



TRUST & TRANSPARENCY

**ANNUAL REPORT 2017-18
(ABRIDGED)**

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TRUST AND TRANSPARENCY: PILLARS OF SUCCESS

The life insurance business is about long term relationships, built on the pillars of trust and transparency. At ICICI Prudential Life, we ensure our customers can rely on us in times of need and remain confident of the benefits of our products and services.

Customers have reposed faith in us and we on our part have nurtured this by being transparent and developing a comprehensive suite of offerings with a focus on matching products with their needs. We have provided a hassle free on-boarding and claim settlement process to our customers through the digital platform. We believe in being transparent, as it is pivotal to retaining trust. To achieve this we have ensured that our products are simple and provide a comprehensive solution for all life insurance needs.

Customers value us for our approach to simplifying life insurance and providing them with convenience. Technology has been a major enabler of transparent operations and improved customer experience.

As a leading private life insurance company, we are determined to continue building and growing our long term relationships, with trust and transparency branching out to every aspect of our organisation. Winning us customer loyalty and giving us the competitive edge.

We have enhanced shareholder value by growing new business through consistent improvement in persistency across product categories, better cost efficiencies, leveraging technology and analytics for superior risk-management and a robust governance framework.



EXECUTIVE SUMMARY

WHO WE ARE

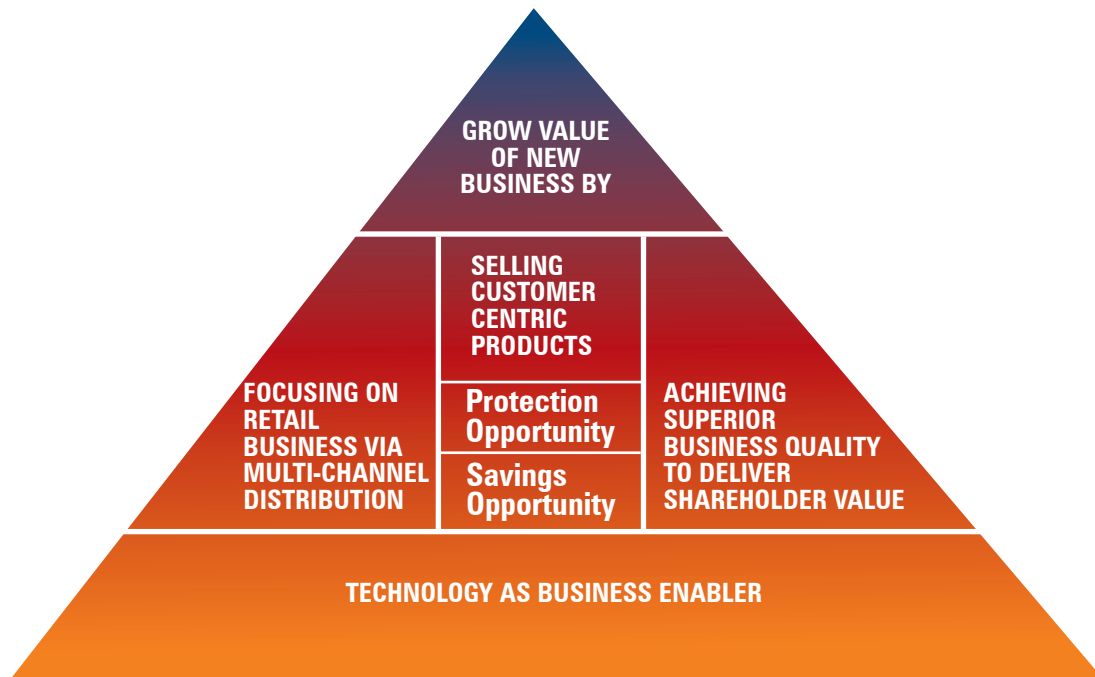
ICICI Prudential Life Insurance Company Limited (the Company) is promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited. The Company began its operations in fiscal 2001 and has consistently been amongst the top private sector life insurance companies in India on a Retail Weighted Received Premium (RWRP)¹ basis. The Company was the first private sector life insurance Company to cross the ₹ 1 trillion mark in Assets

Under Management (AUM). The Company’s current Total Sum Assured has crossed ₹ 8 trillion.

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

OUR STRATEGY

Our strategy positions us for success over the long term. It is built on our unique footprint, solid financial position, balanced product portfolio, trusted brand along with the skills, strengths and expertise of our people.



FY2018 PERFORMANCE SNAPSHOT (₹ IN BILLION)

₹ 12.86

VALUE OF NEW
BUSINESS (VNB)

Y-O-Y 93.1%

3Yr CAGR 68.3%

16.5%

VNB MARGIN²

₹ 77.92

ANNUALISED
PREMIUM
EQUIVALENT (APE)³

Y-O-Y 17.6%

3Yr CAGR 18.0%

₹ 73.45

SAVINGS APE

Y-O-Y 15.4%

3Yr CAGR 16.3%

₹ 4.46

PROTECTION APE

Y-O-Y 71.5%

3Yr CAGR 80.4%

₹ 187.88

EMBEDDED
VALUE (EV)

Y-O-Y 16.1%

22.7%

RETURN ON
EMBEDDED
VALUE (ROEV)

11.8%

MARKET SHARE
(RWRP)¹

86.8%

PERSISTENCY
(13TH MONTH)⁴

₹ 1,395.32

ASSETS UNDER
MANAGEMENT

Y-O-Y 13.5%

97.9%

CLAIMS
SETTLEMENT
RATIO

₹ 173.28

CLAIMS
SETTLED

Y-O-Y 15.4%

11.8%

COST RATIO
(SAVINGS LINE OF
BUSINESS)⁵

₹ 8,225.64

TOTAL SUM
ASSURED

Y-O-Y 40.8%

252.5%

SOLVENCY
RATIO⁶

¹ RWRP calculated for retail premium with single premium weighted by 10% in addition to first year premium

² VNB Margin is calculated by dividing VNB for the period by APE for the period

³ APE is calculated by annualizing the monthly, quarterly and half yearly premiums and single premium weighted by 10%

⁴ Calculated in accordance with IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014

⁵ Cost Ratio is calculated by dividing total expenses by Total Weighted Received Premium (TWRP)

⁶ Regulatory requirement of 150%

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

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

STATUTORY REPORTS AND FINANCIAL STATEMENTS



DIRECTORS' REPORT

TO THE MEMBERS

ICICI Prudential Life Insurance Company Limited

Your Directors have pleasure in presenting the 18th Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2018 (FY2018).

PERFORMANCE

Industry in FY2018

The retail weighted received premium (RWRP) for the industry grew 19.2% from ₹ 532.67 billion in the year ended March 31, 2017 (FY2017) to ₹ 634.70 billion in FY2018. The market share of private players increased from 53.9% in FY2017 to 56.2% in FY2018.

Company in FY2018

The Company achieved a market share of 11.8% in FY2018 based on RWRP as compared to 12.0% in FY2017. The Company's Annualised Premium Equivalent (APE) grew by 17.6% from ₹ 66.25 billion in FY2017 to ₹ 77.92 billion in FY2018, within which the protection APE grew by 71.5% to ₹ 4.46 billion. The Company is focused on improving its protection business. There was a 36.5% increase in overall assured sum.

Total gross premium collected by the Company grew by 21.1% from ₹ 223.54 billion in FY2017 to ₹ 270.69 billion in FY2018. Our continued focus on customer retention has resulted in increase in retail renewal premium by 23.1% from ₹ 142.19 billion in FY2017 to ₹ 174.97 billion in FY2018. The 13th month persistency ratio¹ also improved from 85.7% in FY2017 to 86.8% in FY2018. The Company's assets under management at March 31, 2018 was ₹ 1,395.32 billion.

Total expenses increased to ₹ 34.75 billion in FY2018 as compared to ₹ 31.60 billion in FY2017. The total cost to total weighted received premium (TWRP²) ratio improved from 15.1% in FY2017 to 13.7% in FY2018. Profit after tax (PAT) for the Company stood at ₹ 16.20 billion in FY2018 compared to ₹ 16.82 billion in FY2017.

Value of New Business grew from ₹ 6.66 billion in FY2017 to ₹ 12.86 billion in FY2018, representing an increase of 93.1%.

Embedded Value increased from ₹ 161.84 billion at March 31, 2017 to ₹ 187.88 billion at March 31, 2018.

A summary of key parameters is as set out below:

Particulars	₹ billion	
	FY2017	FY2018
RWRP	64.08	74.61
APE	66.25	77.92
Savings	63.64	73.45
Protection	2.60	4.46
Retail renewal premium	142.19	174.97
Total premium	223.54	270.69
Expenses	31.60	34.75
Standalone profit after tax	16.82	16.20
Sum assured for new business	2,447.19*	3,340.93
Assets held	1,229.19	1,395.32
Cost to TWRP**	15.1%	13.7%
13 th month persistency	85.7%	86.8%
Value of new business (VNB)	6.66	12.86
Embedded value (EV)	161.84	187.88

*Restated for new business definition of group

**Cost/ (Total premium less 90% of single premium)

¹ Calculated in accordance with IRDAI circular IRDA/ACT/CIR/035/01/2014 dated January 23, 2014

² TWRP: Total premium less 90% of single premium

OUTLOOK FOR THE INDUSTRY AND THE COMPANY

In FY2018, the Indian economy and capital markets was marginally affected by temporary disruptions caused after the introduction of Goods and Service Tax (GST). Over the medium term, the GST is expected to benefit economic activity and fiscal sustainability by eliminating multiple state tax systems, drawing informal activity into the formal sector and expanding the tax base.

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.

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

The Company would continue to focus on its strategic priorities, namely:

Expand our savings business: The Company would continue to focus on growth opportunities in the long term savings business with a customised regional strategy.

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

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

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

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

Customer retention: The Company would strengthen mechanisms to improve the asset under management (AUM) growth by increasing renewal premium and curtailing surrenders.

Risk calibrated fund performance: The Company has in place a risk and investment management framework and would endeavour to continue to deliver healthy risk adjusted returns to customers.

Financials

Particulars	₹ billion			
	Standalone		Consolidated	
	FY2017	FY2018	FY2017	FY2018
Profit after tax	16.82	16.20	16.82	16.19
Balance brought forward from previous year	2.51	12.68	2.49	12.66
Profit available for appropriations	19.33	28.88	19.31	28.85
Appropriations:				
Interim Equity Dividend	(5.52)	(4.88)	(5.52)	(4.88)
Final Equity Dividend	-	(5.02)	-	(5.02)
Tax on Equity Dividend	(1.13)	(2.02)	(1.13)	(2.02)
Surplus carried to next year's account	12.68	16.96	12.66	16.93

The financial position of the Company remained strong with a solvency margin of 252.5% in FY2018 compared to 280.7% for FY2017 against regulatory requirement of 150%.

The AUM increased to ₹ 1,395.32 billion at March 31, 2018 from ₹ 1,229.19 billion at March 31, 2017.

OUR REACH

The Company reaches its customers through 505 offices in 442 locations at March 31, 2018. On March 31, 2018, the Company had 15,780 employees and 151,563 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 either savings or protection. Savings products are offered on three platforms- linked, participating and non-participating. These platforms differ in terms of choice of asset allocation, charges, transparency and surrender penalties. However life cover offered is the same across all savings products i.e. 10 times annual premium. The exception to this 10 times cover is annuity products.

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 cost products.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The operations have resulted in a profit after tax of ₹ 16.20 billion as compared to a profit after tax of ₹ 16.82 billion for the previous year. The marginal drop in profit is primarily on account of growth in protection business which has a higher new business strain. The Board had approved payment of interim dividend of ₹ 2.30 per equity share and a special dividend of ₹ 1.10 per equity share, at its Meeting held on October 24, 2017. Further, the Board at its Meeting held on April 24, 2018 has recommended a final dividend of ₹ 3.30 per equity share (including special dividend of ₹ 1.10 per equity share). Total dividend for the year is ₹ 6.70 per equity share aggregating to ₹ 9.62 billion for FY2018.

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

The Company has uploaded the details of unpaid and unclaimed dividend on the Company's website: https://www.iciciprulife.com/content/dam/icicipru/about-us/unpaid-dividend/Statement_of_unpaid_dividend.pdf

CLAIMS

The Company has settled over 11,000 individual mortality claims in FY2018. The claims settlement ratio for the Company was 97.85%. For non-investigated claims, the settlement was completed within an average turnaround time of 2.99 days from receipt of last requirement as compared to the regulatory norm of 30 days.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 (CA2013) requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security, are not applicable to an insurance company.

SUBSIDIARY

The Company's wholly owned unlisted subsidiary, ICICI Prudential Pension Funds Management Company Limited (PFM) acts as a pension fund manager under the National Pension System (NPS) with the objective of providing a strategic platform to leverage the substantial pension opportunity in India due to the lack of formal retirement provisions for a large segment of the population.

During FY2018, the subscribers' funds managed by PFM have increased by 61.3% from ₹ 14,414.8 million at March 31, 2017 to ₹ 23,255.1 million at March 31, 2018. PFM registered a loss of ₹ 6.6 million (previous year: loss of ₹ 5.7 million) The overall contribution of the subsidiary to the financial results of the Company is not significant currently as it is still scaling up.

The Request for Proposal (RFP) issued by Pension Fund Regulatory and Development Authority (PFRDA) in September 2016 for selection of Pension Fund Managers for NPS-Private Sector expired in October 2017 without any appointments. The PFM continues to operate under the earlier 2014 appointment and awaits a fresh RFP from PFRDA.

The Company will make available separate audited financial statements of the subsidiary company to any Member upon request. These documents/details are available on the Company's website (www.iciciprulife.com) and will also be available for inspection by any Member of the Company at its Registered Office. A statement containing salient features of the financial statements of the subsidiary company forms part of the financial statements of the Company.

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

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

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

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

Name of Director/ KMP#	Appointment/ Resignation/ Cessation of tenure/ Withdrawal of nomination	With effect from
Prof. Marti G Subrahmanyam – Independent Director	Cessation of tenure	July 26, 2017
Mr. Adrian O'Connor – Non-executive Director nominated by Prudential Corporation Holdings Limited	Withdrawal of nomination	December 13, 2017
Mr. R. K. Nair – Additional (Independent) Director	Appointment*	July 25, 2017
Mr. Raghunath Hariharan – Non-executive Director nominated by Prudential Corporation Holdings Limited	Appointment*	December 14, 2017
Ms. Rama Bijapurkar – Independent Director	Cessation of tenure	January 17, 2018
Mr. Dileep Choksi – Additional (Independent) Director	Appointment*	January 19, 2018

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

As per CA2013.

Independent Directors

The Board of Directors of the Company at March 31, 2018 consisted of twelve Directors, out of which six were independent Directors. All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the CA2013 and Regulation 16 of the Listing Regulations.

Separate Meeting of Independent Directors

During FY2018, a separate meeting of the independent Directors was held on April 25, 2017.

Retirement by rotation

In accordance with the provision of Section 152 of the CA2013, Mr. Puneet Nanda (DIN: 02578795) and Mr. Sandeep Batra (DIN: 03620913) would retire by rotation at the ensuing AGM. Mr. Puneet Nanda and Mr. Sandeep Batra, being eligible have offered themselves for re-appointment.

AUDITORS

Statutory Auditors

B S R & Co. LLP, bearing registration number 101248W/W-100022, Chartered Accountants and Walker Chandiook & Co LLP bearing registration number 001076N/N500013, Chartered Accountants were appointed as joint statutory auditors of the Company at the 17th Annual General Meeting (AGM) held on July 17, 2017 to hold office upto the conclusion of 19th AGM and 21st AGM of the Company.

Secretarial Auditors

The Company has, with the approval of its Board of Directors, appointed Dr. K R Chandratre, Company Secretary in Practice to undertake Secretarial Audit of the Company for FY2018. The Secretarial Audit Report is annexed herewith as Annexure A. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report.

Extract of Annual Return

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

Particulars of Employees

The statement containing the particulars of employees as required under Section 197(12) of the CA2013, read with Rule 5(2) of the Companies

(Appointment & Remuneration) Rules, 2014, is set out in an Annexure and forms part of this Report. In terms of Section 136(1) of CA2013 the Report and the Accounts are sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of this Annexure may write to the Company Secretary at the Registered Office of the Company.

Rural and Social Business

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

- The Company has provided risk cover to Self Help Group (SHG) members predominantly in the rural areas of Tamil Nadu, Maharashtra, Karnataka & Rajasthan. These members are a group of micro entrepreneurs having homogeneous social and economic background, coming together to avail micro credit for financing their small and micro enterprises.
- The Company provides micro insurance savings product at the door step to the tea workers in Assam.
- The Company partners with Micro Finance Institutions/NBFCs and extends group term cover to customers for covering their loss of income risk arising out of unfortunately and untimely demise.
- 177,452 policies were issued in rural areas, constituting 21.2% of total policy issuances. The Company also covered more than 403,824 lives of the total lives covered within the norm of 'social sector' business.

Increase in Share Capital

The paid-up capital of the Company increased by ₹ 1.52 million pursuant to exercise of stock options granted under the Employee Stock Option Scheme and the paid-up capital was ₹ 14.35 billion at March 31, 2018.

Public Deposits

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

Corporate Social Responsibility Initiatives

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

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

Particulars of contracts or arrangements with related parties

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

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

Statement in respect of adequacy of internal financial controls

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

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

1. Corporate governance framework comprising Board and Executives committees for oversight on the management of the Company.
2. Policies commensurate with the Company's size and level of complexity to establish standards of conduct including code of conduct, whistle blower policy, work place harassment, conflict of interest, 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 of 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: Comprises of IT and process controls operating at a system/process level with the objective of providing assurance at a transaction recording stage. Salient aspects include:

1. The Company has implemented the COSO 2013 framework for ensuring compliance with 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 management, actuarial computations, expense processing, claims management, human resource processes and accounting to ensure greater control and efficiency.
3. The Company has in place a robust IT control environment with integrated systems, interface controls, centralised data warehouse, spreadsheet controls, direct database update controls and access controls.
4. 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 financials prepared are audited by joint statutory auditors, and are reviewed by Audit Committee. They are also submitted to IRDAI.
2. 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 is subject to concurrent audit certification on a daily basis and an Investment Risk Management Systems (IRMS) audit on a once in two years basis. Any significant findings in the concurrent audit or IRMS audit are presented to the Audit Committee.
3. 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 from time to time constituted various committees. These committees are responsible for specific operational areas, formulation of policies and framework, identification, assessment & monitoring of principal risks in accordance with the policies & procedures.
4. Management exercises review control by way of in depth reviews of financials, GL 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 CFO, Appointed Actuary, Chief IT & Operations and Chief Compliance & Risk Officer.

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.

1. The fraud control framework consists of preventive 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.

- The Company undertakes several measures from time to time to create awareness amongst its employees and customers against fraudulent practices.
- The Company is in compliance with 'Insurance Fraud Monitoring Framework' guidelines issued by IRDAI.

Auditor's Report

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

Internal audit and compliance framework

Internal Audit:

The Company has in place an internal audit framework with a risk based audit approach. The basic philosophy of risk based internal audit is to provide reasonable assurance to the Board Audit Committee and management about the adequacy and effectiveness of the risk management and control framework in the Company. Review of controls is undertaken through execution of internal audits as per risk based audit plan. The internal audit covers auditing of processes, transactions and systems. Key audit observations and recommendations made are reported to the Board Audit Committee every quarter. Implementation of the recommendations is actively monitored.

Compliance:

The Board Audit Committee oversees the compliance framework of the Company. The Company has formulated various internal policies/procedures and an employee code of conduct, which govern day-to-day activities to ensure compliance. The Compliance function disseminates relevant laws, regulations and circulars related to insurance and anti-money laundering to various functions. It also serves as a reference point for the staff of various functions for seeking clarifications on applicable laws, regulations and circulars issued by the regulatory authorities. The Compliance team also monitors the adequacy of the compliance framework across the Company. Key issues observed as part of this monitoring are reported to the Board Audit Committee, and implementation of recommendations is actively monitored. A compliance certificate signed by the Managing Director & CEO, based on the certification from respective functional heads, is placed at the Board Audit Committee on a quarterly basis.

Ind AS Implementation

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, 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. Pursuant to this, Accounting Standards

Board of ICAI issued the exposure draft of Ind AS 117 Insurance Contracts (Ind AS equivalent standard of IFRS 17) on February 12, 2018.

Risk Management

The Company recognises that risk is an integral element of the business and managed acceptance of risk is essential for the generation of shareholder value. The risk governance structure of the Company consists of the Board, the Board Risk Management Committee (BRMC), the Executive Risk Committee (ERC) and its sub-committees. The Board approved risk policy details identification, measurement, monitoring and control standards relating to the various individual risks, namely investment (market, credit and liquidity), insurance and operational risks.

1. Investment risk

Investment risk is the risk arising out of variations in the level or volatility of market prices of assets and financial instruments, including the risk arising from any mismatch between assets and liabilities, due to external market and economic factors. The Company faces limited liquidity risk due to the nature of its liabilities. The key mitigation approaches for this risk are as follows:

- Product approval process: Launching new products can significantly alter the risk profile of the Company's Balance Sheet. Investment risks inherent in the new products or significant modifications to existing products are identified at the product design stage and products are launched only after approval by the ERC.
- 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.
- 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.
- 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 is composed of the following components: mortality, morbidity, persistency and expense risk. These risks are mitigated through:

- 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.
- Reinsurance: The Company uses appropriate reinsurance arrangements, including catastrophe reinsurance, to manage insurance risk. The arrangements are with select and financially sound reinsurers. The Company's reinsurance exposures are considered and approved by the ERC periodically.

- (c) Underwriting and claims controls: Underwriting and claims policies and procedures are in place to assess and manage mortality and morbidity risks. The Company seeks to minimise these risks by diversifying its business portfolio and adhering to appropriate and segmented underwriting norms. The Company conducts periodic reviews of both underwriting and claims procedures.
- (d) Experience analysis: The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing, reserving and embedded value reporting are in line with experience. The Company actively monitors its claims experience, persistency levels and expense ratios.
- (e) Aligning key performance indicators: The Company uses appropriate key performance indicators for different levels of hierarchy in sales and operations to align interests and ensure adequate focus on insurance risk specially, persistency and expense.

3. Operational risk:

Operational risk is the risk of loss, resulting from inadequate or failed internal processes, people and systems, or from external events.

The Company uses the following approaches to manage the risk:

- (a) The Company develops and monitors mitigation plans for high risk items identified through the Risk Control Self-Assessment (RCSA) done by each business function, loss events and/or audit findings.
- (b) The Company 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 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 organisation. The Company's controls include deployment of security solutions like firewall, intrusion prevention system, anti-malware solution and dynamic URL filtering, further a programme 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.

Sexual Harassment Policy

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at the workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at the workplace and has communicated the same to all its employees. The Company believes in providing a safe working environment at the workplace. On an ongoing basis, the Company creates education & awareness amongst employees through e-learning programmes.

CORPORATE GOVERNANCE

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

Whistle Blower Policy

The Company has formulated a Whistle blower Policy to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. As per the Policy, employees or Directors can raise concerns related to breach of any law, statute or regulation, issues related to accounting policies and procedures, acts resulting in financial loss or loss of reputation, misuse of office, suspected/actual fraud and criminal offences, non-compliance to anti-bribery & anti-corruption policy by the Company or its employees to the Board Audit Committee through specified channels. The Policy has been periodically communicated to the employees and also posted on the Company's intranet and 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 under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

The Company has in place a Code of Conduct to Regulate, Monitor and Report Trades in securities by Directors, Employees & Connected Persons which is in conformity with the Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to the Employees of the Company, Designated Persons, and their Immediate Relatives and Connected Persons, to the extent applicable. The objective of the Code is to prohibit insider trading in any manner by the Designated Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a 'need to know' basis.

Code of business conduct and ethics

The Board of Directors has approved a Code of Business Conduct and Ethics for Directors and employees of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the Company. The Code lays down the broad framework of general guiding principles. This Code is available on the website of the Company (<https://www.iciciprulife.com/about-us/company-overview/board-of-directors.html>). Pursuant to the Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report.

Policy for determining Material Subsidiaries

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

Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, business overview, digitisation initiatives in policy issuance and servicing processes, key regulatory developments, governance, strategy, investment, human resource and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the link: <https://www.iciciprulife.com/about-us/company-overview/board-of-directors.html>

The names of the Directors with their qualification and field of specialisation are set out in the following table:

Name of the Director	Directors Identification Number (DIN)	Qualification	Field of specialisation
Non-executive non-independent Directors			
Ms. Chanda Kochhar, Chairperson, Non-executive Director nominated by ICICI Bank Limited	00043617	MMS – Finance, ICWA	Banking, Financial Services
Mr. N. S. Kannan, Non-executive Director nominated by ICICI Bank Limited	00066009	Bachelor of Engineering (Honours) PGDM, Chartered Financial Analyst (ICFAI)	Banking, Financial Services
Mr. Adrian O'Connor, Non-executive Director nominated by Prudential Corporation Holdings Limited ¹	02417554	Fellow of the Institute of Actuaries and Fellow of Society of Actuaries	Financial Management, Strategic Planning
Mr. Raghunath Hariharan, Non-executive Director nominated by Prudential Corporation Holdings Limited ²	08007442	MBA, Finance & Strategy Master of Management Studies Bachelors of Engineering (Production), First Class with Honours	Financial Management, Strategic Planning

CEO / CFO Certification

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

Board of Directors

The Company's Board is, constituted in compliance with the CA2013, in accordance with Listing Regulations and IRDAI Corporate governance guidelines, 2016. The Board comprises six Independent Directors, two Directors nominated by ICICI Bank Limited, one Director nominated by Prudential Corporation Holdings Limited, the Managing Director & CEO and two Executive Directors. Except the Managing Director & CEO and two Executive Directors, all other Directors including the Chairperson of the Board are Non-Executive Directors. 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 Executive Directors oversee implementation of strategy, achievement of the business plan and day-to-day operations. There is an appropriate mix of executive, non-executive and independent Directors. None of the Directors are related to any other Director or employee of the Company.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Board has constituted 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, Special Committee and Strategy Committee.

There were seven Meetings of the Board during FY2018 – on April 25, 2017, July 25, 2017, October 6, 2017, October 24, 2017, January 12, 2018, January 19, 2018 and March 6, 2018. The maximum interval between any two meetings did not exceed 120 days.

Name of the Director	Directors Identification Number (DIN)	Qualification	Field of specialisation
Non-executive Independent Directors			
Prof. Marti G Subrahmanyam ³	00306761	B.Tech, PGDM, Ph.D.	Corporate Finance, Capital Markets and International Finance
Ms. Rama Bijapurkar ⁴	00001835	B.Sc (Hon.), PGDM	Market Strategy
Mr. Vinod Kumar Dhall	02591373	LLB , M.Sc, Masters degree in Mathematics	Corporate Affairs, Law and Insurance
Mr. V. Sridar	02241339	B.Com (Hons), FCA	Banking, Finance and Accountancy
Mr. M. S. Ramachandran	00943629	B. E. (Mechanical)	Oil and Petroleum Industry
Mr. Dilip Karnik	06419513	B.Sc. and LLB	Former Judge of High Court of Bombay, Currently an Advocate
Mr. R. K. Nair ⁵	07225354	M.Sc LLB, MBA Financial Management, Diploma in Securities Law	Banking, Insurance, Securities Market Regulation
Mr. Dileep Choksi ⁶	00016322	B.Com CA LLB, Cost Accountant	Finance and Taxation
Executive Directors			
Mr. Sandeep Bakhshi, Managing Director & CEO	00109206	B.E. (Mech), PGDM	Banking, Insurance, Financial Services
Mr. Puneet Nanda	02578795	B.E. PGDM	Insurance, Financial Services
Mr. Sandeep Batra	03620913	B.Com FCA, ACS	Banking, Insurance, Financial Services

1. Mr. Adrian O'Connor ceased to be a Director with effect from December 13, 2017.
2. Mr. Raghunath Hariharan was appointed as a Director with effect from December 14, 2017.
3. Prof. Marti G Subrahmanyam ceased to be an Independent Director with effect from July 26, 2017.
4. Ms. Rama Bijapurkar ceased to be an Independent Director with effect from January 17, 2018.
5. Mr. R. K. Nair has been appointed as an Additional (Independent) Director with effect from July 25, 2017.
6. Mr. Dileep Choksi has been appointed as an Additional (Independent) Director with effect from January 19, 2018.

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 (July 17, 2017)	Number of other directorships		Number of other committee memberships ¹⁰
			Of Indian public limited companies ⁹	Of other companies ⁹	
Non-executive non-independent Directors					
Ms. Chanda Kochhar, Chairperson, Non-executive Director nominated by ICICI Bank Limited	7/7	Present	4	2	-
Mr. N. S. Kannan, Non-executive Director nominated by ICICI Bank Limited	6/7	Present	4	2	3
Mr. Adrian O'Connor, Non-executive Director nominated by Prudential Corporation Holding Limited ¹	2/4	Absent	NA	NA	NA
Mr. Raghunath Hariharan, Non-executive Director nominated by Prudential Corporation Holding Limited ²	1/3	NA	-	-	-
Non-executive Independent Directors					
Prof. Marti G. Subrahmanyam ³	2/2	Present	NA	NA	NA
Ms. Rama Bijapurkar ⁴	5/5	Present	NA	NA	NA
Mr. Vinod Kumar Dhall ⁵	7/7	Absent	6	-	7(5)
Mr. V. Sridar	7/7	Present	6	-	6(4)
Mr. M. S. Ramachandran ⁵	7/7	Present	5	3	2(1)
Mr. Dilip Karnik	5/7	Present	5	-	2
Mr. R. K. Nair ⁵	5/5	NA	7	1	2
Mr. Dileep Choksi ⁷	1/1	NA	9	2	8(5)
Executive Directors					
Mr. Sandeep Bakhshi, Managing Director & CEO	7/7	Present	1	-	-
Mr. Puneet Nanda	7/7	Present	1	-	-
Mr. Sandeep Batra	7/7	Present	2	1	1

1. Mr. Adrian O'Connor ceased to be a Director with effect from December 13, 2017.
2. Mr. Raghunath Hariharan was appointed as a Director with effect from December 14, 2017. He has participated in two Meetings through tele-conference.
3. Prof. Marti G. Subrahmanyam ceased to be an Independent Director from close of business hours on July 25, 2017 i.e. with effect from July 26, 2017.
4. Ms. Rama Bijapurkar ceased to be an Independent Director from close of business hours on January 16, 2018 i.e. with effect from January 17, 2018.
5. Participated in one Meeting through video-conference.
6. Mr. R. K. Nair has been appointed as an Additional (Independent) Director with effect from July 25, 2017. Participated in one Meeting through video-conference.
7. Mr. Dileep Choksi has been appointed as an Additional (Independent) Director with effect from January 19, 2018.
8. Comprises of public limited companies incorporated in India.
9. Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.
10. Comprises only Audit Committee and Stakeholders Relationship Committee of Indian public limited companies. Figures in parentheses indicate committee chairmanship including alternate chairmanship.

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

Board Committees

The details of Board Committees are as follows:

a) Board Audit Committee

The primary objective of the Committee is to monitor and provide an effective supervision of the financial reporting process, with high levels of transparency, integrity and quality of financial reporting. The Committee shall oversee the work of internal audit & compliance functions and ensure deployment of policies for an effective control mechanism including mechanism to address potential conflict of interest among stakeholders. The Committee has the authority and responsibility to select, evaluate and recommend the statutory auditors in accordance with law. The Committee shall ensure independence of control functions demonstrated by a credible reporting arrangement.

Terms of Reference:

I. Accounts & Audit

- Oversee the financial statements, financial reporting process, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible.
 - Recommend the appointment, re-appointment, terms of appointment and, if required, the replacement or removal; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/ statutory/ concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Oversight of the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the Company, whether raised by the auditors or by any other person.
 - Evaluation of internal financial controls and risk management systems.
 - Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern.
 - Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them.
 - Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-Section (3) of Section 134 of the CA2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements to the extent applicable.
 - Approval or any subsequent modification and disclosure of any related party transactions of the Company. Provided that the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.
 - To the extent applicable, review with the management, the statement of uses/ end use/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - Review of housekeeping items, particularly review of suspense balances, reconciliations (including Subsidiary General Ledger (SGL) accounts) and other outstanding assets & liabilities.
 - Scrutiny of inter-corporate loans and investments, if any.
 - Valuation of undertakings or assets of the Company, wherever it is necessary.
 - Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), or by any other regulatory authority.

II. Internal Audit

- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Oversee the efficient functioning of the internal audit department and review its reports. The Committee would additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- Discussion with internal auditors of any significant findings and follow up there on.

- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review with the management, performance of internal auditors, and the adequacy of the internal control systems.
- Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower/Vigil mechanism.

III. Compliance & Ethics

- Review reports on the above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same.
- Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches.
- Supervise and monitor matters reported using the Company's whistle blowing or other confidential mechanisms for employees and others to report ethical and compliance concerns or potential breaches or violations.
- Advise the Board on the effect of the above on the Company's conduct of business and helping the Board set the correct 'tone at the top' by communicating, or supporting the communication, throughout the Company of the importance of ethics and compliance.
- Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters.
- Review key transactions involving conflict of interest.
- Review the Anti Money Laundering (AML)/Counter – Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/CFT programme.
- Review compliance of Insurance Regulatory & Development Authority of India (IRDAI) Corporate Governance guidelines.
- Monitor the directives issued/ penalties imposed/ penal action taken against the Company under various laws and statutes and action taken for corrective measures.
- Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

Composition

There were five Meetings of the Board Audit Committee held during FY2018 – on April 24, 2017, June 15, 2017, July 24-25, 2017, October 24, 2017 and January 18-19, 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. V. Sridar – Chairman	5/5
Prof. Marti G Subrahmanyam ¹	3/3
Mr. Vinod Kumar Dhall ²	5/5
Mr. M. S. Ramachandran ²	5/5
Mr. R K Nair ³	2/2
Mr. N S Kannan	5/5
Mr. Adrian O'Connor ⁴	1/4
Mr. Raghunath Hariharan ⁵	1/1

1. Ceased to be a member with effect from July 25, 2017. Participated in one Meeting through video-conference.
2. Participated in one Meeting through video-conference.
3. Appointed as a member with effect from July 25, 2017.
4. Ceased to be a member with effect from December 13, 2017.
5. Appointed as a member with effect from December 14, 2017.

b) Board Risk Management Committee

The Committee reviews the Risk Management policy of the Company, including Asset Liability Management (ALM), to monitor all risks across the various lines of business of the Company and establish appropriate systems to mitigate such risks. The Committee also reviews the risk appetite and risk profile of the Company. The Committee oversees the effective operation of the risk management system and advises the Board on key risk issues.

Terms of Reference:

A. Risk Management

- Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;
- Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
- Reporting to the Board details of the risk exposures and the actions taken to manage the exposures, set the risk tolerance limits and assess the cost and benefits associated with risk exposure and review, monitor and challenge where necessary, risks undertaken by the Company;
- Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;
- Review the Company's risk-reward performance to align with overall policy objectives;
- Discuss and consider best practices in risk management in the market and advise the respective functions;
- Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.;

- viii. Review the solvency position of the Company on a regular basis;
- ix. Monitor and review regular updates on business continuity;
- x. Formulation of a Fraud monitoring policy and framework for approval by the Board;
- xi. Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
- xii. Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated January 21, 2013, issued by the Authority.
- xiii. 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)

- i. Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives and ensuring they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity;
- ii. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
- iii. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
- iv. Placing information pertaining to ALM before the Board at periodic intervals;
- v. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;
- vi. Quantifying the level of risk exposure (eg. market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
- vii. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
- viii. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
- ix. Managing capital requirements at the Company level using the regulatory solvency requirements; and
- x. Reviewing, approving and monitoring capital plans and related decisions over capital transactions.
- xi. To carry out any other function, if any, as prescribed in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

There were four Meetings of the Board Risk Management Committee held during FY2018 – on April 24, 2017, July 25, 2017, October 18, 2017 and January 18, 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. M. S. Ramachandran – Chairman ¹	2/2
Prof. Marti G. Subrahmanyam – Chairman ²	2/2
Ms. Rama Bijapurkar ³	3/3
Mr. N. S. Kannan	4/4
Mr. Adrian O'Connor ⁴	1/3
Mr. Raghunath Hariharan ⁵	0/1

1. Appointed as a Chairman with effect from July 25, 2017.
2. Ceased to be a member with effect from July 25, 2017.
3. Ceased to be a member with effect from close of business hours on January 16, 2018.
4. Ceased to be a member with effect from December 13, 2017.
5. Appointed as a member with effect from December 14, 2017.

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 FY2018 – on April 24, 2017, July 24, 2017, October 18, 2017 and January 18, 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. M. S. Ramachandran – Chairman ¹	2/2
Prof. Marti G. Subrahmanyam – Chairman ²	2/2
Mr. R. K. Nair ³	1/2
Mr. N. S. Kannan	4/4
Mr. Adrian O’Connor ⁴	1/3
Mr. Raghunath Hariharan ⁵	0/1
Mr. Sandeep Bakhshi	4/4
Mr. Sandeep Batra	4/4
*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.

1. Appointed as a Chairman with effect from July 25, 2017.
2. Ceased to be a member with effect from July 25, 2017.
3. Appointed as a member with effect from July 25, 2017. Participated in one meeting through tele-conference.
4. Ceased to be a member with effect from December 13, 2017.
5. Appointed as a member with effect from December 14, 2017.

d) Board Customer Service & Policyholders’ Protection Committee

The Board Customer Service & Policyholders’ Protection Committee will assist the Board to protect the interests of the policyholders and improve their experiences in dealing with the Company at all stages and levels of their relationship with the Company. In this connection, the Committee aims to upgrade and monitor policies and procedures for grievance redressal and resolution of disputes, disclosure of ‘material information’ to the policy holders, and compliance with the regulatory requirements.

Terms of Reference:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders’ protection.
- Review of the mechanism at periodic intervals.
- Ensure adequacy of disclosure of ‘material information’ to the policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.
- Review the status of complaints of the policyholders, and take steps to reduce these complaints, at periodic intervals.

- Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
- Provide details of insurance ombudsmen to the policyholders.
- Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry.
- Oversee the functions of the customer service council.
- Review measures for enhancing the quality of customer service.
- Provide guidance to improve in the overall satisfaction level of customers.
- Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof.
- Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
- Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.
- Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims.
- Reviewing Repudiated claims with analysis of reasons.
- Status of settlement of other customer benefit payouts like Surrenders, Loan and Partial withdrawal requests etc.
- Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.

The Company has a Grievance Redressal Committee (GRC). The key discussions of the GRC Meeting are put up at the Board Customer Service & Policyholders’ Protection Committee for information. The GRC is formed to provide effective grievance redressal to the policyholders. The GRC consists of two external members and three members from senior management team of the Company. Mr. R. Narayanan, an external member, chairs the GRC. As part of the grievance redressal mechanism, the GRC constituted as the final authority to address the policyholders’ grievances before approaching the Regulator and the Ombudsman office. The GRC meets on a quarterly basis with the following terms of reference:

- 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.

Composition

There were four Meetings of the Board Customer Service & Policyholders' Protection Committee held during FY2018 - on April 25, 2017, July 24, 2017, October 24, 2017 and January 17, 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. Vinod Kumar Dhall – Chairman	4/4
Mr. Dilip Karnik ¹	2/2
Mr. N. S. Kannan	4/4
Mr. Adrian O'Connor ²	2/3
Mr. Raghunath Hariharan ³	0/1

1. Appointed as a member with effect from July 25, 2017.
2. Ceased to be a member with effect from December 13, 2017.
3. Appointed as a member with effect from December 14, 2017.

e) Board Nomination and Remuneration Committee

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

Terms of Reference:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To consider and approve employee stock option schemes and to administer and supervise the same.
- To devise a policy on diversity of the Board.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and formulate a criteria for evaluation of every director's performance.
- To scrutinise the declarations of intending applicants before the appointment/ re-appointment/ election of directors by the shareholders at the annual general meeting; and to scrutinise the applications and details submitted by the aspirants for appointment as the key managerial personnel.
- To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- To approve the compensation programme and to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To ensure that the proposed appointments/ re-appointments of key managerial personnel or directors are in conformity with the Board approved policy on retirement/ superannuation.
- To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the CA2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

There were four Meetings of the Board Nomination & Remuneration Committee held during FY2018 - on April 24, 2017, July 25, 2017, January 17, 2018 and March 6, 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. M. S. Ramachandran – Chairman ¹	2/2
Ms. Rama Bijapurkar – Chairperson ²	2/2
Prof. Marti G. Subrahmanyam ³	2/2
Mr. Vinod Kumar Dhall ⁴	4/4
Mr. N. S. Kannan	3/4
Mr. Adrian O'Connor ⁵	1/2
Mr. Raghunath Hariharan ⁶	0/2

1. Appointed as a member with effect from July 25, 2017 and Chairman with effect from January 17, 2018.
2. Ceased to be a member with effect from close of business hours on January 16, 2018.
3. Ceased to be a member with effect from July 25, 2017.
4. Participated in one meeting through video-conference.
5. Ceased to be a member with effect from December 13, 2017.
6. Appointed as a member with effect from December 14, 2017. Participated in one meeting through tele-conference.

f) Board Corporate Social Responsibility (CSR) Committee

The purpose of the Committee is to formulate and recommend to the Board the CSR policy of the Company. It will also formulate the annual CSR plan, and monitor the CSR activities and compliance with the CSR policy from time to time. Corporate Social Responsibility Policy of the Company as per Section 135 of the CA2013 is put up on the Company's website.

Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition

There were two Meetings of the Board Corporate Social Responsibility Committee held during FY2018 – on April 25, 2017 and January 17, 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. Vinod Kumar Dhall – Chairman	2/2
Mr. Dilip Karnik ¹	1/1
Mr. N. S. Kannan	2/2
Mr. Adrian O'Connor ²	1/1
Mr. Raghunath Hariharan ³	0/1

1. Appointed as a member with effect from July 25, 2017.
2. Ceased to be a member with effect from December 13, 2017.
3. Appointed as a member with effect from December 14, 2017.

Note: Mr. N. S. Kannan ceased and Mr. Sandeep Batra was appointed as a member of the Committee with effect from April 24, 2018.

g) Stakeholders Relationship Committee

Terms of reference:

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

Composition

There were four Meetings of the Stakeholders Relationship Committee held during FY2018 - on April 25, 2017, July 24, 2017, October 23, 2017 and January 17, 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. Vinod Kumar Dhall – Chairman	4/4
Mr. Sandeep Bakhshi	3/4
Mr. Sandeep Batra	4/4

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 fiscal 2018 was 442 and 441 complaints have been resolved. At March 31, 2018, 1 complaint was pending which was 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 FY2018 on April 24, 2017. 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/hold
Mr. V. Sridar – Chairman	1/1
Mr. R. K. Nair ¹	0/0
Mr. N. S. Kannan	1/1
Mr. Adrian O' Connor ²	0/1
Mr. Raghunath Hariharan ³	0/0
Mr. Sandeep Bakhshi	1/1
*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. Appointed as a member with effect from July 25, 2017.
2. Ceased to be a member with effect from December 13, 2017.
3. Appointed as a member with effect from December 14, 2017.

i) Special Committee

The Board of Directors at its Meeting held on July 25, 2017 had constituted a Special Committee to consider the proposal on acquisition of policyholders' liabilities and assets of Sahara India Life Insurance Company Limited. The said Committee comprised Mr. M S Ramachandran – Chairman, Mr. N. S. Kannan, Mr. Adrian O'Connor, Mr. Sandeep Bakhshi and Mr. Sandeep Batra. The Committee met once during the year on July 28, 2017.

Subsequently since the role and objectives of the Special Committee were completed, the Committee stood dissolved.

j) 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. The said Committee comprised Mr. R. K. Nair – Chairman, Mr. N. S. Kannan, Mr. Raghunath Hariharan, Mr. Sandeep Bakhshi, Mr. Puneet Nanda and Mr. Sandeep Batra. The meeting for this Committee was not convened in the financial year ended March 31, 2018.

Criteria for appointment of Directors & Senior Management

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

Remuneration Policy

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

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

Details of Remuneration paid to Whole Time Directors

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

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to whole time Directors for fiscal 2018:

Particulars	Details of Remuneration (₹)		
	Mr. Sandeep Bakhshi	Mr. Puneet Nanda	Mr. Sandeep Batra
Basic	22,851,240	12,854,280	9,791,520
Variable pay paid out in fiscal 2018 ¹	18,601,859	12,581,378	12,188,599
Allowances and perquisites ²	18,568,910	14,480,908	15,588,897
Contribution to provident fund	2,742,148	1,542,512	1,174,983
Contribution to superannuation fund	150,000	-	-
Contribution to gratuity fund	1,903,508	1,070,762	815,634
Stock options of the Company (Numbers)			
Granted in fiscal 2018	165,000	66,000	49,500
Granted in fiscal 2017	-	-	-
Stock options of ICICI Bank (Numbers)³			
Granted in fiscal 2018	673,750	269,500	202,125
Granted in fiscal 2017	913,000	303,050	256,025

Note: For the year-ended March 31, 2018 the numbers indicated are the amounts paid/ options granted during the year FY2018 as per IRDAI approvals.

¹ The variable pay figure includes deferred variable pay of previous years as approved by IRDAI

² Allowances and perquisites exclude stock options exercised during fiscal 2018 which does not constitute remuneration paid to the Whole Time Directors for fiscal 2018.

³ Pursuant to approval of shareholders, the Bank issued bonus shares in June 2017, accordingly the above ICICI Bank stock options have been adjusted with increase of one option for every ten outstanding options and the exercise price is proportionately adjusted.

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 FY2018, the Company has paid ₹ 100,000 as sitting fees for each Meeting of Board and ₹ 20,000 as sitting fees for each Meeting of Committee attended. This amount is within the limits prescribed as per Rule 4 of Companies (Appointment & Remuneration) Rules, 2014 of the CA2013.

The 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 with their tenure, for each year effective from financial year ended March 31, 2017. The payments is subject to the regulatory provisions applicable to the Company. Sitting fees paid to Independent Directors are outside the purview of the above limits.

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

Sitting fees paid to Independent Directors during the financial year ended March 31, 2018:

Name of the Director	Amount (in ₹)
Prof. Marti G. Subrahmanyam ¹	3,80,000
Ms. Rama Bijapurkar ²	6,00,000
Mr. Vinod Kumar Dhall	10,80,000
Mr. V. Sridar	8,20,000
Mr. M. S. Ramachandran	9,20,000
Mr. Dilip Karnik	5,60,000
Mr. R. K. Nair ³	5,60,000
Mr. Dileep Choksi ⁴	1,00,000

1. Ceased to be an Independent Director with effect from July 26, 2017.

2. Ceased to be an Independent Director with effect from January 17, 2018.

3. Appointed as an Additional (Independent) Director with effect from July 25, 2017.

4. Appointed as an Additional (Independent) Director with effect from January 19, 2018.

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

Commission paid to Independent Directors in the financial year ended March 31, 2018:

Name of the Director	Amount (in ₹)
Prof. Marti G. Subrahmanyam	750,000
Ms. Rama Bijapurkar	750,000
Mr. Vinod Kumar Dhall	750,000
Mr. V. Sridar	750,000
Mr. Keki Dadiseth*	51,369
Mr. M. S. Ramachandran*	567,123
Mr. Dilip Karnik*	567,123

* Proportionately paid in accordance with the tenure as an Independent Director of the Company.

A provision of ₹ 44.98 lakhs is made in the financial statement ending March 31, 2018.

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.

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 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.

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, 2018.

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, 2018 was 15,780.

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 bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The BNRC assesses organisational performance as well as the individual performance of WTDs and equivalent positions. Based on its assessment, it makes recommendations to the Board regarding compensation for WTDs and equivalent positions and bonus for employees, including senior management and key management personnel.

Alignment of compensation philosophy with prudent risk taking

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

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

The Compensation & Benefits Policy on remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Wholtime Directors of Insurers was reviewed, amended and approved by the Board of Directors held April 25, 2017.

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

- To ensure effective alignment of compensation with prudent risk taking, the Company shall take into account adherence to the risk framework to ensure remuneration is adjusted for all types of risks in conjunction with other pre-defined performance objectives. Remuneration payout shall be sensitive to the time horizon of the risks involved and symmetric to risk outcomes.
- Compensation is aligned to both financial and non-financial indicators of performance including controls like risk management, process perspective, customer perspective and others.
- Prudent behaviour is assessed through a Good Order Index for senior management level employees.
- These business objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives.
- Acts of gross negligence and integrity breach are covered under the purview of the compensation policy.
- The deferred part of the variable pay (performance bonus) will be subject to malus, under which, the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.
- 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.

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

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

(B) Quantitative disclosures

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

Particulars	At March 31, 2018
Number of meetings held by the BNRC during the financial year	4
Remuneration paid to its members during the financial year (in million) (sitting fees)	-
Number of WTD/ CEO/ MD having received a variable remuneration award during the financial year	3
Number and total amount of sign on awards made during the financial year	Nil
Details of guaranteed bonus, if any, paid as joining/ sign on bonus	Nil
Breakup of amount of remuneration awarded for the financial year (in million)	
Fixed ¹	98.8
Variable Pay ²	54.5
Deferred	21.8
Non-Deferred	32.7
Share-Linked Instruments – ICICI Life ²	280,500
Share-Linked Instruments – ICICI Bank ²	1,145,375
Total amount of referred remuneration paid out in the financial year	10.7
Total amount of outstanding deferred remuneration	
Cash (₹ in million)	37.6
Shares	Nil
Shares-linked instruments – ICICI Life	280,500
Shares-linked instruments – ICICI Bank ³	2,796,228
Other forms	Nil

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

² For the year ended March 31, 2018, variable pay and share-linked instruments represent amounts paid/options during the year FY2018 as per IRDAI approval.

