1	9
FY2015	332	306	161	222	1	3	-	-	1	9
FY2014	287	387	100	236	-	-	-	-	1	6

# Management Report

for the year ended March 31, 2019 (Continued)

## Non Linked business:

(₹ in lacs)

Period	Up to 30 days		Greater than 30 days and up to 6 months		Greater than 6 months and up to 1 year		Greater than 1 year and up to 5 years		Greater than 5 years	
	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount
FY2019	643	979	256	2053	3	23	9	98	2	139
FY2018	44	638	26	1,155	1	26	7	633	-	-
FY2017	29	104	23	881	3	26	2	81	-	-
FY2016	39	472	18	181	-	-	5	154	-	-
FY2015	38	334	78	877	3	36	4	135	-	-
FY2014	54	1,245	110	1,726	2	167	1	8	-	-

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 and equity exchange traded funds (ETF) 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, equity exchange traded funds 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.

Investments in reverse repo and tri-party repo are valued at cost plus interest accrued.

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.

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 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.

# Management Report

for the year ended March 31, 2019 (Continued)

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.

Investments in reverse repo and tri-party repo are valued at cost plus interest accrued.

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, 2019 is as follows:

Asset class	Linked funds	Non-Linked funds	Shareholders' funds	Total	Amount (₹ billion)
Equity shares ^	61.0%	16.8%	21.6%	47.7%	764.89
Government securities	7.7%	55.4%	28.2%	21.0%	337.28
Debentures and bonds*	14.2%	19.8%	29.3%	16.4%	263.05
Money market instruments	14.1%	1.3%	6.7%	10.4%	166.79
Mutual funds	1.5%	2.2%	4.5%	1.8%	29.61
Fixed deposits	0.1%	1.2%	2.8%	0.5%	8.09
Investment property	0.0%	0.2%	4.8%	0.3%	4.72
Loan against policies	0.0%	0.7%	0.0%	0.2%	2.70
Net current assets and other investments	1.4%	2.4%	2.1%	1.7%	26.98
<b>Total</b>	<b>1,109.46</b>	<b>413.20</b>	<b>81.44</b>	<b>100.0%</b>	<b>1,604.10</b>
<b>Fund mix (%)</b>	<b>69.1%</b>	<b>25.8%</b>	<b>5.1%</b>	<b>100.0%</b>	<b>-</b>

^ includes investment in equity exchange traded funds, convertible preference shares and subsidiary

\* includes non-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. 76.9% of the investments in equity shares are held in companies forming part of Nifty 50 and 98.2% in companies forming part of Nifty 500 index.

At March 31, 2019, 93.7% of assets in the fixed income portfolio (including money market instruments) are in highest credit rated securities (Sovereign/AAA or equivalent) and 99.5% 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.

# Management Report

for the year ended March 31, 2019 (Continued)

## 12.2. Fund performance

### Linked funds

At March 31, 2019, funds representing 15% of the linked assets performed better than the respective benchmarks over trailing one year. However, funds representing 81% of the linked assets outperformed the respective benchmarks since inception.

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

Fund name	SFIN	Assets held* (₹ billion)	1 year return		3 year return (annualised)		
			Fund	Benchmark	Fund	Benchmark	
<b>Equity funds</b>							
Maximiser Fund V	ULIF 114 15/03/11 LMaximis5 105	326.80	7.54%	12.44%	11.28%	14.65%	
Multi Cap Growth Fund	ULIF 085 24/11/09 LMCapGro 105	106.65	0.17%	8.43%	11.41%	14.41%	
Maximiser Fund	ULIF 001 22/10/01 LMaximis1 105	31.91	6.07%	12.44%	10.90%	14.65%	
Life Growth Fund	ULIF 134 19/09/13 LGF 105	21.78	(2.01%)	12.44%	7.56%	14.65%	
Dynamic P/E Fund	ULIF 097 11/01/10 LDynamicPE 105	17.56	9.83%	13.69%	10.97%	13.10%	
Bluechip Fund	ULIF 087 24/11/09 LBluChip 105	14.26	10.45%	14.93%	12.70%	14.52%	
Pension Flexi Growth Fund	ULIF 029 20/03/07 PFlexiGro1 105	11.26	(2.44%)	8.43%	9.96%	14.41%	
Flexi Growth Fund II	ULIF 027 20/03/07 LFlexiGro2 105	9.91	(0.47%)	8.43%	11.43%	14.41%	
Maximiser Fund II	ULIF 012 17/05/04 LMaximis2 105	9.86	7.44%	12.44%	11.72%	14.65%	
Pension Maximiser Fund II	ULIF 013 17/05/04 PMaximis2 105	9.37	7.02%	12.44%	12.11%	14.65%	
Pension Multi Cap Growth Fund	ULIF 091 11/01/10 PMCcapGro 105	8.68	(0.56%)	8.43%	11.49%	14.41%	
Pension Flexi Growth Fund II	ULIF 030 20/03/07 PFlexiGro2 105	7.84	(1.59%)	8.43%	11.17%	14.41%	
Opportunities Fund	ULIF 086 24/11/09 LOpport 105	7.56	7.41%	10.71%	12.58%	14.62%	
Pension RICH Fund	ULIF 052 17/03/08 PRICH1 105	7.37	5.58%	10.71%	11.24%	14.62%	
Flexi Growth Fund	ULIF 026 20/03/07 LFlexiGro1 105	7.00	(2.23%)	8.43%	10.33%	14.41%	
RICH Fund II	ULIF 049 17/03/08 LRICH2 105	6.73	6.44%	10.71%	12.13%	14.62%	
Pension Dynamic P/E Fund	ULIF 098 11/01/10 PDynamicPE 105	6.22	9.86%	13.69%	10.94%	13.10%	
Health Flexi Growth Fund	ULIF 057 15/01/09 HFlexiGro 105	5.55	0.49%	8.43%	10.34%	14.41%	
Flexi Growth Fund IV	ULIF 038 27/08/07 LFlexiGro4 105	5.51	(1.14%)	8.43%	11.42%	14.41%	
<b>Balanced funds</b>							
Highest NAV Fund B	ULIF 116 15/03/11 LHighNavB 105	35.17	6.17%	NA	6.88%	NA	
Multi Cap Balanced Fund	ULIF 088 24/11/09 LMCapBal 105	17.73	3.46%	7.87%	9.96%	11.50%	
Group Balanced Fund II	ULGF 041 30/04/13 GBalancer2 105	14.52	6.47%	7.66%	7.68%	8.74%	
Group Balanced Fund	ULGF 001 03/04/03 GBalancer 105	11.14	6.31%	7.66%	7.77%	8.74%	
Balancer Fund	ULIF 002 22/10/01 LBalancer1 105	8.18	2.70%	8.88%	7.98%	10.20%	
Group SA Balanced Fund	ULGF 051 03/04/03 GSBLN 105	7.47	6.55%	7.66%	7.71%	8.74%	
Pinnacle Fund	ULIF 081 26/10/09 LPinnacle 105	7.37	7.66%	NA	8.23%	NA	
<b>Debt funds</b>							
Income Fund	ULIF 089 24/11/09 LIncome 105	67.78	7.75%	6.72%	8.15%	7.61%	
Life Secure Fund	ULIF 135 19/09/13 LSF 105	20.71	6.87%	6.72%	7.26%	7.61%	
Pension Protector Fund	ULIF 006 03/05/02 PProtect1 105	8.94	7.60%	6.72%	7.55%	7.61%	
Pension Income Fund	ULIF 095 11/01/10 PIncome 105	5.67	8.24%	6.72%	8.21%	7.61%	
Group SA Debt Fund	ULGF 052 03/04/03 GSDBT 105	5.31	7.58%	6.72%	7.77%	7.61%	
<b>Liquid funds</b>							
Discontinued Fund – Life	ULIF 100 01/07/10 LDiscont 105	71.10	6.52%	NA	6.51%	NA	
Money Market Fund	ULIF 090 24/11/09 LMoneyMkt 105	35.94	6.79%	7.63%	6.76%	7.19%	

Note: NA is mentioned against funds not in existence for the relevant period or where benchmark is not defined.

\* Assets held at March 31, 2019

# Management Report

for the year ended March 31, 2019 (Continued)

## 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 year return (annualised)	
		Market Value	Book Value	Market Value	Book Value
<b>Policyholders' fund</b>					
Participating	172.63	8.24%	8.31%	9.42%	9.52%
Non-participating	240.57	8.45%	9.07%	9.07%	8.46%
<b>Shareholders' fund</b>	81.44	7.20%	9.40%	9.82%	10.97%

\* Assets held at March 31, 2019

## 13. PAYMENTS MADE TO PARTIES IN WHICH DIRECTORS ARE INTERESTED

The details of such payments for the year ended March 31, 2019 are given below:

Sr No.	Name of Director*	Entity in which Director is interested	Interested as	Amount paid	
				FY2019	FY2018
1	Chanda Kochhar (ceased to be Director from October 5, 2018)	ICICI Bank Limited	Managing Director & CEO	13,846,477	14,490,206
		ICICI Securities Limited	Chairperson	552,672	513,688
		ICICI Lombard General Insurance Company Limited	Chairperson	211,003	259,801
		ICICI Foundation for Inclusive Growth	Chairperson- Governing Council	172,575	172,769
2	Vinod Kumar Dhall (ceased to be Director from March 05, 2019)	Advani Hotels & Resorts (India) Limited	Director	344	-
		ICICI Securities Limited	Director	552,672	513,688
3	R.K.Nair	ICICI Bank Limited	Director	13,846,477	14,490,206
		Geojit Financials Services Limited	Director	11,079	-
4	Dileep Choksi	ICICI Bank Limited	Director	13,846,477	14,490,206
		ICICI Home Finance Company Limited	Director	19,730	11,554
5	V. Sridar	ICICI Bank Limited	Director	-	14,490,206
6	Vibha Paul Rishi (w.e.f. January 01, 2019)	The Indian Hotels Company Limited	Director	5,532	-
		Tata Teleservices Limited	Director	5,903	-
7	Anup Bagchi (w.e.f. October 08, 2018)	ICICI Bank Limited	Director	13,846,477	14,490,206
		ICICI Home Finance Company Limited	Director	19,730	11,554
		ICICI Securities Limited	Director	552,672	513,688
		ICICI Foundation for Inclusive Growth	Member- Governing Council	172,575	172,769
8	Sandeep Batra (w.e.f. October 08, 2018)	ICICI Prudential Life Insurance Company Limited			
		Employees' Provident Fund	Trustee	125,970	133,552
		ICICI Lombard General Insurance Company Limited	Director	211,003	259,801
		ICICI Prudential Life Insurance Company Limited			
		Employees' Group Gratuity Cum Life Insurance Scheme	Trustee	190,635	191,680
9	N. S. Kannan	ICICI Prudential Life Insurance Company Limited			
		Superannuation Scheme	Trustee	11,132	8,086
		ICICI Bank Limited	Director	13,846,477	14,490,206
		ICICI Lombard General Insurance Company Limited	Director	211,003	259,801
		ICICI Foundation for Inclusive Growth	Member - Governing Council	172,575	172,769



# Management Report

for the year ended March 31, 2019 (Continued)

(₹ 000)

Sr No.	Name of Director*	Entity in which Director is interested	Interested as	Amount paid	
				FY2019	FY2018
10	Puneet Nanda	ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Trustee	125,970	-
		ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Trustee	190,635	-
		ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Trustee	11,132	-
11	Sandeep Bakhshi (Ceased to be Director from June 18, 2018)	ICICI Lombard General Insurance Company Limited	Director	211,003	259,801
		ICICI Foundation for Inclusive Growth	Member- Governing Council	172,575	172,769

\*The tenure mentioned of the directors are for the period in which they held directorship in ICICI Prudential Life Insurance Company Limited.  
Note: Transactions with related entities of directors are mentioned for the year in which the directors are interested in the entity.

## 14. MANAGEMENT RESPONSIBILITY STATEMENT

The Management confirms that:

- 1) 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;
- 2) 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;
- 3) 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, 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;
- 4) The management has prepared the financial statements on a going concern basis;
- 5) 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

#### M. S. Ramachandran

Chairman  
DIN:00943629

#### V. Sridar

Director  
DIN: 02241339

#### N. S. Kannan

Managing Director and CEO  
DIN: 00066009

#### Puneet Nanda

Deputy Managing Director  
DIN: 02578795

#### Satyan Jambunathan

Chief Financial Officer

#### Asha Murali

Appointed Actuary

Place: Mumbai

Date: April 24, 2019

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# Independent Auditor's Report

**To the Members of  
ICICI Prudential Life Insurance Company Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the standalone financial statements of ICICI Prudential Life Insurance Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, the 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.

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, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and the Companies Act, 2013 (the "Act"), to the extent applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters below to be the key audit matters to be communicated in our report.

Information technology systems  
(Refer Internal control systems and their adequacy under "Management Discussion and Analysis")

Key Audit Matter	How our audit has addressed the key audit matter
The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Company uses several systems for its overall financial reporting.	<p>We involved our IT Specialist to:</p> <ul style="list-style-type: none"> <li>Understand General IT Control (GITC) i.e. Access Controls, Program/System Change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup Incident Management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems);</li> <li>Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems;</li> <li>Understand IT application controls covering:                             <ul style="list-style-type: none"> <li>user access and roles, segregation of duties; and</li> <li>key interfaces, reports, reconciliations and system processing;</li> </ul> </li> <li>Test the IT application controls for design and operating effectiveness for the audit period;</li> </ul>

including the Accounting Standards prescribed under section 133 of the Act, to the extent applicable:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- in the case of Revenue Account, of the net surplus for the year ended on that date;
- in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Independent Auditor's Report (Continued)

Key Audit Matter	How our audit has addressed the key audit matter
We have identified 'Information Technology systems' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture.	<ul style="list-style-type: none"> <li>• Test the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process;</li> <li>• Understand IT infrastructure i.e. operating systems and databases supporting the in-scope systems; and</li> <li>• Test the controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches).</li> </ul>

Valuation of Investments (March 31, 2019: 1,590,085,424, March 31, 2018: 1,385,401,098) (INR in Thousands)  
Refer note 2.11 (Investments) and note 3.25 (Impairment of investment assets)

Key Audit Matter	How our audit has addressed the key audit matter
<p>The Company's investment portfolio represents substantial portion of the Company's total assets as at March 31, 2019 which are valued in accordance with accounting policy framed as per the extent of the regulatory guidelines.</p> <p>Investment in Non-linked and shareholders' portfolio:</p> <p>All debt securities are valued at amortised cost and investment property is valued in accordance with Company's valuation policy. The listed equity shares, preference shares, liquid mutual fund and Equity Exchange Traded Funds (ETF) investments are valued using quoted prices as per stock exchanges. These investments are tested for impairment in accordance with the Company's impairment policy.</p> <p>Investment in unit linked portfolio:</p> <p>Government securities are valued at prices provided by CRISIL. Other debt securities are valued on a yield to maturity basis, by using spread over the benchmark rate. The listed equity shares, preference shares, liquid mutual fund and ETF investments are valued using quoted prices as per stock exchanges.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the standalone financial statements due to the materiality of total value of investments to the financial statements.</p>	<p>Our audit procedures for this area included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls;</li> <li>• Assessed appropriateness of the valuation methodologies with reference to Investment Regulations issued by Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") and Company's own valuation policy;</li> <li>• For listed equity shares, preference shares, liquid mutual fund and ETF investments, performed independent price checks using external quoted prices and by agreeing the observable inputs that were used in the Company's valuation techniques to external data; and</li> <li>• For other investments, critically evaluated the valuation assessment and resulting conclusions by the Company in order to determine the reasonableness of the valuations recorded. This included an evaluation of the methodology and assumptions used in the valuation with reference to the Company's valuation policy.</li> </ul>

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

# Independent Auditor's Report (Continued)

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, net surplus/deficit, profit/loss and receipts and payments of the Company in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and orders/directions/circulars issued by the IRDAI in this regard, and Accounting Standards specified under section 133 of the Act, to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

# Independent Auditor's Report (Continued)

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## OTHER MATTER - SCOPE OF AUDIT

The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 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, 2019 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. Accordingly, 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 in the standalone financial statements of the Company. Our opinion is not modified in this respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by IRDA Financial Statements Regulations, we have issued a separate certificate dated April 24, 2019 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 it appears from our examination of those books;
  - c) As the Company's financial accounting system is centralised, no returns for the purpose 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 Payment Account dealt with by this Report are in agreement with the books of account;
  - e) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, to the extent not inconsistent with the accounting principles 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 IRDA Financial Statements Regulations and orders/ directions/ circulars issued by IRDAI in this regard;
- g) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards specified under Section 133 of the Act and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders/directions/circulars issued by the IRDAI in this regard;
- h) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- i) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Schedule 16 note 3.44 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 16 note 3.45 to the standalone financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019; and
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes is not applicable to the Company – Refer Schedule 16 note 3.48 to the standalone financial statements.

## Independent Auditor's Report (Continued)

- k) With respect to the matter to be included in the Auditor's Report under section 197(16), in our opinion and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act, to the extent applicable. The remuneration paid to any director, to the extent applicable is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No:101248W/W-100022

**Manoj Kumar Vijai**

Partner

Membership No: 046882

Mumbai

April 24, 2019

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No: 42423

Mumbai

April 24, 2019

# Annexure A

## TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2019

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to the standalone financial statements of ICICI Prudential Life Insurance Company Limited (the "Company") as of March 31, 2019 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 its business, including adherence to 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 Companies Act, 2013 (hereinafter referred to as the "Act").

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls with reference to the standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material



# Annexure A

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – MARCH 31, 2019 (CONTINUED)

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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 with reference to the standalone financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No:101248W/W-100022

**Manoj Kumar Vijai**

Partner

Membership No: 046882

Mumbai

April 24, 2019

### OTHER MATTER

The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 has been certified by the Appointed Actuary as per the IRDA Financial Statements Regulations, and has been relied upon by us, as mentioned in "Other Matter" of our audit report on the standalone financial statements for the year ended March 31, 2019. Accordingly, our opinion on the internal financial controls with reference to the standalone financial statements 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

**Khushroo B. Panthaky**

Partner

Membership No: 42423

Mumbai

April 24, 2019



# Independent Auditor's Certificate

Independent Auditor's Certificate referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' forming part of the Independent Auditor's Report dated April 24, 2019

## To the Members of ICICI Prudential Life Insurance Company Limited

1. This certificate is issued in accordance with the terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company"),
2. This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C read with regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "IRDA Financial Statements Regulations").

## MANAGEMENT'S RESPONSIBILITY

3. 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 IRDA Financial Statements Regulations, orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation and maintenance of books of accounts and Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring the aforesaid and applying an appropriate basis of preparation that are reasonable in the circumstances and providing all relevant information to the IRDAI.

## AUDITORS' RESPONSIBILITY

4. Pursuant to the requirements of the IRDA Financial Statements Regulations, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books of accounts and other records maintained by the Company as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the read with Regulation 3 of IRDA Financial Statements Regulations.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by ICAI. The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
6. 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.

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

**Manoj Kumar Vijai**  
Partner  
Membership No: 046882  
UDIN No: 19046882AAAAABD2952

Mumbai  
April 24, 2019

## OPINION

7. In accordance with information and explanations given to us and to the best of our knowledge and belief and based on our audit and examination of the books of account and other records maintained by the Company for the year ended March 31, 2019, we report that:
  - a. We have reviewed the attached Management Report to the standalone financial statements for year ended March 31, 2019, and on the basis of our review, we have not found any apparent mistake or material inconsistencies in the Management Report read with the standalone financial statements;
  - b. 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;
  - c. We have verified the cash balances, to the extent considered necessary with the books of accounts and securities relating to the Company's loans and investments as at March 31, 2019, 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, 2019, the Company does not have reversions and life interests;
  - d. Based on management representation, the Company is not a trustee of any trust; and
  - e. 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.

## RESTRICTION ON USE

8. This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts in order to comply with the provisions of paragraph 3 and 4 of Schedule C read with regulation 3 of the IRDA Financial Statements Regulations and is not intended to be and should not be used for any other purpose without our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose.

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

**Khushroo B. Panthaky**  
Partner  
Membership No: 42423  
UDIN No: 19042423AAAAAU2679

Mumbai  
April 24, 2019

# Independent Auditor's Certificate

**Independent Auditor's 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.**

To  
The Board of Directors  
ICICI Prudential Life Insurance Company Limited  
ICICI Prulife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi  
MUMBAI - 400 025

1. This certificate is issued in accordance with terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company"). Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 (the "Regulations"), require the auditors of the Company to issue certificate regarding applicable Net Asset Value ("NAV") for applications received as at March 31, 2019 in terms of Schedule I(B) (11)(d) to the Regulations.

## MANAGEMENT'S RESPONSIBILITY

2. 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, 2019.

3. The Company's management is responsible for complying with conditions stated in the Regulations and providing all relevant information to the regulatory authorities.

## AUDITORS' RESPONSIBILITY

4. Pursuant to the requirements of this certificate, it is our responsibility to provide reasonable assurance as to whether:

(a) The applications received on Sunday, March 31, 2019 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2019 is applied for applications received upto 3.00 p.m.;

(b) The applications received on Sunday, March 31, 2019 after 3.00 p.m. have been stamped and that the NAV of April 01, 2019 is applied for applications received after 3.00 p.m.; and

(c) The Company has declared NAV for March 31, 2019 which is a business day, on a basis consistent with its accounting policy as disclosed in its audited financial statements for the year ended March 31, 2019.

5. We audited financial statements of the Company as of and financial year ended March 31, 2019 on which we issued an unmodified audit opinion vide our report dated April 24, 2019. Our audits of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10)

of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone 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.

6. In this connection, we have performed the following procedures:

a) 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, 2019 (together referred to as "Application Forms"), from the Company;

b) Selected samples of Application Forms from listing mentioned in paragraph 5(a) above and verified whether:

i) The applications received on Sunday, March 31, 2019, upto 3.00 p.m. have been appropriately stamped and the NAV of March 31, 2019 is applied for such applications;

ii) The applications received on Sunday, March 31, 2019, after 3.00 p.m. have been appropriately stamped and the NAV of April 1, 2019 is applied for such applications; and

iii) The NAV applied for applications received on March 31, 2019 is traced to the NAV declared by the Company.

c) We have read the certificate dated April 15, 2019 of the Concurrent auditor of the Company, M/s. Majithia & Associates, Chartered Accountants which has been furnished to us certifying compliance with Regulation 5 of Schedule I (B);

d) Obtained representation from the Management that the Company has declared March 31, 2019 as a business day for accepting Application Forms and that it has declared NAV for March 31, 2019.

7. 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 ICAI. The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.

8. 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.

# Independent Auditor's Certificate

Independent Auditor's 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. (Continued)

## OPINION

9. 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 Sunday, March 31, 2019 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2019 is applied for applications received upto 3.00 p.m.;
  - The applications received on Sunday, March 31, 2019 after 3.00 p.m. have been stamped and that the NAV of April 01, 2019 is applied for applications received after 3.00 p.m.; and
  - The Company has declared NAV for March 31, 2019 which is a business day, on a basis consistent with its accounting policy as disclosed in its audited financial statements for the year ended March 31, 2019.

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

**Manoj Kumar Vijai**  
Partner  
Membership No: 046882  
UDIN No: 19046882AAAABC4409

Mumbai  
April 24, 2019

## RESTRICTION ON USE

10. This certificate is addressed to and provided to 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 **Walker Chandiok & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No: 42423  
UDIN No: 19042423AAAAAV9213

Mumbai  
April 24, 2019

# Revenue Account

for the year ended March 31, 2019

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

FORM A-RA

## POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ '000)

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 Life	Linked Group Pension	Total
<b>Premiums earned (Net of Goods &amp; Service tax)</b>														
(a) Premium	1	34,685,300	221,389	39,120,100	245,534	643,872	6,854,123	345,969	213,106,260	4,145,702	897,815	6,366,254	2,665,424	309,297,742
(b) Reinsurance ceded (Refer note 2.3.2 of schedule 16)		(30,777)	(43)	(2,609,964)	-	-	-	(67,497)	(482,845)	(68)	(323,673)	(9)	-	(3,514,876)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		<b>34,654,523</b>	<b>221,346</b>	<b>36,510,136</b>	<b>245,534</b>	<b>643,872</b>	<b>6,854,123</b>	<b>278,472</b>	<b>212,623,415</b>	<b>4,145,634</b>	<b>574,142</b>	<b>6,366,245</b>	<b>2,665,424</b>	<b>305,782,866</b>
<b>Income from Investments (Refer note 2.3.3 &amp; 3.9 of schedule 16)</b>														
(a) Interest, dividend and rent - Gross		8,737,133	827,470	10,868,306	68,218	22,822	2,295,353	13,194	21,850,847	3,441,501	261,891	2,388,726	1,662,881	52,438,342
(b) Profit on sale/redemption of investments		2,817,926	308,772	5,108,809	412	-	21,638	7,169	47,502,627	17,397,558	788,170	1,353,597	868,322	76,175,000
(c) (Loss) on sale/redemption of investments		(958,189)	(34,927)	(1,244,370)	(6,347)	-	(3,142)	-	(32,786,848)	(5,786,241)	(266,335)	(1,212,576)	(1,010,669)	(43,309,644)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	17,609,546	(8,323,515)	(345,904)	329,918	523,815	9,793,860
(e) Accretion of discount/(amortisation of premium) (Net)		(69,491)	379	(106,656)	2,983	157	25,838	26	6,026,261	500,896	20,326	223,234	422,850	7,046,803
<b>Sub-total</b>		<b>10,527,379</b>	<b>1,101,694</b>	<b>14,626,089</b>	<b>65,266</b>	<b>22,979</b>	<b>2,339,687</b>	<b>20,389</b>	<b>60,202,433</b>	<b>7,230,199</b>	<b>458,148</b>	<b>3,082,899</b>	<b>2,467,199</b>	<b>102,144,361</b>
<b>Other income</b>														
Contribution from the Shareholders' account		-	-	4,943,182	12,786	8,261	5,983	32,527	-	-	269,291	-	-	5,272,030
Income on unclaimed amount of policyholders (Refer note 3.5 of schedule 16)		-	-	-	-	-	-	-	507,748	-	-	-	-	507,748
Fees and charges (Refer note 2.3.5 of schedule 16)		110,854	306	147,094	-	-	-	103	478	-	-	-	-	258,835
Miscellaneous income		29,196	5	1,119	15	2	139	11	5,918	106	22	193	41	36,767
<b>Sub-total</b>		<b>140,050</b>	<b>311</b>	<b>5,091,395</b>	<b>12,801</b>	<b>8,263</b>	<b>6,122</b>	<b>32,641</b>	<b>514,144</b>	<b>106</b>	<b>269,313</b>	<b>193</b>	<b>41</b>	<b>6,075,380</b>
<b>Total (A)</b>		<b>45,321,952</b>	<b>1,323,351</b>	<b>56,227,620</b>	<b>323,601</b>	<b>675,114</b>	<b>9,199,932</b>	<b>331,502</b>	<b>273,339,992</b>	<b>11,375,939</b>	<b>1,301,603</b>	<b>9,449,337</b>	<b>5,132,664</b>	<b>414,002,607</b>
Commission	2	2,411,166	2,101	2,251,227	5	-	44,469	26,850	10,749,104	23,141	4,651	176	-	15,512,890
Operating expenses related to Insurance business	3	2,930,891	13,494	9,260,957	5,764	8,399	127,073	129,171	13,086,324	277,133	56,641	100,649	56,715	26,053,211
Provision for doubtful debts		(7,190)	(71)	(10,564)	-	-	(295)	(530)	(17,935)	(660)	(278)	-	62	(37,461)
(Refer note 2.7 of schedule 16)		-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts written off		7,542	25	6,637	-	-	258	331	20,797	452	95	1	-	36,138
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) (Refer 3.25 of schedule 16)		-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Goods & Service Tax charge on linked charges (Refer note 2.14.2 of Schedule 16)		-	-	-	-	-	-	-	5,604,416	402,559	172,544	91,042	81,392	6,351,953
<b>Total (B)</b>		<b>5,342,409</b>	<b>15,549</b>	<b>11,508,257</b>	<b>5,769</b>	<b>8,399</b>	<b>171,505</b>	<b>155,822</b>	<b>29,442,706</b>	<b>702,625</b>	<b>233,653</b>	<b>191,868</b>	<b>138,169</b>	<b>47,916,731</b>
Benefits paid (Net)	4	7,287,873	1,028,001	3,829,991	292,221	9,075	1,872,994	28,180	83,861,955	31,673,350	427,601	7,938,977	3,634,868	141,885,086
Interim bonus paid		702,659	3,661	-	-	-	-	-	-	-	-	-	-	706,320
Change in valuation of policy liabilities (Refer note 2.9 & 3.2 of schedule 16)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves) (Gross)		28,980,309	(7,502)	80,862,103	25,611	657,640	7,155,433	867,283	(332,720)	(250,483)	639,280	3,870	(42)	118,600,782
(b) Amount ceded in reinsurance		-	-	(42,290,588)	-	-	-	(719,783)	-	-	-	-	-	(43,010,371)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	134,223,605	(22,882,340)	1,069	1,276,110	1,256,524	113,874,968
(e) Funds for discontinued policies		-	-	-	-	-	-	-	20,488,717	75,687	-	-	-	20,564,404
<b>Total (C)</b>		<b>36,970,841</b>	<b>1,024,160</b>	<b>42,401,506</b>	<b>317,832</b>	<b>666,715</b>	<b>9,028,427</b>	<b>175,680</b>	<b>238,241,557</b>	<b>8,616,214</b>	<b>1,067,950</b>	<b>9,218,957</b>	<b>4,891,350</b>	<b>352,621,189</b>
<b>Surplus/(deficit) (D) = (A)-(B)-(C)</b>		<b>3,008,702</b>	<b>283,642</b>	<b>2,317,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,655,729</b>	<b>2,057,100</b>	<b>-</b>	<b>38,512</b>	<b>103,145</b>	<b>13,464,687</b>
Provision for taxation*		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Current tax credit/(charge)		(1,131,829)	-	-	-	-	-	-	-	-	-	-	-	(1,131,829)
(b) Deferred tax credit/(charge)		-	-	-	-	-	-	-	(17)	-	-	-	-	(17)
<b>Surplus/(deficit) after tax</b>		<b>1,876,873</b>	<b>283,642</b>	<b>2,317,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,655,712</b>	<b>2,057,100</b>	<b>-</b>	<b>38,512</b>	<b>103,145</b>	<b>12,332,841</b>
<b>Appropriations</b>														
Transfer to Shareholders' account		568,147	28,980	2,317,857	-	-	-	-	5,655,863	2,057,871	-	38,512	103,145	10,770,375
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		1,308,726	254,662	-	-	-	-	-	(151)	(771)	-	-	-	1,562,466
<b>Total</b>		<b>1,876,873</b>	<b>283,642</b>	<b>2,317,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,655,712</b>	<b>2,057,100</b>	<b>-</b>	<b>38,512</b>	<b>103,145</b>	<b>12,332,841</b>
<b>Details of Surplus after tax</b>														
(a) Interim bonuses paid		702,659	3,661	-	-	-	-	-	-	-	-	-	-	706,320
(b) Allocation of bonus to policyholders'		4,410,659	257,152	-	-	-	-	-	-	-	-	-	-	4,667,811
(c) Surplus shown in the Revenue Account		1,876,873	283,642	2,317,857	-	-	-	-	5,655,712	2,057,100	-	38,512	103,145	12,332,841
<b>Total Surplus</b>		<b>6,990,191</b>	<b>544,455</b>	<b>2,317,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,655,712</b>	<b>2,057,100</b>	<b>-</b>	<b>38,512</b>	<b>103,145</b>	<b>17,706,972</b>
<b>Funds for future appropriation</b>														
(Refer note 2.10 & 3.3 of schedule 16)														
Opening balance as at April 1, 2018		6,379,355	2,394,212	-	-	-	-	-	3,213	4,823	-	-	-	8,781,603
Add: Current period appropriation		1,308,726	254,662	-	-	-	-	-	(151)	(771)	-	-	-	1,562,466
<b>Balance carried forward to Balance Sheet</b>		<b>7,688,081</b>	<b>2,648,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,062</b>	<b>4,052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,344,069</b>
<b>Significant accounting policies &amp; notes</b>	16													

\*Refer note 2.14.1 & 3.7 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Revenue account.

As required by erstwhile section 40-B(4) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Expense of Management of Insurers transacting life insurance business Regulations 2016, we certify that all allowable expenses of management in respect of life insurance business in India incurred by the Company have been debited to the Policyholders' Revenue account as expenses.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

# Revenue Account

for the year ended March 31, 2018

## FORM A-RA

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

## POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

₹ '000

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 Life	Linked Group Pension	Total
<b>Premiums earned (Net of service tax / Goods &amp; Service tax)</b>														
(a) Premium	1	31,802,204	276,405	30,971,589	352,309	9,300	3,107,546	293,468	190,012,351	5,513,081	1,030,695	4,667,009	2,651,735	270,687,692
(b) Reinsurance ceded (Refer note 2.3.2 of schedule 16)		(24,208)	(51)	(1,710,049)	-	-	-	(45,790)	(486,475)	(74)	(314,234)	(36)	-	(2,580,917)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		<b>31,777,996</b>	<b>276,354</b>	<b>29,261,540</b>	<b>352,309</b>	<b>9,300</b>	<b>3,107,546</b>	<b>247,678</b>	<b>189,525,876</b>	<b>5,513,007</b>	<b>716,461</b>	<b>4,666,973</b>	<b>2,651,735</b>	<b>268,106,775</b>
<b>Income from Investments (Refer note 2.3.3 &amp; 3.9 of schedule 16)</b>														
(a) Interest, dividend and rent - Gross		7,189,183	809,086	8,945,765	82,440	11,208	1,862,716	27,868	20,910,983	4,123,959	247,141	2,257,152	1,664,246	48,131,747
(b) Profit on sale/redemption of investments		4,073,649	611,979	1,712,448	2,131	13	47,596	43,207	47,180,542	22,804,776	978,411	1,983,320	594,747	80,032,819
(c) (Loss) on sale/redemption of investments		(427,176)	(2,249)	(560,996)	-	(394)	(522)	-	(7,663,294)	(1,646,178)	(87,493)	(566,560)	(332,079)	(11,286,941)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	756,321	(8,529,603)	(103,407)	(1,116,515)	15,635	(8,977,569)
(e) Accretion of discount/(amortisation of premium) (Net)		(96,148)	22,239	(32,002)	2,371	380	11,644	217	3,939,345	421,916	12,301	117,274	315,104	4,714,641
<b>Sub-total</b>		<b>10,739,508</b>	<b>1,441,055</b>	<b>10,065,215</b>	<b>86,942</b>	<b>11,207</b>	<b>1,921,434</b>	<b>71,292</b>	<b>65,123,897</b>	<b>17,174,870</b>	<b>1,046,953</b>	<b>2,674,671</b>	<b>2,257,653</b>	<b>112,614,697</b>
<b>Other income</b>														
Contribution from the Shareholders' account		-	-	-	-	-	752,784	-	-	-	-	-	-	752,784
Income on unclaimed amount of policyholders (Refer note 3.5 of schedule 16)		-	-	-	-	-	-	-	500,740	-	-	-	-	500,740
Fees and charges (Refer note 2.3.5 of schedule 16)		77,847	355	103,824	-	-	-	70	416	-	-	-	-	182,512
Miscellaneous income		1,973	15	1,998	6	-	180	19	11,811	344	61	281	114	16,802
<b>Sub-total</b>		<b>79,820</b>	<b>370</b>	<b>105,822</b>	<b>6</b>	<b>-</b>	<b>752,964</b>	<b>89</b>	<b>512,967</b>	<b>344</b>	<b>61</b>	<b>281</b>	<b>114</b>	<b>1,452,838</b>
<b>Total (A)</b>		<b>42,597,324</b>	<b>1,717,779</b>	<b>39,432,577</b>	<b>439,257</b>	<b>20,507</b>	<b>5,781,944</b>	<b>319,059</b>	<b>255,162,740</b>	<b>22,688,221</b>	<b>1,763,475</b>	<b>7,341,925</b>	<b>4,909,502</b>	<b>382,174,310</b>
Commission	2	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736
Operating expenses related to Insurance business	3	3,112,403	16,784	4,464,471	5,332	608	64,862	162,219	11,910,106	377,325	64,858	72,810	47,534	20,299,312
Provision for doubtful debts (Refer note 2.7 of schedule 16)		(4,136)	(56)	(3,884)	-	-	(132)	44	(7,825)	(752)	(217)	-	-	(16,958)
Bad debts written off		8,891	(7)	7,090	-	-	125	177	31,308	202	8	9	-	47,803
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) (Refer note 3.25 of schedule 16)		23,865	-	27,007	-	-	-	-	-	-	-	-	-	50,872
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Service tax/Goods & Service Tax charge on linked charges (Refer note 2.14.2 of Schedule 16)		-	-	-	-	-	-	-	4,798,211	518,259	168,799	83,877	75,974	5,645,120
<b>Total (B)</b>		<b>5,791,041</b>	<b>19,213</b>	<b>6,275,327</b>	<b>5,332</b>	<b>608</b>	<b>76,680</b>	<b>197,394</b>	<b>26,242,243</b>	<b>931,493</b>	<b>239,350</b>	<b>156,696</b>	<b>123,508</b>	<b>40,058,885</b>
Benefits paid (Net)	4	6,254,660	1,321,065	2,859,951	385,564	16,900	1,591,003	24,674	105,169,157	46,520,242	396,667	4,998,409	2,720,325	172,258,617
Interim bonus paid		547,078	2,161	-	-	-	-	-	-	-	-	-	-	549,239
Change in valuation of policy liabilities (Refer note 2.9 & 3.2 of schedule 16)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		25,849,969	70,663	49,203,820	41,830	2,270	4,114,261	158,692	55,100	(72,236)	50,801	(4,873)	512	79,470,809
(b) Amount ceded in reinsurance		-	-	(20,958,405)	-	-	-	(273,800)	-	-	-	-	-	(21,232,205)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	106,625,977	(27,648,442)	729,575	2,102,039	1,949,699	83,758,848
(e) Funds for discontinued policies		-	-	-	-	-	-	-	12,223,005	254,515	-	-	-	12,477,520
<b>Total (C)</b>		<b>32,651,707</b>	<b>1,393,889</b>	<b>31,105,366</b>	<b>427,394</b>	<b>19,170</b>	<b>5,705,264</b>	<b>(90,434)</b>	<b>224,073,239</b>	<b>19,054,079</b>	<b>1,177,043</b>	<b>7,095,575</b>	<b>4,670,536</b>	<b>327,282,828</b>
<b>Surplus/(deficit) (D) = (A)-(B)-(C)</b>		<b>4,154,576</b>	<b>304,677</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>14,832,597</b>
Provision for taxation*		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Current tax credit/(charge)		(1,200,710)	-	-	-	-	-	-	-	-	-	-	-	(1,200,710)
(b) Deferred tax credit/(charge)		-	-	-	-	-	-	-	(6)	-	-	-	-	(6)
<b>Surplus/(deficit) after tax</b>		<b>2,953,866</b>	<b>304,677</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>13,631,881</b>
<b>Appropriations</b>														
Transfer to Shareholders' account		489,779	28,884	2,051,884	6,531	729	-	212,099	4,847,290	2,702,746	347,082	89,654	115,458	10,892,136
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		2,464,087	275,793	-	-	-	-	-	(38)	(97)	-	-	-	2,739,745
<b>Total</b>		<b>2,953,866</b>	<b>304,677</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>13,631,881</b>
<b>Details of Surplus after tax</b>														
(a) Interim bonuses paid		547,078	2,161	-	-	-	-	-	-	-	-	-	-	549,239
(b) Allocation of bonus to policyholders'		3,860,936	257,795	-	-	-	-	-	-	-	-	-	-	4,118,731
(c) Surplus shown in the Revenue Account		2,953,866	304,677	2,051,884	6,531	729	-	212,099	4,847,252	2,702,649	347,082	89,654	115,458	13,631,881
<b>Total Surplus</b>		<b>7,361,880</b>	<b>564,633</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>18,299,851</b>
<b>Funds for future appropriation</b>														
(Refer note 2.10 & 3.3 of schedule 16)														
Opening balance as at April 1, 2017		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	-	6,041,858
Add: Current period appropriation		2,464,087	275,793	-	-	-	-	-	(38)	(97)	-	-	-	2,739,745
<b>Balance carried forward to Balance Sheet</b>		<b>6,379,355</b>	<b>2,394,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,213</b>	<b>4,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,781,603</b>
<b>Significant accounting policies &amp; notes</b>	16													

\*Refer note 2.14.1 &amp; 3.7 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Revenue account.

As required by erstwhile section 40-B(4) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Expense of Management of Insurers transacting life insurance business Regulations 2016, we certify that all allowable expenses of management in respect of life insurance business in India incurred by the Company have been debited to the Policyholders' 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

**M. S. Ramachandran**  
 Chairman  
 DIN: 00943629

**V. Sridar**  
 Director  
 DIN: 02241339

**N. S. Kannan**  
 Managing Director & CEO  
 DIN: 00066009

**Puneet Nanda**  
 Deputy Managing Director  
 DIN: 02578795

**Manoj Kumar Vijai**  
 Partner  
 Membership No. 046882

**Khushroo B. Panthaky**  
 Partner  
 Membership No. 42423

**Satyan Jambunathan**  
 Chief Financial Officer

**Asha Murali**  
 Appointed Actuary

**Vyoma Manek**  
 Company Secretary

 Place : Mumbai  
 Date : April 24, 2019

# Profit and Loss Account

for the year ended March 31, 2019

ICICI Prudential Life Insurance Company Limited Regn.No. 105 dated 24.11.2000	<b>FORM A-PL</b>
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## SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

(₹ '000)

Particulars	Schedule	March 31, 2019	March 31, 2018
Amounts transferred from Policyholders' account (Technical account)		10,770,375	10,892,136
<b>Income from investments</b>			
(Refer note 2.3.3 of schedule 16)			
(a) Interest, dividend and rent - Gross		4,251,466	4,193,354
(b) Profit on sale/redemption of investments		3,122,309	3,346,949
(c) (Loss) on sale/redemption of investments		(900,876)	(125,521)
(d) Accretion of discount/(amortisation of premium) (Net)		(54,692)	(19,327)
Other income		90,355	48,428
<b>Total (A)</b>		<b>17,278,937</b>	<b>18,336,019</b>
Expenses other than those directly related to the insurance business	3A	377,264	387,609
Bad debts written-off		-	-
Provisions (other than taxation)			
(a) For diminution in value of investments (Net) (Refer note 3.25 of schedule 16)		-	-
(b) Provision for doubtful debts (Refer note 2.7 of schedule 16)		-	-
Contribution to Policyholders' account (Technical account)		5,272,030	752,784
<b>Total (B)</b>		<b>5,649,294</b>	<b>1,140,393</b>
<b>Profit before tax</b>		<b>11,629,643</b>	<b>17,195,626</b>
Provision for taxation*			
(a) Current tax credit/(charge)		(223,181)	(997,367)
(b) Deferred tax credit/(charge)		-	-
<b>Profit after tax</b>		<b>11,406,462</b>	<b>16,198,259</b>
<b>Appropriations</b>			
(a) Balance at the beginning of the year		16,960,346	12,683,041
(b) Interim dividends paid during the year (Refer note 3.40 of schedule 16)		2,296,935	4,880,653
(c) Final dividend (Refer note 3.40 of schedule 16)		4,737,332	5,023,962
(d) Dividend distribution tax (Refer note 3.40 of schedule 16)		1,445,914	2,016,339
(e) Transfer to reserve/other accounts		-	-
<b>Profit carried to Balance Sheet</b>		<b>19,886,627</b>	<b>16,960,346</b>
<b>Earnings per equity share</b> (Refer note 2.18 & 3.19 of schedule 16)			
Basic earnings per equity share ₹		7.95	11.28
Diluted earnings per equity share ₹		7.94	11.28
Nominal value per equity share ₹		10.00	10.00
<b>Significant accounting policies &amp; notes</b>	16		

\*Refer note 2.14.1 & 3.7 of schedule 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 **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

For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019



# Balance Sheet

as at March 31, 2019

ICICI Prudential Life Insurance Company Limited Regn.No. 105 dated 24.11.2000	<b>FORM A-BS</b>
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(₹ '000)

Particulars	Schedule	March 31, 2019	March 31, 2018
<b>Sources of funds</b>			
Shareholders' funds :			
Share capital	5	14,357,845	14,354,987
Share application money		-	-
Reserve and surplus	6	54,397,381	51,408,643
Credit/[debit] fair value change account		1,712,137	3,080,906
<b>Sub - total</b>		<b>70,467,363</b>	<b>68,844,536</b>
Borrowings	7	-	-
Policyholders' funds :			
Credit/[debit] fair value change account		17,827,152	20,550,637
Revaluation reserve - Investment property		648,079	614,479
Policy liabilities (A) + (B) + (C) (Refer note 2.9 & 3.2 of schedule 16)		1,494,975,354	1,284,945,569
Non unit liabilities (mathematical reserves) (A)		385,524,332	309,933,921
Provision for linked liabilities (fund reserves) (B)		1,036,998,523	923,123,553
(a) Provision for linked liabilities		926,497,402	822,372,860
(b) Credit/[debit] fair value change account (Linked)		110,501,121	100,750,693
Funds for discontinued policies (C) (Refer note 3.37 of schedule 16)		72,452,499	51,888,095
(a) Discontinued on account of non-payment of premium		72,231,526	51,841,156
(b) Other discontinuance		248,526	117,925
(c) Credit/[debit] fair value change account		(27,553)	(70,986)
Total linked liabilities (B) + (C)		1,109,451,022	975,011,648
<b>Sub - total</b>		<b>1,513,450,585</b>	<b>1,306,110,685</b>
Funds for Future Appropriations (Refer note 2.10 & 3.3 of schedule 16)			
Linked		7,114	8,036
Non linked		10,336,955	8,773,567
<b>Sub - total</b>		<b>10,344,069</b>	<b>8,781,603</b>
<b>Total</b>		<b>1,594,262,017</b>	<b>1,383,736,824</b>
<b>Application of funds</b>			
Investments*			
Shareholders'	8	79,915,525	77,492,895
Policyholders'	8A	400,711,763	332,888,519
Asset held to cover linked liabilities	8B	1,109,458,136	975,019,684
Loans (Refer note 2.12 of schedule 16)	9	2,701,858	1,450,588
Fixed assets - net block (Refer note 2.13 of schedule 16)	10	4,756,196	4,220,622
Deferred tax asset (Refer note 2.14.1 & 3.7 of schedule 16)		446	463
Current assets			
Cash and Bank balances	11	6,610,184	2,037,435
Advances and Other assets	12	26,749,181	25,102,587
<b>Sub-Total (A)</b>		<b>33,359,365</b>	<b>27,140,022</b>
Current liabilities	13	36,386,196	34,254,125
Provisions	14	255,076	221,844
<b>Sub-Total (B)</b>		<b>36,641,272</b>	<b>34,475,969</b>
<b>Net Current Assets (C) = (A-B)</b>		<b>(3,281,907)</b>	<b>(7,335,947)</b>
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)		-	-
<b>Total</b>		<b>1,594,262,017</b>	<b>1,383,736,824</b>
<b>Contingent liabilities</b> (Refer note 3.1 of schedule 16)		<b>4,030,708</b>	<b>1,983,018</b>
<b>Significant accounting policies &amp; notes</b>	16		

\*Refer note 2.11, 3.9, 3.22, 3.24, 3.26, 3.27, 3.28, 3.29 & 3.30 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Balance sheet.

As per our report of even date attached.

For 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

**M. S. Ramachandran**

Chairman  
DIN: 00943629

**V. Sridar**

Director  
DIN: 02241339

**N. S. Kannan**

Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**

Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**

Partner  
Membership No. 046882

**Khushroo B. Panthaky**

Partner  
Membership No. 42423

**Satyan Jambunathan**

Chief Financial Officer

**Asha Murali**

Appointed Actuary

**Vyoma Manek**

Company Secretary

Place : Mumbai  
Date : April 24, 2019

# Receipts & Payments Account

for the year ended March 31, 2019

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

(₹ '000)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers:		
Premium and other receipts	341,369,936	300,621,105
Interest received on tax refund	40,279	472,366
Cash paid towards operating activities:		
Commission paid	(15,796,868)	(13,411,464)
Policy benefits paid	(146,450,643)	(172,201,685)
Other expenses <sup>1</sup>	(57,126,581)	(49,545,226)
Service tax/Goods and Service tax paid	(6,795,961)	(7,042,688)
Reinsurance premium ceded (net of recovery amount)	53,065	(180,822)
Advances and deposits	19,390	(85,102)
Taxes paid (net of refunds)	(1,504,859)	(1,698,136)
<b>Net cash generated from operating activities (A)</b>	<b>113,807,758</b>	<b>56,928,348</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(1,122,949)	(698,378)
Sale of fixed assets	55,012	22,466
Purchase of investments	(1,113,111,050)	(1,883,039,073)
Investment in Subsidiary	(100,000)	-
Loan	(1,251,270)	(644,140)
Sale of investments	1,018,462,732	1,816,932,167
Advance/deposit for investment property	(8,540)	-
Interest & rent received (net of tax deducted at source)	47,017,887	42,097,832
Dividend received	8,586,875	8,444,427
Investments in money market instruments and in liquid mutual funds (Net)	(33,938,730)	(36,804,639)
Expense related to investment	(217,891)	(228,131)
<b>Net cash generated from/(used) investing activities (B)</b>	<b>(75,627,924)</b>	<b>(53,917,469)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital <sup>1</sup>	47,039	39,580
Final Dividend	(4,735,664)	(5,019,892)
Interim Dividend paid	(2,296,935)	(4,880,653)
Dividend Distribution tax paid	(1,445,914)	(2,016,339)
<b>Net cash used in financing activities (C)</b>	<b>(8,431,474)</b>	<b>(11,877,304)</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents (net) (D)</b>	<b>(154)</b>	<b>30</b>
<b>E. Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>29,748,206</b>	<b>(8,866,395)</b>
<b>F. Cash and cash equivalents at beginning of the year</b>	<b>56,470,509</b>	<b>65,336,904</b>
<b>G. Cash and cash equivalents at end of the end of the year</b>	<b>86,218,715</b>	<b>56,470,509</b>
<b>Note:</b>		
<b>Cash and cash equivalents at the end of the year</b>		
(Refer note 2.19 of schedule 16)		
- Cash (Including cheques in hand and stamps in hand)	1,558,673	1,345,557
- Bank Balances and Money at call and short notice <sup>2</sup>	5,072,673	945,574
[Including bank balance for linked business of ₹ 20,861 thousands (₹ 253,696 thousands at March 31, 2018)]		
- Other short term liquid investment <sup>3</sup>		
[Forming part of investments in financials and unclaimed assets as disclosed in Schedule 12 ]	79,653,092	55,463,985
- Banks having negative book balance		
[Forming part of Other Liabilities under Schedule 13 in financials]	-	(1,155,306)
Stamps on Hand		
[Part of Cash (including cheques, drafts and stamps) under Schedule 11, however not a part of cash and cash equivalents]	(65,723)	(129,301)
	<b>86,218,715</b>	<b>56,470,509</b>

<sup>1</sup> Includes movement in share application money.

<sup>2</sup> Includes balance in dividend account which is unclaimed amounting to ₹ 6,435 thousands (₹ 4,768 thousands at March 31, 2018).

<sup>3</sup> Includes a fixed deposit amounting to ₹ Nil (Nil at March 31, 2018) given as a lien against guarantee to NSE and which is having a maturity of less than 3 months.

<sup>4</sup> Includes CSR paid during the year amounting to ₹ 222,376 thousands (₹ 247,697 thousands for March 31, 2018) Refer note 3.46 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 **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

For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019



# Schedules

forming part of financial statements

## SCHEDULE – 1

### PREMIUM (Net of Goods & Service tax/Service tax)

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
First year premiums	6,553,799	-	3,989,499	-	-	-	123,752	58,970,616	148,085	(410)	-	-	69,785,341
Renewal premiums	28,131,501	221,389	17,636,877	-	-	-	221,762	151,344,183	3,809,214	898,225	2,120,196	1,270,841	205,654,188
Single premiums	-	-	17,493,724	245,534	643,872	6,854,123	455	2,791,461	188,403	-	4,246,058	1,394,583	33,858,213
<b>Total Premium</b>	<b>34,685,300</b>	<b>221,389</b>	<b>39,120,100</b>	<b>245,534</b>	<b>643,872</b>	<b>6,854,123</b>	<b>345,969</b>	<b>213,106,260</b>	<b>4,145,702</b>	<b>897,815</b>	<b>6,366,254</b>	<b>2,665,424</b>	<b>309,297,742</b>
<b>Premium Income from business written:</b>													
In India	34,685,300	221,389	39,120,100	245,534	643,872	6,854,123	345,969	213,106,260	4,145,702	897,815	6,366,254	2,665,424	309,297,742
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Premium</b>	<b>34,685,300</b>	<b>221,389</b>	<b>39,120,100</b>	<b>245,534</b>	<b>643,872</b>	<b>6,854,123</b>	<b>345,969</b>	<b>213,106,260</b>	<b>4,145,702</b>	<b>897,815</b>	<b>6,366,254</b>	<b>2,665,424</b>	<b>309,297,742</b>

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
First year premiums	7,972,764	-	2,542,456	-	-	-	174,425	62,490,545	382,145	(429)	-	-	73,561,906
Renewal premiums	23,829,440	276,405	20,805,081	-	-	-	117,428	124,118,936	4,897,657	1,031,124	2,388,567	1,105,543	178,570,181
Single premiums	-	-	7,624,052	352,309	9,300	3,107,546	1,615	3,402,870	233,279	-	2,278,442	1,546,192	18,555,605
<b>Total Premium</b>	<b>31,802,204</b>	<b>276,405</b>	<b>30,971,589</b>	<b>352,309</b>	<b>9,300</b>	<b>3,107,546</b>	<b>293,468</b>	<b>190,012,351</b>	<b>5,513,081</b>	<b>1,030,695</b>	<b>4,667,009</b>	<b>2,651,735</b>	<b>270,687,692</b>
<b>Premium Income from business written:</b>													
In India	31,802,204	276,405	30,971,589	352,309	9,300	3,107,546	293,468	190,012,351	5,513,081	1,030,695	4,667,009	2,651,735	270,687,692
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Premium</b>	<b>31,802,204</b>	<b>276,405</b>	<b>30,971,589</b>	<b>352,309</b>	<b>9,300</b>	<b>3,107,546</b>	<b>293,468</b>	<b>190,012,351</b>	<b>5,513,081</b>	<b>1,030,695</b>	<b>4,667,009</b>	<b>2,651,735</b>	<b>270,687,692</b>

Note: Refer note 2.3.1 of Schedule 16 for accounting policy on premium income

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 2 COMMISSION EXPENSES

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
<b>Commission</b>													
Direct – First year premiums	1,343,864	-	1,188,814	-	-	-	19,827	8,643,556	1,915	(79)	-	-	11,197,897
– Renewal premiums	1,067,302	2,101	664,555	-	-	-	7,021	2,078,411	20,473	4,730	-	-	3,844,593
– Single premiums	-	-	397,858	5	-	44,469	2	27,137	753	-	176	-	470,400
<b>Total</b>	<b>2,411,166</b>	<b>2,101</b>	<b>2,251,227</b>	<b>5</b>	<b>-</b>	<b>44,469</b>	<b>26,850</b>	<b>10,749,104</b>	<b>23,141</b>	<b>4,651</b>	<b>176</b>	<b>-</b>	<b>15,512,890</b>
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Commission</b>	<b>2,411,166</b>	<b>2,101</b>	<b>2,251,227</b>	<b>5</b>	<b>-</b>	<b>44,469</b>	<b>26,850</b>	<b>10,749,104</b>	<b>23,141</b>	<b>4,651</b>	<b>176</b>	<b>-</b>	<b>15,512,890</b>
<b>Break-up of the commission by distribution network</b>													
Individual agents	1,146,381	1,766	612,623	-	-	4,096	12,571	1,567,761	16,379	4,178	24	-	3,365,779
Corporate agents	790,039	330	1,266,278	-	-	40,350	13,020	9,162,740	5,617	305	-	-	11,278,679
Brokers	469,449	5	284,346	5	-	23	1,037	17,672	1,145	168	152	-	774,002
Insurance Marketing Firm	5,297	-	2,499	-	-	-	46	931	-	-	-	-	8,773
Web Aggregators	-	-	85,481	-	-	-	176	-	-	-	-	-	85,657
<b>Total Commission</b>	<b>2,411,166</b>	<b>2,101</b>	<b>2,251,227</b>	<b>5</b>	<b>-</b>	<b>44,469</b>	<b>26,850</b>	<b>10,749,104</b>	<b>23,141</b>	<b>4,651</b>	<b>176</b>	<b>-</b>	<b>15,512,890</b>

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
<b>Commission</b>													
Direct – First year premiums	1,751,822	-	691,912	-	-	-	32,086	7,763,126	5,868	(95)	-	-	10,244,719
– Renewal premiums	898,196	2,492	793,280	-	-	-	2,863	1,707,876	29,870	5,997	-	-	3,440,574
– Single premiums	-	-	295,451	-	-	11,825	5	39,441	721	-	-	-	347,443
<b>Total</b>	<b>2,650,018</b>	<b>2,492</b>	<b>1,780,643</b>	<b>-</b>	<b>-</b>	<b>11,825</b>	<b>34,954</b>	<b>9,510,443</b>	<b>36,459</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>14,032,736</b>
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Commission</b>	<b>2,650,018</b>	<b>2,492</b>	<b>1,780,643</b>	<b>-</b>	<b>-</b>	<b>11,825</b>	<b>34,954</b>	<b>9,510,443</b>	<b>36,459</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>14,032,736</b>
<b>Break-up of the commission by distribution network</b>													
Individual agents	971,591	2,261	569,990	-	-	2,528	19,021	1,599,776	24,252	5,762	-	-	3,195,181
Corporate agents	1,285,212	231	990,401	-	-	9,293	15,082	7,905,293	9,175	(46)	-	-	10,214,641
Brokers	391,318	-	210,788	-	-	-	707	5,191	3,032	186	-	-	611,222
Insurance Marketing Firm	1,897	-	609	-	-	4	41	183	-	-	-	-	2,734
Web Aggregators	-	-	8,855	-	-	-	103	-	-	-	-	-	8,958
<b>Total Commission</b>	<b>2,650,018</b>	<b>2,492</b>	<b>1,780,643</b>	<b>-</b>	<b>-</b>	<b>11,825</b>	<b>34,954</b>	<b>9,510,443</b>	<b>36,459</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>14,032,736</b>

Note: Refer note 2.4 of schedule 16 for accounting policy on acquisition cost.

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
Employees' remuneration and welfare benefits**	1,225,118	4,651	1,476,185	1,884	3,092	56,491	49,886	6,677,037	148,440	27,469	37,678	22,999	9,730,930
Travel, conveyance and vehicle running expenses	70,813	223	87,366	210	271	5,260	2,987	535,444	10,505	1,868	3,758	2,217	720,922
Agents training, recruitment and incentives	115,882	-	105,152	-	-	623	1,007	332,155	2,409	336	(1)	1	557,564
Rents, rates and taxes	73,778	1,657	781,042	39	75	4,861	12,270	579,498	8,259	1,483	878	548	1,464,388
(Refer note 2.6 & 3.8 of schedule 16)													
Repairs	37,736	2,563	40,877	23	35	2,657	1,845	251,305	4,712	880	467	292	343,392
Printing and stationery	10,826	57	20,163	-	3	780	1,840	32,561	917	231	924	4	68,306
Communication expenses	161,859	1,875	260,658	21	34	10,599	19,294	519,328	26,554	7,915	426	266	1,008,829
Legal and professional charges	143,616	888	536,684	186	82	5,801	7,643	392,025	13,954	3,510	3,061	1,947	1,109,397
Medical fees	3,304	-	233,879	5	6	13	6	7,977	14	5	161	79	245,449
Auditors' fees, expenses etc :													
(Refer note 3.34 of schedule 16)													
(a) as auditor	3,266	45	5,205	-	-	206	399	8,594	608	185	-	-	18,508
(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	610,378	5	5,169,346	1,992	3,315	8,824	1,695	855,205	7,952	995	41,340	25,042	6,726,089
Interest and bank charges	29,075	288	33,034	185	455	5,776	294	149,259	4,579	382	5,722	2,272	231,321
<b>Others</b>													
- Administration support expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Business conferences and meetings	204,308	-	221,975	62	14	5,896	3,312	1,373,290	10,006	1,491	1,100	426	1,821,880
- Information technology cost	128,722	731	221,665	11	-	9,428	18,139	525,933	13,600	3,462	34	-	921,725
- Office running expenses	24,499	87	29,306	18	24	1,764	1,239	178,030	3,800	694	343	221	240,025
- Data entry related expenses	47,868	694	77,316	91	126	2,970	5,355	124,742	9,388	2,865	1,528	1,272	274,215
- Miscellaneous expenses	13,962	(168)	22,746	3	4	149	612	94,107	6,873	1,949	2,374	(1,395)	141,216
Depreciation	55,202	166	51,157	40	69	4,920	1,959	447,107	4,340	790	856	524	567,130
Goods & Service tax expenses	(29,321)	(268)	(112,799)	994	794	55	(611)	2,727	223	131	-	-	(138,075)
<b>Total</b>	<b>2,930,891</b>	<b>13,494</b>	<b>9,260,957</b>	<b>5,764</b>	<b>8,399</b>	<b>127,073</b>	<b>129,171</b>	<b>13,086,324</b>	<b>277,133</b>	<b>56,641</b>	<b>100,649</b>	<b>56,715</b>	<b>26,053,211</b>

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
Employees' remuneration and welfare benefits**	1,466,206	7,152	1,225,335	3,091	94	29,371	66,729	6,528,150	215,930	30,904	47,798	32,271	9,653,031
Travel, conveyance and vehicle running expenses	71,730	229	60,245	363	9	2,674	3,361	462,278	13,905	1,857	5,784	3,603	626,038
Agents training, recruitment and incentives	107,647	(838)	90,497	-	-	366	726	267,269	7,073	720	2	1	473,463
Rents, rates and taxes	91,508	1,735	533,648	90	2	2,697	15,553	561,844	12,851	1,786	1,373	888	1,223,975
(Refer note 2.6 & 3.8 of schedule 16)													
Repairs	49,192	2,432	33,336	48	1	1,423	2,516	227,908	7,262	1,032	696	444	326,290
Printing and stationery	12,245	125	17,271	3	-	463	2,281	29,348	2,043	481	103	125	64,488
Communication expenses	160,660	1,932	226,269	37	-	5,942	22,173	445,000	32,710	7,594	535	334	903,186
Legal and professional charges	117,298	1,151	133,558	456	59	3,925	9,576	365,299	19,867	4,044	4,153	1,882	661,268
Medical fees	3,175	-	200,705	7	-	-	21	7,347	16	-	165	94	211,530
Auditors' fees, expenses etc :													
(Refer note 3.34 of schedule 16)													
(a) as auditor	3,224	46	4,067	-	-	125	457	7,435	733	176	-	-	16,263
(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	484,248	7	1,429,250	16	16	3,886	1,973	589,912	8,504	722	2,467	1,901	2,522,886
Interest and bank charges	25,188	282	25,652	244	9	3,019	282	132,984	5,478	275	4,563	1,863	199,839
<b>Others</b>													
- Administration support expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Business conferences and meetings	240,866	862	124,698	37	1	892	4,457	1,109,343	14,923	1,749	443	213	1,498,484
- Information technology cost	133,035	729	165,583	37	-	4,508	21,771	458,678	13,412	2,785	534	230	801,302
- Office running expenses	31,661	137	29,604	36	1	1,134	2,465	177,521	6,142	890	529	340	250,460
- Data entry related expenses	39,730	726	49,140	135	4	1,694	4,015	89,759	11,401	2,770	2,538	1,760	203,672
- Miscellaneous expenses	17,101	(198)	25,934	17	1	562	959	92,241	(704)	2,269	48	(479)	137,751
Depreciation	50,378	180	30,448	65	1	2,084	2,052	343,759	5,287	739	1,081	686	436,760
Service tax/Goods & Service tax expenses	7,311	95	59,231	666	410	97	852	14,031	492	4,065	(2)	1,378	88,626
<b>Total</b>	<b>3,112,403</b>	<b>16,784</b>	<b>4,464,471</b>	<b>5,332</b>	<b>608</b>	<b>64,862</b>	<b>162,219</b>	<b>11,910,106</b>	<b>377,325</b>	<b>64,858</b>	<b>72,810</b>	<b>47,534</b>	<b>20,299,312</b>

Note: Refer note 3.33 of schedule 16 for accounting policy on additional disclosure on expenses

\*\* Refer note 2.5, 3.16, 3.17 & 3.20 of schedule 16

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 3A

### EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

For the year ended March 31, 2019

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employees' remuneration and welfare benefits **	108,409	105,100
Travel, conveyance and vehicle running expenses	62	282
Rents, rates and taxes (Refer note 2.6 & 3.8 of schedule 16)	17,848	16,657
Printing and stationery	-	38
Communication expenses	31	278
Legal and professional charges	2,316	5,798
Interest and bank charges	1,297	1,655
CSR expenses (Refer note 3.46 of schedule 16)	232,379	230,523
Others	14,854	27,211
Depreciation	68	67
<b>Total</b>	<b>377,264</b>	<b>387,609</b>

\*\* Refer note 2.5, 3.16, 3.17 & 3.20 of schedule 16

## SCHEDULE – 4

### BENEFITS PAID [NET]

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
<b>1 Insurance claims</b>													
(a) Claims by death	866,937	18,134	5,787,001	2,251	-	103,745	-	3,625,276	456,842	14,508	44,757	19,833	10,939,284
(b) Claims by maturity	2,751,980	442,268	100,707	-	-	-	-	12,587,389	6,853,524	-	-	-	22,735,868
(c) Annuities/Pension payment	-	-	-	-	-	1,769,109	-	-	-	-	-	-	1,769,109
(d) Other benefits													
- Surrender/Withdrawal	1,193,619	566,457	637,208	289,970	9,075	140	-	67,546,753	24,362,787	-	7,894,220	3,615,035	106,115,264
- Survival	2,480,536	-	-	-	-	-	-	-	-	-	-	-	2,480,536
- Rider	28,835	1,142	5,295	-	-	-	48	33,744	197	947	-	-	70,208
- Health	-	-	148,476	-	-	-	69,888	-	-	739,278	-	-	957,642
- Interest on unclaimed amounts	-	-	-	-	-	-	-	490,359	-	-	-	-	490,359
<b>Sub Total (A)</b>	<b>7,321,907</b>	<b>1,028,001</b>	<b>6,678,687</b>	<b>292,221</b>	<b>9,075</b>	<b>1,872,994</b>	<b>69,936</b>	<b>84,283,521</b>	<b>31,673,350</b>	<b>754,733</b>	<b>7,938,977</b>	<b>3,634,868</b>	<b>145,558,270</b>
<b>2 (Amount ceded in reinsurance)</b>													
(a) Claims by death	(34,034)	-	(2,831,439)	-	-	-	-	(421,566)	-	-	-	-	(3,287,039)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits													
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(17,257)	-	-	-	(41,756)	-	-	(327,132)	-	-	(386,145)
<b>Sub Total (B)</b>	<b>(34,034)</b>	<b>-</b>	<b>(2,848,696)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,756)</b>	<b>(421,566)</b>	<b>-</b>	<b>(327,132)</b>	<b>-</b>	<b>-</b>	<b>(3,673,184)</b>
<b>3 Amount accepted in reinsurance</b>													
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B) + (C)</b>	<b>7,287,873</b>	<b>1,028,001</b>	<b>3,829,991</b>	<b>292,221</b>	<b>9,075</b>	<b>1,872,994</b>	<b>28,180</b>	<b>83,861,955</b>	<b>31,673,350</b>	<b>427,601</b>	<b>7,938,977</b>	<b>3,634,868</b>	<b>141,885,086</b>
<b>Benefits paid to claimants:</b>													
In India	7,321,907	1,028,001	6,678,687	292,221	9,075	1,872,994	69,936	84,283,521	31,673,350	754,733	7,938,977	3,634,868	145,558,270
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,321,907</b>	<b>1,028,001</b>	<b>6,678,687</b>	<b>292,221</b>	<b>9,075</b>	<b>1,872,994</b>	<b>69,936</b>	<b>84,283,521</b>	<b>31,673,350</b>	<b>754,733</b>	<b>7,938,977</b>	<b>3,634,868</b>	<b>145,558,270</b>

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 4 BENEFITS PAID [NET]

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
<b>1 Insurance claims</b>													
(a) Claims by death	690,246	11,534	3,879,208	739	-	68,525	-	3,266,635	621,218	14,020	53,646	35,374	8,641,145
(b) Claims by maturity	2,098,637	577,046	121,643	-	-	-	-	23,508,518	7,278,530	-	-	-	33,584,374
(c) Annuities/Pension payment	-	-	-	-	-	1,522,440	-	-	-	-	-	-	1,522,440
(d) Other benefits													
- Surrender/Withdrawal	1,374,708	730,852	604,505	384,825	16,900	-	-	78,245,965	38,619,004	-	4,944,763	2,684,951	127,606,473
- Survival	2,099,481	-	-	-	-	-	-	-	-	-	-	-	2,099,481
- Rider	23,285	1,633	66,449	-	-	38	-	28,925	1,490	37	-	-	121,857
- Health	-	-	110,619	-	-	-	52,661	-	-	686,843	-	-	850,123
- Interest on unclaimed amounts	-	-	-	-	-	-	-	482,269	-	-	-	-	482,269
<b>Sub Total (A)</b>	<b>6,286,357</b>	<b>1,321,065</b>	<b>4,782,424</b>	<b>385,564</b>	<b>16,900</b>	<b>1,591,003</b>	<b>52,661</b>	<b>105,532,312</b>	<b>46,520,242</b>	<b>700,900</b>	<b>4,998,409</b>	<b>2,720,325</b>	<b>174,908,162</b>
<b>2 (Amount ceded in reinsurance)</b>													
(a) Claims by death	(31,697)	-	(1,893,248)	-	-	-	-	(363,155)	-	-	-	-	(2,288,100)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits													
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(29,225)	-	-	-	(27,987)	-	-	(304,233)	-	-	(361,445)
<b>Sub Total (B)</b>	<b>(31,697)</b>	<b>-</b>	<b>(1,922,473)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,987)</b>	<b>(363,155)</b>	<b>-</b>	<b>(304,233)</b>	<b>-</b>	<b>-</b>	<b>(2,649,545)</b>
<b>3 Amount accepted in reinsurance</b>													
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B) + (C)</b>	<b>6,254,660</b>	<b>1,321,065</b>	<b>2,859,951</b>	<b>385,564</b>	<b>16,900</b>	<b>1,591,003</b>	<b>24,674</b>	<b>105,169,157</b>	<b>46,520,242</b>	<b>396,667</b>	<b>4,998,409</b>	<b>2,720,325</b>	<b>172,258,617</b>
<b>Benefits paid to claimants:</b>													
In India	6,286,357	1,321,065	4,782,424	385,564	16,900	1,591,003	52,661	105,532,312	46,520,242	700,900	4,998,409	2,720,325	174,908,162
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,286,357</b>	<b>1,321,065</b>	<b>4,782,424</b>	<b>385,564</b>	<b>16,900</b>	<b>1,591,003</b>	<b>52,661</b>	<b>105,532,312</b>	<b>46,520,242</b>	<b>700,900</b>	<b>4,998,409</b>	<b>2,720,325</b>	<b>174,908,162</b>

Note: Refer note 2.8 & 3.4 of schedule 16 for accounting policy on benefits paid

## SCHEDULE – 5 SHARE CAPITAL

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Authorised capital</b>		
1,500,000,000 Equity shares of ₹ 10/- each	15,000,000	15,000,000
<b>Issued, subscribed and called-up capital</b>		
1,435,784,481 Equity shares of ₹ 10/- each fully paid up (March 31, 2018: 1,435,498,710 Equity shares)	14,357,845	14,354,987
<b>Total</b>	<b>14,357,845</b>	<b>14,354,987</b>

Out of the total equity share capital, 759,105,504 equity shares (March 31, 2018 - 787,816,604 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 5A PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	March 31, 2019		March 31, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
Indian (ICICI Bank Limited)	759,105,504	52.87	787,816,604	54.88
Foreign (Prudential Corporation Holdings Limited)	317,517,279	22.11	370,784,884	25.83
<b>Others</b>	359,161,698	25.02	276,897,222	19.29
<b>Total</b>	<b>1,435,784,481</b>	<b>100.00</b>	<b>1,435,498,710</b>	<b>100.00</b>

## SCHEDULE – 6 RESERVES AND SURPLUS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	34,277,490	34,233,308
Revaluation reserve	233,264	214,989
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	19,886,627	16,960,346
<b>Total</b>	<b>54,397,381</b>	<b>51,408,643</b>

## SCHEDULE – 7 BORROWINGS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 8 INVESTMENTS - SHAREHOLDERS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>LONG TERM INVESTMENT</b>		
<b>Government securities<sup>2,3</sup></b>	17,378,838	21,263,780
(Market value at March 31, 2019: ₹ 17,590,161 thousands)		
(Market value at March 31, 2018: ₹ 21,321,296 thousands)		
<b>Other approved securities</b>	5,621,575	6,601,212
(Market value at March 31, 2019: ₹ 5,628,456 thousands)		
(Market value at March 31, 2018: ₹ 6,608,289 thousands)		
<b>Other investments (approved investments)</b>		
Equity shares	9,334,395	6,828,688
(Historical value at March 31, 2019: ₹ 8,027,937 thousands)		
(Historical value at March 31, 2018: ₹ 5,972,752 thousands)		
Preference shares	187,672	253,402
(Market value at March 31, 2019: ₹ 204,278 thousands)		
(Market value at March 31, 2018: ₹ 279,733 thousands)		
Debentures/Bonds	4,274,628	3,905,174
(Market value at March 31, 2019: ₹ 4,359,459 thousands)		
(Market value at March 31, 2018: ₹ 4,003,283 thousands)		
Investments in subsidiary	390,000	290,000
CCIL deposit	146,829	204,229
(Market value at March 31, 2019: ₹ 146,829 thousands)		
(Market value at March 31, 2018: ₹ 204,229 thousands)		
Fixed deposits	972,500	794,500
(Market value at March 31, 2019: ₹ 972,500 thousands)		
(Market value at March 31, 2018: ₹ 794,500 thousands)		
Property	3,884,275	3,866,000
(Historical value at March 31, 2019: ₹ 3,651,011 thousands)		
(Historical value at March 31, 2018: ₹ 3,651,011 thousands)		
<b>Investments in infrastructure/housing sector</b>		
<b>Other investments (approved investments)</b>		
Debentures/Bonds	14,575,343	13,353,834
(Market value at March 31, 2019: ₹ 14,945,753 thousands)		
(Market value at March 31, 2018: ₹ 13,729,027 thousands)		
Equity shares	857,791	1,485,817
(Historical value at March 31, 2019: ₹ 792,509 thousands)		
(Historical value at March 31, 2018: ₹ 1,289,606 thousands)		
<b>Other than approved investments</b>		
Equity shares	683	262,367
(Historical value at March 31, 2019: Nil)		
(Historical value at March 31, 2018: ₹ 354,086 thousands)		
<b>Other than approved investments</b>		
Debentures/Bonds	361,958	461,969
(Market value at March 31, 2019: ₹ 380,372 thousands)		
(Market value at March 31, 2018: ₹ 487,216 thousands)		
Equity shares	5,563,886	7,228,448
(Historical value at March 31, 2019: ₹ 5,278,698 thousands)		
(Historical value at March 31, 2018: ₹ 5,110,883 thousands)		
Mutual fund	1,108,250	-
(Historical value at March 31, 2019: ₹ 1,056,478 thousands)		
(Historical value at March 31, 2018: Nil)		
Preference shares	350,000	350,000
(Market value at March 31, 2019: ₹ 350,000 thousands)		
(Market value at March 31, 2018: ₹ 350,000 thousands)		
<b>SHORT TERM INVESTMENT</b>		
<b>Government securities</b>	-	2,873
(Market value at March 31, 2019: Nil)		
(Market value at March 31, 2018: ₹ 2,904 thousands)		
<b>Other approved securities</b>	50,319	-
(Market value at March 31, 2019: ₹ 50,316 thousands)		
(Market value at March 31, 2018: Nil)		

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(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Other investments (approved investments)</b>		
Debentures/Bonds (Market value at March 31, 2019: ₹ 1,427,047 thousands) (Market value at March 31, 2018: ₹ 553,304 thousands)	1,429,779	550,378
Fixed deposits <sup>4</sup> (Market value at March 31, 2019: ₹ 1,308,933 thousands) (Market value at March 31, 2018: ₹ 1,681,179 thousands)	1,308,933	1,681,179
Mutual fund (Historical value at March 31, 2019: ₹ 3,688,263 thousands) (Historical value at March 31, 2018: ₹ 2,647,757 thousands)	3,691,016	2,650,677
Triparty Repo/Collateralised borrowing and lending obligation (Market value at March 31, 2019: ₹ 3,589,371 thousands) (Market value at March 31, 2018: ₹ 2,018,101 thousands)	3,589,371	2,018,101
Commercial papers (Market value at March 31, 2019: ₹ 989,975 thousands) (Market value at March 31, 2018: Nil)	989,975	-
<b>Investments in infrastructure/housing sector</b>		
<b>Other investments (approved investments)</b>		
Debentures/Bonds (Market value at March 31, 2019: ₹ 2,846,526 thousands) (Market value at March 31, 2018: ₹ 2,953,606 thousands)	2,832,762	2,954,239
Commercial papers (Market value at March 31, 2019: ₹ 914,775 thousands) (Market value at March 31, 2018: ₹ 486,028 thousands)	914,775	486,028
<b>Other than approved investments</b>		
Debentures/Bonds (Market value at March 31, 2019: ₹ 99,946 thousands) (Market value at March 31, 2018: Nil)	99,972	-
<b>Total</b>	<b>79,915,525</b>	<b>77,492,895</b>
In India	79,915,525	77,492,895
<b>Total</b>	<b>79,915,525</b>	<b>77,492,895</b>

## Notes to Schedule - 8

(₹ '000)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Aggregate amount of Company's investments:		
	a) Other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	55,085,229	54,880,901
	b) Market value of above investments	55,804,698	55,472,697
	c) Aggregate amount of Company's investments in mutual fund, equity and investments in subsidiary and investment in property (at Historical cost)	22,884,896	19,316,095
2	Government Securities deposited with the Clearing Corporation of India Ltd (CCIL) as Settlement Guarantee Fund (SGF) deposit (Refer schedule 16 note 3.26)		
	a) Amortised cost	3,882,621	1,638,370
	b) Market value of above investment	3,941,950	1,643,650
3	Government Securities deposited with the Clearing Corporation of India Ltd (CCIL) as CCIL default fund deposit (Refer schedule 16 note 3.26)		
	a) Amortised cost	77,909	77,501
	b) Market value of above investment	80,728	79,200
4	Fixed Deposits towards margin requirement for equity trade settlement (Refer schedule 16 note 3.26)		
	a) Deposited with National Securities Clearing Corporation Limited (NSCCL)	1,000,000	1,000,000
	b) Deposited with Indian Clearing Corporation Limited (ICCL)	100,100	100,000
5	Investment in holding company at cost	399,654	399,654
6	Investment in subsidiary company at cost	390,000	290,000
7	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 schedule 16 note 3.28)	34,678	Nil
8	Investment made out of catastrophe reserve	Nil	Nil

Note:

Refer schedule 16 note 2.11 for accounting policy on investments.