³ The table excludes special grant of stock options granted in FY2016 approved by IRDAI on June 3, 2016 aggregating to 1,100,000 for Sandeep Bakhshi, 478,500 for Puneet Nanda and 404,250 for Sandeep Batra.

Note: Pursuant to approval of shareholders, the Bank issued bonus shares in June 2017, accordingly the above ICICI Bank stock options have been adjusted with increase of one option for every ten outstanding options and the exercise price is proportionately adjusted.

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

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the CA2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees, who are part of annual bonus plan, of the Company for the financial year

Mr. Sandeep Bakhshi, Managing Director & CEO	78:1
Mr. Puneet Nanda, Executive Director	53:1
Mr. Sandeep Batra, Executive Director	48:1

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

The percentage increase in remuneration of Whole Time Directors, Chief Financial Officer, and Company Secretary ranged between 14% to 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 9.0%.

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

The number of employees, as mentioned in the Section on 'Management's Discussion & Analysis' is 15,780.

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

The Company's philosophy on compensation and benefits is based on the ethos of meritocracy. The twin pillars of the performance management system and talent management system are closely intertwined with the compensation and benefits policy of the Company. While the Company aims to ensure internal and external equity consistent with emerging market trends, the Company's business model and affordability based on business performance sets the overarching boundary conditions. The Board sets and approves the Key Performance Indicators of the Company based on the financial and strategic plan. The Board KPIs are balanced in nature and include both quantitative and qualitative aspects. To ensure effective alignment of compensation with prudent risk parameters, the KPIs comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives. The BNRC assesses organisational performance as well as the individual performance of WTDs against the set KPIs at the Company level and at the individual level. Based on its assessment, the BNRC recommends to the Board the compensation proposal for WTDs and the compensation proposal for employees.

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

For the FY2018, the KMPs were paid around 0.74% of the PAT.

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

Particulars	At March 31, 2017	At March 31, 2018
Market capitalisation (₹ in billion)	548.88	557.83
Price/Earnings multiple	32.6	34.44
Increase in the market quotations of the equity shares in comparison to the rate at which the last public offer made in September 2016	14.50%	16.3%

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

The average percentage increase in the salaries of total employees other than the Key Managerial Personnel for fiscal 2018 was around 9.0%, while the average increase in the remuneration of the Key Managerial Personnel was in the range of 14% to 19%.

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

The ratio of the remuneration of each KMP (as per Companies Act, 2013) to the PAT of the Company is given below:

Mr. Sandeep Bakhshi, Managing Director & CEO	0.27%
Mr. Puneet Nanda, Executive Director	0.18%
Mr. Sandeep Batra, Executive Director	0.16%
Mr. Satyan Jambunathan, Chief Financial Officer	0.11%
Ms. Vyoma Manek, Company Secretary	0.02%

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

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

These KPIs of the Organisation and Wholtime Directors, in addition to financial parameters, include parameters related to quality and health of the business. To ensure effective alignment of compensation with prudent risk parameters, the Company takes into account various risk parameters along with other pre-defined performance objectives of the Company. At the end of the financial year, the performance of the Company as well as performance of each WTD based on their respective KPI(s) is presented to the BNRC. Based on the performance assessment by the BNRC, the variable component of the remunerations for the WTDs is recommended to and approved by the Board.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year
Not applicable

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company

Yes

Performance evaluation of Board, Committees and Directors

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

The evaluations for the Directors, the Board and the Chairperson of the Board were undertaken through circulation of three questionnaires, one for the Directors, one for the Board and one for the Chairperson of the Board. The performance of the Board was assessed on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors was based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairperson of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on leadership abilities, effective management of meetings and preservation of interest of stakeholders. The evaluation process for Wholtime Directors is further detailed under the Section titled "Compensation Policy and Practices."

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 1, 2004-05, 2005-06, 2006-07, Founder II and 2007-08 ESOS, 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').

In the last amendment, which was approved by the members at the Annual General Meeting held on July 17, 2017, the definition of Exercise Period was modified to read as 'Exercise Period means the period commencing from the date of vesting and would expire on completion of such period not exceeding ten years from the date of vesting of Options as may be determined by the Board Nomination and Remuneration Committee for each grant.' The amendment to the definition covers only future grants and not the grants already made.

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 Committee 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 below disclosures are available on the website of the Company at <https://www.icicprulife.com/content/dam/icicpru/about-us/FinancialInformation/AnnualReports/FY2018.pdf>.

The Company follows intrinsic value method and hence there was no charge in the Revenue Account and Profit and Loss account on account of modification of the Scheme.

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

Date of Grant	Founder March 28, 2005	2004-05 April 25, 2005	2005-06 April 26, 2006	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008	2017-18 July 25, 2017
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
Maximum term for exercising options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options	Tenth anniversary from the date of vesting of options
Graded Vesting Period						
1st Year	50% of option granted		25% of options granted		30% of options granted	
2nd Year	25% of options granted		25% of options granted		30% of options granted	
3rd Year	25% of options granted		25% of options granted		40% of options granted	
4th Year	-		25% of options granted		-	
Mode of settlement	Equity					

Exercise price of all the options outstanding for all years/quarter for tranches Founder, 2004-05, 2005-06, 2006-07, Founder II, 2007-08 & 2017-18 is ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130, ₹ 400 and ₹ 468.6 respectively.

Particulars of options granted by the Company up to March 31, 2018 are given below:

Options granted	24,840,125
Options forfeited/ lapsed	10,116,085
Options vested	19,187,161
Options exercised	11,903,152
Total number of options in force	2,820,888
Number of shares allotted pursuant to exercise of options	11,903,152
Extinguishment or modification of options	Nil
Amount realized by exercise of options (₹)	933,800,100

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

The following Key Managerial Personnel, other than wholtime Directors, and Senior Management Personnel (SMP) were granted ESOPs upto a maximum of 41,000 options, aggregating to 232,300 options during FY2018.

Sr. No.	Name	Designation
1	Judhajit Das	Chief – Human Resources
2	Satyan Jambunathan	Chief Financial Officer
3	V. V. Balaji	Chief – IT & Operations
4	Pranav Mishra	Chief – Sales & Distribution
5	Prasun Kumar Sikdar*	Chief – Sales & Distribution
6	Manish Kumar	Chief Investments Officer
7	Deepak Kinger	Chief Risk & Compliance Officer

* Mr. Prasun Kumar Sikdar ceased to be an employee with the Company with effect from October 1, 2017.

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.

Nil options were vested during the year ended March 31, 2018 and ₹ 39.6 million was realised by exercise of options during the year ended March 31, 2018 (March 31, 2017: ₹ 327.3 million). During the year ended March 31, 2018 the Company has recognized a compensation cost of ₹ nil (year ended March 31, 2017: ₹ 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 ₹ 39.7 million (March 31, 2017: ₹ nil) and the proforma profit after tax would have been ₹ 16,158.6 million (March 31, 2017: ₹ 16,822.3 million). On a proforma basis, the company's basic and diluted earnings per share would have been ₹ 11.26 (March 31, 2017: ₹ 11.73) and ₹ 11.25 (March 31, 2017: ₹ 11.72) respectively.

Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year ended March 31, 2018 were

Particulars	March 31, 2018	Basis
Risk-free interest rate	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	6 to 8 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	0.96%	Based on recent dividend declared
Expected volatility	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, 2018 is ₹ 261.08 (year ended March 31, 2017: ₹ 108.3).

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 options to executive Directors and certain employees of the Company. The holding company follows an intrinsic value method and has recognized a cost of ₹ nil for the year ended March 31, 2018, for the options granted to employees of the Company (year ended March 31, 2017: ₹ nil).

Details of equity shares held by the non-executive Directors as on March 31, 2018:

None of the non-executive Directors of the Company holds shares of the Company as on March 31, 2018.

General Body Meetings

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

Financial Year ended	Day, Date	Start time	Venue
Fifteenth AGM	Thursday, June 25, 2015	10.00 am	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Sixteenth AGM	Friday, June 24, 2016	11.00 am	ICICI Prudential Life Insurance Company Limited, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Seventeenth AGM	Monday, July 17, 2017	2.00 pm	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Near Bombay Hospital & Medical Research Centre, New Marine Lines, Mumbai 400 020

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

Annual General Meeting held on June 25, 2015

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

Annual General Meeting held on June 24, 2016

- Amendment of the Articles of Association of the Company.

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.

Means of Communication

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

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

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

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

Management Discussion and Analysis

The Management Discussion and Analysis Report for FY 2018 forms part of the Annual Report.

General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Eighteenth AGM	Tuesday, June 26, 2018, 2.30 pm	Swatantrya Veer Sawarkar Auditorium, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028

Financial Year: April 1, 2017 to March 31, 2018

Book Closure: June 20, 2018 to June 26, 2018 (both days inclusive)

Dividend Payment date: On or before July 25, 2018.

Listing of equity shares on Stock Exchange

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

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

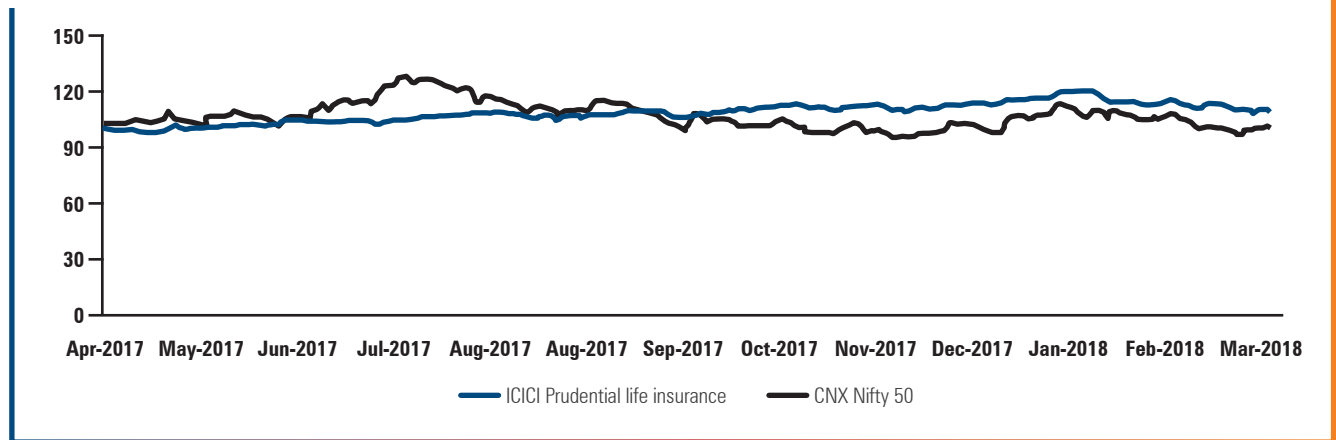
The Company has paid the annual listing fees for the relevant periods to BSE and NSE where its equity shares are listed.

Market price Information

The reported high and low closing prices and volume of equity shares of the Company traded during Fiscal 2018 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 2017	418.70	385.05	2,136,003	419.90	385.35	13,845,619	15,981,622
May 2017	417.10	392.60	1,724,591	417.50	391.95	11,871,357	13,595,948
June 2017	473.60	401.55	3,013,908	473.65	400.95	15,927,863	18,941,771
July 2017	495.20	438.10	3,359,699	494.45	439.05	26,807,080	30,166,779
August 2017	443.80	412.75	1,556,992	443.95	413.80	16,530,572	18,087,564
September 2017	446.00	382.45	2,065,123	446.20	381.35	27,427,927	29,493,050
October 2017	413.05	387.20	2,383,247	413.20	387.55	25,421,189	27,804,436
November 2017	402.15	371.75	1,866,911	401.80	372.05	29,541,005	31,407,916
December 2017	395.20	366.90	1,723,109	395.40	367.30	17,755,419	19,478,528
January 2018	438.35	374.80	3,034,164	438.75	375.20	44,742,440	47,776,604
February 2018	424.90	401.90	2,202,203	424.90	400.80	21,001,810	23,204,013
March 2018	408.10	371.20	1,061,048	407.40	371.50	19,493,234	20,554,282
Fiscal 2018	495.20	366.90	26,126,998	494.45	367.30	270,365,515	296,492,513

SHARE PERFORMANCE



* Share price/index are rebased to 100 for closing value on March 31, 2017.

Share Transfer System

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

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad – 500 032
 Email ID: einward.ris@karvy.com
 Tel No.: +91-40-67162222
 Fax No.: +91-40-23420814

Information on shareholding

Shareholding pattern of the Company as on March 31, 2018

Sr. No.	Category/Name of the Shareholder	Number of shares on March 31, 2018 (in million)	% Total
1	ICICI Bank Limited (Promoter)	787.82	54.9%
2	Prudential Corporation Holdings Limited (Promoter)	370.78	25.8%
3	Foreign Institutional Investors/Foreign Portfolio Investors/Foreign Bodies	122.27	8.5%
4	Domestic Mutual Funds	41.33	2.9%
5	Domestic Institutions, Trust & NBFC	50.80	3.5%
6	Domestic Body corporates including Insurance Company	15.37	1.1%
7	Domestic Banks	0.76	0.1%
8	Retail Investors & Others	46.36	3.2%
	Total	1,435.50	100.0%

Shareholders of the Company with more than 1% holding as on March 31, 2018 (other than promoters of the Company)

Sr. No.	Name	No. of shares	% of total number of shares
1.	M/s. Apex Trust *	47,328,548	3.30
2.	Compassvale Investments Pte. Ltd.	28,717,748	2.00

* 37,435,497 equity shares held by M/s Apex Trust jointly with Mr. Rishad Azim Premji and 9,893,051 equity shares held by M/s Apex Trust together for M/s Hasham Traders

Distribution of shareholding of the Company as on March 31, 2018

Distribution Schedule As On March 31, 2018 (Total)					
Sr.No	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	349,712	97.93	255,673,070	1.78
2	5001- 10000	3,854	1.08	29,688,010	0.21
3	10001- 20000	1,648	0.46	24,424,070	0.17
4	20001- 30000	506	0.14	12,950,000	0.09
5	30001- 40000	243	0.07	8,636,370	0.06
6	40001- 50000	203	0.06	9,629,510	0.07
7	50001- 100000	357	0.10	26,096,120	0.18
8	100001& Above	594	0.17	13,987,889,950	97.44
	Total	357,117	100.00	14,354,987,100	100.00

The Company's equity shares are traded mainly in dematerialised form. During the year, 173,075 equity shares of face value ₹ 10/- each involving 27 certificates were dematerialised. At March 31, 2018, 99.99% of paid-up equity share capital are held in dematerialised form.

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/content/dam/icicipru/about-us/investor-awareness/Fit_And_Proper_Criteria.pdf

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

Mr. Satyan Jambunathan/Mr. Vikas Gupta
Investor Relations
ICICI Prudential Life Insurance Co. Ltd.
1089, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Telephone: (91 22) 40391600
Fax: (91 22) 6662 2031
Email ID: ir@iciciprulife.com

ADDITIONAL INFORMATION

Conservation of Energy and Technology absorption

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

Business Responsibility Reporting

Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations 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/content/dam/icicipru/about-us/business-responsibility-report/BRR2018.pdf>

Foreign exchange earnings and outgo

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

Particulars	₹ billion	
	FY2017	FY2018
Foreign exchange earnings and outgo		
- Earnings	0.10	0.15
- Outgo	0.39	0.32

Commodity price risk or foreign exchange risk and hedging activities

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

Plant Locations

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

Address for Correspondence

Ms. Vyoma Manek
Company Secretary
ICICI Prudential Life Insurance Company Limited
1089, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Telephone: (91 22) 40391600
Fax: (91 22) 6662 2031
Email ID: investor@iciciprulife.com

COMPLIANCE CERTIFICATE OF THE AUDITORS

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

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

Sr. No.	Description	No. of Shareholders	No. of Shares
1.	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on April 1, 2017	1	61
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1	61
3.	Number of shareholders to whom shares were transferred from suspense account during the year	1	61
4.	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2018	0	0

Events after Balance Sheet date

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

Disclosures

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

Adoption of Mandatory and Non-mandatory requirements

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

The Company has adopted following non-mandatory requirements:

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

GREEN INITIATIVES IN CORPORATE GOVERNANCE

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

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

DIGITISATION

In furtherance of the Green Initiative, the Company has digitised its policy issuance and servicing processes. More than 96% of all our applications are logged digitally. The Company has also offered its customers the facility of opening e-insurance accounts, an electronic repository of the policies to enable it to electronically store and administer a policy.

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

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the CA2013 and the Corporate Governance Guidelines, the Board of Directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that they have selected such accounting policies and applied them consistently and made 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 profit and loss of the Company for that period;

- (c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that they have prepared the annual accounts on a going concern basis;
- (e) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

The Board of Directors and the Company would also like to take this opportunity to express sincere thanks to 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

Chanda Kochhar

Chairperson

DIN: 00043617

May 4, 2018
Mumbai

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, 2018.

Sandeep Bakhshi

Managing Director & CEO
DIN: 00109206

May 4, 2018
Mumbai

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Vyoma Manek, hereby certify that the Company has, for the financial year ended March 31, 2018, complied with the corporate governance guidelines as prescribed by Insurance Regulatory and Development Authority of India as amended from time to time and nothing has been concealed or suppressed.

Vyoma Manek

Company Secretary
ACS 20384

May 4, 2018
Mumbai

ANNEXURE A

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31 2018

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

TO THE MEMBERS

ICICI Prudential Life Insurance Company Limited

1089, Appasaheb Marathe Marg
Prabhadevi
Mumbai – 400 025

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

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

I further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has no specific event/action, which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Dr. K R Chandratre

Company Secretary in Practice
FCS 1370, CP No 5144

Place : Pune

Date : April 24, 2018

ANNEXURE B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. Registration and other details:

i)	CIN	L66010MH2000PLC127837
ii)	Registration Date	July 20, 2000
iii)	Name of the Company	ICICI Prudential Life Insurance Company Limited
iv)	Category / Sub-Category of the Company	Insurance Company Limited
v)	Address of the Registered office and contact details	1089, Appasaheb Marathe Marg Prabhadevi Mumbai - 400 025 Tel. : (+91 - 22) 4039 1600 Fax : (+91 - 22) 2437 6638
vi)	Whether listed company Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email id: einward.ris@karvy.com Tel. : +91 40 67162222 Fax. : +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:-

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

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	ICICI Bank Limited ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara GJ 390007 IN	L65190GJ1994PLC021012	Holding	54.88	2(46)
2.	ICICI Prudential Pension Funds Management Company Limited 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	U66000MH2009PLC191935	Subsidiary	100	2 (87)

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

i) Category-wise Share Holding.

Sl. No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2017			No. of Shares held at the end of the year March 31, 2018			% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	
A Promoters								
(1) Indian								
a)	Individual/HUF	0	0	0	0.00	0	0	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0.00
c)	State Govt(s).	0	0	0	0.00	0	0	0.00
d)	Bodies Corp.	0	0	0	0.00	0	0	0.00
e)	Banks/FI	787,816,604	0	787,816,604	54.89	787,816,604	0	54.88 (0.01)
f)	Any Other	0	0	0	0.00	0	0	0.00
Sub-total (A) (1) :-		787,816,604	0	787,816,604	54.89	787,816,604	0	54.88 (0.01)
(2) Foreign								
a)	NRIs – Individuals	0	0	0	0.00	0	0	0.00
b)	Other – Individuals	0	0	0	0.00	0	0	0.00
c)	Bodies Corp.	370,784,884	0	370,784,884	25.83	370,784,884	0	25.83
d)	Banks/FI	0	0	0	0.00	0	0	0.00
e)	Any Other	0	0	0	0.00	0	0	0.00
Sub-total (A) (2) :-		370,784,884	0	370,784,884	25.83	370,784,884	0	25.83
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		1,158,601,488	0	1,158,601,488	80.72	1,158,601,488	0	80.71 (0.01)
B Public Shareholding								
(1) Institutions								
a)	Mutual Funds/UTI	41,358,153	0	41,358,153	2.88	41,329,128	0	2.88
b)	Banks/FI	602,939	0	602,939	0.04	1,119,768	0	0.08
c)	Central Govt.	0	0	0	0.00	0	0	0.00
d)	State Govt(s).	0	0	0	0.00	0	0	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0.00
f)	Insurance Companies	5,474,155	0	5,474,155	0.38	10,683,774	0	0.74
g)	FIs	85,842,852	0	85,842,852	5.98	93,553,239	0	6.52
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0.00
i)	Alternative Investment Fund	0	0	0	0.00	291,643	0	0.02
j)	Other (specify)	0	0	0	0.00	0	0	0.00
Sub-total (B) (1) :-		133,278,099	0	133,278,099	9.29	146,977,552	0	10.24
(2) Non-Institutions								
A Bodies Corp.								
I	Indian	8,043,010	0	8,043,010	0.56	4,688,948	0	0.33 (0.23)
II	Overseas	0	0	0	0.00	0	0	0.00
B Individuals								
I	Individual shareholders holding nominal share capital upto ₹ 1 lakh	33,349,449	75,045	33,424,494	2.33	32,197,289	60,957	2.25 (0.08)
II	Individual shareholders holding nominal share capital excess of ₹ 1 lakh*	66,268,322	128,000	66,396,322	4.63	7,884,656	128,000	0.56 (4.07)

Sl. No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2017			No. of Shares held at the end of the year March 31, 2018			% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
C	Others (specify)								
	Trust*	19,938	0	19,938	0.00	47,693,836	0	47,693,836	3.32
	Directors & their Relatives (Resident)	378,548	0	378,548	0.03	378,487	0	378,487	0.03
	Non-Resident Indian Directors	0	0	0	0.00	0	0	0	0.00
	Foreign Nationals	425	0	425	0.00	0	0	0	0.00
	Non-Resident Indians	1,510,960	0	1,510,960	0.11	1,348,807	0	1,348,807	0.09
	Clearing Member	2,081,579	0	2,081,579	0.15	842,723	0	842,723	0.06
	Hindu Undivided Families	2,073,782	0	2,073,782	0.14	1,732,509	1,000	1,733,509	0.12
	Foreign Companies	28,717,748	0	28,717,748	2.00	28,717,748	0	28,717,748	2.00
	Foreign Bodies – DR	0	0	0	0.00	0	0	0	0.00
	NRI – DR	0	0	0	0.00	0	0	0	0.00
	NBFC	41,159	0	41,159	0.00	2,748,358	0	2,748,358	0.19
	NRI Non-Repatriation	779,558	0	779,558	0.05	1,496,352	0	1,496,352	0.10
	Sub-total (B) (2) :-	143,264,478	203,045	143,467,523	10.00	129,729,713	189,957	129,919,670	9.05
	Total Public Shareholding (B) = (B)(1) + (B)(2)	276,542,577	203,045	276,745,622	19.28	276,707,265	189,957	276,897,222	19.29
	D Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00
	Grand Total (A+B+C)	1,435,144,065	203,045	1,435,347,110	100.00	1,435,308,753	189,957	1,435,498,710	100.00

*includes the shares held by Azim Hasham Premji for M/s. Hasham Traders as on March 31, 2017 which are 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 April 1, 2017			Shareholding at the end of the year March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	ICICI Bank Limited	787,816,604	54.89	-	787,816,604	54.88	-	0.01
2	Prudential Corporation Holdings Ltd.	370,784,884	25.83	-	370,784,884	25.83	-	0.00
	Total	1,158,601,488	80.72	-	1,158,601,488	80.71	-	0.01

Note: There is no change in the number of shares held by the promoter companies.

Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Date	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	April 1, 2017	1,158,601,488	80.72	1,158,601,488	80.72
2.	At the End of the year	March 31, 2018	1,158,601,488	80.71	1,158,601,488	80.71

Note: There is no change in the shareholding of promoters group.

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-2017		Shareholding at the end of the year 31-Mar-2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Azim Hasham Premji [^]	57,435,497	4.00	47,328,548	3.30
2	Compassvale Investments PTE. Ltd.*	28,717,748	2.00	28,717,748	2.00
3	SBI Magnum Multiplier Fund*	6,302,633	0.44	8,563,566	0.60
4	Nomura India Investment Fund Mother Fund [#]	3,408,736	0.24	7,075,101	0.49
5	Amansa Holdings Private Limited [^]	9,370,860	0.65	6,625,775	0.46
6	Government of Singapore - E [^]	8,446,320	0.59	6,404,886	0.45
7	National Westminster Bank PLC as Trustee of the Jupiter India Fund [#]	3,714,023	0.26	5,058,262	0.35
8	Reliance Capital Trustee Co Ltd-A/C Reliance Mid & Small Cap Fund [^]	7,254,716	0.51	4,671,683	0.33
9	ICICI Prudential Equity Arbitrage Fund [#]	534,678	0.04	4,648,130	0.32
10	Vanguard Emerging Markets Stock Index Fund, Aserie [#]	2,927,255	0.20	4,494,943	0.31
11	L and T Mutual Fund Trustee Ltd-L and T Monthly Income Plan [@]	5,305,718	0.37	4,455,808	0.31
12	IDFC Classic Equity Fund [@]	4,416,379	0.31	3,408,584	0.24
13	UTI - Long Term Equity Fund (Tax Saving) [@]	5,574,047	0.39	1,637,500	0.11
14	KOTAK Mahindra Balance Unit Scheme 99 [@]	5,256,465	0.37	1,115,400	0.08

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, 2017 and March 31, 2018

[@] Top 10 shareholders only as on April 1, 2017

[#] Top 10 shareholders only as on March 31, 2018

[^] Includes the shares held by Azim Hasham Premji for M/s Hasham Traders as on March 31, 2017 which as on March 31, 2018 are held by M/s Apex Trust jointly with Mr. Rishad Azim Premji and by M/s Apex Trust together for M/s Hasham Traders.

iv) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP Name of the Director/KMP	Shareholding at the beginning of the year April 1, 2017		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus / sweat equity etc):		Cumulative Shareholding during the year		Shareholding at the end of the year March 31, 2018	
		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. Sandeep Bakhshi	48	0.00	-	-	48	0.00	48	0.00
2.	Mr. Puneet Nanda	347,500	0.02	-	-	347,500	0.02	347,500	0.02
3.	Mr. Sandeep Batra	30,000	0.00	-	-	30,000	0.00	30,000	0.00
4.	Mr. Satyan Jambunathan	146,875	0.01	-	-	146,875	0.01	146,875	0.01
5.	Ms. Vyoma Manek	48	0.00	06-Oct-17	15 Purchase	63	0.00		
				30-Mar-18	5 Purchase	68	0.00	68	0.00

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not paid				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not paid				
Total (i + ii + iii)	NIL	NIL	NIL	NIL

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Sandeep Bakhshi Managing Director & CEO	Mr. Puneet Nanda Executive Director – Business	Mr. Sandeep Batra, Executive Director – Corp. Center	
1	Gross salary	-	-	-	-
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	56,788	37,484	36,500	130,772
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	936	533	454	1,923
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Options*	0	0	0	0
3.	Sweat Equity	-	-	-	-
4.	Commission				
	– as % of profit	-	-	-	-
	– others, specify	-	-	-	-
5.	Others, please specify **	5,191	3,443	1,790	10,424
	Total (A)	62,915	41,460	38,744	143,119

* Perquisite value of the stock options exercised. Additionally the directors are granted options pursuant to Company's Employees Stock Option Scheme and ICICI Bank's Employees Stock Option Scheme

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

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors									Total Amount
	Mr. Keki Dadiseth	Prof. Marti G. Subrahmanyam	Ms. Rama Bijapurkar	Mr. Vinod Kumar Dhall	Mr. V. Sridar	Mr. M. S. Ramachandran	Mr. Dilip Karnik	Mr. R. K. Nair	Mr. Dileep Choksi	
Independent Directors										
● Fee for attending board & committee meetings	-	380,000	600,000	10,80,000	820,000	920,000	560,000	560,000	100,000	5,020,000
● Commission*	51,369	750,000	750,000	750,000	750,000	567,123	567,123	-	-	4,185,615
● Others, please specify										
Total	51,369	1,130,000	1,350,000	1,830,000	1,570,000	1,487,123	1,127,123	560,000	100,000	9,205,615

											(In ₹)
											Total Amount
Others Non-Executive Directors	No remuneration is paid to non-executive non-independent Directors of the Company										-
● Fee for attending board committee meetings											
● Commission											
● Others, please specify											
Total											-
Total (B)	51,369	1,130,000	1,350,000	1,830,000	1,570,000	1,487,123	1,127,123	560,000	100,000	9,205,615	

* Proportionately paid in accordance with the tenure as an Independent Director of the Company in the financial year ended March 31, 2018. Further, a provision of ₹ 44.98 lakhs is made in the financial statement ending March 31, 2018.

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

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	25,533	4,063	29,596
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	101	14	105
c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options*	0	0	0
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit			
	- Others, specify			
5.	Others, please specify**	1,752	246	1,998
	Total	27,386	4,323	31,699

*Perquisite value of the stock options exercised. Additionally, the KMP's based on entitlements are granted options pursuant to Company's Employees Stock Option Scheme and ICICI Bank's Employees Stock Option Scheme

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

VII. Penalties/Punishment/ Compounding of Offences*

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

* As per Companies Act, 2013

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader Section of society.

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

The CSR policy was approved by the Committee in October 2014, and subsequently was put up on the Company website. Web link for the Company's CSR policy- http://www.iciciprulife.com/public/About-us/Corporate-Social-Responsibility.htm/ICICI_Prudential_Life_CSR_Policy.pdf

2. Composition of the CSR Committee

The Company's CSR Committee comprises of four Directors including two independent Directors. The CSR Committee is chaired by the independent Director. The composition of the Committee is set out below:

Chairman : Mr. Vinod Kumar Dhall (Independent Director)

Member : Mr. Dilip Karnik (Independent Director)

Member : Mr. N S Kannan (Non-executive Director nominated by ICICI Bank Limited)

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

The functions of the Committee include: formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the Company and recommendation of the amount of the expenditure to be incurred on such activities; reviewing and recommending the annual CSR plan to the Board; monitoring the CSR activities, implementation of and compliance with the CSR Policy; and reviewing and implementing, if required, any other matter related to CSR initiatives.

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

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 was ₹ 11,504.4 million.

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

The prescribed CSR expenditure requirement for FY2018 is ₹ 230.1 million (FY2017 ₹ 217.4 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 ₹ 230.1 million (FY2017 ₹ 217.4 million) for FY2018 towards CSR projects. The Company has spent ₹ 230.5 million for FY2018 (FY2017 ₹ 218.8 million) for CSR programmes.

(b) Amount unspent , if any:
Not Applicable

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes 1. Local area or other 2. Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project or programmes-wise (in ₹)	Amount spent on the projects or programmes Sub-heads 1. Direct expenditure on projects or programmes 2. Overheads (in ₹)	Cumulative expenditure to the reporting period (in ₹)	Amount spent Direct or through implementing agency*
1.	Projects of ICICI Foundation for Inclusive Growth	● Promoting education, employment, enhancing vocational skills, livelihood enhancement projects	● Pan India	173.4 million	172.8 million	729.4 million	Amount spent through ICICI Foundation for Inclusive Growth.
2.	Healthcare	Healthcare	● Mumbai in Maharashtra ● Kolkata in West Bengal ● Mumbai in Maharashtra, Delhi, Chennai in Tamil Nadu, Jaipur in Rajasthan, Kochi in Kerala and Hyderabad in Telangana	8.2 million	8.3 million	26.3 million	● Tata Memorial Hospital for supporting treatment and hospitalisation of children diagnosed with cancer ● Tata Medical Centre for supporting treatment and hospitalisation of young adults diagnosed with cancer ● Genesis Foundation for supporting medical aid of underprivileged children diagnosed with cardiac ailments
3.	Education and Skill Development and Sustainable Livelihood	Education and Skill development and sustainable livelihoods	● Indore, Katni, Jabalpur, Chhindwara, Ujjain and Khandwa in Madhya Pradesh ● Mysore in Tamil Nadu ● Spiti in Himachal Pradesh ● Assam, Arunachal Pradesh, Sikkim, West Bengal, Bihar, Uttar Pradesh, Uttarakhand, Jammu and Kashmir, Rajasthan, Madhya Pradesh, Chhattisgarh, Maharashtra, Tamil Nadu, Karnataka, Kerala ● Pir Panjal and Ladakh in Jammu and Kashmir ● Raipur in Chhattisgarh and Visakhapatnam in Andhra Pradesh	21.5 million	25.1 million	56.8 million	● Catalysts for Social Action (Mumbai) for enhancing childcare conditions, rehabilitation outcomes and vocation and skill development of children living in Child Care Institutes ● Nature Conservation Foundation for supporting a 5 year Ph.D. programme for 2 underprivileged students ● Nature Conservation Foundation for skill development and sustainable livelihood of rural women living in Himalayan rangelands ● Financial protection of underprivileged frontline forest staff in case of any eventuality (death or permanent disability while on duty) with World Wide Fund for Nature – India (WWF – India) ● Sustainable livelihood of local communities in Himalayan rangelands with WWF – India ● Holistic development of orphan/ abandoned children in 2 welfare homes with SOS – Children’s Villages of India

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes 1. Local area or other 2. Specify the state and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes-wise (in ₹)	Amount spent on the projects or programmes Sub-heads 1. Direct expenditure on projects or programmes 2. Overheads (in ₹)	Cumulative expenditure to the reporting period (in ₹)	Amount spent Direct or through implementing agency*
4.	Consumer Awareness and Education on critical illness and eIA	Consumer Protection	PAN India	15.0 million	15.0 million	116.6 million	Direct
5.	Other Projects	Education & health,	<ul style="list-style-type: none"> ● PAN India ● Lucknow in Uttar Pradesh ● Katesar in Bihar ● Koppal in Karnataka ● Mumbai in Maharashtra ● Raipur in Chhattisgarh and Visakhapatnam in Andhra Pradesh ● Mumbai in Maharashtra 	13.1 million	9.3 million	29.8 million	<ul style="list-style-type: none"> ● Give India (Mumbai) ● Vocational training for underprivileged and disabled women with School for Potential Advancement and Restoration of Confidence – India (Sparc – India) ● Vocational training for underprivileged and disabled youth with Sparc – India ● IT infrastructure for vocational training institute for rural youth with Kusum Foundation ● Support palliative care for HIV patients with Samraksha ● Arpan for creating awareness and educating children on personal safety programme in school ● Holistic development of orphan / abandoned children at 2 welfare homes with SOS – Children’s Villages of India ● Catalysts for Social Action

*Details of the Implementing agencies –

1. ICICI Foundation for Inclusive Growth

Website Address – <http://www.icicifoundation.org/>
 Regd. Address –
 Head Office
 ICICI Foundation for Inclusive Growth
 ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai 400 051, India
 Tel: 91 22 26531414
 Fax: 91 22 26531511.

Registered Office

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

2. Tata Memorial Hospital

Website address: <https://tmc.gov.in/>
 Regd. Address –
 Dr. E Borges Road, Parel, Mumbai - 400 012, India
 Email ID – hrd@tmc.gov.in
 Tel: +91-22- 24177000, 24146750 – 55

3. Tata Medical Centre

Website address - <http://www.tmckolkata.com/>
 Regd. Address –
 Tata Medical Centre
 14 MAR (E-W), New Town,
 Rajarhat,
 Kolkata-700 160
 Email: info@tmckolkata.com
 Tel: +91 33 6605 7000

4. Genesis Foundation

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

5. Catalysts for Social Action

Website address – www.csa.org.in
 Regd. Address –
 Accelya Enclave, 685, 1st floor, Sharda Arcade, Satara Road,
 Pune - 411 037, Maharashtra, India
 Mumbai address – 711 & 712, Bhaveshwar Arcade Annex,
 Near Shreyas Cinema Bus Stop, Nityanand Nagar,
 LBS Marg, Ghatkopar-400 086
 Tel: +91-20-66083777 Extn: 3959.

6. Nature Conservation Foundation

Website address – <http://ncf-india.org/>
 Regd. Address –
 Nature Conservation Foundation
 3076/5, IV Cross, Gokulam Park, Mysore-570 002
 Tel: +91-821-2515601

7. World Wide Fund for Nature – India

Website address – <http://www.wwfindia.org/>
 Regd. Address –
 172 B Lodhi Estate, New Delhi-110 003
 Tel: +91 11 4150 4815

8. SOS – Children’s Villages of India

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

9. Arpan

Website address – <http://arpan.org.in/>
 Regd. Address –
 1st Floor, Delta Chemicals Pvt Ltd., J/1, Cama Industrial Zone, Off. Val
 Bhatt Road, Goregaon East, Cama Industrial Estate, Goregaon East,
 Mumbai-400 063, Maharashtra
 Tel: - 022 2686 2444 / 2686 8444

10. SPARC – India

Website address – <http://sparcindia.in/Default.aspx>
 Regd. Address –
 10, Satyalok Colony Behind Vijya Bank, Mohibullapur Madiaon, Sitapur
 Road, Lucknow-226 020
 Tel: 91 9839171676
 Email ID: sparcindia95@gmail.com.

11. Samraksha

Website address – www.samraksha.org
 Regd. Address –
 #17, 1st floor, 1st Cross, 3rd Main, SBM Colony, Anand Nagar,
 Bengaluru-560 024
 Tel: 080 23534563
 Email ID: samraksha@samraksha.org.

12. Kusum Foundation

Website address – <http://www.kusumfoundation.org/>
 Regd. Address –
 Kusum Kunj, West of Dr. Mahmud Chowk,
 Dahiyanwan, Chapra saran, Bihar, India
 Tel: 0091 (0) 6152233204
 Email ID: info@kusumfoundation.org.

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

Not applicable

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

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

ANNEXURE D

FORM NO. AOC – 2 RELATED PARTY TRANSACTIONS

The details of material related party transactions at arm's length principles for the year ended March 31, 2018 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. Commission rates for such services are based on guidance under Section 40A of the Insurance Act, 1938.	8,766.98
2	Premium income	ICICI Bank Limited	Holding company	-	Premium income for group team policy for employees of the group company and for offering insurance to its customers. Premium income and benefits paid are as per the product features approved by IRDAI	1,060.44
3	Bank Balance	ICICI Bank	Holding company	-	Outstanding book balance at March 31, 2018 in current account	(1,150.54)
4	Sale of government securities, certificate of deposits, bonds and debentures of third parties	ICICI Bank	Holding company	-	At market price	4,096.63
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	-	At market price	3,220.47
5	Purchases of government securities, bonds and debentures, certificate of deposits of third parties	ICICI Securities Primary Dealership Limited	Fellow Subsidiary	-	At market price	4,392.76
		ICICI Bank	Holding company	-	At market price	14,785.97
		ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	-	At market price	3,302.61
		ICICI Securities Primary Dealership Limited	Fellow Subsidiary	-	At market price	12,941.20

ANNEXURE E

Independent Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF ICICI Prudential Life Insurance Company Limited

Independent Auditors' Certificate on Corporate Governance

This certificate is issued in accordance with the terms of our engagement letters, wherein we are requested to issue certificate on the compliance of the conditions of Corporate Governance by ICICI Prudential Life Insurance Company Limited (the 'Company') for the year ended March 31, 2018, as per 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 (the 'Listing Regulations').

Management's responsibility

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

Auditors' 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, 2018.

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 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.

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.

Restrictions 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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Place: Mumbai
Date: April 24, 2018

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

per Khushroo B. Panthaky
Partner
Membership No: 42423

Place: Mumbai
Date: April 24, 2018

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 have been prepared have been detailed in the financial

statements – Refer Schedule 16: Significant accounting policies and notes forming part of the financial statements.

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

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

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

The details of the solvency ratio are as below:

Particulars	FY2018	FY2017
Actual solvency ratio	252.5%	280.7%
Required solvency ratio	150.0%	150.0%

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

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

6. Description of the risk management architecture

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

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

The claims settlement experience for the Company for FY2018 has been as follows:

Sr. No.	Claims experience	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
1.	Claims outstanding (beginning of the period)	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 reopened	-	-	-	-	-	-	-
7.	Claims written back	-	-	-	-	-	-	-
8.	Claims outstanding (End of the period)	65	10,659	972	8,354	6,375	277	-

Ageing of claims intimated and settled as at March 31, 2018 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Claims settled at end of the period	13,886	134,037	59,235	108,662	428,394	21,160	398
Less than 3 months	13,873	125,316	58,816	106,642	426,199	21,119	396
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

Ageing of claims intimated and outstanding as at March 31, 2018 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Claims outstanding at end of the period	65	10,659	972	8,354	6,375	277	-
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	-

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

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

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

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

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

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

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.

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

The Company's non-executive and independent Directors do not have any pecuniary relationships or transactions with the Company, except to the extent of insurance policies taken by them in the ordinary course of business, the sitting fees, reimbursements paid to them for attending Board and Committee Meetings, profit related commission and dividend paid to them during the year in the capacity of shareholder. Details of sitting fees, reimbursements and profit related commission are disclosed under 'Managerial Remuneration' section of Schedule 16 – Significant accounting policy and notes forming a part of the financial statements.

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

Particulars	(₹ '000)	
	FY2018	FY017
Rajiv Sabharwal*	-	1,105
N.S. Kannan	25	25
Total	25	1,130

*Ceased to be the director from June 30, 2016

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

Particulars	(₹ '000)	
	FY2018	FY2017
Dileep Choksi	2	-
Rama Bijapurkar*	36	-
Rajiv Sabharwal	-	0**
N.S. Kannan	-	350
Total	38	350

*Ceased to be the director from January 17, 2018.

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

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

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

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

Particulars	(₹ '000)					
	FY2018			FY2017		
	MD & CEO	Directors	KMP	MD & CEO	Directors	KMP
Basic	22,851	22,646	28,630	19,871	19,920	26,925
Bonus	18,602	24,770	24,396	13,388	17,256	23,561
Retirals	5,177	4,003	5,655	4,522	3,508	5,340
Allowance/Perquisites	16,284	28,784	57,917	13,801	40,785	103,244
LTRS	-	-	14,868	11,212	5,000	21,558
TOTAL	62,914	80,203	131,466	62,794	86,469	180,628

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.

10. Payment made to group entities from the Policyholders' Funds

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

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

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

12. Persistency ratio

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY AND BUSINESS REPORT

Macroeconomic environment and outlook

FY2018 has been marked by the introduction of some major policy reforms such as Goods and services tax (GST), Insolvency and Bankruptcy Code (IBC), recapitalisation plan for public sector banks; thus strengthening the momentum of policy reforms.

As a result of the reforms, the international rating agency Moody's Investors Service has upgraded India's sovereign credit ratings to Baa2 (stable) from Baa3 (positive) after a gap of around 13 years¹. Reflecting the cumulative initiatives by the Government of India to improve the business climate, India jumped 30 spots on the World Bank's Ease of Doing Business rankings.

For the third consecutive year, India's GDP grew at over 7% in FY2017. As per CSO advance estimates, GDP growth is expected to taper down to 6.6% in FY2018. With this estimate, the GDP growth has averaged 7.3% for the period from FY2015 to FY2018, which is the highest amongst the major economies of the world. On per capita basis, the national income during FY2018 is estimated to be ₹ 112,764² showing a rise by 8.6% as compared to ₹ 103,870 during FY2017.

Net FDI inflows during April-December 2017 moderated to USD 23.7 billion³ from USD 30.6 billion during the corresponding period of the previous year. Persisting positive yield differentials between global (US treasuries) and Indian government securities and the stability of the Indian rupee in the foreign exchange market relative to other currencies provided congenial conditions for foreign portfolio investors (FPIs) who were net buyers in the debt market. Country's stock markets also attracted sizeable inflow of foreign capital and attention of domestic retail investors. Net inflow from foreign portfolio/ institutional investor was ₹ 1,446.82⁴ billion in FY2018 as compared to ₹ 484.11 billion in FY2017. The benchmark indices, BSE Sensex and Nifty registered growth of 11.3% and 10.2% respectively during FY2018.

Household savings (excl. currency) as a % of GDP returned to FY2015 level i.e. 18.3% but increased from 16.4% in FY2016. On the other hand financial savings (excl. currency) as % of GDP has continued its growing trajectory, from 6.8% in FY2016 to 8.8% in FY2017. Within the financial savings there has been a shift towards bank deposits, shares/ debentures/ mutual funds whereas share of insurance fund has increased marginally from 20.3% in FY2016 to 20.7% in FY2017.

Particulars ⁵	FY2015	FY2016	FY2017
Nominal GDP (₹ tn)	124.68	137.64	152.54
Household savings (excl. currency) as % of GDP	18.5%	16.4%	18.3%
Financial savings (excl. currency) as % of GDP	6.0%	6.8%	8.8%
Insurance share of financial assets	26.1%	20.3%	20.7%

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.

¹ Source: Press Information Bureau; Ministry of Finance

² Source: CSO

³ Source: RBI

⁴ Source: NSDL

⁵ Source: RBI, CSO

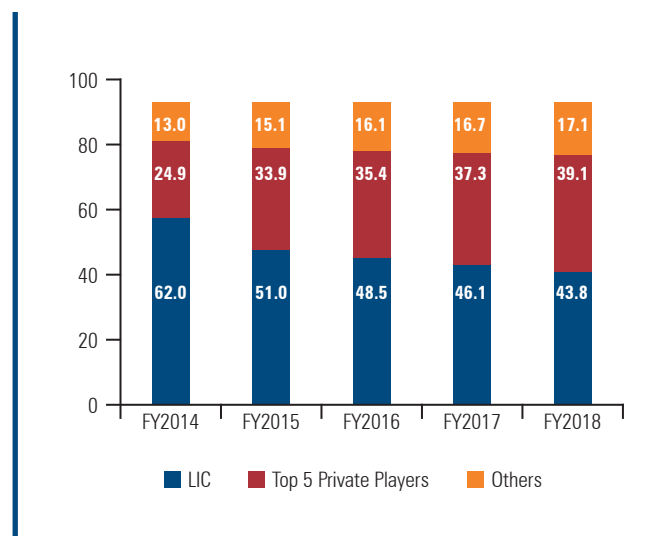
⁶ Source: Life Insurance Council

Insurance industry structure and developments

The size of the Indian life insurance sector was ₹ 4.2 trillion⁶ on a total premium basis in FY2017, making it the thirteenth largest life insurance market in the world and the fifth largest in Asia, according to Swiss Re, sigma No 3/2017. The total premium in the Indian life insurance sector grew at a CAGR of approximately 15% between FY2002 and FY2017 outpacing the GDP CAGR of 13% during the same period. On retail weighted received premium basis the industry has grown at a CAGR of 10.7% during FY2002 to FY2017.

The Indian Life Insurance industry has 24 players including Life Insurance Corporation of India (LIC). Top 5 private players contribute to around 39.1% of the industry.

Market Share (%)

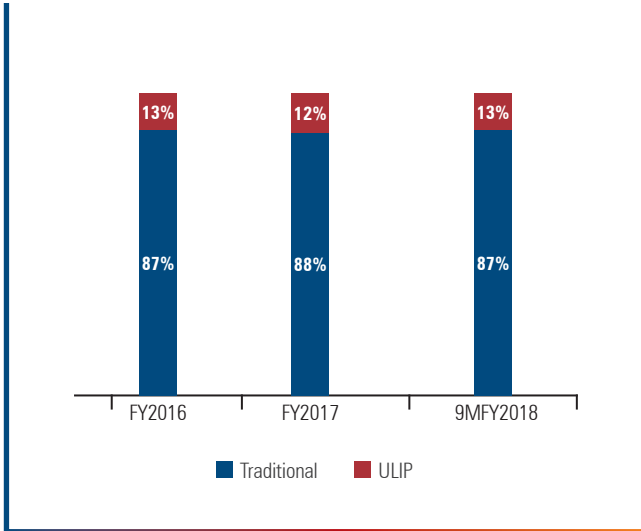


Based on RWRP, Source: Life Insurance Council

In FY2018, the industry has grown by 19.2% compared to FY2017. Both LIC and private sector have grown by 13.2% and 24.3% respectively.

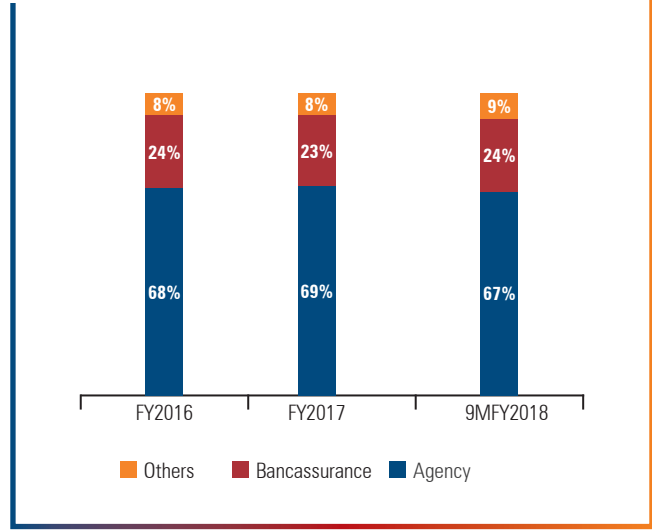
Product Mix

Industry

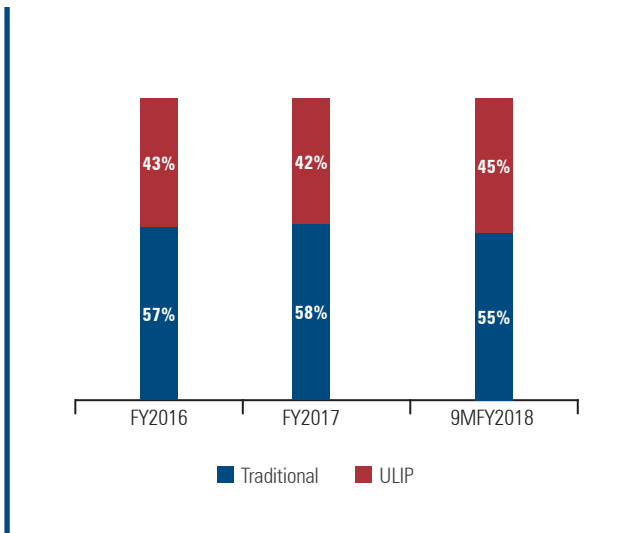


Distribution Trends

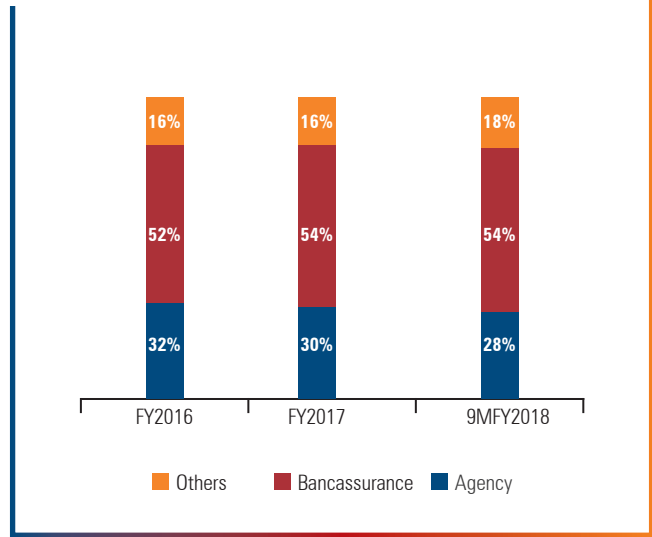
Industry



Private Players



Private Players



Based on new business premium; Source: Life Insurance Council

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

There has been no significant change in the product mix of the industry from FY2016 till 9MFY2018.

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 32% in FY2016 to 28% in 9MFY2018. The share of Bancassurance channel has increased from 52% in FY2016 to 54% in 9MFY2018 for private players. Direct sales through proprietary sales force or internet is also becoming increasingly important.

Contribution of the life insurance industry

In the Indian financial services industry, life insurance industry is uniquely positioned to cover a range of customer needs. It can offer a range of savings products across fixed income and equity platforms. It can also offer annuity, term plans and defined benefit health plans. Life insurance industry acts as a safeguard by providing cover against the mortality and morbidity risk. The life insurance products ensure meeting of financial goals of an individual irrespective of occurrence of mortality or morbidity incidence. As at December 2017 the number of lives covered through Individual policies was 250 million while lives covered through group policies were 331 million.

The Indian life insurance industry plays a key role in channelising retail investors' 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 infrastructure sector by the industry are as follows:

₹ bn	FY2015	FY2016	FY2017	FY2018
Infrastructure/Housing investments	2,913.32	3,064.92	3,440.75	3,733.62

Source: Life Insurance Council

Insurance industry in India is also an immense source of part time and full time employment to professionals with varied skill levels.

Numbers in '000s	31-Mar-15	31-Mar-16	31-Mar-17	31-Dec-17
No. of agents (individual)	2,068	2,017	2,089	2,086
No. of direct employees	249	248	250	259
Total	2,317	2,264	2,338	2,345

Source: Life Insurance Council

Opportunities and Threats

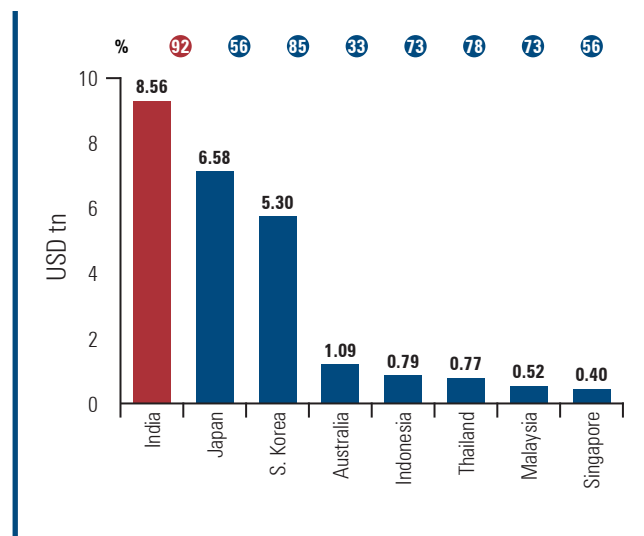
Opportunities

● Protection

According to Swiss Re, Mortality Protection Gap for India is USD 8.56 trillion which is very high compared to 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 rest of the world. This provides huge opportunities for Indian life insurance companies to expand their protection business.

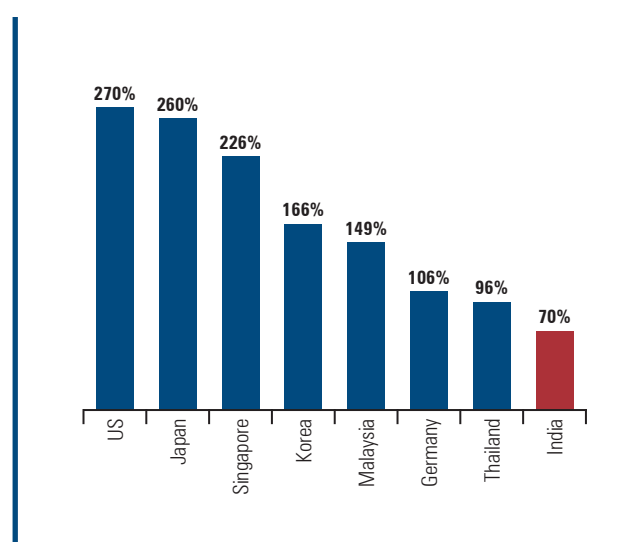
Retail credit has been growing at a CAGR of 15.7% from FY2012 to FY2017. This provides an additional opportunity for the industry for the credit cover business which is voluntary in nature. This product provides mortality/morbidity cover to borrowers.

Protection Gap



Source: Swiss Re

Sum assured as % of GDP



Source: McKinsey analysis 2015, CIRC annual report, Life Insurance Council, CSO
As of FY2017 for India and 2015 for others

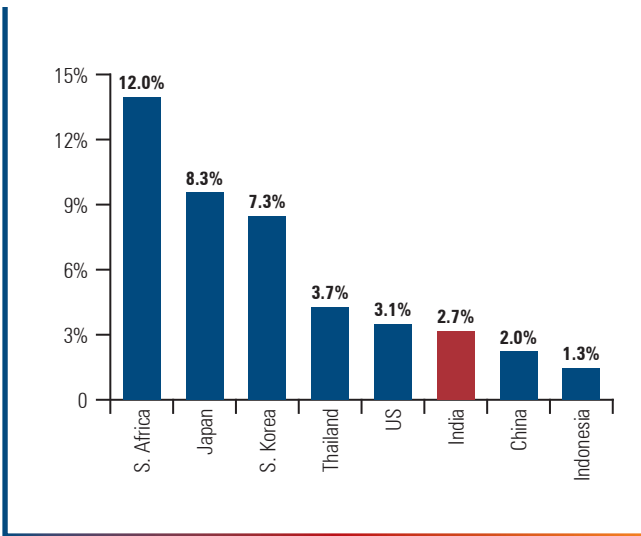
● Savings

India continues to be an underpenetrated insurance market with a life insurance penetration of 2.7% in fiscal 2017, as compared to a global average of 3.5% in 2016⁷. At USD 47⁷ in fiscal 2016, the insurance density in India also remains very low as compared to other developed and emerging market economies. The macroeconomic factors such as GDP and rise in per capita income, coupled with India's young

⁷ Source: Swiss Re No 3/2017

and working population, higher financial saving as % of GDP, rapid urbanisation and increase in digitalisation would propel the growth of the Indian life insurance sector.

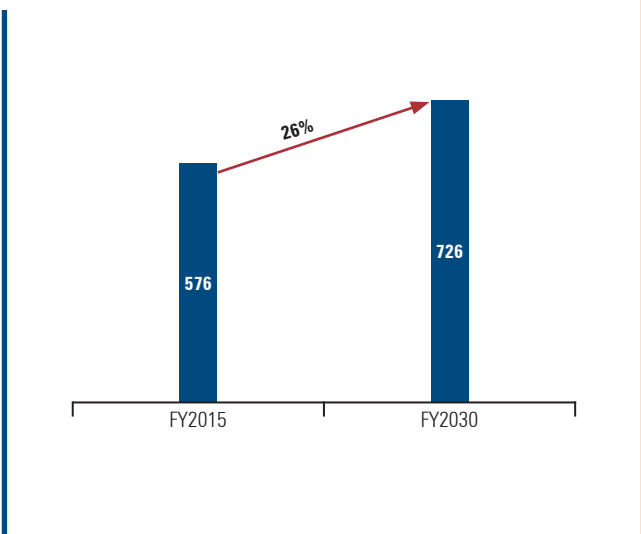
Insurance Penetration



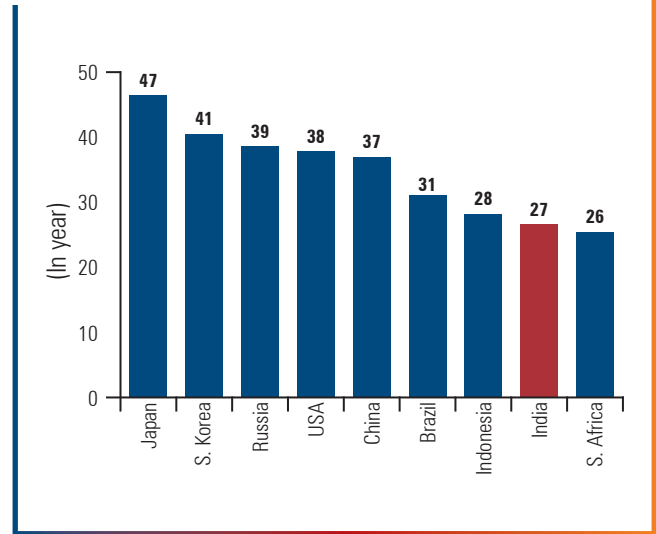
- Favourable demographics**

According to United Nations estimates, working population will increase by 26% till 2030. With median age of 27 years India has youngest population in the world especially compared to countries like Japan, U.S.A, and China etc. These factors can lead to increase in demand for life insurance products

Population of age 25-59 years (in mn)



Median Age (2015)



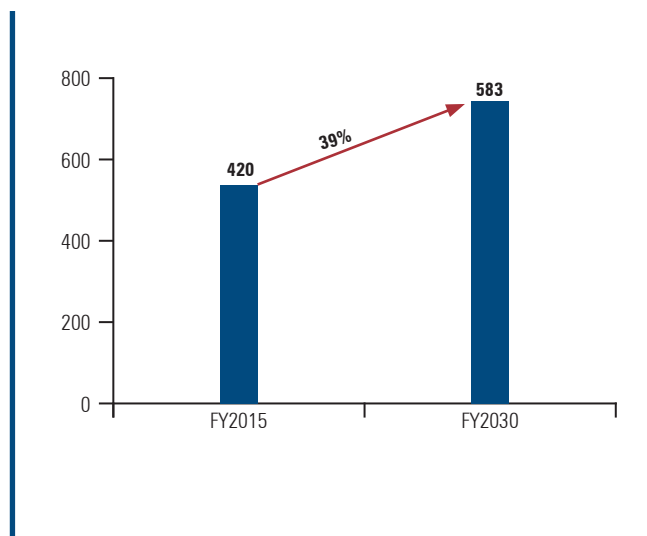
- Financial savings**

India has a large pool of household savings and in FY2017, the ratio of household savings (excl. currency) to GDP was 18%. The share of financial savings as a proportion of household savings increased from 27% in FY2012 to 48% in FY2017. This is expected to rise further, as stable inflationary trends and positive real interest rates generally diminish the attractiveness of physical savings such as investments in gold and real estate. The share of life insurance as a proportion of financial savings in India reached its peak level at 29.0% in fiscal 2010. However, with regulatory changes in the sector and a downturn in economic environment, the share of life insurance declined sharply to 18.8% of financial savings in fiscal 2014. In FY2017, the share of life insurance increased to 20.7%, due to improving customer value proposition of insurance products.

- Increasing urbanisation**

According to United Nations Population division estimates India's urban population is set to increase by 39% by the year 2030. Increased urbanisation can lead to improvement in standard of living and better access to financial products like life insurance especially through digital means.

Urban Population in India (in mn)



● Increasing internet and mobile penetration

According to BCG report, online insurance is expected to grow 20 times by 2020, while digital influence in terms of number of buyers engaging in pre purchase, post purchase activity online is expected to grow to 50% from current 12% of all buyers. With the spread of internet and mobile technology new channels for distribution have come to the fore. Also 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.

Segment-wise or product-wise performance of the Company

1. Protection

We have a comprehensive suite of protection products to cover income protection, credit life and critical illness. We are focused on value creation through smooth on-boarding and robust risk management. We use analytics and real time connectivity with different eco-systems for automated underwriting based on risk profile. We are pioneers in the tele- underwriting in the country. We offer convenience of medical tests at home. All of these have resulted in a strong growth in our protection business. Protection APE for FY2018 was ₹ 4.46 billion and had grown at a CAGR of 80.4% over last 3 years.

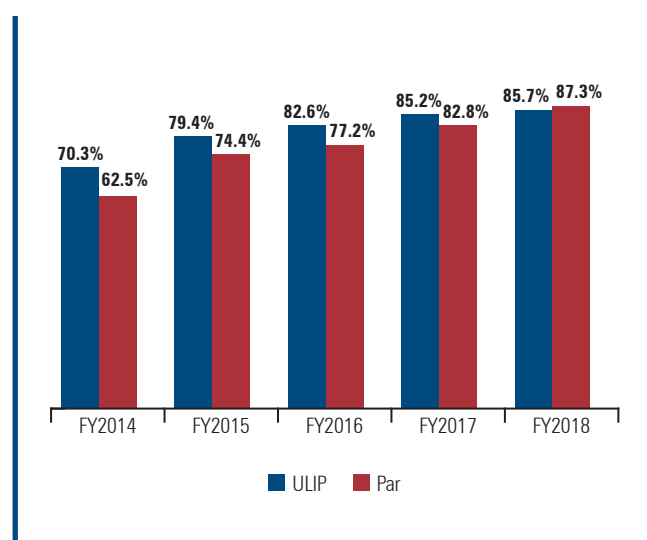
For FY2018 protection policies contributed 40.8% of the total retail policies sold during the year.

2. Savings

Our savings business has grown at a rate of ~16% over last 1, 3 and 5 year period. In the savings segment we have been focused on creating value for customer and shareholders by consistently improving persistency and cost ratio. Our persistency has improved consistently over the last 5 years across product categories. Use of technology has helped in improving the cost ratio of the savings business.

₹ bn	FY2017	FY2018	CAGR		
			1 year	3 year	5 year
Savings	63.64	73.45	15.4%	16.3%	16.3%
ULIP	55.69	63.81	14.6%	17.4%	28.4%
Par	6.38	8.46	32.6%	10.6%	35.5%
Non par	0.72	0.40	-44.4%	-0.8%	-50.5%
Group	0.86	0.78	-9.3%	8.5%	-4.5%

13th month Persistency¹



¹ Calculated in accordance with IRDA circular dated January 23, 2014; excluding group and single premium policies

Savings LOB	FY2014	FY2015	FY2016	FY2017	FY2018
Cost/TWRP	18.4%	14.8%	13.8%	13.3%	11.8%
Cost/Average AUM	3.1%	2.5%	2.5%	2.6%	2.4%

Outlook

- High protection gap and low sum assured to GDP indicates significant opportunities for Indian life insurance companies to expand their protection business.
- Increasing retail credit will provide additional opportunity for the credit cover insurance.
- Rise in the working population category and per capita income would lead to increase in demand for life insurance products.
- Increase in the financial savings coupled with improved customer value proposition of insurance products would translate in increased inflow for the industry.
- Increased urbanisation can lead to improvement in standard of living and better access to financial products like life insurance especially through digital means.

Risks and concerns

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. Details of our Enterprise Risk Management Framework are included as section Enterprise Risk Management on page 66 - 71.

Solvency

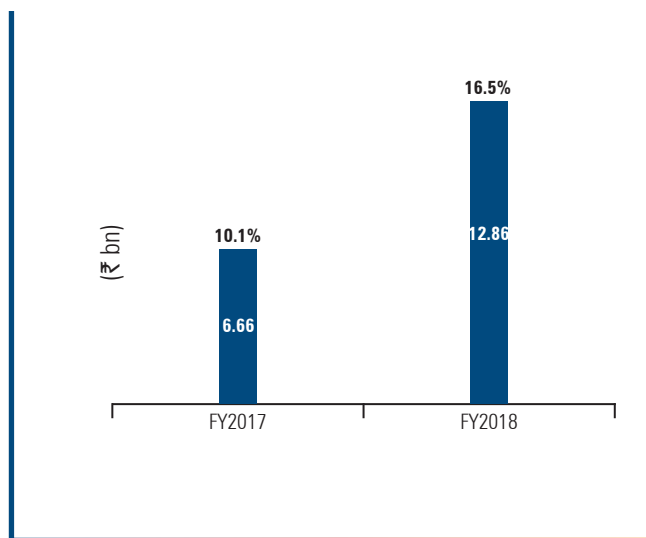
As at March 31, 2018 we have a solvency ratio of 252%, compared to regulatory minimum required level of 150%.

Embedded value (EV) analysis:

VNB

Our Value of New Business at March 31, 2018 is ₹ 12.86 billion compared to ₹6.66 which is a YoY increase of 93.1%. VNB margins improved to 16.5% for FY2018 from 10.1% for FY2017. Increase in VNB margin was primarily due to change in product mix and better expense efficiency.

Value of New Business



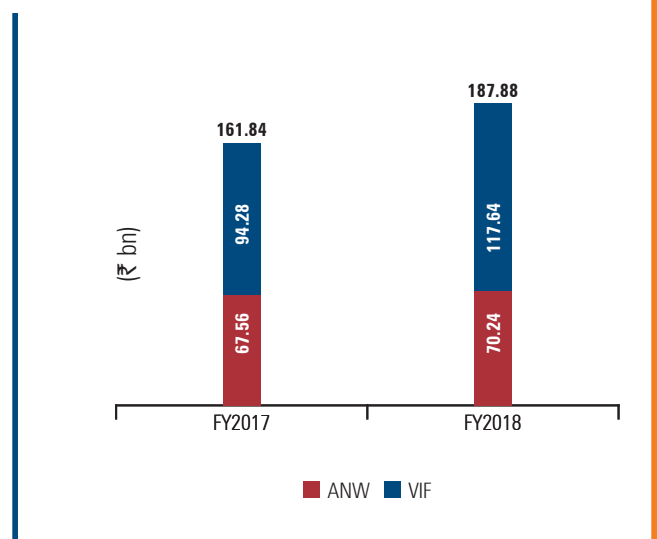
Embedded value

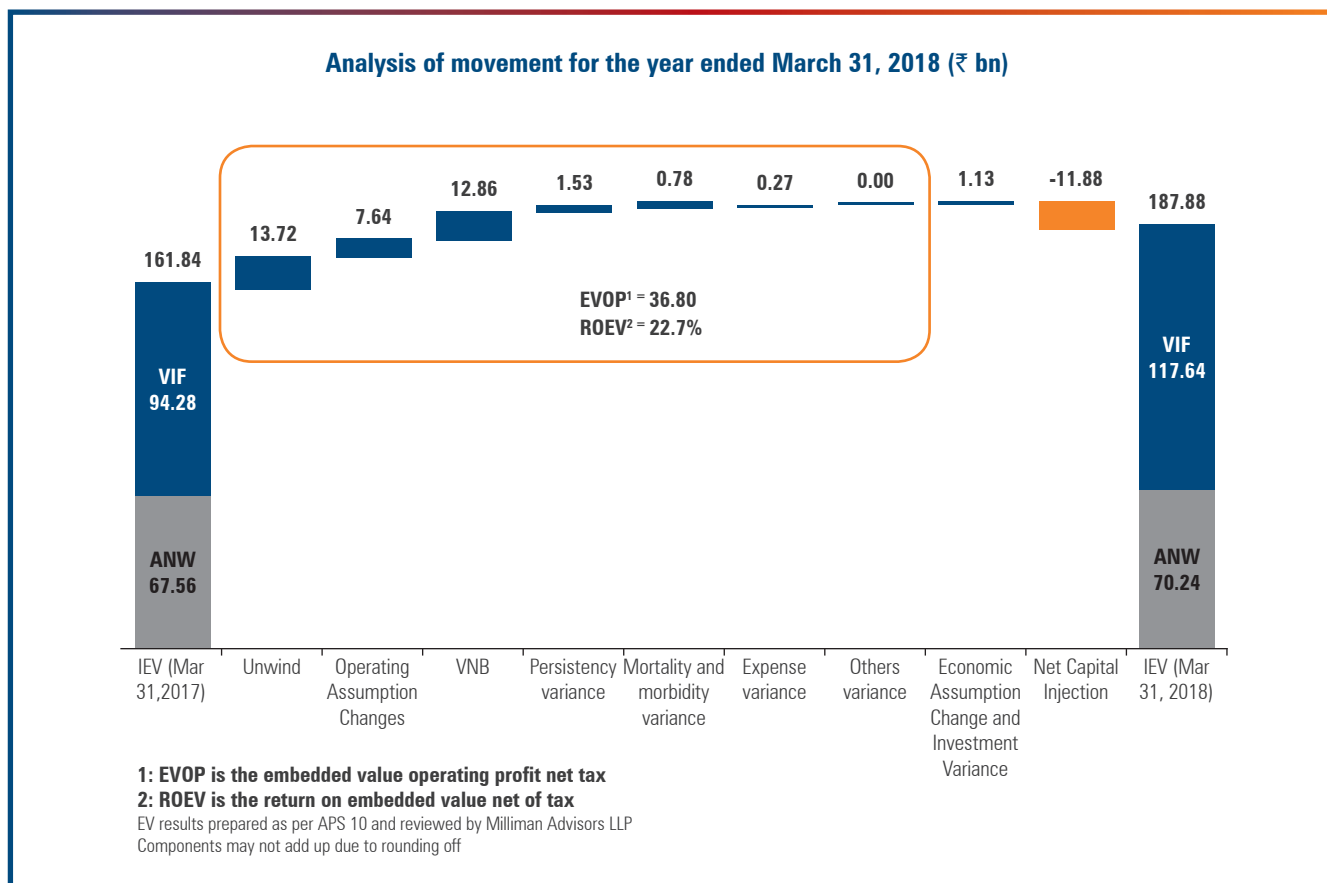
Our embedded value at March 31, 2018 increased to ₹187.88 billion from ₹161.84 billion at March 31, 2017, showing a growth of 16.1%.

Key factors which have contributed to the growth in embedded value are new business added during the year and positive variances of operating assumptions. The major factors which are tracked are mortality, persistency and expenses. A large part of the variance has been due to improved persistency. Our customer centric philosophy has ensured good quality sales leading to higher persistency, with the 13th month persistency improving to 86.8% for FY2018 from 85.7% for FY2017. If these variances are expected to continue to be seen in the future then it is usual to capitalise these variances by way of an assumption change.

The operating assumption change for the year is predominantly due to allowances for lower taxation costs on account of dividend income being tax exempt. Embedded value operating profit (EVOP) for FY2018 increased to ₹36.80 billion from ₹ 22.95 billion for FY2017.

Embedded Value





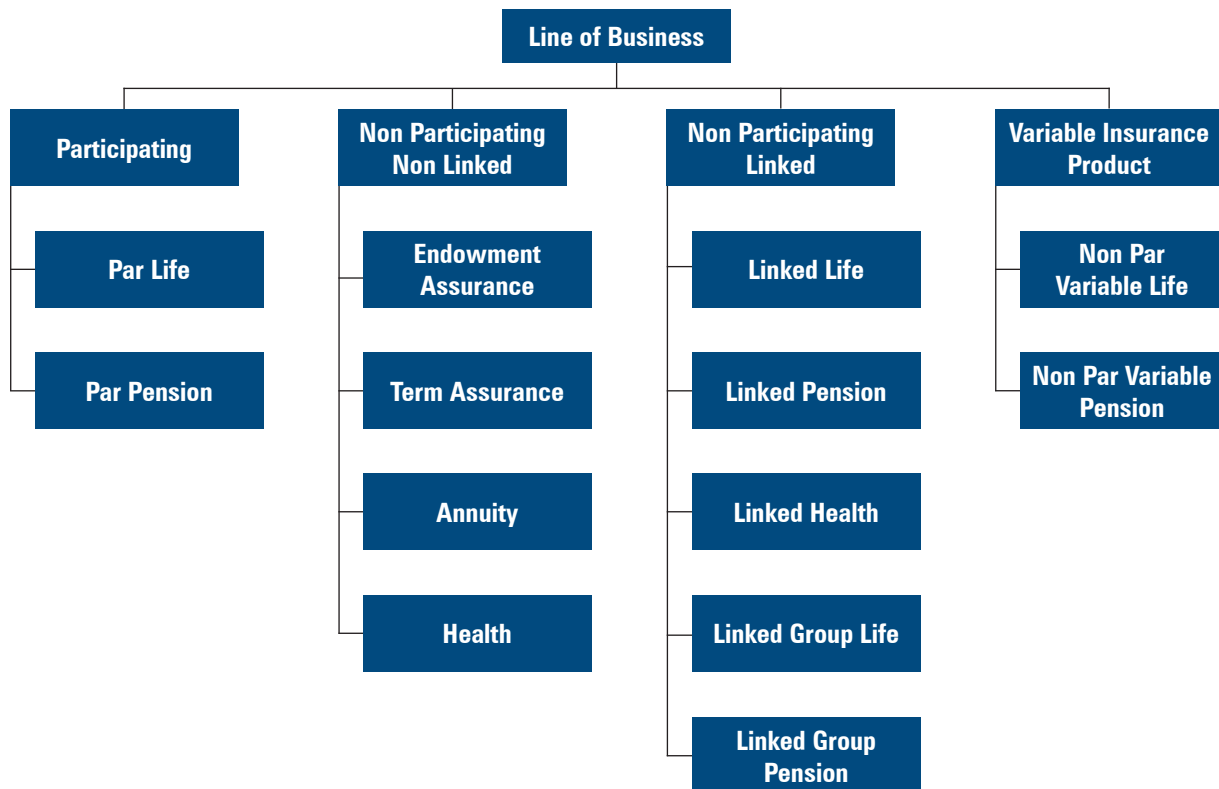
II. DISCUSSION ON FINANCIAL PERFORMANCE AND ANALYSIS OF FINANCIAL STATEMENTS

A. Overview of Lines of Business (LOB)

The Company operates in various lines of business. A brief description of the LOB is given below:

1. **Participating products** - A life insurance policy where the policyholder is entitled to at least a 90% share of the surplus emerging in participating fund and the remaining belongs to the shareholders. These products enable policyholders to participate in a large pool of diverse investments, therefore reducing their exposure to individual securities or asset classes. The investment pool is managed by us with returns to with-profits policyholders paid through bonuses which are added to the value of their policy. In order to provide an element of stability in the returns to policyholders, bonuses are designed to reduce policyholders' exposure to the volatility of investment returns over time and to provide an equitable share of surplus earned, depending on the investment and operating performance of the fund. Shareholders' profits arising on with-profits 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 our expectation of future rates of return. The Company has Par Life and Par Pension lines of business.
2. **Non-Participating products** - Policies without participation in profits, means policies which are not entitled to any share in surplus (profits) during the term of the policy. Surplus arising in case of Non-participating business is transferred to shareholders' account on recommendation of Appointed Actuary. Non Par product can include endowment assurance, term assurance, annuity etc.
 - a. **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.
 - b. **Term assurance** - A contract to pay an assured amount on the death of the insured during the specified period.
 - c. **Annuity** - Annuities provide for a series of payments to be made at regular intervals in return for a certain sum paid up front. The business of effecting contracts to pay annuities on human life but does not include contracts under pension business.

- d. **Health** - The effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover on an indemnity, reimbursement, service, pre-paid, hospital or other plans basis, including assured benefits and long-term care.
- 3. **Unit Linked Policy** - A life insurance contract or health insurance contract under which benefits are wholly or partly to be determined by reference to the value of underlying assets or any approved index. Surplus arising in case of Unit Linked business is transferred to shareholders' account on recommendation of Appointed Actuary. The Company has unit linked life, pension and health lines of business.
- 4. **Variable insurance product** - Products where the benefits are partially or wholly dependent on the performance of an approved external index / benchmark which is linked to the product.



B. Standalone financial statements

a. Results from operations:

The Company's financial statements (including its format) are prepared in accordance with IRDA (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. Schedule III of Companies Act, 2013 which specifies general instructions and format for preparation of financial statements is not applicable to an insurance company. The Company's financial statements includes 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 transferred to Profit and Loss account is transferred to Funds for future appropriations which is reflected in the Balance Sheet. Funds for Future Appropriation (FFA) comprise funds which have not been explicitly appropriated either to policyholders or to shareholders at the valuation 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: Participating, Non-participating (including Variable insurance product) and Linked. As mentioned

above, 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 policyholder liabilities whereas in case of unit linked business, profit primarily arises from charges levied on the policyholders fund net of expenses, claims and policyholder liabilities.

The statement below summarises the Company's Revenue and Profit and Loss account:

(₹ billion)								
Revenue Account (Policyholders account)	FY2017				FY2018			
	Par	Non Par ¹	Linked	Total	Par	Non Par ¹	Linked	Total
Income								
Gross Premium (net of service tax)	25.96	31.21	166.37	223.54	32.08	34.73	203.88	270.69
Reinsurance ceded	(0.02)	(1.19)	(0.78)	(1.99)	(0.02)	(1.76)	(0.80)	(2.58)
Net earned premiums	25.94	30.02	165.59	221.55	32.06	32.97	203.08	268.11
Income from investments ²	8.56	10.42	130.73	149.71	12.16	12.13	88.28	112.57
Other income (including fees and charges)	0.07	0.10	0.42	0.59	0.07	0.11	0.51	0.69
Contribution from the Shareholders' account	-	0.02	-	0.02	-	0.75	-	0.75
Total Income	34.57	40.56	296.74	371.87	44.29	45.96	291.87	382.12
Outgo:								
Commission	1.91	1.41	4.27	7.59	2.65	1.83	9.55	14.03
Operating expenses relating to insurance business ³	3.79	4.16	15.68	23.63	3.14	4.69	12.50	20.33
Service tax/Goods and Service tax charge on linked charges	-	-	4.16	4.16	-	-	5.65	5.65
Benefits paid (net) and interim bonus paid	6.15	3.51	140.32	149.98	8.12	4.88	159.81	172.81
Change in valuation of policy liabilities	20.22	27.95	126.81	174.98	25.92	32.29	96.26	154.47
Total Outgo	32.07	37.03	291.24	360.34	39.83	43.69	283.77	367.29
Surplus/(deficit) before tax	2.50	3.53	5.50	11.53	4.46	2.27	8.10	14.83
Provision for taxation	0.79	-	-	0.79	1.20	-	-	1.20
Surplus/(deficit) after tax	1.71	3.53	5.50	10.74	3.26	2.27	8.10	13.63
Transfer to Shareholders' account	0.43	5.32	5.57	11.32	0.52	2.27	8.10	10.89
Balance being funds for future appropriations	1.28	(1.79)	(0.07)	(0.58)	2.74	-	-	2.74

¹ Includes balance of Variable insurance products

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

³ Including provision for doubtful debt and bad debts written off.

(₹ billion)		
Profit and loss account (Shareholders' account)	FY2017	FY2018
Amounts transferred from Policyholders' account (Net of contribution from shareholders)	11.30	10.14
Investment income ¹	6.64	7.40
Other income	0.29	0.05
Expenses other than those directly related to insurance business	(0.38)	(0.39)
Profit before Tax	17.85	17.20
Provision for taxation	1.03	1.00
Profit after Tax	16.82	16.20

¹ Netted for any impairment in investments, which is shown as Provision for diminution in the value of investments in our Profit and loss account.

Analysis of elements of Revenue account and Profit and loss account is given below:

i. Net earned premium (Revenue account)

Earned premium can be classified into first year, renewal and single premium. Premium due in the first policy year is called first year premium and premium due in subsequent years is called renewal premium. Single Premium are those that require only a single lump sum payment from the policyholder. The statement below summarises premium income of the Company:

Line of Business	FY2017				FY2018			
	First year premium	Renewal Premium	Single Premium	Total	First year premium	Renewal Premium	Single Premium	Total
Retail								
Par	6.19	19.69	-	25.88	7.97	24.00	-	31.97
Non Par	2.43	20.98	4.72	28.13	2.72	20.92	6.82	30.46
Linked	54.83	101.52	2.49	158.84	62.87	130.05	3.64	196.56
Total Retail	63.45	142.19	7.21	212.85	73.56	174.97	10.46	258.99
Group Premium	-	2.72	7.97	10.69	-	3.60	8.10	11.70
Gross Total Premium	63.45	144.91	15.18	223.54	73.56	178.57	18.56	270.69

(₹ billion)

The retail new business premium (including single premium) increased by ₹ 13.36 billion (18.9% increase) from ₹ 70.66 billion in FY2017 to ₹ 84.02 billion in FY2018. The increase is attributable to higher premium from linked, participating, annuity and protection products. The retail renewal premium increased by ₹ 32.78 billion (23.1% increase) from ₹ 142.19 billion in FY2017 to ₹ 174.97 billion in FY2018. Group premiums increased from ₹ 10.69 billion in FY2017 to ₹ 11.70 billion in FY2018 resulting from an increase in Group protection business from ₹ 2.04 billion in FY2017 to ₹ 3.91 billion in FY2018. The above reasons led to an increase of 21.1 % in gross total premium from ₹ 223.54 billion in FY2017 to ₹ 270.69 billion in FY2018.

The Company has reinsurance arrangements with various reinsurers, mainly for protection line of business. In a reinsurance arrangement, part of the premium received from the policyholder is paid to the reinsurer who in turn bears part of the sum assured in event of a claim. Reinsurance premium increased from ₹ 1.99 billion in FY2017 to ₹ 2.58 billion in FY2018, an increase of 29.6%, majorly on account of increase in protection business of both retail and group segment.

ii. Income from Investments (Revenue account)

Investment income in Revenue Account represents income earned on Policyholders' funds. It comprises of interest income, accretion of discount/amortisation of premium, profit/loss on sale of investments, dividend, change in fair value of investments etc.

Accretion of discount/amortisation of premium : Discount/premium refers to the difference between price paid for a bond and the par value of the bond. This discount/premium is spread over the remaining life of the bond and is called accretion/amortisation respectively.

Change in fair value in case of unit linked funds is accounted through Revenue account which is not the case in other than unit linked funds. Therefore, movement in equity and debt market will have a significant impact on investment income of unit linked funds. However, the same would be profit neutral on account of reason mentioned below.

In a Linked Insurance Policy, the money paid as premium goes into a pool called the Unit Linked Fund. Income for the fund comprises premium and investment income and expenses comprises of benefits paid and charges deducted by the insurance company. The Unit Linked Fund belongs to the policyholder and is only managed by the insurance company. Since the fund belongs to the policyholder, income/expense of the unit linked fund is offset by a corresponding effect on the fund reserve/funds for discontinued policies (part of Change in valuation of policy liabilities which represents provision made by an insurer to cover future liabilities - further explained in detail in point viii below) and hence does not impact the profit or loss for the year.

Details of income from investments are given in the table below:

Particulars	FY2017				FY2018			
	Par	Non Par	Linked	Total	Par	Non Par	Linked	Total
Interest, dividend and rent	6.57	9.38	25.98	41.93	7.99	10.93	29.21	48.13
Profit on sale of investments	2.05	1.15	68.79	71.99	4.69	1.81	73.54	80.04
(Loss) on sale of investments	(0.10)	(0.04)	(10.32)	(10.46)	(0.43)	(0.56)	(10.30)	(11.29)
Transfer/gain on revaluation/ change in fair value	-	-	40.58	40.58	-	-	(8.98)	(8.98)
Accretion of discount/ (amortisation of premium) (net)	0.07	(0.04)	5.70	5.73	(0.07)	(0.02)	4.81	4.72
Total income/(loss) on investments	8.59	10.45	130.73	149.77	12.18	12.16	88.28	112.62
Provision for diminution in the value of investments	(0.03)	(0.03)	-	(0.06)	(0.02)	(0.03)	-	(0.05)
Total income/(loss) on investments (Net)	8.56	10.42	130.73	149.71	12.16	12.13	88.28	112.57

(₹ billion)

Income from investments decreased from ₹ 149.71 billion in FY2017 to ₹ 112.57 billion in FY2018. This decrease was due to decrease in investment income of our unit-linked portfolio from ₹ 130.73 billion in FY2017 to ₹ 88.28 billion in FY2018 partly offset by increase in investment income of our other than unit-linked portfolio from ₹ 18.98 billion in FY2017 to ₹ 24.29 billion in FY2018. The investment income of our unit-linked portfolio decreased on account of unfavourable equity and debt market movements, which resulted in an decrease of the change in fair value from a gain of ₹ 40.58 billion in FY2017 to a loss of ₹ 8.98 billion in FY2018 which is partially offset by increase in gain/loss on sale of investments (net) from ₹ 58.47 billion in FY2017 to ₹ 63.24 billion in FY2018. As mentioned above, decrease in investment income on our unit-linked portfolio is directly offset by a corresponding impact on the change in valuation of policy liabilities and is therefore profit neutral. The investment income of other than our unit-linked portfolio increased primarily on account of increase in interest income which is because of a corresponding increase in interest earning assets and increase in profit on sale of investments.

Element wise analysis of income on investments (including the Unit Linked Fund) is as follows:

Interest, dividend, and rent (including accretion of discount/amortisation of premium (net))

During FY2018 interest income, dividend and rent (including Accretion of discount/amortisation of premium (net)) increased by 10.9% from ₹ 47.66 billion in FY2017 to ₹ 52.85 billion in FY2018 due to higher interest income on account of increase in average debt assets under management. The table below indicates average debt investments and average yield earned.

Particulars	₹ billion	
	FY2017	FY2018
Average interest earning assets	496.30	578.38
Average yield	8.2%	7.7%

Profit/Loss on sale on investments

Profits and losses are realised as the portfolio is realigned based on the market conditions and expected attractiveness of securities and sectors going forward. During FY2018, profit on sale on investments (net of loss on sale of investments and provision for diminution in the value of investments) increased from ₹ 61.47 billion in FY2017 to ₹ 68.70 billion in FY2018.

Unrealised gain/loss (unit linked portfolio)

Unrealised gains or losses resulting from mark-to-market valuation of assets held in the unit linked portfolio decreased from gain of ₹ 40.58 billion in FY2017 to loss of ₹ 8.98 billion in FY2018 primarily due to weaker market performance in FY2018. Equity markets rose in FY2018 with S&P BSE 100 rising by 10.6% in comparison to 21.2% in FY2017.

iii. Other income (including fees and charges) (Revenue account)

Other income includes interest on unclaimed amounts pertaining to policyholders, fee collected on policy reinstatement, interest earned on loans given to policyholders etc. Other income increased by ₹ 0.10 billion from ₹ 0.59 billion in FY2017 to ₹ 0.69 billion in FY2018.

iv. Contribution from the Shareholders' account (Revenue account)

In case of deficit in a Line of Business, the same has to be funded by shareholders based on Appointed Actuary's recommendation. This amount is transferred from Profit and loss account to Revenue account. Contribution from the Shareholders' account increased from ₹ 0.02 billion in FY2017 to ₹ 0.75 billion in FY2018 on account of deficit in Annuity line of business.

v. Expenses (including commission) (Revenue account)

Particulars	₹ billion		
	FY2017	FY2018	Increase %
Commission expenses	7.59	14.03	84.8%
Operating expenses related to insurance business	23.63	20.33	-14.0%
Total Expenses	31.22	34.36	10.1%

The total Expenses are further analysed below:

Commission expenses

Commission expense of the Company is largely attributable to its retail business. Commission on group business constitutes a very insignificant portion of the total commission expense. Commission rate is expressed as a percentage of premium. Commission rate is higher for new business (first year) premium and lower for renewal premium. Also different commission rates are applicable for different products. Movement in commission expense can therefore be analysed by understanding movement in amount of first year, renewal and single premium as well as understanding the product mix. Commission percentage (commission/premium) is given in below table separately for first year, single and renewal business as well as separately for retail and total premium.

Particulars	₹ billion			
	Retail		Total	
	FY2017	FY2018	FY2017	FY2018
Initial				
- Premium	63.45	73.56	63.45	73.56
- Commission	4.60	10.24	4.60	10.24
Commission (%)	7.2%	13.9%	7.2%	13.9%
Single				
- Premium	7.22	10.46	15.18	18.56
- Commission	0.08	0.30	0.09	0.35
Commission (%)	1.1%	2.9%	0.6%	1.9%
Renewal				
- Premium	142.18	174.97	144.91	178.57
- Commission	2.90	3.44	2.90	3.44
Commission (%)	2.0%	2.0%	2.0%	1.9%
Total premium	212.85	258.99	223.54	270.69
Total commission	7.58	13.98	7.59	14.03
Total Commission (%)*	3.7%	5.6%	3.6%	5.5%

* Total commission ratio: Commissions/(Total premium – 90% of single premium)

There is an increase in the retail total commission by 84.4% from ₹ 7.58 billion in FY2017 to ₹ 13.98 billion in FY2018 as against the increase in retail total premium by 21.7% from ₹ 212.85 billion in FY2017 to ₹ 258.99 billion in FY2018. First year retail commission rate has increased from 7.2% in FY2017 to 13.9% in FY2018. The higher commission is

primarily on account of change in product mix and growth in premium. The commission ratio on retail renewal book has remained flat at 2.0% in FY2017 and FY2018.

Operating expenses related to insurance business

The total operating expenses of the Company are analysed as follows:

Particulars	₹ billion		
	FY2017	FY2018	% Increase
Employee cost	8.47	10.28	21.4%
Sales & distribution related cost	10.33	4.49	(56.5%)
Infrastructure cost	2.15	2.24	4.2%
Others	2.68	3.32	23.9%
Total expenses	23.63	20.33	(14.0%)

On an overall basis, operating expenses relating to insurance business decreased from ₹ 23.63 billion in FY2017 to ₹ 20.33 billion in FY2018, a decrease of 14.0%. The expenses have decreased primarily on account of decrease in sales and distribution related cost on the back of drop in market support related activities with our distribution partners partially offset by increase in employee cost and other costs.

The expenses that are directly identifiable to a particular segment are recorded on actual basis while other expenses that are not directly identifiable to a segment are apportioned based on the relevant drivers which includes APE, commission, number of policies etc.

vi. Service tax/Goods and Service tax charge on linked charges (Revenue account)

Service tax/ Goods and Service tax charge on linked charges represents service tax/goods and service tax on charges levied on unit linked policies. Service tax/Goods and Service tax charge on linked charges increased from ₹ 4.16 billion in FY2017 to ₹ 5.65 billion in FY2018, an increase of 35.8%. This increase was primarily due to an increase in charges and increase in the rate of tax on account of implementation of Goods and Service tax in FY2018.

vii. Benefits paid (net) and interim bonus paid (Revenue account)

Benefits paid (net) and interim bonus consists of surrenders, maturity and annuity claims, mortality claims, survival benefits etc. net of amount recovered from reinsurer in respect of these claims.

In case of a surrender, a life insurance contract is terminated at the request of the policyholder after which the policyholder receives the surrender value, if any, of the contract. The amount payable to the policyholder is accounted as surrender claims.

Maturity claims represent the amount of benefit which is payable on maturity i.e. at the end of the term, as specified in the policy document. Annuity claims represent series of payments to be made at regular intervals.

Mortality (Death) claims represent the amount payable on death of policyholder.

Survival benefit represent the amount of benefit which is payable at specific interval if the life assured survives to that period. The same

is payable during the period of contract as specified in the policy document.

In case of participating policies, bonus is declared and accrued on an annual basis for all policyholders and is paid to the policyholders on death/maturity. Interim bonus represents the bonus paid for the period from beginning of the financial year in which the death/maturity took place to the date of death/maturity.

In a reinsurance arrangement, part of the premium received from the policyholder is paid to the reinsurer who in turn bears part of the sum assured in event of a claim. Therefore in event of a claim under a contract which is reinsured, proportionate claim amount is recovered from the reinsurer, thereby reducing the claims cost of the Company.

A summary of benefits paid is provided below:

Particulars	₹ billion	
	FY2017	FY2018
Surrender - Retail	106.94	118.61
Surrender - Group	11.00	9.00
Mortality (Death) claims	5.91	8.64
Maturity and annuity claims	24.22	35.11
Survival benefits and other claims	3.62	4.10
Amount recovered from reinsurer	(1.71)	(2.65)
Total	149.98	172.81

Benefits paid (net of reinsurance) and interim bonus paid increased from ₹ 149.98 billion in FY2017 to ₹ 172.81 billion in FY2018, an increase of 15.2%. This increase was primarily on account of increase in maturity claims by ₹ 10.75 billion from ₹ 22.83 billion in FY2017 to ₹ 33.58 billion in FY2018 and increase in surrender claims by ₹ 9.67 billion in FY2018. Increase in maturity claims is in line with the expected payouts as per the portfolio of the Company.

viii. Change in valuation of policy liabilities (Revenue account)

Life insurance, by nature, is a long term contract. Present value of expected claims cost and other outflows net of expected premium income and other inflows is held as reserves.

In simple terms, reserves are the provisions made by an insurer to cover liabilities arising under or in connection with contracts of life insurance business. Reserves can broadly be bifurcated into two parts: Unit reserves and non-unit reserves.

- i) Fund reserve and funds for discontinued policies (together known as unit reserves) represent amount held in the unit linked funds on behalf of policyholders i.e. balance standing to the credit of policyholders in the unit linked funds. Funds for discontinued policies represents balance of funds lying in case of policies which have been discontinued on account of surrender or non-payment of premium. The balance lying in the discontinued fund would be paid to the policyholder on completion of lock in period or death, whichever is earlier. Fund reserve represents balance of funds lying in case of other than discontinued policies.
- ii) Non-unit/mathematical reserves, represents provision made to cover liability arising under non linked products and to cover liability over and above the unit reserves in case of unit linked products. In

case of unit linked policy, liability over and above the unit reserve would involve provision made for expected death claims wherein amount payable would be over and above fund to the credit of policyholder. Out of the total amount payable to policyholder, certain amount is recovered from reinsurer based on the reinsurance arrangement with the reinsurer. Accordingly, estimated amount recoverable from reinsurer is taken as a credit while calculation of policy liabilities.

Unit reserve has been taken as the value of the units standing to the credit of policyholders, using the Net Asset Value ('NAV') prevailing at the valuation date.

Reserve for both participating and non-participating policies is calculated using the gross premium method in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, regulations notified by Insurance Regulatory and Development Authority of India and Actuarial Practice Standards of the Institute of Actuaries of India. This method involves assumptions for interest, mortality, morbidity, expense, inflation and, in the case of participating policies, assumptions regarding future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at on the date of valuation with allowances for adverse deviations.

The adequacy of charges under unit linked policies to meet future expenses and claims in excess of the unit reserves has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under unit linked products that carry a guarantee.

Charge to the Revenue account is the difference between policy liabilities/Unit reserves as on two Balance Sheet dates and appears as change in valuation of policy liabilities in the revenue account.

Particulars	₹ billion	
	FY2017	FY2018
Non-unit mathematical reserves (Gross) (A)	72.60	81.79
Amount ceded in reinsurance (B)	(23.45)	(23.56)
Non-unit mathematical reserves (Net) (A-B)	49.15	58.23
Fund reserve	119.46	83.76
Funds for discontinued policies	6.37	12.48
Total change in valuation of policy liabilities	174.98	154.47

The change in policy liabilities has increased by ₹ 154.47 billion in FY2018 as compared to an increase of ₹ 174.98 billion in FY2017. The change in unit reserve has increased by ₹ 96.24 billion in FY2018 as compared to an increase of ₹ 125.83 billion in FY2017. The increase in unit reserves during the year is primarily due to a direct offset of premium and investment income net of benefit outgo in the linked funds. Non-unit reserve (policy liabilities net of amount ceded in reinsurance) increased by ₹ 58.23 billion in FY2018 as compared to an increase of ₹ 49.15 billion in FY2017 reflecting broadly the increase in premium and investment income net of benefit outgo.

ix. Surplus (Revenue account)

As a result of the above, net surplus increased from ₹ 11.51 billion in FY2017 to ₹ 14.08 billion in FY2018, an increase of 22.3%. This increase in net surplus is analysed with the help of segment wise surplus as below:

Line of Business	₹ billion	
	FY2017	FY2018
Par	2.50	4.46
Non Par	3.51	1.52
Linked	5.50	8.10
Total Segmental Surplus (Net of Contribution from Shareholders' account)	11.51	14.08

The surplus shown above for par life and par pension is net of bonus and interim bonus. The surplus (grossed up for bonus) increased from ₹ 4.88 billion in FY2017 to ₹ 7.36 billion in FY2018 for par life and decreased from ₹ 0.68 billion to ₹ 0.56 billion in the same period for par pension.

In an insurance contract, new business leads to strain i.e. loss in the initial years. Profit emerges over the life of the insurance contract. Protection business has a high strain in the initial years as compared to other lines of business. On account of higher protection business (part of non-par segment) in FY2018 as compared to FY2017, there was higher strain in FY2018 leading to fall in surplus.

The surplus of Linked LOB has increased primarily on account of increase in charges (net of expenses) on account of growth in premium and Assets Under Management (AUM).

Insurance companies have to pay tax on the surplus generated as per Revenue Account plus income of profit and loss account subject to applicable adjustments.