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.

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 8A INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2019												
	Par Life	Par Pension	Non Par	Non Par Variable Life	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group Life	Linked Group Pension	Total
<b>LONG TERM INVESTMENT</b>													
<b>Government securities<sup>2,3</sup></b>	77,264,136	6,365,557	97,286,707	-	-	25,496,686	106,384	3,075,353	123,436	150,191	-	-	209,868,450
(Market value: ₹ 212,853,942 thousands)													
<b>Other approved securities</b>	11,326,806	460,982	4,617,894	42,489	-	407,325	40,013	1,174,203	51,578	103,545	103,934	-	18,328,769
(Market value: ₹ 18,116,133 thousands)													
<b>Other investments (approved investments)</b>													
Equity shares	26,985,701	1,145,221	28,309,042	-	-	-	-	-	-	-	-	-	56,439,964
(Historical value: ₹ 41,234,812 thousands)													
Preference shares	59,371	-	2,023	-	-	-	-	-	-	-	-	-	61,394
(Market value: ₹ 68,005 thousands)													
Debentures/Bonds	4,134,249	1,214,425	7,117,652	528,198	654,696	1,459,799	47,948	144,742	28,769	-	-	-	15,330,478
(Market value: ₹ 15,600,938 thousands)													
Property	416,800	416,800	-	-	-	-	-	-	-	-	-	-	833,600
(Historical value: ₹ 185,521 thousands)													
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	-	71
(Market value: ₹ 71 thousands)													
Fixed deposits	616,500	144,500	1,749,100	-	-	356,000	-	173,000	49,000	-	-	-	3,088,100
(Market value: ₹ 3,088,100 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Equity shares	2,395,127	106,058	2,437,009	-	-	-	-	-	-	-	-	-	4,938,194
(Historical value: ₹ 3,437,232 thousands)													
Debentures/Bonds	21,229,567	1,330,196	27,480,067	384,841	20,278	4,099,542	-	627,088	100,681	159,649	9,926	-	55,441,835
(Market value: ₹ 55,861,575 thousands)													
<b>Other than approved investments</b>													
Equity shares	305	-	700	-	-	-	-	-	-	-	-	-	1,005
(Historical value: Nil)													
Debentures/Bonds	199,936	-	-	-	-	-	-	-	-	-	-	-	199,936
(Market value: ₹ 202,453 thousands)													
<b>Other than approved investments</b>													
Equity shares	3,940,571	-	4,272,891	-	-	-	-	-	-	-	-	-	8,213,462
(Historical value: ₹ 7,106,526 thousands)													
Debentures/Bonds	201,219	-	244,202	-	-	-	-	-	-	-	-	-	445,421
(Market value: ₹ 435,736 thousands)													
Mutual fund	14,782	-	17,422	-	-	-	-	-	-	-	-	-	32,204
(Historical value: ₹ 26,725 thousands)													
<b>SHORT TERM INVESTMENT</b>													
<b>Government securities</b>	-	51,808	615,163	-	-	13,993	-	-	-	-	-	-	680,964
(Market value: ₹ 686,009 thousands)													
<b>Other approved securities</b>	4,547	-	-	-	-	-	-	250,399	-	-	-	-	254,946
(Market value: ₹ 254,903 thousands)													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	627,395	29,984	50,007	-	-	29,984	-	-	-	-	-	-	737,370
(Market value: ₹ 737,045 thousands)													
Certificate of deposits	467,103	-	-	-	-	-	-	-	-	-	-	-	467,103
(Market value: ₹ 467,103 thousands)													
Mutual fund	3,709,503	-	3,728,120	-	-	-	7,965	991,996	27,908	30,007	97,783	337,340	8,930,622
(Historical value: ₹ 8,923,005 thousands)													
Triparty Repo	33,956	371,807	1,209,784	6,493	58,999	839,607	-	-	-	-	-	-	2,520,646
(Market value: ₹ 2,520,646 thousands)													
Fixed deposits	9,900	-	1,750,000	-	-	-	-	100,000	-	50,000	100,000	-	2,009,900
(Market value: ₹ 2,009,900 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	1,713,831	144,932	4,844,223	-	-	516,018	-	1,940,145	24,992	-	100,362	-	9,284,503
(Market value: ₹ 9,335,670 thousands)													
Commercial papers	248,389	74,419	99,356	-	-	-	-	1,659,937	257,612	44,710	7,937	-	2,392,360
(Market value: ₹ 2,392,360 thousands)													
<b>Other than approved investments</b>													
Debentures/Bonds	50,103	-	100,358	-	-	-	-	-	-	-	-	-	150,461
(Market value: ₹ 150,000 thousands)													
Venture fund	60,005	-	-	-	-	-	-	-	-	-	-	-	60,005
(Market value: ₹ 76,701 thousands)													
<b>Total</b>	<b>155,709,802</b>	<b>11,856,689</b>	<b>185,931,720</b>	<b>962,021</b>	<b>733,973</b>	<b>33,218,954</b>	<b>202,310</b>	<b>10,136,914</b>	<b>663,994</b>	<b>538,102</b>	<b>419,944</b>	<b>337,340</b>	<b>400,711,763</b>
In India	155,709,802	11,856,689	185,931,720	962,021	733,973	33,218,954	202,310	10,136,914	663,994	538,102	419,944	337,340	400,711,763
<b>Total</b>	<b>155,709,802</b>	<b>11,856,689</b>	<b>185,931,720</b>	<b>962,021</b>	<b>733,973</b>	<b>33,218,954</b>	<b>202,310</b>	<b>10,136,914</b>	<b>663,994</b>	<b>538,102</b>	<b>419,944</b>	<b>337,340</b>	<b>400,711,763</b>

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 8A INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2018												
	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 Life	Linked Group Pension	Total
<b>LONG TERM INVESTMENT</b>													
<b>Government securities<sup>2,3</sup></b>	67,766,380	6,036,755	82,642,284	-	-	19,891,211	142,875	4,143,472	242,025	146,678	-	-	181,011,680
(Market value: ₹ 181,138,895 thousands)													
<b>Other approved securities</b>	12,001,076	752,011	4,487,958	42,682	-	222,794	-	1,487,068	51,895	104,221	104,651	-	19,254,356
(Market value: ₹ 18,932,065 thousands)													
<b>Other investments (approved investments)</b>													
Equity shares	19,046,258	1,245,070	26,571,555	-	-	-	-	-	-	-	-	-	46,862,883
(Historical value: ₹ 28,326,109 thousands)													
Preference shares	79,568	-	2,487	-	-	-	-	-	-	-	-	-	82,055
(Market value: ₹ 93,124 thousands)													
Debentures/Bonds	2,386,947	1,154,893	5,540,381	377,047	105,049	635,369	47,575	194,632	78,537	-	50,051	-	10,570,481
(Market value: ₹ 10,835,625 thousands)													
Property	400,000	400,000	-	-	-	-	-	-	-	-	-	-	800,000
(Historical value: ₹ 185,521 thousands)													
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	-	71
(Market value: ₹ 71 thousands)													
Fixed deposits	626,400	144,500	1,555,600	-	-	356,000	-	173,000	49,000	-	-	-	2,904,500
(Market value: ₹ 2,904,500 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Equity shares	2,234,772	145,707	3,384,123	-	-	-	-	-	-	-	-	-	5,764,602
(Historical value: ₹ 3,666,799 thousands)													
Debentures/Bonds	14,664,601	1,099,901	17,083,498	485,359	20,308	1,712,493	99,987	1,470,076	175,867	159,469	110,183	-	37,081,742
(Market value: ₹ 37,342,726 thousands)													
<b>Other than approved investments</b>													
Equity shares	90,547	-	242,764	-	-	-	-	-	-	-	-	-	333,311
(Historical value: ₹ 411,253 thousands)													
Debentures/Bonds	209,967	-	-	-	-	-	-	-	-	-	-	-	209,967
(Market value: ₹ 211,945 thousands)													
<b>Other than approved investments</b>													
Equity shares	1,371,544	-	1,847,153	-	-	-	-	-	-	-	-	-	3,218,697
(Historical value: ₹ 3,240,912 thousands)													
Debentures/Bonds	251,939	-	343,922	-	-	-	-	-	-	-	-	-	595,861
(Market value: ₹ 594,355 thousands)													
<b>SHORT TERM INVESTMENT</b>													
<b>Government securities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
(Market value: Nil)													
<b>Other approved securities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
(Market value: Nil)													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	385,599	65,237	305,011	-	-	-	-	-	-	-	-	-	755,847
(Market value: ₹ 757,640 thousands)													
Commercial papers	-	-	-	-	-	-	-	969,034	-	-	-	-	969,034
(Market value: ₹ 969,034 thousands)													
Mutual fund	4,035,420	-	9,096,558	-	-	-	5,308	748,316	52,686	50,593	104,528	302,076	14,395,485
(Historical value: ₹ 14,379,272 thousands)													
Collateralised borrowing and lending obligation	93,413	843,410	263,336	25,372	6,568	1,376,851	-	34,261	-	-	-	-	2,643,211
(Market value: ₹ 2,643,210 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	1,266,140	45,423	1,045,641	-	-	136,501	-	374,289	-	-	-	-	2,867,994
(Market value: ₹ 2,877,354 thousands)													
Commercial papers	-	-	737,714	-	-	-	-	476,587	385,676	-	-	-	1,599,977
(Market value: ₹ 1,599,977 thousands)													
Certificate of deposits	-	-	328,704	-	-	-	-	469,577	-	-	-	-	798,281
(Market value: ₹ 798,281 thousands)													
<b>Other than approved investments</b>													
Debentures/Bonds	50,125	-	-	-	-	-	-	-	-	-	-	-	50,125
(Market value: ₹ 49,867 thousands)													
Venture fund	118,359	-	-	-	-	-	-	-	-	-	-	-	118,359
(Market value: ₹ 141,190 thousands)													
<b>Total</b>	<b>127,079,055</b>	<b>11,932,907</b>	<b>155,478,689</b>	<b>930,460</b>	<b>131,925</b>	<b>24,331,219</b>	<b>295,745</b>	<b>10,540,363</b>	<b>1,035,704</b>	<b>460,961</b>	<b>369,415</b>	<b>302,076</b>	<b>332,888,519</b>
In India	127,079,055	11,932,907	155,478,689	930,460	131,925	24,331,219	295,745	10,540,363	1,035,704	460,961	369,415	302,076	332,888,519
<b>Total</b>	<b>127,079,055</b>	<b>11,932,907</b>	<b>155,478,689</b>	<b>930,460</b>	<b>131,925</b>	<b>24,331,219</b>	<b>295,745</b>	<b>10,540,363</b>	<b>1,035,704</b>	<b>460,961</b>	<b>369,415</b>	<b>302,076</b>	<b>332,888,519</b>

# Schedules

forming part of financial statements (continued)

## Notes to Schedule - 8A

(₹ '000)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Aggregate amount of Company's investments:		
	a) Other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	321,322,711	261,513,541
	b) Market value of above investments	324,857,288	261,889,860
	c) Aggregate amount of Company's investments in mutual fund, equity and investments in subsidiary and investment in property (at Historical cost)	60,913,821	50,209,866
2	Government Securities deposited with the Clearing Corporation of India Ltd (CCIL) as Settlement Guarantee Fund (SGF) deposit (Refer schedule 16 note 3.26)		
	a) Amortised cost	206,859	2,362,521
	b) Market value of above investment	212,793	2,316,061
3	Investment in holding company at cost	149,870	149,870
4	Investment in subsidiary company at cost	Nil	Nil
5	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 schedule 16 note 3.28)	260,020	100,294
6	Investment made out of catastrophe reserve	Nil	Nil

Note:

Refer schedule 16 note 2.11 for accounting policy on investments.

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.

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# Schedules

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

(₹ '000)

Particulars	March 31, 2019					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	
<b>LONG TERM INVESTMENTS</b>						
<b>Government securities</b>	56,649,287	7,348,522	644,686	8,602,925	5,429,327	78,674,747
(Historical value: ₹ 76,823,962 thousands)						
<b>Other approved securities</b>	2,369,497	289,726	16,525	241,046	125,311	3,042,105
(Historical value: ₹ 3,063,021 thousands)						
<b>Other investments (approved investments)</b>						
Equity shares	432,196,210	53,851,725	4,647,040	3,828,263	3,608,367	498,131,605
(Historical value: ₹ 413,196,495 thousands)						
Preference shares	244,442	125,277	4,489	129,570	9,817	513,595
(Historical value: ₹ 437,141 thousands)						
Debentures/Bonds	22,573,148	6,808,970	441,426	6,050,155	4,389,699	40,263,398
(Historical value: ₹ 39,653,029 thousands)						
Fixed deposits	392,245	64,895	4,900	28,400	8,960	499,400
(Historical value: ₹ 499,400 thousands)						
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Equity shares	48,867,123	6,350,238	633,209	305,278	284,806	56,440,654
(Historical value: ₹ 48,861,064 thousands)						
Debentures/Bonds	58,241,281	10,777,730	776,255	10,106,411	7,075,101	86,976,778
(Historical value: ₹ 85,592,931 thousands)						
<b>Other than approved investments</b>						
Equity shares	2,302,775	112,625	4,720	7,927	7,456	2,435,503
(Historical value: ₹ 7,036,129 thousands)						
<b>Other than approved investments</b>						
Equity shares	53,046,195	6,475,835	579,915	436,133	399,088	60,937,166
(Historical value: ₹ 51,942,891 thousands)						
Debentures/Bonds	4,203	5,254	-	284,753	208,049	502,259
(Historical value: ₹ 503,363 thousands)						
Mutual fund	53,658,102	4,485,923	507,956	551,873	510,235	59,714,089
(Historical value: ₹ 50,271,130 thousands)						
<b>SHORT TERM INVESTMENTS</b>						
<b>Government securities</b>	68,679,297	2,714,916	102,925	2,715,548	3,478,512	77,691,198
(Historical value: ₹ 76,778,531 thousands)						
<b>Other approved securities</b>	2,152,814	200,473	-	-	-	2,353,287
(Historical value: ₹ 2,380,831 thousands)						
<b>Other investments (approved investments)</b>						
Debentures/Bonds	3,638,689	252,122	22,026	611,309	505,289	5,029,435
(Historical value: ₹ 5,031,746 thousands)						
Certificate of deposits	7,986,837	243,035	50,789	313,640	332,793	8,927,094
(Historical value: ₹ 8,874,112 thousands)						
Commercial papers	11,264,407	1,508,640	16,139	834,165	2,068,180	15,691,531
(Historical value: ₹ 15,530,312 thousands)						
Fixed deposits	170,700	23,600	-	12,400	-	206,700
(Historical value: ₹ 206,700 thousands)						
Triparty Repo	31,965,709	218,893	20,480	56,121	58,127	32,319,330
(Historical value: ₹ 32,301,949 thousands)						
Mutual fund	12,295,817	2,722,894	431,248	464,134	1,074,746	16,988,839
(Historical value: ₹ 16,974,931 thousands)						
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Debentures/Bonds	15,913,199	1,676,429	106,842	2,458,854	2,063,655	22,218,979
(Historical value: ₹ 22,058,104 thousands)						
Certificate of deposits	6,910,743	794,555	59,623	308,722	1,147,873	9,221,516
(Historical value: ₹ 9,147,167 thousands)						
Commercial papers	13,592,284	310,576	23,845	321,224	464,487	14,712,416
(Historical value: ₹ 14,428,734 thousands)						

# Schedules

forming part of financial statements (continued)

(₹ '000)

Particulars	March 31, 2019					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	
<b>Other than approved investments</b>						
Debentures/Bonds (Historical value: ₹ 500,000 thousands)	189,528	59,100	4,076	160,997	95,783	509,484
Venture Fund (Historical value: ₹ 5,089 thousands)	2,457	-	-	-	-	2,457
<b>Net current asset</b>	12,752,716	692,375	82,404	1,084,512	842,564	15,454,571
<b>Total</b>	<b>918,059,705</b>	<b>108,114,328</b>	<b>9,181,518</b>	<b>39,914,360</b>	<b>34,188,225</b>	<b>1,109,458,136</b>
In India	918,059,705	108,114,328	9,181,518	39,914,360	34,188,225	1,109,458,136
<b>Total</b>	<b>918,059,705</b>	<b>108,114,328</b>	<b>9,181,518</b>	<b>39,914,360</b>	<b>34,188,225</b>	<b>1,109,458,136</b>

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

(₹ '000)

Particulars	March 31, 2018					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	
<b>LONG TERM INVESTMENTS</b>						
<b>Government securities</b>	73,927,692	10,444,619	623,544	7,692,184	4,878,884	97,566,923
(Historical value: ₹ 96,941,925 thousands)						
<b>Other approved securities</b>	14,037,748	1,576,806	122,699	986,243	616,515	17,340,011
(Historical value: ₹ 17,440,299 thousands)						
<b>Other investments (approved investments)</b>						
Equity shares (Historical value: ₹ 358,453,332 thousands)	367,993,453	68,846,173	5,184,008	4,165,133	3,649,339	449,838,106
Preference shares (Historical value: ₹ 565,345 thousands)	268,232	143,051	6,147	272,429	13,443	703,302
Debentures/Bonds (Historical value: ₹ 44,938,468 thousands)	23,937,117	8,833,037	604,253	6,865,824	4,692,786	44,933,017
Fixed deposits (Historical value: ₹ 691,600 thousands)	557,495	106,095	4,900	22,310	800	691,600
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Equity shares (Historical value: ₹ 69,231,134 thousands)	69,624,526	12,936,769	978,434	778,304	703,925	85,021,958
Debentures/Bonds (Historical value: ₹ 74,281,673 thousands)	48,285,337	9,812,503	604,554	9,451,888	6,564,160	74,718,442
<b>Other than approved investments</b>						
Equity shares (Historical value: ₹ 15,554,247 thousands)	9,584,675	1,343,567	76,132	141,219	125,761	11,271,354
Debentures/Bonds (Historical value: ₹ 38,661 thousands)	-	-	-	30,579	10,193	40,772
<b>Other than approved investments</b>						
Equity shares (Historical value: ₹ 33,397,090 thousands)	24,357,637	3,970,364	271,201	363,151	311,757	29,274,110
Debentures/Bonds (Historical value: ₹ 503,363 thousands)	4,269	5,337	-	289,255	211,338	510,199
Mutual fund (Historical value: ₹ 2,945,661 thousands)	3,816,224	405	137	-	-	3,816,766
<b>SHORT TERM INVESTMENTS</b>						
<b>Government securities</b>	16,898,904	346,277	3,473	181,449	1,035,629	18,465,732
(Historical value: ₹ 18,406,936 thousands)						
<b>Other approved securities</b>	8,242,602	41,874	-	-	-	8,284,476
(Historical value: ₹ 8,337,161 thousands)						
<b>Other investments (approved investments)</b>						
Debentures/Bonds (Historical value: ₹ 8,673,361 thousands)	6,029,878	1,007,463	50,401	753,543	819,891	8,661,176

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(₹ '000)

Particulars	March 31, 2018					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	
Certificate of deposits (Historical value: ₹ 4,004,701 thousands)	3,465,419	103,476	4,982	44,643	426,536	4,045,056
Commercial papers (Historical value: ₹ 21,517,556 thousands)	19,087,276	1,031,870	12,157	330,168	1,428,231	21,889,702
Fixed deposits (Historical value: ₹ 250,000 thousands)	113,354	5,003	28,800	89,600	13,243	250,000
Collateralised borrowing and lending obligation (Historical value: ₹ 9,669,885 thousands)	6,553,443	2,005,023	12,975	234,633	870,926	9,677,000
Mutual fund (Historical value: ₹ 22,012,371 thousands)	17,176,754	2,469,308	400,536	438,614	1,553,508	22,038,720
Preference shares (Historical value: ₹ 11 thousands)	11	-	-	-	-	11
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Debentures/Bonds (Historical value: ₹ 28,315,024 thousands)	19,295,217	3,483,558	82,427	2,597,710	2,832,584	28,291,496
Certificate of deposits (Historical value: ₹ 9,809,505 thousands)	8,312,723	706,523	6,575	161,841	698,745	9,886,407
Commercial papers (Historical value: ₹ 17,984,283 thousands)	15,715,291	1,353,109	42,584	511,318	563,989	18,186,291
<b>Other than approved investments</b>						
Venture Fund (Historical value: ₹ 8,248 thousands)	6,243	-	-	-	-	6,243
<b>Net current asset</b>	6,056,014	349,538	59,530	2,236,213	909,519	9,610,814
<b>Total</b>	<b>763,347,534</b>	<b>130,921,748</b>	<b>9,180,449</b>	<b>38,638,251</b>	<b>32,931,702</b>	<b>975,019,684</b>
In India	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684
<b>Total</b>	<b>763,347,534</b>	<b>130,921,748</b>	<b>9,180,449</b>	<b>38,638,251</b>	<b>32,931,702</b>	<b>975,019,684</b>

## Notes to Schedule - 8B

(₹ '000)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Aggregate amount of Company's investments:		
a)	Other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	395,247,357	363,135,328
b)	Market value of above investments	399,355,710	364,147,857
c)	Aggregate amount of Company's investments in mutual fund, equity and investments in subsidiary and investment in property (at Historical cost)	588,282,641	501,593,834
2	Investment in holding company at cost	Nil	1,948,658
3	Investment in subsidiary company at cost	Nil	Nil
4	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 schedule 16 note 3.28)	1,190,901	943,736
5	Investment made out of catastrophe reserve	Nil	Nil

Note:

Refer schedule 16 note 2.11 for accounting policy on investments.



# Schedules

forming part of financial statements (continued)

## SCHEDULE – 9 LOANS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>1. Security-wise classifications</b>		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt Securities, etc.	-	-
(c) Loans against policies	2,701,858	1,450,588
(d) Others	-	-
Unsecured	-	-
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>
<b>2. Borrower wise classification</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Policyholders - Loans against policies	2,701,858	1,450,588
(f) Others	-	-
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>
<b>3. Performance-wise classification</b>		
(a) Loans classified as standard		
(aa) In India	2,701,858	1,450,588
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>
<b>4. Maturity-wise classification</b>		
(a) Short-term	32,849	36,072
(b) Long-term	2,669,009	1,414,516
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>

Note: Refer note 2.12 of schedule 16 for accounting policy on loans

## SCHEDULE – 10 FIXED ASSETS

(₹ '000)

Particulars	Gross Block				Depreciation				Net Block	
	At April 1, 2018	Additions	Deductions	At March 31, 2019	At April 1, 2018	For the period	Deductions	At March 31, 2019	At March 31, 2019	At March 31, 2018
<b>Intangible assets</b>										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software <sup>1</sup>	1,233,031	51,337	45,547	1,238,821	1,046,644	91,578	42,700	1,095,522	143,299	186,387
<b>Tangible assets</b>										
Freehold land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Improvements to leasehold property	1,373,959	162,688	186,369	1,350,278	1,098,191	90,906	185,165	1,003,932	346,346	275,768
Office buildings on freehold land	1,924,731	201,757	-	2,126,488	24,245	35,952	-	60,197	2,066,291	1,900,486
Furniture and fixtures	303,618	58,960	23,368	339,210	231,763	27,368	17,596	241,535	97,675	71,855
Information technology equipment	489,674	69,404	91,543	467,535	385,754	81,529	86,388	380,895	86,640	103,920
Motor vehicles	93,823	30,165	37,318	86,670	27,307	16,690	13,825	30,172	56,498	66,516
Office equipment	472,846	81,809	54,998	499,657	338,283	69,769	50,592	357,460	142,197	134,563
Communication networks	642,024	537,091	31,599	1,147,516	240,025	153,406	31,298	362,133	785,383	401,999
<b>Total</b>	<b>7,436,986</b>	<b>1,193,211</b>	<b>470,742</b>	<b>8,159,455</b>	<b>3,392,212</b>	<b>567,198</b>	<b>427,564</b>	<b>3,531,846</b>	<b>4,627,609</b>	<b>4,044,774</b>
Capital work in progress including capital advances	-	-	-	-	-	-	-	-	128,587	175,848
<b>Total</b>	<b>7,436,986</b>	<b>1,193,211</b>	<b>470,742</b>	<b>8,159,455</b>	<b>3,392,212</b>	<b>567,198</b>	<b>427,564</b>	<b>3,531,846</b>	<b>4,756,196</b>	<b>4,220,622</b>
At March 31, 2018	5,140,059	2,430,607	133,680	7,436,986	3,074,646	436,827	119,261	3,392,212		

<sup>1</sup> All software are other than those generated internally.

Note: Refer note 2.13 of schedule 16 for accounting policy on fixed assets.

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 11 CASH AND BANK BALANCES

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Cash (including cheques, drafts and stamps)*</b>	1,558,673	1,345,557
<b>Bank Balance</b>		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	5,045,076	687,110
(c) Unclaimed Dividend Accounts (Refer note 3.40 of schedule 16)	6,435	4,768
<b>Money at call and short notice</b>		
(a) With Banks	-	-
(b) With other Institutions	-	-
<b>Others</b>		
<b>Total</b>	<b>6,610,184</b>	<b>2,037,435</b>
<b>Balances with non-scheduled banks included above</b>	<b>1,317</b>	<b>1,637</b>
<b>Cash and Bank Balances</b>		
In India	6,602,717	2,031,292
Outside India	7,467	6,143
<b>Total</b>	<b>6,610,184</b>	<b>2,037,435</b>

\*includes cheques in hand amounting to ₹ 1,490,975 thousands (₹ 1,214,411 thousands as on March 31, 2018)

## SCHEDULE – 12 ADVANCES AND OTHER ASSETS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Advances</b>		
Reserve deposits with ceding companies	-	-
Application money for investments (including advance for investment property)	-	-
Prepayments	452,565	391,765
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation) (Refer note 3.7 & 2.14.1 of schedule 16)	2,322,059	2,104,345
Advances to Employees	579	-
Deposits		
Gross	361,330	323,320
Less: Provision for doubtful deposits	(16,627)	(31,744)
Net	344,703	291,576
Other advances		
Gross	722,186	260,757
Less: Provision for doubtful advances	(3,472)	(4,830)
Net	718,714	255,927
Other receivables		
Gross	646,899	718,597
Less: Provision for doubtful receivables	(9,438)	(19,753)
Net	637,461	698,844
<b>Total (A)</b>	<b>4,476,081</b>	<b>3,742,457</b>
<b>Other Assets</b>		
Income accrued on investments and deposits	11,024,673	9,235,233
Outstanding premiums	1,606,066	1,649,630
Agents' balances		
Gross	18,779	24,046
Less: Provision for doubtful agents' balance	(8,240)	(18,910)
Net	10,539	5,136
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	490,018	394,343
Due from subsidiary (Refer note 3.10 of Schedule 16)	8,686	7,202
Deposit with Reserve Bank of India	-	-
Receivable towards investments sold	899,100	1,024,700
Goods & Service tax and Service tax un-utilised credit (Refer note 2.14.2 of Schedule 16)	1,581,187	946,975
Assets held for unclaimed amount of policyholders* (Refer note 3.5 of schedule 16)	5,974,494	7,577,528
Income on unclaimed amount of policyholders (net of fund administration expenses) (Refer note 3.5 of schedule 16)	678,337	519,383
<b>Total (B)</b>	<b>22,273,100</b>	<b>21,360,130</b>
<b>Total (A+B)</b>	<b>26,749,181</b>	<b>25,102,587</b>

\*excluding Income on unclaimed amount of policyholders (net of fund administration expenses).

# Schedules

forming part of financial statements (continued)

## SCHEDULE – 13 CURRENT LIABILITIES

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Agents' balances	1,281,504	1,176,510
Balances due to reinsurance companies	90,130	99,700
Deposits held on re-insurance ceded	-	-
Premium received in advance	1,825,127	2,060,677
Unallocated premium	2,929,647	2,548,452
Sundry creditors (Refer note 3.32 of Schedule 16)	68,328	64,593
Due to holding company (Refer note 3.10 of Schedule 16)	990,410	863,165
Claims outstanding (Refer note 2.8 & 3.4 of schedule 16)	2,872,289	2,548,024
Due to Officers/Directors	-	-
Deposits	79,935	88,475
Expenses payable (Refer note 2.15 of Schedule 16)	5,630,074	5,636,834
TDS payable	288,392	212,925
Payable towards investments purchased	782,197	2,029,546
Unclaimed amount of Policyholders <sup>1</sup> (Refer note 3.5 & 3.6 of schedule 16)	5,974,494	7,577,528
Interest on unclaimed amount of Policyholders	678,337	519,383
Payable to unit fund	8,506,833	4,583,407
Goods & Service tax/Service tax payable (Refer note 2.14.2 of Schedule 16)	2,084,431	1,643,143
Other liabilities <sup>2</sup> (Refer note 3.40 of schedule 16)	2,304,068	2,601,763
<b>Total</b>	<b>36,386,196</b>	<b>34,254,125</b>

<sup>1</sup> excluding Interest on unclaimed amount of policyholders.

<sup>2</sup> Includes unclaimed dividend amounting to ₹ 6,435 thousands (₹ 4,768 thousands at March 31, 2018)

## SCHEDULE – 14 PROVISIONS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
For taxation	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
For leave encashment and gratuity	255,076	221,844
For interim dividend	-	-
<b>Total</b>	<b>255,076</b>	<b>221,844</b>

## SCHEDULE – 15 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Discount allowed in issue of shares/debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Schedules

forming part of financial statements (continued)

## SCHEDULE: 16

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

#### 1. Corporate Information

ICICI Prudential Life Insurance Company Limited ('the Company') promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited, 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, 2019.

The Company carries on business of providing life insurance, pensions and health insurance products to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the Company's proprietary sales force and the Company website.

#### 2. Summary of significant accounting policies

##### 2.1. Basis of preparation

The accompanying standalone 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 standalone financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013, to the extent applicable and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and 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 standalone 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 are considered as single premium.

##### 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 or Profit and Loss Account, when incurred.

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".

# Schedules

forming part of financial statements (continued)

## 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

Fees and charges include policy reinstatement fee and loan processing fee which are recognised on receipt basis.

Interest income on policy loans is also included in fees and charges which is recognised on an accrual basis.

## 2.4. Acquisition cost

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. It consists of costs like commission, stamp duty, policy issuance, employee cost and other related costs pertaining to the acquisition of insurance contracts. These costs 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

**Superannuation:** 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 Company has no further obligation beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation Scheme.

**National Pension Scheme:** Further, the Company for certain employees contributes to National Pension Scheme which is managed and administered by pension fund management companies licensed by the Pension Funds Regulatory and Development Authority ('PFRDA'). Contribution made to National Pension Scheme is charged to Revenue account and Profit and Loss Account, as applicable.

#### 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 by the Company. The Company's liability towards accumulated compensated absences entitlement outstanding at the close of the year and long term retention incentive are determined actuarially and are recognised as a liability at the 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.

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 market price is the latest closing price, immediately prior to the grant date, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then, the stock exchange where there is highest trading volume on the said date is considered.

# Schedules

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## 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, maturity and annuity 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. Claim settlement cost, legal & other fees shall also form part of claim cost wherever applicable.

Reinsurance claims are accounted for in the period in which the claim is intimated.

Repudiated claims and other claims disputed before the judicial authorities are provided for on prudent basis as considered appropriate by the management.

## 2.9. Actuarial liability valuation

The actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, 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 (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, 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 and equity exchange traded funds (ETF) 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 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 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.

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Investments in venture fund units are valued at historical cost.

Investments in reverse repo and tri-party repo are valued at cost plus interest accrued.

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 NSE (in case of securities not listed on NSE, the last quoted closing price on 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.

Investments in reverse repo and tri-party repo are valued at cost plus interest accrued.

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 price as specified below.

- In case of equity, preference shares, ETFs and Government Securities market price of the latest trade.
- In case of securities mentioned in (a) if the trade has not taken place on the day of transfer and for all other securities not part of (a) previous day valuation 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.

Loans are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.

## 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.



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The useful life of various category of assets is as below:

Asset	Useful life (years)
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 month 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 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.

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.

### 2.14.2. Indirect taxes

Service tax or Goods and Services tax liability on life insurance service is set-off against the respective service tax and goods and services 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.



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## 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.

## 2.20. Unclaimed amount 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 Regulations"), the Company has created a single segregated fund to manage all unclaimed monies.

Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date.

Assets held for unclaimed amount of policyholders and unclaimed amount of policyholders' liability are considered as Current Assets & Current Liabilities, and disclosed in Schedule 12 "Advances and Other Assets" and Schedule 13 "Current Liabilities" respectively.

Income on unclaimed amount of policyholders is accreted to the unclaimed fund and is accounted for on an accrual basis, net of fund management charges.

Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above mentioned Regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

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## 3. Notes to Accounts

### 3.1. Contingent liabilities

Particulars	(₹ '000)	
	At March 31, 2019	At March 31, 2018
Partly-paid up investments*	2,000,000	-
Claims, other than those under policies, not acknowledged as debts comprising of:		
-Claims made by vendors for disputed payments	1,034	1,066
-Claims for damages made by landlords (of premises taken on lease)	41,599	37,971
-Claims made by employees and advisors for disputed dues and compensation	8,082	8,930
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	73,889	89,959
-Claims against repudiation	369,108	308,096
<b>Total</b>	<b>4,030,708</b>	<b>1,983,018</b>

\*in respect of partly paid secured debentures

\*amount pertains to objections raised by office of the Commissioner of Service tax, Goods and Service tax Mumbai on certain tax positions taken by the Company.

#### Note:

- As per IRDAI circular IRDA/F&A/CIR/Misc/173/07/2017 dated July 25, 2017, unclaimed amount of policyholders with ageing more than 120 months transferred to Senior Citizens' Welfare Fund (SCWF), amounting to ₹ 48,166 thousand, was shown as "Contingent Liability" at March 31, 2018. However, IRDAI via circular IRDA/F&A/CIR/Misc/105/07/2018 dated July 11, 2018 has withdrawn this disclosure requirement, with immediate effect. Hence amount transferred to SCWF is not reported in the above disclosure.
- There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employment Provident Fund Act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

### 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 higher 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 contracts wherein there is a possibility of lag of intimation of claims.

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 4.44% to 6.48% per annum. The interest rates used at March 31, 2018 were in the range of 4.66% to 6.13% 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 provided 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 4.19% per annum. The expense inflation assumption used at March 31, 2018 was 4.38%.
- 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, 2019 is 14.56% 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 3.50%. The free look cancellation assumption used at March 31, 2018 was 2.10%.
- Reserves for lapsed policies eligible for revivals.

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### 3.3. Funds for Future Appropriations ('FFA')

The balance of unit-linked FFA at March 31, 2019 of ₹ 7,114 thousand (March 31, 2018: ₹ 8,036 thousand) and participating FFA of ₹ 10,336,955 thousand (March 31, 2018: ₹ 8,773,567 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, 2019 is ₹ 29,917 thousand (March 31, 2018: ₹ 16,769 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 master circular IRDA/F&I/CIR/CLD/173/07/2017 issued by the IRDAI on May 28, 2015, the details of unclaimed amounts and investment income at March 31, 2019 is tabulated as below:

Particulars	(₹ in lacs)*	
	For year ended March 31, 2019	For year ended March 31, 2018
Opening balance at April 01	80,969	65,904
Add: Amount transferred to unclaimed fund	53,724	233,687
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (stale cheques)	2,564	3,584
Add: Investment income (Net of FMC)	4,904	4,823
Less: Amount paid out of unclaimed fund	(75,198)	(226,548)
Less: Transfer to senior citizen welfare fund	(435)	(482)
<b>Closing balance at March 31</b>	<b>66,528</b>	<b>80,969</b>

\*amount disclosed in lacs in accordance with IRDAI master circular No. IRDA/F&A/CIR/Misc/173/07/2017

### 3.6. Age wise analysis of unclaimed amount of policyholders

In accordance with circular IRDA/F&A/Misc/ 173/07/2017 issued by the IRDAI on July 25, 2017, the age wise analysis of unclaimed amount of the policyholders is tabulated as below:

#### For the year ended March 31, 2019

Particulars	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	7-12	13-18	19-24	25-30	31-36	36-120
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the insured/policyholders	35	2	23	10	-	-	-	-
Sum due to the policyholders/beneficiaries on maturity or otherwise	21,084	95	8,185	7,456	2,120	1,373	540	1,315
Any excess collection of the premium/tax or any other charges which is refundable to the policyholder / beneficiaries 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	313	209	61	13	11	5	1	13
Cheques issued but not encashed by the policyholder / beneficiaries**	44,851	227	7,387	6,814	4,303	4,059	1,794	20,267
<b>Total</b>	<b>66,283</b>	<b>533</b>	<b>15,656</b>	<b>14,293</b>	<b>6,434</b>	<b>5,437</b>	<b>2,335</b>	<b>21,595</b>

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For the year ended March 31, 2018

Particulars	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	7-12	13-18	19-24	25-30	31-36	36-120
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the insured/policyholders	411	411	-	-	-	-	-	-
Sum due to the policyholders/beneficiaries on maturity or otherwise	26,671	16,672	4,293	2,864	750	515	535	1,042
Any excess collection of the premium/tax or any other charges which is refundable to the policyholder / beneficiaries 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	416	363	39	5	6	2	-	1
Cheques issued but not encashed by the policyholder / beneficiaries**	53,242	8,348	10,886	7,867	2,924	2,496	578	20,143
<b>Total</b>	<b>80,740</b>	<b>25,794</b>	<b>15,218</b>	<b>10,736</b>	<b>3,680</b>	<b>3,013</b>	<b>1,113</b>	<b>21,186</b>

\*amount disclosed in lacs in accordance with IRDA/F&A/CIR/Misc/173/07/2017

\*\*cheques issued but not encashed by policyholder/beneficiary do not include cheques which are within the validity period.