Surplus generated in participating line of business belongs to the policyholders. Shareholders are only entitled to one ninth of the amount declared as bonus. Therefore, the Company separately calculates and charges 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 appearing in Revenue Account pertains to participating life line of business. Provision for taxation increased from ₹ 0.79 billion in FY2017 to ₹ 1.20 billion in FY2018, an increase of 52.1%. The increase in tax amount was primarily due to an increase in surplus (grossed up for bonus) from the participating line of segment.

Surplus after tax increased from ₹ 10.74 billion in FY2017 to ₹ 13.63 billion in FY2018, an increase of 26.9%, on account of the reasons mentioned above.

x. Transfer to Shareholders' account (Profit and loss account)

As mentioned above, surplus generated in the Revenue account is appropriated to the Profit and loss account based on the recommendation of the Appointed Actuary. Surplus not transferred to Profit and Loss account is transferred to Funds for future appropriations which is reflected in the Balance Sheet. Funds for Future Appropriation (FFA) comprise funds which have not been explicitly allocated either

to policyholders or to shareholders at the valuation date. Transfer to Shareholders' account decreased from ₹ 11.32 billion in FY2017 to ₹ 10.89 billion in FY2018, a decrease of 3.8%.

xi. Investment and other income (Profit and loss account)

Particulars	₹ billion	
	FY2017	FY2018
Interest, dividend and rent	3.73	4.20
Profit on sale of investments	2.88	3.35
(Loss) on sale of investments	(0.11)	(0.13)
Accretion of discount/(amortisation of premium) (net)	0.14	(0.02)
Total income/(loss) on investments (Gross)	6.64	7.40
Provision for diminution in the value of investments	0.00	0.00
Total income/(loss) on investments (Net)	6.64	7.40

Element wise analysis of income on investments in shareholders' account is as follows:

Interest, dividend, and rent (including Accretion of discount/amortisation of premium (net))

During FY2018 interest income, dividend and rent (including Accretion of discount/amortisation of premium (net)) increased by 8.0% from ₹ 3.87 billion in FY2017 to ₹ 4.18 billion in FY2018 due to increase in average debt assets under management. The table below indicates average debt investments and average yield earned for shareholders' investments.

Particulars	₹ billion	
	FY2017	FY2018
Average interest earning assets	44.60	48.50
Average yield	8.4%	8.0%

Profit/Loss on sale on investments

Profits and losses are realised as the portfolio is realigned based on the market conditions and expected attractiveness of securities and sectors going forward. During FY2018, Profit on sale on investments (net of loss on sale of investments and provision for diminution in the value of investments) increased from ₹ 2.77 billion in FY2017 to ₹ 3.22 billion in FY2018.

xii. Other income (Profit and loss account)

Other income includes gain on sale of fixed assets and interest on income tax refund. Company accrued interest on income tax refund amounting to ₹ 0.04 billion in FY2018 against ₹ 0.28 billion in FY2017.

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

Expenses other than those directly related to the insurance business increased from ₹ 0.38 billion in FY2017 to ₹ 0.39 billion in FY2018, primarily due to increase in CSR expenses as per applicable regulations and increase in shareholders' investment property related expenses like property taxes and maintenance charges on account of new properties acquired during the year.

xiv. Profit (Profit and loss account)

As a result of the above, profit before tax decreased from ₹ 17.85 billion in FY2017 to ₹ 17.20 billion in FY2018, a decrease of 3.6%.

Insurance companies have to pay tax on the surplus generated as per Revenue Account plus income of profit and loss account subject to the provisions of Income Act, 1961. As mentioned above, tax on participating life line of business is shown in Revenue Account. Tax on other than participating life line of business is shown in Profit and loss account. Although, non-participating non-pension surplus has increased from ₹ 6.10 billion in FY2017 to ₹ 6.81 billion in FY2018, the provision for taxation in Profit and Loss Account decreased from ₹ 1.03 billion in FY2017 to ₹ 1.00 billion in FY2018 primarily on account of increase in exempt income in the nature of dividend income earned on investments.

On account of the above reason, profit after tax decreased from ₹ 16.82 billion in FY2017 to ₹ 16.20 billion in FY2018, a decrease of 3.7%.

b. Financial condition

Balance Sheet presents the financial position of the Company and comprises sources of funds and application of funds pertaining to shareholders and policyholders.

i. Sources of funds

Sources of Funds comprises primarily of shareholders' funds and policyholders' funds.

Shareholders' funds primarily consists of equity share capital, reserves and surplus and fair value change account on shareholders' investments. Reserves and surplus comprises of share premium received on issue of shares, balance in profit and loss account and revaluation reserve.

Policyholders' funds consists of unit reserves, non-unit reserves, fair value change account on policyholders' investments and revaluation reserve.

Change in fair value of policyholders' investments in case of unit linked funds is accounted through Revenue account whereas in case of other than unit linked funds, changes in fair value is accounted in Balance Sheet itself. Fair value change account in Balance Sheet represents unrealised gain (net) on equity and mutual fund securities pertaining to Shareholders'/Policyholders' non linked investments as on the Balance Sheet date. Such mark to market treatment of equity and mutual fund securities as on the reporting date is in line with requirements of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

Investment property is required to be re-valued at least once in three years as per the requirements of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's report of Insurance companies) Regulations, 2002. The value of investment property is required to be carried at the revalued amount in the Balance Sheet (as a part of investments) and the change in carrying amount is classified under Revaluation Reserve.

ii Application of funds

Application of Funds comprises primarily of shareholders' and policyholders' investments, assets held to cover linked liabilities and net current assets.

The following table sets forth, on the dates indicated, the summarised Balance Sheet.

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Sources of funds		
Equity capital and reserves (Shareholders' funds)	64.08	68.84
Policyholders' funds		
Fair Value change account and Revaluation reserve	18.47	21.18
- Investment property		
Non unit liabilities (mathematical reserves)	251.70	309.93
Provision for linked liabilities (fund reserves)	839.36	923.12
Funds for discontinued policies	39.41	51.89
Funds for future appropriations	6.04	8.78
Total Liabilities	1,154.98	1,314.90
Total Equity and Liabilities	1,219.06	1,383.74
Application of funds		
Shareholders' investments	66.40	77.49
Policyholders' investments	270.67	332.89
Asset held to cover linked liabilities	878.78	975.02
Current Assets (A)	28.62	27.14
Current liabilities and provisions (B)	28.36	34.48
Net current assets (A-B)	0.26	(7.34)
Other Assets	2.95	5.68
Debit balance in Profit and Loss account	-	-
Total	1,219.06	1,383.74
Contingent liabilities	2.07	2.03

The net-worth increased from ₹ 64.08 billion as at March 31, 2017 to ₹ 68.84 billion as at March 31, 2018, an increase of 7.4%. This increase is primarily on account of profit earned less dividend and dividend distribution tax accounted during the year.

Total liabilities increased from ₹ 1,154.98 billion as at March 31, 2017 to ₹ 1,314.90 billion as at March 31, 2018, an increase of 13.8%. This increase was primarily due to increases in provision for linked liabilities, non-unit liabilities and funds for discontinued policies.

Total assets increased from ₹ 1,219.06 billion as at March 31, 2017 to ₹ 1,383.74 billion as at March 31, 2018, an increase of 13.5%. This increase was primarily due to an increase in assets held to cover linked liabilities and investments in our policyholders' accounts.

Sources of funds

i. Equity capital and reserves (Shareholders' funds)

Equity capital

The Company's issued and subscribed share capital comprises 1,435,498,710 equity shares of face value of ₹ 10 each (1,435,347,110 equity shares at March 31, 2017). Of the above, 787,816,604 (54.88%) equity shares are held by the ICICI Bank Limited (787,816,604 (54.89%) at March 31, 2017). 370,784,884 (25.83%) equity shares are held by the Prudential Corporation Holdings Limited (370,784,884 (25.83%) at

March 31, 2017) and balance 276,897,222 (19.29%) equity shares are held by others (276,745,622 (19.28%) at March 31, 2017).

There has been no capital infusion during the year except to the extent of shares allotted to employees under the Employee Stock Option Scheme.

Reserves

A summary of reserves and surplus is provided in the table below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Share premium	34.20	34.23
Fair value change account	2.73	3.08
Balance of profit in Profit and Loss Account	12.68	16.96
Revaluation reserve	0.12	0.21
Total	49.73	54.48

The addition to the share premium is on account of shares issued under Employee Stock Option Scheme.

Fair value change account increased from ₹ 2.73 billion at March 31, 2017 to ₹ 3.08 billion at March 31, 2018. 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.

Increase in Balance of profit in Profit and Loss Account is on account of profit earned during the year less dividend and dividend distribution tax accounted during the year.

Revaluation reserve increased from ₹ 0.12 billion (Historical cost: ₹ 4.35 billion; revalued amount: ₹ 4.47 billion) at March 31, 2017 to ₹ 0.21 billion (Historical cost: ₹ 3.65 billion; revalued amount: ₹ 3.86 billion) at March 31, 2018.

ii. Policyholders' funds

A summary of Policyholders' funds is provided in the table below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Fair Value change account and Revaluation reserve	18.47	21.18
Investment property		
Non unit liabilities (mathematical reserves)	251.70	309.93
Provision for linked liabilities (fund reserves)	839.36	923.12
Funds for discontinued policies	39.41	51.89
Total	1,148.94	1,306.12

Fair value change account increased from ₹ 17.87 billion at March 31, 2017 to ₹ 20.56 billion at March 31, 2018. 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.

Revaluation reserve increased from ₹ 0.60 billion (Historical cost: ₹ 1.26 billion; revalued amount: ₹ 1.86 billion) at March 31, 2017 to ₹ 0.62 billion (Historical cost: ₹ 0.19 billion; revalued amount: ₹ 0.81 billion) at March 31, 2018.

For movement in non-unit liabilities, fund reserves and funds for discontinued policies refer point B(a) (viii) above.

iii. Funds for future appropriations (FFA)

FFA – Linked:

Once a unit linked policy is lapsed, there is a revival period within which policyholder can revive the policy. FFA – Linked represents amount that is estimated by the Appointed Actuary in respect of lapsed unit linked policies and is set aside in the Balance Sheet. This amount is not made available for distribution to shareholders until the expiry of the maximum revival period. After expiry of the revival period, the Company may appropriate FFA amount as a surplus on the Appointed Actuary's recommendation.

FFA – Non Linked:

FFA – Non Linked comprises FFA for participating funds, representing the unappropriated surplus held in the balance sheet.

Summary of funds for future appropriations is provided in the table below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
FFA – Linked*	0.01	0.01
FFA – Non linked	6.03	8.77
Total	6.04	8.78

*₹ 8,171 thousands and ₹ 8,036 thousands as at March 31, 2017 and March 31, 2018 respectively

FFA – Non-Linked for participating funds increased from ₹ 6.03 billion at March 31, 2017 to ₹ 8.77 billion at March 31, 2018.

Application of funds

i. Investments

Total investments made by the Company is given below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Shareholders' investments	66.40	77.49
Policyholders' investments	270.67	332.89
Asset held to cover linked liabilities	878.78	975.02
Total	1,215.85	1,385.40

Total investments grew by 13.9% from ₹ 1,215.85 billion as at March 31, 2017 to ₹ 1,385.40 billion as at March 31, 2018. For detailed category wise breakup of investments, refer Schedule 8, 8A and 8B of the financial statements.

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 Linked assets, 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.

70.4% of total investment assets were held in unit linked funds at March 31, 2018 as against 72.3% at March 31, 2017. Further, of the total assets of ₹ 1,385.40 billion as at March 31, 2018, 47.4% of the assets were held as equity as against 46.7% at March 31, 2017.

ii. Net current assets

Net Current Assets decreased from ₹ 0.26 billion as at March 31, 2017 to ₹ (7.34) billion as at March 31, 2018. Current assets (which consists of cash and bank balances and advances and other assets) decreased from ₹ 28.62 billion as at March 31, 2017 to ₹ 27.14 billion as at March 31, 2018 while current liabilities and provisions increased from ₹ 28.36 billion as at March 31, 2017 to ₹ 34.48 billion as at March 31, 2017. Analysis of the elements is given below.

Current assets

A summary of current assets is provided in the table below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Income accrued on investments	7.61	9.24
Assets held for unclaimed amount of policyholders	6.59	8.10
Other advances and receivables	0.62	2.31
Advance taxes and tax deducted at source	3.04	2.10
Cash and bank balances	2.14	2.04
Outstanding premium	1.82	1.65
Sundry Debtors (Investments)	6.08	1.02
Prepayments	0.38	0.39
Deposits	0.34	0.29
Total	28.62	27.14

Income accrued on investments represents interest income accrued, however not due as at March 31, 2018. It is mainly on government securities, debentures and fixed deposits. The increase is attributable to the increase in the 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 with effect from April 1, 2016. Amount standing in the segregated fund for unclaimed amounts is ₹ 8.10 billion as at March 31, 2018.

Other advances and receivables primarily include advances made in the ordinary course of business for services to be availed in the future, Goods & Service tax unutilised credit, receivable from entities carrying on insurance business i.e reinsurers etc. During the year, Goods and Service tax unutilised credit increased from ₹ 0.22 billion in FY2017 to ₹ 0.95 billion in FY2018 and reinsurer receivable increased from ₹ 0.09 billion in FY2017 to ₹ 0.39 billion in FY2018 leading to overall increase in other advances and receivables.

Advance taxes and tax deducted at source (Net of provision for taxation) represents advance income tax paid by the Company for current and earlier years and tax deducted at source on income earned by the Company. Advance taxes and tax deducted at source (Net of provision for taxation) decreased on account of income tax refund received for AY 2012-13 which is partly offset by advance tax paid net of provision for taxation.

Cash and bank balances represent amounts collected during last few days of the financial year and they also include cheques on hand and cheques deposited but not cleared.

Premium for other than unit-linked policies is recognised as income when due from policyholders. Outstanding premium represents premium income due but not received on traditional products (non-linked products) which are within the grace period.

Sundry Debtors (Investments) represents amount receivable from counterparty for trades done on the last few days of the year where settlement is pending. It has decreased from ₹ 6.08 billion as at March 31, 2017 to ₹ 1.02 billion as at March 31, 2018 primarily due to lower sale of investments on the last working days of the current year in comparison to previous year.

Prepayments primarily includes premium paid on term and mediclaim policies taken for employees, prepaid rent, IRDAI registration fees etc. These amounts are amortised on a proportionate basis over the period for which the amounts have been paid. Prepayments balance has increased from ₹ 0.38 billion as at March 31, 2017 to ₹ 0.39 billion as at March 31, 2018.

Deposits represent deposits placed for premises taken on lease for setting up branches as well as for leased accommodations for employees, electricity deposits, telephone and other utility deposits.

Current liabilities and Provisions

Current liabilities

A summary of current liabilities is provided in the table below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Sundry creditors	7.68	8.59
Amount pertaining to policyholders		
- Unclaimed amount of Policyholders	6.59	8.10
- Unallocated premium (including advance premium)	6.15	4.61
- Policyholders' claims payable	0.69	2.55
Payable to agents (Agents balances)	0.67	1.18
Taxes payable	0.20	1.86
Reinsurance payable	0.04	0.10
Other liabilities	6.14	7.26
Total	28.16	34.25

Sundry creditors represent amounts payable to various service providers towards goods and services availed by the Company along with the provision for the services availed/goods received but bills not received (March 31, 2018: ₹ 6.56 billion; March 31, 2017: ₹ 6.49 billion) and amount payable to counterparties for investment trades where settlement is pending (March 31, 2018: ₹ 2.03 billion; March 31, 2017: ₹ 1.19 billion).

A detailed analysis on unclaimed amounts of policyholders including breakup and ageing as at March 31, 2018 and March 31, 2017 is given in point 3.6 of Schedule 16: Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018.

Unallocated premium includes premium received in advance which will be recognised as premium income on the due date of the policy and monies received from policyholders but pending to be allocated on issuance of an insurance policy. Unallocated premium outstanding is mainly attributable to amount received from policyholders during the last few days but policy not issued on account of reasons such as pending documents, underwriting in process etc.

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, pending due to incomplete documentation from the policyholders etc. The increase in claims payable is primarily on account of increase in maturity claims payable from ₹ 0.39 billion as at March 31, 2017 to ₹ 1.62 billion as at March 31, 2018.

Agents' balances represents amount payable to advisors and intermediaries towards commission as on the Balance Sheet date. Amount outstanding is mainly attributable to business sourced during the last month of the financial year.

Taxes payable represent tax deducted and payable under Income tax regulations and Goods and service tax/service tax, such taxes will be paid in due course within their due dates.

Other liabilities increased primarily on account of increase in payable to unit fund from ₹ 1.57 billion as at March 31, 2017 to ₹ 4.58 billion as at March 31, 2018 partially offset by, decrease in balance of bank having negative book balance from ₹ 2.96 billion as at March 31, 2017 to ₹ 1.16 billion as at March 31, 2018.

Provisions

A summary of provisions is provided in the table below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Provision for Leave Encashment and Gratuity	0.20	0.22
Proposed dividends	-	-
Dividend distribution tax	-	-
Total	0.20	0.22

Company's liability towards leave encashment and gratuity is actuarially valued and is as per the requirements of Accounting Standard 15 (Revised) on Employee Benefits and also includes amounts provided at year end for leave which can be encashed by the employees.

The Board of Directors have proposed a final dividend of ₹ 4.74 billion (FY2017: ₹ 5.02 billion) which would be placed before the Annual General Meeting for approval. Dividend distribution tax is provided for in line with the tax regulations.

Post amendment of Companies (Accounting Standards) Rules in respect of accounting periods commencing on or after March 30, 2016, dividend has to be accounted in the period when it is approved. As per the earlier rules, dividend had to be accounted when it was declared. As a result, the above mentioned final dividend for the year ended March 31, 2018 has not been recorded as a liability as at March

31, 2018. It would be accounted for after it is approved at the Annual General Meeting.

iii. Other Assets

Breakup of other assets is given below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Fixed assets	2.14	4.22
Loan against policies	0.81	1.46
Deferred tax asset*	-	-
Total	2.95	5.68

* ₹ 469 thousand and ₹ 463 thousand at March 31, 2017 and March 31, 2018 respectively

Fixed Assets

A statement of fixed assets is given below:

Particulars	₹ billion	
	March 31, 2017	March 31, 2018
Gross block	5.14	7.43
Less: Accumulated depreciation	3.07	3.39
Net block	2.07	4.04
Add: Capital work in progress	0.07	0.18
Net fixed assets	2.14	4.22

During the year ended March 31, 2018, the Company has converted certain investment properties held in the Participating and Shareholders' funds to fixed assets for self-use. A detailed note on conversion of Investment property as Fixed assets is given in point 3.24 of Schedule 16: Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018.

Loans

Under certain products, the Company provides facility of availing loan against the policy. In such a case, policyholder can avail the loan and surrender value of the policy held by him becomes the security for the loan. If the policyholder is not able to repay the loan, the same is recovered from the claim payable to him. The Company has seen healthy growth in loan against policies on account of higher number of policyholders availing this facility.

Deferred Tax Asset

A detailed note on Deferred tax asset is given in point 3.7 of Schedule 16: Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2018

Contingent Liability

The contingent liability at March 31, 2018 decreased to ₹ 2.03 billion as against ₹ 2.07 billion as at March 31, 2017. Litigations wherein our management believes that a financial outflow is not probable have been classified under contingent liability. The major element in contingent liability relates to applicability of service tax on surrender/foreclosure charges amounting to ₹ 1.54 billion at March 31, 2018 (March 31, 2017: ₹ 1.54 billion) where the service tax authority has contended that these charges are liable for levy of service tax. The Company's

stand is that these charges are penal in nature and no service as such is rendered in lieu of these charges to the policyholders. The matter is under litigation as at March 31, 2018.

As of March 31, 2018, we have made provisions of ₹ 0.30 billion in relation to litigations where our management believes that a financial outflow is probable (March 31, 2017: ₹ 0.17 billion).

c. Cash Flow

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

Particulars	₹ billion	
	FY2017	FY2018
Net cash generated from/(used in) operating activities	41.32	56.93
Net cash generated from/(used in) investing activities	(6.99)	(53.92)
Net cash generated from/(used in) financing activities	(9.94)	(11.88)

Cash flows from operating activities:

Net cash flows generated from operating activities increased from ₹ 41.32 billion in FY2017 to ₹ 56.93 billion in FY2018. This increase was primarily due to an increase in premium and other receipts netted off by increase in policy benefits paid.

Cash flows from investing activities:

Net cash flows used in investing activities increased from ₹ 6.99 billion in FY2017 to ₹ 53.92 billion in FY2018. This increase was primarily due to an increase in purchase of investments and movement in money market instruments and in liquid mutual funds which is partially offset by increase in sale of investments, interest, rent and dividend received.

Cash flows from financing activities:

Net cash flows used in financing activities increased from ₹ 9.94 billion in FY2017 to ₹ 11.88 billion in FY2018. This increase was primarily due to a increase in dividends paid (including dividend distribution tax) from ₹ 10.27 billion in FY2017 to ₹ 11.92 billion in FY2018.

C. Consolidated financial results and subsidiary performance

The Company has a wholly owned subsidiary, ICICI Prudential Pension Funds Management Company Limited (PFM). The PFM is licensed by the Pension Funds Regulatory and Development Authority as a Pension Fund Manager under the National Pension System (NPS).

The consolidated Profit after tax for the Company decreased from ₹ 16.82 billion in FY2017 to ₹ 16.19 billion in FY2018.

Industry

The total assets under management of the industry has grown from ₹ 1,745.61 billion at March 31, 2017 to ₹ 2,345.79 billion at March 31, 2018.

Business

The subscribers' funds managed by the PFM increased from ₹ 14,414.8 million at March 31, 2017 to ₹ 23,255.1 million at March 31, 2018, an increase of 61.3% during the year.

The PFM has market share of 19.4% in the private sector AUM as on March 31, 2018 as against 20.4% as on March 31, 2017

The net worth of PFM at March 31, 2018 is ₹ 0.26 billion (at March 31, 2017 ₹ 0.27 billion) on account of loss registered of ₹ 0.007 billion (previous year: loss of ₹ 0.006 billion) for the year ended March 31, 2018. The PFM continues to make operating loss of ₹ 0.03 billion; (previous year: ₹ 0.03 billion). The current operations of the PFM are not material in context of overall profit of the Company.

Consolidation basis

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'.

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 addition, internal audits are undertaken to review 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.

IV. HUMAN RESOURCES

At ICICI Prudential Life, our core employee value proposition (EVP) is to offer all our colleagues a meaningful long term career. Supporting learning & growth opportunities, fostering meritocracy and fairness at the workplace and providing a supportive work environment form the cornerstones of our EVP. Our values of Passion, Humility, Customer First, Integrity and Boundaryless guide all our actions and provide the strong foundation for our business success.

We believe learning agility & job rotation are key to sustained employability. Job rotation across roles, functions and geographies stretches and expands capabilities and ensures that we learn, stay agile and flexible. Through the Internal Job Posting (IJP) system we offer all our colleagues the opportunity to take on challenging roles across a variety of functions and geographies and thereby, facilitate their career growth and success. We actively support colleagues to move across roles, functions and geographies to enable them to architect the career of their choice. We also offer a varied self-directed learning opportunities through eLearning programmes, newsletters, online repository, library tie-ups, education assistance policy etc., supported with learning events and workshops that are conducted from time to time.

For the fiscal year ending 2018, our employee headcount stood at 15,780. Our employee median age is 28 years and one fourth of our employees have a vintage of more than 5 years with the organisation. 86% of our senior management team comprising around 109 colleagues have more than 10 years with the organisation.

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.

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:



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:

- i) Financial Risk Management or Asset Liability Management (‘ALM’): covering market risk, credit risk, liquidity risk and insurance risk
- ii) 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

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

2. Risk Measurement

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

1. Risk to the EV: Value at Risk (VaR) of the EV is an appropriate measure of risk exposure for market, credit and insurance risks. The VaR is measured by calculating the reduction in the EV under extreme economic and non-economic scenarios. The stresses are benchmarked to European Insurance and Occupational Pensions Authority (EIOPA) standards as they develop, subject to appropriate adjustments for local conditions and the Company's stage of development.
2. Risk to the growth of the EV: In addition to the risk to the current EV, the Company also considers risks that impede future growth of the EV like insufficient new business profit growth and over-run in acquisition or renewal expenses, caused by adverse deviation of actual unit costs from planned unit costs.
3. Risk to the statutory position: The Company considers the impact of market risk on its statutory position and 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. 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.
5. Liquidity ratio of highly liquid assets to near-term liabilities is tracked in order to assess the liquidity position.

3. Risk Monitoring

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

4. Risk Control

Identified 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.
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:

¹ 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.

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.

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.

iv. Fraud Management: The Company ensures adherence to Fraud prevention framework laid down by the regulator and directives under Companies Act, 2013. The following approach has been adopted to prevent fraud:

Proactive Fraud Management	<ul style="list-style-type: none"> • Triggers to identify suspected frauds from internal data and external environment • Sample checks prior to key transactions
Incident Management	<ul style="list-style-type: none"> • Incidents investigated for identification of process/system failures and/or identification of responsible internal/external parties
Punitive Actions	<ul style="list-style-type: none"> • Financial recovery process initiated • Implementation of controls to prevent repeat incidents • Disciplinary action in accordance to Malpractice Matrix • Action initiated through law enforcement authorities based on the severity of incident
Awareness	<ul style="list-style-type: none"> • Build awareness and provide training to employees and encourage incident reporting • Engagement with law enforcement agencies to create awareness on various insurance frauds and emerging issues

ii. Aligning key performance indicators: The Company uses different key performance indicators to align interests and ensure adequate focus on expense.

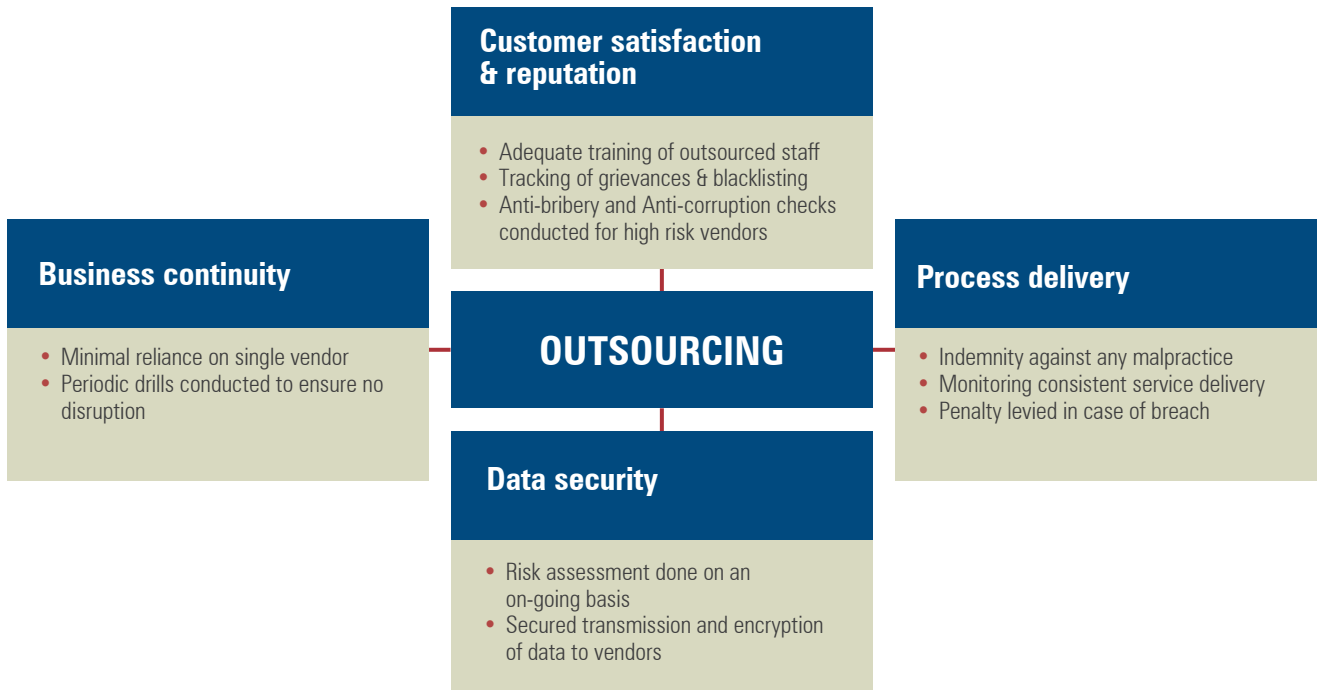
(g) Operational risk: The Company uses the following approaches to manage the risk:

i. Mitigation plans are developed for high risk items identified and monitored by the risk committees.

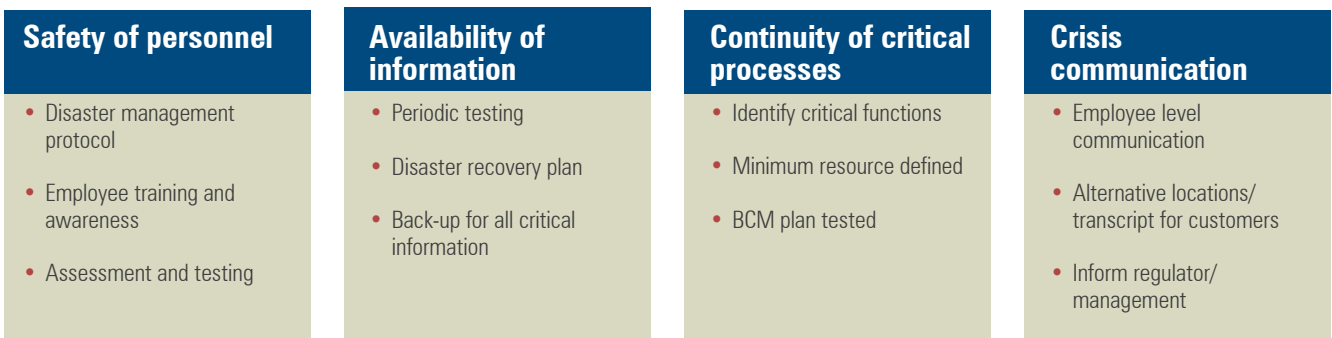
ii. The Company actively promotes a risk awareness culture by improving understanding through communication and education among management, employees, contractors and vendors. Appropriate training material is developed and cascaded to improve knowledge and promote a strong operational risk practice. 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.

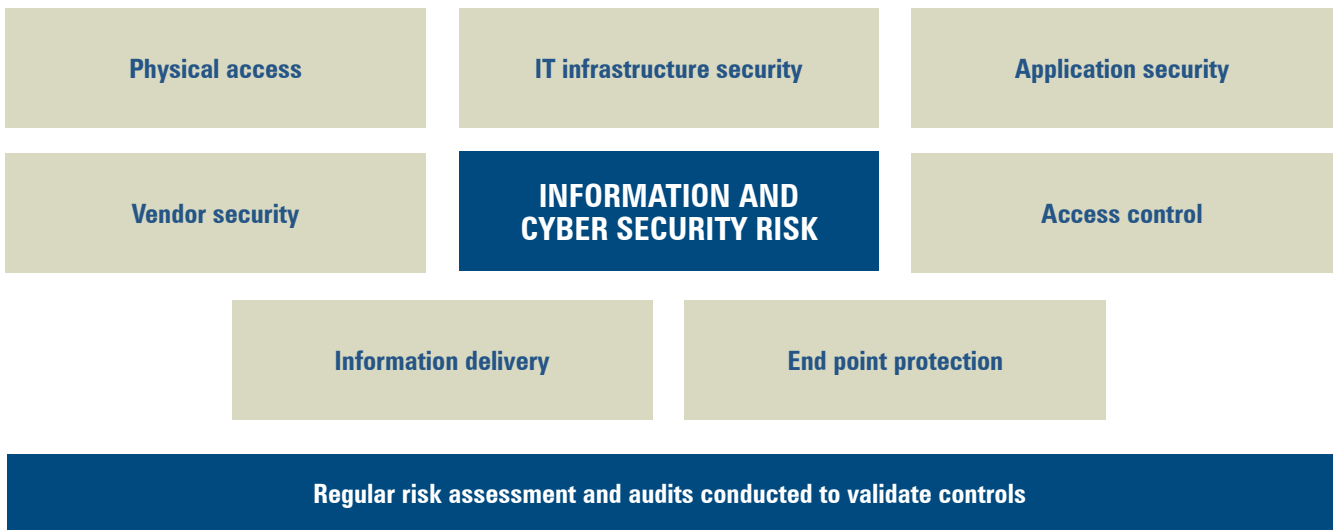
v. Outsourcing Risk: Processes of the Company are outsourced, where it is convinced of the advantages by entering in such arrangements, as permitted under regulatory guidelines. As per the Outsourcing regulation issued by IRDAI only permissible activities can be outsourced. The Company has an Outsourcing policy and it follows the below operating framework for the required due-diligence for any new activity or vendor empanelment. The Company has constituted an Outsourcing Committee which oversees the compliance to the regulation.



vi. Business Continuity Management (BCM): The Company has a Business Continuity Management (BCM) framework to ensure resilience and continuity of key products and services at minimum acceptable level to achieve business-as usual presence in the market place and safety of human resources. The key BCM objectives and the framework are depicted below:



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.



MANAGEMENT REPORT

for the year ended March 31, 2018

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, 2018:

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, 2018 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 and that of the stock exchanges, i.e. www.nseindia.com and www.bseindia.com.

4. INVESTMENTS OUTSIDE INDIA

We hereby declare that no investments, directly or indirectly have been made outside India from the funds of the holders of policies issued in India.

5. SOLVENCY MARGIN

We hereby confirm that the Company has maintained adequate assets to cover both its liabilities and required solvency margin as prescribed under Section 64VA of the Insurance Act, 1938 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, 2018	March 31, 2017
Actual solvency ratio	252.5%	280.7%

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:

	March 31, 2018		March 31, 2017	
	Balance Sheet value	Market value	Balance Sheet value	Market value
Debt investments in non-linked and shareholder funds	316,394,442	317,362,557	257,778,202	267,715,218
Total investments in non-linked and shareholder funds	410,381,414	411,349,529	337,076,242	347,013,258

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

8. OVERALL RISK EXPOSURE AND STRATEGY ADOPTED TO MITIGATE THE SAME

The Company recognises that risk is an integral element of the business and managed acceptance of risk is essential for the generation of shareholder value. The risk governance structure of the Company consists of the Board, the Board Risk Management Committee (BRMC), the Executive Risk Committee (ERC) and its sub-committees. The Board approved risk policy details identification, measurement, monitoring and control standards relating to the various individual risks, namely investment (market, credit and liquidity), insurance and operational risks.

8.1. Investment risk

Investment risk is the risk arising out of variations in the level or volatility of market prices of assets and financial instruments, including the risk arising from any mismatch between assets and liabilities, due to external market and economic factors. The Company faces limited liquidity risk due to the nature of its liabilities. The key mitigation approaches for this risk are as follows:

- 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.
- 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.
- (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, 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 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 behavior.

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.

9. OPERATIONS ABROAD

The Company has representative offices in the Kingdom of Bahrain and the United Arab Emirates. These representative offices do not contract liability overseas and all the policies are underwritten and issued in India.

10. CLAIMS

The average time taken by the Company from the date of submission of the final requirement by the claimant to despatch of claim payment, in respect of mortality and morbidity claims, was as follows:

Period	Average time taken for claim settlement (in days)
FY2018	3
FY2017	4
FY2016	5
FY2015	6
FY2014	6

The ageing of mortality and morbidity claims registered and not settled at March 31, 2018 has been detailed herein below:

Linked business:

Period	(₹ in lacs)									
	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
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

Non-Linked business:

Period	(₹ in lacs)									
	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
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 at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case the securities are not listed on NSE, the last quoted closing price on the BSE Limited ('BSE') is used). Unlisted equity shares are stated at historical cost. Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on previous days' net asset values. Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the 'Fair Value Change Account' in the Balance Sheet.

Investment property is held to earn rental income or for capital appreciation and is not occupied by the Company. Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet.

Investments in venture fund units are valued at historical cost.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Fixed deposits with banks are valued at cost.

11.2. Linked investments

We certify that the investments in linked business are valued on mark-to-market basis.

Central and State government securities are valued as per the valuation price provided by 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 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.

12.1. Asset composition

The portfolio mix of assets of the Company at March 31, 2018 is as follows:

Asset class	Linked funds	Non-Linked funds	Shareholders' funds	Total	Amount (₹ billion)
Equity shares [^]	59.4%	16.5%	20.4%	46.7%	651.50
Government securities	12.4%	58.5%	34.5%	25.0%	348.27
Debentures and bonds [*]	16.4%	15.4%	28.5%	16.8%	234.96
Money market instruments	8.4%	1.8%	3.2%	6.5%	90.66
Fixed deposits	0.1%	0.9%	3.1%	0.5%	6.32
Mutual funds	2.3%	4.2%	3.4%	2.8%	39.08
Investment property	0.0%	0.2%	4.9%	0.3%	4.67
Loan against policies	0.0%	0.4%	0.0%	0.1%	1.45
Net current assets and other investments	1.0%	2.1%	2.0%	1.3%	18.41
Total	975.02	341.41	78.89	100.0%	1,229.19
Fund mix (%)	69.9%	24.5%	5.6%	100.0%	-

[^] includes investment of ₹ 3.82 billion in equity exchange traded funds in linked line of business and ₹ 0.29 billion in investment in subsidiary in Shareholder line of business

^{*} includes convertible preference shares.

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

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 up-to 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 up-to the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security up-to 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 up-to the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call date and would be valued on a yield to maturity basis, by using spreads over the benchmark rate based on the matrix released by CRISIL.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Unrealised gains and losses are recognised in the Revenue account as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002.

Fixed deposits with banks are valued at cost.

12. REVIEW OF ASSET QUALITY AND PERFORMANCE OF INVESTMENTS

All investments are made in accordance with the regulatory norms, Investment Policy, fund objectives of unit linked funds, asset liability management guidelines and risk profile of the respective fund.

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

12.2. Fund performance

Linked funds

As on March 31, 2018, funds representing 54% of the linked assets performed better than the respective benchmark over trailing one year period, 46% of the linked assets outperformed the benchmark over trailing three years and 96% of linked assets outperformed the benchmark over trailing five years. Since the benchmark of funds does not carry fund management charges, the above performance are after adjusting fund management charges in benchmark.

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 returns				
			Fund	Benchmark	Fund	Benchmark	
Equity funds							
Maximiser Fund V	ULIF 114 15/03/11 LMaximis5 105	245.32	9.20%	10.62%	5.37%	6.86%	
Multi Cap Growth Fund	ULIF 085 24/11/09 LMCapGro 105	80.55	12.54%	11.47%	9.75%	8.49%	
Maximiser Fund	ULIF 001 22/10/01 LMaximis1 105	32.68	8.89%	10.62%	5.14%	6.86%	
Life Growth Fund	ULIF 134 19/09/13 LGF 105	19.54	8.41%	10.62%	4.69%	6.86%	
Dynamic P/E Fund	ULIF 097 11/01/10 LDynamicPE 105	18.60	6.12%	9.03%	4.91%	6.73%	
Pension Flexi Growth Fund	ULIF 029 20/03/07 PFlexiGro1 105	15.33	11.58%	11.47%	8.91%	8.49%	
Flexi Growth Fund II	ULIF 027 20/03/07 LFlexiGro2 105	11.31	13.31%	11.47%	9.82%	8.49%	
Pension Flexi Growth Fund II	ULIF 030 20/03/07 PFlexiGro2 105	10.67	12.80%	11.47%	10.11%	8.49%	
Pension RICH Fund	ULIF 052 17/03/08 PRICH1 105	10.66	10.32%	11.04%	6.20%	7.80%	
Pension Multi Cap Growth Fund	ULIF 091 11/01/10 PMCcapGro 105	10.52	13.03%	11.47%	9.79%	8.49%	
Maximiser Fund II	ULIF 012 17/05/04 LMaximis2 105	10.02	9.32%	10.62%	5.92%	6.86%	
Pension Maximiser Fund II	ULIF 013 17/05/04 PMaximis2 105	9.88	10.56%	10.62%	6.23%	6.86%	
Bluechip Fund	ULIF 087 24/11/09 LBluChip 105	9.60	8.74%	10.25%	6.39%	6.00%	
Flexi Growth Fund	ULIF 026 20/03/07 LFlexiGro1 105	9.24	12.54%	11.47%	9.02%	8.49%	
RICH Fund II	ULIF 049 17/03/08 LRICH2 105	7.81	11.21%	11.04%	6.62%	7.80%	
Flexi Growth Fund IV	ULIF 038 27/08/07 LFlexiGro4 105	6.97	13.43%	11.47%	10.01%	8.49%	
Pension Dynamic P/E Fund	ULIF 098 11/01/10 PDynamicPE 105	6.63	5.98%	9.03%	4.83%	6.73%	
Pension RICH Fund II	ULIF 053 17/03/08 PRICH2 105	6.52	11.20%	11.04%	6.77%	7.80%	
Opportunities Fund	ULIF 086 24/11/09 LOpport 105	6.28	11.67%	11.04%	7.40%	7.80%	
Health Flexi Growth Fund	ULIF 057 15/01/09 HFlexiGro 105	5.61	12.38%	11.47%	7.42%	8.49%	
Pension Maximiser Fund	ULIF 004 03/05/02 PMaximis1 105	5.14	8.65%	10.62%	4.96%	6.86%	
Balanced funds							
Highest NAV Fund B	ULIF 116 15/03/11 LHighNavB 105	42.05	3.92%	NA	5.02%	NA	
Multi Cap Balanced Fund	ULIF 088 24/11/09 LMCapBal 105	14.73	9.50%	8.71%	8.24%	8.57%	
Group Balanced Fund II	ULGF 041 30/04/13 GBalancer2 105	12.92	5.59%	5.99%	6.33%	8.05%	
Group Balanced Fund	ULGF 001 03/04/03 GBalancer 105	11.57	5.91%	5.99%	6.73%	8.05%	
Balanced Fund	ULIF 002 22/10/01 LBalancer1 105	9.06	7.65%	7.13%	6.88%	7.90%	
Pinnacle Fund	ULIF 081 26/10/09 LPinnacle 105	7.64	5.87%	NA	5.78%	NA	
Group SA Balanced Fund	ULGF 051 03/04/03 GSBLN 105	7.30	5.49%	5.99%	6.58%	8.05%	
Debt funds							
Income Fund	ULIF 089 24/11/09 LIncome 105	63.44	5.30%	5.11%	7.67%	8.11%	
Life Secure Fund	ULIF 135 19/09/13 LSF 105	16.26	4.10%	5.11%	6.99%	8.11%	
Pension Protector Fund	ULIF 006 03/05/02 PProtect1 105	12.00	4.61%	5.11%	6.68%	8.11%	
Pension Income Fund	ULIF 095 11/01/10 PIncome 105	5.55	5.20%	5.11%	7.34%	8.11%	
Group Debt Fund	ULGF 002 03/04/03 GDebt 105	5.51	4.95%	5.11%	7.21%	8.11%	
Group SA Debt Fund	ULGF 053 03/04/03 GSSTD 105	5.44	4.77%	5.11%	7.15%	8.11%	
Protector Fund	ULIF 003 22/10/01 LProtect1 105	5.19	4.40%	5.11%	7.07%	8.11%	
Liquid funds							
Discontinued Fund – Life	ULIF 100 01/07/10 LDiscont 105	50.61	5.99%	NA	6.93%	NA	
Money Market Fund	ULIF 090 24/11/09 LMoneyMkt 105	32.22	6.16%	6.84%	7.15%	7.33%	

* Assets held at March 31, 2018

Non-linked and Shareholders' funds

The fund performance of non-linked Policyholders' and Shareholders' funds are as follows:

Particulars	Assets held*	1 year return		3 years return ^	
	(₹ billion)	Market Value	Book Value	Market Value	Book Value
Policyholders' fund					
Participating	143.48	7.05%	10.99%	8.84%	9.83%
Non-participating	197.93	6.34%	7.96%	8.33%	8.11%
Shareholders' fund	78.89	9.92%	11.49%	9.22%	11.37%

* Assets held at March 31, 2018 at carrying value.

^ Annualised

13. PAYMENTS MADE TO PARTIES IN WHICH DIRECTORS ARE INTERESTED

The details of such payments for the year ended March 31, 2018 are given below:

Name of Director	Entity in which Director is interested	Interested as	Amount paid	
			FY2018	FY2017*
			(₹ '000)	
Chanda Kochhar	ICICI Bank Limited	Managing Director & CEO	14,490,206	13,275,376
	ICICI Prudential Asset Management Company Limited	Chairperson	-	320
	ICICI Securities Limited	Chairperson	513,688	729,181
	ICICI Lombard General Insurance Company Limited	Chairperson	259,801	120,508
	ICICI Foundation for Inclusive Growth	Chairperson - Governing Council	172,769	170,263
N. S. Kannan	ICICI Bank Limited	Director	14,490,206	13,275,376
	ICICI Lombard General Insurance Company Limited	Director	259,801	120,508
	ICICI Prudential Asset Management Company Limited	Director	-	320
	ICICI Foundation for Inclusive Growth	Member - Governing Council	172,769	170,263
Vinod Kumar Dhall	Schneider Electric Infrastructure Limited	Director/Chairman	-	3
	ICICI Securities Limited	Director	513,688	729,181
V. Sridhar	ICICI Bank Limited	Director	14,490,206	13,275,376
Sandeep Batra	ICICI Prudential Life Insurance Company Limited	Trustee	133,552	114,772
	Employees' Provident Fund			
	ICICI Prudential Life Insurance Company Limited	Trustee	191,680	178,350
	Employees' Group Gratuity Cum Life Insurance Scheme			
Sandeep Bakhshi	ICICI Prudential Life Insurance Company Limited	Trustee	8,086	6,845
	Superannuation Scheme			
Sandeep Bakhshi	ICICI Foundation for Inclusive Growth	Trustee	172,769	170,263
	Dilip Karnik (From June 29, 2016)	ICICI Prudential Asset Management Company Limited	Director	-
Dileep Choksi (From January 19, 2018)	ICICI Bank Limited	Director	14,490,206	13,275,376
	ICICI Home Finance Company Limited	Director	11,554	2,061

* Previous year numbers have been updated, in cases where there is change of director or their interested entities, as the case may be.

14. MANAGEMENT RESPONSIBILITY STATEMENT

The Management confirms that:

- i. In the preparation of financial statements, the applicable accounting standards, principles and policies are followed along with proper explanations relating to material departures, if any;
- ii. The management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;
- iii. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, Companies Act, 2013 and Companies Act, 1956 to the extent applicable, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The management has prepared the financial statements on a going concern basis;
- v. The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

For and on behalf of the Board of Directors

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Place : Mumbai
Date : April 24, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of ICICI Prudential Life Insurance Company Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of ICICI Prudential Life Insurance Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, 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.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, net surplus, profit and receipts and payments of the Company in accordance with the accounting principles generally accepted in India, including the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") in this regard, and Accounting Standards specified under Section 133 of the Act, 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, orders/ directions/ circulars issued by the IRDAI, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Act to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of Revenue Account, of the net surplus for the year ended on that date;
- (c) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

OTHER MATTERS

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued 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, 2018 has been duly certified by the Appointed Actuary and in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the standalone financial statements of the Company. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated April 24, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDA Financial Statements Regulations, read with Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and 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, the aforesaid standalone 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;

- (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 Standard referred to in Section 133 of the Companies Act and with the accounting principles as prescribed in the IRDAI Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
- (h) On the basis of written representations received from the directors, as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer schedule 16 note 3.45 to the financial statements;
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer schedule 16 note 3.46 to the financial statements; and
 - c) There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - d) The disclosure requirement as envisaged in Notification G.S.R 308(E) dated March 30, 2017 is not applicable to the Company.

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

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

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

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

Place: Mumbai
Date: April 24, 2018

ANNEXURE A

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

Independent Auditors' Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of ICICI Prudential Life Insurance Company Limited

We have audited the internal financial controls over financial reporting of ICICI Prudential Life Insurance Company Limited (the "Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

Venkataraman Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2018 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, 2018. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation. Our opinion is not modified in respect of the above matter.

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

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

Place : Mumbai
Date : April 24, 2018

INDEPENDENT AUDITORS' CERTIFICATE

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

Dear Sirs,

(Referred to in paragraph 1 of our Independent Auditors' Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 24, 2018)

1. This certificate is issued in accordance with the terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company"), wherein we are requested to issue certificate for compliance with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, (the "IRDA Financial Statements Regulations") read with regulation 3 of the IRDA Financial Statements Regulations.

MANAGEMENT'S RESPONSIBILITY

2. The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring the aforesaid and applying an appropriate basis of preparation.

AUDITORS' RESPONSIBILITY

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

4. We audited financial statements of the Company as of and financial year ended March 31, 2018 on which we issued an unmodified audit opinion vide our report dated April 24, 2018. Our audits of these financial statements were conducted in accordance with the Standards on

Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

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 the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
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.

OPINION

7. In accordance with information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended March 31, 2018, we certify that:
 - (a) We have reviewed the attached Management Report to the financial statements for year ended March 31, 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the 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 and securities relating to the Company's loans and investments as at March 31, 2018, 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, 2018, the Company does not have reversions and life interests;
 - (d) 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.

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

Venkataraman Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

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

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

Place : Mumbai
Date : April 24, 2018

INDEPENDENT AUDITORS' CERTIFICATE

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

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

1. This certificate is issued in accordance with terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company") and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 (the "Regulations"), wherein we are requested to issue certificate regarding applicable Net Asset Value ("NAV") for applications received as at March 31, 2018 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, 2018.
3. The Company's management is responsible for complying with conditions stated in the Regulations.

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 Saturday, March 31, 2018 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2018 is applied for applications received upto 3.00 p.m.;
 - (b) The applications received on Saturday, March 31, 2018 after 3.00 p.m. have been stamped and that the NAV of April 02, 2018 is applied for applications received after 3.00 p.m.; and
 - (c) The Company has declared NAV for March 31, 2018 which is a business day, on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2018.
5. 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, 2018 (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 Saturday, March 31, 2018, upto

3.00 p.m. have been appropriately stamped and the NAV of March 31, 2018 is applied for such applications for the selected samples; and

- ii) The applications received on Saturday, March 31, 2018, after 3.00 p.m. have been appropriately stamped and the NAV of April 2, 2018 is applied for such applications for the selected samples.
- (c) We have read the certificate dated April 13, 2018 of the concurrent auditors of the Company, M/s. Chokshi and Chokshi LLP, Chartered Accountants which has been furnished to us certifying compliance with Regulation 5 of Schedule I (B);
 - (d) Obtained representation from the management that the Company has declared March 31, 2018 as a business day for accepting application forms and that it has declared NAV for March 31, 2018.
6. We have examined other relevant records of the Company, to the extent necessary for the purpose of issuing this certificate and have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
 7. 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

8. Based on our examination, as above and information, explanations and representations given to us by the Company's management, we report that:
 - (a) The applications received on Saturday, March 31, 2018 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2018 is applied for applications received upto 3.00 p.m.;
 - (b) The applications received on Saturday, March 31, 2018 after 3.00 p.m. have been stamped and that the NAV of April 2, 2018 is applied for applications received after 3.00 p.m.; and
 - (c) The Company has declared NAV for March 31, 2018 which is a business day, on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2018.

RESTRICTION ON USE

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

Venkataramanan Vishwanath

Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

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

per Khushroo B. Panthaky

Partner
Membership No. 42423

Place : Mumbai
Date : April 24, 2018

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
Premiums earned (Net of service tax / Goods & Service tax)														
(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		(24,208)	(51)	(1,710,049)	-	-	-	(45,790)	(486,475)	(74)	(314,234)	(36)	-	(2,580,917)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		31,777,996	276,354	29,261,540	352,309	9,300	3,107,546	247,678	189,525,876	5,513,007	716,461	4,666,973	2,651,735	268,106,775
Income from investments														
(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)	(1,846,178)	(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)	-	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
Sub-total		10,739,508	1,441,055	10,065,215	86,942	11,207	1,921,434	71,292	65,123,897	17,174,870	1,046,953	2,674,671	2,257,653	112,614,697
Other income														
Contribution from the Shareholders' account		-	-	-	-	-	752,784	-	-	-	-	-	-	752,784
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	500,740	-	-	-	-	500,740
Fees and charges		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
Sub-total		79,820	370	105,822	6	-	752,964	89	512,967	344	61	281	114	1,452,838
Total (A)		42,597,324	1,717,779	39,432,577	439,257	20,507	5,781,944	319,059	255,162,740	22,688,221	1,763,475	7,341,925	4,909,502	382,174,310
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		(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 3.26 of schedule 16		23,865	-	27,007	-	-	-	-	-	-	-	-	-	50,872
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Service tax/Goods and Service Tax charge on linked charges		-	-	-	-	-	-	-	4,798,211	518,259	168,799	83,877	75,974	5,645,120
Total (B)		5,791,041	19,213	6,275,327	5,332	608	76,680	197,394	26,242,243	931,493	239,350	156,696	123,508	40,058,885
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		-	-	-	-	-	-	-	-	-	-	-	-	-
(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
Total (C)		32,651,707	1,393,889	31,105,366	427,394	19,170	5,705,264	(90,434)	224,073,239	19,054,079	1,177,043	7,095,575	4,670,536	327,282,828
Surplus/(deficit) (D) = (A)-(B)-(C)		4,154,576	304,677	2,051,884	6,531	729	-	212,099	4,847,252	2,702,649	347,082	89,654	115,458	14,832,597
Provision for taxation														
(a) Current tax credit/(charge)–Refer note 3.7 of schedule 16		(1,200,710)	-	-	-	-	-	-	-	-	-	-	-	(1,200,710)
(b) Deferred tax credit/(charge)–Refer note 3.7 of schedule 16		-	-	-	-	-	-	-	(6)	-	-	-	-	(6)
Surplus/(deficit) after tax		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
Appropriations														
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
Total		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
Details of Surplus after tax														
(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	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	12,879,097
Total Surplus		7,361,880	564,633	2,051,884	6,531	729	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	17,547,067
Funds for future appropriation														
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
Balance carried forward to Balance Sheet		6,379,355	2,394,212	-	-	-	-	-	3,213	4,823	-	-	-	8,781,603
Significant accounting policies and notes	16													

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

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Revenue Account as expenses.

As required by IRDAI circular IRDAI/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 FY 2017-18 onwards.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataraman Vishwanath
Partner
Membership No. 113156

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, 2018

REVENUE ACCOUNT

for the year ended March 31, 2017

FORM A-RA

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

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ '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	Total
Premiums earned (Net of service tax)													
(a) Premium	1	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
(b) Reinsurance ceded		(16,701)	(47)	(1,158,189)	-	-	-	(35,294)	(459,637)	(83)	(317,561)	(32)	(1,987,544)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		25,609,818	329,776	26,824,429	891,208	137,913	2,058,089	101,314	150,579,078	6,606,743	874,720	7,539,388	221,552,476
Income from Investments													
(a) Interest, dividend & rent - Gross		5,773,911	799,264	7,460,821	39,612	6,385	1,825,435	44,227	17,345,787	4,630,897	224,585	3,778,245	41,929,169
(b) Profit on sale/redemption of investments		1,887,566	166,343	740,144	1,801	-	406,141	1,813	41,439,269	23,593,975	616,524	3,130,259	71,983,835
(c) (Loss) on sale/redemption of investments		(87,526)	(14,080)	(26,708)	(131)	-	(8,306)	-	(7,203,558)	(2,271,478)	(60,164)	(796,182)	(10,458,133)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	35,476,906	3,563,819	573,404	965,284	40,579,413
(e) Accretion of discount/(amortisation of premium) (Net)		31,101	37,212	(35,482)	1,249	811	(2,263)	562	4,457,152	576,893	15,112	652,823	5,735,170
Sub-total		7,605,052	988,739	8,138,775	42,531	7,196	2,221,007	46,602	91,515,556	30,094,106	1,379,461	7,730,429	149,769,454
Other income													
Contribution from the Shareholders' account		-	-	-	16,204	1,815	-	-	-	-	-	-	18,019
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	403,684	-	-	-	403,684
Fees and charges		71,575	608	96,548	-	-	-	129	353	-	-	-	169,213
Miscellaneous income		3,186	21	2,905	2	-	36	10	10,728	465	39	166	17,558
Sub-total		74,761	629	99,453	16,206	1,815	36	139	414,765	465	39	166	608,474
Total (A)		33,289,631	1,319,144	35,062,657	949,945	146,924	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983	371,930,404
Commission	2	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Operating expenses related to Insurance business	3	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961
Provision for doubtful debts		(9,331)	(34)	(15,982)	(75)	-	12	(41)	(29,406)	(323)	(125)	(100)	(55,405)
Bad debts written off		22,019	187	26,268	-	-	171	225	62,992	3,518	703	1	116,084
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net) - Refer note 3.26 of schedule 16		33,361	-	31,764	-	-	-	-	-	-	-	-	65,125
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-
Service tax charge on linked charges		-	-	-	-	-	-	-	3,390,007	497,356	145,390	129,909	4,162,662
Total (B)		5,717,270	22,925	5,529,097	16,182	1,924	43,002	15,965	22,489,656	1,086,668	227,507	299,391	35,449,587
Benefits paid (Net)	4	4,942,515	869,817	1,992,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722	149,644,086
Interim bonus paid		330,901	3,763	-	-	-	-	-	-	-	-	-	334,664
Change in valuation of policy liabilities		-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		20,179,513	42,196	48,659,800	923,605	136,843	1,704,143	(32,576)	1,053,994	(109,534)	52,992	(17,256)	72,593,720
(b) Amount ceded in reinsurance		-	-	(23,446,270)	-	-	-	-	-	-	-	-	(23,446,270)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	124,354,140	(10,374,995)	1,220,604	4,262,086	119,461,835
(e) Funds for discontinued policies		-	-	-	-	-	-	-	5,905,839	460,426	-	-	6,366,265
Total (C)		25,452,929	915,776	27,206,298	933,763	145,000	3,174,820	(4,619)	217,998,597	32,703,299	1,650,885	14,777,552	324,954,300
Surplus/(deficit) (D) = (A)-(B)-(C)		2,119,432	380,443	2,327,262	-	-	-1,061,310	136,709	2,021,146	2,911,347	375,828	193,040	11,526,517
Provision for taxation													
(a) Current tax credit/(charge) - Refer note 3.7 of schedule 16		(788,117)	-	-	-	-	-	-	-	-	-	-	(788,117)
(b) Deferred tax credit/(charge) - Refer note 3.7 of schedule 16		-	-	-	-	-	-	-	(233)	-	-	-	(233)
Surplus/(deficit) after tax		1,331,315	380,443	2,327,262	-	-	-1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Appropriations													
Transfer to Shareholders' account		394,734	32,836	4,124,399	-	-	1,061,310	136,709	2,022,530	2,920,712	429,172	193,040	11,315,442
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-	(577,275)
Total		1,331,315	380,443	2,327,262	-	-	-1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Details of Surplus after tax													
(a) Interim bonuses paid		330,901	3,763	-	-	-	-	-	-	-	-	-	334,664
(b) Allocation of bonus to policyholders'		3,221,705	291,759	-	-	-	-	-	-	-	-	-	3,513,464
(c) Surplus shown in the Revenue Account		1,331,315	380,443	2,327,262	-	-	-1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Total Surplus		4,883,921	675,965	2,327,262	-	-	-1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	14,586,295
Funds for future appropriation													
Opening balance as at April 1, 2016		2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-	6,619,133
Add: Current period appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-	(577,275)
Balance carried forward to Balance Sheet		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	6,041,858
Significant accounting policies & notes	16												

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

As required by IRDAI circular IRDA/F&I/REG/CR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Revenue Account as expenses.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkaramanan Vishwanath
Partner
Membership No. 113156

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, 2018

PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2018

FORM A-PL

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

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedule	(₹ '000)	
		March 31, 2018	March 31, 2017
Amounts transferred from Policyholders' account (Technical account)		10,892,136	11,315,442
Income from investments			
(a) Interest, dividend and rent – Gross		4,193,354	3,740,683
(b) Profit on sale/redemption of investments		3,346,949	2,881,074
(c) (Loss) on sale/redemption of investments		(125,521)	(114,046)
(d) Accretion of discount/(amortisation of premium) (Net)		(19,327)	139,232
Other income		48,428	285,299
Total (A)		18,336,019	18,247,684
Expenses other than those directly related to the insurance business	3A	387,609	379,564
Bad debts written-off		-	-
Provisions (other than taxation)			
(a) For diminution in value of investments (Net)- Refer note 3.26 of schedule 16		-	-
(b) Provision for doubtful debts		-	-
Contribution to Policyholders' account (Technical account)		752,784	18,019
Total (B)		1,140,393	397,583
Profit before tax		17,195,626	17,850,101
Provision for taxation			
(a) Current tax credit/(charge) – Refer note 3.7 of schedule 16		(997,367)	(1,027,798)
(b) Deferred tax credit/(charge) – Refer note 3.7 of schedule 16		-	-
Profit after tax		16,198,259	16,822,303
Appropriations			
(a) Balance at the beginning of the year		12,683,041	2,507,743
(b) Interim dividends paid during the year – Refer note 3.41 of schedule 16		4,880,653	5,521,572
(c) Final dividend – Refer note 3.41 of schedule 16		5,023,962	1,142
(d) Dividend distribution tax – Refer note 3.41 of schedule 16		2,016,339	1,124,291
Profit carried to Balance Sheet		16,960,346	12,683,041
Earnings per equity share – Refer note 3.19 of schedule 16			
Basic earnings per equity share ₹		11.28	11.73
Diluted earnings per equity share ₹		11.28	11.72
Nominal value per equity share ₹		10.00	10.00
Significant accounting policies & notes	16		

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

As per our report of even date attached.

For **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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

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, 2018

BALANCE SHEET

As at March 31, 2018

FORM A-BS

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

Particulars	Schedule	(₹ '000)	
		March 31, 2018	March 31, 2017
Sources of funds			
Shareholders' funds :			
Share capital	5	14,354,987	14,353,471
Share application money		-	-
Reserve and surplus	6	51,408,643	46,996,096
Credit/[debit] fair value change account		3,080,906	2,730,821
Sub-total		68,844,536	64,080,388
Borrowings	7	-	-
Policyholders' funds:			
Credit/[debit] fair value change account		20,550,637	17,866,609
Revaluation reserve – Investment property – Refer note 3.25 of schedule 16		614,479	603,548
Policy liabilities (A) + (B) + (C)		1,284,945,569	1,130,470,597
Non-unit liabilities (mathematical reserves) (A)		309,933,921	251,695,317
Provision for linked liabilities (fund reserves) (B)		923,123,553	839,364,705
(a) Provision for linked liabilities		822,372,860	729,695,155
(b) Credit/[debit] fair value change account (Linked)		100,750,693	109,669,550
Funds for discontinued policies (C) – Refer note 3.38 of schedule 16		51,888,095	39,410,575
(a) Discontinued on account of non-payment of premium		51,841,156	39,373,557
(b) Other discontinuance		117,925	49,293
(c) Credit/[debit] fair value change account		(70,986)	(12,275)
Total linked liabilities (B) + (C)		975,011,648	878,775,280
Sub-total		1,306,110,685	1,148,940,754
Funds for Future Appropriations			
Linked – Refer note 3.3 of schedule 16		8,036	8,171
Non-linked – Refer note 3.3 of schedule 16		8,783,567	6,033,687
Sub-total		8,791,603	6,041,858
Total		1,383,736,824	1,219,063,000
Application of funds			
Investments			
Shareholders'	8	77,492,895	66,402,564
Policyholders'	8A	332,888,519	270,673,678
Asset held to cover linked liabilities	8B	975,019,684	878,783,451
Loans	9	1,450,588	806,448
Fixed assets – net block	10	4,220,622	2,137,759
Deferred tax asset – Refer note 3.7 of schedule 16		463	469
Current assets			
Cash and Bank balances	11	2,037,435	2,136,956
Advances and Other assets	12	25,102,587	26,483,897
Sub-total (A)		27,140,022	28,620,853
Current liabilities	13	34,254,125	28,157,262
Provisions	14	221,844	204,960
Sub-total (B)		34,475,969	28,362,222
Net Current Assets (C) = (A-B)		(7,335,947)	258,631
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account (Shareholders' account)		-	-
Total		1,383,736,824	1,219,063,000
Contingent liabilities – Refer note 3.1 of schedule 16		2,031,184	2,072,659
Significant accounting policies and notes	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

Chanda Kochhar
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Director
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Executive Director
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Partner
Membership No. 113156

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, 2018

RECEIPTS AND PAYMENTS ACCOUNT

for the year ended March 31, 2018

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

	(₹ '000)	
Particulars	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
A. Cash flows from operating activities		
Cash receipts from customers:		
Premium and other receipts	300,621,105	254,552,613
Interest received on tax refund	472,366	-
Cash paid towards operating activities:		
Commission paid	(13,411,464)	(7,646,310)
Policy benefits paid	(172,201,685)	(149,235,790)
Other expenses ⁴	(49,545,226)	(47,890,796)
Service tax/Goods and Service tax paid	(7,042,688)	(5,172,072)
Reinsurance premium ceded (net of recovery amount)	(180,822)	(346,370)
Advances and deposits	(85,102)	12,059
Taxes paid (net of refunds)	(1,698,136)	(2,949,490)
Net cash generated from operating activities (A)	56,928,348	41,323,844
B. Cash flows from investing activities		
Purchase of fixed assets	(698,378)	(536,049)
Sale of fixed assets	22,466	22,674
Purchase of investments	(1,883,039,073)	(1,497,721,734)
Investment in Subsidiary	-	(20,000)
Loan	(644,140)	(363,730)
Sale of investments	1,816,932,167	1,413,465,084
Advance/deposit for investment property	-	64,338
Interest and rent received (net of tax deducted at source)	42,097,832	36,517,047
Dividend received	8,444,427	7,259,761
Investments in money market instruments and in liquid mutual funds (Net)	(36,804,639)	34,524,975
Expense related to investment	(228,131)	(201,816)
Net cash generated from/(used) investing activities (B)	(53,917,469)	(6,989,450)
C. Cash flows from financing activities		
Proceeds from issuance of share capital ¹	39,580	327,337
Final Dividend	(5,019,892)	(3,008,328)
Interim Dividend paid	(4,880,653)	(5,521,572)
Dividend Distribution tax paid	(2,016,339)	(1,736,625)
Net cash used in financing activities (C)	(11,877,304)	(9,939,188)
D. Effect of foreign exchange rates on cash and cash equivalents (net) (D)	30	(678)
E. Net increase in cash and cash equivalents (A+B+C+D)	(8,866,395)	24,394,528
F. Cash and cash equivalents at beginning of the year	65,336,904	40,942,376
G. Cash and cash equivalents at end of the year	56,470,509	65,336,904
Note:		
Cash and cash equivalents at the end of the year		
- Cash (Including cheques in hand and stamps in hand)	1,345,557	1,408,060
- Bank Balances and Money at call and short notice ²	945,574	1,137,083
[Including bank balance for linked business of ₹ 253,696 thousands (₹ 408,187 thousands at March 31, 2017)]		
- Other short-term liquid investment ³		
[Forming part of investments in financials and unclaimed assets as disclosed in Schedule 12]	55,463,985	65,777,884
- Banks having negative book balance		
[Forming part of Other Liabilities under Schedule 13 in financials]	(1,155,306)	(2,958,301)
Stamps on Hand		
[Part of Cash (including cheques, drafts and stamps) under Schedule 11, however not a part of cash and cash equivalents]	(129,301)	(27,822)
Total	56,470,509	65,336,904

¹ Includes movement in share application money.

² Includes balance in dividend account which is unclaimed amounting to ₹ 4.768 thousands (₹ 697 thousands at March 31, 2017).

³ Includes a fixed deposit amounting to ₹ Nil (₹ 575,679 thousands at March 31, 2017) given as a lien against guarantee to NSE and which is having a maturity of less than 3 months.

⁴ Includes CSR paid during the year amounting to ₹ 247,697 thousands (₹ 219,453 thousands for the year ended March 31, 2017) - Refer note 3.47 of Schedule 16.

The above Receipts and payments account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of financial statements and auditor's report of insurance companies) Regulations, 2002 under the "Direct method" in accordance with Accounting Standard 3 Cash Flow Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

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

Chanda Kochhar
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Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place : Mumbai
Date : April 24, 2018

SCHEDULES

forming part of financial statements

SCHEDULE – 1

PREMIUM (Net of service tax / Goods & Service tax)

For the year ended March 31, 2018

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group 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
Total Premium	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
Premium Income from business written:													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	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

For the year ended March 31, 2017

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total	
First year premiums	6,186,130	4	2,432,625	-	-	-	(19)	54,463,295	364,781	(532)	-	63,446,284	
Renewal premiums	19,440,389	329,819	20,845,844	-	-	-	136,627	94,351,150	5,969,601	1,192,813	2,640,759	144,907,002	
Single premiums	-	-	4,704,149	891,208	137,913	2,058,089	-	2,224,270	272,444	-	4,898,661	15,186,734	
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020	
Premium Income from business written:													
In India	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020	
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020	

Refer note 2.3.1 of schedule 16 for accounting policy on Premium recognition.

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 FY 2017-18 onwards.

SCHEDULES

forming part of financial statements

SCHEDULE – 2 COMMISSION EXPENSES

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
Commission													
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
Total	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736
Break-up of the commission by distribution network													
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
Total Commission	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736

For the year ended March 31, 2017

	(₹ '000)											
Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission												
Direct – First year premiums	1,174,597	-	545,455	-	-	-	(8)	2,875,099	5,861	(124)	-	4,600,880
– Renewal premiums	735,707	1,663	800,389	-	-	-	3,407	1,316,590	38,236	7,238	-	2,903,230
– Single premiums	-	-	58,532	25	-	1,633	-	24,106	754	-	-	85,050
Total	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Break-up of the commission by distribution network												
Individual agents	726,303	1,158	478,050	-	-	961	2,249	859,982	26,181	6,231	-	2,101,115
Corporate agents	889,392	492	760,007	-	-	666	1,024	3,335,824	13,792	566	-	5,001,763
Brokers	293,745	13	166,103	25	-	6	126	19,950	4,878	317	-	485,163
Insurance Marketing Firm	863	-	151	-	-	-	-	39	-	-	-	1,053
Web Aggregators	1	-	64	-	-	-	-	-	-	-	-	65
Total Commission	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,159

Note: Refer note 2.4 of schedule 16 for accounting policy on Acquisition cost.

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 FY 2017-18 onwards.

SCHEDULES

forming part of financial statements

SCHEDULE – 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2018

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group 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
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.:													
(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
Others													
- 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
Total	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

For the year ended March 31, 2017

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total	
Employees' remuneration and welfare benefits	1,420,384	9,580	1,138,047	7,445	951	15,221	5,313	5,111,449	256,786	29,253	85,794	8,080,223	
Travel, conveyance and vehicle running expenses	49,205	212	43,077	1,232	131	888	264	315,857	13,426	1,495	9,884	435,671	
Agents training, recruitment and incentives	319,460	-	170,297	7	-	382	120	784,617	16,655	1,434	1	1,292,973	
Rents, rates and taxes	94,329	1,790	391,180	263	38	1,335	363	514,496	17,448	1,973	4,927	1,028,142	
Repairs	52,481	3,659	32,724	145	15	675	219	215,279	10,096	1,177	1,479	317,949	
Printing and stationery	8,334	113	11,537	-	1	221	112	21,909	2,132	414	95	44,868	
Communication expenses	137,562	2,228	176,317	102	13	3,293	2,218	405,695	44,368	8,378	1,280	781,454	
Legal and professional charges	80,131	778	93,603	179	18	1,921	652	233,083	16,957	2,775	6,454	436,551	
Medical fees	5,089	-	138,739	21	3	-	-	11,320	15	(28)	184	155,343	
Auditors' fees, expenses etc.:													
(a) as auditor	3,154	51	3,979	-	-	83	50	7,632	946	185	-	16,080	
(b) as advisor or in any other capacity, in respect of													
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Management Services; and	-	-	-	-	-	-	-	-	-	-	-	-	
(c) in any other capacity (for Certification)	-	-	-	-	-	-	-	-	-	-	-	-	
Advertisement and publicity	412,741	6	650,617	4,898	523	972	352	802,462	47,416	4,135	30,807	1,954,929	
Interest and bank charges	19,197	292	22,896	609	88	1,619	107	92,377	7,499	254	6,680	151,618	
Others													
- Administration support expenses	590,681	-	694,478	-	-	8,089	-	4,503,427	36,000	-	(655)	5,832,020	
- Business conferences and meetings	288,878	-	161,008	186	26	354	106	735,075	14,907	1,273	2,603	1,204,416	
- Information technology cost	121,667	1,139	189,372	217	28	3,494	1,132	308,551	21,959	4,162	1,949	653,670	
- Office running expenses	28,434	156	27,891	105	13	540	183	162,624	8,161	968	1,051	230,126	
- Data entry related expenses	32,977	692	37,136	369	41	815	687	77,322	12,751	2,527	4,210	169,527	
- Miscellaneous expenses	14,340	60	32,727	34	6	250	277	94,852	6,158	2,158	2,140	153,002	
Depreciation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	578,164	
Service tax expenses	9,381	47	19,811	162	-	(204)	(56)	8,689	(987)	10,835	7,557	55,235	
Total	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961	

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 FY 2017-18 onwards.

SCHEDULES

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SCHEDULE – 3A

EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

For the year ended March 31, 2018

Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Employees' remuneration and welfare benefits	105,100	109,372
Travel, conveyance and vehicle running expenses	282	55
Rent, rates and taxes	16,657	21,952
Printing and stationery	38	-
Communication expenses	278	1,834
Legal and professional charges	5,798	7,698
Interest and bank charges	1,655	965
CSR expenses	230,523	218,842
Others	27,211	18,751
Depreciation	67	95
Total	387,609	379,564

SCHEDULE – 4

BENEFITS PAID [NET]

For the year ended March 31, 2018

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group Life	Linked Group Pension	Total
1 Insurance claims													
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
Sub-total (A)	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
2 (Amount ceded in reinsurance)													
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)
Sub-total (B)	(31,697)	-	(1,922,473)	-	-	-	(27,987)	(363,155)	-	(304,233)	-	-	(2,649,545)
3 Amount accepted in reinsurance													
a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B)	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
Benefits paid to claimants:													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	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

As required by IRDAI circular IRDAI/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 FY 2017-18 onwards

SCHEDULES

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SCHEDULE – 4 BENEFITS PAID [NET]

For the year ended March 31, 2017

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

Note: Refer note 2.8 of schedule 16 for accounting policy on Benefits paid.

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 FY 2017-18 onwards.

SCHEDULE – 5 SHARE CAPITAL

			(₹ '000)	
Particulars	March 31, 2018	March 31, 2017		
Authorised capital				
1,500,000,000 Equity shares of ₹ 10/- each	15,000,000	15,000,000		
Issued, subscribed and called-up capital				
1,435,498,710 Equity shares of ₹ 10/- each fully paid-up (March 31, 2017: 1,435,347,110 Equity shares)	14,354,987	14,353,471		
Total	14,354,987	14,353,471		

Out of the total equity share capital, 787,816,604 equity shares (March 31, 2017: 787,816,604 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

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SCHEDULE – 5A PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	March 31, 2018		March 31, 2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	787,816,604	54.88	787,816,604	54.89
- Foreign (Prudential Corporation Holdings Limited)	370,784,884	25.83	370,784,884	25.83
Others	276,897,222	19.29	276,745,622	19.28
Total	1,435,498,710	100.00	1,435,347,110	100.00

SCHEDULE – 6 RESERVES AND SURPLUS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	34,233,308	34,195,244
Revaluation reserve	214,989	117,811
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	16,960,346	12,683,041
Total	51,408,643	46,996,096

SCHEDULE – 7 BORROWINGS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULES

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SCHEDULE – 8 INVESTMENTS – SHAREHOLDERS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
LONG TERM INVESTMENT		
Government securities¹	21,263,780	13,561,317
(Market value at March 31, 2018: ₹ 21,321,296 thousands)		
(Market value at March 31, 2017: ₹ 14,234,582 thousands)		
Other approved securities	6,601,212	8,340,862
(Market value at March 31, 2018: ₹ 6,608,289 thousands)		
(Market value at March 31, 2017: ₹ 8,463,016 thousands)		
Other approved investments		
Equity shares	6,828,688	6,701,072
(Historical value at March 31, 2018: ₹ 5,972,752 thousands)		
(Historical value at March 31, 2017: ₹ 4,470,202 thousands)		
Preference shares	253,402	317,562
(Market value at March 31, 2018: ₹ 279,733 thousands)		
(Market value at March 31, 2017: ₹ 347,825 thousands)		
Debentures/Bonds	3,905,174	3,336,602
(Market value at March 31, 2018: ₹ 4,003,283 thousands)		
(Market value at March 31, 2017: ₹ 3,484,534 thousands)		
Investments in subsidiary	290,000	290,000
CCIL deposit	204,229	70,029
(Market value at March 31, 2018: ₹ 204,229 thousands)		
(Market value at March 31, 2017: ₹ 70,029 thousands)		
Fixed deposits	794,500	627,000
(Market value at March 31, 2018: ₹ 794,500 thousands)		
(Market value at March 31, 2017: ₹ 627,000 thousands)		
Property	3,866,000	4,472,454
(Historical value at March 31, 2018: ₹ 3,651,011 thousands)		
(Historical value at March 31, 2017: ₹ 4,354,643 thousands)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	13,353,834	13,126,939
(Market value at March 31, 2018: ₹ 13,729,027 thousands)		
(Market value at March 31, 2017: ₹ 13,675,982 thousands)		
Equity shares	1,485,817	1,696,513
(Historical value at March 31, 2018: ₹ 1,289,606 thousands)		
(Historical value at March 31, 2017: ₹ 1,353,475 thousands)		
Other investments		
Equity shares	262,367	214,761
(Historical value at March 31, 2018: ₹ 354,086 thousands)		
(Historical value at March 31, 2017: ₹ 275,403 thousands)		
Other investments		
Debentures/Bonds	461,969	833,095
(Market value at March 31, 2018: ₹ 487,216 thousands)		
(Market value at March 31, 2017: ₹ 890,439 thousands)		
Equity shares	7,228,448	3,687,372
(Historical value at March 31, 2018: ₹ 5,110,883 thousands)		
(Historical value at March 31, 2017: ₹ 3,469,818 thousands)		
Preference shares	350,000	-
(Market value at March 31, 2018: ₹ 350,000 thousands)		
(Market value at March 31, 2017: ₹ Nil)		
SHORT TERM INVESTMENT		
Government securities	2,873	-
(Market value at March 31, 2018: ₹ 2,904 thousands)		
(Market value at March 31, 2017: ₹ Nil)		

SCHEDULES

forming part of financial statements

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Other approved securities	-	-
(Market value at March 31, 2018: ₹ Nil)		
(Market value at March 31, 2017: ₹ Nil)		
Other approved investments		
Debentures/Bonds	550,378	299,824
(Market value at March 31, 2018: ₹ 553,304 thousands)		
(Market value at March 31, 2017: ₹ 301,996 thousands)		
Fixed deposits ²	1,681,179	1,931,613
(Market value at March 31, 2018: ₹ 1,681,179 thousands)		
(Market value at March 31, 2017: ₹ 1,931,613 thousands)		
Mutual fund	2,650,677	4,460,521
(Historical value at March 31, 2018: ₹ 2,647,757 thousands)		
(Historical value at March 31, 2017: ₹ 4,460,521 thousands)		
Collateralised borrowing and lending obligation	2,018,101	-
(Market value at March 31, 2018: ₹ 2,018,101 thousands)		
(Market value at March 31, 2017: ₹ Nil)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	2,954,239	2,435,028
(Market value at March 31, 2018: ₹ 2,953,606 thousands)		
(Market value at March 31, 2017: ₹ 2,460,641 thousands)		
Commercial papers	486,028	-
(Market value at March 31, 2018: ₹ 486,028 thousands)		
(Market value at March 31, 2017: ₹ Nil)		
Total	77,492,895	66,402,564
In India	77,492,895	66,402,564
Total	77,492,895	66,402,564

- Government securities of ₹ 1,638,370 thousands with Market value of ₹ 1,643,650 thousands at March 31, 2018 [At March 31, 2017: ₹ 1,450,956 thousands with Market value of ₹ 1,521,000 thousand] and ₹ 77,501 thousands with Market value of ₹ 79,200 thousands at March 31, 2018 [At March 31, 2017: ₹ 77,354 thousands with Market value of ₹ 80,880 thousands] has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit and CCIL default fund respectively - Refer note 3.27 of Schedule 16.
- Includes Fixed deposit of ₹ 1,000,000 thousands at March 31, 2018 [At March 31, 2017: ₹ 1,000,000 thousands] and ₹ 100,000 thousands at March 31, 2018 [At March 31, 2017: ₹ 100,000 thousands] deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement - Refer note 3.27 of Schedule 16.
- Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	54,880,901	44,879,867
Market value of above Investments	55,472,697	46,487,659
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	19,316,095	18,674,061

- Investments in subsidiary at cost is ₹ 290,000 thousands at March 31, 2018 [At March 31, 2017: ₹ 290,000 thousands]. For Investments in holding company and other related entities - Refer note 3.10 of schedule 16.
 - Investments made out of Catastrophe reserve is ₹ Nil.
 - Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- Note: Refer note 2.11 of schedule 16 for accounting policy related to investments.

SCHEDULES

forming part of financial statements

SCHEDULE – 8A INVESTMENTS - POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2018												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	
LONG TERM INVESTMENT													
Government securities¹ (Market value: ₹ 181,138,895 thousands)	67,766,380	6,036,755	82,642,284	-	-	19,891,211	142,875	4,143,472	242,025	146,678	-	-	181,011,680
Other approved securities (Market value: ₹ 18,932,065 thousands)	12,001,076	752,011	4,487,958	42,682	-	222,794	-	1,487,068	51,895	104,221	104,651	-	19,254,356
Other approved investments													
Equity shares (Historical value: ₹ 28,326,109 thousands)	19,046,258	1,245,070	26,571,555	-	-	-	-	-	-	-	-	-	46,862,883
Preference shares (Market value: ₹ 93,124 thousands)	79,568	-	2,487	-	-	-	-	-	-	-	-	-	82,055
Debentures/Bonds (Market value: ₹ 10,835,625 thousands)	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
Property (Historical value: ₹ 185,521 thousands)	400,000	400,000	-	-	-	-	-	-	-	-	-	-	800,000
CCIL deposit (Market value: ₹ 71 thousands)	-	-	-	-	-	-	-	51	18	-	2	-	71
Fixed deposits (Market value: ₹ 2,904,500 thousands)	626,400	144,500	1,555,600	-	-	356,000	-	173,000	49,000	-	-	-	2,904,500
Investments in infrastructure/housing sector													
Other approved investments													
Equity shares (Historical value: ₹ 3,666,799 thousands)	2,234,772	145,707	3,384,123	-	-	-	-	-	-	-	-	-	5,764,602
Debentures/Bonds (Market value: ₹ 37,342,726 thousands)	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
Other investments													
Equity shares (Historical value: ₹ 411,253 thousands)	90,547	-	242,764	-	-	-	-	-	-	-	-	-	333,311
Debentures/Bonds (Market value: ₹ 211,945 thousands)	209,967	-	-	-	-	-	-	-	-	-	-	-	209,967
Other investments													
Equity shares (Historical value: ₹ 3,240,912 thousands)	1,371,544	-	1,847,153	-	-	-	-	-	-	-	-	-	3,218,697
Debentures/Bonds (Market value: ₹ 594,355 thousands)	251,939	-	343,922	-	-	-	-	-	-	-	-	-	595,861
SHORT TERM INVESTMENT													
Government securities (Market value: ₹ Nil)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities (Market value: ₹ Nil)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved investments													
Debentures/Bonds (Market value: ₹ 757,640 thousands)	385,599	65,237	305,011	-	-	-	-	-	-	-	-	-	755,847
Commercial papers (Market value: ₹ 969,034 thousands)	-	-	-	-	-	-	-	969,034	-	-	-	-	969,034
Mutual fund (Historical value: ₹ 14,379,272 thousands)	4,035,420	-	9,096,558	-	-	-	5,308	748,316	52,686	50,593	104,528	302,076	14,395,485
Collateralised borrowing and lending obligation (Market value: ₹ 2,643,210 thousands)	93,413	843,410	263,336	25,372	6,568	1,376,851	-	34,261	-	-	-	-	2,643,211
Investments in infrastructure/housing sector													
Other approved investments													
Debentures/Bonds (Market value: ₹ 2,877,354 thousands)	1,266,140	45,423	1,045,641	-	-	136,501	-	374,289	-	-	-	-	2,867,994
Commercial papers (Market value: ₹ 1,599,977 thousands)	-	-	737,714	-	-	-	-	476,587	385,676	-	-	-	1,599,977
Certificate of deposits (Market value: ₹ 798,281 thousands)	-	-	328,704	-	-	-	-	469,577	-	-	-	-	798,281
Other investments													
Debentures/Bonds (Market value: ₹ 49,867 thousands)	50,125	-	-	-	-	-	-	-	-	-	-	-	50,125
Venture fund (Market value: ₹ 141,190 thousands)	118,359	-	-	-	-	-	-	-	-	-	-	-	118,359
Total	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
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
Total	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

1. Government securities of ₹ 2,155,466 thousands with market value of ₹ 2,103,272 thousands (at March 31, 2017: ₹ 508,511 thousands with market value of ₹ 546,500 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit for trades in Securities Segment. Government securities of ₹ 207,055 thousands with market value of ₹ 212,789 thousands (at March 31, 2017: ₹ 207,120 thousands with market value of ₹ 218,000 thousands) has been deposited with CCIL for trades in the Collateralised borrowing and lending obligation segment - Refer note 3.27 of Schedule 16.

SCHEDULES

forming part of financial statements

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

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	261,513,541	212,898,335
Market value of above Investments	261,889,860	221,227,559
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	50,209,866	39,305,188

3. For Investments in holding company and other related entities - Refer note 3.10 of schedule 16.

4. Investments made out of Catastrophe reserve is ₹ Nil.

5. Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.

6. Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - Refer note 3.29 of schedule 16.

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

SCHEDULE – 8A

INVESTMENTS - POLICYHOLDERS

Particulars	March 31, 2017											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government securities¹	49,825,645	5,772,630	67,106,859	-	-	19,780,819	347,010	4,128,123	355,155	139,530	-	147,455,771
(Market value: ₹ 153,787,265 thousands)												
Other approved securities	10,031,979	742,701	4,476,388	-	-	213,199	-	1,765,933	54,119	104,849	105,320	17,494,488
(Market value: ₹ 17,794,433 thousands)												
Other approved investments												
Equity shares	14,902,724	1,404,461	20,682,269	-	-	-	-	-	-	-	-	36,989,454
(Historical value: ₹ 21,518,925 thousands)												
Preference shares	98,190	-	2,513	-	-	-	-	-	-	-	-	100,703
(Market value: ₹ 115,792 thousands)												
Debentures/Bonds	1,612,777	729,402	1,812,719	250,327	100,000	285,589	47,235	194,546	78,341	-	97,329	5,208,265
(Market value: ₹ 5,470,810 thousands)												
Property	1,481,744	384,760	-	-	-	-	-	-	-	-	-	1,866,504
(Historical value: ₹ 1,262,956 thousands)												
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	71
(Market value: ₹ 71 thousands)												
Fixed deposits	626,400	144,500	874,600	-	-	356,000	-	173,000	49,000	-	-	2,223,500
(Market value: ₹ 2,223,500 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Equity shares	1,935,824	126,831	3,073,330	-	-	-	-	-	-	-	-	5,135,985
(Historical value: ₹ 3,364,763 thousands)												
Debentures/Bonds	11,855,605	1,531,294	14,164,073	535,084	20,334	1,498,596	100,000	1,948,374	226,151	110,052	312,516	32,302,079
(Market value: ₹ 33,587,926 thousands)												
Other investments												
Equity shares	77,235	-	212,723	-	-	-	-	-	-	-	-	289,958
(Historical value: ₹ 324,262 thousands)												
Debentures/Bonds	210,000	-	-	-	-	-	-	-	-	-	-	210,000
(Market value: ₹ 216,049 thousands)												
Other investments												
Equity shares	1,215,955	-	1,383,257	-	-	-	-	-	-	-	-	2,599,212
(Historical value: ₹ 1,940,049 thousands)												
Debentures/Bonds	313,145	-	1,336,775	-	-	-	-	-	-	-	-	1,649,920
(Market value: ₹ 1,714,219 thousands)												
SHORT TERM INVESTMENT												
Government securities	2,691	6,405	79,594	-	-	-	-	-	-	-	-	88,690
(Market value: ₹ 89,067 thousands)												
Other approved securities	-	-	249,885	-	-	-	-	-	-	-	-	249,885
(Market value: ₹ 253,807 thousands)												
Other approved investments												
Debentures/Bonds	540,114	125,000	1,250,773	-	-	219,000	-	70,000	30,000	-	-	2,234,887
(Market value: ₹ 2,262,018 thousands)												
Commercial papers	-	245,776	-	-	-	-	-	-	-	-	-	245,776
(Market value: ₹ 245,776 thousands)												

SCHEDULES

forming part of financial statements

(₹ '000)

Particulars	March 31, 2017											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Mutual fund (Historical value: ₹ 10,894,232 thousands)	3,518,185	-	5,531,775	-	-	-	23,541	1,065,728	571,890	27,802	155,311	10,894,232
Collateralised borrowing and lending obligation (Market value: ₹ 533,742 thousands)	54,506	190,331	-	22,354	10,156	256,395	-	-	-	-	-	533,742
Investments in infrastructure/housing sector												
Other approved investments												
Debentures/Bonds (Market value: ₹ 2,749,840 thousands)	575,657	350,038	1,716,504	-	-	50,035	-	25,000	13,857	-	-	2,731,091
Other investments												
Venture fund (Market value: ₹ 183,243 thousands)	169,465	-	-	-	-	-	-	-	-	-	-	169,465
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
In India	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678

- Government securities of ₹ 508,511 thousands with market value of ₹ 546,500 thousands (at March 31, 2016: ₹ 498,374 thousands with market value of ₹ 519,250 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 207,120 thousands with market value of ₹ 218,000 thousands (at March 31, 2016: ₹ 207,848 thousands with market value of ₹ 209,850 thousands) has been deposited with CCIL for trades in the Collateralised borrowing and lending obligation segment - Refer note 3.27 of Schedule 16.
- Aggregate amount of Company's investments and the market value thereof:

(₹ '000)

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

- For Investments in holding company and other related entities - Refer note 3.10 of schedule 16.
 - Investments made out of Catastrophe reserve is ₹ Nil.
 - Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- Note: Refer note 2.11 of schedule 16 for accounting policy related to investments.

SCHEDULE – 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	
LONG TERM INVESTMENTS						
Government securities						
(Historical value: ₹ 96,941,925 thousands)	73,927,692	10,444,619	623,544	7,692,184	4,878,884	97,566,923
Other approved securities						
(Historical value: ₹ 17,440,299 thousands)	14,037,748	1,576,806	122,699	986,243	616,515	17,340,011
Other approved investments						
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
Investments in infrastructure/housing sector						
Other approved investments						
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

SCHEDULES

forming part of financial statements

Particulars	March 31, 2018					(₹ '000)
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	Total
Other investments						
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
Other investments						
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
SHORT TERM INVESTMENTS						
Government securities						
(Historical value: ₹ 18,406,936 thousands)	16,898,904	346,277	3,473	181,449	1,035,629	18,465,732
Other approved securities						
(Historical value: ₹ 8,337,161 thousands)	8,242,602	41,874	-	-	-	8,284,476
Other approved investments						
Debentures/Bonds (Historical value: ₹ 8,673,361 thousands)	6,029,878	1,007,463	50,401	753,543	819,891	8,661,176
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
Investments in infrastructure/housing sector						
Other approved investments						
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
Other investments						
Venture Fund (Historical value: ₹ 8,248 thousands)	6,243	-	-	-	-	6,243
Net current asset	6,056,014	349,538	59,530	2,236,213	909,519	9,610,814
Total	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684
In India	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684
Total	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684

1. For Investments in holding company and other related entities - Refer note 3.10 of schedule 16.

2. Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - Refer note 3.29 of schedule 16.

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

SCHEDULES

forming part of financial statements

SCHEDULE – 8B

ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2017				
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
(₹ '000)					
LONG TERM INVESTMENTS					
Government securities	89,891,501	6,370,506	365,816	8,015,583	104,643,406
(Historical value: ₹ 102,197,174 thousands)					
Other approved securities	23,066,125	3,600,838	198,814	4,372,378	31,238,155
(Historical value: ₹ 31,002,970 thousands)					
Other approved investments					
Equity shares	284,958,797	86,553,654	4,808,504	6,572,088	382,893,043
(Historical value: ₹ 289,799,327 thousands)					
Preference shares	383,198	195,707	9,987	355,618	944,510
(Historical value: ₹ 764,890 thousands)					
Debentures/Bonds	13,616,044	5,962,403	279,219	9,404,456	29,262,122
(Historical value: ₹ 28,745,748 thousands)					
Fixed deposits	720,779	123,794	44,700	66,827	956,100
(Historical value: ₹ 956,100 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Equity shares	64,828,955	17,224,017	675,878	1,790,323	84,519,173
(Historical value: ₹ 72,367,735 thousands)					
Debentures/Bonds	38,719,839	13,243,046	852,800	15,909,974	68,725,659
(Historical value: ₹ 67,952,120 thousands)					
Other investments					
Equity shares	7,781,096	1,333,650	58,548	259,036	9,432,330
(Historical value: ₹ 13,030,998 thousands)					
Debentures/Bonds	-	-	-	41,046	41,046
(Historical value: ₹ 37,653 thousands)					
Other investments					
Equity shares	20,665,058	6,230,938	263,599	651,585	27,811,180
(Historical value: ₹ 24,913,186 thousands)					
Debentures/Bonds	452,873	536,010	11,617	863,312	1,863,812
(Historical value: ₹ 1,772,589 thousands)					
Mutual fund	5,260,416	751,379	-	68,555	6,080,350
(Historical value: ₹ 5,351,333 thousands)					
SHORT TERM INVESTMENTS					
Government securities	22,772,322	2,673,117	19,765	2,795,653	28,260,857
(Historical value: ₹ 28,118,974 thousands)					
Other approved securities	1,907,940	-	-	-	1,907,940
(Historical value: ₹ 1,915,654 thousands)					
Other approved investments					
Debentures/Bonds	1,197,775	392,571	11,461	613,437	2,215,244
(Historical value: ₹ 2,218,043 thousands)					
Commercial papers	6,056,189	909,302	5,382	898,151	7,869,024
(Historical value: ₹ 7,651,896 thousands)					
Fixed deposits	3,889,600	936,300	103,500	1,565,625	6,495,025
(Historical value: ₹ 6,495,025 thousands)					
Collateralised borrowing and lending obligation	5,709,467	1,250,291	6,299	740,373	7,706,430
(Historical value: ₹ 7,705,185 thousands)					
Mutual fund	24,657,966	3,996,356	491,024	3,242,901	32,388,247
(Historical value: ₹ 32,388,247 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Debentures/Bonds	9,227,837	2,588,229	82,609	3,692,671	15,591,346
(Historical value: ₹ 15,422,105 thousands)					

SCHEDULES

forming part of financial statements

Particulars	March 31, 2017				(₹ '000)
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
Certificate of deposits (Historical value: ₹ 11,669,600 thousands)	8,525,214	923,034	34,688	2,250,693	11,733,629
Commercial papers (Historical value: ₹ 4,088,886 thousands)	4,084,751	151,589	-	65,555	4,301,895
Other investments					
Venture Fund (Historical value: ₹ 10,030 thousands)	6,559	-	-	-	6,559
Net current asset	6,118,294	2,369,042	126,661	3,282,372	11,896,369
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
In India	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451

1. For Investments in holding company and other related entities - Refer note 3.10 of schedule 16.

2. Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - Refer note 3.29 of schedule 16.

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

SCHEDULE – 9

LOANS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
1. Security-wise classifications		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities, etc.	-	-
(c) Loans against policies	1,450,588	806,448
(d) Others	-	-
Unsecured	-	-
Total	1,450,588	806,448
2. Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Policyholders – Loans against policies	1,450,588	806,448
(f) Others	-	-
Total	1,450,588	806,448
3. Performance-wise classification		
(a) Loans classified as standard		
(aa) In India	1,450,588	806,448
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	1,450,588	806,448
4. Maturity-wise classification		
(a) Short-term	36,072	21,470
(b) Long-term	1,414,516	784,978
Total	1,450,588	806,448

Refer Note 2.12 of Schedule 16 for accounting policy related to Loans.

SCHEDULES

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SCHEDULE – 10

FIXED ASSETS

Particulars	Gross Block				Depreciation			Net Block		
	At April 1, 2017	Additions	Deductions	At March 31, 2018	At April 1, 2017	For the period	Deductions	At March 31, 2018	At March 31, 2018	At March 31, 2017
	(₹ '000)									
Intangible assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software ¹	1,164,066	71,416	2,451	1,233,031	943,496	103,999	851	1,046,644	186,387	220,570
Tangible assets										
Freehold land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Improvements to leasehold property	1,386,439	45,390	57,870	1,373,959	1,076,353	79,707	57,869	1,098,191	275,768	310,086
Office buildings on freehold land ²	89,000	1,835,731	-	1,924,731	14,570	9,675	-	24,245	1,900,486	74,430
Furniture and fixtures	295,020	17,948	9,350	303,618	216,337	24,064	8,638	231,763	71,855	78,683
Information technology equipment	450,859	54,498	15,683	489,674	318,087	77,526	9,859	385,754	103,920	132,772
Motor vehicles	102,436	27,898	36,511	93,823	41,507	17,446	31,646	27,307	66,516	60,929
Office equipment	437,297	47,358	11,809	472,846	283,031	65,646	10,394	338,283	134,563	154,266
Communication networks	311,662	330,368	6	642,024	181,265	58,764	4	240,025	401,999	130,397
Total	5,140,059	2,430,607	133,680	7,436,986	3,074,646	436,827	119,261	3,392,212	4,044,774	2,065,413
Capital work- in-progress including capital advances	-	-	-	-	-	-	-	-	175,848	72,346
Total	5,140,059	2,430,607	133,680	7,436,986	3,074,646	436,827	119,261	3,392,212	4,220,622	2,137,759
At March 31, 2017	4,642,894	538,625	41,460	5,140,059	2,522,470	578,259	26,083	3,074,646		

Refer note 2.13 of schedule 16 for accounting policy related to fixed assets.

¹ All software are other than those generated internally.

² Refer note 3.24 of schedule 16.

SCHEDULE – 11

CASH AND BANK BALANCES

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Cash (including cheques, drafts and stamps)*	1,345,557	1,408,060
Bank Balance		
(a) Deposit Account:		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	687,110	728,199
(c) Unclaimed Dividend Accounts - Refer note 3.41 of schedule 16	4,768	697
Money at call and short notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	2,037,435	2,136,956
Balances with non-scheduled banks included above	1,637	6,831
Cash and Bank Balances		
In India	2,031,292	2,116,146
Outside India	6,143	20,810
Total	2,037,435	2,136,956

* Includes cheques in hand amounting to ₹ 1,214,411 thousands (₹ 1,378,024 thousands as on March 31, 2017).