The above unclaimed amount of policyholders does not include ₹ 245 Lacs having ageing beyond 120 months, which shall be transferred to Senior Citizens' Welfare Fund (SCWF) on or before March 01, 2020 in accordance with IRDAI Master circular No. IRDA/F&A/CIR/Misc/173/07/2017 on "Unclaimed Amount of Policyholders" dated July 25, 2017 read with rule 3 (6) of Senior Citizens' Welfare Fund Rules, 2016. For the previous year ended March 31, 2018 the above unclaimed amount of policyholders does not include ₹ 229 Lacs having ageing beyond 120 months paid on February 28, 2019.

### 3.7. Direct taxes

The current tax provision is determined in accordance with the provisions of Income Tax Act, 1961. The provision for current tax for the year ended March 31, 2019 is ₹ 1,355,010 thousand (year ended March 31, 2018: ₹ 2,198,077 thousand).

The provision for current tax includes an amount of ₹ 1,131,829 thousand for the year ended March 31, 2019 (year ended March 31, 2018: ₹ 1,200,710 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 ₹ 223,181 thousand for the year ended March 31, 2019 (year ended March 31, 2018: ₹ 997,367 thousand) pertaining to other than participating line of business has been charged to Profit and 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, 2019 is summarised below:

(₹ '000)			
Deferred tax asset	At April 1, 2018	(Charge)/ Credit for the period	At March 31, 2019
Linked funds for future appropriation	463	(17)	446

Deferred tax charge for the year ended March 2019 is ₹ 17 thousand (year ended March 31, 2018: ₹ 6 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, 2019 is ₹ 542,414 thousand (year ended March 31, 2018: ₹ 526,130 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, 2019 is ₹ 31,540 thousand (year ended March 31, 2018: ₹ 32,297 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

(₹ '000)		
Particulars	At March 31, 2019	At March 31, 2018
Not later than one year	31,500	33,518
Later than one year but not later than five years	18,375	53,071
Later than five years	-	-

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## 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, 2019 is ₹ 167,973 thousand (year ended March 31, 2018: ₹ 179,305 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
<b>Holding company</b>	ICICI Bank Limited
<b>Substantial interest</b>	Prudential Corporation Holdings Limited
<b>Subsidiary</b>	ICICI Prudential Pension Funds Management Company Limited
<b>Fellow subsidiaries and entities jointly controlled by holding company</b>	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 ICICI Foundation for Inclusive Growth
<b>Consolidated under AS-21 by holding company</b>	ICICI Strategic Investments Fund
<b>Significant influence</b>	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
<b>Key management personnel as per AS-18 disclosure</b>	N. S. Kannan, Managing Director and CEO (w.e.f. June 19, 2018) Sandeep Bakhshi, Managing Director and CEO (upto June 18, 2018) Puneet Nanda, Deputy Managing Director Sandeep Batra, Executive Director (upto July 11, 2018) Asha Murali, Appointed Actuary

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**Relatives of Key management personnel as per AS-18 disclosure**

Name of relationship	Name of the related party				
Relatives of KMP	Mr. N. S. Kannan (w.e.f June 19, 2018)	Mr. Sandeep Bakhshi (upto June 18, 2018)	Mr. Puneet Nanda	Mr. Sandeep Batra (upto July 11, 2018)	Ms. Asha Murali
Spouse	Kumudalakshmi Rangarajan	Mona Bakhshi	Deepti Nanda	Deepa Batra	P. A. Murali
Parent	Narayanan Sudha	Swarn Bakhshi	Kul Bhushan Nanda Asha Nanda	Veena Batra	P. S. Nagaraj
Brother/ Sister	Narayanan Raghunathan Narayanan Rangarajan	Sameer Bakhshi	Pankaj Nanda	Vivek Batra	Rekha Somayajula Krishna Nagaraj
Children	Aditi Kannan	Shivam Bakhshi Esha Thakurta Minal Bakhshi	Rikhil Nanda Rishita Nanda	Arushi Batra Pranav Batra	Rajiv Murali

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

(₹ '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)	
			FY 2019	FY 2018	At March 31, 2019	At March 31, 2018
ICICI Bank Limited	Holding company	Premium income	3,758,473	1,060,445	(255,548)	(75,745)
		Benefits Paid	(397,265)	(184,667)	(40,360)	(375)
		Interest income on investments	53,731	193,183	20,041	91,616
		Recovery of expenses				
		- Employees' remuneration and welfare benefits	9,030	8	534	8
		- Recovery of IPO expenses	-	2,404	-	-
		- Information Technology cost	618	1,459	551	440
		Reimbursement of other expenses				
		- Legal and Professional Charges	(15,696)	(11,866)	(18,389)	(10,366)
		- Employees' remuneration and welfare benefits	(14,462)	(1,180)	(587)	-
		- Rent, rates and taxes	(703)	(540)	(271)	(106)
		- Information technology cost	(273,467)	(220,371)	(96,143)	(73,823)
		Commission expenses	(9,760,197)	(8,766,983)	(563,642)	(682,279)
		Bank charges	(62,334)	(53,331)	(19,334)	(20,993)
		Sale of fixed assets	20,886	-	2,703	-
		Purchase of Fixed Asset	(1,314)	-	-	-
		Purchase of investments	(19,144,568)	(16,353,936)	-	-
		Sale of investments	3,325,863	6,046,925	-	-
		Security Deposit outstanding			75	75
		Outstanding investments			549,332	2,444,207
Cash & bank balances			3,583,175	(1,150,539)		
Dividend paid			(3,719,617)	(5,435,935)	-	
ICICI Securities Limited	Fellow subsidiary	Premium income	3,200	5,464	(199)	(79)
		Benefits Paid	-	(180)	-	-
		Recovery of expenses				
		- Rent, rates and taxes	2,211	1,937	419	-
		- Information Technology cost	59	234	53	170
		Reimbursement of other expenses				
		- Rents, rates and taxes	(353)	(376)	(34)	-
- Employees' remuneration and welfare benefits	(2,370)	(75)	-	-		

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forming part of financial statements (continued)

(₹ '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)	
			FY 2019	FY 2018	At March 31, 2019	At March 31, 2018
		Agents training, recruitment and incentives	(36,162)	-	(6,800)	-
		Commission expenses	(474,239)	(482,593)	(64,711)	(52,366)
		Brokerage	(39,548)	(30,644)	(995)	(2,235)
		Sale of fixed assets	-	1,177	-	-
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	525	526	(760)	(730)
		Sale of fixed assets	66	-	-	-
ICICI Home Finance Company Limited	Fellow subsidiary	Premium income	332,097	-	(9,444)	-
		Claims	(3,354)	-	-	-
		Interest income on investments	34,019	74,800	-	40,781
		Recovery of expenses				
		- Rent, rates and taxes	2,410	2,410	2,844	-
		Commission Expenses	(19,730)	(11,554)	(2,971)	(1,048)
		Sale of fixed assets	63	-	-	-
		Sale of investments	1,107,633	-	-	-
		Outstanding investments	-	-	-	999,252
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	454	494	(224)	(197)
		Interest income on investments	57,125	57,125	30,867	30,867
		Purchase of investments	(18,819,320)	(15,838,599)	-	-
		Sale of investments	268,073	5,859,871	-	-
		Outstanding investments	-	-	619,723	623,696
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	13,369	8,874	(2,028)	(1,387)
		Benefits Paid	(2,755)	(3,050)	-	(50)
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	11,924	9,250	(1,642)	(1,525)
		Benefits Paid	(3,326)	(4,350)	-	-
		Claims received	446	114	-	-
		Reimbursement of other expenses				
		- Rent, rates and taxes	-	(907)	-	(366)
		Premium Expense	(211,003)	(258,894)	48,192	55,441
		Purchase of investments	(952,784)	(4,511,052)	-	-
		Sale of investments	1,053,200	3,978,445	-	-
		Purchase of Fixed Asset	(23)	-	-	-
		Security Deposit outstanding	-	-	-	242
ICICI Prudential Pension Funds Management Company Limited*	Subsidiary	Share capital subscribed	(100,000)	-	-	-
		Recovery of expenses				
		- Communication expenses	52	76	7	21
		- Employees' remuneration and welfare benefits	23,436	18,466	7,107	6,438
		- Information technology cost	2,096	1,201	711	364
		- Legal and Professional Charges	36	32	9	37
		- Miscellaneous Expenditure	350	-	413	-
		- Rent, rates and taxes	3,065	2,251	1,153	1,032
		- Travel, conveyance and vehicle running	171	109	90	47

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(₹ '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (Payable)	
			FY 2019	FY 2018	At March 31, 2019	At March 31, 2018
Prudential Corporation Holdings Limited	Substantial Interest	Recovery of expenses				
		Travel Cost	-	95	-	-
		Reimbursement of other expenses				
		- Travel Cost	(76)	-	-	-
		- Agents training, recruitment and incentives	(20,910)	(19,351)	-	-
		Dividend paid	(1,816,846)	(2,558,416)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	281,034	178,580	(2,617)	(1,406)
		Contribution to trust	(190,635)	(191,680)	(49,120)	-
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	11,132	9,879	-	-
		Contribution to trust	(11,132)	(8,086)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(125,970)	(133,552)	(35,752)	(35,952)
ICICI Foundation for Inclusive Growth	Entities controlled by Holding Company	Premium income	341	315	(21)	(6)
		Contribution for CSR activity	(172,575)	(172,769)	-	-
Key management personnel**	Key management personnel	Premium income	1,713	4,011	-	-
		Dividend paid	(1,781)	(2,665)	-	-
		Managerial remuneration	(212,592)	(196,055)	-	-
		Employee stock options outstanding (numbers)	-	-	401,100	561,500
		Employee stock options exercised (numbers)	214,000	35,000	-	-
Key management personnel	Relatives of key management personnel	Premium income	246	101	-	-
		Dividend paid	-	(6)	-	-

\*Amount recoverable is reported gross of TDS

\*\*Transactions with Mr. Judhajit Das, (Chief HR) have been reported till June 30, 2018



# Schedules

forming part of financial statements (continued)

## 3.11. Segmental Reporting

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

### For the year ended March 31, 2019

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 Life	Linked Group Pension	Shareholders
Segment revenue (excluding contribution from the Shareholders' account)	45,321,952	1,323,351	51,284,438	310,815	666,853	9,193,949	298,975	273,339,992	11,375,939	1,032,312	9,449,337	5,132,664	6,508,562	415,239,139
Segment result - Surplus/ Deficit after tax (net of contribution from the Shareholders' account)	1,876,873	283,642	(2,625,325)	(12,786)	(8,261)	(5,988)	(32,527)	5,655,712	2,057,100	(269,291)	38,512	103,145	5,908,117	12,968,928
Depreciation/ Amortisation	55,202	166	51,157	40	69	4,920	1,959	447,107	4,340	790	856	524	68	567,198
Significant non-cash expenses*	28,980,661	(7,548)	38,567,588	25,611	657,640	7,155,396	147,301	154,382,464	(23,057,344)	640,166	1,279,981	1,256,544	-	210,028,460

\* 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

### For the year ended March 31, 2018

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 Life	Linked Group Pension	Shareholders
Segment revenue (excluding contribution from the Shareholders' account)	42,587,324	1,717,779	39,432,577	439,257	20,507	5,029,160	319,059	255,162,740	22,888,221	1,763,475	7,341,925	4,909,502	7,443,883	388,865,409
Segment result - Surplus/ Deficit after tax (net of contribution from the Shareholders' account)	2,953,866	304,677	2,051,884	6,531	729	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	6,058,907	18,938,004
Depreciation/ Amortisation	50,378	180	30,448	65	1	2,084	2,052	343,759	5,287	739	1,081	686	67	436,827
Significant non-cash expenses*	25,878,589	70,600	28,275,628	41,830	2,270	4,114,254	(114,887)	118,927,565	(27,466,713)	780,167	2,097,175	1,950,211	-	154,556,689

\* 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 (Refer note 2.16 of schedule 16 for accounting policy on segmental reporting)





# Schedules

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## 3.13 Fund Balance Sheet at March 31, 2019

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, 2019

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 following has been recognised as an expense during the year under defined contribution plans:

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Superannuation Scheme	11,132	8,086
Contribution to National Pension Scheme	13,001	15,284
Contribution to Employee Deposit Linked Insurance Scheme	8,075	7,460
Contribution to Employee State Insurance Corporation Scheme	81,686	72,365

#### (b) Defined benefit plans

##### (i) Gratuity

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	1,210,035	1,099,789
Fair value of plan assets at period end (B)	1,160,915	1,076,895
<b>Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)</b>	<b>(49,120)</b>	<b>(22,893)</b>
<b>Total net cost recognised as employee remuneration in Revenue and Profit and loss account</b>	<b>193,689</b>	<b>101,213</b>
<b>Change in defined benefit obligation:</b>		
Opening obligations at April 1	1,099,789	1,007,930
Service cost	113,885	107,300
Interest cost	80,646	69,557
Actuarial (gain)/loss	75,027	(5,544)
Past service costs	-	-
Liability assumed on acquisition/(settled on divestiture)	(40,654)	-
Benefits paid	(118,658)	(79,454)
<b>Present value of the defined benefit obligations at period end (A)</b>	<b>1,210,035</b>	<b>1,099,789</b>
<b>Change in Plan Asset:</b>		
Opening plan assets, at fair value at April 1	1,076,895	980,154
Expected return on plan assets	76,534	71,087
Actuarial gain/(loss)	(664)	(986)
Contributions	167,462	106,095
Assets acquired on acquisition/(settled on divestiture)	(40,654)	-
Benefits paid	(118,658)	(79,454)
<b>Fair value of plan assets at period end (B)</b>	<b>1,160,915</b>	<b>1,076,895</b>
<b>Cost for the period:</b>		
Service cost	113,885	107,300
Interest cost	80,646	69,557
Expected return on plan assets	(76,534)	(71,087)
Actuarial (gain)/loss	75,691	(4,558)
Past service cost	-	-
Losses/(gains) on acquisition/divestiture	-	-
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	<b>193,689</b>	<b>101,213</b>

# Schedules

forming part of financial statements (continued)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Investment details of plan assets:</b>		
Plan assets invested in insurer managed funds	100.00%	100.00%
Fund earning rate	6.39%	5.91%
Asset allocation:		
- Debentures and Bonds	49.20%	51.49%
- Fixed deposits	0.11%	0.10%
- Government securities	22.62%	23.66%
- Equity shares	14.90%	15.87%
- Money market instruments	9.63%	1.08%
- Others	3.54%	7.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Assumptions:</b>		
Discount rate	6.95%	7.35%
Salary escalation rate*	8.50%	8.50%
Estimated rate of return on plan assets #	7.50%	7.50%
Expected future contribution from employer for next year	120,000	120,000

\*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	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Defined benefit obligation	1,210,035	1,099,789	1,007,930	787,608	656,645
Plan assets	1,160,915	1,076,895	980,154	747,780	621,030
Surplus/(deficit)	(49,120)	(22,893)	(27,776)	(39,828)	(35,615)
Experience adjustments					
- on plan liabilities	37,556	26,665	56,420	60,235	(5,301)
- on plan assets	(664)	(986)	55,484	(30,130)	61,489

## (ii) 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, 2019	Year ended March 31, 2018
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	3,737,574	3,379,146
Fair value of plan assets at period end (B)	3,737,574	3,379,146
<b>Net asset/(liability) recognised in balance sheet at end of the year (B-A)</b>	<b>-</b>	<b>-</b>
<b>Total net cost recognised as "Employee benefit expense" in Revenue and Profit and loss account</b>	<b>135,502</b>	<b>122,122</b>
<b>Change in defined benefit obligation:</b>		
Opening defined benefit obligations	3,379,146	2,983,343
Current service cost	135,502	122,122

# Schedules

forming part of financial statements (continued)

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest cost	247,510	202,746
Actuarial (gain)/loss	40,023	74,729
Employees contribution	281,870	263,595
Liability assumed on acquisition / (Settled on divestiture)	(52,157)	(19,565)
Benefits paid	(294,320)	(247,824)
<b>Closing defined benefit obligation</b>	<b>3,737,574</b>	<b>3,379,146</b>
<b>Change in fair value of assets:</b>		
Opening value of plan assets	3,379,146	2,983,343
Expected return on plan assets	283,970	262,192
Actuarial gain/(loss)	3,563	15,283
Contributions – Employer	135,502	122,122
Contributions – Employee	281,870	263,595
Assets acquired on acquisition / (distributed on divestiture)	(52,157)	(19,565)
Benefits paid	(294,320)	(247,824)
<b>Closing value of plan assets</b>	<b>3,737,574</b>	<b>3,379,146</b>
<b>Cost for the period:</b>		
Service cost	135,502	122,122
Interest cost	247,510	202,746
Expected return on plan assets	(283,970)	(262,192)
Actuarial (gain)/loss	36,460	59,446
<b>Total net cost recognised as employee “Employee benefit expense” in Revenue and Profit and loss account</b>	<b>135,502</b>	<b>122,122</b>
<b>Investment details of plan assets:</b>		
Government of India securities	56.00%	54.00%
Corporate bonds	35.00%	36.00%
Equity shares of listed companies	5.00%	0.00%
Others	4.00%	10.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Experience adjustments

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Defined benefit obligation	3,737,574	3,379,146	2,983,343	2,655,621	2,354,199
Plan assets	3,737,574	3,379,146	2,983,343	2,655,621	2,354,199
Surplus/(deficit)	-	-	-	-	-
Experience adjustments:					
- on plan liabilities	40,023	74,729	53,775	37,592	8,487
- on plan assets	3,563	15,283	20,430	7,835	4,431

# Schedules

forming part of financial statements (continued)

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

Particulars	At March 31, 2019	At March 31, 2018
Discount rate for the term of the obligation	6.95%	7.35%
Average historic yield on the investment portfolio	8.91%	8.95%
Discount rate for the remaining term to maturity of the investment portfolio	7.65%	8.05%
Expected investment return	8.21%	8.25%
Guaranteed rate of return	8.65%	8.55%
Expected future contribution	146,342	131,891

## (c) Other long term benefits

### (i) Long term incentive scheme:

The amount recognised as an expense during the year ended March 31, 2019 is ₹ 148,796 thousand (year ended March 31, 2018: ₹ 143,577 thousand)

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, 2019	At March 31, 2018
Discount rate	6.65%	6.80%

### (ii) Compensated absence:

The amount recognised as an expense during the year ended March 31, 2019 is ₹ 96,014 thousand (year ended March 31, 2018: ₹ 80,893 thousand).

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, 2019	At March 31, 2018
Discount rate	6.95%	7.35%
Salary escalation rate	8.50%	8.50%

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 shares of the Company at the time of grant of options. 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)) were approved by the shareholders of the Company in the Annual General Meeting held on July 17, 2017. Further the company granted options in four more tranches FY2018 and FY2019 under ESOS 2005 (Revised), namely 2017-18, 2018-19, 2018-19 Special Options, 2018-19 Joining Options.

The Company follows intrinsic value method and hence there was no charge in the Revenue Account and Profit and Loss account on account of new grants during the year.



# Schedules

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The salient features of tranches issued under ESOS 2005 which have options outstanding as at March 31, 2019 are as stated below:

Date of Grant	2006-07 Founder II	2007-08	2017-18	2018-19	2018-19 Special Options	2018-19 Joining Options
	April 24, 2007	April 25, 2008	July 25, 2017	April 24, 2018	April 24, 2018	January 22, 2019
Number of options granted	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000	656,300	2,167,900	4,980,250	156,000
Maximum term for exercising the options granted	Thirteenth anniversary of the date of grant of options	Tenth anniversary of the date of grant of options	Exercise period would commence from the date of vesting and expire on completion of ten years from the date of vesting of options		Five years from date of vesting of stock options	
<b>Graded Vesting Period</b>						
1st Year	25% of options granted		30% of options granted		-	30% of options granted
2nd Year	25% of options granted		30% of options granted		-	30% of options granted
3rd Year	25% of options granted		40% of options granted		50% of options granted	40% of options granted
4th Year	25% of options granted		-		50% of options granted	-
<b>Mode of settlement</b>	Equity					

Exercise price of all the options outstanding for all years for 2006-07 scheme, Founder II, 2007-08, 2017-18, 2018-19, 2018-19 Special Options and 2018-19 Joining Options scheme is ₹ 130, ₹ 130, ₹ 400, ₹ 468.6, ₹ 388.4, ₹ 388.4 and ₹ 351.65 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, 2019		Year ended March 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,820,888	382.70	2,398,838	352.49
Add: Granted during the period	7,304,150	387.62	656,300	468.60
Less: Forfeited/lapsed during the period	(2,115,950)	399.14	(82,650)	410.92
Less: Exercised during the period	(285,771)	164.60	(151,600)	261.08
<b>Outstanding at the end of the period</b>	<b>7,723,317</b>	<b>390.92</b>	<b>2,820,888</b>	<b>382.70</b>
Exercisable at the end of the year*	273,037	355.79	2,193,488	358.13

\*vested options available for exercise at March.

Out of the total outstanding ESOS of the previous year, 188,220 options are vested during the year ended March 31, 2019 and ₹ 47,039 thousand was realised by exercise of options during the year ended March 31, 2019. During the year ended March 31, 2019 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2018: ₹ nil) as the intrinsic value of the options.

Had the company followed fair value method based on binomial tree model valuing its options compensation cost for the year ended would have been higher by ₹ 316,760 thousand (March 31, 2018: ₹ 39,667 thousand) and the proforma profit after tax would have been ₹ 11,089,702 thousand (March 31, 2018: ₹ 16,158,590 thousand). On a proforma basis, the company's basic and diluted earnings per share would have been ₹ 7.72 (March 31, 2018: ₹ 11.26) and ₹ 7.72 (March 31, 2018: ₹ 11.25) respectively.

## Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year are as below:

Particulars	March 31, 2019	March 31, 2018	Basis
Risk-free interest rate	7.34% to 8.08%	6.68% to 6.96%	G-Sec yield at grant date for tenure equal to the expected term of ESOPs
Expected life of the options	3.50 to 6.50 years	6 to 8 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	1.16% to 1.28%	0.96%	Based on recent dividend declared
Expected volatility	13.21% to 14.89%	15.82% to 16.39%	Based on historical volatility determined on the basis of Nifty 50

The weighted average price of options exercised during the year ended March 31, 2019 is ₹ 164.60 (year ended March 31, 2018: ₹ 261.08).

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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, 2019		At March 31, 2018	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
130	90,967	1.1	340,113	2.1
400	-	-	1,853,375	0.1
468.6	606,900	10.4	627,400	11.4
388.4	6,869,450 <sup>1</sup>	7.1	-	-
351.65	156,000	6.9	-	-
<b>Total</b>	<b>7,723,317</b>	<b>7.3</b>	<b>2,820,888</b>	<b>2.8</b>

<sup>1</sup>Includes FY2018-19 options and FY2018-19 special options

ICICI Bank Limited ("Holding company") has granted their 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, 2019, for the options granted to employees of the Company (year ended March 31, 2018: ₹ 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 fluctuation loss debited to Revenue account for the year ended March 31, 2019 is ₹ 2,157 thousand (year ended March 31, 2018: ₹ 1,367 thousand). (refer note 2.17 of schedule 16 for accounting policy on foreign exchange transactions)

### 3.19. Earnings per share

		(₹ '000)	
Sr. No.	Particulars	At March 31, 2019	At March 31, 2018
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	11,406,462	16,198,259
II	Weighted average number of equity shares for earnings per equity share		
	(a) For basic earnings per equity share	1,435,638,208	1,435,429,351
	(b) For diluted earnings per equity share		
	Number of equity shares for basic earnings per equity share as per (II) (a)	1,435,638,208	1,435,429,351
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	141,473	256,567
	Weighted number of equity shares for diluted earnings per equity share	1,435,779,681	1,435,685,918
III	Earnings per equity share		
	Basic (in ₹)	7.95	11.28
	Diluted (in ₹)	7.94	11.28
	Face value (in ₹)	10.00	10.00

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## 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, 2019 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 recommending 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, 2019.

##### 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 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, 2019 was 14,099.

#### 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 performance threshold for the 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:

The Compensation & Benefits Policy on remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole Time Directors of Insurers was reviewed, amended and approved by the Board of Directors held April 25, 2017. No amendment was made to this policy during FY2019.

#### 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 senior management level employees.

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- 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.
- The quantum of bonus does not exceed a certain percentage (as stipulated in Compensation policy) of total fixed pay in a year, for Whole time Directors if the quantum of bonus exceeds a pre-defined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period.

## 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	Year ended March 31, 2019	Year ended March 31, 2018
Number of MD/CEO/WTDs having received a variable remuneration during the year.	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)

FY2019	Sandeep Bakhshi (upto June 18, 2018)	N. S. Kannan (w.e.f June 19, 2018)	Puneet Nanda	Sandeep Batra (upto July 11, 2018)	Total
Basic	5,694	18,253	15,078	3,066	42,091
Retirals (Only provident fund)	683	2,190	1,809	368	5,051
Allowances <sup>1</sup>	4,442	15,705	18,881	5,115	44,143
Variable pay	22,220	-	15,162	14,423	51,804
- Deferred variable pay (paid during FY2019)	7,663	-	5,183	5,092	17,938
- Non deferred variable pay (paid during FY2019)	14,557	-	9,979	9,330	33,866
Perquisites	180	40,465	572	157	1,778
<b>Total</b>	<b>33,218</b>	<b>76,613</b>	<b>51,503</b>	<b>23,128</b>	<b>144,867</b>
Shares linked instruments (Employee Stock Options) <sup>2</sup>	862,000	-	344,700	258,500	1,465,200

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(₹ '000)

FY2018*	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra	Total
Basic	22,851	12,854	9,792	45,497
Retirals (Only provident fund)	2,742	1,543	1,175	5,460
Allowances <sup>1</sup>	17,783	13,948	15,135	46,867
Variable Pay (Paid Out)	18,602	12,581	12,189	43,372
- Deferred variable pay (paid during FY2018)	4,537	3,069	3,065	10,671
- Non deferred variable pay (paid during FY2018)	14,064	9,512	9,124	32,701
Perquisites	936	533	454	1,922
<b>Total</b>	<b>62,914</b>	<b>41,459</b>	<b>38,744</b>	<b>143,117</b>
Shares linked instruments (Employee Stock Options) <sup>2</sup>	838,750	335,500	251,625	1,425,875

Note - For the year-ended March 31, 2019 the numbers indicated are the amounts paid/options granted during the year FY2019 as per IRDAI approvals for the tenure served in the Company

<sup>1</sup> Allowances include NPS, Superannuation, Leave encashment and Medical as per policy. For Sandeep Bakhshi, & Puneet Nanda allowances also includes Interest subsidy.

<sup>2</sup> includes options granted by ICICI Bank Ltd. and ICICI Prudential Life Insurance Co Ltd.

\*Mr N. S. Kannan is the MD & CEO of the organisation from FY2019, hence no numbers reported for FY2018

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, exercise of stock options were provided in accordance with the scheme(s) and rule(s) applicable from time to time.

(₹ '000)

Outstanding Deferred Remuneration for FY2019	Sandeep Bakhshi	N. S. Kannan	Puneet Nanda	Sandeep Batra
Cash <sup>1</sup>	18,129	-	12,351	11,724
Shares	-	-	-	-
Shares linked Instruments <sup>2</sup>	1,814,325	-	700,770	537,048
Other Forms	-	-	-	-

(₹ '000)

Outstanding Deferred Remuneration for FY2018	Sandeep Bakhshi	N. S. Kannan	Puneet Nanda	Sandeep Batra
Cash <sup>1</sup>	16,088	-	10,881	10,596
Shares	-	-	-	-
Shares linked Instruments <sup>2</sup>	1,862,850	-	675,235	538,643
Other Forms	-	-	-	-

<sup>1</sup> Cash Amounts mentioned in above tables are outstanding deferred bonus and of previous year/s and is paid post March 31, 2019 & March 31, 2018 respectively. March 31, 2019 figure does not include the deferred part (if any) of bonus payable for FY2019.

<sup>2</sup> Options mentioned in above tables are outstanding options to be vested as on March 31, 2019 & March 31, 2018, includes options granted by ICICI Bank Ltd. and ICICI Prudential Life Insurance Co Ltd.

## Remuneration to non-executive directors

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sitting fees paid	9,240	5,020
Reimbursement of expenses	320	35
Profit related commission*	4,629	4,498
<b>Total</b>	<b>14,189</b>	<b>9,553</b>

\* Against the provision of ₹ 4,498 thousand made in the FY2018, ₹ 4,498 thousand was paid in FY2019. Provision made for FY2019 amounts to ₹ 4,629 thousand.

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## 3.21. Commitments

Commitments made and outstanding (net of advances) for Company's investment in Real estate (Investment property) is ₹ nil (March 31, 2018 ₹ nil). Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 150,970 thousand (March 31, 2018: ₹ 346,179 thousand)

There are no loan commitments made by the Company (March 31, 2018 ₹ 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

(₹ '000)

Particulars	At March 31, 2019	At March 31, 2018
Total amount of loans assets subject to restructuring	-	-
Total amount of standard assets subject to restructuring	-	-
Total amount of sub - standard assets subject to restructuring	-	-
Total amount of doubtful assets subject to restructuring	-	-

## 3.24. Valuation of Investment property

In accordance with the IRDAI 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, 2019. 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 ₹ 4,717,875 thousand at March 31, 2019 (March 31, 2018: ₹ 4,666,000 thousand). The historical cost of the property is ₹ 3,836,532 thousand (March 31, 2018: ₹ 3,836,532 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 & Loss account. The total impairment loss recognised for the year ended March 31, 2019 is ₹ nil (year ended March 31, 2018: ₹ 50,872 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, 2018: ₹ 1,000,000 thousand) and ₹ 100,100 thousand (March 31, 2018: ₹ 100,000 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.

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## b. Assets encumbered with Clearing Corporation of India Limited (CCIL)

(₹ '000)

Particulars	At March 31, 2019		At March 31, 2018	
	Market value	Amortised cost	Market value	Amortised cost
<b>Pledged under securities segment</b>				
Government securities	3,626,500	3,568,195	3,746,922	3,793,836
Cash	70,000	70,000	204,200	204,200
<b>Pledged under Tri – Party Repo (TREPS)/ CBLO segment</b>				
Government securities	528,243	521,286	212,789	207,055
Cash	100	100	100	100
<b>Pledged for Default Fund under securities segment</b>				
Government securities	60,546	58,432	59,400	58,126
Cash	2,500	2,500	-	-
<b>Pledged for Default Fund under Tri-Party Repo (TREPS) / CBLO segment</b>				
Government securities	20,182	19,477	19,800	19,375
Cash	74,300	74,300	-	-

**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 TREPS & 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 follows:

(₹ '000)

Particulars	At March 31, 2019	At March 31, 2018
Bank guarantees issued:		
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5,333	5,000
- towards purchase of postage on policy welcome kit document	2,000	2,000
- in favour of UIDAI deposit towards enabling Aadhaar Authentication services	2,500	2,500
- in favour of Dr. Balabhai Nanavati Hospital to provide service with respect to health claims settlements	500	500
- in favour of National Stock Exchange of India Limited as part of listing obligation	-	575,679
- in favour of The Municipal Commissioner for Greater Mumbai for the Cynergy property towards making changes in the layout.	500	-
- in favour of The Municipal Commissioner for Greater Mumbai for the Malad property towards making changes in the layout.	500	-

### 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, 2019 (March 31, 2018: ₹ 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, 2019 is ₹ 1,485,599 thousand (March 31, 2018: ₹ 1,044,030 thousand).



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## 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:

(₹ '000)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
<b>Securities sold under repo</b>								
i. Government securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo</b>								
i. Government securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-

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

(₹ '000)

Particulars	At March 31, 2019			At March 31, 2018		
	Shareholders	Policyholders	Unit linked	Shareholders	Policyholders	Unit linked
Purchases where deliveries are pending	348,153	433,951	6,466,296	93,117	1,936,118	9,122,120
Sales where receipts are pending	343,704	555,392	6,200,052	-	1,018,156	6,744,802

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

Amount due to Micro, Small and Medium enterprises under the Act are as follows:

(₹ '000)

Particulars	At March 31, 2019	At March 31, 2018
a) (i) Principal amount remaining unpaid to supplier under MSMED Act	-	-
(ii) Interest on (a)(i) above	-	-
b) (i) Amount of Principal paid beyond the appointed date (as per section 16)	-	-
(ii) Amount of interest paid beyond the appointed date (as per section 16)	-	-
c) Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under section 16 of the MSMED Act	-	-
d) Amount of interest accrued and due	-	-
e) Amount of further interest remaining due and payable even in succeeding years	-	-

## 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:

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Outsourcing expenses	1,114,086	724,435
Business development expenses	948,109	914,355
Market support expenses	-	-

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### 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. IRDA/F&A/CIR/232/12/2013 dated December 11, 2013 paid during the year ended March 31, 2019 have been detailed below:

Penalties awarded to and penalties paid by the Company during the year ended March 31, 2019 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	NIL	-	-	-
2	GST/ 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	NIL	-	-	-
8	Securities and Exchange Board of India	NIL	-	-	-
9	Competition Commission of India	NIL	-	-	-
10	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	-	-	-
	Others				
	- Child Labour Act	NIL	-	-	-
	- Minimum Wages Act	NIL	-	-	-
	<b>Total</b>		-	-	-

Penalties awarded to and penalties paid by the Company during the year ended March 31, 2018 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	NIL	-	-	-
2	GST/ 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	NIL	-	-	-
8	Securities and Exchange Board of India	NIL	-	-	-
9	Competition Commission of India	NIL	-	-	-

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(₹ '000)

Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/reduced
10	Any other State / Central / Local Government / Statutory Authority				
	Shop and Establishment Act	For non compliance of provisions of Shops and Establishment Act	2	2	-
	Equal Remuneration Act	NIL	-	-	-
	Electricity Act	Non payment of electrical dues	54	54	-
	Contract Labour (Regulation and Abolishment) Act	NIL	-	-	-
	Profession Tax Act	NIL	-	-	-
	Industrial Dispute Act	NIL	-	-	-
	Maternity Benefit Act	For non compliance of maintenance of registers of the employees in branch under Maternity Benefit Act	15	15	-
	Payment of Gratuity Act	NIL	-	-	-
	Others				
	Child Labour Act	For non compliance of display of abstracts of Child Labour Act in branch office	5	5	-
	Minimum Wages Act	For non compliance of u/s 22 a of Minimum Wages Act	1	1	-
	<b>Total</b>		<b>77</b>	<b>77</b>	<b>-</b>

### 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:

(₹ '000)

Name of the Auditor	Services rendered	Year ended March 31, 2019	Year ended March 31, 2018
B S R & Co. LLP	NIL	-	-
Walker Chandio & Co LLP	NIL	-	-

### 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:

	Year ended March 31, 2019	Year ended March 31, 2018
Rural		
- Number of policies	204,975	177,452
- Percentage of total policies	22.9%	21.2%
Social		
- Gross premium underwritten for new lives (₹ '000)	194,770	42,547
- Number of policies issued (including group business)	98,558	65,761
- Number of new lives covered	1,121,524	403,824
- Percentage of total lives	33.5%	10.4%
<b>Total</b>	<b>893,841</b>	<b>837,130</b>
- Number of policies	<b>3,353,148</b>	<b>3,887,018</b>
- Number of total lives		

# Schedules

forming part of financial statements (continued)

## 3.36. Risk retained and reinsured

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

Particulars	At March 31, 2019	At March 31, 2018
<b>Individual business</b>		
Risk retained	41.1%	42.6%
Risk reinsured	58.9%	57.4%
<b>Group business</b>		
Risk retained	75.9%	70.3%
Risk reinsured	24.1%	29.7%

## 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:

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance of funds for discontinued policies	51,888,095	39,410,575
Add: Fund of policies discontinued during the year	52,418,056	40,632,325
Less: Fund of policies revived during the year	(19,353,218)	(16,119,850)
Add: Income on investments of fund	4,442,427	3,112,537
Less: Fund management charges	(378,815)	(285,180)
Less: Amount refunded to policyholders during the year *	(16,564,046)	(14,862,312)
<b>Closing balance of fund for discontinued policies</b>	<b>72,452,499</b>	<b>51,888,095</b>

\*includes ₹ 46 thousand (March 31, 2018: ₹ 4,409 thousand) of policy cancellation charges on account of null and void.

b) Number of policies discontinued during the year ended March 31, 2019 is 153,836 (year ended March 31, 2018: 127,524).

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

Products Name	At March 31, 2019	At March 31, 2018
ICICI Pru Elite Wealth II	16.13%	14.27%
ICICI Pru Elite Life II	15.03%	11.72%
ICICI Pru Easy Retirement	13.62%	13.46%
ICICI Pru Guaranteed Wealth Protector	13.01%	13.35%
ICICI Pru Wealth Builder II	12.21%	11.80%
ICICI Pru Smart Life RP	7.95%	11.09%
ICICI Pru Elite Life Super	7.20%	0.03%
ICICI Pru Elite Wealth Super	7.08%	0.03%
ICICI Pru LifeTime Classic	6.32%	0.23%
ICICI PruShubh Retirement	0.52%	10.09%
ICICI PruLifeStage Wealth II	0.30%	3.01%
ICICI Pru Elite Life	0.24%	7.71%
ICICI Pru Elite Wealth	0.21%	9.09%
ICICI PruSmart Kid Premier	0.21%	3.20%
ICICI Pru Wealth Builder	0.10%	8.19%
ICICI PruLifeTime Premier	0.06%	1.61%
ICICI PruPinnacle Super	0.02%	2.00%
ICICI PruPinnacle II	0.01%	0.01%

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d) Number and percentage of policies revived:

Particulars	March 31, 2019	March 31, 2018
Number of policies revived	116,651	131,683
Number of policies discontinued	380,969	356,639
Percentage of policies revived	30.6%	36.9%

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

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Charges imposed on account of discontinued policies	513,972	411,589
Charges readjusted on account of revival of discontinued policies	(174,165)	(146,043)
<b>Total</b>	<b>339,807</b>	<b>265,546</b>

### 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)

Sr No	Name	Designation	Directorship held	Occupation of person in charge
1.	N. S. Kannan	Managing Director & CEO (w.e.f. June 19, 2018)	ICICI Prudential Life Insurance Company Limited	Service
		Non-Executive (additional) Director & Chairman (w.e.f. July 23, 2018)	ICICI Prudential Pension Funds Management Company Limited	Directorship
2.	Sandeep Bakhshi	Managing Director & CEO (till June 18, 2018)	ICICI Prudential Life Insurance Company Limited	Service
		Chairman (till July 13, 2018)	ICICI Prudential Pension Funds Management Company Limited	Directorship

### 3.39. Extra allocation

As per the product filing for Group Unit Linked Superannuation and Group Unit Linked Employee Benefit Plan, extra allocation of units made and total extra allocation recovered is disclosed as below.

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, 2019 is ₹ 1,200 thousand (for year ended March 31, 2018: ₹ nil).

The amount of recovery towards extra allocation for the year ended March 31, 2019 is ₹ 7,089 thousand (year ended March 31, 2018: ₹ 7,733 thousand).

### 3.40. Dividend

Interim dividend appropriation for the year ended March 31, 2019 is ₹ 2,769,077 thousand (year ended March 31, 2018: ₹ 5,874,239 thousand) including dividend distribution tax of ₹ 472,142 thousand (year ended March 31, 2018: ₹ 993,586 thousand).

The Board of Directors have also proposed a final dividend of ₹ 2,225,466 thousand (year ended March 31, 2018: ₹ 4,737,332 thousand). The dividend distribution tax on the same amounts to ₹ 457,451 thousand (year ended March 31, 2018: ₹ 973,773 thousand)

Unclaimed dividend of ₹ 6,435 thousand at March 31, 2019 (at March 31, 2018: ₹ 4,768 thousand) represents dividend paid but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

# Schedules

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## 3.41. Summary of financial statements

(₹ in lacs)\*\*\*

Sr. No.	Particulars	FY2019	FY2018	FY2017	FY2016	FY2015
	<b>Policyholders' Account</b>					
1	Gross premium income	3,092,977	2,706,877	2,235,400	1,916,439	1,530,662
2	Net premium income #	3,057,829	2,681,068	2,215,525	1,899,870	1,516,045
3	Income from investments (net)##	1,021,444	1,125,638	1,497,044	119,573	1,871,770
4	<b>Other income</b>	60,753	14,528	6,085	2,088	5,938
	Contribution from the Shareholders a/c	52,720	7,528	180	-	4,146
	Fees and Charges	2,956	1,993	1,868	2,088	1,792
	Income on unclaimed amount of policyholders	5,077	5,007	4,037	-	-
5	<b>Total income</b>	<b>4,140,026</b>	<b>3,821,234</b>	<b>3,718,654</b>	<b>2,021,531</b>	<b>3,393,753</b>
6	Commissions	155,129	140,327	75,892	61,998	55,317
7	Brokerage	-	-	-	-	-
8	Operating expenses related to insurance business@	324,038	259,753	277,953	224,001	195,844
9	Provisions for tax	11,318	12,007	7,884	7,035	5,040
10	<b>Total Expenses</b>	<b>490,485</b>	<b>412,087</b>	<b>361,729</b>	<b>293,034</b>	<b>256,201</b>
11	Payment to policy holders *	1,425,914	1,728,079	1,499,788	1,242,742	1,225,736
12	Increase in actuarial liability	755,903	582,385	491,474	299,603	344,627
13	Provision for Linked Liabilities	1,344,394	962,364	1,258,281	51,945	1,450,984
14	<b>Surplus/(Deficit) from operations</b>	<b>123,330</b>	<b>136,319</b>	<b>107,382</b>	<b>134,207</b>	<b>116,205</b>
	<b>Shareholders' Account</b>					
15	Total income under Shareholders Account @^^	65,086	74,439	69,322	59,518	53,351
16	Total expenses under Shareholder's Account	3,773	3,876	3,796	3,126	4,537
17	Profit /(loss) before tax	116,296	171,956	178,501	177,157	158,528
18	Provisions for tax	2,232	9,974	10,278	12,111	(4,901)
19	<b>Profit/ (loss) after tax</b>	<b>114,064</b>	<b>161,982</b>	<b>168,223</b>	<b>165,046</b>	<b>163,429</b>
20	Profit /(loss) carried to Balance sheet	198,866	169,603	126,830	25,077	4,820
	<b>MISCELLANEOUS</b>					
21	<b>(A) Policyholders account:</b>					
	Total funds **	15,134,506	13,061,107	11,489,408	9,657,844	9,326,570
	Total Investments	15,101,699	13,079,082	11,494,571	9,681,141	9,363,549
	Yield on investments (%)^	7.7%	9.2%	14.1%	1.3%	22.2%
	<b>(B) Shareholders account :</b>					
	Total funds	704,674	688,445	640,804	532,478	526,782
	Total Investments	799,155	774,929	664,026	621,567	585,677
	Yield on investments (%)^	8.8%	10.3%	10.3%	9.9%	9.5%
22	Yield on total investments ^	7.7%	9.2%	13.9%	1.8%	21.4%
23	Paid up equity capital	143,578	143,550	143,535	143,232	143,172
24	Net worth	704,674	688,445	640,804	532,478	526,782
25	<b>Total Assets</b>	<b>15,942,620</b>	<b>13,837,368</b>	<b>12,190,630</b>	<b>10,256,514</b>	<b>9,906,101</b>
26	<b>Earnings per share</b>					
	Basic earnings per share (₹)	7.95	11.28	11.73	11.53	11.43
	Diluted earnings per share (₹)	7.94	11.28	11.72	11.51	11.41
27	<b>Book value per share (₹)</b>	<b>49.08</b>	<b>47.96</b>	<b>44.64</b>	<b>37.18</b>	<b>36.79</b>

# 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

\*\*\* Amount disclosed in lacs in accordance with IRDA/F&amp;A/Cir/232/12/2013

# Schedules

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## 3.42. Accounting ratios

Sr No.	Particulars	FY 2019	FY 2018
<b>1</b>	<b>New business premium income growth (segment-wise)</b>		
	Participating Life	(17.8%)	28.9%
	Participating Pension	NA	(100.0%)
	Non Participating	111.3%	42.5%
	Non Participating Variable	(30.3%)	(60.5%)
	Non Participating Variable Pension	6,823.4%	(93.3%)
	Annuities Non Participating	120.6%	51.0%
	Health	(29.4%)	NA
	Linked Life	(6.3%)	16.2%
	Linked Pension	(45.3%)	(3.4%)
	Linked Health	(4.4%)	(19.4%)
	Linked Group <sup>1</sup>	NA	(21.9%)
	Linked Group Life <sup>1</sup>	86.4%	NA
	Linked Group Pension <sup>1</sup>	(9.8%)	NA
<b>2</b>	<b>Net retention ratio</b>		
	(Net premium divided by gross premium)	98.9%	99.0%
<b>3</b>	<b>Ratio of expenses of management</b>		
	(Expenses of management including commission divided by the total gross direct premium)	13.4%	12.7%
<b>4</b>	<b>Commission Ratio</b>		
	(Gross commission paid to Gross premium)	5.0%	5.2%
<b>5</b>	<b>Ratio of policyholders liabilities to shareholders' funds</b>	2,162.4%	1,909.9%
<b>6</b>	<b>Growth rate of shareholders' fund</b>	2.4%	7.4%
<b>7</b>	<b>Ratio of surplus to policyholders liability</b>		
	Participating Life	1.2%	2.3%
	Participating Pension	2.4%	2.6%
	Non Participating	(1.3%)	1.3%
	Non Participating Variable	(1.3%)	0.7%
	Non Participating Variable Pension	(1.0%)	0.5%
	Annuities Non Participating	(0.0%)	(2.8%)
	Health	(10.1%)	121.8%
	Linked Life	0.6%	0.6%
	Linked Pension	1.9%	2.1%
	Linked Health	(2.6%)	3.6%
	Linked Group Life	0.1%	0.2%
	Linked Group Pension	0.3%	0.4%
<b>8</b>	<b>Change in networth (₹ in Lacs)</b>	16,228	47,641
<b>9</b>	<b>Profit after tax/Total income</b>	2.7%	4.2%
<b>10</b>	<b>(Total Real Estate + Loans)/Cash &amp; invested assets</b>	0.7%	0.6%
<b>11</b>	<b>Total Investment/(Capital + Surplus)</b>	2,256.5%	2,012.4%
<b>12</b>	<b>Total Affiliated Investment/(Capital + Surplus)</b>	2.2%	6.3%
<b>13</b>	<b>Investment Yield (Gross and Net)</b>		
	<b>A. Without unrealised gains</b>		
	- Shareholders' Fund	9.4%	11.5%
	- Policyholders' Fund		
	- Non Linked		
	Par	8.3%	11.0%
	Non Par	9.1%	8.0%
	- Linked		
	Non Par	5.1%	10.4%



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Sr No.	Particulars	FY 2019	FY 2018
	<b>B. With unrealised gains</b>		
	- Shareholders' Fund	7.2%	9.9%
	- Policyholders' Fund		
	- Non Linked		
	Par	8.2%	7.0%
	Non Par	8.5%	6.3%
	- Linked		
	Non Par	5.6%	8.1%
<b>14</b>	<b>Conservation Ratio</b>		
	Participating Life	88.5%	93.0%
	Participating Pension	80.1%	83.8%
	Non Participating	75.5%	89.4%
	Non Participating Variable	NA	NA
	Non Participating Variable Pension	NA	NA
	Annuities Non Participating	NA	NA
	Health	76.0%	86.0%
	Linked Life	81.1%	83.4%
	Linked Pension	72.1%	77.3%
	Linked Health	87.1%	86.5%
	Linked Group <sup>1</sup>	NA	132.3%
	Linked Group Life <sup>1</sup>	88.8%	NA
	Linked Group Pension <sup>1</sup>	115.0%	NA
<b>15</b>	<b>Persistency Ratio<sup>2</sup></b>		
	(a) by premium		
	13th month	87.4%	86.8%
	25th month	78.0%	78.3%
	37th month	71.3%	68.8%
	49th month	65.2%	64.2%
	61st month	57.6%	54.5%
	(b) by count		
	13th month	79.4%	80.7%
	25th month	72.7%	73.2%
	37th month	67.1%	66.3%
	49th month	62.5%	59.4%
	61st month	52.8%	49.1%
<b>16</b>	<b>NPA Ratio</b>		
	- Gross NPA Ratio	NIL	NIL
	- Net NPA Ratio	NIL	NIL
<b>17</b>	<b>Solvency Ratio</b>	214.9%	252.5%

<sup>1</sup>As required by IRDAI circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from quarter ended June 2017 onwards. However, New Business Ratio and Conservation Ratio for the Linked Group Segment has been calculated at total level for year ended March 31, 2018.

<sup>2</sup>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 11M FY2019, policies issued in the March to February period of the relevant year have been measured on March 31, 2019. For FY2018, policies issued in the April to March period of the relevant year have been measured on April 30, 2018. Group policies and policies under micro insurance products are excluded.

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

(₹ in crore)

Sr. No.	Particulars	At March 31, 2019	At March 31, 2018
<b>1</b>	<b>Computation of Controlled fund as per the Balance Sheet</b>		
	<b>Policyholders' Fund (Life Fund)</b>		
	<b>Participating</b>		
	Individual Assurance	15,275	12,397
	Individual Pension	829	829
	Group Assurance	37	54
	Group Pension	103	120
	<b>Non-participating</b>		
	Individual Assurance	19,626	15,985
	Group Assurance	-	-
	Individual Annuity	3,416	2,700
	Health	32	17
	Group Variable Insurance	99	97
	Group Variable Insurance Pension	80	14
	<b>Linked</b>		
	Individual Assurance	92,573	77,134
	Group Assurance	-	-
	Individual Pension	10,837	13,143
	Group Superannuation	3,419	3,293
	Group Gratuity	3,992	3,865
	Health	1,027	963
	<b>Funds for Future Appropriations</b>	1,034	878
	<b>Total (A)</b>	<b>152,379</b>	<b>131,489</b>
	<b>Shareholders' Fund</b>		
	Paid up Capital <sup>1</sup>	1,436	1,435
	Reserves & Surplus	5,440	5,141
	Fair Value Change	171	308
	<b>Total (B)</b>	<b>7,047</b>	<b>6,884</b>
	Misc. expenses not written off	-	-
	Credit/(Debit) from Profit & Loss Account	-	-
	<b>Total (C)</b>	<b>-</b>	<b>-</b>
	<b>Total shareholders' funds (B + C)</b>	<b>7,047</b>	<b>6,884</b>
	<b>Controlled Fund (Total (A + B - C))</b>	<b>159,426</b>	<b>138,373</b>
<b>2</b>	<b>Reconciliation of the Controlled Fund from Revenue and Profit &amp; Loss Account</b>		
	Opening Balance of Controlled Fund	138,373	121,906
	Add: Inflow		
	Premium Income	30,930	27,069
	Less: Reinsurance ceded	(351)	(258)
	<b>Net Premium</b>	<b>30,579</b>	<b>26,811</b>
	Investment Income <sup>2</sup>	10,214	11,256
	Other Income	80	70
	Funds transferred from Shareholders' Accounts	527	75
	<b>Total Income</b>	<b>41,400</b>	<b>38,212</b>
	Less: Outgo		
	(i) Benefits paid (Net)	14,189	17,226
	(ii) Interim Bonus Paid	71	55
	(iii) Change in Valuation of Liability	21,003	15,447
	(iv) Commission	1,551	1,403
	(v) Operating Expenses	2,605	2,033

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(₹ in crore)

Sr. No.	Particulars	At March 31, 2019	At March 31, 2018
	(vi) GST/Service tax charge on linked charges	635	565
	(vi) Provision for Taxation		
	(a) FBT	-	-
	(b) I.T.	113	120
	<b>Total Outgo</b>	<b>40,167</b>	<b>36,849</b>
	<b>Surplus of the Policyholders' Fund</b>	<b>1,233</b>	<b>1,363</b>
	Less: transferred to Shareholders' Account	1,077	1,089
	Net Flow in Policyholders' account	156	274
	Add: Net income in Shareholders' Fund	1,141	1,620
	<b>Net Inflow/Outflow</b>	<b>1,297</b>	<b>1,894</b>
	Add: Change in Valuation Liabilities	21,003	15,447
	Add: Increase in Paid up Capital	5	4
	Less: Dividend & dividend distribution tax	(848)	(1,192)
	<b>Closing balance of controlled fund as per cash flow</b>	<b>159,830</b>	<b>138,059</b>
	Change in fair value change & revaluation reserve account	(404)	314
	<b>Closing balance of controlled fund</b>	<b>159,426</b>	<b>138,373</b>
	<b>As Per Balance Sheet</b>	<b>159,426</b>	<b>138,373</b>
	Difference, if any	-	-
<b>3</b>	<b>Reconciliation with Shareholders' and Policyholders' Fund</b>		
	<b>Policyholders' Funds</b>		
<b>3.1</b>	<b>Policyholders' Funds - Traditional-PAR and NON-PAR</b>		
	Opening Balance of the Policyholders' Fund	33,090	26,727
	Add: Surplus of the Revenue Account	156	274
	Add: Change in Valuation Liabilities	7,553	5,820
	<b>Total</b>	<b>40,799</b>	<b>32,821</b>
	Change in fair value change & revaluation reserve account	(268)	269
	<b>Total</b>	<b>40,531</b>	<b>33,090</b>
	<b>As per Balance Sheet</b>	<b>40,531</b>	<b>33,090</b>
	Difference, if any	-	-
<b>3.2</b>	<b>Policyholders' Funds - Linked</b>		
	Opening Balance of the Policyholders' Fund	98,398	88,771
	Add: Surplus of the Revenue Account	-	-
	Add: Change in Valuation Liabilities	13,450	9,627
	<b>Total</b>	<b>111,848</b>	<b>98,398</b>
	<b>As per Balance Sheet</b>	<b>111,848</b>	<b>98,398</b>
	Difference, if any	-	-
<b>3.3</b>	<b>Shareholders' Funds</b>		
	Opening Balance of Shareholders' Fund	6,885	6,408
	Add: Net income of Shareholders' account (P&L)	1,141	1,620
	Add: Infusion of Capital	5	4
	Less: Dividend & dividend distribution tax	(848)	(1,192)
	Closing Balance of the Shareholders' fund	7,183	6,840
	Change in fair value change	(136)	45
	<b>Closing Balance of the Shareholders' fund</b>	<b>7,047</b>	<b>6,885</b>
	<b>As per Balance Sheet</b>	<b>7,047</b>	<b>6,885</b>
	Difference, if any	-	-

<sup>1</sup>Includes Share application money pending allotment

<sup>2</sup>Includes provision for diminution in the value of investments

# Schedules

forming part of financial statements (continued)

## 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 standalone 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, 2019. 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 ₹ 339,075 thousand at March 31, 2019 (At March 31, 2018: ₹ 301,244 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 is done by the Appointed Actuary of the Company. The methods and assumptions used in valuation of liabilities are in accordance with the regulations issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and actuarial practice standards and guidance notes issued by the Institute of Actuaries of India.

## 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, 2019 was ₹ 225,283 thousand (year ended March 31, 2018: ₹ 230,288 thousand).

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

(₹ '000)

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Construction/acquisition of any assets	-	-	-	-	-	-
On purpose other than above	214,736	12,140	226,876	222,884	7,639	230,523

Amounts of related party transactions with ICICI Foundation for Inclusive Growth pertaining to CSR related activities for year ended March 31, 2019 was ₹ 172,575 thousand (year ended March 31, 2018: ₹ 172,769 thousand).

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

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	7,639	24,813
Expense provided during the year	226,876	230,523
Paid during the year	(222,376)	(247,697)
<b>Closing balance</b>	<b>12,140</b>	<b>7,639</b>

Note: CSR expenditure as shown in Schedule 3A also includes amount paid to Kerala relief fund amounting to ₹ 5,503 thousand which is not qualified as CSR u/s 135 of the Companies Act, 2013.

# Schedules

forming part of financial statements (continued)

## 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 except for advances which are in the normal course of business but not in the nature of loans (year ended March 31, 2018: ₹ 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) date March 30, 2017 issued by the Ministry of Corporate Affairs (MCA) is not provided.

## 3.49 Previous year comparatives

Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

### As per our report of even date attached.

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

### For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman

DIN: 00943629

**V. Sridar**  
Director

DIN: 02241339

**N. S. Kannan**  
Managing Director &  
CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing  
Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

# 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	At March 31, 2019	At March 31, 2018
1	Name of the subsidiary	ICICI Prudential Pension Funds Management Company Limited	
2	Reporting period for the subsidiary	March 31, 2019	March 31, 2018
3	Share capital	390,000	290,000
4	Reserves & surplus	(43,931)	(26,731)
5	Extent of interest of ICICI Prudential Life Insurance Company Limited in capital of subsidiary	100%	100%
6	Total assets	357,471	273,085
7	Total liabilities	11,402	9,815
8	Investments	303,451	242,545
9	Turnover	2,745	1,843
10	Profit before taxation	(17,200)	(6,655)
11	Provision for taxation	-	(49)
12	Profit after taxation	(17,200)	(6,606)
13	Proposed dividend	Nil	Nil

## For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

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# Annexure

forming part of 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.iciciprulife.com](http://www.iciciprulife.com)**

# Independent Auditor's Report

**To the Members of  
ICICI Prudential Life Insurance Company Limited**

## REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the 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" (Holding Company and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, 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, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiary as were audited

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Technology (IT) systems

(Refer Internal control systems and their adequacy under "Management Discussion and Analysis")

Key audit matter	How our audit has addressed the key audit matter
<p>The Group's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Group uses several systems for its overall financial reporting.</p> <p>We have identified 'Information Technology systems' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture.</p>	<p>We involved our IT Specialist to:</p> <ul style="list-style-type: none"> <li>Understand General IT Control (GITC) i.e. Access Controls, Program/ System Change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup Incident Management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems);</li> <li>Test General IT Controls for design and operating effectiveness for the audit period over the in-scope systems;</li> <li>Understand IT application controls covering: <ul style="list-style-type: none"> <li>user access and roles, segregation of duties; and</li> <li>key interfaces, reports, reconciliations and system processing;</li> </ul> </li> <li>Test the IT application controls for design and operating effectiveness for the audit period;</li> <li>Test the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process;</li> <li>Understand IT infrastructure i.e. operating systems and databases supporting the in-scope systems; and</li> <li>Test the controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches).</li> </ul>

by the other auditor, the aforesaid consolidated financial statements give the information required by the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and the Companies Act, 2013 (the "Act"), to the extent applicable, 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, 2019, of its consolidated net surplus, of its consolidated profit and consolidated receipts and payments for the year then ended.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# Independent Auditor's Report (Continued)

Valuation of Investments (March 31, 2019: 1,590,031,375, March 31, 2018: 1,385,374,143) (INR in Thousands)  
Refer note 2.11 (Investments) and note 3.16 (Impairment of investment assets)

Key audit matter	How our audit has addressed the key audit matter
<p>The Group's investment portfolio represents substantial portion of the Group's total assets as at March 31, 2019 which are valued in accordance with accounting policy framed as per the extent of the regulatory guidelines.</p> <p>Investment in non-linked and shareholders' portfolio:</p> <p>All debt securities are valued at amortised cost and investment property is valued in accordance with Group's valuation policy. The listed equity shares, preference shares, liquid mutual fund and Equity Exchange Traded Funds (ETF) investments are valued using quoted prices as per stock exchanges. These investments are tested for impairment in accordance with the Group's impairment policy.</p> <p>Investment in unit linked portfolio:</p> <p>Government securities are valued at prices provided by CRISIL. Other debt securities are valued on a yield to maturity basis, by using spread over the benchmark rate. The listed equity shares, preference shares, liquid mutual fund and ETF investments are valued using quoted prices as per stock exchanges.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the financial statements due to the materiality of total value of investments to the financial statements.</p>	<p>Our audit procedures for this area included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Group's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls;</li> <li>• Assessed appropriateness of the valuation methodologies with reference to Investment Regulations issued by Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") and Group's own valuation policy;</li> <li>• For listed equity shares, preference shares, liquid mutual fund and ETF investments, performed independent price checks using external quoted prices and by agreeing the observable inputs that were used in the Group's valuation techniques to external data; and</li> <li>• For other investments, critically evaluated the valuation assessment and resulting conclusions by the Group in order to determine the reasonableness of the valuations recorded. This included an evaluation of the methodology and assumptions used in the valuation with reference to the Group's valuation policy.</li> </ul>

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

## RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated net surplus/ deficit, consolidated profit/loss and the consolidated receipts and payments of the Group in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and orders/directions/circulars issued by the IRDAI in this regard, and Accounting Standards specified under section 133 of the Act, to the extent applicable.

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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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,

# Independent Auditor's Report (Continued)

that were operating effectively for ensuring 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.

In preparing the consolidated financial statements, the respective management of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (b) of the section titled "Other Matters" in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor 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.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Independent Auditor's Report (Continued)

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

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

## OTHER MATTERS

- (a) The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 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, 2019 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 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 for these financial statements.
- (b) We did not audit the financial statements / financial information of a subsidiary company, whose financial statements/financial information reflect total assets of Rs. 357,471 thousands as at March 31, 2019, total revenues of Rs. 27,585 thousands and net cash outflows amounting to Rs. 475 thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the audit report of the other auditor.

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 report of the other auditor.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of the subsidiary as were audited by other auditor, as noted in the "Other Matters" paragraph, 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;
  - 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 maintained 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 to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders / directions / circulars issued by IRDAI in this regard;
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the 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, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

# Independent Auditor's Report (Continued)

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group - Refer schedule 16 Note 3.21 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses, on long-term contracts including derivative contracts - Refer schedule 16 Note 3.22 to the consolidated financial statements in respect of such items as it relates to the Group;
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2019—Refer schedule 16 Note 3.25 to the consolidated financial statements.
3. With respect to the matter to be included in the Auditor's report under section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act, to the extent applicable. The remuneration paid to any director of the Holding Company, to the extent applicable is not in excess of the limit laid down under Section 197 of the Act. Based on the report of the statutory auditor of the subsidiary company which was not audited by us, the remuneration paid during the current year by the subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

**Manoj Kumar Vijai**  
Partner  
Membership No: 046882

Mumbai  
April 24, 2019

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

**Khushroo B. Panthaky**  
Partner  
Membership No: 42423

Mumbai  
April 24, 2019

# Annexure A

## TO THE INDEPENDENT AUDITOR'S REPORT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2019

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, 2019, we have audited the internal financial controls with reference to consolidated financial statements 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" incorporated in India under the Companies Act, 2013 (hereinafter referred to as the "Act") as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company 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 (the "Guidance Note"). 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 its business, including adherence to the respective 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal

financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Matters paragraph above, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements 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 WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

# Annexure A

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – MARCH 31, 2019 (CONTINUED)

### OPINION

In our opinion, the Holding Company and its subsidiary, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note.

### OTHER MATTERS

- a. The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 has been certified by the Holding Company's Appointed Actuary as per the IRDA Financial Statement Regulations, and has been relied upon by us, as mentioned in

"Other Matters" of our audit report on the consolidated financial statements of the Holding Company for the year ended March 31, 2019. Accordingly, our opinion on the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 subsidiary company incorporated in India.

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

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No:101248W/W-100022

**Manoj Kumar Vijai**

Partner

Membership No: 046882

Mumbai

April 24, 2019

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No: 42423

Mumbai

April 24, 2019



# Consolidated Revenue Account

for the year ended March 31, 2019

FORM A-RA

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

## POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ '000)

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 Life	Linked Group Pension	Total
<b>Premiums earned (Net of Goods &amp; Service tax)</b>														
(a) Premium	1	34,685,300	221,389	39,120,100	245,534	643,872	6,854,123	345,969	213,106,260	4,145,702	897,815	6,366,254	2,665,424	309,297,742
(b) Reinsurance ceded (Refer note 2.3.2 of schedule 16)		(30,777)	(43)	(2,609,964)	-	-	-	(67,497)	(482,845)	(68)	(323,673)	(9)	-	(3,514,876)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		<b>34,654,523</b>	<b>221,346</b>	<b>36,510,136</b>	<b>245,534</b>	<b>643,872</b>	<b>6,854,123</b>	<b>278,472</b>	<b>212,623,415</b>	<b>4,145,634</b>	<b>574,142</b>	<b>6,366,245</b>	<b>2,665,424</b>	<b>305,782,866</b>
<b>Income from Investments</b> (Refer note 2.3.3 of schedule 16)														
(a) Interest, dividend and rent - Gross		8,737,133	827,470	10,868,306	68,218	22,822	2,295,353	13,194	21,850,847	3,441,501	261,891	2,388,726	1,662,881	52,438,342
(b) Profit on sale/redemption of investments		2,817,926	308,772	5,108,809	412	-	21,638	7,169	47,502,827	17,397,558	788,170	1,353,597	868,322	76,175,000
(c) (Loss) on sale/redemption of investments		(958,189)	(34,927)	(1,244,370)	(6,347)	-	(3,142)	-	(32,786,848)	(5,786,241)	(266,335)	(1,212,576)	(1,010,669)	(43,309,644)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	17,609,546	(8,323,515)	(345,904)	329,918	523,815	9,793,860
(e) Accretion of discount/(amortisation of premium) (Net)		(69,491)	379	(106,656)	2,983	157	25,838	26	6,026,261	500,896	20,326	223,234	422,850	7,046,803
<b>Sub-total</b>		<b>10,527,379</b>	<b>1,101,694</b>	<b>14,626,089</b>	<b>65,266</b>	<b>22,979</b>	<b>2,339,687</b>	<b>20,389</b>	<b>60,202,433</b>	<b>7,230,199</b>	<b>458,148</b>	<b>3,082,899</b>	<b>2,467,199</b>	<b>102,144,361</b>
<b>Other income</b>														
Contribution from the Shareholders' account		-	-	4,943,182	12,786	8,261	5,983	32,527	-	-	269,291	-	-	5,272,030
Income on unclaimed amount of policyholders (Refer note 2.20 of schedule 16)		-	-	-	-	-	-	-	507,748	-	-	-	-	507,748
Fees and charges (Refer note 2.3.5 of schedule 16)		110,854	306	147,094	-	-	-	103	478	-	-	-	-	258,835
Miscellaneous income		29,196	5	1,119	15	2	139	11	5,918	106	22	193	41	36,767
<b>Sub-total</b>		<b>140,050</b>	<b>311</b>	<b>5,091,395</b>	<b>12,801</b>	<b>8,263</b>	<b>6,122</b>	<b>32,641</b>	<b>514,144</b>	<b>106</b>	<b>269,313</b>	<b>193</b>	<b>41</b>	<b>6,075,380</b>
<b>Total (A)</b>		<b>45,321,952</b>	<b>1,323,351</b>	<b>56,227,620</b>	<b>323,601</b>	<b>675,114</b>	<b>9,199,932</b>	<b>331,502</b>	<b>273,339,992</b>	<b>11,375,939</b>	<b>1,301,603</b>	<b>9,449,337</b>	<b>5,132,664</b>	<b>414,002,607</b>
Commission	2	2,411,166	2,101	2,251,227	5	-	44,469	26,850	10,749,104	23,141	4,651	176	-	15,512,890
Operating expenses related to Insurance business	3	2,930,891	13,494	9,260,957	5,764	8,399	127,073	129,171	13,086,324	277,133	56,641	100,649	56,715	26,053,211
Provision for doubtful debts		(7,190)	(71)	(10,564)	-	-	(295)	(530)	(17,935)	(660)	(278)	-	62	(37,461)
(Refer note 2.7 of schedule 16)														
Bad debts written off		7,542	25	6,637	-	-	258	331	20,797	452	95	1	-	36,138
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) (Refer 3.16 of schedule 16)		-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Goods & Service Tax charge on linked charges (Refer note 2.14.2 of schedule 16)		-	-	-	-	-	-	-	5,604,416	402,559	172,544	91,042	81,392	6,351,953
<b>Total (B)</b>		<b>5,342,409</b>	<b>15,549</b>	<b>11,508,257</b>	<b>5,769</b>	<b>8,399</b>	<b>171,505</b>	<b>155,822</b>	<b>29,442,706</b>	<b>702,625</b>	<b>233,653</b>	<b>191,868</b>	<b>138,169</b>	<b>47,916,731</b>
Benefits paid (Net)	4	7,287,873	1,028,001	3,829,991	292,221	9,075	1,872,994	28,180	83,861,955	31,673,350	427,601	7,938,977	3,634,868	141,885,086
Interim bonus paid		702,659	3,661	-	-	-	-	-	-	-	-	-	-	706,320
Change in valuation of policy liabilities (Refer note 2.9 & 3.2 of schedule 16)														
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		28,980,309	(7,502)	80,862,103	25,611	657,640	7,155,433	867,283	(332,720)	(250,483)	639,280	3,870	(42)	118,600,782
(b) Amount ceded in reinsurance		-	-	(42,290,588)	-	-	-	(719,783)	-	-	-	-	-	(43,010,371)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	134,223,605	(22,882,340)	1,069	1,276,110	1,256,524	113,874,968
(e) Funds for discontinued policies		-	-	-	-	-	-	-	20,488,717	75,687	-	-	-	20,564,404
<b>Total (C)</b>		<b>36,970,841</b>	<b>1,024,160</b>	<b>42,401,506</b>	<b>317,832</b>	<b>666,715</b>	<b>9,028,427</b>	<b>175,680</b>	<b>238,241,557</b>	<b>8,616,214</b>	<b>1,067,950</b>	<b>9,218,957</b>	<b>4,891,350</b>	<b>352,621,189</b>
<b>Surplus/(deficit) (D) = (A)-(B)-(C)</b>		<b>3,008,702</b>	<b>283,642</b>	<b>2,317,857</b>	-	-	-	-	<b>5,655,729</b>	<b>2,057,100</b>	-	<b>38,512</b>	<b>103,145</b>	<b>13,464,687</b>
Provision for taxation*														
(a) Current tax credit/(charge)		(1,131,829)	-	-	-	-	-	-	-	-	-	-	-	(1,131,829)
(b) Deferred tax credit/(charge)		-	-	-	-	-	-	-	(17)	-	-	-	-	(17)
<b>Surplus/(deficit) after tax</b>		<b>1,876,873</b>	<b>283,642</b>	<b>2,317,857</b>	-	-	-	-	<b>5,655,712</b>	<b>2,057,100</b>	-	<b>38,512</b>	<b>103,145</b>	<b>12,332,841</b>
<b>Appropriations</b>														
Transfer to Shareholders' account		568,147	28,980	2,317,857	-	-	-	-	5,655,863	2,057,871	-	38,512	103,145	10,770,375
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		1,308,726	254,662	-	-	-	-	-	(151)	(771)	-	-	-	1,562,466
<b>Total</b>		<b>1,876,873</b>	<b>283,642</b>	<b>2,317,857</b>	-	-	-	-	<b>5,655,712</b>	<b>2,057,100</b>	-	<b>38,512</b>	<b>103,145</b>	<b>12,332,841</b>
<b>Details of Surplus after tax</b>														
(a) Interim bonuses paid		702,659	3,661	-	-	-	-	-	-	-	-	-	-	706,320
(b) Allocation of bonus to policyholders'		4,410,659	257,152	-	-	-	-	-	-	-	-	-	-	4,667,811
(c) Surplus shown in the Revenue Account		1,876,873	283,642	2,317,857	-	-	-	-	5,655,712	2,057,100	-	38,512	103,145	12,332,841
<b>Total Surplus</b>		<b>6,990,191</b>	<b>544,455</b>	<b>2,317,857</b>	-	-	-	-	<b>5,655,712</b>	<b>2,057,100</b>	-	<b>38,512</b>	<b>103,145</b>	<b>17,706,972</b>
<b>Funds for future appropriation</b>														
(Refer note 2.10 of schedule 16)														
Opening balance as at April 1, 2018		6,379,355	2,394,212	-	-	-	-	-	3,213	4,823	-	-	-	8,781,603
Add: Current period appropriation		1,308,726	254,662	-	-	-	-	-	(151)	(771)	-	-	-	1,562,466
<b>Balance carried forward to Balance Sheet</b>		<b>7,688,081</b>	<b>2,648,874</b>	-	-	-	-	-	<b>3,062</b>	<b>4,052</b>	-	-	-	<b>10,344,069</b>
<b>Significant accounting policies &amp; notes</b>	16													

\*Refer note 2.14.1 & 3.5 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Consolidated Revenue account.

As required by erstwhile section 40-B(4) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Expense of Management of Insurers transacting life insurance business Regulations 2016, we certify that all allowable expenses of management in respect of life insurance business in India incurred by the Company have been debited to the Policyholders' 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

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

# Consolidated Revenue Account

for the year ended March 31, 2018

## FORM A-RA

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

## POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ '000)

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 Life	Linked Group Pension	Total
<b>Premiums earned (Net of service tax / Goods &amp; Service tax)</b>														
(a) Premium	1	31,802,204	276,405	30,971,589	352,309	9,300	3,107,546	293,468	190,012,351	5,513,081	1,030,695	4,667,009	2,651,735	270,687,692
(b) Reinsurance ceded (Refer note 2.3.2 of schedule 16)		(24,208)	(51)	(1,710,049)	-	-	-	(45,790)	(486,475)	(74)	(314,234)	(36)	-	(2,580,917)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>		<b>31,777,996</b>	<b>276,354</b>	<b>29,261,540</b>	<b>352,309</b>	<b>9,300</b>	<b>3,107,546</b>	<b>247,678</b>	<b>189,525,876</b>	<b>5,513,007</b>	<b>716,461</b>	<b>4,666,973</b>	<b>2,651,735</b>	<b>268,106,775</b>
<b>Income from Investments (Refer note 2.3.3 of schedule 16)</b>														
(a) Interest, dividend and rent - Gross		7,189,183	809,086	8,945,765	82,440	11,208	1,862,716	27,868	20,910,983	4,123,959	247,141	2,257,152	1,664,246	48,131,747
(b) Profit on sale/redemption of investments		4,073,649	611,979	1,712,448	2,131	13	47,596	43,207	47,180,542	22,804,776	978,411	1,983,320	594,747	80,032,819
(c) (Loss) on sale/redemption of investments		(427,176)	(2,249)	(560,996)	-	(394)	(522)	-	(7,663,294)	(1,646,178)	(87,493)	(566,560)	(332,079)	(11,286,941)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	756,321	(8,529,603)	(103,407)	(1,116,515)	15,635	(8,977,569)
(e) Accretion of discount/(amortisation of premium) (Net)		(96,148)	22,239	(32,002)	2,371	380	11,644	217	3,939,345	421,916	12,301	117,274	315,104	4,714,641
<b>Sub-total</b>		<b>10,739,508</b>	<b>1,441,055</b>	<b>10,065,215</b>	<b>86,942</b>	<b>11,207</b>	<b>1,921,434</b>	<b>71,292</b>	<b>65,123,897</b>	<b>17,174,870</b>	<b>1,046,953</b>	<b>2,674,671</b>	<b>2,257,653</b>	<b>112,614,697</b>
<b>Other income</b>														
Contribution from the Shareholders' account		-	-	-	-	-	752,784	-	-	-	-	-	-	752,784
Income on unclaimed amount of policyholders (Refer note 2.20 of schedule 16)		-	-	-	-	-	-	-	500,740	-	-	-	-	500,740
Fees and charges (Refer note 2.3.5 of schedule 16)		77,847	355	103,824	-	-	-	70	416	-	-	-	-	182,512
Miscellaneous income		1,973	15	1,998	6	-	180	19	11,811	344	61	281	114	16,802
<b>Sub-total</b>		<b>79,820</b>	<b>370</b>	<b>105,822</b>	<b>6</b>	<b>-</b>	<b>752,964</b>	<b>89</b>	<b>512,967</b>	<b>344</b>	<b>61</b>	<b>281</b>	<b>114</b>	<b>1,452,838</b>
<b>Total (A)</b>		<b>42,597,324</b>	<b>1,717,779</b>	<b>39,432,577</b>	<b>439,257</b>	<b>20,507</b>	<b>5,781,944</b>	<b>319,059</b>	<b>255,162,740</b>	<b>22,688,221</b>	<b>1,763,475</b>	<b>7,341,925</b>	<b>4,909,502</b>	<b>382,174,310</b>
Commission	2	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736
Operating expenses related to Insurance business	3	3,112,403	16,784	4,464,471	5,332	608	64,862	162,219	11,910,106	377,325	64,858	72,810	47,534	20,299,312
Provision for doubtful debts (Refer note 2.7 of schedule 16)		(4,136)	(56)	(3,884)	-	-	(132)	44	(7,825)	(752)	(217)	-	-	(16,958)
Bad debts written off		8,891	(7)	7,090	-	-	125	177	31,308	202	8	9	-	47,803
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) (Refer note 3.16 of schedule 16)		23,865	-	27,007	-	-	-	-	-	-	-	-	-	50,872
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Service tax/Goods & Service Tax charge on linked charges (Refer note 2.14.2 of schedule 16)		-	-	-	-	-	-	-	4,798,211	518,259	168,799	83,877	75,974	5,645,120
<b>Total (B)</b>		<b>5,791,041</b>	<b>19,213</b>	<b>6,275,327</b>	<b>5,332</b>	<b>608</b>	<b>76,680</b>	<b>197,394</b>	<b>26,242,243</b>	<b>931,493</b>	<b>239,350</b>	<b>156,696</b>	<b>123,508</b>	<b>40,058,885</b>
Benefits paid (Net)	4	6,254,660	1,321,065	2,859,951	385,564	16,900	1,591,003	24,674	105,169,157	46,520,242	396,667	4,998,409	2,720,325	172,258,617
Interim bonus paid		547,078	2,161	-	-	-	-	-	-	-	-	-	-	549,239
Change in valuation of policy liabilities (Refer note 2.9 & 3.2 of schedule 16)		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		25,849,969	70,663	49,203,820	41,830	2,270	4,114,261	158,692	55,100	(72,236)	50,801	(4,873)	512	79,470,809
(b) Amount ceded in reinsurance		-	-	(20,958,405)	-	-	-	(273,800)	-	-	-	-	-	(21,232,205)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	106,625,977	(27,648,442)	729,575	2,102,039	1,949,699	83,758,848
(e) Funds for discontinued policies		-	-	-	-	-	-	-	12,223,005	254,515	-	-	-	12,477,520
<b>Total (C)</b>		<b>32,651,707</b>	<b>1,393,889</b>	<b>31,105,366</b>	<b>427,394</b>	<b>19,170</b>	<b>5,705,264</b>	<b>(90,434)</b>	<b>224,073,239</b>	<b>19,054,079</b>	<b>1,177,043</b>	<b>7,095,575</b>	<b>4,670,536</b>	<b>327,282,828</b>
<b>Surplus/(deficit) (D) = (A)-(B)-(C)</b>		<b>4,154,576</b>	<b>304,677</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>14,832,597</b>
Provision for taxation*		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Current tax credit/(charge)		(1,200,710)	-	-	-	-	-	-	-	-	-	-	-	(1,200,710)
(b) Deferred tax credit/(charge)		-	-	-	-	-	-	-	(6)	-	-	-	-	(6)
<b>Surplus/(deficit) after tax</b>		<b>2,953,866</b>	<b>304,677</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>13,631,881</b>
<b>Appropriations</b>														
Transfer to Shareholders' account		489,779	28,884	2,051,884	6,531	729	-	212,099	4,847,290	2,702,746	347,082	89,654	115,458	10,892,136
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		2,464,087	275,793	-	-	-	-	-	(38)	(97)	-	-	-	2,739,745
<b>Total</b>		<b>2,953,866</b>	<b>304,677</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>13,631,881</b>
<b>Details of Surplus after tax</b>														
(a) Interim bonuses paid		547,078	2,161	-	-	-	-	-	-	-	-	-	-	549,239
(b) Allocation of bonus to policyholders'		3,860,936	257,795	-	-	-	-	-	-	-	-	-	-	4,118,731
(c) Surplus shown in the Revenue Account		2,953,866	304,677	2,051,884	6,531	729	-	212,099	4,847,252	2,702,649	347,082	89,654	115,458	13,631,881
<b>Total Surplus</b>		<b>7,361,880</b>	<b>564,633</b>	<b>2,051,884</b>	<b>6,531</b>	<b>729</b>	<b>-</b>	<b>212,099</b>	<b>4,847,252</b>	<b>2,702,649</b>	<b>347,082</b>	<b>89,654</b>	<b>115,458</b>	<b>18,299,851</b>
<b>Funds for future appropriation</b>														
(Refer note 2.10 of schedule 16)														
Opening balance as at April 1, 2017		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	-	6,041,858
Add: Current period appropriation		2,464,087	275,793	-	-	-	-	-	(38)	(97)	-	-	-	2,739,745
<b>Balance carried forward to Balance Sheet</b>		<b>6,379,355</b>	<b>2,394,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,213</b>	<b>4,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,781,603</b>
<b>Significant accounting policies &amp; notes</b>	16													

\*Refer note 2.14.1 &amp; 3.5 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Consolidated Revenue account.