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SCHEDULE – 12

ADVANCES AND OTHER ASSETS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Advances		
Reserve deposits with ceding companies	-	-
Application money for investments (including advance for investment property)	-	-
Prepayments	391,765	382,615
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	2,104,345	3,041,332
Advances to Employees	-	-
Deposits		
Gross	323,320	372,418
Less: Provision for doubtful deposits	(31,744)	(30,933)
Net	291,576	341,485
Other advances		
Gross	260,757	184,769
Less: Provision for doubtful advances	(4,830)	(3,921)
Net	255,927	180,848
Other receivables		
Gross	718,597	151,322
Less: Provision for doubtful receivables	(19,753)	(30,288)
Net	698,844	121,034
Total (A)	3,742,457	4,067,314
Other Assets		
Income accrued on investments and deposits	9,235,233	7,613,849
Outstanding premiums	1,649,630	1,815,959
Agents' balances		
Gross	24,046	31,150
Less: Provision for doubtful agents' balance	(18,910)	(27,053)
Net	5,136	4,097
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	394,343	88,632
Due from subsidiary - Refer note 3.10 of Schedule 16	7,202	6,044
Deposit with Reserve Bank of India	-	-
Receivable towards investments sold	1,024,700	6,081,217
Goods & Service tax and Service tax un-utilised credit	946,975	216,360
Assets held for unclaimed amount of policyholders* - Refer note 3.5 of schedule 16	7,614,642	6,267,915
Income on unclaimed amount of policyholders (net of fund administration expenses) - Refer note 3.5 of schedule 16	482,269	322,510
Total (B)	21,360,130	22,416,583
Total (A+B)	25,102,587	26,483,897

* Excluding Income on unclaimed amount of policyholders (net of fund administration expenses).

SCHEDULES

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SCHEDULE – 13

CURRENT LIABILITIES

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Agents' balances	1,176,510	669,308
Balances due to reinsurance companies	99,700	43,440
Deposits held on re-insurance ceded	-	-
Premium received in advance	2,060,677	1,284,802
Unallocated premium	2,548,452	4,867,753
Sundry creditors	64,593	89,114
Due to holding company - Refer note 3.10 of Schedule 16	863,165	1,064,851
Claims outstanding	2,548,024	691,659
Due to Officers/Directors	-	-
Deposits	88,475	88,475
Expenses payable	5,636,834	5,335,940
TDS payable	212,925	196,994
Payable towards investments purchased	2,029,546	1,192,640
Unclaimed amount of Policyholders ¹ - Refer note 3.6 of schedule 16	7,614,642	6,267,915
Interest on unclaimed amount of Policyholders	482,269	322,510
Payable to unit fund	4,583,407	1,567,612
Goods and Service tax/Service tax payable	1,643,143	7,620
Other liabilities*	2,601,763	4,466,629
Total	34,254,125	28,157,262

* Includes unclaimed dividend amounting to ₹ 4,768 thousands (₹ 697 thousands at March 31, 2017)

¹ excluding Interest on unclaimed amount of policyholders.

SCHEDULE – 14

PROVISIONS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
For taxation	-	-
For proposed dividends - Refer note 3.41 of schedule 16	-	-
For dividend distribution tax - Refer note 3.41 of schedule 16	-	-
For leave encashment and gratuity	221,844	204,960
For interim dividend - Refer note 3.41 of schedule 16	-	-
Total	221,844	204,960

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Discount allowed in issue of shares/debentures	-	-
Others	-	-
Total	-	-

SCHEDULES

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SCHEDULE – 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

ICICI Prudential Life Insurance Company Limited ('the Company') is a joint venture between 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, 2018.

The Company carries on business of providing life insurance, pensions and health insurance to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating, non-participating variable and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the Company's proprietary sales force and the Company website.

2. Summary of significant accounting policies

2.1. Basis of preparation

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The Company has prepared the financial statements in compliance with the accounting standards notified under Section 133 of the Companies Act, 2013, 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 Company's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities, and disclosures relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

2.3. Revenue recognition

2.3.1. Premium income

Premium for non-linked policies is recognised as income when due from policyholders. For unit linked business, premium is recognised as income

when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated.

Products having regular premium paying plans with limited premium payment term and/or pre-determined policy term are treated as regular business with due classification of premium into first year and renewal. Premium income on products other than aforesaid is classified as single premium.

Top-up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

2.3.2. Reinsurance premium ceded

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

2.3.3. Income from investments

Interest income on investments is recognised on accrual basis. Amortisation of premium or accretion of discount on debt securities is recognised over the remaining term of such instruments on the basis of effective interest rate method.

Dividend income, in respect of other than unit linked business, is recognised when the right to receive dividend is established. Dividend income, in respect of unit linked business, is recognised on the 'ex-dividend date'.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on a straight-line basis.

Lease rentals on investment property is recognised on accrual basis and include only the realised rent and does not include any notional rent, as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002. Costs related to operating and maintenance of investment property are recognised as expense in the Revenue Account and Profit and Loss Account.

Profit or loss on sale/redemption of debt securities for other than unit linked business is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale. Profit or loss on sale/redemption of debt securities for unit linked business is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale/redemption of equity shares, equity exchange traded fund (ETF) and mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale. In respect of other than unit linked business, the profit or loss includes the accumulated changes in the fair value previously recognised in Balance Sheet as "Fair Value Change Account".

2.3.4. Income from unit linked policies

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the unit linked funds in accordance with terms and conditions of policies issued and are recognised when due.

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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 and are expensed in the period in which they are incurred.

2.5. Employee benefits

2.5.1 Short-term employee benefits

Employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short-term employee benefits are accounted on undiscounted basis.

2.5.2 Long-term employee benefits: Post-employment

The Company has both defined contribution and defined benefit plans.

Defined contribution plan

The Company has a defined contribution scheme for Superannuation for its employees. Contributions to the Superannuation scheme are made on a monthly basis, when due, and charged to Revenue Account and Profit and Loss Account, as applicable. The Company has no further obligation beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation 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 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.

2.6. Operating lease expenses

Leases where the lessor effectively retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating lease including escalations are recognised as an expense, on a straight line basis, over the lease term.

2.7. Provision for doubtful debts

The Company regularly evaluates the probability of recovery and provides for doubtful deposits, advances and others receivables.

2.8. Benefits paid

Benefits paid comprise of policy benefits and claim settlement costs, if any.

Death and rider claims are accounted for on receipt of intimation. Survival and maturity benefits are accounted when due. Withdrawals and surrenders under non-linked policies are accounted on the receipt of intimation. Withdrawals and surrenders under unit linked policies are accounted in the respective schemes when the associated units are cancelled.

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Change in Accounting Policy

During the year, for more appropriate presentation, reinsurance claims receivable are accounted for in the period in which the claim is intimated. Prior to this change in accounting policy, reinsurance claims receivable were accounted in the period in which the claim was settled. Consequent to the said change, reinsurance claims and thereby the profit for the year ended March 31, 2018 is higher by ₹ 135,177 thousand. Correspondingly, reinsurance claim receivable is also higher by ₹ 135,177 thousand as at the Balance Sheet date.

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 at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case the securities are not listed on NSE, the last quoted closing price on the BSE Limited ('BSE') is used). Unlisted equity shares are stated at historical cost. Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on the previous days' net asset values.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

Investment property is held to earn rental income or for capital appreciation and is not occupied by the Company. Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet.

Investments in venture fund units are valued at historical cost.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Fixed deposits with banks are valued at cost.

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.

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Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on effective interest rate method over the remaining period to maturity of instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on effective interest rate method.

Listed equity shares, redeemable preference shares and equity ETF are valued at market value, being the last quoted closing price on the NSE (in case of securities not listed on NSE, the last quoted closing price on the BSE is used). Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on previous day's Net Asset Value.

Venture fund units are valued at the latest available net asset value of the respective fund.

Securities with call option are valued at the lower of the value as obtained by valuing the security upto final maturity date or the call option date. In case there are multiple call options, the security is valued at the lowest value obtained by valuing the security at various call dates or upto the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security upto final maturity date or the put option date. In case there are multiple put options, the security is valued at the highest value obtained by valuing the security at various put dates or upto the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call date and would be valued on a yield to maturity basis, by using spreads over the benchmark rate based on the matrix released by CRISIL.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Unrealised gains and losses are recognised in the Revenue Account as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002.

Fixed deposits with banks are valued at cost.

2.11.4. Transfer of investments

Transfer of investments from Shareholders' fund to the Policyholders' fund to meet the deficit in the Policyholders' account is made at amortised/book cost or market price, whichever is lower.

The transfer of investments between unit linked funds is done at the price as specified below.

(a) In case of equity, preference shares, ETFs and Government Securities market price of the latest trade.

(b) 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 it's 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 Company policy, the motor vehicle is transferred to employee on completion of five years or at written down value (WDV) in case of separation of employee before five years. Accordingly, the Company has depreciated the motor vehicle over five years. Assets costing upto ₹ 5,000 are considered to be immaterial in value and hence fully depreciated in the year of acquisition.

Depreciation is provided using straight-line method ('SLM') prorated from the date of being ready to use, upto the date of sale, based on estimated useful life for each class of asset.

2.13.2. Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent capital expenditures are amortised over the remaining useful life of original software. Software expenses are amortised using SLM over a period of 4 years from the date of being ready to use.

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2.13.3. Capital work-in-progress

Assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.13.4. Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its ultimate disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.14. Taxation

2.14.1. Direct taxes

Income tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

The deferred tax asset and liabilities are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax asset in respect of unabsorbed depreciation or carried forward loss are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

The Company calculates tax for the participating lines of business in order to ensure that the expenses pertaining to and identifiable with a particular line of business are represented as such to enable a more appropriate presentation of the financial statements. Accordingly, tax charge/credit on surplus/deficit arising from the participating line of business is disclosed separately in the Revenue Account.

2.14.2. Indirect taxes

Service tax 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.

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.

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Conversion: Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences: Exchange differences are recognised as income or as expenses in the period in which they arise.

2.18. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive

potential equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

2.19. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Receipts and Payments account include cash and cheques in hand, bank balances, liquid mutual funds and other investments with original maturity of three months or less which are subject to insignificant risk of changes in value.

3. Notes to accounts

3.1. Contingent liabilities

Particulars	₹ '000	
	At March 31, 2018	At March 31, 2017
Partly paid up investments	-	-
Claims, other than those under policies, not acknowledged as debts comprising of:		
- Claims made by vendors for disputed payments	1,066	1,034
- Claims for damages made by landlords (of premises taken on lease)	37,971	37,971
- Claims made by employees and advisors for disputed dues and compensation	8,930	5,182
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	89,959	86,513
- Claims against repudiation	308,096	404,963
Others		
- Transfer to Senior Citizen Welfare Fund*	48,166	-
Total	2,031,184	2,072,659

[#] ₹ 1,536,996 thousand is on account of objections raised by office of the Commissioner of Service tax, Mumbai (through the Service Tax audit under EA-2000) on certain positions taken by the Company).

* The above amount represents unclaimed amount of policyholders more than 120 months transferred to Senior Citizens' Welfare Fund (SCWF) which is required to be shown as contingent liability as per IRDAI circular IRDA/F&A/CIR/Misc/173/07/2017. Further as per the circular, in case Company receives claims in respect of unclaimed amounts which have been transferred to the SCWF, Company may adjust the amount of such claims from the amounts due to be transferred to the Fund (SCWF).

3.2. Actuarial method and assumptions

The actuarial liability in respect of both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, morbidity, expense and inflation and, in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The liability for the unexpired portion of the risk for the non-unit liabilities of linked business and attached riders is the greater of liability calculated using discounted cash flows and unearned premium reserves.

An unexpired risk reserve and a reserve in respect of claims incurred but not reported is held for one year renewable group term insurance.

The unit liability in respect of linked business is the value of the units standing to the credit of policyholders, using the Net Asset Value ('NAV') prevailing at the valuation date.

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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 4.66% to 6.13% per annum. The interest rates used at March 31, 2017 were in the range of 3.49% to 6.20% per annum.
- Mortality rates used are based on the published "Indian Assured Lives Mortality (2006 – 2008) Ult." mortality table for assurances and LIC (a) 96-98 table for annuities adjusted to reflect expected experience. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.
- Expenses are provided for at least at the current levels in respect of renewal expenses, with no allowance for any future improvement but with an allowance for any expected worsening.
- Per policy renewal expenses are assumed to inflate at 4.38% per annum. The expense inflation assumption used at March 31, 2017 was 4.55%.
- 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, 2018 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 2.1%. The free look cancellation assumption used at March 31, 2017 was 2.2%.
- Reserves for lapsed policies eligible for revivals.

3.3 Funds for Future Appropriations ('FFA')

The balance of unit-linked FFA at March 31, 2018 of ₹ 8,036 thousand (March 31, 2017: ₹ 8,171 thousand) and participating FFA of ₹ 8,773,567 thousand (March 31, 2017: ₹ 6,033,687 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, 2018 is ₹ 16,769 thousand (March 31, 2017: ₹ 15,358 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 1, 2016.

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

Reconciliation of unclaimed amounts of policyholders:

In accordance with circular IRDA/F&A/CIR/CLD/114/05/2015 issued by the IRDAI on May 28, 2015, the details of unclaimed amounts and investment income at March 31, 2018 is tabulated as below:

Particulars	₹ in lacs*	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	65,904	49,565
Add: Amount transferred to unclaimed fund	233,687	136,713
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (stale cheques)	3,584	1,878
Add: Investment income (net of FMC)	4,823	3,906
Less: Amount paid out of unclaimed fund	(226,548)	(126,158)
Less: Transfer to Senior Citizen welfare fund	(482)	-
Closing balance	80,969	65,904

*Amount disclosed in lacs in accordance with IRDAI circular No. IRDA/F&A/CIR/CLD/114/05/2015

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3.6. Age wise analysis of unclaimed amount of policyholders

In accordance with circular IRDA/F&I/CIR/CMP/174/11/2010 issued by the IRDAI on November 4, 2010, the age wise analysis of unclaimed amount of the policyholders at March 31, 2018 is tabulated as below:

(a) Claims settled but not paid to the policyholders/insured due to any reasons except under litigation from the insured/policyholders:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	411	411	-	-	-	-	-	-
March 31, 2017	4	4	-	-	-	-	-	-

(b) Sum due to the policyholders/beneficiaries on maturity or otherwise:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	26,671	16,672	4,293	2,864	750	515	535	1,042
March 31, 2017	23,348	14,426	2,142	1,381	872	2,092	292	2,143

(c) 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:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	416	363	39	5	6	2	-	1
March 31, 2017	776	764	10	2	-	-	-	-

(d) Cheques issued but not encashed by the policyholder/beneficiaries**

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	53,242	8,348	10,886	7,867	2,924	2,496	578	20,143
March 31, 2017	41,352	8,088	6,241	4,184	835	903	1,314	19,787

* Amount disclosed in lacs in accordance with IRDA/F&I/CIR/CMP/174/11/2010.

** 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 ₹ 229 Lacs having ageing beyond 120 months, which shall be transferred to Senior Citizens' Welfare Fund (SCWF) on or before March 01, 2019 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.

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, 2018 is ₹ 2,198,077 thousand (year ended March 31, 2017: ₹ 1,815,915 thousand).

The provision for current tax includes an amount of ₹ 1,200,710 thousand for the year ended March 31, 2018 (year ended March 31, 2017: ₹ 788,117 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 ₹ 997,367 thousand for the year ended March 31, 2018 (year ended March 31, 2017: ₹ 1,027,798 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, 2018 is summarised below:

	(₹ '000)		
Deferred tax asset	At April 1, 2017	(Charge)/ Credit for the year	At March 31, 2018
Linked funds for future appropriation	469	(6)	463

Deferred tax charge for the year ended March 31, 2018 is ₹ 6 thousand (year ended March 31, 2017: ₹ 233 thousand).

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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, 2018 is ₹ 526,130 thousand (year ended March 31, 2017: ₹ 539,758 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, 2018 is ₹ 32,297 thousand (year ended March 31, 2017: ₹ 33,184 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

Particulars	(₹ '000)	
	At March 31, 2018	At March 31, 2017
Not later than one year	33,518	33,518
Later than one year but not later than five years	53,071	86,589
Later than five years	-	-

3.9. Assets given on operating lease

The Company has entered into an agreement in the nature of leave and license for leasing out the investment property. This is in the nature of operating lease and lease arrangement contains provisions for renewal. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency. The total lease payments received in respect of such lease recognised in Revenue Account and Profit and Loss Account for the year ended March 31, 2018 is ₹ 179,305 thousand (year ended March 31, 2017: ₹ 66,797 thousand).

3.10. Details of related parties and transactions with related parties

Related parties and nature of relationship:

Nature of relationship	Name of the related party
Holding company	ICICI Bank Limited
Substantial interest	Prudential Corporation Holdings Limited
Subsidiary	ICICI Prudential Pension Funds Management Company Limited
Fellow subsidiaries and entities jointly controlled by holding company	ICICI Securities Limited ICICI Securities Inc. ICICI Securities Holding Inc. ICICI Venture Funds Management Company Limited ICICI Home Finance Company Limited ICICI Trusteeship Services Limited ICICI Securities Primary Dealership Limited ICICI Investment Management Company Limited ICICI International Limited ICICI Bank UK PLC. ICICI Bank Canada ICICI Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited ICICI Foundation for Inclusive Growth
Consolidated under AS-21 by holding company	ICICI Strategic Investments Fund
Significant influence	ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme ICICI Prudential Life Insurance Company Limited Employees' Provident Fund ICICI Prudential Life Insurance Company Limited Superannuation Scheme ICICI Prudential Life Insurance Advisors Benefit Trust
Key management personnel as per AS-18 disclosure	Sandeep Bakhshi, Managing Director and CEO Puneet Nanda, Executive Director Sandeep Batra, Executive Director Judhajit Das, Chief – Human Resources Asha Murali, Appointed Actuary

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Relatives of Key management personnel as per AS-18 disclosure

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

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

Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/(Payable)	
			FY 2018	FY 2017	At March 31, 2018	At March 31, 2017
ICICI Bank Limited	Holding company	Premium income	1,060,445	521,860	(75,745)	(3,758)
		Benefits Paid	(184,667)	(103,635)	(375)	-
		Interest income on investments	193,183	149,574	91,616	93,464
		Recovery of expenses	-	-	-	-
		- Rent, rates and taxes	-	866	-	-
		- Employees' remuneration and welfare benefits	8	7	8	-
		- Recovery of IPO expenses	2,404	509,914	-	635
		- Information Technology cost	1,459	1,264	440	1,454
		Reimbursement of other expenses	-	-	-	-
		- Legal and Professional Charges	(11,866)	(11,430)	(10,366)	(13,062)
		- Employees' remuneration and welfare benefits	(1,180)	(1,920)	-	-
		- Rent, rates and taxes	(540)	(2,398)	(106)	(955)
		- Information technology cost	(220,371)	(170,619)	(73,823)	(99,656)
		Administration support expenses	-	(5,726,917)	-	(880,445)
		Commission expenses	(8,766,983)	(3,902,223)	(682,279)	(63,749)
		Bank charges	(53,331)	(45,959)	(20,993)	(5,630)
		Sale of fixed assets	-	1,850	-	194
		Purchase of investments	(16,353,936)	(13,950,900)	-	-
		Sale of investments	6,046,925	4,685,841	-	-
		Security Deposit outstanding	-	-	75	121
Outstanding investments	-	-	2,444,207	2,531,571		
Cash and bank balances	-	-	(1,150,539)	(2,958,301)		
Dividend paid	(5,435,935)	(3,413,910)	-	-		
ICICI Securities Limited	Fellow subsidiary	Premium income	5,464	2,362	(79)	(244)
		Benefits Paid	(180)	(614)	-	-
		Recovery of expenses	-	-	-	-
		- Rent, rates and taxes	1,937	2,642	-	97
		- Information Technology cost	234	326	170	374
		Reimbursement of other expenses	-	-	-	-
		- Rents, rates and taxes	(376)	(89)	-	(101)
		- Employees' remuneration and welfare benefits	(75)	-	-	-
		Advertisement & Publicity	-	(379,990)	-	(96,669)
		Commission expenses	(482,593)	(333,061)	(52,366)	(19,246)
		Brokerage	(30,644)	(22,203)	(2,235)	-
Sale of fixed assets	1,177	-	-	-		
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	526	523	(730)	(749)
ICICI Home Finance Company Limited	Fellow subsidiary	Interest income on investments	74,800	3,074	40,781	3,689
		Recovery of expenses	-	-	-	-
		- Rent, rates and taxes	2,410	2,145	-	104
		Commission Expenses	(11,554)	(2,061)	(1,048)	(73)
		Outstanding investments	-	-	999,252	1,004,932
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	494	280	(197)	(187)
		Benefits Paid	-	-	-	-
		Interest income on investments	57,125	57,053	30,867	30,867
		Purchase of investments	(15,838,599)	(13,353,705)	-	-
		Sale of investments	5,859,871	9,155,498	-	-
		Outstanding investments	-	-	623,696	637,994

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			(₹ '000)			
Name of related party	Relation	Nature of transaction	Transactions for the year		Amount recoverable/(Payable)	
			FY 2018	FY 2017	At March 31, 2018	At March 31, 2017
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	8,874	7,070	(1,387)	(883)
		Benefits Paid	(3,050)	(2,875)	(50)	-
		Reimbursement of other expenses				
		- Employees' remuneration and welfare benefits	-	(320)	-	-
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	9,250	7,511	(1,525)	(799)
		Benefits Paid	(4,350)	(5,288)	-	-
		Claims received	114	2,573	-	-
		Reimbursement of other expenses				
		- Rent, rates and taxes	(907)	(2,177)	(366)	(54)
		- Employees' remuneration and welfare benefits	-	(400)	-	-
		Premium Expense	(258,894)	(117,930)	55,441	75,418
		Purchase of investments	(4,511,052)	(5,711,461)	-	-
		Sale of investments	3,978,445	3,320,963	-	-
		Security Deposit outstanding	-	-	242	547
ICICI Prudential Pension Funds Management Company Limited*	Subsidiary	Share capital subscribed	-	(20,000)	-	-
		Recovery of expenses				
		- Communication expenses	76	66	21	20
		- Employees' remuneration and welfare benefits	18,466	17,414	6,438	5,402
		- Information technology cost	1,201	186	364	67
		- Legal and Professional Charges	32	1	37	-
		- Miscellaneous Expenditure	-	-	-	-
		- Rent, rates and taxes	2,251	1,859	1,032	516
		- Travel, conveyance and vehicle running	109	174	47	39
		Prudential Corporation Holdings Limited	Substantial Interest	Recovery of expenses		
Travel Cost	95			-	-	-
Reimbursement of other expenses						
- Employees' remuneration and welfare benefits	-			-	-	-
- Agents training, recruitment and incentives	(19,351)			(19,611)	-	-
Dividend paid	(2,558,416)			(1,427,522)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	178,580	194,167	(1,406)	(274)
		Contribution to trust	(191,680)	(178,350)	-	(27,776)
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	9,879	7,632	-	-
		Contribution to trust	(8,086)	(6,845)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(133,552)	(114,772)	(35,952)	(30,417)
ICICI Foundation for Inclusive Growth	Entities controlled by Holding Company	Premium income	315	242	(6)	(1)
		Contribution for CSR activity	(172,769)	(170,263)	-	-
Key management personnel	Key management personnel	Premium income	4,011	3,933	-	-
		Dividend paid	(2,665)	(1,242)	-	-
		Managerial remuneration	(196,055)	(221,404)	-	-
		Employee stock options outstanding (numbers)	-	-	561,500	275,000
		Employee stock options exercised (numbers)	35,000	260,000	-	-
Key management personnel	Relatives of key management personnel	Premium income	101	95	-	-
		Benefits Paid	-	(2,521)	-	-
		Dividend paid	(6)	(2)	-	-

*Amount recoverable is reported gross of TDS.

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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, 2018

Particulars	Segments										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	Shareholders
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	7,443,883	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, provision for diminution in the value of investments(Net), provision for doubtful debts and bad debts written off.

** As required by IRDAI circular IRDAI/REG/CI/R/2008/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

For the year ended March 31, 2017

Particulars	Segments										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	Shareholders
Segment revenue (excluding contribution from the Shareholders' account)	33,289,631	1,319,144	35,062,657	933,740	145,109	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983	6,932,242	378,844,626
Segment result - Surplus/Deficit after tax (net of contribution from the Shareholders' account)	1,331,315	380,443	2,327,262	(16,205)	(1,815)	1,061,310	136,709	2,020,913	2,911,347	375,828	183,040	5,524,881	16,245,028
Depreciation/Amortisation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	95	578,259
Significant non-cash expenses*	20,275,562	42,349	25,255,680	923,530	136,843	1,704,326	(32,392)	131,347,559	(10,020,908)	1,274,174	4,244,731	-	175,101,354

* Comprises of change in valuation of policy liabilities, provision for diminution in the value of investments(Net), provision for doubtful debts and bad debts written off.

** As required by IRDAI circular IRDAI/REG/CI/R/2008/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

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3.13. Fund Balance Sheet at March 31, 2018

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, 2018

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

Superannuation

The amount recognised as an expense during the year ended March 31, 2018 is ₹ 91,661 thousand (year ended March 31, 2017: ₹ 51,520 thousand).

National Pension Scheme

The Company has contributed ₹ 15,284 thousand for the year ended March 31, 2018 (March 31, 2017: ₹ 13,851 thousand) to NPS for employees who had opted for the scheme.

(b) Defined benefit plans

Gratuity

Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	1,099,789	1,007,930
Fair value of plan assets at period end (B)	1,076,895	980,154
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	(22,893)	(27,776)
Total net cost recognised as employee remuneration in Revenue/Profit and loss account	101,213	178,350
Change in defined benefit obligation:		
Opening obligations at April 1	1,007,930	787,608
Service cost	107,300	88,310
Interest cost	69,557	60,147
Actuarial (gain)/loss	(5,544)	137,735
Past service costs	-	-
Liability assumed on transfer of employees.	-	-
Benefits paid	(79,454)	(65,870)
Present value of the defined benefit obligations at period end (A)	1,099,789	1,007,930
Change in Plan Asset:		
Opening plan assets, at fair value at April 1	980,154	747,780
Expected return on plan assets	71,087	52,357
Actuarial gain/(loss)	(986)	55,484
Contributions	106,095	190,403
Assets acquired on acquisition/(settled on divestiture)	-	-
Benefits paid	(79,454)	(65,870)
Fair value of plan assets at period end (B)	1,076,895	980,154
Cost for the period:		
Service cost	107,300	88,310
Interest cost	69,557	60,147
Expected return on plan assets	(71,087)	(52,357)
Actuarial (gain)/loss	(4,558)	82,251
Past service cost	-	-
Losses/(gains) on acquisition/divestiture	-	-
Total net cost recognised as employee remuneration in Revenue/Profit and loss account	101,213	178,350

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Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Investment details of plan assets:		
Plan assets invested in insurer managed funds	100.00%	100.00%
Fund earning rate	5.91%	11.16%
Asset allocation:		
- Debentures and Bonds	51.49%	51.83%
- Fixed deposits	0.10%	0.71%
- Government securities	23.66%	21.80%
- Equity shares	15.87%	15.78%
- Money market instruments	1.08%	0.00%
- Others	7.80%	9.88%
Total	100.00%	100.00%
Assumptions:		
Discount rate	7.35%	6.80%
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

Particulars	(₹ '000)				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	1,099,789	1,007,930	787,608	656,645	593,293
Plan assets	1,076,895	980,154	747,780	621,030	554,816
Surplus/(deficit)	(22,893)	(27,776)	(39,828)	(35,615)	(38,477)
Experience adjustments					
- on plan liabilities	26,665	56,420	60,235	(5,301)	26,710
- on plan assets	(986)	55,484	(30,130)	61,489	4,319

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, 2018	Year ended March 31, 2017
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	3,379,146	2,983,343
Fair value of plan assets at period end (B)	(3,379,146)	(2,983,343)
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	-	-
Total net cost recognised as 'Employee Benefit Expense' in Revenue/Profit and loss account	122,122	105,149
Change in defined benefit obligation:		
Opening defined benefit obligations	2,983,343	2,655,621
Current service cost	122,122	105,149
Interest cost	202,746	202,282
Actuarial (gain)/loss	74,729	53,775
Employees contribution	263,595	227,226
Liability assumed on Acquisition/(Settled on Divestiture)	(19,565)	(27,593)
Benefits paid	(247,824)	(233,117)
Closing defined benefit obligation	3,379,146	2,983,343

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Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Change in Fair Value of Assets:		
Opening value of plan assets	2,983,343	2,655,621
Expected return on plan assets	262,192	235,627
Actuarial gain/(loss)	15,283	20,430
Contributions – Employer	122,122	105,149
Contributions – Employee	263,595	227,226
Assets acquired on acquisition/(Distributed on divestiture)	(19,565)	(27,593)
Benefits paid	(247,824)	(233,117)
Closing value of plan assets	3,379,146	2,983,343
Cost for the period:		
Service cost	122,122	105,149
Interest cost	202,746	202,282
Expected return on plan assets	(262,192)	(235,627)
Actuarial (gain)/loss	59,446	33,345
Total net cost recognised as 'Employee benefit expense' in Revenue/Profit and loss account	122,122	105,149
Investment details of plan assets:		
Government of India Securities	54%	46%
Corporate Bonds	36%	46%
Equity shares of Listed Companies	0%	2%
Others	10%	6%
Total	100%	100%

Experience adjustments

Particulars	(₹ '000)				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	3,379,146	2,983,343	2,655,621	2,354,199	2,163,657
Plan assets	3,379,146	2,983,343	2,655,621	2,354,199	2,163,657
Surplus/(deficit)	-	-	-	-	-
Experience adjustments:					
– on plan liabilities	74,729	53,775	37,592	8,487	41,092
– on plan assets	15,283	20,430	7,835	4,431	20,136

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

Particulars	At March 31, 2018	At March 31, 2017
Discount rate for the term of the obligation	7.35%	6.80%
Average historic yield on the investment portfolio	8.95%	8.99%
Discount rate for the remaining term to maturity of the investment portfolio	8.05%	7.20%
Expected investment return	8.25%	8.59%
Guaranteed rate of return	8.55%	8.65%

(c) Other long-term benefits

Long-term incentive scheme:

The amount recognised as an expense during the year ended March 31, 2018 is ₹ 143,577 thousand (year ended March 31, 2017: ₹ 133,358 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, 2018	At March 31, 2017
Discount rate	6.80%	6.50%

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Compensated absence:

The amount recognised as an expense during the year ended March 31, 2018 is ₹ 80,893 thousand (year ended March 31, 2017: ₹ 89,508 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, 2018	At March 31, 2017
Discount rate	7.35%	6.80%
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 FY 2018 under ESOS 2005 (Revised) on July 25, 2017.

The Company follows intrinsic value method and hence there was no charge in the Revenue Account and Profit and Loss Account on account of modification of the Scheme.

The salient features of tranches issued under ESOS 2005 are as stated below:

Date of Grant	Founder March 28, 2005	2004-05 April 25, 2005	2005-06 April 26, 2006	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008	2017-18 July 25, 2017
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
Maximum term options granted	Thirteenth anniversary of the date of grant of options			Tenth anniversary of the date of grant of options	Tenth anniversary from the date of vesting of options	
Graded Vesting Period						
1 st Year	50% of options granted		25% of options granted		30% of options granted	
2 nd Year	25% of options granted		25% of options granted		30% of options granted	
3 rd Year	25% of options granted		25% of options granted		40% of options granted	
4 th Year	-		25% of options granted		-	
Mode of settlement	Equity					

Exercise price of all the options outstanding for all years/quarter for Founder scheme, 2004-05 scheme, 2005-06 scheme, 2006-07 scheme, Founder II, 2007-08 & 2017-18 scheme is ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130, ₹ 400 and ₹ 468.6 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, 2018		Year ended March 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,398,838	352.49	5,999,175	233.72
Add: Granted during the period	656,300	468.60	-	NA
Less: Forfeited/lapsed during the period	(82,650)	410.92	(578,575)	396.80
Less: Exercised during the period	(151,600)	261.08	(3,021,762)	108.33
Outstanding at the end of the period	2,820,888	382.70	2,398,838	352.49
Exercisable at the end of the year	2,193,488*	358.13	2,398,838	352.49

* Options outstanding at the end of the period less options unvested at the end of the period.

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Nil options are vested during the year ended March 31, 2018 and ₹ 39,580 thousand was realised by exercise of options during the year ended March 31, 2018 (March 31, 2017: ₹ 327,337 thousand). During the year ended March 31, 2018 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2017: ₹ 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 ₹ 39,667 thousand (March 31, 2017: ₹ nil) and the proforma Profit after tax would have been ₹ 16,158,590 thousand (March 31, 2017: ₹ 16,822,303 thousand). On a proforma basis, the Company's Basic and Diluted Earnings per share would have been ₹ 11.26 (March 31, 2017: ₹ 11.73) and ₹ 11.25 (March 31, 2017: ₹ 11.72) respectively.

Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year ended March 31, 2018 were:

Particulars	March 31, 2018	Basis
Risk-free interest rate	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	6 to 8 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	0.96%	Based on recent dividend declared
Expected volatility	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, 2018 is ₹ 261.08 (year ended March 31, 2017: ₹ 108.3).

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, 2018		At March 31, 2017	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
130	340,113	2.1	422,113	3.1
400	1,853,375	0.1	1,976,725	1.1
468.6	188,220	10.3	-	-
468.6	188,220	11.3	-	-
468.6	250,960	12.3	-	-
Total	2,820,888	2.8	2,398,838	1.4

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, 2018, for the options granted to employees of the Company (year ended March 31, 2017: ₹ nil).

3.18. Foreign exchange gain/loss

Transactions in foreign currencies are recorded at exchange rate prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognised as income or expense, as the case may be. The net foreign exchange loss debited to Revenue Account for the year ended March 31, 2018 is ₹ 1,367 thousand (year ended March 31, 2017: ₹ 3,221 thousand).

3.19. Earnings per share

Sr. No.	Particulars	March 31, 2018	March 31, 2017
		(₹ '000)	
I.	Net profit as per profit and loss account available for equity shareholders for both basic and diluted earnings per equity share of ₹ 10 each	16,198,259	16,822,303
II.	Weighted average number of equity shares for earnings per equity share		
(a)	For basic earnings per equity share	1,435,429,351	1,434,273,461
(b)	For diluted earnings per equity share		
	Number of equity shares for basic earnings per equity share as per (II) (a)	1,435,429,351	1,434,273,461
	Add: Weighted average outstanding employee stock options	256,567	979,023
	Weighted number of equity shares for diluted earnings per equity share	1,435,685,918	1,435,252,484
III.	Earnings per equity share		
	Basic (in ₹)	11.28	11.73
	Diluted (in ₹)	11.28	11.72

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3.20. Managerial Remuneration

IRDAI has issued guidelines on August 5, 2016 on remuneration of Non-Executive Directors and Managing Director ('MD')/Chief Executive Officer ('CEO')/Wholetime Directors ('WTD'), which have prescribed certain qualitative and quantitative disclosures. The disclosures for year ended March 31, 2018 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, 2018.

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, 2018 was 15,780.

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.

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.
- These business objectives are balanced in nature, and comprise a holistic mix of financial, customer, people, and process/quality and compliance objectives.

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- 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	FY 2018	FY 2017
Number of MD/ CEO/ WTDs	3	3
Number and total amount of sign on awards made during the financial year	-	-
Details of guaranteed bonus, if any, paid as joining/sign bonus	-	-
Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	Given below	Given below
Total amount of deferred remuneration paid out in the financial year	Given below	Given below
Breakup of amount of remuneration awarded for the financial year to show fixed and variable, deferred and non-deferred	Given below	Given below

FY 2018				(₹ '000)
	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra	Total
Basic	22,851	12,854	9,792	45,497
Retirals (Only PF)	2,742	1,543	1,175	5,460
Allowances ¹	17,783	13,948	15,135	46,867
Variable Pay				
- Deferred Variable Pay (paid during FY 2018)	4,537	3,069	3,065	10,671
- Non deferred variable pay (paid during FY 2018)	14,064	9,512	9,124	32,701
Perquisites	936	533	454	1,922
Total	62,914	41,459	38,744	143,117
Shares linked Instruments (Employee Stock Options) ²	838,750	335,500	251,625	1,425,875

FY 2017				(₹ '000)
	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra	Total
Basic	19,871	11,178	8,742	39,791
Retirals (Only PF)	2,384	1,341	1,049	4,774
Allowances ¹	15,116	11,876	12,981	39,973
Variable Pay				
- Deferred Variable Pay (paid during FY 2017)	14,816	7,505	1,616	23,937
- Non deferred variable pay (paid during FY 2017)	9,784	6,617	6,517	22,918
Perquisites	822	11,003	6,042	17,867
Total	62,794	49,520	36,949	149,262
Shares linked Instruments (Employee Stock Options) ²	830,000	275,500	232,750	1,338,250

¹ Allowances include NPS, Superannuation, Leave encashment and Medical as per policy. For Sandeep Bakhshi, allowances also includes Interest subsidy.

² Includes options granted by ICICI Bank Limited.

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

	(₹ '000)		
Outstanding Deferred Remuneration for FY 2018	Sandeep Bakhshi	Puneet Nanda	Sandeep Batra
Cash ¹	16,088	10,881	10,596
Shares	-	-	-
Shares linked Instruments ²	1,862,850	675,235	538,643
Other Forms	-	-	-

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

¹ Cash Amounts mentioned in above tables are outstanding deferred bonus and LTRS of previous year/s and is paid post March 31, 2018 & March 31, 2017 respectively. The above figure does not include the bonus payable for the respective year which is paid in subsequent year.

² Options mentioned in above tables are outstanding options to be vested as on March 31, 2018 & March 31, 2017. For FY 2018, ICICI Bank options adjusted post issuance of Bonus options in June 2017. FY 2018 includes options granted by ICICI Bank Ltd. and ICICI Prudential Life Insurance Co. Ltd. The table excludes special grant of stock options granted in FY2016 approved by IRDA on June 3, 2016 aggregating to 1,000,000 for Sandeep Bakhshi, 435,000 for Puneet Nanda and 367,500 for Sandeep Batra. (as they are on conditional vesting)

Remuneration to non-executive directors	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Particulars		
Sitting fees paid	5,020	3,900
Reimbursement of expenses	35	5,011
Profit related commission*	4,498	4,186
Total	9,553	13,097

* Against the provision of ₹ 4,200 thousand made in the FY2017, ₹ 4,186 thousand was paid in FY2018. Provision made for FY 2018 amounts to ₹ 4,498 thousand.

3.21. Commitments

Commitments made and outstanding (net of advances) for Company's investment in Real estate (Investment property) is ₹ nil (March 31, 2017 ₹ nil).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 346,179 thousand (March 31, 2017: ₹ 112,616 thousand)

There are no loan commitments made by the Company (March 31, 2017 ₹ nil).

3.22. Investments

(a) The investments are made from the respective funds of the Policyholders' or Shareholders' and investment income thereon has been accounted accordingly.

(b) All investments are performing investments.

3.23. Restructured assets

There are no assets including loans subject to re-structuring (March 31, 2017: ₹ nil)

3.24. Conversion of Investment Property to Fixed Assets

During the year ended March 31, 2018, the Company has converted certain investment properties held in the Participating and Shareholders' funds to fixed assets for self-use. These investment properties have been converted to fixed assets based on the approval and stipulations of Insurance Regulatory and Development Authority of India.

Consequently, based on the valuation reports obtained from independent valuers, investment properties held in the Participating fund at a cost of ₹ 1,077,435 thousand have been transferred to the Shareholders' fund as fixed assets at a fair value of ₹ 1,132,099 thousand thereby resulting in a gain of ₹ 54,664 thousand in Participating fund. Consequently, the revaluation reserve amounting to ₹ 19,549 thousand has been reversed.

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The Investment property held in the Shareholders' fund amounting to ₹ 716,468 thousand has been reclassified from investment property to fixed assets at the cost of ₹ 703,632 thousand and the revaluation reserve amounting to ₹ 12,836 thousand has been reversed.

The above fixed assets are depreciated as per the accounting policy.

3.25. 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, 2018. 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 ₹ 4,666,000 thousand at March 31, 2018 (March 31, 2017: ₹ 6,338,958 thousand). The historical cost of the property is ₹ 3,836,532 thousand (March 31, 2017: ₹ 5,617,599 thousand). Refer note 3.24 on conversion of investment property to fixed assets.

3.26. Impairment of investment assets

In accordance with the impairment policy of the Company, diminution in the value of investments has been recognised under the head "Provision for diminution in the value of investments (Net)" in the Revenue Account and the Profit and Loss Account. The total impairment loss recognised for the year ended March 31, 2018 is ₹ 50,872 thousand (year ended March 31, 2017: ₹ 65,125 thousand).

3.27. 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, 2017: ₹ 1,000,000 thousand) and ₹ 100,000 thousand (March 31, 2017: ₹ 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)

Particulars	(₹ '000)			
	At March 31, 2018		At March 31, 2017	
	Market value	Amortised cost	Market value	Amortised cost
Pledged under securities segment				
Government securities	3,746,922	3,793,836	2,067,500	1,959,467
Cash	204,200	204,200	70,000	70,000
Pledged under Collateralised Borrowing and Lending Obligation segment (CBLO)				
Government securities	212,789	207,055	218,000	207,120
Cash	100	100	100	100
Pledged for Default Fund under securities segment				
Government securities	59,400	58,126	60,660	58,015
Cash	-	-	-	-
Pledged for Default Fund under CBLO segment				
Government securities	19,800	19,375	20,220	19,338
Cash	-	-	-	-

Terms of pledge: Physical custody of the securities is maintained with the CCIL, however interest accrued on these securities is received by the Company. The Company is not entitled to any interest income on the money deposited with the CCIL towards margin requirements. These deposits, both securities and cash, can be invoked by CCIL in case of any default by the Company in settlement of trades in Securities and CBLO segment.

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c. Other encumbrances

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

Particulars	(₹ '000)	
	At March 31, 2018	At March 31, 2017
Fixed deposit placed with bank based on the directive from the Hon. Patna High Court in case of one death claim settlement pertaining to a deceased policyholder	-	606
Bank guarantees issued:		
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5,000	5,000
- towards purchase of postage on policy welcome kit document	2,000	2,000
- in favour of UIDAI deposit towards enabling Aadhaar Authentication services	2,500	-
- in lieu of earnest money deposit towards tender of Indian Oil Corp Refineries Trust for administration of EDLI scheme	-	229
- 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	575,679
- in favour of Cleartrip Private Limited for timely performance of obligations as per the terms of the agreement	-	100

3.28. 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, 2018 (March 31, 2017: ₹ nil) except the assets disclosed in the note 3.27.

3.29. 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, 2018 is ₹ 1,044,030 thousand (March 31, 2017: ₹ nil).

3.30. Reverse Repo transactions in Government securities/Corporate Debt Securities

Disclosures pursuant to IRDAI notification ref IRDA/F&I/CIR/INV/250/12/2012 dated December 4, 2012:

Particulars	(₹ '000)							
	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	2018	2017
Securities sold under repo								
i. Government Securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
i. Government Securities	-	4,999,951	-	4,999,951	-	4,999,951	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-

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

Particulars	(₹ '000)						
	March 31, 2018			March 31, 2017			
	Shareholders	Policyholders	Unit linked	Shareholders	Policyholders	Unit linked	
Purchases where deliveries are pending	93,117	1,936,118	9,122,120	107,999	1,075,545	8,294,898	
Sales where receipts are pending	-	1,018,156	6,744,802	1,770,293	4,310,853	11,267,468	

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

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3.32. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

There are no payments made to or dues outstanding to Micro, Small and Medium Enterprises beyond the timelines prescribed by the MSMED Act (March 31, 2017: ₹ nil).

3.33. Additional disclosures on expenses

The additional disclosures on expenses pursuant to the IRDAI Circular 067/IRDA/F&A/CIR/MAR-08 dated March 28, 2008 have been detailed herein below:

Particulars	(₹ '000)	
	FY 2018	FY 2017
Outsourcing expenses	724,435	3,234,523
Business development expenses	914,355	1,697,207
Market support expenses	-	5,832,020

3.34. 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, 2018 have been detailed below:

Sr. No.	Authority	Non-compliance/violation	(₹ '000)		
			Penalty awarded	Penalty paid	Penalty waived/Reduced
1	Insurance Regulatory and Development Authority of India	NIL	-	-	-
2	GST 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	Competition Commission of India	NIL	-	-	-
9	Any other State/ Central/ Local Government/ Statutory Authority				
	Shop and Establishment Act	For non compliance of provisions of Shops and Commercial 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 Section 22 (a) of Minimum Wages Act	1	1	-
	Total		77	77	-

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Penalties awarded to and penalties paid by the Company during the year ended March 31, 2017 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	IRDAI has levied a penalty for other payments to/arrangements with group master policyholders and insurance intermediaries	2,000	2,000	-
2	Service Tax Authorities	NIL	-	-	-
3	Income Tax Authorities	NIL	-	-	-
4	Any other Tax Authorities	NIL	-	-	-
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	NIL	-	-	-
6	Registrar of Companies/National Company Law Tribunal/ Company Law Board/Department of Corporate Affairs or any Authority under Companies Act, 2013	NIL	-	-	-
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	NIL	-	-	-
8	Competition Commission of India	NIL	-	-	-
9	Any other State/ Central/ Local Government/ Statutory Authority:				
	Shop and Establishment Act	Non compliance to Section 29, R – 24(11) of Karnataka Shops and Commercials Establishment Act.	3	3	-
		Non compliance to Section 29 of Kerala Shops and Commercials Establishments Act and Section 22 of Minimum Wages Act.	4	4	-
	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				
	- Minimum Wages Act	Non compliance under Section 22 (a) of Minimum Wages Act	5	5	-
	- Payment of Wages Act	Non compliance under Section 13(a) of Payment of Wages Act	2	2	-
Total			2,014	2,014	-

3.35. 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	FY 2018	FY 2017
B S R & Co. LLP	Report on restated financial statements, the related certificates and the comfort letters in relation to the offering of the Company's equity shares by certain selling shareholders.	-	16,905
Walker Chandio & Co LLP		-	6,459

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

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3.36. Sector-wise percentage of business

Sector wise break-up of policies issued, lives covered and gross premium underwritten during the year is as follows:

Sector		FY 2018	FY 2017
Rural	- Number of policies	177,452	163,146
	- Percentage of total policies	21.2%	23.2%
Social	- Gross premium underwritten for new lives (₹ '000)	42,547	31,998
	- Number of policies issued (including group business)	65,761	52,586
	- Number of new lives covered	403,824	307,340
	- Percentage of total lives	10.4%	11.3%
Total	- Number of policies (including group business)	837,130	702,734
	- Number of total lives	3,887,018	2,722,109

3.37. Risk retained and reinsured

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

Particulars	At	
	March 31, 2018	March 31, 2017
Individual business		
Risk retained	43%	46%
Risk reinsured	57%	54%
Group business		
Risk retained	70%	70%
Risk reinsured	30%	30%

3.38. Discontinued Policy Fund

Pursuant to the IRDAI circular number IRDA/Reg/2/52/2010 dated July 1, 2010, the following details are disclosed with respect to policies discontinued either on customer request or for non-payment of premium amount within the grace period

(a) Movement in funds for discontinued policies:

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Opening balance of funds for discontinued policies	39,410,575	33,044,310
Add: Fund of policies discontinued during the year	40,632,325	26,384,843
Less: Fund of policies revived during the year	(16,119,850)	(10,691,135)
Add: Income on investments of fund	3,112,537	2,840,033
Less: Fund management charges	(285,180)	(222,120)
Less: Amount refunded to policyholders during the year *	(14,862,312)	(11,945,356)
Closing balance of fund for discontinued policies	51,888,095	39,410,575

*includes ₹ 4,409 thousand of policy cancellation charges on account of null and void

(b) Number of policies discontinued during the year ended March 31, 2018 is 127,524 (year ended March 31, 2017: 94,884).

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

Product Name	March 31, 2018	March 31, 2017
ICICI Pru Elite Wealth II	14.27%	7.38%
ICICI Pru Easy Retirement	13.46%	9.09%
ICICI Pru Guaranteed Wealth Protector	13.35%	9.43%
ICICI Pru Wealth Builder II	11.80%	6.38%
ICICI Pru Elite Life II	11.72%	5.89%
ICICI Pru Smart Life RP	11.09%	9.17%
ICICI PruShubh Retirement	10.09%	7.50%
ICICI Pru Elite Wealth	9.09%	5.86%
ICICI Pru Wealth Builder	8.19%	5.00%
ICICI Pru Elite Life	7.71%	5.07%
ICICI PruSmart Kid Premier	3.20%	4.13%
ICICI PruLifeStage Wealth II	3.01%	3.40%
ICICI PruPinnacle Super	2.00%	4.09%
ICICI PruLifeTime Premier	1.61%	2.24%
ICICI Pru LifeTime Classic	0.23%	0.00%
ICICI Pru Elite Life Super	0.03%	0.00%
ICICI Pru Elite Wealth Super	0.03%	0.00%
ICICI PruPinnacle II	0.01%	0.05%

(d) Number and percentage of policies revived:

Particulars	March 31, 2018	March 31, 2017
Number of policies revived	131,683	142,132
Number of policies discontinued	356,639	352,190
Percentage of policies revived	36.92%	40.4%

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

Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Charges imposed on account of discontinued policies	411,589	328,164
Charges readjusted on account of revival of discontinued policies	(146,043)	(113,162)
Total	265,546	215,002

3.39. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11 (2) of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015)

Name of person in-charge	: Mr. Sandeep Bakhshi
Designation of person in-charge	: Managing Director & CEO
Occupation of person in-charge	: Service
Directorships held by the person in-charge during the year or at March 31, 2018	: ICICI Prudential Pension Funds Management Company Limited, Chairman

3.40. Extra allocation

Total extra allocation made with respect to group products (Group Unit Linked Superannuation and Group Unit Linked Employee Benefit Plan) for the year ended March 31, 2018 is ₹ nil (for year ended March 31, 2017: ₹ 775 thousand).