As required by erstwhile section 40-B(4) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Expense of Management of Insurers transacting life insurance business Regulations 2016, we certify that all allowable expenses of management in respect of life insurance business in India incurred by the Company have been debited to the Policyholders' 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

**M. S. Ramchandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019



# Consolidated Profit & Loss Account

for the year ended March 31, 2019

FORM A-PL

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

## SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

(₹ '000)

Particulars	Schedule	March 31, 2019	March 31, 2018
Amounts transferred from Policyholders' account (Technical account)		10,770,375	10,892,136
<b>Income from investments</b>			
(Refer note 2.3.3 of schedule 16)			
(a) Interest, dividend and rent - Gross		4,274,256	4,216,170
(b) Profit on sale/redemption of investments		3,124,457	3,347,767
(c) (Loss) on sale/redemption of investments		(900,876)	(125,521)
(d) Accretion of discount/(amortisation of premium) (Net)		(54,790)	(19,327)
Other income		93,100	50,286
<b>Total (A)</b>		<b>17,306,522</b>	<b>18,361,511</b>
Expenses other than those directly related to the insurance business	3A	422,049	419,756
Bad debts written-off		-	-
Provisions (other than taxation)		-	-
(a) For diminution in value of investments (Net)		-	-
(b) Provision for doubtful debts (Refer note 2.7 of schedule 16)		-	-
Contribution to Policyholders' account (Technical account)		5,272,030	752,784
<b>Total (B)</b>		<b>5,694,079</b>	<b>1,172,540</b>
<b>Profit before tax</b>		<b>11,612,443</b>	<b>17,188,971</b>
Provision for taxation*		-	-
(a) Current tax credit/(charge)		(223,181)	(997,367)
(b) Deferred tax credit/(charge)		-	49
<b>Profit after tax</b>		<b>11,389,262</b>	<b>16,191,653</b>
<b>Appropriations</b> (Refer note 3.20 of schedule 16)			
(a) Balance at the beginning of the year		16,933,615	12,662,916
(b) Interim dividends paid during the year (Refer note 3.20 of schedule 16)		2,296,935	4,880,653
(c) Final dividend (Refer note 3.20 of schedule 16)		4,737,332	5,023,962
(d) Dividend distribution tax (Refer note 3.20 of schedule 16)		1,445,914	2,016,339
<b>Profit carried to Balance Sheet</b>		<b>19,842,696</b>	<b>16,933,615</b>
<b>Earnings per equity share</b> (Refer note 2.18 & 3.13 of schedule 16)			
Basic earnings per equity share ₹		7.93	11.28
Diluted earnings per equity share ₹		7.93	11.28
Nominal value per equity share ₹		10.00	10.00
<b>Significant accounting policies &amp; notes</b>	16		

\* Refer note 2.14.1 & 3.5 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Consolidated Profit and loss account.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

# Consolidated Balance Sheet

as at March 31, 2019

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

**FORM A-BS**

(₹ '000)

Particulars	Schedule	March 31, 2019	March 31, 2018
<b>Sources of funds</b>			
Shareholders' funds :			
Share capital	5	14,357,845	14,354,987
Share application money		-	-
Reserve and surplus	6	54,353,450	51,381,912
Credit/[debit] fair value change account		1,712,137	3,080,906
<b>Sub - total</b>		<b>70,423,432</b>	<b>68,817,805</b>
Borrowings	7	-	-
Policyholders' funds :			
Credit/[debit] fair value change account		17,827,152	20,550,637
Revaluation reserve - Investment property		648,079	614,479
Policy liabilities (A) + (B) + (C) (Refer note 2.9 & 3.2 of schedule 16)		1,494,975,354	1,284,945,569
Non unit liabilities (mathematical reserves) (A)		385,524,332	309,933,921
Provision for linked liabilities (fund reserves) (B)		1,036,998,523	923,123,553
(a) Provision for linked liabilities		926,497,402	822,372,860
(b) Credit/[debit] fair value change account (Linked)		110,501,121	100,750,693
Funds for discontinued policies (C)		72,452,499	51,888,095
(a) Discontinued on account of non-payment of premium		72,231,526	51,841,156
(b) Other discontinuance		248,526	117,925
(c) Credit/[debit] fair value change account		(27,553)	(70,986)
Total linked liabilities (B) + (C)		1,109,451,022	975,011,648
<b>Sub - total</b>		<b>1,513,450,585</b>	<b>1,306,110,685</b>
Funds for Future Appropriations (Refer note 2.10 of schedule 16)			
Linked		7,114	8,036
Non linked		10,336,955	8,773,567
<b>Sub - total</b>		<b>10,344,069</b>	<b>8,781,603</b>
<b>Total</b>		<b>1,594,218,086</b>	<b>1,383,710,093</b>
<b>Application of funds</b>			
Investments*			
Shareholders'	8	79,861,476	77,465,940
Policyholders'	8A	400,711,763	332,888,519
Asset held to cover linked liabilities	8B	1,109,458,136	975,019,684
Loans (Refer note 2.12 of schedule 16)	9	2,701,858	1,450,588
Fixed assets - net block (Refer note 2.13 of schedule 16)	10	4,757,022	4,220,622
Deferred tax asset (Refer note 2.14.1 & 3.5 of schedule 16)		446	463
Current assets			
Cash and Bank balances	11	6,610,406	2,038,132
Advances and Other assets	12	26,760,967	25,104,728
<b>Sub-Total (A)</b>		<b>33,371,373</b>	<b>27,142,860</b>
Current liabilities	13	36,388,912	34,256,739
Provisions	14	255,076	221,844
<b>Sub-Total (B)</b>		<b>36,643,988</b>	<b>34,478,583</b>
<b>Net Current Assets (C) = (A-B)</b>		<b>(3,272,615)</b>	<b>(7,335,723)</b>
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)		-	-
<b>Total</b>		<b>1,594,218,086</b>	<b>1,383,710,093</b>
<b>Contingent liabilities</b> (Refer note 3.1 of schedule 16)		<b>4,030,708</b>	<b>1,983,018</b>
<b>Significant accounting policies &amp; notes</b>	16		

\* Refer note 2.11, 3.15, 3.16, 3.17, 3.18 of schedule 16

The schedules and accompanying notes referred to herein form an integral part of the Consolidated Balance sheet.

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

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

Executive Summary

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# Consolidated Receipts & Payments Account

for the year ended March 31, 2019

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

(₹ '000)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers:		
Premium and other receipts	341,372,642	300,622,832
Interest received on tax refund	40,279	472,382
Cash paid towards operating activities:		
Commission paid	(15,796,868)	(13,411,464)
Policy benefits paid	(146,450,643)	(172,201,685)
Other expenses <sup>3</sup>	(57,168,747)	(49,576,699)
Service tax/Goods and Service tax paid	(6,795,961)	(7,042,688)
Reinsurance premium ceded (net of recovery amount)	53,065	(180,822)
Advances and deposits	19,390	(85,102)
Taxes paid (net of refunds)	(1,504,859)	(1,697,876)
<b>Net cash generated from operating activities (A)</b>	<b>113,768,298</b>	<b>56,898,878</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(1,122,949)	(698,378)
Sale of fixed assets	55,012	(675,912)
Purchase of investments	(1,114,183,829)	(1,883,397,482)
Loan	(1,251,270)	(644,140)
Sale of investments	1,019,468,986	1,817,267,806
Advance/deposit for investment property	(8,540)	-
Interest & rent received (net of tax deducted at source)	47,025,773	42,150,445
Dividend received	8,586,875	8,444,427
Investments in money market instruments and in liquid mutual funds (Net)	(33,938,730)	(36,804,639)
Expense related to investment	(217,891)	(228,131)
<b>Net cash generated from/(used) investing activities (B)</b>	<b>(75,586,564)</b>	<b>(53,887,626)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital <sup>1</sup>	44,664	39,580
Final Dividend	(4,735,664)	(5,019,892)
Interim Dividend paid	(2,296,935)	(4,880,653)
Dividend Distribution tax paid	(1,445,914)	(2,016,339)
<b>Net cash used in financing activities (C)</b>	<b>(8,433,849)</b>	<b>(11,877,304)</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents (net) (D)</b>	<b>(154)</b>	<b>30</b>
<b>E. Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>29,747,731</b>	<b>(8,866,022)</b>
<b>F. Cash and cash equivalents at beginning of the year</b>	<b>56,471,206</b>	<b>65,337,228</b>
<b>G. Cash and cash equivalents at end of the year</b>	<b>86,218,937</b>	<b>56,471,206</b>
<b>Note:</b>		
<b>Cash and cash equivalents at the end of the year</b> (Refer note 2.19 of schedule 16)		
- Cash (Including cheques in hand and stamps in hand)	1,558,673	1,345,557
- Bank Balances and Money at call and short notice <sup>2</sup>	5,072,895	946,271
[Including bank balance for linked business of ₹ 20,861 thousands (₹ 253,696 thousands at March 31, 2018)]		
- Other short term liquid investment		
[Forming part of investments in financials and unclaimed assets as disclosed in schedule 12]	79,653,092	55,463,985
- Banks having negative book balance		
[Forming part of Other Liabilities under Schedule 13 in financials]	-	(1,155,306)
Stamps on Hand		
[Part of Cash (including cheques, drafts and stamps) under Schedule 11, however not a part of cash and cash equivalents]	(65,723)	(129,301)
	<b>86,218,937</b>	<b>56,471,206</b>

<sup>1</sup> Includes movement in share application money.

<sup>2</sup> Includes balance in dividend account which is unclaimed amounting to ₹ 6,435 thousands (₹ 4,768 thousands at March 31, 2018).

<sup>3</sup> Includes CSR paid during the year amounting to ₹ 226,876 thousands (₹ 247,697 thousands for March 31, 2018) - Refer note 3.23 of Schedule 16.

The above Consolidated 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 **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

For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman  
DIN: 00943629

**V. Sridar**  
Director  
DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

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Deputy Managing Director  
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Partner  
Membership No. 42423

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

**Vyoma Manek**  
Company Secretary

Place : Mumbai  
Date : April 24, 2019

# Schedules

forming part of Consolidated financial statements

## SCHEDULE – 1

### PREMIUM (Net of Goods & Service tax/Service tax)

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
First year premiums	6,553,799	-	3,989,499	-	-	-	123,752	58,970,616	148,085	(410)	-	-	69,785,341
Renewal premiums	28,131,501	221,389	17,636,877	-	-	-	221,762	151,344,183	3,809,214	898,225	2,120,196	1,270,841	205,654,188
Single premiums	-	-	17,493,724	245,534	643,872	6,854,123	455	2,791,461	188,403	-	4,246,058	1,394,583	33,858,213
<b>Total Premium</b>	<b>34,685,300</b>	<b>221,389</b>	<b>39,120,100</b>	<b>245,534</b>	<b>643,872</b>	<b>6,854,123</b>	<b>345,969</b>	<b>213,106,260</b>	<b>4,145,702</b>	<b>897,815</b>	<b>6,366,254</b>	<b>2,665,424</b>	<b>309,297,742</b>
<b>Premium Income from business written:</b>													
In India	34,685,300	221,389	39,120,100	245,534	643,872	6,854,123	345,969	213,106,260	4,145,702	897,815	6,366,254	2,665,424	309,297,742
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Premium</b>	<b>34,685,300</b>	<b>221,389</b>	<b>39,120,100</b>	<b>245,534</b>	<b>643,872</b>	<b>6,854,123</b>	<b>345,969</b>	<b>213,106,260</b>	<b>4,145,702</b>	<b>897,815</b>	<b>6,366,254</b>	<b>2,665,424</b>	<b>309,297,742</b>

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
First year premiums	7,972,764	-	2,542,456	-	-	-	174,425	62,490,545	382,145	(429)	-	-	73,561,906
Renewal premiums	23,829,440	276,405	20,805,081	-	-	-	117,428	124,118,936	4,897,657	1,031,124	2,388,567	1,105,543	178,570,181
Single premiums	-	-	7,624,052	352,309	9,300	3,107,546	1,615	3,402,870	233,279	-	2,278,442	1,546,192	18,555,605
<b>Total Premium</b>	<b>31,802,204</b>	<b>276,405</b>	<b>30,971,589</b>	<b>352,309</b>	<b>9,300</b>	<b>3,107,546</b>	<b>293,468</b>	<b>190,012,351</b>	<b>5,513,081</b>	<b>1,030,695</b>	<b>4,667,009</b>	<b>2,651,735</b>	<b>270,687,692</b>
<b>Premium Income from business written:</b>													
In India	31,802,204	276,405	30,971,589	352,309	9,300	3,107,546	293,468	190,012,351	5,513,081	1,030,695	4,667,009	2,651,735	270,687,692
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Premium</b>	<b>31,802,204</b>	<b>276,405</b>	<b>30,971,589</b>	<b>352,309</b>	<b>9,300</b>	<b>3,107,546</b>	<b>293,468</b>	<b>190,012,351</b>	<b>5,513,081</b>	<b>1,030,695</b>	<b>4,667,009</b>	<b>2,651,735</b>	<b>270,687,692</b>

Note: Refer note 2.3.1 of schedule 16 for accounting policy on premium income

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 2 COMMISSION EXPENSES

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
<b>Commission</b>													
Direct – First year premiums	1,343,864	-	1,188,814	-	-	-	19,827	8,643,556	1,915	(79)	-	-	11,197,897
– Renewal premiums	1,067,302	2,101	664,555	-	-	-	7,021	2,078,411	20,473	4,730	-	-	3,844,593
– Single premiums	-	-	397,858	5	-	44,469	2	27,137	753	-	176	-	470,400
<b>Total</b>	<b>2,411,166</b>	<b>2,101</b>	<b>2,251,227</b>	<b>5</b>	<b>-</b>	<b>44,469</b>	<b>26,850</b>	<b>10,749,104</b>	<b>23,141</b>	<b>4,651</b>	<b>176</b>	<b>-</b>	<b>15,512,890</b>
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Commission</b>	<b>2,411,166</b>	<b>2,101</b>	<b>2,251,227</b>	<b>5</b>	<b>-</b>	<b>44,469</b>	<b>26,850</b>	<b>10,749,104</b>	<b>23,141</b>	<b>4,651</b>	<b>176</b>	<b>-</b>	<b>15,512,890</b>
<b>Break-up of the commission by distribution network</b>													
Individual agents	1,146,381	1,766	612,623	-	-	4,096	12,571	1,567,761	16,379	4,178	24	-	3,365,779
Corporate agents	790,039	330	1,266,278	-	-	40,350	13,020	9,162,740	5,617	305	-	-	11,278,679
Brokers	469,449	5	284,346	5	-	23	1,037	17,672	1,145	168	152	-	774,002
Insurance Marketing Firm	5,297	-	2,499	-	-	-	46	931	-	-	-	-	8,773
Web Aggregators	-	-	85,481	-	-	-	176	-	-	-	-	-	85,657
<b>Total Commission</b>	<b>2,411,166</b>	<b>2,101</b>	<b>2,251,227</b>	<b>5</b>	<b>-</b>	<b>44,469</b>	<b>26,850</b>	<b>10,749,104</b>	<b>23,141</b>	<b>4,651</b>	<b>176</b>	<b>-</b>	<b>15,512,890</b>

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
<b>Commission</b>													
Direct – First year premiums	1,751,822	-	691,912	-	-	-	32,086	7,763,126	5,868	(95)	-	-	10,244,719
– Renewal premiums	898,196	2,492	793,280	-	-	-	2,863	1,707,876	29,870	5,997	-	-	3,440,574
– Single premiums	-	-	295,451	-	-	11,825	5	39,441	721	-	-	-	347,443
<b>Total</b>	<b>2,650,018</b>	<b>2,492</b>	<b>1,780,643</b>	<b>-</b>	<b>-</b>	<b>11,825</b>	<b>34,954</b>	<b>9,510,443</b>	<b>36,459</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>14,032,736</b>
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Commission</b>	<b>2,650,018</b>	<b>2,492</b>	<b>1,780,643</b>	<b>-</b>	<b>-</b>	<b>11,825</b>	<b>34,954</b>	<b>9,510,443</b>	<b>36,459</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>14,032,736</b>
<b>Break-up of the commission by distribution network</b>													
Individual agents	971,591	2,261	569,990	-	-	2,528	19,021	1,599,776	24,252	5,762	-	-	3,195,181
Corporate agents	1,285,212	231	990,401	-	-	9,293	15,082	7,905,293	9,175	(46)	-	-	10,214,641
Brokers	391,318	-	210,788	-	-	-	707	5,191	3,032	186	-	-	611,222
Insurance Marketing Firm	1,897	-	609	-	-	4	41	183	-	-	-	-	2,734
Web Aggregators	-	-	8,855	-	-	-	103	-	-	-	-	-	8,958
<b>Total Commission</b>	<b>2,650,018</b>	<b>2,492</b>	<b>1,780,643</b>	<b>-</b>	<b>-</b>	<b>11,825</b>	<b>34,954</b>	<b>9,510,443</b>	<b>36,459</b>	<b>5,902</b>	<b>-</b>	<b>-</b>	<b>14,032,736</b>

Note: Refer note 2.4 of schedule 16 for accounting policy on acquisition cost.

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 3

### OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
Employees' remuneration and welfare benefits**	1,225,118	4,651	1,476,185	1,884	3,092	56,491	49,886	6,677,037	148,440	27,469	37,678	22,999	9,730,930
Travel, conveyance and vehicle running expenses	70,813	223	87,366	210	271	5,260	2,987	535,444	10,505	1,868	3,758	2,217	720,922
Agents training, recruitment and incentives	115,882	-	105,152	-	-	623	1,007	332,155	2,409	336	(1)	1	557,564
Rents, rates and taxes (Refer note 2.6 & 3.6 of schedule 16)	73,778	1,657	781,042	39	75	4,861	12,270	579,498	8,259	1,483	878	548	1,464,388
Repairs	37,736	2,563	40,877	23	35	2,657	1,845	251,305	4,712	880	467	292	343,392
Printing and stationery	10,826	57	20,163	-	3	780	1,840	32,561	917	231	924	4	68,306
Communication expenses	161,859	1,875	260,658	21	34	10,599	19,294	519,328	26,554	7,915	426	266	1,008,829
Legal and professional charges	143,616	888	536,684	186	82	5,801	7,643	392,025	13,954	3,510	3,061	1,947	1,109,397
Medical fees	3,304	-	233,879	5	6	13	6	7,977	14	5	161	79	245,449
Auditors' fees	3,266	45	5,205	-	-	206	399	8,594	608	185	-	-	18,508
Auditors' fees, expenses etc :													
(a) as auditor	3,266	45	5,205	-	-	206	399	8,594	608	185	-	-	18,508
(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	610,378	5	5,169,346	1,992	3,315	8,824	1,695	855,205	7,952	995	41,340	25,042	6,726,089
Interest and bank charges	29,075	288	33,034	185	455	5,776	294	149,259	4,579	382	5,722	2,272	231,321
<b>Others</b>													
- Administration support expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Business conferences and meetings	204,308	-	221,975	62	14	5,896	3,312	1,373,290	10,006	1,491	1,100	426	1,821,880
- Information technology cost	128,722	731	221,665	11	-	9,428	18,139	525,933	13,600	3,462	34	-	921,725
- Office running expenses	24,499	87	29,306	18	24	1,764	1,239	178,030	3,800	694	343	221	240,025
- Data entry related expenses	47,868	694	77,316	91	126	2,970	5,355	124,742	9,388	2,865	1,528	1,272	274,215
- Miscellaneous expenses	13,962	(168)	22,746	3	4	149	612	94,107	6,873	1,949	2,374	(1,395)	141,216
- Unit fund expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	55,202	166	51,157	40	69	4,920	1,959	447,107	4,340	790	856	524	567,130
Goods & Service tax expenses	(29,321)	(268)	(112,799)	994	794	55	(611)	2,727	223	131	-	-	(138,075)
<b>Total</b>	<b>2,930,891</b>	<b>13,494</b>	<b>9,260,957</b>	<b>5,764</b>	<b>8,399</b>	<b>127,073</b>	<b>129,171</b>	<b>13,086,324</b>	<b>277,133</b>	<b>56,641</b>	<b>100,649</b>	<b>56,715</b>	<b>26,053,211</b>

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
Employees' remuneration and welfare benefits**	1,466,206	7,152	1,225,335	3,091	94	29,371	66,729	6,528,150	215,930	30,904	47,798	32,271	9,653,031
Travel, conveyance and vehicle running expenses	71,730	229	60,245	363	9	2,674	3,361	462,278	13,905	1,857	5,784	3,603	628,038
Agents training, recruitment and incentives	107,647	(838)	90,497	-	-	366	726	267,269	7,073	720	2	1	473,463
Rents, rates and taxes (Refer note 2.6 & 3.6 of schedule 16)	91,508	1,735	533,648	90	2	2,697	15,553	561,844	12,851	1,786	1,373	888	1,223,975
Repairs	49,192	2,432	33,336	48	1	1,423	2,516	227,908	7,262	1,032	696	444	326,290
Printing and stationery	12,245	125	17,271	3	-	463	2,281	29,348	2,043	481	103	125	64,488
Communication expenses	160,660	1,932	226,269	37	-	5,942	22,173	445,000	32,710	7,594	535	334	903,186
Legal and professional charges	117,298	1,151	133,558	456	59	3,925	9,576	365,299	19,867	4,044	4,153	1,882	661,268
Medical fees	3,175	-	200,705	7	-	-	21	7,347	16	-	165	94	211,530
Auditors' fees	3,224	46	4,067	-	-	125	457	7,435	733	176	-	-	16,263
Auditors' fees, expenses etc :													
(a) as auditor	3,224	46	4,067	-	-	125	457	7,435	733	176	-	-	16,263
(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	484,248	7	1,429,250	-	16	3,886	1,973	589,912	8,504	722	2,467	1,901	2,522,886
Interest and bank charges	25,188	282	25,652	244	9	3,019	282	132,984	5,478	275	4,563	1,863	199,839
<b>Others</b>													
- Administration support expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Business conferences and meetings	240,866	862	124,698	37	1	892	4,457	1,109,343	14,923	1,749	443	213	1,498,484
- Information technology cost	133,035	729	165,583	37	-	4,508	21,771	458,678	13,412	2,785	534	230	801,302
- Office running expenses	31,661	137	29,604	36	1	1,134	2,465	177,521	6,142	890	529	340	250,460
- Data entry related expenses	39,730	726	49,140	135	4	1,694	4,015	89,759	11,401	2,770	2,538	1,760	203,672
- Miscellaneous expenses	17,101	(198)	25,934	17	1	562	959	92,241	(704)	2,269	48	(479)	137,751
- Unit fund expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	50,378	180	30,448	65	1	2,084	2,052	343,759	5,287	739	1,081	686	436,760
Service tax/Goods & Service tax expenses	7,311	95	59,231	666	410	97	852	14,031	492	4,065	(2)	1,378	88,626
<b>Total</b>	<b>3,112,403</b>	<b>16,784</b>	<b>4,464,471</b>	<b>5,332</b>	<b>608</b>	<b>64,862</b>	<b>162,219</b>	<b>11,910,106</b>	<b>377,325</b>	<b>64,858</b>	<b>72,810</b>	<b>47,534</b>	<b>20,299,312</b>

\*\* Refer note 2.5, 3.16, 3.17 & 3.20 of schedule 16

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 3A

### EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

For the year ended March 31, 2019

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employees' remuneration and welfare benefits **	131,947	123,910
Travel, conveyance and vehicle running expenses	239	394
Rents, rates and taxes (Refer note 2.6 & 3.6 of schedule 16)	20,935	19,007
Printing and stationery	-	38
Communication expenses	81	355
Legal and professional charges	4,031	7,293
Interest and bank charges	1,297	1,655
CSR expenses (Refer note 3.23 of schedule 16)	232,379	230,523
Information technology cost	2,584	1,738
Others	28,487	34,560
Depreciation	68	283
<b>Total</b>	<b>422,049</b>	<b>419,756</b>

\*\* Refer note 2.5, 3.10 & 3.11 of schedule 16

## SCHEDULE – 4

### BENEFITS PAID [NET]

For the year ended March 31, 2019

(₹ '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 Life	Linked Group Pension	Total
<b>1 Insurance claims</b>													
(a) Claims by death	866,937	18,134	5,787,001	2,251	-	103,745	-	3,625,276	456,842	14,508	44,757	19,833	10,939,284
(b) Claims by maturity	2,751,980	442,268	100,707	-	-	-	-	12,587,389	6,853,524	-	-	-	22,735,868
(c) Annuities/Pension payment	-	-	-	-	-	1,769,109	-	-	-	-	-	-	1,769,109
(d) Other benefits													
- Surrender/Withdrawal	1,193,619	566,457	637,208	289,970	9,075	140	-	67,546,753	24,362,787	-	7,894,220	3,615,035	106,115,264
- Survival	2,480,536	-	-	-	-	-	-	-	-	-	-	-	2,480,536
- Rider	28,835	1,142	5,295	-	-	-	48	33,744	197	947	-	-	70,208
- Health	-	-	148,476	-	-	-	69,888	-	-	739,278	-	-	957,642
- Interest on unclaimed amounts	-	-	-	-	-	-	-	490,359	-	-	-	-	490,359
<b>Sub Total (A)</b>	<b>7,321,907</b>	<b>1,028,001</b>	<b>6,678,687</b>	<b>292,221</b>	<b>9,075</b>	<b>1,872,994</b>	<b>69,936</b>	<b>84,283,521</b>	<b>31,673,350</b>	<b>754,733</b>	<b>7,938,977</b>	<b>3,634,868</b>	<b>145,558,270</b>
<b>2 (Amount ceded in reinsurance)</b>													
(a) Claims by death	(34,034)	-	(2,831,439)	-	-	-	-	(421,566)	-	-	-	-	(3,287,039)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits													
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(17,257)	-	-	-	(41,756)	-	-	(327,132)	-	-	(386,145)
<b>Sub Total (B)</b>	<b>(34,034)</b>	<b>-</b>	<b>(2,848,696)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,756)</b>	<b>(421,566)</b>	<b>-</b>	<b>(327,132)</b>	<b>-</b>	<b>-</b>	<b>(3,673,184)</b>
<b>3 Amount accepted in reinsurance</b>													
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B) + (C)</b>	<b>7,287,873</b>	<b>1,028,001</b>	<b>3,829,991</b>	<b>292,221</b>	<b>9,075</b>	<b>1,872,994</b>	<b>28,180</b>	<b>83,861,955</b>	<b>31,673,350</b>	<b>427,601</b>	<b>7,938,977</b>	<b>3,634,868</b>	<b>141,885,086</b>
<b>Benefits paid to claimants:</b>													
In India	7,321,907	1,028,001	6,678,687	292,221	9,075	1,872,994	69,936	84,283,521	31,673,350	754,733	7,938,977	3,634,868	145,558,270
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,321,907</b>	<b>1,028,001</b>	<b>6,678,687</b>	<b>292,221</b>	<b>9,075</b>	<b>1,872,994</b>	<b>69,936</b>	<b>84,283,521</b>	<b>31,673,350</b>	<b>754,733</b>	<b>7,938,977</b>	<b>3,634,868</b>	<b>145,558,270</b>

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 4 BENEFITS PAID [NET]

For the year ended March 31, 2018

(₹ '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 Life	Linked Group Pension	Total
<b>1 Insurance claims</b>													
(a) Claims by death	690,246	11,534	3,879,208	739	-	68,525	-	3,266,635	621,218	14,020	53,646	35,374	8,641,145
(b) Claims by maturity	2,098,637	577,046	121,643	-	-	-	-	23,508,518	7,278,530	-	-	-	33,584,374
(c) Annuities/Pension payment	-	-	-	-	-	1,522,440	-	-	-	-	-	-	1,522,440
(d) Other benefits													
- Surrender/Withdrawal	1,374,708	730,852	604,505	384,825	16,900	-	-	78,245,965	38,619,004	-	4,944,763	2,684,951	127,606,473
- Survival	2,099,481	-	-	-	-	-	-	-	-	-	-	-	2,099,481
- Rider	23,285	1,633	66,449	-	-	38	-	28,925	1,490	37	-	-	121,857
- Health	-	-	110,619	-	-	-	52,661	-	-	686,843	-	-	850,123
- Interest on unclaimed amounts	-	-	-	-	-	-	-	482,269	-	-	-	-	482,269
<b>Sub Total (A)</b>	<b>6,286,357</b>	<b>1,321,065</b>	<b>4,782,424</b>	<b>385,564</b>	<b>16,900</b>	<b>1,591,003</b>	<b>52,661</b>	<b>105,532,312</b>	<b>46,520,242</b>	<b>700,900</b>	<b>4,998,409</b>	<b>2,720,325</b>	<b>174,908,162</b>
<b>2 (Amount ceded in reinsurance)</b>													
(a) Claims by death	(31,697)	-	(1,893,248)	-	-	-	-	(363,155)	-	-	-	-	(2,288,100)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits													
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(29,225)	-	-	-	(27,987)	-	-	(304,233)	-	-	(361,445)
<b>Sub Total (B)</b>	<b>(31,697)</b>	<b>-</b>	<b>(1,922,473)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,987)</b>	<b>(363,155)</b>	<b>-</b>	<b>(304,233)</b>	<b>-</b>	<b>-</b>	<b>(2,649,545)</b>
<b>3 Amount accepted in reinsurance</b>													
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B) + (C)</b>	<b>6,254,660</b>	<b>1,321,065</b>	<b>2,859,951</b>	<b>385,564</b>	<b>16,900</b>	<b>1,591,003</b>	<b>24,674</b>	<b>105,169,157</b>	<b>46,520,242</b>	<b>396,667</b>	<b>4,998,409</b>	<b>2,720,325</b>	<b>172,258,617</b>
<b>Benefits paid to claimants:</b>													
In India	6,286,357	1,321,065	4,782,424	385,564	16,900	1,591,003	52,661	105,532,312	46,520,242	700,900	4,998,409	2,720,325	174,908,162
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,286,357</b>	<b>1,321,065</b>	<b>4,782,424</b>	<b>385,564</b>	<b>16,900</b>	<b>1,591,003</b>	<b>52,661</b>	<b>105,532,312</b>	<b>46,520,242</b>	<b>700,900</b>	<b>4,998,409</b>	<b>2,720,325</b>	<b>174,908,162</b>

Note:- Refer note 2.8 of schedule 16 for accounting policy on benefits paid

## SCHEDULE – 5 SHARE CAPITAL

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Authorised capital</b>		
1,500,000,000 Equity shares of ₹ 10/- each	15,000,000	15,000,000
<b>Issued, subscribed and called-up capital</b>		
1,435,784,481 Equity shares of ₹ 10/- each fully paid up (March 31, 2018: 1,435,498,710 Equity shares)	14,357,845	14,354,987
<b>Total</b>	<b>14,357,845</b>	<b>14,354,987</b>

Out of the total equity share capital, 759,105,504 equity shares (March 31, 2018 - 787,816,604 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.



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forming part of Consolidated financial statements (continued)

## SCHEDULE – 5A PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	March 31, 2019		March 31, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
- Indian (ICICI Bank Limited)	759,105,504	52.87	787,816,604	54.88
- Foreign (Prudential Corporation Holdings Limited)	317,517,279	22.11	370,784,884	25.83
<b>Others</b>	359,161,698	25.02	276,897,222	19.29
<b>Total</b>	<b>1,435,784,481</b>	<b>100.00</b>	<b>1,435,498,710</b>	<b>100.00</b>

## SCHEDULE – 6 RESERVES AND SURPLUS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	34,277,490	34,233,308
Revaluation reserve	233,264	214,989
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	19,842,696	16,933,615
<b>Total</b>	<b>54,353,450</b>	<b>51,381,912</b>

## SCHEDULE – 7 BORROWINGS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Schedules

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## SCHEDULE – 8 INVESTMENTS - SHAREHOLDERS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>LONG TERM INVESTMENT</b>		
<b>Government securities<sup>2,3</sup></b>	17,378,838	21,263,780
(Market value at March 31, 2019: ₹ 17,590,161 thousands)		
(Market value at March 31, 2018: ₹ 21,321,296 thousands)		
<b>Other approved securities</b>	5,621,575	6,601,212
(Market value at March 31, 2019: ₹ 5,628,456 thousands)		
(Market value at March 31, 2018: ₹ 6,608,289 thousands)		
<b>Other investments (approved investments)</b>		
Equity shares	9,334,395	6,828,688
(Historical value at March 31, 2019: ₹ 8,027,937 thousands)		
(Historical value at March 31, 2018: ₹ 5,972,752 thousands)		
Preference shares	187,672	253,402
(Market value at March 31, 2019: ₹ 204,278 thousands)		
(Market value at March 31, 2018: ₹ 279,733 thousands)		
Debentures/Bonds	4,424,835	3,905,174
(Market value at March 31, 2019: ₹ 4,513,329 thousands)		
(Market value at March 31, 2018: ₹ 4,003,283 thousands)		
CCIL deposit	146,829	204,229
(Market value at March 31, 2019: ₹ 146,829 thousands)		
(Market value at March 31, 2018: ₹ 204,229 thousands)		
Fixed deposits <sup>5</sup>	974,500	811,500
(Market value at March 31, 2019: ₹ 974,500 thousands)		
(Market value at March 31, 2018: ₹ 811,500 thousands)		
Property	3,884,275	3,866,000
(Historical value at March 31, 2019: ₹ 3,651,011 thousands)		
(Historical value at March 31, 2018: ₹ 3,651,011 thousands)		
<b>Investments in infrastructure/housing sector</b>		
<b>Other investments (approved investments)</b>		
Debentures/Bonds	14,725,266	13,553,834
(Market value at March 31, 2019: ₹ 15,102,126 thousands)		
(Market value at March 31, 2018: ₹ 13,932,133 thousands)		
Equity shares	857,791	1,485,817
(Historical value at March 31, 2019: ₹ 792,509 thousands)		
(Historical value at March 31, 2018: ₹ 1,289,606 thousands)		
<b>Other than approved investments</b>		
Equity shares	683	262,367
(Historical value at March 31, 2019: Nil)		
(Historical value at March 31, 2018: ₹ 354,086 thousands)		
<b>Other than approved investments</b>		
Debentures/Bonds	361,958	461,969
(Market value at March 31, 2019: ₹ 380,372 thousands)		
(Market value at March 31, 2018: ₹ 487,216 thousands)		
Equity shares	5,563,886	7,228,448
(Historical value at March 31, 2019: ₹ 5,278,698 thousands)		
(Historical value at March 31, 2018: ₹ 5,110,883 thousands)		
Mutual fund	1,108,250	-
(Historical value at March 31, 2019: ₹ 1,056,478 thousands)		
(Historical value at March 31, 2018: Nil)		
Preference shares	350,000	350,000
(Market value at March 31, 2019: ₹ 350,000 thousands)		
(Market value at March 31, 2018: ₹ 350,000 thousands)		
<b>SHORT TERM INVESTMENT</b>		
<b>Government securities</b>	-	2,873
(Market value at March 31, 2019: Nil)		
(Market value at March 31, 2018: ₹ 2,904 thousands)		
<b>Other approved securities</b>	50,319	-
(Market value at March 31, 2019: ₹ 50,316 thousands)		
(Market value at March 31, 2018: Nil)		
<b>Other investments (approved investments)</b>		
Debentures/Bonds	1,429,779	550,378
(Market value at March 31, 2019: ₹ 1,427,047 thousands)		
(Market value at March 31, 2018: ₹ 553,304 thousands)		

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(₹ '000)

Particulars	March 31, 2019	March 31, 2018
Fixed deposits <sup>4,5</sup> (Market value at March 31, 2019: ₹ 1,339,433 thousands) (Market value at March 31, 2018: ₹ 1,684,679 thousands)	1,339,433	1,684,679
Mutual fund (Historical value at March 31, 2019: ₹ 3,688,263 thousands) (Historical value at March 31, 2018: ₹ 2,647,757 thousands)	3,691,016	2,650,677
Triparty Repo/Collateralised borrowing and lending obligation (Market value at March 31, 2019: ₹ 3,589,371 thousands) (Market value at March 31, 2018: ₹ 2,018,101 thousands)	3,589,371	2,018,101
Commercial papers (Market value at March 31, 2019: ₹ 989,975 thousands) (Market value at March 31, 2018: Nil)	989,975	-
<b>Investments in infrastructure/housing sector</b>		
<b>Other investments (approved investments)</b>		
Debentures/Bonds (Market value at March 31, 2019: ₹ 2,846,526 thousands) (Market value at March 31, 2018: ₹ 2,953,606 thousands)	2,832,762	2,954,239
Commercial papers (Market value at March 31, 2019: ₹ 914,775 thousands) (Market value at March 31, 2018: ₹ 486,028 thousands)	914,775	486,028
<b>Other than approved investments</b>		
Debentures/Bonds (Market value at March 31, 2019: ₹ 99,946 thousands) (Market value at March 31, 2018: Nil)	99,972	-
Mutual fund investment of subsidiaries (Market value at March 31, 2019: ₹ 3,339 thousands) (Market value at March 31, 2018: ₹ 42,690 thousands)	3,321	42,545
<b>Total</b>	<b>79,861,476</b>	<b>77,465,940</b>
In India	79,861,476	77,465,940
<b>Total</b>	<b>79,861,476</b>	<b>77,465,940</b>

## Notes To Schedule - 8

(₹ '000)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Aggregate amount of Company's investments:		
	a) Other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	55,417,859	55,101,401
	b) Market value of above investments	56,147,441	55,696,303
	c) Aggregate amount of Company's investments in mutual fund, equity and investments in subsidiary and investment in property (at Historical cost)	22,498,217	19,068,640
2	Government Securities deposited with the Clearing Corporation of India Ltd (CCIL) as Settlement Guarantee Fund (SGF) deposit (Refer schedule 16 note 3.17)		
	a) Amortised cost	3,882,621	1,638,370
	b) Market value of above investment	3,941,950	1,643,650
3	Government Securities deposited with the Clearing Corporation of India Ltd (CCIL) as CCIL default fund deposit (Refer schedule 16 note 3.17)		
	a) Amortised cost	77,909	77,501
	b) Market value of above investment	80,728	79,200
4	Fixed Deposits towards margin requirement for equity trade settlement (Refer schedule 16 note 3.17)		
	a) Deposited with National Securities Clearing Corporation Limited (NSCCL)	1,000,000	1,000,000
	b) Deposited with Indian Clearing Corporation Limited (ICCL)	100,100	100,000
5	Fixed Deposits towards (Refer schedule 16 note 3.17)		
	a) Guarantee issued by the banks on behalf of the Company in favour of PFRDA	4,000	3,000
	b) Obtaining PoP registration certificate as per requirements of PFRDA (PoP) Regulations, 2018	2,000	Nil
	c) Margin requirement for equity trade settlement pertaining to Scheme E Tier I and II of ICICI Prudential Pension Funds Management Company Limited issued in favour of National Securities Clearing Corporation Limited	11,500	2,500
6	Investment in holding company at cost	399,654	399,654
7	Investment in subsidiary company at cost	Nil	Nil
8	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 schedule 16 note 3.18)	34,678	Nil
9	Investment made out of catastrophe reserve	Nil	Nil

Note:

Refer schedule 16 note 2.11 for accounting policy related to investments.