The amount of recovery towards extra allocation for the year ended March 31, 2018 is ₹ 7,733 thousand (year ended March 31, 2017: ₹ 7,755 thousand).

3.41. Dividend

Interim dividend appropriation for the year ended March 31, 2018 is ₹ 5,874,239 thousand (year ended March 31, 2017: ₹ 6,645,630 thousand) including dividend distribution tax of ₹ 993,586 thousand (year ended March 31, 2017: ₹ 1,124,058 thousand).

The Board of Directors have also proposed a final dividend of ₹ 4,737,146 thousand (year ended March 31, 2017: ₹ 5,023,715 thousand). The dividend distribution tax on the same amounts to ₹ 973,734 thousand (year ended March 31, 2017: ₹ 1,022,710 thousand)

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Final dividend shown in previous year of ₹ 1,142 thousand and dividend distribution tax of ₹ 233 thousand on the same pertains to dividend on 543,828 equity shares for year ended March 31, 2016 and allotted between date of Board Meeting i.e. April 26, 2016 and Record Date i.e. June 22, 2016.

Unclaimed dividend of ₹ 4,768 thousand at March 31, 2018 (at March 31, 2017: ₹ 697 thousand) represents dividend paid but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

3.42. Summary of financial statements

		(₹ in lacs)				
Sr. No.	Particulars	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Policyholders' Account						
1	Gross premium income	2,706,877	2,235,400	1,916,439	1,530,662	1,242,865
2	Net premium income [#]	2,681,068	2,215,525	1,899,870	1,516,045	1,228,265
3	Income from investments (net) ^{##}	1,125,638	1,497,044	119,573	1,871,770	920,825
4	Other income	14,528	6,085	2,088	5,938	11,190
	Contribution from the Shareholders a/c	7,528	180	-	4,146	9,465
	Fees and Charges	1,993	1,868	2,088	1,792	1,725
	Income on unclaimed amount of policyholders	5,007	4,037	-	-	-
5	Total income	3,821,234	3,718,654	2,021,531	3,393,753	2,160,280
6	Commissions	140,327	75,892	61,998	55,317	62,749
7	Brokerage	-	-	-	-	-
8	Operating expenses related to insurance business [@]	259,753	277,953	224,001	195,844	192,653
9	Provisions for tax	12,007	7,884	7,035	5,040	4,374
10	Total Expenses	412,087	361,729	293,034	256,201	259,776
11	Payment to policy holders*	1,728,079	1,499,788	1,242,742	1,225,736	1,208,334
12	Increase in actuarial liability	582,385	491,474	299,603	344,627	278,489
13	Provision for Linked Liabilities	962,364	1,258,281	51,945	1,450,984	287,684
14	Surplus/(Deficit) from operations	136,319	107,382	134,207	116,205	125,997
Shareholders' Account						
15	Total income under Shareholders Account ^{@ ^ ^}	74,439	69,322	59,518	53,351	37,109
16	Total expenses under Shareholder's Account	3,876	3,796	3,126	4,537	1,141
17	Profit/(loss) before tax	171,956	178,501	177,157	158,528	152,921
18	Provisions for tax	9,974	10,278	12,111	(4,901)	(3,745)
19	Profit/(loss) after tax	161,982	168,223	165,046	163,429	156,666
20	Profit/(loss) carried to Balance sheet	169,603	126,830	25,077	4,820	(58,878)
MISCELLANEOUS						
21	(A) Policyholders account:					
	Total funds **	13,061,107	11,489,408	9,657,844	9,326,570	7,462,421
	Total Investments	13,079,082	11,494,571	9,681,141	9,363,549	7,476,714
	Yield on investments (%) ^	9.2%	14.1%	1.3%	22.2%	12.8%
	(B) Shareholders account:					
	Total funds	688,445	640,804	532,478	526,782	439,302
	Total Investments	774,929	664,026	621,567	585,677	535,277
	Yield on investments (%) ^	10.3%	10.3%	9.9%	9.5%	7.0%
22	Yield on total investments ^	9.2%	13.9%	1.8%	21.4%	12.4%
23	Paid up equity capital	143,550	143,535	143,232	143,172	142,926
24	Net worth	688,445	640,804	532,478	526,782	439,302
25	Total Assets	13,837,368	12,190,630	10,256,514	9,906,101	7,952,127
26	Earnings per share					
	Basic earnings per share (₹)	11.28	11.73	11.53	11.43	10.96
	Diluted earnings per share (₹)	11.28	11.72	11.51	11.41	10.94
27	Book value per share (₹)	47.96	44.64	37.18	36.79	30.74

[#] 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

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3.43 Accounting Ratio

Sr. No.	Particulars	FY 2018	FY 2017
1	New business premium income growth (segment-wise)		
	Participating Life	28.9%	(10.6%)
	Participating Pension	(100.0%)	100.0%
	Non Participating	42.5%	123.8%
	Non Participating Variable	(60.5%)	NA
	Non Participating Variable Pension	(93.3%)	NA
	Annuities Non Participating	51.0%	10.2%
	Health	NA	(104.4%)
	Linked Life	16.2%	33.2%
	Linked Pension	(3.4%)	(7.5%)
	Linked Health	(19.4%)	4.5%
	Linked Group ¹	(21.9%)	(60.6%)
2	Net retention ratio		
	(Net premium divided by gross premium)	99.0%	99.1%
3	Ratio of expenses of management		
	(Expenses of management including commission divided by the total gross direct premium)	12.7%	13.9%
4	Commission Ratio		
	(Gross commission paid to Gross premium)	5.2%	3.4%
5	Ratio of policyholders liabilities to shareholders funds	1,909.9%	1,802.4%
6	Growth rate of shareholders fund²	7.4%	20.3%
7	Ratio of surplus to policyholders liability		
	Participating Life	2.3%	1.3%
	Participating Pension	2.6%	3.2%
	Non Participating	1.3%	1.8%
	Non Participating Variable	0.7%	(1.8%)
	Non Participating Variable Pension	0.5%	(1.3%)
	Annuities Non Participating	(2.8%)	4.6%
	Health	121.8%	47.3%
	Linked Life	0.6%	0.3%
	Linked Pension	2.1%	1.8%
	Linked Health	3.6%	4.2%
	Linked Group ¹	NA	0.3%
	Linked Group Life ¹	0.2%	NA
	Linked Group Pension ¹	0.4%	NA
8	Change in networth (₹ in Lacs)	47,641	108,326
9	Profit after tax/Total income	4.2%	4.4%
10	(Total Real Estate + Loans)/Cash & invested assets	0.6%	0.7%
11	Total Investment/(Capital + Surplus)	2,012.4%	1,897.4%
12	Total Affiliated Investment/(Capital+Surplus)	6.3%	7.0%
13	Investment Yield (Gross and Net)		
	A. Without unrealised gains		
	- Shareholders' Fund	11.5%	11.9%
	- Policyholders' Fund		
	- Non-Linked		
	Par	11.0%	9.7%
	Non-Par	8.0%	8.4%
	- Linked		
	Non Par	10.4%	11.0%
	B. With unrealised gains		
	- Shareholders' Fund	9.9%	12.3%
	- Policyholders' Fund		
	- Non Linked		
	Par	7.0%	14.0%
	Non-Par	6.3%	13.2%
	- Linked		
	Non Par	8.1%	15.4%

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Sr. No.	Particulars	FY 2018	FY 2017
14	Conservation Ratio		
	Participating Life	93.0%	90.8%
	Participating Pension	83.8%	92.3%
	Non Participating	89.4%	94.8%
	Non Participating Variable	NA	NA
	Non Participating Variable Pension	NA	NA
	Annuities Non Participating	NA	NA
	Health	86.0%	88.9%
	Linked Life	83.4%	81.1%
	Linked Pension	77.3%	77.6%
	Linked Health	86.5%	83.8%
	Linked Group ¹	132.3%	68.3%
15	Persistence Ratio²		
	(a) by premium		
	13th month	87.8%	85.7%
	25th month	78.8%	73.9%
	37th month	68.9%	66.8%
	49th month	63.6%	59.3%
	61st month	54.8%	56.2%
	(b) by count		
	13th month	81.7%	80.6%
	25th month	73.8%	71.3%
	37th month	66.4%	61.8%
	49th month	58.7%	53.9%
	61st month	49.3%	49.1%
16	NPA Ratio		
	- Gross NPA Ratio	NIL	NIL
	- Net NPA Ratio	NIL	NIL
17	Solvency Ratio	252.5%	280.7%

¹ 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 December 2016 onwards. However, Conservation Ratio for the Linked Group Segment has been calculated at total level.

² 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 FY 2017, policies issued in the April to March period of the relevant year have been measured on April 30, 2017. For 11m-2018, policies issued in the March to February period of the relevant year have been measured on March 31, 2018. Group policies and policies under micro insurance products are excluded.

SCHEDULES

forming part of financial statements

3.44 Statement showing the Controlled Fund of ICICI Prudential Life Insurance Company Limited

		(₹ in crores)	
Sr. No.	Particulars	2017-2018	2016-2017
1	Computation of Controlled fund as per the Balance Sheet		
	Policyholders' Fund (Life Fund)		
	Participating		
	Individual Assurance	12,397	9,714
	Individual Pension	829	818
	Group Assurance	54	102
	Group Pension	120	146
	Non-participating		
	Individual Assurance	15,985	12,920
	Group Assurance	-	-
	Individual Annuity	2,700	2,289
	Health	17	29
	Group Variable Insurance	97	92
	Group Variable Insurance Pension	14	14
	Linked		
	Individual Assurance	77,134	65,243
	Group Assurance	-	-
	Individual Pension	13,143	15,889
	Group Superannuation & Gratuity ¹	-	6,753
	Group Superannuation ¹	3,293	-
	Group Gratuity ¹	3,865	-
	Health	963	885
	Funds for Future Appropriations	878	604
	Total (A)	131,489	115,498
	Shareholders' Fund		
	Paid-up Capital ²	1,435	1,435
	Reserves and Surplus	5,141	4,700
	Fair Value Change	308	273
	Total (B)	6,884	6,408
	Misc. expenses not written off	-	-
	Credit/(Debit) from P&L A/c.	-	-
	Total (C)	-	-
	Total shareholders' funds (B+C)	6,884	6,408
	Controlled Fund (Total (A+B-C))	138,373	121,906
2	Reconciliation of the Controlled Fund from Revenue and Profit and Loss Account		
	Opening Balance of Controlled Fund	121,906	102,565
	Add: Inflow		
	Premium Income	27,069	22,354
	Less: Reinsurance ceded	(258)	(199)
	Net Premium	26,811	22,155
	Investment Income ³	11,256	14,970
	Other Income	70	59
	Funds transferred from Shareholders' Accounts	75	2
	Total Income	38,212	37,186
	Less: Outgo		
	(i) Benefits paid (Net)	17,226	14,964
	(ii) Interim Bonus Paid	55	33
	(iii) Change in Valuation of Liability	15,447	17,498
	(iv) Commission	1,403	759
	(v) Operating Expenses	2,033	2,363
	(vi) GST/Service tax charge on linked charges	565	416
	(vii) Provision for Taxation		
	(a) FBT	-	-
	(b) I.T.	120	79
	Total Outgo	36,849	36,112
	Surplus of the Policyholders' Fund	1,363	1,074

SCHEDULES

forming part of financial statements

Sr. No.	Particulars	₹ in crores)	
		2017-2018	2016-2017
	Less: transferred to Shareholders' Account	1,089	1,132
	Net Flow in Policyholders' account	274	(58)
	Add: Net income in Shareholders' Fund	1,620	1,682
	Net Inflow/Outflow	1,894	1,624
	Add: change in valuation Liabilities	15,447	17,498
	Add: Increase in Paid-up Capital	4	33
	Less: Dividend and dividend distribution tax	(1,192)	(665)
	Closing balance of controlled fund as per cash flow	138,059	121,055
	Change in fair value change and revaluation reserve account	314	851
	Closing balance of controlled fund	138,373	121,906
	As Per Balance Sheet	138,373	121,906
	Difference, if any	-	-
3	Reconciliation with Shareholders' and Policyholders' Fund		
	Policyholders' Funds		
3.1	Policyholders' Funds – Traditional – PAR and NON-PAR		
	Opening Balance of the Policyholders' Fund	26,727	21,143
	Add: Surplus of the Revenue Account	274	(51)
	Add: Change in valuation Liabilities	5,820	4,817
	Total	32,821	25,909
	Change in fair value change and revaluation reserve account	269	818
	Total	33,090	26,727
	As per Balance Sheet	33,090	26,727
	Difference, if any	-	-
3.2	Policyholders' Funds – Linked		
	Opening Balance of the Policyholders' Fund	88,771	76,097
	Add: Surplus of the Revenue Account	-	(7)
	Add: Change in valuation Liabilities	9,627	12,681
	Total	98,398	88,771
	As per Balance Sheet	98,398	88,771
	Difference, if any	-	-
3.3	Shareholders' Funds		
	Opening Balance of Shareholders' Fund	6,408	5,325
	Add: Net income of Shareholders' account (P&L)	1,620	1,682
	Add: Infusion of Capital	4	33
	Less: Dividend & dividend distribution tax	(1,192)	(665)
	Closing Balance of the Shareholders' fund	6,840	6,375
	Change in fair value change	45	33
	Closing Balance of the Shareholders' fund	6,885	6,408
	As per Balance Sheet	6,885	6,408
	Difference, if any	-	-

¹ As required by IRDAI circular IRDAI/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 FY 2017-18 onwards.

² Includes Share application money pending allotment.

³ Includes provision for diminution in the value of investments.

3.45. Pending litigations

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2018. 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 ₹ 301,244 thousand at March 31, 2018 (at March 31, 2017: ₹ 169,015 thousand).

SCHEDULES

forming part of financial statements

3.46. 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.

3.47. 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, 2018 was ₹ 230,288 thousand (year ended March 31, 2017: ₹ 217,391 thousand).

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

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
	Construction/acquisition of any asset	-	-	-	-	-
On purposes other than above	222,884	7,639	230,523	194,029	24,813	218,842

Amounts of related party transactions with ICICI Foundation for Inclusive Growth pertaining to CSR related activities for year ended March 31, 2018 was ₹ 172,769 thousand (year ended March 31, 2017: ₹ 170,263 thousand)

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

Particulars	March 31, 2018		March 31, 2017
	Opening balance	24,813	25,424
Expense during the year	230,523	218,842	
Paid during the year	(247,697)	(219,453)	
Closing balance	7,639	24,813	

3.48. 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.

3.49. Specified Bank Notes

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

3.50. Previous year comparatives

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

Sr. No.	Regrouped to	Regrouped from	Amount (in ₹ '000)	Reason
1	Schedule 3: Others – Business conferences and meetings	Schedule 3: Agents training, recruitment and incentives	394,192	The reclassification has been done for appropriate presentation.
2	Schedule 3: Employees' remuneration and welfare benefits	Schedule 3: Agents training, recruitment and incentives	44,049	

As per our report of even date attached.

For and on behalf of the Board of Directors

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants
ICAI Firm Reg. No. 001076N/N500013

Chanda Kochhar

Chairperson
DIN: 00043617

V. Sridar

Director
DIN: 02241339

Sandeep Bakhshi

Managing Director and CEO
DIN: 00109206

Sandeep Batra

Executive Director
DIN: 03620913

Venkataramanan Vishwanath

Partner
Membership No. 113156

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, 2018

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

Sr. No.	Particulars	(₹ '000)	
		March 31, 2018	March 31, 2017
1	Name of the subsidiary	ICICI Prudential Pension Funds Management Company Limited	
2	Reporting period for the subsidiary	March 31, 2018	March 31, 2017
3	Share Capital	290,000	290,000
4	Reserves and surplus	(26,731)	(20,125)
5	Extent of interest of ICICI Prudential Life Insurance Company Limited in capital of subsidiary	100%	100%
6	Total Assets	273,085	279,041
7	Total liabilities	9,815	9,166
8	Investments	242,545	59,737
9	Turnover	1,843	997
10	Profit before taxation	(6,655)	(5,873)
11	Provision for taxation	(49)	(181)
12	Profit after taxation	(6,606)	(5,692)
13	Proposed dividend	Nil	Nil

For and on behalf of the Board of Directors

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Satyan Jambunathan
Chief Financial Officer

Asha Murali
Appointed Actuary

Vyoma Manek
Company Secretary

Place: Mumbai
Date: April 24, 2018

ANNEXURES

forming part of the financial statements

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

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of ICICI Prudential Life Insurance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary 'ICICI Prudential Pension Funds Management Company Limited' (the Holding Company and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, 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").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated net surplus, consolidated profit and the consolidated receipts and payments of the Group in accordance with accounting principles generally accepted in India, including the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions/ circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/"Authority") in this regard, and the Accounting Standards specified under Section 133 of the Act, 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors 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 Group or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, orders/directions/circulars issued by the IRDAI, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to 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 ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the 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 Group and its associates, joint ventures and joint operations to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Act, to the extent applicable 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, 2018, their consolidated net surplus, consolidated profit and consolidated receipts and payments for the year ended on that date.

OTHER MATTERS

- (a) The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued 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, 2018 has been duly certified by the Appointed Actuary and in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the consolidated financial statements of the Group.
- (b) We did not audit the financial statement/financial information of a subsidiary company, whose financial statements reflects total assets of ₹ 273,085 thousand as at March 31, 2018, total revenue of ₹ 25,492 thousand and net cash inflow amounting to ₹ 373 thousand for the year ended March 31, 2018 on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor, whose report have been furnished to us by the Management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary and our report in terms of Section 143(3) of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.

Our opinion above 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

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 statement and the other financial information of a subsidiary, 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 and have found them to be satisfactory;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- (c) The Consolidated Balance Sheet, the Consolidated Revenue Account, the Consolidated Profit and Loss Account and the Consolidated Receipts and Payments Account dealt with by this Report are in agreement with the relevant books of account for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act 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 written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

- (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";
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of a subsidiary, as noted in the "Other matters" paragraph:
- i. The consolidated financial statements has disclosed the impact of pending litigations on consolidated financial position of the Group – Refer schedule 16 note 3.22 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, if any, on long term contracts including derivatives contracts – Refer schedule 16 note 3.23 to the consolidated financial statements;
 - iii. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company; 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, 2018. However the Group has made requisite disclosures in the audited consolidated financial statements for the year ended March 31, 2017.

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

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Venkataramanan Vishwanath

Partner

Membership No.113156

Place: Mumbai

Date: April 24, 2018

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No. 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No. 42423

Place: Mumbai

Date: April 24, 2018

ANNEXURE A

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

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

To the Members of ICICI Prudential Life Insurance Company Limited

In conjunction with our audit of the consolidated financial statements of ICICI Prudential Life Insurance Company Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of ICICI Prudential Life Insurance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary company "ICICI Prudential Pension Funds Management Company Limited" (the Holding Company and its subsidiary together referred to as "the Group"), which is a company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on

the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary company incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

- a. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to the subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such subsidiary company.
- b. The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2018 has been certified by the Appointed Actuary as per the IRDA Financial

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

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Venkataramanan Vishwanath

Partner

Membership No.113156

Place: Mumbai

Date: April 24, 2018

Statement Regulations, and has been relied upon by us, as mentioned in "Other Matters" of our audit report on the financial statements of the Holding Company for the year ended March 31, 2018. Accordingly, we have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No. 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No. 42423

Place: Mumbai

Date: April 24, 2018

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
Premiums earned (Net of service tax / Goods & Service tax)														
(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		(24,208)	(51)	(1,710,049)	-	-	-	(45,790)	(486,475)	(74)	(314,234)	(36)	-	(2,580,917)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		31,777,996	276,354	29,261,540	352,309	9,300	3,107,546	247,678	189,525,876	5,513,007	716,461	4,666,973	2,651,735	268,106,775
Income from Investments														
(a) Interest, dividend & 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
Sub-total		10,739,508	1,441,055	10,065,215	86,942	11,207	1,921,434	71,292	65,123,897	17,174,870	1,046,953	2,674,671	2,257,653	112,614,697
Other income														
Contribution from the Shareholders' account		-	-	-	-	-	752,784	-	-	-	-	-	-	752,784
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	500,740	-	-	-	-	500,740
Fees and charges		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
Sub-total		79,820	370	105,822	6	-	752,964	89	512,967	344	61	281	114	1,452,838
Total (A)		42,597,324	1,717,779	39,432,577	439,257	20,507	5,781,944	319,059	255,162,740	22,688,221	1,763,475	7,341,925	4,909,502	382,174,310
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		(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 3.17 of schedule 16		23,865	-	27,007	-	-	-	-	-	-	-	-	-	50,872
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Service tax/Goods & Service Tax charge on linked charges		-	-	-	-	-	-	-	4,798,211	518,259	168,799	83,877	75,974	5,645,120
Total (B)		5,791,041	19,213	6,275,327	5,332	608	76,680	197,394	26,242,243	931,493	239,350	156,696	123,508	40,058,885
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		-	-	-	-	-	-	-	-	-	-	-	-	-
(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) Fund reserve		-	-	-	-	-	-	-	106,625,977	(27,648,442)	729,575	2,102,039	1,949,699	83,758,848
(d) Funds for discontinued policies		-	-	-	-	-	-	-	12,223,005	254,515	-	-	-	12,477,520
Total (C)		32,651,707	1,393,889	31,105,366	427,394	19,170	5,705,264	(90,434)	224,073,239	19,054,079	1,177,043	7,095,575	4,670,536	327,282,828
Surplus/(deficit) (D) = (A)-(B)-(C)		4,154,576	304,677	2,051,884	6,531	729	-	212,099	4,847,252	2,702,649	347,082	89,654	115,458	14,832,597
Provision for taxation		-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Current tax credit/(charge) – Refer note 3.5 of schedule 16		(1,200,710)	-	-	-	-	-	-	-	-	-	-	-	(1,200,710)
(b) Deferred tax credit/(charge) – Refer note 3.5 of schedule 16		-	-	-	-	-	-	-	(6)	-	-	-	-	(6)
Surplus/(deficit) after tax		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
Appropriations														
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
Total		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
Details of Surplus after tax														
(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	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	12,879,097
Total Surplus		7,361,880	564,633	2,051,884	6,531	729	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	17,547,067
Funds for future appropriation														
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
Balance carried forward to Balance Sheet		6,379,355	2,394,212	-	-	-	-	-	3,213	4,823	-	-	-	8,781,603
Significant accounting policies & notes	16													

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

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Consolidated Revenue Account as expenses.

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 FY 2017-18 onwards.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

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, 2018

CONSOLIDATED REVENUE ACCOUNT

for the year ended March 31, 2017

FORM A-RA

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

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ '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	Total
Premiums earned (Net of service tax)													
(a) Premium	1	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
(b) Reinsurance ceded		(16,701)	(47)	(1,158,189)	-	-	-	(35,294)	(459,637)	(83)	(317,561)	(32)	(1,987,544)
(c) Reinsurance accepted		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		25,609,818	329,776	26,824,429	891,208	137,913	2,058,089	101,314	150,579,078	6,606,743	874,720	7,539,388	221,552,476
Income from Investments													
(a) Interest, dividend to rent-Gross		5,773,911	799,264	7,460,821	39,612	6,385	1,825,435	44,227	17,345,787	4,630,897	224,585	3,778,245	41,929,169
(b) Profit on sale/redemption of investments		1,887,566	166,343	740,144	1,801	-	406,141	1,813	41,439,269	23,593,975	616,524	3,130,259	71,983,835
(c) (Loss) on sale/redemption of investments		(87,526)	(14,080)	(26,708)	(131)	-	(8,306)	-	(7,203,558)	(2,271,478)	(50,164)	(796,182)	(10,458,133)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	-	35,476,906	3,563,819	573,404	965,284	40,579,413
(e) Accretion of discount/(amortisation of premium) (Net)		31,101	37,212	(35,482)	1,249	811	(2,263)	562	4,457,152	576,893	15,112	652,823	5,735,170
Sub-total		7,605,052	988,739	8,138,775	42,531	7,196	2,221,007	46,602	91,515,556	30,094,106	1,379,461	7,730,429	149,769,454
Other income													
Contribution from the Shareholders' account		-	-	-	16,204	1,815	-	-	-	-	-	-	18,019
Income on unclaimed amount of policyholders		-	-	-	-	-	-	-	403,684	-	-	-	403,684
Fees and charges		71,575	608	96,548	-	-	-	129	353	-	-	-	169,213
Miscellaneous income		3,186	21	2,905	2	-	36	10	10,728	465	39	166	17,558
Sub-total		74,761	629	99,453	16,206	1,815	36	139	414,765	465	39	166	608,474
Total (A)		33,289,631	1,319,144	35,662,657	949,945	146,924	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,983	371,930,404
Commission	2	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Operating expenses related to Insurance business	3	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961
Provision for doubtful debts		(9,331)	(34)	(15,982)	(75)	-	12	(41)	(29,406)	(323)	(125)	(100)	(55,405)
Bad debts written off		22,019	187	26,268	-	-	171	225	62,992	3,518	703	1	116,084
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (Net)-Refer note 3.17 of schedule 16		33,361	-	31,764	-	-	-	-	-	-	-	-	65,125
(b) Others		-	-	-	-	-	-	-	-	-	-	-	-
Service tax charge on linked charges		-	-	-	-	-	-	-	3,390,007	497,356	145,390	129,909	4,162,662
Total (B)		5,717,270	22,925	5,529,097	16,182	1,924	43,002	15,965	22,489,656	1,086,668	227,507	299,391	35,449,587
Benefits paid (Net)	4	4,942,515	869,817	1,992,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722	149,644,086
Interim bonus paid		330,901	3,763	-	-	-	-	-	-	-	-	-	334,664
Change in valuation of policy liabilities		-	-	-	-	-	-	-	-	-	-	-	-
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)		20,179,513	42,196	48,659,800	923,605	136,843	1,704,143	(32,576)	1,053,994	(109,534)	52,992	(17,256)	72,593,720
(b) Amount ceded in reinsurance		-	-	(23,446,270)	-	-	-	-	-	-	-	-	(23,446,270)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-	-	-
(d) Fund reserve		-	-	-	-	-	-	-	124,354,140	(10,374,995)	1,220,604	4,262,086	119,461,835
(e) Funds for discontinued policies		-	-	-	-	-	-	-	5,905,839	460,426	-	-	6,366,265
Total (C)		25,452,929	915,776	27,206,298	933,763	145,000	3,174,820	(4,619)	217,998,597	32,703,299	1,650,885	14,777,552	324,954,300
Surplus/(deficit) (D) = (A)-(B)-(C)		2,119,432	380,443	2,327,262	-	-	1,061,310	136,709	2,021,146	2,911,347	375,828	193,040	11,526,517
Provision for taxation		-	-	-	-	-	-	-	-	-	-	-	-
(a) Current tax credit/(charge)-Refer note 3.5 of schedule 16		(788,117)	-	-	-	-	-	-	-	-	-	-	(788,117)
(b) Deferred tax credit/(charge)-Refer note 3.5 of schedule 16		-	-	-	-	-	-	-	(233)	-	-	-	(233)
Surplus/(deficit) after tax		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Appropriations													
Transfer to Shareholders' account		394,734	32,836	4,124,399	-	-	1,061,310	136,709	2,022,530	2,920,712	429,172	193,040	11,315,442
Transfer to other Reserves		-	-	-	-	-	-	-	-	-	-	-	-
Balance being funds for future appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-	(577,275)
Total		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Details of Surplus after tax													
(a) Interim bonuses paid		330,901	3,763	-	-	-	-	-	-	-	-	-	334,664
(b) Allocation of bonus to policyholders'		3,221,705	291,759	-	-	-	-	-	-	-	-	-	3,513,464
(c) Surplus shown in the Revenue Account		1,331,315	380,443	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	10,738,167
Total Surplus		4,883,921	675,965	2,327,262	-	-	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	14,586,295
Funds for future appropriation													
Opening balance as at April 1, 2016		2,978,687	1,770,812	1,797,137	-	-	-	-	4,868	14,285	53,344	-	6,619,133
Add: Current period appropriation		936,581	347,607	(1,797,137)	-	-	-	-	(1,617)	(9,365)	(53,344)	-	(577,275)
Balance carried forward to Balance Sheet		3,915,268	2,118,419	-	-	-	-	-	3,251	4,920	-	-	6,041,858
Significant accounting policies & notes	16												

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

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Consolidated Revenue Account as expenses.

As required by IRDAI circular IRDA/FAH/REG/CIR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

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, 2018

CONSOLIDATED PROFIT & LOSS ACCOUNT

for the year ended March 31, 2018

FORM A-PL

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

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedule	(₹ '000)	
		March 31, 2018	March 31, 2017
Amounts transferred from Policyholders' account (Technical account)		10,892,136	11,315,442
Income from investments			
(a) Interest, dividend & rent – Gross		4,216,170	3,763,147
(b) Profit on sale/redemption of investments		3,347,767	2,881,450
(c) (Loss) on sale/redemption of investments		(125,521)	(114,046)
(d) Accretion of discount/(amortisation of premium) (Net)		(19,327)	139,232
Other income		50,286	286,303
Total (A)		18,361,511	18,271,528
Expenses other than those directly related to the insurance business	3A	419,756	409,280
Bad debts written-off		-	-
Provisions (other than taxation)			
(a) For diminution in value of investments (Net) – Refer note 3.17 of schedule 16		-	-
(b) Provision for doubtful debts		-	-
Contribution to Policyholders' account (Technical account)		752,784	18,019
Total (B)		1,172,540	427,299
Profit before tax		17,188,971	17,844,229
Provision for taxation			
(a) Current tax credit/(charge) – Refer note 3.5 of schedule 16		(997,367)	(1,027,714)
(b) Deferred tax credit/(charge) – Refer note 3.5 of schedule 16		49	97
Profit after tax		16,191,653	16,816,612
Appropriations			
(a) Balance at the beginning of the year		12,662,916	2,493,309
(b) Interim dividends paid during the year – Refer note 3.21 of schedule 16		4,880,653	5,521,572
(c) Final dividend – Refer note 3.21 of schedule 16		5,023,962	1,142
(d) Dividend distribution tax – Refer note 3.21 of schedule 16		2,016,339	1,124,291
Profit carried to Balance Sheet		16,933,615	12,662,916
Earnings per equity share – Refer note 3.13 of schedule 16			
Basic earnings per equity share ₹		11.28	11.72
Diluted earnings per equity share ₹		11.28	11.72
Nominal value per equity share ₹		10.00	10.00
Significant accounting policies & notes	16		

The Schedules and accompanying notes referred to herein form an integral part of the 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-100022For **Walker Chandiook & Co LLP**
Chartered Accountants
ICAI Firm Reg. No. 001076N/N500013

For and on behalf of the Board of Directors

Chanda Kochhar
Chairperson
DIN: 00043617**V. Sridar**
Director
DIN: 02241339**Sandeep Bakhshi**
Managing Director and CEO
DIN: 00109206**Sandeep Batra**
Executive Director
DIN: 03620913**Venkataramanan Vishwanath**
Partner
Membership No. 113156**Khushroo B. Panthaky**
Partner
Membership No. 42423**Satyan Jambunathan**
Chief Financial Officer**Asha Murali**
Appointed Actuary**Vyoma Manek**
Company SecretaryPlace : Mumbai
Date : April 24, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

FORM A-BS

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

Particulars	Schedule	₹ '000	
		March 31, 2018	March 31, 2017
Sources of funds			
Shareholders' funds:			
Share capital	5	14,354,987	14,353,471
Share application money		-	-
Reserve and surplus	6	51,381,912	46,975,971
Credit/[debit] fair value change account		3,080,906	2,730,821
Deferred Tax Liability – Refer note 3.5 of schedule 16		-	49
Sub-total		68,817,805	64,060,312
Borrowings	7	-	-
Policyholders' funds:			
Credit/[debit] fair value change account		20,550,637	17,866,609
Revaluation reserve - Investment property - Refer note 3.16 of schedule 16		614,479	603,548
Policy liabilities (A) + (B) + (C)		1,284,945,569	1,130,470,597
Non-unit liabilities (mathematical reserves) (A)		309,933,921	251,695,317
Provision for linked liabilities (fund reserves) (B)		923,123,553	839,364,705
(a) Provision for linked liabilities		822,372,860	729,695,155
(b) Credit/[debit] fair value change account (Linked)		100,750,693	109,669,550
Funds for discontinued policies (C)		51,888,095	39,410,575
(a) Discontinued on account of non-payment of premium		51,841,156	39,373,557
(b) Other discontinuance		117,925	49,293
(c) Credit/[debit] fair value change account		(70,986)	(12,275)
Total linked liabilities (B) + (C)		975,011,648	878,775,280
Sub-total		1,306,110,685	1,148,940,754
Funds for Future Appropriations			
Linked		8,036	8,171
Non linked		8,773,567	6,033,687
Sub-total		8,781,603	6,041,858
Total		1,383,710,093	1,219,042,924
Application of funds			
Investments			
Shareholders'	8	77,465,940	66,349,201
Policyholders'	8A	332,888,519	270,673,678
Asset held to cover linked liabilities	8B	975,019,684	878,783,451
Loans	9	1,450,588	806,448
Fixed assets - net block	10	4,220,622	2,137,975
Deferred tax asset - Refer note 3.5 of schedule 16		463	469
Current assets			
Cash and Bank balances	11	2,038,132	2,137,280
Advances and Other assets	12	25,104,728	26,519,717
Sub-Total (A)		27,142,860	28,656,997
Current liabilities	13	34,256,739	28,160,335
Provisions	14	221,844	204,960
Sub-Total (B)		34,478,583	28,365,295
Net Current Assets (C) = (A-B)		(7,335,723)	291,702
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)		-	-
Total		1,383,710,093	1,219,042,924
Contingent liabilities - Refer note 3.1 of schedule 16		2,031,184	2,072,659
Significant accounting policies & notes	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 **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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

Sandeep Batra
Executive Director
DIN: 03620913

Venkataramanan Vishwanath
Partner
Membership No. 113156

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, 2018

CONSOLIDATED RECEIPTS & PAYMENTS ACCOUNT

for the year ended March 31, 2018

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

Particulars	(₹ '000)	
	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
A. Cash flows from operating activities		
Cash receipts from customers:		
Premium and other receipts	300,622,832	254,553,454
Interest received on tax refund	472,382	7
Cash paid towards operating activities:		
Commission paid	(13,411,464)	(7,646,310)
Policy benefits paid	(172,201,685)	(149,235,790)
Other expenses ⁴	(49,576,699)	(47,918,591)
Service tax/Goods and Service tax paid	(7,042,688)	(5,172,072)
Reinsurance premium ceded (net of recovery amount)	(180,822)	(346,370)
Advances and deposits	(85,102)	12,059
Taxes paid (net of refunds)	(1,697,876)	(2,949,392)
Net cash generated from operating activities (A)	56,898,878	41,296,995
B. Cash flows from investing activities		
Purchase of fixed assets	(698,378)	(536,049)
Sale of fixed assets	22,466	22,674
Purchase of investments	(1,883,397,482)	(1,497,762,210)
Loan	(644,140)	(363,730)
Sale of investments	1,817,267,806	1,413,507,610
Advance/deposit for investment property	-	64,338
Interest & rent received (net of tax deducted at source)	42,150,445	36,521,944
Dividend received	8,444,427	7,259,761
Investments in money market instruments and in liquid mutual funds (Net)	(36,804,639)	34,524,975
Expense related to investment	(228,131)	(201,816)
Net cash generated from/(used) investing activities (B)	(53,887,626)	(6,962,503)
C. Cash flows from financing activities		
Proceeds from issuance of share capital ¹	39,580	327,337
Final Dividend	(5,019,892)	(3,008,328)
Interim Dividend paid	(4,880,653)	(5,521,572)
Dividend Distribution tax paid	(2,016,339)	(1,736,625)
Net cash used in financing activities (C)	(11,877,304)	(9,939,188)
D. Effect of foreign exchange rates on cash and cash equivalents (net) (D)	30	(678)
E. Net increase in cash and cash equivalents (A+B+C+D)	(8,866,022)	24,394,626
F. Cash and cash equivalents at beginning of the year	65,337,228	40,942,602
G. Cash and cash equivalents at end of the year	56,471,206	65,337,228
Note:		
Cash and cash equivalents at the end of the year		
- Cash (Including cheques in hand and stamps in hand)	1,345,557	1,408,060
- Bank Balances and Money at call and short notice ²	946,271	1,137,407
[Including bank balance for linked business of ₹ 253,696 thousands (₹ 408,187 thousands at March 31, 2017)		
- Other short term liquid investment ³	55,463,985	65,777,884
[Forming part of investments in financials and unclaimed assets as disclosed in Schedule 12]		
- Banks having negative book balance	(1,155,306)	(2,958,301)
[Forming part of Other Liabilities under Schedule 13 in financials]		
Stamps on Hand	(129,301)	(27,822)
[Part of Cash (including cheques, drafts and stamps) under Schedule 11, however not a part of cash and cash equivalents]		
	56,471,206	65,337,228

1. Includes movement in share application money.

2. Includes balance in dividend account which is unclaimed amounting to ₹ 4,768 thousands (₹ 697 thousands at March 31, 2017).

3. Includes a fixed deposit amounting to ₹ Nil (₹ 575,679 thousands at March 31, 2017) given as a lien against guarantee to NSE and which is having a maturity of less than 3 months.

4. Includes CSR paid during the year amounting to ₹ 247,697 thousands (₹ 219,453 thousands for the year ended March 31, 2017) - Refer note 3.24 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 and on behalf of the Board of Directors

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

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

Chanda Kochhar
Chairperson
DIN: 00043617

V. Sridar
Director
DIN: 02241339

Sandeep Bakhshi
Managing Director and CEO
DIN: 00109206

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Venkataramanan Vishwanath
Partner
Membership No. 113156

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, 2018

SCHEDULES

forming part of consolidated financial statements

SCHEDULE – 1

PREMIUM (net of service tax / goods & service tax)

For the year ended March 31, 2018

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group 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
Total Premium	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
Premium Income from business written:													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	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

For the year ended March 31, 2017

Particulars	(₹ '000)											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	6,186,130	4	2,432,625	-	-	-	(19)	54,463,295	364,781	(532)	-	63,446,284
Renewal premiums	19,440,389	329,819	20,845,844	-	-	-	136,627	94,351,150	5,969,601	1,192,813	2,640,759	144,907,002
Single premiums	-	-	4,704,149	891,208	137,913	2,058,089	-	2,224,270	272,444	-	4,898,661	15,186,734
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
Premium Income from business written:												
In India	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium	25,626,519	329,823	27,982,618	891,208	137,913	2,058,089	136,608	151,038,715	6,606,826	1,192,281	7,539,420	223,540,020

Note: Refer note 2.3.1 of schedule 16 for accounting policy on Premium recognition.

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 FY2017-18 onwards.

SCHEDULES

forming part of consolidated financial statements

SCHEDULE – 2

COMMISSION EXPENSES

For the year ended March 31, 2018

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group Life	Linked Group Pension	Total
Commission													
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
Total	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736
Break-up of the commission by distribution network													
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
Total Commission	2,650,018	2,492	1,780,643	-	-	11,825	34,954	9,510,443	36,459	5,902	-	-	14,032,736

For the year ended March 31, 2017

Particulars	(₹ '000)											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission												
Direct - First year premiums	1,174,597	-	545,455	-	-	-	(8)	2,875,099	5,861	(124)	-	4,600,880
- Renewal premiums	735,707	1,663	800,389	-	-	-	3,407	1,316,590	38,236	7,238	-	2,903,230
- Single premiums	-	-	58,532	25	-	1,633	-	24,106	754	-	-	85,050
Total	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Add: Commission on re-insurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
Net Commission	1,910,304	1,663	1,404,376	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,160
Break-up of the commission by distribution network												
Individual agents	726,303	1,158	478,050	-	-	961	2,249	859,982	26,181	6,231	-	2,101,115
Corporate agents	889,392	492	760,007	-	-	666	1,024	3,335,824	13,792	566	-	5,001,763
Brokers	293,745	13	166,103	25	-	6	126	19,950	4,878	317	-	485,163
Insurance Marketing Firm	863	-	151	-	-	-	-	39	-	-	-	1,053
Web Aggregators	1	-	64	-	-	-	-	-	-	-	-	65
Total Commission	1,910,304	1,663	1,404,375	25	-	1,633	3,399	4,215,795	44,851	7,114	-	7,589,159

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

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 FY 2017-18 onwards.

SCHEDULES

forming part of consolidated financial statements

SCHEDULE – 3

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

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
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 :													
(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
Others													
- 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 expenses /Good & Service tax expenses	7,311	95	59,231	666	410	97	852	14,031	492	4,065	(2)	1,378	88,626
Total	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

For the year ended March 31, 2017

													(₹ '000)
Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total	
Employees' remuneration and welfare benefits	1,420,384	9,580	1,138,047	7,445	951	15,221	5,313	5,111,449	256,786	29,253	85,794	8,080,223	
Travel, conveyance and vehicle running expenses	49,205	212	43,077	1,232	131	888	264	315,857	13,426	1,495	9,884	435,671	
Agents training, recruitment and incentives	319,460	-	170,297	7	-	382	120	784,617	16,655	1,434	1	1,292,973	
Rents, rates and taxes	94,329	1,790	391,180	263	38	1,335	363	514,496	17,448	1,973	4,927	1,028,142	
Repairs	52,481	3,659	32,724	145	15	675	219	215,279	10,096	1,177	1,479	317,949	
Printing and stationery	8,334	113	11,537	-	1	221	112	21,909	2,132	414	95	44,868	
Communication expenses	137,562	2,228	176,317	102	13	3,293	2,218	405,695	44,368	8,378	1,280	781,454	
Legal and professional charges	80,131	778	93,603	179	18	1,921	652	233,083	16,957	2,775	6,454	436,551	
Medical fees	5,089	-	138,739	21	3	-	-	11,320	15	(28)	184	155,343	
Auditors' fees, expenses etc :													
(a) as auditor	3,154	51	3,979	-	-	83	50	7,632	946	185	-	16,080	
(b) as advisor or in any other capacity, in respect of													
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Management Services; and	-	-	-	-	-	-	-	-	-	-	-	-	
(c) in any other capacity (for Certification)	-	-	-	-	-	-	-	-	-	-	-	-	
Advertisement and publicity	412,741	6	650,617	4,898	523	972	352	802,462	47,416	4,135	30,807	1,954,929	
Interest and bank charges	19,197	292	22,896	609	88	1,619	107	92,377	7,499	254	6,680	151,618	
Others													
- Administration support expenses	590,681	-	694,478	-	-	8,089	-	4,503,427	36,000	-	(655)	5,832,020	
- Business conferences and meetings	288,878	-	161,008	186	26	354	106	735,075	14,907	1,273	2,603	1,204,416	
- Information technology cost	121,667	1,139	189,372	217	28	3,494	1,132	308,551	21,959	4,162	1,949	653,670	
- Office running expenses	28,434	156	27,891	105	13	540	183	162,624	8,161	968	1,051	230,126	
- Data entry related expenses	32,977	692	37,136	369	41	815	687	77,322	12,751	2,527	4,210	169,527	
- Miscellaneous expenses	14,340	60	32,727	34	6	250	277	94,852	6,158	2,158	2,140	153,002	
Depreciation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	578,164	
Service tax expenses	9,381	47	19,811	162	-	(204)	(56)	8,689	(987)	10,835	7,557	55,235	
Total	3,760,917	21,109	4,082,671	16,232	1,924	41,186	12,382	14,850,268	541,266	74,425	169,581	23,571,961	

As required by IRDAI circular IRDA/F6/REG/CIR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY2017-18 onwards.

SCHEDULES

forming part of consolidated financial statements

SCHEDULE – 3A

EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

For the year ended March 31, 2018

Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Employees' remuneration and welfare benefits	123,910	126,958
Travel, conveyance and vehicle running expenses	394	223
Rent, rates and taxes	19,007	23,822
Printing and stationery	38	-
Communication expenses	355	1,899
Legal and professional charges	7,293	9,316
Interest and bank charges	1,655	965
CSR expenses	230,523	218,842
Information technology cost	1,738	1,205
Others	34,560	25,555
Depreciation	283	495
Total	419,756	409,280

SCHEDULE – 4

BENEFITS PAID [NET]

For the year ended March 31, 2018

Particulars	(₹ '000)												
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group Life	Linked Group Pension	Total
1 Insurance claims													
(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
Sub Total (A)	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
2 (Amount ceded in reinsurance)													
(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)
Sub Total (B)	(31,697)	-	(1,922,473)	-	-	-	(27,987)	(363,155)	-	(304,233)	-	-	(2,649,545)
3 Amount accepted in reinsurance													
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	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
Benefits paid to claimants:													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	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

As required by IRDAI circular IRDA/F61/REG/CIR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

SCHEDULES

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SCHEDULE – 4

BENEFITS PAID [NET]

For the year ended March 31, 2017

(₹ '000)

Particulars	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims												
(a) Claims by death	510,951	20,147	2,329,853	-	-	80,794	-	2,281,302	630,022	9,724	49,756	5,912,549
(b) Claims by maturity	1,303,730	253,554	233,272	-	-	-	-	18,630,325	2,409,108	-	-	22,829,889
(c) Annuities/Pension payment	-	-	-	-	-	1,389,762	-	-	-	-	-	1,389,762
(d) Other benefits												
- Surrender/Withdrawal	1,105,200	594,979	389,773	10,158	8,157	97	-	65,663,047	39,686,369	-	10,482,966	117,940,746
- Survival	2,008,886	-	16	-	-	-	-	-	-	-	-	2,008,902
- Rider	25,170	1,137	48,025	-	-	24	-	31,846	1,903	14	-	108,119
- Health	-	-	37,400	-	-	-	53,202	-	-	680,015	-	770,617
- Interest on unclaimed amounts	-	-	-	-	-	-	-	390,569	-	-	-	390,569
Sub Total (A)	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253
2 (Amount ceded in reinsurance)												
(a) Claims by death	(11,422)	-	(1,044,508)	-	-	-	-	(312,465)	-	-	-	(1,368,395)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits												
- Surrender/Withdrawal	-	-	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-	-	-
- Rider	-	-	-	-	-	-	-	-	-	-	-	-
- Health	-	-	(1,063)	-	-	-	(25,245)	-	-	(312,464)	-	(338,772)
Sub Total (B)	(11,422)	-	(1,045,571)	-	-	-	(25,245)	(312,465)	-	(312,464)	-	(1,707,167)
3 Amount accepted in reinsurance												
(a) Claims by death	-	-	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-	-	-
(c) Annuities/Pension payment	-	-	-	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	4,942,515	869,817	1,992,768	10,158	8,157	1,470,677	27,957	86,684,624	42,727,402	377,289	10,532,722	149,644,086
Benefits paid to claimants:												
In India	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,953,937	869,817	3,038,339	10,158	8,157	1,470,677	53,202	86,997,089	42,727,402	689,753	10,532,722	151,351,253

Refer note 2.8 of schedule 16 for accounting policy on Benefits paid.

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 FY 2017-18 onwards.