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.

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## SCHEDULE – 8A INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2019												
	Par Life	Par Pension	Non Par	Non Par Variable Life	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group Life	Linked Group Pension	Total
<b>LONG TERM INVESTMENT</b>													
<b>Government securities<sup>2,3</sup></b>	77,264,136	6,365,557	97,286,707	-	-	25,496,686	106,384	3,075,353	123,436	150,191	-	-	209,868,450
(Market value: ₹ 212,853,942 thousands)													
<b>Other approved securities</b>	11,326,806	460,982	4,617,894	42,489	-	407,325	40,013	1,174,203	51,578	103,545	103,934	-	18,328,769
(Market value: ₹ 18,116,133 thousands)													
<b>Other investments (approved investments)</b>													
Equity shares	26,985,701	1,145,221	28,309,042	-	-	-	-	-	-	-	-	-	56,439,964
(Historical value: ₹ 41,234,812 thousands)													
Preference shares	59,371	-	2,023	-	-	-	-	-	-	-	-	-	61,394
(Market value: ₹ 68,005 thousands)													
Debentures/Bonds	4,134,249	1,214,425	7,117,652	528,198	654,696	1,459,799	47,948	144,742	28,769	-	-	-	15,330,478
(Market value: ₹ 15,600,938 thousands)													
Property	416,800	416,800	-	-	-	-	-	-	-	-	-	-	833,600
(Historical value: ₹ 185,521 thousands)													
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	-	71
(Market value: ₹ 71 thousands)													
Fixed deposits	616,500	144,500	1,749,100	-	-	356,000	-	173,000	49,000	-	-	-	3,088,100
(Market value: ₹ 3,088,100 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Equity shares	2,395,127	106,058	2,437,009	-	-	-	-	-	-	-	-	-	4,938,194
(Historical value: ₹ 3,437,232 thousands)													
Debentures/Bonds	21,229,567	1,330,196	27,480,067	384,841	20,278	4,099,542	-	627,088	100,681	159,649	9,926	-	55,441,835
(Market value: ₹ 55,861,575 thousands)													
<b>Other than approved investments</b>													
Equity shares	305	-	700	-	-	-	-	-	-	-	-	-	1,005
(Historical value: Nil)													
Debentures/Bonds	199,936	-	-	-	-	-	-	-	-	-	-	-	199,936
(Market value: ₹ 202,453 thousands)													
<b>Other than approved investments</b>													
Equity shares	3,940,571	-	4,272,891	-	-	-	-	-	-	-	-	-	8,213,462
(Historical value: ₹ 7,106,526 thousands)													
Debentures/Bonds	201,219	-	244,202	-	-	-	-	-	-	-	-	-	445,421
(Market value: ₹ 435,736 thousands)													
Mutual fund	14,782	-	17,422	-	-	-	-	-	-	-	-	-	32,204
(Historical value: ₹ 26,725 thousands)													
<b>SHORT TERM INVESTMENT</b>													
<b>Government securities</b>	-	51,808	615,163	-	-	13,993	-	-	-	-	-	-	680,964
(Market value: ₹ 686,009 thousands)													
<b>Other approved securities</b>	4,547	-	-	-	-	-	-	250,399	-	-	-	-	254,946
(Market value: ₹ 254,903 thousands)													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	627,395	29,984	50,007	-	-	29,984	-	-	-	-	-	-	737,370
(Market value: ₹ 737,045 thousands)													
Certificate of deposits	467,103	-	-	-	-	-	-	-	-	-	-	-	467,103
(Market value: ₹ 467,103 thousands)													
Mutual fund	3,709,503	-	3,728,120	-	-	-	7,965	991,996	27,908	30,007	97,783	337,340	8,930,622
(Historical value: ₹ 8,923,005 thousands)													
Triparty Repo	33,956	371,807	1,209,784	6,493	58,999	839,607	-	-	-	-	-	-	2,520,646
(Market value: ₹ 2,520,646 thousands)													
Fixed deposits	9,900	-	1,750,000	-	-	-	-	100,000	-	50,000	100,000	-	2,009,900
(Market value: ₹ 2,009,900 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	1,713,831	144,932	4,844,223	-	-	516,018	-	1,940,145	24,992	-	100,362	-	9,284,503
(Market value: ₹ 9,335,670 thousands)													
Commercial papers	248,389	74,419	99,356	-	-	-	-	1,659,937	257,612	44,710	7,937	-	2,392,360
(Market value: ₹ 2,392,360 thousands)													
<b>Other than approved investments</b>													
Debentures/Bonds	50,103	-	100,358	-	-	-	-	-	-	-	-	-	150,461
(Market value: ₹ 150,000 thousands)													
Venture fund	60,005	-	-	-	-	-	-	-	-	-	-	-	60,005
(Market value: ₹ 76,701 thousands)													
<b>Total</b>	<b>155,709,802</b>	<b>11,856,689</b>	<b>185,931,720</b>	<b>962,021</b>	<b>733,973</b>	<b>33,218,954</b>	<b>202,310</b>	<b>10,136,914</b>	<b>663,994</b>	<b>538,102</b>	<b>419,944</b>	<b>337,340</b>	<b>400,711,763</b>
In India	155,709,802	11,856,689	185,931,720	962,021	733,973	33,218,954	202,310	10,136,914	663,994	538,102	419,944	337,340	400,711,763
<b>Total</b>	<b>155,709,802</b>	<b>11,856,689</b>	<b>185,931,720</b>	<b>962,021</b>	<b>733,973</b>	<b>33,218,954</b>	<b>202,310</b>	<b>10,136,914</b>	<b>663,994</b>	<b>538,102</b>	<b>419,944</b>	<b>337,340</b>	<b>400,711,763</b>

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## SCHEDULE – 8A INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2018												
	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 Life	Linked Group Pension	Total
<b>LONG TERM INVESTMENT</b>													
<b>Government securities<sup>2,3</sup></b>	67,766,380	6,036,755	82,642,284	-	-	19,891,211	142,875	4,143,472	242,025	146,678	-	-	181,011,680
(Market value: ₹ 181,138,895 thousands)													
Other approved securities	12,001,076	752,011	4,487,958	42,682	-	222,794	-	1,487,068	51,895	104,221	104,651	-	19,254,356
(Market value: ₹ 18,932,065 thousands)													
<b>Other investments (approved investments)</b>													
Equity shares	19,046,258	1,245,070	26,571,555	-	-	-	-	-	-	-	-	-	46,862,883
(Historical value: ₹ 28,326,109 thousands)													
Preference shares	79,568	-	2,487	-	-	-	-	-	-	-	-	-	82,055
(Market value: ₹ 93,124 thousands)													
Debentures/Bonds	2,386,947	1,154,893	5,540,381	377,047	105,049	635,369	47,575	194,632	78,537	-	50,051	-	10,570,481
(Market value: ₹ 10,835,625 thousands)													
Property	400,000	400,000	-	-	-	-	-	-	-	-	-	-	800,000
(Historical value: ₹ 185,521 thousands)													
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	-	71
(Market value: ₹ 71 thousands)													
Fixed deposits	626,400	144,500	1,555,600	-	-	356,000	-	173,000	49,000	-	-	-	2,904,500
(Market value: ₹ 2,904,500 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Equity shares	2,234,772	145,707	3,384,123	-	-	-	-	-	-	-	-	-	5,764,602
(Historical value: ₹ 3,666,799 thousands)													
Debentures/Bonds	14,664,601	1,099,901	17,083,498	485,359	20,308	1,712,493	99,987	1,470,076	175,867	159,469	110,183	-	37,081,742
(Market value: ₹ 37,342,726 thousands)													
<b>Other than approved investments</b>													
Equity shares	90,547	-	242,764	-	-	-	-	-	-	-	-	-	333,311
(Historical value: ₹ 411,253 thousands)													
Debentures/Bonds	209,967	-	-	-	-	-	-	-	-	-	-	-	209,967
(Market value: ₹ 211,945 thousands)													
<b>Other than approved investments</b>													
Equity shares	1,371,544	-	1,847,153	-	-	-	-	-	-	-	-	-	3,218,697
(Historical value: ₹ 3,240,912 thousands)													
Debentures/Bonds	251,939	-	343,922	-	-	-	-	-	-	-	-	-	595,861
(Market value: ₹ 594,355 thousands)													
<b>SHORT TERM INVESTMENT</b>													
<b>Government securities</b>													
(Market value: Nil)													
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-
(Market value: Nil)													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	385,599	65,237	305,011	-	-	-	-	-	-	-	-	-	755,847
(Market value: ₹ 757,640 thousands)													
Commercial papers	-	-	-	-	-	-	-	969,034	-	-	-	-	969,034
(Market value: ₹ 969,034 thousands)													
Mutual fund	4,035,420	-	9,096,558	-	-	-	5,308	748,316	52,686	50,593	104,528	302,076	14,395,485
(Historical value: ₹ 14,379,272 thousands)													
Collateralised borrowing and lending obligation	93,413	843,410	263,336	25,372	6,568	1,376,851	-	34,261	-	-	-	-	2,643,211
(Market value: ₹ 2,643,210 thousands)													
<b>Investments in infrastructure/housing sector</b>													
<b>Other investments (approved investments)</b>													
Debentures/Bonds	1,266,140	45,423	1,045,641	-	-	136,501	-	374,289	-	-	-	-	2,867,994
(Market value: ₹ 2,877,354 thousands)													
Commercial papers	-	-	737,714	-	-	-	-	476,587	385,676	-	-	-	1,599,977
(Market value: ₹ 1,599,977 thousands)													
Certificate of deposits	-	-	328,704	-	-	-	-	469,577	-	-	-	-	798,281
(Market value: ₹ 798,281 thousands)													
<b>Other than approved investments</b>													
Debentures/Bonds	50,125	-	-	-	-	-	-	-	-	-	-	-	50,125
(Market value: ₹ 49,867 thousands)													
Venture fund	118,359	-	-	-	-	-	-	-	-	-	-	-	118,359
(Market value: ₹ 141,190 thousands)													
<b>Total</b>	<b>127,079,055</b>	<b>11,932,907</b>	<b>155,478,689</b>	<b>930,460</b>	<b>131,925</b>	<b>24,331,219</b>	<b>295,745</b>	<b>10,540,363</b>	<b>1,035,704</b>	<b>460,961</b>	<b>369,415</b>	<b>302,076</b>	<b>332,888,519</b>
In India	127,079,055	11,932,907	155,478,689	930,460	131,925	24,331,219	295,745	10,540,363	1,035,704	460,961	369,415	302,076	332,888,519
<b>Total</b>	<b>127,079,055</b>	<b>11,932,907</b>	<b>155,478,689</b>	<b>930,460</b>	<b>131,925</b>	<b>24,331,219</b>	<b>295,745</b>	<b>10,540,363</b>	<b>1,035,704</b>	<b>460,961</b>	<b>369,415</b>	<b>302,076</b>	<b>332,888,519</b>

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## Notes to Schedule - 8A

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Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Aggregate amount of Company's investments:		
	a) Other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	321,322,711	261,513,541
	b) Market value of above investments	324,857,288	261,889,860
	c) Aggregate amount of Company's investments in mutual fund, equity and investments in subsidiary and investment in property (at Historical cost)	60,913,821	50,209,866
2	Government Securities deposited with the Clearing Corporation of India Ltd (CCIL) as Settlement Guarantee Fund (SGF) deposit (Refer schedule 16 note 3.17)		
	a) Amortised cost	206,859	2,362,521
	b) Market value of above investment	212,793	2,316,061
3	Investment in holding company at cost	149,870	149,870
4	Investment in subsidiary company at cost	Nil	Nil
5	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 schedule 16 note 3.18)	260,020	100,294
6	Investment made out of catastrophe reserve	Nil	Nil

Note:

Refer schedule 16 note 2.11 for accounting policy related to investments.

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.

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

(₹ '000)

Particulars	March 31, 2019					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	
<b>LONG TERM INVESTMENTS</b>						
<b>Government securities</b>	56,649,287	7,348,522	644,686	8,602,925	5,429,327	78,674,747
(Historical value: ₹ 76,823,962 thousands)						
<b>Other approved securities</b>	2,369,497	289,726	16,525	241,046	125,311	3,042,105
(Historical value: ₹ 3,063,021 thousands)						
<b>Other investments (approved investments)</b>						
Equity shares	432,196,210	53,851,725	4,647,040	3,828,263	3,608,367	498,131,605
(Historical value: ₹ 413,196,495 thousands)						
Preference shares	244,442	125,277	4,489	129,570	9,817	513,595
(Historical value: ₹ 437,141 thousands)						
Debentures/Bonds	22,573,148	6,808,970	441,426	6,050,155	4,389,699	40,263,398
(Historical value: ₹ 39,653,029 thousands)						
Fixed deposits	392,245	64,895	4,900	28,400	8,960	499,400
(Historical value: ₹ 499,400 thousands)						
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Equity shares	48,867,123	6,350,238	633,209	305,278	284,806	56,440,654
(Historical value: ₹ 48,861,064 thousands)						
Debentures/Bonds	58,241,281	10,777,730	776,255	10,106,411	7,075,101	86,976,778
(Historical value: ₹ 85,592,931 thousands)						
<b>Other than approved investments</b>						
Equity shares	2,302,775	112,625	4,720	7,927	7,456	2,435,503
(Historical value: ₹ 7,036,129 thousands)						
<b>Other than approved investments</b>						
Equity shares	53,046,195	6,475,835	579,915	436,133	399,088	60,937,166
(Historical value: ₹ 51,942,891 thousands)						
Debentures/Bonds	4,203	5,254	-	284,753	208,049	502,259
(Historical value: ₹ 503,363 thousands)						
Mutual fund	53,658,102	4,485,923	507,956	551,873	510,235	59,714,089
(Historical value: ₹ 50,271,130 thousands)						
<b>SHORT TERM INVESTMENTS</b>						
<b>Government securities</b>	68,679,297	2,714,916	102,925	2,715,548	3,478,512	77,691,198
(Historical value: ₹ 76,778,531 thousands)						
<b>Other approved securities</b>	2,152,814	200,473	-	-	-	2,353,287
(Historical value: ₹ 2,380,831 thousands)						
<b>Other investments (approved investments)</b>						
Debentures/Bonds	3,638,689	252,122	22,026	611,309	505,289	5,029,435
(Historical value: ₹ 5,031,746 thousands)						
Certificate of deposits	7,986,837	243,035	50,789	313,640	332,793	8,927,094
(Historical value: ₹ 8,874,112 thousands)						
Commercial papers	11,264,407	1,508,640	16,139	834,165	2,068,180	15,691,531
(Historical value: ₹ 15,530,312 thousands)						
Fixed deposits	170,700	23,600	-	12,400	-	206,700
(Historical value: ₹ 206,700 thousands)						
Triparty Repo	31,965,709	218,893	20,480	56,121	58,127	32,319,330
(Historical value: ₹ 32,301,949 thousands)						
Mutual fund	12,295,817	2,722,894	431,248	464,134	1,074,746	16,988,839
(Historical value: ₹ 16,974,931 thousands)						
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Debentures/Bonds	15,913,199	1,676,429	106,842	2,458,854	2,063,655	22,218,979
(Historical value: ₹ 22,058,104 thousands)						
Certificate of deposits	6,910,743	794,555	59,623	308,722	1,147,873	9,221,516
(Historical value: ₹ 9,147,167 thousands)						
Commercial papers	13,592,284	310,576	23,845	321,224	464,487	14,712,416
(Historical value: ₹ 14,428,734 thousands)						
<b>Other than approved investments</b>						
Debentures/Bonds	189,528	59,100	4,076	160,997	95,783	509,484
(Historical value: ₹ 500,000 thousands)						
Venture Fund	2,457	-	-	-	-	2,457
(Historical value: ₹ 5,089 thousands)						
<b>Net current asset</b>	12,752,716	692,375	82,404	1,084,512	842,564	15,454,571
<b>Total</b>	<b>918,059,705</b>	<b>108,114,328</b>	<b>9,181,518</b>	<b>39,914,360</b>	<b>34,188,225</b>	<b>1,109,458,136</b>
In India	918,059,705	108,114,328	9,181,518	39,914,360	34,188,225	1,109,458,136
<b>Total</b>	<b>918,059,705</b>	<b>108,114,328</b>	<b>9,181,518</b>	<b>39,914,360</b>	<b>34,188,225</b>	<b>1,109,458,136</b>

# Schedules

forming part of Consolidated financial statements (continued)

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

(₹ '000)

Particulars	March 31, 2018					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	
<b>LONG TERM INVESTMENTS</b>						
<b>Government securities</b>	73,927,692	10,444,619	623,544	7,692,184	4,878,884	97,566,923
(Historical value: ₹ 96,941,925 thousands)						
<b>Other approved securities</b>	14,037,748	1,576,806	122,699	986,243	616,515	17,340,011
(Historical value: ₹ 17,440,299 thousands)						
<b>Other investments (approved investments)</b>						
Equity shares	367,993,453	68,846,173	5,184,008	4,165,133	3,649,339	449,838,106
(Historical value: ₹ 358,453,332 thousands)						
Preference shares	268,232	143,051	6,147	272,429	13,443	703,302
(Historical value: ₹ 565,345 thousands)						
Debentures/Bonds	23,937,117	8,833,037	604,253	6,865,824	4,692,786	44,933,017
(Historical value: ₹ 44,938,468 thousands)						
Fixed deposits	557,495	106,095	4,900	22,310	800	691,600
(Historical value: ₹ 691,600 thousands)						
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Equity shares	69,624,526	12,936,769	978,434	778,304	703,925	85,021,958
(Historical value: ₹ 69,231,134 thousands)						
Debentures/Bonds	48,285,337	9,812,503	604,554	9,451,888	6,564,160	74,718,442
(Historical value: ₹ 74,281,673 thousands)						
<b>Other than approved investments</b>						
Equity shares	9,584,675	1,343,567	76,132	141,219	125,761	11,271,354
(Historical value: ₹ 15,554,247 thousands)						
Debentures/Bonds	-	-	-	30,579	10,193	40,772
(Historical value: ₹ 38,661 thousands)						
<b>Other than approved investments</b>						
Equity shares	24,357,637	3,970,364	271,201	363,151	311,757	29,274,110
(Historical value: ₹ 33,397,090 thousands)						
Debentures/Bonds	4,269	5,337	-	289,255	211,338	510,199
(Historical value: ₹ 503,363 thousands)						
Mutual fund	3,816,224	405	137	-	-	3,816,766
(Historical value: ₹ 2,945,661 thousands)						
<b>SHORT TERM INVESTMENTS</b>						
<b>Government securities</b>	16,898,904	346,277	3,473	181,449	1,035,629	18,465,732
(Historical value: ₹ 18,406,936 thousands)						
<b>Other approved securities</b>	8,242,602	41,874	-	-	-	8,284,476
(Historical value: ₹ 8,337,161 thousands)						
<b>Other investments (approved investments)</b>						
Debentures/Bonds	6,029,878	1,007,463	50,401	753,543	819,891	8,661,176
(Historical value: ₹ 8,673,361 thousands)						
Certificate of deposits	3,465,419	103,476	4,982	44,643	426,536	4,045,056
(Historical value: ₹ 4,004,701 thousands)						
Commercial papers	19,087,276	1,031,870	12,157	330,168	1,428,231	21,889,702
(Historical value: ₹ 21,517,556 thousands)						
Fixed deposits	113,354	5,003	28,800	89,600	13,243	250,000
(Historical value: ₹ 250,000 thousands)						
Collateralised borrowing and lending obligation	6,553,443	2,005,023	12,975	234,633	870,926	9,677,000
(Historical value: ₹ 9,669,885 thousands)						
Mutual fund	17,176,754	2,469,308	400,536	438,614	1,553,508	22,038,720
(Historical value: ₹ 22,012,371 thousands)						
Preference shares	11	-	-	-	-	11
(Historical value: ₹ 11 thousands)						
<b>Investments in infrastructure/housing sector</b>						
<b>Other investments (approved investments)</b>						
Debentures/Bonds	19,295,217	3,483,558	82,427	2,597,710	2,832,584	28,291,496
(Historical value: ₹ 28,315,024 thousands)						
Certificate of deposits	8,312,723	706,523	6,575	161,841	698,745	9,886,407
(Historical value: ₹ 9,809,505 thousands)						
Commercial papers	15,715,291	1,353,109	42,584	511,318	563,989	18,186,291
(Historical value: ₹ 17,984,283 thousands)						
<b>Other than approved investments</b>						
Venture Fund	6,243	-	-	-	-	6,243
(Historical value: ₹ 8,248 thousands)						
<b>Net current asset</b>	6,056,014	349,538	59,530	2,236,213	909,519	9,610,814
<b>Total</b>	<b>763,347,534</b>	<b>130,921,748</b>	<b>9,180,449</b>	<b>38,638,251</b>	<b>32,931,702</b>	<b>975,019,684</b>
In India	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684
<b>Total</b>	<b>763,347,534</b>	<b>130,921,748</b>	<b>9,180,449</b>	<b>38,638,251</b>	<b>32,931,702</b>	<b>975,019,684</b>

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## Notes to Schedule - 8B

(₹ '000)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
1	Aggregate amount of Company's investments:		
	a) Other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	395,247,357	363,135,328
	b) Market value of above investments	399,355,710	364,147,857
	c) Aggregate amount of Company's investments in mutual fund, equity and investments in subsidiary and investment in property (at Historical cost)	588,282,641	501,593,834
2	Investment in holding company at cost	Nil	1,948,658
3	Investment in subsidiary company at cost	Nil	Nil
4	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 schedule 16 note 3.18)	1,190,901	943,736
5	Investment made out of catastrophe reserve	Nil	Nil

Note:

Refer schedule 16 note 2.11 for accounting policy related to investments.

## SCHEDULE – 9

### LOANS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>1. Security-wise classifications</b>		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt Securities, etc.	-	-
(c) Loans against policies	2,701,858	1,450,588
(d) Others	-	-
Unsecured	-	-
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>
<b>2. Borrower wise classification</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Policyholders - Loans against policies	2,701,858	1,450,588
(f) Others	-	-
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>
<b>3. Performance-wise classification</b>		
(a) Loans classified as standard		
(aa) In India	2,701,858	1,450,588
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>
<b>4. Maturity-wise classification</b>		
(a) Short-term	32,849	36,072
(b) Long-term	2,669,009	1,414,516
<b>Total</b>	<b>2,701,858</b>	<b>1,450,588</b>

Note:- Refer note 2.12 of schedule 16 for accounting policy on loans

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 10 FIXED ASSETS

(₹ '000)

Particulars	Gross Block			Depreciation				Net Block		
	At April 1, 2018	Additions	Deductions	At March 31, 2019	At April 1, 2018	For the period	Deductions	At March 31, 2019	At March 31, 2019	At March 31, 2018
<b>Intangible assets</b>										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software <sup>1</sup>	1,237,692	51,337	45,547	1,243,482	1,051,305	91,578	42,700	1,100,183	143,299	186,387
<b>Tangible assets</b>										
Freehold land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Improvements to leasehold property	1,373,959	162,688	186,369	1,350,278	1,098,191	90,906	185,165	1,003,932	346,346	275,768
Office buildings on freehold land	1,924,731	201,757	-	2,126,488	24,245	35,952	-	60,197	2,066,291	1,900,486
Furniture and fixtures	303,618	58,960	23,368	339,210	231,763	27,368	17,596	241,535	97,675	71,855
Information technology equipment	489,674	69,404	91,543	467,535	385,754	81,529	86,388	380,895	86,640	103,920
Motor vehicles	93,823	30,165	37,318	86,670	27,307	16,690	13,825	30,172	56,498	66,516
Office equipment	473,198	81,809	54,998	500,009	338,635	69,769	50,592	357,812	142,197	134,563
Communication networks	642,024	537,091	31,599	1,147,516	240,025	153,406	31,298	362,133	785,383	401,999
<b>Total</b>	<b>7,436,986</b>	<b>1,193,211</b>	<b>470,742</b>	<b>8,164,468</b>	<b>3,392,212</b>	<b>567,198</b>	<b>427,564</b>	<b>3,536,859</b>	<b>4,627,609</b>	<b>4,044,774</b>
Capital work in progress including capital advances	-	-	-	-	-	-	-	-	129,413	175,848
<b>Total</b>	<b>7,436,986</b>	<b>1,193,211</b>	<b>470,742</b>	<b>8,164,468</b>	<b>3,392,212</b>	<b>567,198</b>	<b>427,564</b>	<b>3,536,859</b>	<b>4,757,022</b>	<b>4,220,622</b>
At March 31, 2018	5,140,059	2,430,607	133,680	7,436,986	3,074,646	436,827	119,261	3,392,212		

<sup>1</sup> All software are other than those generated internally.

Note:- Refer note 2.13 of schedule 16 for accounting policy on fixed assets.

## SCHEDULE – 11 CASH AND BANK BALANCES

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Cash (including cheques, drafts and stamps)*</b>	1,558,673	1,345,557
<b>Bank Balance</b>		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	5,045,298	687,807
(c) Unclaimed Dividend Accounts	6,435	4,768
<b>Money at call and short notice</b>		
(a) With Banks	-	-
(b) With other Institutions	-	-
<b>Others</b>	-	-
<b>Total</b>	<b>6,610,406</b>	<b>2,038,132</b>
<b>Balances with non-scheduled banks included above</b>	<b>1,317</b>	<b>1,637</b>
<b>Cash and Bank Balances</b>		
In India	6,602,939	2,031,989
Outside India	7,467	6,143
<b>Total</b>	<b>6,610,406</b>	<b>2,038,132</b>

\*includes cheques in hand amounting to ₹ 1,490,975 thousands (₹ 1,214,411 thousands as on March 31, 2018)

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 12 ADVANCES AND OTHER ASSETS

(₹ '000)

Particulars	March 31, 2019	March 31, 2018
<b>Advances</b>		
Reserve deposits with ceding companies	-	-
Application money for investments (including advance for investment property)	-	-
Prepayments	452,587	391,765
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation) (Refer note 3.5 & 2.14.1 of schedule 16)	2,323,032	2,104,605
Advances to Employees	579	-
Deposits		
Gross	361,330	323,320
Less: Provision for doubtful deposits	(16,627)	(31,744)
Net	344,703	291,576
Other advances		
Gross	722,186	260,757
Less: Provision for doubtful advances	(3,472)	(4,830)
Net	718,714	255,927
Other receivables		
Gross	647,736	719,176
Less: Provision for doubtful receivables	(9,438)	(19,753)
Net	638,298	699,423
<b>Total (A)</b>	<b>4,477,913</b>	<b>3,743,296</b>
<b>Other Assets</b>		
Income accrued on investments and deposits	11,043,313	9,243,737
Outstanding premiums	1,606,066	1,649,630
Agents' balances		
Gross	18,779	24,046
Less: Provision for doubtful agents' balance	(8,240)	(18,910)
Net	10,539	5,136
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	490,018	394,343
Deposit with Reserve Bank of India	-	-
Receivable towards investments sold	899,100	1,024,700
Goods & Service tax and Service tax un-utilised credit (Refer note 2.14.2 of Schedule 16)	1,581,187	946,975
Assets held for unclaimed amount of policyholders*	5,974,494	7,614,642
Income on unclaimed amount of policyholders (net of fund administration expenses)	678,337	482,269
<b>Total (B)</b>	<b>22,283,054</b>	<b>21,361,432</b>
<b>Total (A + B)</b>	<b>26,760,967</b>	<b>25,104,728</b>

\*excluding Income on unclaimed amount of policyholders (net of fund administration expenses).

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE – 13 CURRENT LIABILITIES

	(₹ '000)	
Particulars	March 31, 2019	March 31, 2018
Agents' balances	1,281,504	1,176,510
Balances due to reinsurance companies	90,130	99,700
Deposits held on re-insurance ceded	-	-
Premium received in advance	1,825,127	2,060,677
Unallocated premium	2,929,647	2,548,452
Sundry creditors	68,328	64,593
Due to holding company	990,410	863,165
Claims outstanding	2,872,289	2,548,024
Due to Officers/Directors	-	-
Deposits	79,935	88,475
Expenses payable (Refer note 2.15 of Schedule 16)	5,631,952	5,636,834
TDS payable	289,213	212,925
Payable towards investments purchased	782,197	2,029,546
Unclaimed amount of Policyholders <sup>1</sup> (Refer note 3.3 & 3.4 of schedule 16)	5,974,494	7,577,528
Interest on unclaimed amount of Policyholders	678,337	519,383
Payable to unit fund	8,506,833	4,583,407
Goods & Service tax/Service tax payable (Refer note 2.14.2 of Schedule 16)	2,084,448	1,643,143
Other liabilities <sup>2</sup>	2,304,068	2,601,763
<b>Total</b>	<b>36,388,912</b>	<b>34,254,125</b>

<sup>1</sup> excluding Interest on unclaimed amount of policyholders.

<sup>2</sup> Includes unclaimed dividend amounting to ₹ 6,435 thousands (₹ 4,768 thousands at March 31, 2018)

## SCHEDULE – 14 PROVISIONS

	(₹ '000)	
Particulars	March 31, 2019	March 31, 2018
For taxation	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
For leave encashment and gratuity	255,076	221,844
For interim dividend	-	-
<b>Total</b>	<b>255,076</b>	<b>221,844</b>

## SCHEDULE – 15 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	(₹ '000)	
Particulars	March 31, 2019	March 31, 2018
Discount allowed in issue of shares/debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Schedules

forming part of Consolidated financial statements (continued)

## SCHEDULE: 16

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

#### 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 promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited, 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, 2019.

The holding company carries on business of providing life insurance, pensions and health insurance products to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the 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, 2019. The Company has further obtained registration as Point of Presence (PoP) for NPS distribution and servicing for public at large through physical as well as online platform with effect from February 13, 2019. However, the Company has not started operations as PoP as at March 31, 2019.

#### 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, to the extent applicable and in accordance with the provisions of the Insurance Act, 1938 Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial

Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and 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 and except for changes in accounting policy mentioned below.

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 are considered as single premium.

###### 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.

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'.

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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 are 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 or Profit and Loss Account, when incurred.

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".

## Change in accounting policy

The subsidiary company was recognising the amortisation of premium or accretion of discount on debt securities over the remaining period to maturity on a straight line basis upto March 31, 2018. During the year ended March 31, 2019, the basis of amortisation of premium or accretion of discount has been changed from straight line method to yield to maturity (effective interest rate method) over the remaining period to maturity. Due to the change in method of amortisation, there is no change in income and corresponding value of investment of the previous year. Had the subsidiary continued straight line basis of amortisation, profit before tax would have been higher by ₹ 96 thousand.

### 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, fees and charges include policy reinstatement fee and loan processing fee which are recognised on receipt basis.

Interest income on loans is also included in fees and charges which is recognised on an accrual 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. It consists of costs like commission, stamp duty, policy issuance, employee cost and other related costs pertaining to the acquisition of insurance contracts. These costs 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

**Superannuation:** 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 holding company has no further obligation beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation Scheme.

**National Pension Scheme:** Further, the company for certain employees contributes to National Pension Scheme which is managed and administered by pension fund management companies licensed by the Pension Funds Regulatory and Development Authority ('PFRDA'). Contribution made to National Pension Scheme is charged to Revenue account and Profit and Loss Account, as applicable.

#### 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.

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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 by 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.

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 market price is the latest closing price, immediately prior to the grant date, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then, the stock exchange where there is highest trading volume on the said date is considered.

## 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, maturity and annuity 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. Claim settlement cost, legal & other fees shall also form part of claim cost wherever applicable.

Reinsurance claims are accounted for in the period in which the claim is intimated.

Repudiated claims and other claims disputed before the judicial authorities are provided for on prudent basis as considered appropriate by the management.

## 2.9. Actuarial liability valuation

The actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938 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 (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, 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.



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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 and equity exchange traded funds (ETF) 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.

Investments in reverse repo and tri-party repo are valued at cost plus interest accrued.

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 NSE (in case of securities not listed on NSE, the last quoted closing price on 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



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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.

Investments in reverse repo and tri-party repo are valued at cost plus interest accrued.

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 price as specified below.

- In case of equity, preference shares, ETFs and Government Securities market price of the latest trade.
- In case of securities mentioned in (a) if the trade has not taken place on the day of transfer and for all other securities not part of (a) previous day valuation 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.

Loans are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.

## 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 (years)
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 month 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

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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 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.

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.

### 2.14.2. Indirect taxes

Service tax or Goods and Services tax liability on life insurance service is set-off against the respective service tax and goods and 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)

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## 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.

## 2.20. Unclaimed amount 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 Regulations"), the Company has created a single segregated fund to manage all unclaimed monies.

Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date.

Assets held for unclaimed amount of policyholders and unclaimed amount of policyholders' liability are considered as Current Assets & Current Liabilities and disclosed in Schedule 12 "Advances and Other Assets" and Schedule 13 "Current Liabilities" respectively.

Income on unclaimed amount of policyholders is accreted to the unclaimed fund and is accounted for on an accrual basis, net of fund management charges.

Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above mentioned Regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

## 3. Notes to Accounts

### 3.1. Contingent liabilities

	(₹ '000)	
Particulars	At March 31, 2019	At March 31, 2018
Partly-paid up investments*	2,000,000	-
Claims, other than those under policies, not acknowledged as debts comprising of:		
-Claims made by vendors for disputed payments	1,034	1,066
-Claims for damages made by landlords (of premises taken on lease)	41,599	37,971
-Claims made by employees and advisors for disputed dues and compensation	8,082	8,930
Underwriting commitments outstanding (in respect of shares and securities)	-	-
Guarantees given by or on behalf of the Company by various banks in favour of government authorities, hospital and court	-	-
Statutory demands/liabilities in dispute, not provided for <sup>#</sup>	1,536,996	1,536,996
Reinsurance obligations to the extent not provided for	-	-
Policy related claims under litigation in different consumer forums:		
-Claims for service deficiency	73,889	89,959
-Claims against repudiation	369,108	308,096
<b>Total</b>	<b>4,030,708</b>	<b>1,983,018</b>

\*in respect of partly paid secured debentures

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\*amount pertains to objections raised by office of the Commissioner of Service tax, Goods and Service tax Mumbai on certain tax positions taken by the Company.  
Note:

- 1) As per IRDAI circular IRDA/F&A/CIR/Misc/173/07/2017 dated July 25, 2017, unclaimed amount of policyholders with ageing more than 120 months transferred to Senior Citizens' Welfare Fund (SCWF), amounting to ₹ 48,166 thousand, was shown as contingent liability at March 31, 2018. However, IRDAI via circular IRDA/F&A/CIR/Misc/105/07/2018 dated July 11, 2018 has withdrawn this disclosure requirement, with immediate effect. Hence amount transferred to SCWF is not reported in the above disclosure.
- 2) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employment Provident Fund Act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

### 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 higher 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 contracts wherein there is a possibility of lag of intimation of claims.

The unit liability in respect of linked business is the value of the units standing to the credit of policyholders, using the Net Asset Value ('NAV') prevailing at the valuation date.

A brief of the assumptions used in actuarial valuation is as below:

- a) The interest rates used for valuing the liabilities are in the range of 4.44% to 6.48% per annum. The interest rates used at March 31, 2018 were in the range of 4.66% to 6.13% per annum.
- b) Mortality rates used are based on the published "Indian Assured Lives Mortality (2006 – 2008) Ult." mortality table for assurances and LIC (a) 96-98 table for annuities adjusted to reflect expected

experience. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates provided by reinsurers.

- c) Expenses are provided for at least at the current levels in respect of renewal expenses, with no allowance for any future improvement but with an allowance for any expected worsening.
- d) Per policy renewal expenses are assumed to inflate at 4.19% per annum. The expense inflation assumption used at March 31, 2018 was 4.38%.
- e) No allowance is made for expected lapses in the future.
- f) The bonus rates for participating business to be declared in the future is consistent with the valuation assumptions.
- g) The tax rate applicable for valuation at March 31, 2019 is 14.56% p.a.

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

- a) Reserves for additional expenses that the Company may have to incur if it were to close to new business twelve months after the valuation date.
- b) Reserves for guarantees available to individual and group insurance policies.
- c) Reserves for cost of non-negative claw back additions.
- d) Reserves for free look option given to policyholders calculated using a free look cancellation rate of 3.50%. The free look cancellation assumption used at March 31, 2018 was 2.10%.
- e) 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".

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## Reconciliation of unclaimed amounts of policyholders:

In accordance with master circular IRDA/F&A/Misc/173/07/2017 issued by the IRDAI on July 25, 2017, the details of unclaimed amounts and investment income at March 31, 2019 is tabulated as below:

Particulars	(₹ in lacs)*	
	For year ended March 31, 2019	For year ended March 31, 2018
Opening balance at April 01	80,969	65,904
Add: Amount transferred to unclaimed fund	53,724	233,687
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (stale cheques)	2,564	3,584
Add: Investment income (Net of FMC)	4,904	4,823
Less: Amount paid out of unclaimed fund	(75,198)	(226,548)
Less: Transfer to senior citizen welfare fund	(435)	(482)
<b>Closing balance at March 31</b>	<b>66,528</b>	<b>80,969</b>

\*amount disclosed in lacs in accordance with IRDAI master circular No. IRDA/F&A/CIR/Misc/173/07/2017

## 3.4. Age wise analysis of unclaimed amount of policyholders

In accordance with master circular IRDA/F&A/Misc/173/07/2017 issued by the IRDAI on July 25, 2017, the age wise analysis of unclaimed amount of the policyholders is tabulated as below:

### For the year ended March 31, 2019

Particulars	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	7-12	13-18	19-24	25-30	31-36	36-120
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the insured/policyholders:	35	2	23	10	-	-	-	-
Sum due to the policyholders/beneficiaries on maturity or otherwise	21,084	95	8,185	7,456	2,120	1,373	540	1,315
Any excess collection of the premium/tax or any other charges which is refundable to the policyholder / beneficiaries 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:	313	209	61	13	11	5	1	13
Cheques issued but not encashed by the policyholder / beneficiaries**	44,851	227	7,387	6,814	4,303	4,059	1,794	20,267
<b>Total</b>	<b>66,283</b>	<b>533</b>	<b>15,656</b>	<b>14,293</b>	<b>6,434</b>	<b>5,437</b>	<b>2,335</b>	<b>21,595</b>

### For the year ended March 31, 2018

Particulars	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	7-12	13-18	19-24	25-30	31-36	36-120
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the insured/policyholders:	411	411	-	-	-	-	-	-
Sum due to the policyholders/beneficiaries on maturity or otherwise	26,671	16,672	4,293	2,864	750	515	535	1,042
Any excess collection of the premium/tax or any other charges which is refundable to the policyholder / beneficiaries 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:	416	363	39	5	6	2	-	1
Cheques issued but not encashed by the policyholder / beneficiaries**	53,242	8,348	10,886	7,867	2,924	2,496	578	20,143
<b>Total</b>	<b>80,740</b>	<b>25,794</b>	<b>15,218</b>	<b>10,736</b>	<b>3,680</b>	<b>3,013</b>	<b>1,113</b>	<b>21,186</b>

\*amount disclosed in lacs in accordance with IRDA/F&A/CIR/Misc/173/07/2017

\*\*cheques issued but not encashed by policyholder/beneficiary do not include cheques which are within the validity period.

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The above unclaimed amount of policyholders does not include ₹ 245 Lacs having ageing beyond 120 months, which shall be transferred to Senior Citizens' Welfare Fund (SCWF) on or before March 01, 2020 in accordance with IRDAI Master circular No. IRDA/F&A/CIR/Misc/173/07/2017 on "Unclaimed Amount of Policyholders" dated July 25, 2017 read with rule 3 (6) of Senior Citizens' Welfare Fund Rules, 2016. For the previous year ended March 31, 2018 the above unclaimed amount of policyholders does not include ₹ 229 Lacs having ageing beyond 120 months paid on February 28, 2019.

## 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, 2019 is ₹ 1,355,010 thousand (year ended March 31, 2018: ₹ 2,198,077 thousand).

The provision for current tax includes an amount of ₹ 1,131,829 thousand for the year ended March 31, 2019 (year ended March 31, 2018: ₹ 1,200,710 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 ₹ 223,181 thousand for the year ended March 31, 2019 (year ended March 31, 2018: ₹ 997,367 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, 2019 is summarised below:

(₹ '000)			
Deferred tax assets on	At April 1, 2018	(Charge)/ Credit for the period	At March 31, 2019
Linked funds for future appropriation	463	(17)	446

Deferred tax charge for the year ended March 2019 is ₹ 17 thousand (Deferred tax credit for year ended March 31, 2018: ₹ 43 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, 2019 is ₹ 542,414 thousand (year ended March 31, 2018: ₹ 526,130 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, 2019 is ₹ 31,540 thousand (year ended March 31, 2018: ₹ 32,297 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

(₹ '000)		
Particulars	At March 31, 2019	At March 31, 2018
Not later than one year	31,500	33,518
Later than one year but not later than five years	18,375	53,071
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, 2019 is ₹ 167,973 thousand (year ended March 31, 2018: ₹ 179,305 thousand).

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## 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
<b>Holding company</b>	ICICI Bank Limited
<b>Substantial interest</b>	Prudential Corporation Holdings Limited
<b>Fellow subsidiaries and entities jointly controlled by holding company</b>	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
	ICICI Foundation for Inclusive Growth
<b>Consolidated under AS-21 by holding company</b>	ICICI Strategic Investments Fund
<b>Significant influence</b>	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
<b>Key management personnel as per AS-18 disclosure</b>	N. S. Kannan, Managing Director and CEO (w.e.f. June 19, 2018)
	Sandeep Bakhshi, Managing Director and CEO (upto June 18, 2018)
	Puneet Nanda, Deputy Managing Director
	Sandeep Batra, Executive Director (upto July 11, 2018)
	Asha Murali, Appointed Actuary

### Relatives of Key management personnel as per AS-18 disclosure

Name of relationship	Name of the related party				
Relatives of KMP	Mr. N. S. Kannan (w.e.f June 19, 2018)	Mr. Sandeep Bakhshi (upto June 18, 2018)	Mr. Puneet Nanda	Mr. Sandeep Batra (upto July 11, 2018)	Ms. Asha Murali
Spouse	Kumudalakshmi Rangarajan	Mona Bakhshi	Deepti Nanda	Deepa Batra	P. A. Murali
Parent	Narayanan Sudha	Swarn Bakhshi	Kul Bhushan Nanda Asha Nanda	Veena Batra	P. S. Nagaraj
Brother/ Sister	Narayanan Raghunathan Narayanan Rangarajan	Sameer Bakhshi	Pankaj Nanda	Vivek Batra	Rekha Somayajula Krishna Nagaraj
Children	Aditi Kannan	Shivam Bakhshi Esha Thakurta Minal Bakhshi	Rikhil Nanda Rishita Nanda	Arushi Batra Pranav Batra	Rajiv Murali



# Schedules

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

(₹ '000)

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (payable)	
			FY 2019	FY 2018	At March 31, 2019	At March 31, 2018
ICICI Bank Limited	Holding company	Premium income	3,758,473	1,060,445	(255,548)	(75,745)
		Benefits paid	(397,265)	(184,667)	(40,360)	(375)
		Interest income on investments	53,731	193,183	20,041	91,616
		Recovery of expenses				
		- Employees' remuneration and welfare benefits	9,030	8	534	8
		- Recovery of IPO expenses	-	2,404	-	-
		- Information technology cost	618	1,459	551	440
		Reimbursement of other expenses				
		- Legal and professional charges	(15,696)	(11,866)	(18,389)	(10,366)
		- Employees' remuneration and welfare benefits	(14,462)	(1,180)	(587)	-
		- Rent, rates and taxes	(707)	(543)	(273)	(106)
		- Information technology cost	(273,467)	(220,371)	(96,143)	(73,823)
		Commission expenses	(9,760,197)	(8,766,983)	(563,642)	(682,279)
		Bank charges	(62,334)	(53,331)	(19,334)	(20,993)
		Sale of fixed assets	20,886	-	2,703	-
		Purchase of fixed asset	(1,314)	-	-	-
		Purchase of investments	(19,144,568)	(16,353,936)	-	-
		Sale of investments	3,325,863	6,046,925	-	-
		Security deposit outstanding			75	75
		Outstanding investments			549,332	2,444,207
		Cash & bank balances			3,583,175	(1,150,539)
		Dividend paid			-	-
		ICICI Securities Limited	Fellow subsidiary	Premium income	3,200	5,464
Benefits paid	-			(180)	-	-
Recovery of expenses						
- Rent, rates and taxes	2,211			1,937	419	-
- Information technology cost	59			234	53	170
Reimbursement of other expenses						
- Rents, rates and taxes	(353)			(376)	(34)	-
- Employees' remuneration and welfare benefits	(2,370)			(75)	-	-
Agents training, recruitment and incentives	(36,162)			-	(6,800)	-
Commission expenses	(474,239)			(482,593)	(64,711)	(52,366)
Brokerage	(39,548)			(30,644)	(995)	(2,235)
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Sale of fixed assets	-	1,177	-	-
		Premium income	525	526	(760)	(730)
ICICI Home Finance Company Limited	Fellow subsidiary	Sale of fixed assets	66	-	-	-
		Premium income	332,097	-	(9,444)	-
		Claims	(3,354)	-	-	-
		Interest income on investments	34,019	74,800	-	40,781
		Recovery of expenses				
		- Rent, rates and taxes	2,410	2,410	2,844	-
		Commission expenses	(19,730)	(11,554)	(2,971)	(1,048)
		Sale of fixed assets	63	-	-	-
		Sale of investments	1,107,633	-	-	-
		Outstanding investments	-	-	-	999,252

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Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/ (payable)	
			FY 2019	FY 2018	At March 31, 2019	At March 31, 2018
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	454	494	(224)	(197)
		Interest income on investments	57,125	57,125	30,867	30,867
		Purchase of investments	(18,819,320)	(15,838,599)	-	-
		Sale of investments	268,073	5,859,871	-	-
		Outstanding investments	-	-	619,723	623,696
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	13,369	8,874	(2,028)	(1,387)
		Benefits paid	(2,755)	(3,050)	-	(50)
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	11,924	9,250	(1,642)	(1,525)
		Benefits paid	(3,326)	(4,350)	-	-
		Claims received	446	114	-	-
		Reimbursement of other expenses	-	-	-	-
		- Rent, rates and taxes	-	(907)	-	(366)
		Premium expense	(211,003)	(258,894)	48,192	55,441
		Purchase of investments	(952,784)	(4,511,052)	-	-
		Sale of investments	1,053,200	3,978,445	-	-
		Purchase of fixed asset	(23)	-	-	-
		Security deposit outstanding	-	-	-	242
Prudential Corporation Holdings Limited	Substantial Interest	Recovery of expenses	-	-	-	-
		Travel cost	-	95	-	-
		Reimbursement of other expenses	-	-	-	-
		- Travel cost	(76)	-	-	-
		- Agents training, recruitment and incentives	(20,910)	(19,351)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Dividend paid	(1,816,846)	(2,558,416)	-	-
		Premium income	281,034	178,580	(2,617)	(1,406)
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Contribution to trust	(190,635)	(191,680)	(49,120)	-
		Premium income	11,132	9,879	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(11,132)	(8,086)	-	-
		Contribution to trust	(125,970)	(133,552)	(35,752)	(35,952)
ICICI Foundation for Inclusive Growth	Entities controlled by Holding Company	Premium income	341	315	(21)	(6)
		Contribution for CSR activity	(172,575)	(172,769)	-	-
Key management personnel*	Key management personnel	Premium income	1,713	4,011	-	-
		Dividend paid	(1,781)	(2,665)	-	-
		Managerial remuneration	(212,592)	(196,055)	-	-
		Employee stock options outstanding (numbers)	-	-	401,100	561,500
		Employee stock options exercised (numbers)	214,000	35,000	-	-
Key management personnel	Relatives of key management personnel	Premium income	246	101	-	-
		Dividend paid	-	(6)	-	-

\*Transactions with Mr. Judhajt Das, (Chief HR) have been reported till June 30, 2018

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## 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, 2019

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 Life			Linked Group Pension
Segment revenue (excluding contribution from the Shareholders' account)	45,321,952	1,323,351	51,284,438	310,815	666,853	9,193,949	298,975	273,339,992	11,375,939	1,032,312	9,449,337	5,132,664	6,536,147	415,266,724
Segment result - Surplus/ Deficit after tax (net of contribution from the Shareholders' account)	1,876,873	283,642	(2,625,325)	(12,786)	(8,261)	(5,983)	(32,527)	5,655,712	2,057,100	(269,291)	38,512	103,145	5,890,917	12,951,728
Depreciation/ Amortisation	55,202	166	51,157	40	69	4,920	1,959	447,107	4,340	790	856	524	68	567,198
Significant non-cash expenses*	28,980,661	(7,548)	38,567,588	25,611	657,840	7,155,396	147,301	154,382,464	(23,057,344)	640,166	1,279,981	1,256,544	-	210,028,460

\* 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

### For the year ended March 31, 2018

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 Life			Linked Group Pension
Segment revenue (excluding contribution from the Shareholders' account)	42,597,324	1,717,779	39,432,577	439,257	20,507	5,029,160	319,059	255,162,740	22,688,221	1,763,475	7,341,925	4,909,502	7,469,375	388,890,901
Segment result - Surplus/ Deficit after tax (net of contribution from the Shareholders' account)	2,953,866	304,677	2,051,884	6,531	729	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	6,052,252	18,931,349
Depreciation/ Amortisation	50,378	180	30,448	65	1	2,084	2,052	343,759	5,287	739	1,081	686	283	437,043
Significant non-cash expenses*	25,878,589	70,600	28,275,628	41,830	2,270	4,114,254	(114,887)	118,927,565	(27,466,713)	780,167	2,097,175	1,950,211	-	154,556,689

\* comprises of Change in valuation of policy liabilities, Provisions for diminution in the value of investments (Net), Provision for doubtful debts and Bad debts written off

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## 3.10. Employee benefits

### Provision for staff benefits as per AS 15 (Revised):

#### (a) Defined contribution plans

The following has been recognised as an expense during the year under defined contribution plans.

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Superannuation Scheme	11,132	8,086
Contribution to National Pension Scheme	13,001	15,284
Contribution to Employee Deposit Linked Insurance Scheme	8,075	7,460
Contribution to Employee State Insurance Corporation Scheme	81,686	72,365

#### (b) Defined benefit plans

##### (i) Gratuity

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	1,210,035	1,099,789
Fair value of plan assets at period end (B)	1,160,915	1,076,895
<b>Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)</b>	<b>(49,120)</b>	<b>(22,893)</b>
<b>Total net cost recognised as employee remuneration in Revenue / Profit &amp; loss account</b>	<b>193,689</b>	<b>101,213</b>
<b>Change in defined benefit obligation:</b>		
Opening obligations at April 1	1,099,789	1,007,930
Service cost	113,885	107,300
Interest cost	80,646	69,557
Actuarial (gain)/loss	75,027	(5,544)
Past service costs	-	-
Liability assumed on acquisition/(settled on divestiture)	(40,654)	-
Benefits paid	(118,658)	(79,454)
<b>Present value of the defined benefit obligations at period end (A)</b>	<b>1,210,035</b>	<b>1,099,789</b>
<b>Change in plan asset:</b>		
Opening plan assets, at fair value at April 1	1,076,895	980,154
Expected return on plan assets	76,534	71,087
Actuarial gain/(loss)	(664)	(986)
Contributions	167,462	106,095
Assets acquired on acquisition/(settled on divestiture)	(40,654)	-
Benefits paid	(118,658)	(79,454)
<b>Fair value of plan assets at period end (B)</b>	<b>1,160,915</b>	<b>1,076,895</b>
<b>Cost for the period:</b>		
Service cost	113,885	107,300
Interest cost	80,646	69,557
Expected return on plan assets	(76,534)	(71,087)
Actuarial (gain)/loss	75,691	(4,558)
Past service cost	-	-
Losses/(gains) on acquisition/divestiture	-	-
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	<b>193,689</b>	<b>101,213</b>

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Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Investment details of plan assets:</b>		
Plan assets invested in insurer managed funds	100.00%	100.00%
Fund earning rate	6.39%	5.91%
Asset allocation:		
- Debentures and bonds	49.20%	51.49%
- Fixed deposits	0.11%	0.10%
- Government securities	22.62%	23.66%
- Equity shares	14.90%	15.87%
- Money market instruments	9.63%	1.08%
- Others	3.54%	7.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Assumptions:</b>		
Discount rate	6.95%	7.35%
Salary escalation rate*	8.50%	8.50%
Estimated rate of return on plan assets <sup>#</sup>	7.50%	7.50%
Expected future contribution from employer for next year	120,000	120,000

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

<sup>#</sup> 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)				
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Defined benefit obligation	1,210,035	1,099,789	1,007,930	787,608	656,645
Plan assets	1,160,915	1,076,895	980,154	747,780	621,030
Surplus/(deficit)	(49,120)	(22,893)	(27,776)	(39,828)	(35,615)
Experience adjustments					
- on plan liabilities	37,556	26,665	56,420	60,235	(5,301)
- on plan assets	(664)	(986)	55,484	(30,130)	61,489

## (ii) 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, 2019	Year ended March 31, 2018
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	3,737,574	3,379,146
Fair value of plan assets at period end (B)	3,737,574	3,379,146
<b>Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)</b>	<b>-</b>	<b>-</b>
<b>Total net cost recognised as "Employee benefit expense" in Revenue and Profit and loss account</b>	<b>135,502</b>	<b>122,122</b>
<b>Change in defined benefit obligation:</b>		
Opening defined benefit obligations	3,379,146	2,983,343

# Schedules

forming part of Consolidated financial statements (continued)

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	135,502	122,122
Interest cost	247,510	202,746
Actuarial (gain)/loss	40,023	74,729
Employees contribution	281,870	263,595
Liability assumed on acquisition / (Settled on divestiture)	(52,157)	(19,565)
Benefits paid	(294,320)	(247,824)
<b>Closing defined benefit obligation</b>	<b>3,737,574</b>	<b>3,379,146</b>
<b>Change in fair value of assets:</b>		
Opening value of plan assets	3,379,146	2,983,343
Expected return on plan assets	283,970	262,192
Actuarial gain/(loss)	3,563	15,283
Contributions – Employer	135,502	122,122
Contributions – Employee	281,870	263,595
Assets acquired on acquisition / (Distributed on divestiture)	(52,157)	(19,565)
Benefits paid	(294,320)	(247,824)
<b>Closing value of plan assets</b>	<b>3,737,574</b>	<b>3,379,146</b>
<b>Cost for the period:</b>		
Service cost	135,502	122,122
Interest cost	247,510	202,746
Expected return on plan assets	(283,970)	(262,192)
Actuarial (gain)/loss	36,460	59,446
<b>Total net cost recognised as employee "Employee benefit expense" in Revenue and Profit and loss account</b>	<b>135,502</b>	<b>122,122</b>
<b>Investment details of plan assets:</b>		
Government of India securities	56.00%	54.00%
Corporate bonds	35.00%	36.00%
Equity shares of listed companies	5.00%	0.00%
Others	4.00%	10.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Experience adjustments

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Defined benefit obligation	3,737,574	3,379,146	2,983,343	2,655,621	2,354,199
Plan assets	3,737,574	3,379,146	2,983,343	2,655,621	2,354,199
Surplus/(deficit)	-	-	-	-	-
Experience adjustments:					
- on plan liabilities	40,023	74,729	53,775	37,592	8,487
- on plan assets	3,563	15,283	20,430	7,835	4,431

# Schedules

forming part of Consolidated financial statements (continued)

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

Particulars	At March 31, 2019	At March 31, 2018
Discount rate for the term of the obligation	6.95%	7.35%
Average historic yield on the investment portfolio	8.91%	8.95%
Discount rate for the remaining term to maturity of the investment portfolio	7.65%	8.05%
Expected investment return	8.21%	8.25%
Guaranteed rate of return	8.65%	8.55%
Expected future contribution	146,342	131,891

## (c) Other long term benefits

### (i) Long term incentive scheme:

The amount recognised as an expense during the year ended March 31, 2019 is ₹ 148,796 thousand (year ended March 31, 2018: ₹ 143,577 thousand)

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, 2019	At March 31, 2018
Discount rate	6.65%	6.80%

### (ii) Compensated absence:

The amount recognised as an expense during the year ended March 31, 2019 is ₹ 96,014 thousand (year ended March 31, 2018: ₹ 80,893 thousand).

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, 2019	At March 31, 2018
Discount rate	6.95%	7.35%
Salary escalation rate	8.50%	8.50%

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.

## 3.11. 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 shares of the Company at the time of grant of options. 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)) were approved by the shareholders of the Company in the Annual General Meeting held on July 17, 2017. Further the company granted options in four more tranches in FY2018 and FY2019 under ESOS 2005 (Revised), namely, 2017-18, 2018-19, 2018-19 Special Options and 2018-19 Joining Options.

The Company follows intrinsic value method and hence there was no charge in the Revenue Account and Profit and Loss account on account of new grants during the year.

# Schedules

forming part of Consolidated financial statements (continued)

The salient features of tranches issued under ESOS 2005 which have options outstanding as at March 31, 2019 are as stated below:

Date of Grant	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008	2017-18 July 25, 2017	2018-19 April 24, 2018	2018-19 Special Options April 24, 2018	2018-19 Joining Options January 22, 2019
Number of options granted	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000	656,300	2,167,900	4,980,250	156,000
Maximum term for exercising the options granted	Thirteenth anniversary of the date of grant of options	Tenth anniversary of the date of grant of options	Exercise period would commence from the date of vesting and expire on completion of ten years from the date of vesting of options	Five years from date of vesting of stock options		
<b>Graded Vesting Period</b>						
1st Year	25% of options granted		30% of options granted		-	30% of options granted
2nd Year	25% of options granted		30% of options granted		-	30% of options granted
3rd Year	25% of options granted		40% of options granted		50% of options granted	40% of options granted
4th Year	25% of options granted		-		50% of options granted	-
<b>Mode of settlement</b>	Equity					

Exercise price of all the options outstanding for all years for 2006-07 scheme, Founder II, 2007-08, 2017-18, 2018-19, 2018-19 Special Options and 2018-19 Joining Options scheme is ₹ 130, ₹ 130, ₹ 400, ₹ 468.6, ₹ 388.4, ₹ 388.4 and ₹ 351.65 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, 2019		Year ended March 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,820,888	382.70	2,398,838	352.49
Add: Granted during the period	7,304,150	387.62	656,300	468.60
Less: Forfeited/lapsed during the period	(2,115,950)	399.14	(82,650)	410.92
Less: Exercised during the period	(285,771)	164.60	(151,600)	261.08
<b>Outstanding at the end of the period</b>	<b>7,723,317</b>	<b>390.92</b>	<b>2,820,888</b>	<b>382.70</b>
Exercisable at the end of the year*	273,037	355.79	2,193,488	358.13

\*vested options available for exercise at March.

Out of the total outstanding ESOS of the previous year, 188,220 options are vested during the year ended March 31, 2019 and ₹ 47,039 thousand was realised by exercise of options during the year ended March 31, 2019. During the year ended March 31, 2019 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2018: ₹ nil) as the intrinsic value of the options.

Had the company followed fair value method based on binomial tree model valuing its options compensation cost for the year ended would have been higher by ₹ 316,760 thousand (March 31, 2018: ₹ 39,667 thousand) and the proforma profit after tax would have been ₹ 11,072,502 thousand (March 31, 2018: ₹ 16,151,986 thousand). On a proforma basis, the company's basic and diluted earnings per share would have been ₹ 7.71 (March 31, 2018: ₹ 11.26) and ₹ 7.71 (March 31, 2018: ₹ 11.25) respectively.

## Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year are as below:

Particulars	March 31, 2019	March 31, 2018	Basis
Risk-free interest rate	7.34% to 8.08%	6.68% to 6.96%	G-Sec yield at grant date for tenure equal to the expected term of ESOPs
Expected life of the options	3.50 to 6.50 years	6 to 8 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	1.16% to 1.28%	0.96%	Based on recent dividend declared
Expected volatility	13.21% to 14.89%	15.82% to 16.39%	Based on historical volatility determined on the basis of Nifty 50

The weighted average price of options exercised during the year ended March 31, 2019 is ₹ 164.60 (year ended March 31, 2018: ₹ 261.08).

# Schedules

forming part of Consolidated financial statements (continued)

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, 2019		At March 31, 2018	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
130	90,967	1.1	340,113	2.1
400	-	-	1,853,375	0.1
468.6	606,900	10.4	627,400	11.4
388.4	6,869,450 <sup>1</sup>	7.1	-	-
351.65	156,000	6.9	-	-
<b>Total</b>	<b>7,723,317</b>	<b>7.3</b>	<b>2,820,888</b>	<b>2.8</b>

<sup>1</sup>Includes FY2018-19 options and FY2018-19 special options

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, 2019, for the options granted to employees of the Company (year ended March 31, 2018: ₹ 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 fluctuation loss debited to Revenue account for the year ended March 31, 2019 is ₹ 2,157 thousand (year ended March 31, 2018: ₹ 1,367 thousand).

(Refer note 2.17 of Schedule 16 for accounting policy on foreign exchange transactions)

### 3.13. Earnings per share

		(₹ '000)	
Sr. No.	Particulars	At March 31, 2019	At March 31, 2018
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	11,389,262	16,191,653
II	Weighted average number of equity shares for earnings per equity share		
	(a) For basic earnings per equity share	1,435,638,208	1,435,429,351
	(b) For diluted earnings per equity share		
	Number of equity shares for basic earnings per equity share as per (II) (a)	1,435,638,208	1,435,429,351
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	141,473	256,567
	Weighted number of equity shares for diluted earnings per equity share	1,435,779,681	1,435,685,918
III	Earnings per equity share		
	Basic (in ₹)	7.93	11.28
	Diluted (in ₹)	7.93	11.28
	Face Value (in ₹)	10.00	10.00

### 3.14. Commitments

Commitments made and outstanding (net of advances) for Company's investment in real estate (Investment property) is ₹ nil (March 31, 2018 ₹ nil).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 150,970 thousand (March 31, 2018: ₹ 346,179 thousand)

There are no loan commitments made by the Company (March 31, 2018 ₹ nil).



# Schedules

forming part of Consolidated financial statements (continued)

### 3.15. Valuation of Investment property

In accordance with the IRDAI 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, 2019. 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 ₹ 4,717,875 thousand at March 31, 2019 (March 31, 2018: ₹ 4,666,000 thousand). The historical cost of the property is ₹ 3,836,532 thousand (March 31, 2018: ₹ 3,836,532 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 & Loss account. The total impairment loss recognised for the year ended March 31, 2019 is ₹ nil (year ended March 31, 2018: ₹ 50,872 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, 2018: ₹ 1,000,000 thousand) and ₹ 100,100 thousand (March 31, 2018: ₹ 100,000 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	Year ended March 31, 2019		Year ended March 31, 2018	
	Market value	Amortised cost	Market value	Amortised cost
<b>Pledged under securities segment</b>				
Government securities	3,626,500	3,568,195	3,746,922	3,793,836
Cash	70,000	70,000	204,200	204,200
<b>Pledged under Tri – Party Repo (TREPS)/ CBLO segment</b>				
Government securities	528,243	521,286	212,789	207,055
Cash	100	100	100	100
<b>Pledged for Default Fund under securities segment</b>				
Government securities	60,546	58,432	59,400	58,126
Cash	2,500	2,500	-	-
<b>Pledged for Default Fund under Tri-Party Repo (TREPS) / CBLO segment</b>				
Government securities	20,182	19,477	19,800	19,375
Cash	74,300	74,300	-	-

**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 TREPS & CBLO segment.

# Schedules

forming part of Consolidated financial statements (continued)

## 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, 2019	At March 31, 2018
Bank guarantees issued:		
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5,333	5,000
- towards purchase of postage on policy welcome kit document	2,000	2,000
- in favour of UIDAI deposit towards enabling Aadhaar Authentication services	2,500	2,500
- in favour of Dr. Balabhai Nanavati Hospital to provide service with respect to health claims settlements	500	500
- in favour of National Stock Exchange of India Limited as part of listing obligation	-	575,679
- in favour of The Municipal Commissioner for Greater Mumbai for the Cynergy property towards making changes in the layout	500	-
- in favour of The Municipal Commissioner for Greater Mumbai for the Malad property towards making changes in the layout	500	-
- Fixed deposit placed with State Bank of India as 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 as security towards guarantee issued by the bank on behalf of the company in favour of PFRDA	2,000	2,000
- Fixed deposit placed with Axis Bank as security towards guarantee issued by the bank on behalf of the company in favour of PFRDA	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
- 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	11,500	-
Security deposit as per requirements of PFRDA (PoP) Regulations, 2018 after obtaining PoP registration certificate	2,000	-

### 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, 2019 is ₹ 1,485,599 thousand (March 31, 2018: ₹ 1,044,030 thousand).

### 3.19. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Amount due to Micro, Small and Medium enterprises under the Act are as follows:

(₹ '000)		
Particulars	At March 31, 2019	At March 31, 2018
(a) (i) Principal amount remaining unpaid to supplier under MSMED Act	-	-
(ii) Interest on (a)(i) above	-	-
(b) (i) Amount of principal paid beyond the appointed date (as per section 16)	-	-
(ii) Amount of interest paid beyond the appointed date (as per section 16)	-	-
(c) Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under section 16 of the MSMED Act	-	-
(d) Amount of interest accrued and due	-	-
(e) Amount of further interest remaining due and payable even in succeeding years	-	-

# Schedules

forming part of Consolidated financial statements (continued)

## 3.20. Dividend

Interim dividend appropriation for the year ended March 31, 2019 is ₹ 2,769,077 thousand (year ended March 31, 2018: ₹ 5,874,239 thousand) including dividend distribution tax of ₹ 472,142 thousand (year ended March 31, 2018: ₹ 993,586 thousand).

The Board of Directors have also proposed a final dividend of ₹ 2,225,466 thousand (year ended March 31, 2018: ₹ 4,737,332 thousand). The dividend distribution tax on the same amounts to ₹ 457,451 thousand (year ended March 31, 2018: ₹ 973,773 thousand).

Unclaimed dividend of ₹ 6,435 thousand at March 31, 2019 (At March 31, 2018: ₹ 4,768 thousand) represents dividend 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 consolidated 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, 2019. (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 ₹ 339,075 thousand at March 31, 2019 (At March 31, 2018: ₹ 301,244 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 is done by the Appointed Actuary of the Company. The methods and assumptions used in valuation of liabilities are in accordance with the regulations issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and actuarial practice standards and guidance notes issued by the Institute of Actuaries of India.

## 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, 2019 was ₹ 225,283 thousand (year ended March 31, 2018: ₹ 230,288 thousand).

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

(₹ '000)

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Construction/acquisition of any assets	-	-	-	-	-	-
On purpose other than above	214,736	12,140	226,876	222,884	7,639	230,523

Amounts of related party transactions with ICICI Foundation for Inclusive Growth pertaining to CSR related activities for year ended March 31, 2019 was ₹ 172,575 thousand (year ended March 31, 2018: ₹ 172,769 thousand)

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

(₹ '000)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	7,639	24,813
Expense provided during the year	226,876	230,523
Paid during the year	(222,376)	(247,697)
<b>Closing balance</b>	<b>12,140</b>	<b>7,639</b>

Note: CSR expenditure as shown in Schedule 3A also includes amount paid to Kerala relief fund amounting to ₹ 5,503 thousand which is not qualified as CSR u/s 135 of the Companies Act, 2013.

# Schedules

forming part of Consolidated financial statements (continued)

## 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 except for advances which are in the normal course of business but not in the nature of loans (year ended March 31, 2018: ₹ 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) date 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.

This disclosure is not applicable for year ended March 31, 2019.

Particulars	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
<b>Closing cash in hand as on December 30, 2016</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## 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 **B S R & Co. LLP**  
Chartered Accountants

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

**Manoj Kumar Vijai**  
Partner  
Membership No. 046882

Place : Mumbai  
Date : April 24, 2019

For **Walker Chandio & Co LLP**  
Chartered Accountants

ICAI Firm Reg. No. 001076N / N500013

**Khushroo B. Panthaky**  
Partner  
Membership No. 42423

### For and on behalf of the Board of Directors

**M. S. Ramachandran**  
Chairman

DIN: 00943629

**V. Sridar**  
Director

DIN: 02241339

**N. S. Kannan**  
Managing Director & CEO  
DIN: 00066009

**Vyoma Manek**  
Company Secretary

**Puneet Nanda**  
Deputy Managing Director  
DIN: 02578795

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

# Corporate Information

## Board of Directors

Mr. M. S. Ramachandran  
Mr. V. Sridar  
Mr. Dilip Karnik  
Mr. R. K. Nair  
Mr. Dileep Choksi  
Ms. Vibha Paul Rishi  
Mr. Anup Bagchi  
Mr. Sandeep Batra  
Mr. Raghunath Hariharan  
Mr. N. S. Kannan  
Mr. Puneet Nanda

## Statutory Auditors

B S R & Co. LLP  
Chartered Accountants  
Walker Chandio & Co LLP  
Chartered Accountants

## Registered Office

ICICI PruLife Towers,  
1089, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
Tel: 022-50391600  
Website: www.iciciprulife.com  
CIN:L66010MH2000PLC127837

## ISIN and Stock Exchange Codes:

ISIN: INE726G01019  
BSE Limited (BSE) (Equity): 540133  
NSE Limited (NSE) (Equity): ICICIPRULI

## Investor contacts:

Mr. Dhiren Salian  
Investor Relations  
Tel: +91 22 50391600  
Email: ir@iciciprulife.com

Ms. Vyoma Manek  
Company Secretary  
Tel: +91 22 50391600  
Email: investor@iciciprulife.com

## Registrar and Transfer Agents

Ms. C Shobha Anand  
Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad 500 032  
Tel no: +91 40 67162222  
Email: shobha.anand@karvy.com,  
einward.ris@karvy.com

## Bankers

ICICI Bank Limited  
Allahabad Bank  
Al Salam Bank  
Axis Bank  
Bank of Baroda (Dubai)  
Capital Small Finance Bank  
Central Bank of India  
Citi Bank  
Corporation Bank  
Deutsche Bank AG  
Federal Bank  
HDFC Bank Limited  
IDFC FIRST Bank  
Indian Overseas Bank  
Jammu and Kashmir Bank  
Karnataka Bank Limited  
Saraswat Co-operative Bank Ltd  
South Indian Bank Limited  
Standard Chartered Bank  
State Bank of India  
Utkarsh Small Finance Bank  
Yes Bank Limited

## Customer contacts:

### Write to us:

ICICI Prudential Life Insurance Company Ltd.  
Raheja Tipco Plaza, Rani Sati Marg, Malad (East), Mumbai 400 097

### 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 not to prefix + or 91 or 00 before the number. Customers outside India can call us on our International Customer Service Helpline: +91-22-61930777: 24 X 7

*Charges as applicable.*

### Email us:

**Prospective Customers** can write to buyonline@iciciprulife.com to know more about our products and for any comments, queries or suggestions.

**Existing Customers** can write to lifeline@iciciprulife.com from their email id registered with us, or visit the "Contact us" section on our website, to know more about their policies.

**Group Customers** - grouplife@iciciprulife.com

**Group Annuity Customers** - myannuity@iciciprulife.com

**Group Superannuation Customers** - mysuperannuation@iciciprulife.com

### Walk into any of our offices:

Customers can walk into any of our offices/branches located across the country, details of which can be obtained from Branch locator section on our website.

In ULIPs, the investment risk in the investment portfolio is borne by the policyholder.

PRESENTING

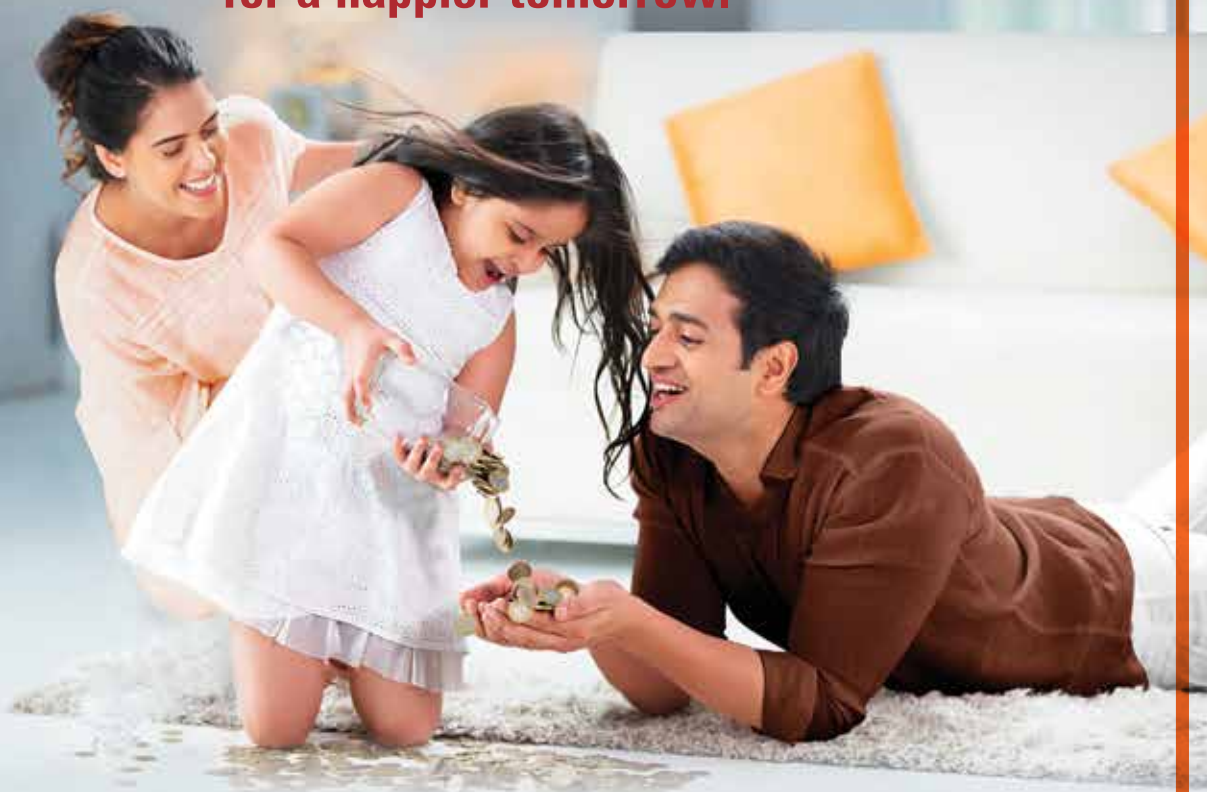
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*Signature*

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ICICI Prudential Life Insurance Company Limited. Registered Address: ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. IRDAI Regn No. 105. CIN: L66010MH2000PLC127837. For more details on risk factors, terms and conditions, please read the sales brochure carefully before concluding a sale. UIN: 105L177V01 ADVT: L/II/3514/2018-19

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**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**

Registered Office: 1089, Appasaheb Marathe Marg,  
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