SCHEDULES

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SCHEDULE – 5

SHARE CAPITAL

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Authorised capital		
1,500,000,000 Equity shares of ₹ 10/- each	15,000,000	15,000,000
Issued, subscribed and called-up capital		
1,435,498,710 Equity shares of ₹ 10/- each fully paid up (March 31, 2017: 1,435,347,110 Equity shares)	14,354,987	14,353,471
Total	14,354,987	14,353,471

Out of the total equity share capital, 787,816,604 equity shares (March 31, 2017 – 787,816,604 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

SCHEDULE – 5A

PATTERN OF SHAREHOLDING

[As certified by the Management]

Particulars	March 31, 2018		March 31, 2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian (ICICI Bank Limited)	787,816,604	54.88	787,816,604	54.89
- Foreign (Prudential Corporation Holdings Limited)	370,784,884	25.83	370,784,884	25.83
Others	276,897,222	19.29	276,745,622	19.28
Total	1,435,498,710	100.00	1,435,347,110	100.00

SCHEDULE – 6

RESERVES AND SURPLUS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	34,233,308	34,195,244
Revaluation reserve	214,989	117,811
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	16,933,615	12,662,916
Total	51,381,912	46,975,971

SCHEDULE – 7

BORROWINGS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULES

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SCHEDULE – 8 INVESTMENTS – SHAREHOLDERS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
LONG TERM INVESTMENT		
Government securities¹	21,263,780	13,561,317
(Market value at March 31, 2018: ₹ 21,321,296 thousands)		
(Market value at March 31, 2017: ₹ 14,234,582 thousands)		
Other approved securities	6,601,212	8,340,862
(Market value at March 31, 2018: ₹ 6,608,289 thousands)		
(Market value at March 31, 2017: ₹ 8,463,016 thousands)		
Other approved investments		
Equity shares	6,828,688	6,701,072
(Historical value at March 31, 2018: ₹ 5,972,752 thousands)		
(Historical value at March 31, 2017: ₹ 4,470,202 thousands)		
Preference shares	253,402	317,562
(Market value at March 31, 2018: ₹ 279,733 thousands)		
(Market value at March 31, 2017: ₹ 347,825 thousands)		
Debentures/Bonds	3,905,174	3,336,602
(Market value at March 31, 2018: ₹ 4,003,283 thousands)		
(Market value at March 31, 2017: ₹ 3,484,534 thousands)		
CCIL deposit	204,229	70,029
(Market value at March 31, 2018: ₹ 204,229 thousands)		
(Market value at March 31, 2017: ₹ 70,029 thousands)		
Fixed deposits ³	811,500	643,000
(Market value at March 31, 2018: ₹ 811,500 thousands)		
(Market value at March 31, 2017: ₹ 643,000 thousands)		
Property	3,866,000	4,472,454
(Historical value at March 31, 2018: ₹ 3,651,011 thousands)		
(Historical value at March 31, 2017: ₹ 4,354,643 thousands)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	13,553,834	13,176,939
(Market value at March 31, 2018: ₹ 13,932,133 thousands)		
(Market value at March 31, 2017: ₹ 13,729,968 thousands)		
Equity shares	1,485,817	1,696,513
(Historical value at March 31, 2018: ₹ 1,289,606 thousands)		
(Historical value at March 31, 2017: ₹ 1,353,475 thousands)		
Other investments		
Equity shares	262,367	214,761
(Historical value at March 31, 2018: ₹ 354,086 thousands)		
(Historical value at March 31, 2017: ₹ 275,403 thousands)		
Other investments		
Debentures/Bonds	461,969	833,095
(Market value at March 31, 2018: ₹ 487,216 thousands)		
(Market value at March 31, 2017: ₹ 890,439 thousands)		
Equity shares	7,228,448	3,687,372
(Historical value at March 31, 2018: ₹ 5,110,883 thousands)		
(Historical value at March 31, 2017: ₹ 3,469,818 thousands)		
Preference shares	350,000	-
(Market value at March 31, 2018: ₹ 350,000 thousands)		
(Market value at March 31, 2017: ₹ Nil)		
SHORT TERM INVESTMENT		
Government securities	2,873	-
(Market value at March 31, 2018: ₹ 2,904 thousands)		
(Market value at March 31, 2017: ₹ Nil)		

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Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Other approved securities	-	-
(Market value at March 31, 2018: ₹ Nil)		
(Market value at March 31, 2017: ₹ Nil)		
Other approved investments		
Debentures/Bonds	550,378	299,824
(Market value at March 31, 2018: ₹ 553,304 thousands)		
(Market value at March 31, 2017: ₹ 301,996 thousands)		
Fixed deposits ^{2,3}	1,684,679	2,092,513
(Market value at March 31, 2018: ₹ 1,684,679 thousands)		
(Market value at March 31, 2017: ₹ 2,092,513 thousands)		
Mutual fund	2,650,677	4,460,521
(Historical value at March 31, 2018: ₹ 2,647,757 thousands)		
(Historical value at March 31, 2017: ₹ 4,460,521 thousands)		
Collateralised borrowing and lending obligation	2,018,101	-
(Market value at March 31, 2018: ₹ 2,018,101 thousands)		
(Market value at March 31, 2017: ₹ Nil)		
Investments in infrastructure/housing sector		
Other approved Investments		
Debentures/Bonds	2,954,239	2,435,028
(Market value at March 31, 2018: ₹ 2,953,606 thousands)		
(Market value at March 31, 2017: ₹ 2,460,641 thousands)		
Commercial papers	486,028	-
(Market value at March 31, 2018: ₹ 486,028 thousands)		
(Market value at March 31, 2017: ₹ Nil)		
Mutual fund investment of subsidiaries	42,545	9,737
(Market value at March 31, 2018: ₹ 42,690 thousands)		
(Market value at March 31, 2017: ₹ 9,929 thousands)		
Total	77,465,940	66,349,201
In India	77,465,940	66,349,201
Total	77,465,940	66,349,201

- Government securities of ₹ 1,638,370 thousands with Market value of ₹ 1,643,650 thousands at March 31, 2018 [At March 31, 2017: ₹ 1,450,956 thousands with Market value of ₹ 1,521,000 thousand] and ₹ 77,501 thousands with Market value of ₹ 79,200 thousands at March 31, 2018 [At March 31, 2017: ₹ 77,354 thousands with Market value of ₹ 80,880 thousands] has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit and CCIL default fund respectively - Refer note 3.18 of Schedule 16.
- Includes Fixed deposit of ₹ 1,000,000 thousands at March 31, 2018 [At March 31, 2017: ₹ 1,000,000 thousands] and ₹ 100,000 thousands at March 31, 2018 [At March 31, 2017: ₹ 100,000 thousands] deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement - Refer note 3.18 of Schedule 16.
- Includes Fixed deposit of ₹ 5,500 thousands [at March 31, 2017: ₹ 4,500 thousands]. Of this, ₹ 1,000 thousands [at March 31, 2017: ₹ 1,000 thousands] pertains to a deposit made with State Bank of India (Originally with State Bank of Travancore) and ₹ 2,000 thousands [at March 31, 2017: ₹ 1,000 thousands] pertains to a deposit made with Corporation bank as a security towards guarantee issued by the bank on behalf of the Company in favour of PFRDA. Balance of ₹ 2,500 thousands [at March 31, 2017: ₹ 2,500 thousands] pertains to a deposit made with Corporation Bank towards 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.
- Aggregate amount of Company's investments and the market value thereof:

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	55,101,401	45,106,767
Market value of above Investments	55,696,303	46,718,545
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	19,068,640	18,683,798

- Investments made out of Catastrophe reserve is ₹ Nil.

6. Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.

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

SCHEDULES

forming part of consolidated financial statements

SCHEDULE – 8A INVESTMENTS – POLICYHOLDERS

(₹ '000)

Particulars	March 31, 2018													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		
LONG TERM INVESTMENT														
Government securities¹	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)														
Other approved investments														
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)														
Investments in infrastructure/housing sector														
Other approved investments														
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)														
Other investments														
Equity shares	90,547	-	242,764	-	-	-	-	-	-	-	-	-	333,311	
(Historical value: ₹ 411,253 thousands)														
Debentures/Bonds	209,967	-	-	-	-	-	-	-	-	-	-	-	209,967	
(Market value: ₹ 211,945 thousands)														
Other investments														
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)														
SHORT TERM INVESTMENT														
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	
(Market value: ₹ Nil)														
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	
(Market value: ₹ Nil)														
Other approved investments														
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)														
Investments in infrastructure/housing sector														
Other approved investments														
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)														
Other investments														
Debentures/Bonds	50,125	-	-	-	-	-	-	-	-	-	-	-	50,125	
(Market value: ₹ 49,867 thousands)														
Venture fund	118,359	-	-	-	-	-	-	-	-	-	-	-	118,359	
(Market value: ₹ 141,190 thousands)														
Total	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	
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	
Total	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	

- Government securities of ₹ 2,155,466 thousands with market value of ₹ 2,103,272 thousands (at March 31, 2017: ₹ 508,511 thousands with market value of ₹ 546,500 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit for trades in Securities Segment. Government securities of ₹ 207,055 thousands with market value of ₹ 212,789 thousands (at March 31, 2017: ₹ 207,120 thousands with market value of ₹ 218,000 thousands) has been deposited with CCIL for trades in the Collateralised borrowing and lending obligation segment - Refer note 3.18 of Schedule 16.

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

Particulars	₹ '000	
	March 31, 2018	March 31, 2017
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	261,513,541	212,898,335
Market value of above Investments	261,889,860	221,227,559
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	50,209,866	39,305,188

3. For Investments in holding company and other related entities - Refer note 3.8 of schedule 16.

4. Investments made out of Catastrophe reserve is ₹ Nil.

5. Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.

6. Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - Refer note 3.19 of schedule 16.

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

SCHEDULE – 8A

INVESTMENTS – POLICYHOLDERS

Particulars	March 31, 2017											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government securities¹	49,825,645	5,772,630	67,106,859	-	-	19,780,819	347,010	4,128,123	355,155	139,530	-	147,455,771
(Market value: ₹ 153,787,265 thousands)												
Other approved securities	10,031,979	742,701	4,476,388	-	-	213,199	-	1,765,933	54,119	104,849	105,320	17,494,488
(Market value: ₹ 17,794,433 thousands)												
Other approved investments												
Equity shares	14,902,724	1,404,461	20,682,269	-	-	-	-	-	-	-	-	36,989,454
(Historical value: ₹ 21,518,925 thousands)												
Preference shares	98,190	-	2,513	-	-	-	-	-	-	-	-	100,703
(Market value: ₹ 115,792 thousands)												
Debentures/Bonds	1,612,777	729,402	1,812,719	250,327	100,000	285,589	47,235	194,546	78,341	-	97,329	5,208,265
(Market value: ₹ 5,470,810 thousands)												
Property	1,481,744	384,760	-	-	-	-	-	-	-	-	-	1,866,504
(Historical value: ₹ 1,262,956 thousands)												
CCIL deposit	-	-	-	-	-	-	-	51	18	-	2	71
(Market value: ₹ 71 thousands)												
Fixed deposits	626,400	144,500	874,600	-	-	356,000	-	173,000	49,000	-	-	2,223,500
(Market value: ₹ 2,223,500 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Equity shares	1,935,824	126,831	3,073,330	-	-	-	-	-	-	-	-	5,135,985
(Historical value: ₹ 3,364,763 thousands)												
Debentures/Bonds	11,855,605	1,531,294	14,164,073	535,084	20,334	1,498,596	100,000	1,948,374	226,151	110,052	312,516	32,302,079
(Market value: ₹ 33,587,926 thousands)												
Other investments												
Equity shares	77,235	-	212,723	-	-	-	-	-	-	-	-	289,958
(Historical value: ₹ 324,262 thousands)												
Debentures/Bonds	210,000	-	-	-	-	-	-	-	-	-	-	210,000
(Market value: ₹ 216,049 thousands)												
Other investments												
Equity shares	1,215,955	-	1,383,257	-	-	-	-	-	-	-	-	2,599,212
(Historical value: ₹ 1,940,049 thousands)												
Debentures/Bonds	313,145	-	1,336,775	-	-	-	-	-	-	-	-	1,649,920
(Market value: ₹ 1,714,219 thousands)												

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(₹ '000)

Particulars	March 31, 2017											
	Par Life	Par Pension	Non Par	Non Par Variable	Non Par Variable Pension	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
SHORT TERM INVESTMENT												
Government securities	2,691	6,405	79,594	-	-	-	-	-	-	-	-	88,690
(Market value: ₹ 89,067 thousands)												
Other approved securities	-	-	249,885	-	-	-	-	-	-	-	-	249,885
(Market value: ₹ 253,807 thousands)												
Other approved investments												
Debentures/Bonds	540,114	125,000	1,250,773	-	-	219,000	-	70,000	30,000	-	-	2,234,887
(Market value: ₹ 2,262,018 thousands)												
Commercial papers	-	245,776	-	-	-	-	-	-	-	-	-	245,776
(Market value: ₹ 245,776 thousands)												
Mutual fund	3,518,185	-	5,531,775	-	-	-	23,541	1,065,728	571,890	27,802	155,311	10,894,232
(Historical value: ₹ 10,894,232 thousands)												
Collateralised borrowing and lending obligation	54,506	190,331	-	22,354	10,156	256,395	-	-	-	-	-	533,742
(Market value: ₹ 533,742 thousands)												
Investments in infrastructure/housing sector												
Other approved investments												
Debentures/Bonds	575,657	350,038	1,716,504	-	-	50,035	-	25,000	13,857	-	-	2,731,091
(Market value: ₹ 2,749,840 thousands)												
Other investments												
Venture fund	169,465	-	-	-	-	-	-	-	-	-	-	169,465
(Market value: ₹ 183,243 thousands)												
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
In India	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678
Total	99,047,841	11,754,129	123,954,037	807,765	130,490	22,659,633	517,786	9,370,755	1,378,531	382,233	670,478	270,673,678

- Government securities of ₹ 508,511 thousands with market value of ₹ 546,500 thousands (at March 31, 2016: ₹ 498,374 thousands with market value of ₹ 519,250 thousands) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit. Government securities of ₹ 207,120 thousands with market value of ₹ 218,000 thousands (at March 31, 2016: ₹ 207,848 thousands with market value of ₹ 209,850 thousands) has been deposited with CCIL for trades in the Collateralised borrowing and lending obligation segment - Refer note 3.18 of Schedule 16.
- Aggregate amount of Company's investments and the market value thereof:

(₹ '000)

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

- For Investments in holding company and other related entities - Refer note 3.8 of schedule 16.
 - Investments made out of Catastrophe reserve is ₹ Nil.
 - Debt Securities are held to maturity and reduction in market values represent market conditions and not a permanent diminution in value of investments, if any.
- Note: Refer note 2.11 of schedule 16 for accounting policy related to investments.

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SCHEDULE – 8B

ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2018					(₹ '000)
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Life Funds	Linked Group Pension Funds	Total
LONG TERM INVESTMENTS						
Government securities	73,927,692	10,444,619	623,544	7,692,184	4,878,884	97,566,923
(Historical value: ₹ 96,941,925 thousands)						
Other approved securities	14,037,748	1,576,806	122,699	986,243	616,515	17,340,011
(Historical value: ₹ 17,440,299 thousands)						
Other approved investments						
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)						
Investments in infrastructure/housing sector						
Other approved investments						
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)						
Other investments						
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)						
Other investments						
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)						
SHORT TERM INVESTMENTS						
Government securities	16,898,904	346,277	3,473	181,449	1,035,629	18,465,732
(Historical value: ₹ 18,406,936 thousands)						
Other approved securities	8,242,602	41,874	-	-	-	8,284,476
(Historical value: ₹ 8,337,161 thousands)						
Other approved investments						
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)						

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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	
Investments in infrastructure/housing sector						
Other approved investments						
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
Other investments						
Venture Fund (Historical value: ₹ 8,248 thousands)	6,243	-	-	-	-	6,243
Net current asset	6,056,014	349,538	59,530	2,236,213	909,519	9,610,814
Total	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684
In India	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684
Total	763,347,534	130,921,748	9,180,449	38,638,251	32,931,702	975,019,684

- For Investments in holding company and other related entities - Refer note 3.8 of schedule 16.
- Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - Refer note 3.19 of schedule 16.

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

SCHEDULE – 8B

ASSETS HELD TO COVER LINKED LIABILITIES

(₹ '000)

Particulars	March 31, 2017					Total
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds		
LONG TERM INVESTMENTS						
Government securities						
(Historical value: ₹ 102,197,174 thousands)	89,891,501	6,370,506	365,816	8,015,583		104,643,406
Other approved securities	23,066,125	3,600,838	198,814	4,372,378		31,238,155
(Historical value: ₹ 31,002,970 thousands)						
Other approved investments						
Equity shares (Historical value: ₹ 289,799,327 thousands)	284,958,797	86,553,654	4,808,504	6,572,088		382,893,043
Preference shares (Historical value: ₹ 764,890 thousands)	383,198	195,707	9,987	355,618		944,510
Debentures/Bonds (Historical value: ₹ 28,745,748 thousands)	13,616,044	5,962,403	279,219	9,404,456		29,262,122
Fixed deposits (Historical value: ₹ 956,100 thousands)	720,779	123,794	44,700	66,827		956,100
Investments in infrastructure/housing sector						
Other approved investments						
Equity shares (Historical value: ₹ 72,367,735 thousands)	64,828,955	17,224,017	675,878	1,790,323		84,519,173
Debentures/Bonds (Historical value: ₹ 67,952,120 thousands)	38,719,839	13,243,046	852,800	15,909,974		68,725,659
Other investments						
Equity shares (Historical value: ₹ 13,030,998 thousands)	7,781,096	1,333,650	58,548	259,036		9,432,330
Debentures/Bonds (Historical value: ₹ 37,653 thousands)	-	-	-	41,046		41,046
Other investments						
Equity shares (Historical value: ₹ 24,913,186 thousands)	20,665,058	6,230,938	263,599	651,585		27,811,180
Debentures/Bonds	452,873	536,010	11,617	863,312		1,863,812

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Particulars	March 31, 2017				(₹ '000)
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
(Historical value: ₹ 1,772,589 thousands)					
Mutual fund	5,260,416	751,379	-	68,555	6,080,350
(Historical value: ₹ 5,351,333 thousands)					
SHORT TERM INVESTMENTS					
Government securities					
(Historical value: ₹ 28,118,974 thousands)					
Other approved securities	1,907,940	-	-	-	1,907,940
(Historical value: ₹ 1,915,654 thousands)					
Other approved investments					
Debentures/Bonds	1,197,775	392,571	11,461	613,437	2,215,244
(Historical value: ₹ 2,218,043 thousands)					
Commercial papers	6,056,189	909,302	5,382	898,151	7,869,024
(Historical value: ₹ 7,651,896 thousands)					
Fixed deposits	3,889,600	936,300	103,500	1,565,625	6,495,025
(Historical value: ₹ 6,495,025 thousands)					
Collateralised borrowing and lending obligation	5,709,467	1,250,291	6,299	740,373	7,706,430
(Historical value: ₹ 7,705,185 thousands)					
Mutual fund	24,657,966	3,996,356	491,024	3,242,901	32,388,247
(Historical value: ₹ 32,388,247 thousands)					
Investments in infrastructure/housing sector					
Other approved investments					
Debentures/Bonds	9,227,837	2,588,229	82,609	3,692,671	15,591,346
(Historical value: ₹ 15,422,105 thousands)					
Certificate of deposits	8,525,214	923,034	34,688	2,250,693	11,733,629
(Historical value: ₹ 11,669,600 thousands)					
Commercial papers	4,084,751	151,589	-	65,555	4,301,895
(Historical value: ₹ 4,088,886 thousands)					
Other investments					
Venture Fund	6,559	-	-	-	6,559
(Historical value: ₹ 10,030 thousands)					
Net current asset	6,118,294	2,369,042	126,661	3,282,372	11,896,369
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
In India	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451
Total	644,498,595	158,315,773	8,450,871	67,518,212	878,783,451

- For Investments in holding company and other related entities - Refer note 3.8 of schedule 16.
- Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities - Refer note 3.19 of schedule 16.

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

SCHEDULES

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SCHEDULE – 9

LOANS

Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
1. Security-wise classifications		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt Securities, etc.	-	-
(c) Loans against policies	1,450,588	806,448
(d) Others	-	-
Unsecured	-	-
Total	1,450,588	806,448
2. Borrower wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Policyholders – Loans against policies	1,450,588	806,448
(f) Others	-	-
Total	1,450,588	806,448
3. Performance-wise classification		
(a) Loans classified as standard		
(aa) In India	1,450,588	806,448
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	1,450,588	806,448
4. Maturity-wise classification		
(a) Short term	36,072	21,470
(b) Long term	1,414,516	784,978
Total	1,450,588	806,448

Refer Note 2.12 of schedule 16 for accounting policy related to Loans.

SCHEDULES

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SCHEDULE – 10

FIXED ASSETS

Particulars	(₹ '000)									
	Gross Block				Depreciation			Net Block		
	At April 1, 2017	Additions	Deductions	At March 31, 2018	At April 1, 2017	For the period	Deductions	At March 31, 2018	At March 31, 2018	At March 31, 2017
Intangible assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software ¹	1,168,726	71,416	2,451	1,237,691	947,989	104,167	851	1,051,305	186,386	220,737
Tangible assets										
Freehold land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Improvements to leasehold property	1,386,439	45,390	57,870	1,373,959	1,076,353	79,707	57,869	1,098,191	275,768	310,086
Office buildings on freehold land ²	89,000	1,835,731	-	1,924,731	14,570	9,675	-	24,245	1,900,486	74,430
Furniture and fixtures	295,020	17,948	9,350	303,618	216,337	24,064	8,638	231,763	71,855	78,683
Information technology equipment	450,859	54,498	15,683	489,674	318,087	77,526	9,859	385,754	103,920	132,772
Motor vehicles	102,436	27,898	36,511	93,823	41,507	17,446	31,646	27,307	66,516	60,929
Office equipment	437,649	47,358	11,809	473,198	283,334	65,694	10,394	338,634	134,564	154,315
Communication networks	311,662	330,368	6	642,024	181,265	58,764	4	240,025	401,999	130,397
Total	5,145,071	2,430,607	133,680	7,441,998	3,079,442	437,043	119,261	3,397,224	4,044,774	2,065,629
Capital work-in-progress including capital advances	-	-	-	-	-	-	-	-	175,848	72,346
Total	5,145,071	2,430,607	133,680	7,441,998	3,079,442	437,043	119,261	3,397,224	4,220,622	2,137,975
At March 31, 2017	4,647,906	538,625	41,460	5,145,071	2,526,866	578,659	26,083	3,079,442		

Refer note 2.13 of schedule 16 for accounting policy related to fixed assets.

¹ All software are other than those generated internally.

² Refer note 3.24 of schedule 16.

SCHEDULE – 11

CASH AND BANK BALANCES

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Cash (including cheques, drafts and stamps)*	1,345,557	1,408,060
Bank Balance		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	687,807	728,523
(c) Unclaimed Dividend Accounts - Refer note 3.21 of schedule 16	4,768	697
Money at call and short notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	2,038,132	2,137,280
Balances with non-scheduled banks included above	1,637	6,831
Cash and Bank Balances		
In India	2,031,989	2,116,470
Outside India	6,143	20,810
Total	2,038,132	2,137,280

*includes cheques in hand amounting to ₹ 1,214,411 thousands (₹ 1,378,024 thousands as on March 31, 2017)

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SCHEDULE – 12

ADVANCES AND OTHER ASSETS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Advances		
Reserve deposits with ceding companies	-	-
Application money for investments (including advance for investment property)	-	-
Prepayments	391,765	382,694
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	2,104,605	3,041,490
Advances to Employees	-	-
Deposits		
Gross	323,320	372,418
Less: Provision for doubtful deposits	(31,744)	(30,933)
Net	291,576	341,485
Other advances		
Gross	260,757	184,769
Less: Provision for doubtful advances	(4,830)	(3,921)
Net	255,927	180,848
Other receivables		
Gross	719,176	151,649
Less: Provision for doubtful receivables	(19,753)	(30,288)
Net	699,423	121,361
Total (A)	3,743,296	4,067,878
Other Assets		
Income accrued on investments and deposits	9,243,737	7,655,149
Outstanding premiums	1,649,630	1,815,959
Agents' balances		
Gross	24,046	31,150
Less: Provision for doubtful agents' balance	(18,910)	(27,053)
Net	5,136	4,097
Foreign agencies balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	394,343	88,632
Deposit with Reserve Bank of India	-	-
Receivable towards investments sold	1,024,700	6,081,217
Goods & Service tax and Service tax un-utilised credit	946,975	216,360
Assets held for unclaimed amount of policyholders* - Refer note 3.3 of schedule 16	7,614,642	6,267,915
Income on unclaimed amount of policyholders (net of fund administration expenses)	482,269	322,510
Total (B)	21,361,432	22,451,839
Total (A+B)	25,104,728	26,519,717

*excluding Income on unclaimed amount of policyholders (net of fund administration expenses).

SCHEDULES

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SCHEDULE – 13

CURRENT LIABILITIES

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Agents' balances	1,176,510	669,308
Balances due to reinsurance companies	99,700	43,440
Deposits held on re-insurance ceded	-	-
Premium received in advance	2,060,677	1,284,802
Unallocated premium	2,548,452	4,867,753
Sundry creditors	64,593	89,154
Due to holding company – Refer note 3.8 of Schedule 16	863,165	1,064,851
Claims outstanding	2,548,024	691,659
Due to Officers/Directors	-	-
Deposits	88,475	88,475
Expenses payable	5,638,159	5,338,424
TDS payable	214,214	197,543
Payable towards investments purchased	2,029,546	1,192,640
Unclaimed amount of Policyholders ¹ – Refer note 3.4 of schedule 16	7,614,642	6,267,915
Interest on unclaimed amount of Policyholders	482,269	322,510
Payable to unit fund	4,583,407	1,567,612
Goods & Service tax/Service tax payable	1,643,143	7,620
Other liabilities*	2,601,763	4,466,629
Total	34,256,739	28,160,335

* Includes unclaimed dividend amounting to ₹ 4,768 thousands (₹ 697 thousands at March 31, 2017)

¹ excluding Interest on unclaimed amount of policyholders.

SCHEDULE –14

PROVISIONS

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
For taxation	-	-
For proposed dividends – Refer note 3.21 of schedule 16	-	-
For dividend distribution tax – Refer note 3.21 of schedule 16	-	-
For leave encashment and gratuity	221,844	204,960
For interim dividend – Refer note 3.21 of schedule 16	-	-
Total	221,844	204,960

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	(₹ '000)	
	March 31, 2018	March 31, 2017
Discount allowed in issue of shares/debentures	-	-
Others	-	-
Total	-	-

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SCHEDULE – 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

These financial statements comprise of the consolidated financial statements of ICICI Prudential Life Insurance Company Limited, the holding company, with the financial statements of its subsidiary ICICI Prudential Pension Funds Management Company Limited (together referred to as “the Group”).

ICICI Prudential Life Insurance Company Limited (“the holding company”) is a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited, 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, 2018.

The holding company carries on business of providing life insurance, pensions and health insurance to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating, non-participating variable and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the holding company’s proprietary sales force and the holding company website.

ICICI Prudential Pension Funds Management Company Limited (“the Subsidiary”) is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited, incorporated on April 22, 2009 as a company under the Companies Act, 1956 (“the Act”). The Subsidiary is licensed by the Pension Funds Regulatory and Development Authority (“PFRDA”) for acting as a Pension Fund Manager for the management of the pension funds under the National Pension System. The license is in force at March 31, 2018.

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 paid by unit linked policyholders’ are considered as single premium and recognised as income when the associated units are created.

2.3.2. Reinsurance premium ceded

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

2.3.3. Income from investments

Interest income on investments is recognised on accrual basis. In case of Life insurance business, amortisation of premium or accretion of discount on debt securities is recognised over the remaining term of such instruments on the basis of effective interest rate method.

In case of Pension Fund Management business, amortisation of premium or accretion of discount on debt securities is recognised over the holding/ maturity period on a straight-line basis.

Dividend income, in respect of other than unit linked business, is recognised when the right to receive dividend is established. Dividend income, in respect of unit linked business, is recognised on the ‘ex-dividend date’.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on a straight-line basis.

Lease rentals on investment property 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 and Profit and Loss Account.

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Profit or loss on sale/redemption of debt securities for other than unit linked business is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale. Profit or loss on sale/redemption of debt securities for unit linked business is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale/redemption of equity shares, equity exchange traded fund (ETF) and mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale. In respect of other than unit linked business, the profit or loss includes the accumulated changes in the fair value previously recognised in Balance Sheet as "Fair Value Change Account".

2.3.4. Income from unit linked policies

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the unit linked funds in accordance with terms and conditions of policies issued and are recognised when due.

2.3.5. Fees and charges

In case of Life Insurance business, 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 and are expensed in the period in which they are incurred.

2.5. Employee benefits

2.5.1. Short term employee benefits

Employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

2.5.2. Long term employee benefits: Post-employment

The holding company has both defined contribution and defined benefit plans.

Defined contribution plan

The holding company has a defined contribution scheme for Superannuation for its employees. Contributions to the Superannuation scheme are made on a monthly basis, when due, and charged to Revenue Account and Profit and Loss Account, as applicable. The holding company has no further obligation

beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation 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.

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.

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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 and maturity benefits are accounted when due. Withdrawals and surrenders under non-linked policies are accounted on the receipt of intimation. Withdrawals and surrenders under unit linked policies are accounted in the respective schemes when the associated units are cancelled.

Change in Accounting Policy

During the year, for more appropriate presentation, reinsurance claims receivable are accounted for in the period in which the claim is intimated. Prior to this change in accounting policy, reinsurance claims receivable were accounted in the period in which the claim was settled. Consequent to the said change, reinsurance claims and thereby the profit for the year ended March 31, 2018 is higher by ₹ 135,177 thousand. Correspondingly, reinsurance claim receivable is also higher by ₹ 135,177 thousand as at the Balance Sheet date.

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.

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any, but excludes interest accrued as on the date of purchase.

Broken period interest paid/received is debited/credited to interest receivable account.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

Rights entitlements are recognised as investments on the 'ex-rights date'.

Any front end discount on investments is reduced from the cost of such investments.

2.11.1. Classification

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to dispose them off within twelve months from the Balance Sheet date are classified as short term investments.

Investments other than short term investments are classified as long term investments.

2.11.2. Valuation – Other than Unit Linked business

In case of Life Insurance business, all debt securities including government securities and redeemable preference shares are considered as 'held to maturity' and stated at historical cost, subject to amortisation of premium or accretion of discount over the remaining period to maturity on effective interest rate method.

Money market instruments are valued at historical cost, subject to accretion of discount over the remaining period to maturity based on effective interest rate method.

Listed equity shares at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange of India Limited (NSE) (in case the securities are not listed on NSE, the last quoted closing price on the BSE Limited (BSE) is used). Unlisted equity shares are stated at historical cost. Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the holding company retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on the previous days' net asset values.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

Investment property is held to earn rental income or for capital appreciation and is not occupied by the Group. Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in

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carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet.

Investments in venture fund units are valued at historical cost.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Fixed deposits with banks are valued at cost.

The Group assesses at each Balance Sheet date whether there is any evidence of impairment of any investments. In case of impairment, the carrying value of such investment is reduced to its fair value and the impairment loss is recognised in the Revenue/Profit and Loss Account after adjusting it with previously recognised revaluation reserve/Fair value change account. However, at the Balance Sheet date if there is any indication that a previously recognised impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

2.11.3. Valuation – Unit Linked business

Central and State government securities are valued as per the valuation price provided by Credit Rating Information Services of India Limited (CRISIL).

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on effective interest rate method over the remaining period to maturity of instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on effective interest rate method.

Listed equity shares, redeemable preference shares and equity ETF are valued at market value, being the last quoted closing price on the NSE (in case of securities not listed on NSE, the last quoted closing price on the BSE is used). Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on previous day's Net Asset Value.

Venture fund units are valued at the latest available net asset value of the respective fund.

Securities with call option are valued at the lower of the value as obtained by valuing the security upto final maturity date or the call option date. In case there are multiple call options, the security is valued at the lowest value obtained by valuing the security at various call dates or upto the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security upto final maturity date or the put option date. In case there are multiple put options, the security is valued at the highest

value obtained by valuing the security at various put dates or upto the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call date and would be valued on a yield to maturity basis, by using spreads over the benchmark rate based on the matrix released by CRISIL.

Instruments bought on 'reverse repo' basis are valued at cost plus interest accrued on reverse repo rate.

Unrealised gains and losses are recognised in the Revenue Account as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002.

Fixed deposits with banks are valued at cost.

2.11.4. Valuation – Pension fund management business

Short term investments are carried at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost.

2.11.5. Transfer of investments

In case of Life insurance business, transfer of investments from Shareholders' fund to the Policyholders' fund to meet the deficit in the Policyholders' account is made at amortised/book cost or market price, whichever is lower.

The transfer of investments between unit linked funds is done at the 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 holding company policy, the motor vehicle is transferred to employee on completion of five years or at written down value (WDV) in case of separation of employee before five years. Accordingly, the holding company has depreciated the motor vehicle over five years. Assets costing upto ₹ 5,000 are considered to be immaterial in value and hence fully depreciated in the year of acquisition.

Depreciation is provided using straight-line method ('SLM') prorated from the date of being ready to use, upto the date of sale, based on estimated useful life for each class of asset.

2.13.2. Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent capital expenditures are amortised over the remaining useful life of original software. Software expenses are amortised using SLM over a period of 4 years from the date of being ready to use.

2.13.3. Capital work in progress

Assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.13.4. Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its ultimate disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.14. Taxation

2.14.1. Direct taxes

Income tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

The deferred tax asset and liabilities are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax asset in respect of unabsorbed depreciation or carried forward loss are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

The group calculates tax for the participating lines of business in order to ensure that the expenses pertaining to and identifiable with a particular line of business are represented as such to enable a more appropriate presentation of the consolidated financial statements. Accordingly, tax charge/credit on surplus/deficit arising from the participating line of business is disclosed separately in the Revenue Account.

2.14.2. Indirect taxes

Service tax 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.

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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

3. Notes to accounts

3.1. Contingent liabilities

Particulars	(₹ '000)	
	At March 31, 2018	At March 31, 2017
Partly paid-up investments	-	-
Claims, other than those under policies, not acknowledged as debts comprising of:		
- Claims made by vendors for disputed payments	1,066	1,034
- Claims for damages made by landlords (of premises taken on lease)	37,971	37,971
- Claims made by employees and advisors for disputed dues and compensation	8,930	5,182
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	89,959	86,513
- Claims against repudiation	308,096	404,963
Others		
- Transfer to Senior Citizen Welfare Fund [*]	48,166	-
Total	2,031,184	2,072,659

[#] ₹ 1,536,996 thousand is on account of objections raised by office of the Commissioner of Service tax, Mumbai (through the Service Tax audit under EA-2000) on certain positions taken by the Company.

^{*} The above amount represents unclaimed amount of policyholders more than 120 months transferred to Senior Citizens' Welfare Fund (SCWF) which is required to be shown as contingent liability as per IRDAI circular IRDA/F&A/CIR/Misc/173/07/2017. Further as per the circular, in case Company receives claims in respect of unclaimed amounts which have been transferred to the SCWF, Company may adjust the amount of such claims from the amounts due to be transferred to the Fund (SCWF).

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.

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3.2. Actuarial method and assumptions

The actuarial liability in respect of both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, morbidity, expense and inflation and, in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The liability for the unexpired portion of the risk for the non-unit liabilities of linked business and attached riders is the greater of liability calculated using discounted cash flows and unearned premium reserves.

An unexpired risk reserve and a reserve in respect of claims incurred but not reported is held for one year renewable group term insurance.

The unit liability in respect of linked business is the value of the units standing to the credit of policyholders, using the Net Asset Value (NAV) prevailing at the valuation date.

A brief of the assumptions used in actuarial valuation is as below:

- (a) The interest rates used for valuing the liabilities are in the range of 4.66% to 6.13% per annum. The interest rates used at March 31, 2017 were in the range of 3.49% to 6.20% per annum.
- (b) Mortality rates used are based on the published "Indian Assured Lives Mortality (2006-2008) Ult." mortality table for assurances and LIC (a) 96-98 table for annuities adjusted to reflect expected experience. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.
- (c) Expenses are provided for at least at the current levels in respect of renewal expenses, with no allowance for any future improvement but with an allowance for any expected worsening.
- (d) Per policy renewal expenses are assumed to inflate at 4.38% per annum. The expense inflation assumption used at March 31, 2017 was 4.55%.
- (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, 2018 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 2.1%. The free look cancellation assumption used at March 31, 2017 was 2.2%.
- (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 1, 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 circular IRDA/F&I/CIR/CLD/114/05/2015 issued by the IRDAI on May 28, 2015, the details of unclaimed amounts and investment income at March 31, 2018 is tabulated as below

Particulars	(₹ in lacs*)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	65,904	49,565
Add: Amount transferred to unclaimed fund	233,687	136,713
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (stale cheques)	3,584	1,878
Add: Investment income (net of FMC)	4,823	3,906
Less: Amount paid out of unclaimed fund	(226,548)	(126,158)
Less : Transfer to Senior Citizen welfare fund	(482)	-
Closing balance	80,969	65,904

*Amount disclosed in lacs in accordance with IRDAI circular No. IRDA/F&A/CIR/CLD/114/05/2015

3.4. Age wise analysis of unclaimed amount of policyholders

In accordance with circular IRDA/F&I/CIR/CMP/174/11/2010 issued by the IRDAI on November 4, 2010, the age wise analysis of unclaimed amount of the policyholders at March 31, 2018 is tabulated as below:

(a) Claims settled but not paid to the policyholders/insured due to any reasons except under litigation from the insured/policyholders:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	411	411	-	-	-	-	-	-
March 31, 2017	4	4	-	-	-	-	-	-

(b) Sum due to the policyholders/beneficiaries on maturity or otherwise:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	26,671	16,672	4,293	2,864	750	515	535	1,042
March 31, 2017	23,348	14,426	2,142	1,381	872	2,092	292	2,143

(c) 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:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	416	363	39	5	6	2	-	1
March 31, 2017	776	764	10	2	-	-	-	-

(d) Cheques issued but not encashed by the policyholder / beneficiaries**:

At	Total amount	Age-wise analysis (₹ in lacs)*						
		Outstanding period in months						
		0-6	07-12	13-18	19-24	25-30	31-36	36-120
March 31, 2018	53,242	8,348	10,886	7,867	2,924	2,496	578	20,143
March 31, 2017	41,352	8,088	6,241	4,184	835	903	1,314	19,787

*Amount disclosed in lacs in accordance with IRDA/F&I/CIR/CMP/174/11/2010

**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 ₹ 229 lacs having ageing beyond 120 months, which shall be transferred to Senior Citizens' Welfare Fund (SCWF) on or before March 01, 2019 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.

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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, 2018 is ₹ 2,198,077 thousand (year ended March 31, 2017: ₹ 1,815,831 thousand).

The provision for current tax includes an amount of ₹ 1,200,710 thousand for the year ended March 31, 2018 (year ended March 31, 2017: ₹ 788,117 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 ₹ 997,367 thousand for the year ended March 31, 2018 (year ended March 31, 2017: ₹ 1,027,714 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, 2018 is summarised below:

Particulars	(₹ in 000)		
	At April 1, 2017	(Charge)/ Credit for the year	At March 31, 2018
Deferred tax assets on:			
Linked funds for future appropriation	469	(6)	463
Total	469	(6)	463
Deferred tax liability on:			
Amortisation of computer software and incorporation expenses (net)	(49)	49	-
Total	(49)	49	-

Deferred tax credit for the year ended March 2018 is ₹ 43 thousand (Deferred tax charge for year ended March 31, 2017: ₹ 136 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, 2018 is ₹ 526,130 thousand (year ended March 31, 2017: ₹ 539,758 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, 2018 is ₹ 32,297 thousand (year ended March 31, 2017: ₹ 33,184 thousand). The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

Particulars	(₹ '000)	
	At March 31, 2018	At March 31, 2017
Not later than one year	33,518	33,518
Later than one year but not later than five years	53,071	86,589
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, 2018 is ₹ 179,305 thousand (year ended March 31, 2017: ₹ 66,797 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
Holding company	ICICI Bank Limited
Substantial interest	Prudential Corporation Holdings Limited
Fellow subsidiaries and entities jointly controlled by holding company	ICICI Securities Limited ICICI Securities Inc. ICICI Securities Holding Inc. ICICI Venture Funds Management Company Limited ICICI Home Finance Company Limited ICICI Trusteeship Services Limited ICICI Securities Primary Dealership Limited ICICI Investment Management Company Limited ICICI International Limited ICICI Bank UK PLC. ICICI Bank Canada ICICI Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited ICICI Foundation for Inclusive Growth
Consolidated under AS-21 by holding company	ICICI Strategic Investments Fund
Significant influence	ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme ICICI Prudential Life Insurance Company Limited Employees' Provident Fund ICICI Prudential Life Insurance Company Limited Superannuation Scheme ICICI Prudential Life Insurance Advisors Benefit Trust
Key management personnel as per AS-18 disclosure	Sandeep Bakhshi, Managing Director and CEO Puneet Nanda, Executive Director Sandeep Batra, Executive Director Judhajit Das, Chief – Human Resources Asha Murali, Appointed Actuary

Relatives of Key management personnel as per AS-18 disclosure

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

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

Name of related party	Relation	Nature of transaction	(₹ '000)			
			Transactions for the year		Amount recoverable/ (Payable)	
			FY 2018	FY 2017	At March 31, 2018	At March 31, 2017
ICICI Bank Limited	Holding company	Premium income	1,060,445	521,860	(75,745)	(3,758)
		Benefits Paid	(184,667)	(103,635)	(375)	-
		Interest income on investments	193,183	149,574	91,616	93,464
		Recovery of expenses				
		- Rent, rates and taxes	-	866	-	-
		- Employees' remuneration and welfare benefits	8	7	8	-
		- Recovery of IPO expenses	2,404	509,914	-	635
		- Information Technology cost	1,459	1,264	440	1,454
		Reimbursement of other expenses				
		- Legal and Professional Charges	(11,866)	(11,430)	(10,366)	(13,062)
		- Employees' remuneration and welfare benefits	(1,180)	(1,920)	-	-
		- Rent, rates and taxes	(543)	(2,398)	(106)	(955)
		- Information technology cost	(220,371)	(170,619)	(73,823)	(99,656)
		Administration support expenses	-	(5,726,917)	-	(880,445)
		Commission expenses	(8,766,983)	(3,902,223)	(682,279)	(63,749)
		Bank charges	(53,331)	(45,959)	(20,993)	(5,630)
		Sale of fixed assets	-	1,850	-	194
		Purchase of investments	(16,353,936)	(13,950,900)	-	-
		Sale of investments	6,046,925	4,685,841	-	-
		Security Deposit outstanding	-	-	75	121
Outstanding investments	-	-	2,444,207	2,531,571		
Cash & bank balances	-	-	(1,150,539)	(2,958,301)		
Dividend paid	(5,435,935)	(3,413,910)	-	-		
ICICI Securities Limited	Fellow subsidiary	Premium income	5,464	2,362	(79)	(244)
		Benefits Paid	(180)	(614)	-	-
		Recovery of expenses				
		- Rent, rates and taxes	1,937	2,642	-	97
		- Information Technology cost	234	326	170	374
		Reimbursement of other expenses				
		- Rents, rates and taxes	(376)	(89)	-	(101)
		- Employees' remuneration and welfare benefits	(75)	-	-	-
		Advertisement & Publicity	-	(379,990)	-	(96,669)
		Commission expenses	(482,593)	(333,061)	(52,366)	(19,246)
		Brokerage	(30,644)	(22,203)	(2,235)	-
		Sale of fixed assets	1,177	-	-	-
		Premium income	526	523	(730)	(749)
ICICI Home Finance Company Limited	Fellow subsidiary	Interest income on investments	74,800	3,074	40,781	3,689
		Recovery of expenses				
		- Rent, rates and taxes	2,410	2,145	-	104
		Commission Expenses	(11,554)	(2,061)	(1,048)	(73)
		Outstanding investments	-	-	999,252	1,004,932
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	494	280	(197)	(187)
		Benefits Paid	-	-	-	-
		Interest income on investments	57,125	57,053	30,867	30,867
		Purchase of investments	(15,838,599)	(13,353,705)	-	-
		Sale of investments	5,859,871	9,155,498	-	-
Outstanding investments	-	-	623,696	637,994		
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	8,874	7,070	(1,387)	(883)
		Benefits Paid	(3,050)	(2,875)	(50)	-
		Reimbursement of other expenses				
- Employees' remuneration and welfare benefits	-	(320)	-	-		
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	9,250	7,511	(1,525)	(799)
		Benefits Paid	(4,350)	(5,288)	-	-
		Claims received	114	2,573	-	-

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Name of related party	Relation	Nature of transaction	(₹ '000)			
			Transactions for the year		Amount recoverable/ (Payable)	
			FY 2018	FY 2017	At March 31, 2018	At March 31, 2017
		Reimbursement of other expenses				
		- Rent, rates and taxes	(907)	(2,177)	(366)	(54)
		- Employees' remuneration and welfare benefits	-	(400)	-	-
		Premium Expense	(258,894)	(117,930)	55,441	75,418
		Purchase of investments	(4,511,052)	(5,711,461)	-	-
		Sale of investments	3,978,445	3,320,963	-	-
		Security Deposit outstanding	-	-	242	547
Prudential Corporation Holdings Limited	Substantial Interest	Recovery of expenses				
		Travel Cost	95	-	-	-
		Reimbursement of other expenses				
		- Employees' remuneration and welfare benefits	-	-	-	-
		- Agents training, recruitment and incentives	(19,351)	(19,611)	-	-
		Dividend paid	(2,558,416)	(1,427,522)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	178,580	194,167	(1,406)	(274)
		Contribution to trust	(191,680)	(178,350)	-	(27,776)
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	9,879	7,632	-	-
		Contribution to trust	(8,086)	(6,845)	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(133,552)	(114,772)	(35,952)	(30,417)
ICICI Foundation for Inclusive Growth	Entities controlled by Holding Company	Premium income	315	242	(6)	(1)
		Contribution for CSR activity	(172,769)	(170,263)	-	-
Key management personnel	Key management personnel	Premium income	4,011	3,933	-	-
		Dividend paid	(2,665)	(1,242)	-	-
		Managerial remuneration	(196,055)	(221,404)	-	-
		Employee stock options outstanding (numbers)	-	-	561,500	275,000
		Employee stock options exercised (numbers)	35,000	260,000	-	-
Key management personnel	Relatives of key management personnel	Premium income	101	95	-	-
		Benefits Paid	-	(2,521)	-	-
		Dividend paid	(6)	(2)	-	-

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3.9. Segmental reporting

As per the requirements of Insurance Regulatory and Development Authority of India (Expenses 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, 2018

Particulars	Segments										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	Shareholders
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)	2,563,866	304,677	2,051,884	6,531	729	(752,784)	212,099	4,847,252	2,702,649	347,082	89,654	115,458	6,052,201	18,931,398
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*	25,978,989	70,600	26,276,628	41,630	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.

** As required by IRDAI circular IRDAI/FB/REG/CIR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

For the year ended March 31, 2017

Particulars	Segments										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 Pension	Shareholders
Segment revenue (excluding contribution from the Shareholders' account)	33,289,631	1,319,144	35,052,657	933,740	145,109	4,279,132	148,055	242,509,399	36,701,314	2,254,220	15,269,993	6,956,086	378,668,471
Segment result – Surplus/Deficit after tax (net of contribution from the Shareholders' account)	1,331,215	380,443	2,327,262	(16,205)	(1,815)	1,061,310	136,709	2,020,913	2,911,347	375,828	193,040	5,519,189	16,239,336
Depreciation/Amortisation	72,492	306	47,235	258	29	1,238	283	443,552	8,573	1,057	3,141	494	576,658
Significant non-cash expenses*	20,225,562	42,349	25,255,560	923,530	136,643	1,704,326	(32,392)	131,347,559	(10,020,908)	1,274,174	4,244,731	-	175,101,354

* 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.

** As required by IRDAI circular IRDAI/FB/REG/CIR/208/10/2016 dated October 25, 2016, Linked Group segment has been bifurcated into Linked Group Life and Linked Group Pension from FY 2017-18 onwards.

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3.10. Employee benefits

Provision for staff benefits as per AS 15 (Revised):

(a) Defined contribution plans

Superannuation

The amount recognised as an expense during the year ended March 31, 2018 is ₹ 91,661 thousand (year ended March 31, 2017: ₹ 51,520 thousand).

National Pension Scheme

The Company has contributed ₹ 15,284 thousand for the year ended March 31, 2018 (March 31, 2017: ₹ 13,851 thousand) to NPS for employees who had opted for the scheme.

(b) Defined benefit plans

Gratuity

Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	1,099,789	1,007,930
Fair value of plan assets at period end (B)	1,076,895	980,154
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	(22,893)	(27,776)
Total net cost recognised as employee remuneration in Revenue/Profit and loss account	101,213	178,350
Change in defined benefit obligation:		
Opening obligations at April 1	1,007,930	787,608
Service cost	107,300	88,310
Interest cost	69,557	60,147
Actuarial (gain)/loss	(5,544)	137,735
Past service costs	-	-
Liability assumed on transfer of employees.	-	-
Benefits paid	(79,454)	(65,870)
Present value of the defined benefit obligations at period end (A)	1,099,789	1,007,930
Change in Plan Asset:		
Opening plan assets, at fair value at April 1	980,154	747,780
Expected return on plan assets	71,087	52,357
Actuarial gain/(loss)	(986)	55,484
Contributions	106,095	190,403
Assets acquired on acquisition/(settled on divestiture)	-	-
Benefits paid	(79,454)	(65,870)
Fair value of plan assets at period end (B)	1,076,895	980,154
Cost for the period:		
Service cost	107,300	88,310
Interest cost	69,557	60,147
Expected return on plan assets	(71,087)	(52,357)
Actuarial (gain)/loss	(4,558)	82,251
Past service cost	-	-
Losses/(gains) on acquisition/divestiture	-	-
Total net cost recognised as employee remuneration in Revenue/Profit and loss account	101,213	178,350
Investment details of plan assets:		
Plan assets invested in insurer managed funds	100.00%	100.00%
Fund earning rate	5.91%	11.16%
Asset allocation:		
Debentures and Bonds	51.49%	51.83%
Fixed deposits	0.10%	0.71%
Government securities	23.66%	21.80%
Equity shares	15.87%	15.78%
Money market instruments	1.08%	0.00%
Others	7.80%	9.88%
Total	100.00%	100.0%

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Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Assumptions:		
Discount rate	7.35%	6.80%
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

Particulars	(₹ '000)				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	1,099,789	1,007,930	787,608	656,645	593,293
Plan assets	1,076,895	980,154	747,780	621,030	554,816
Surplus/(deficit)	(22,893)	(27,776)	(39,828)	(35,615)	(38,477)
Experience adjustments					
- on plan liabilities	26,665	56,420	60,235	(5,301)	26,710
- on plan assets	(986)	55,484	(30,130)	61,489	4,319

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, 2018	Year ended March 31, 2017
Reconciliation of benefit obligations and planned assets for the period:		
Present value of the defined benefit obligations at period end (A)	3,379,146	2,983,343
Fair value of plan assets at period end (B)	(3,379,146)	(2,983,343)
Net asset/(liability) recognised in Balance Sheet at end of the year (B-A)	-	-
Total net cost recognised as 'Employee Benefit Expense' in Revenue / Profit and loss account	122,122	105,149
Change in defined benefit obligation:		
Opening defined benefit obligations	2,983,343	2,655,621
Current service cost	122,122	105,149
Interest cost	202,746	202,282
Actuarial (gain)/loss	74,729	53,775
Employees contribution	263,595	227,226
Liability assumed on Acquisition/(Settled on Divestiture)	(19,565)	(27,593)
Benefits paid	(247,824)	(233,117)
Closing defined benefit obligation	3,379,146	2,983,343
Change in Fair Value of Assets:		
Opening value of plan assets	2,983,343	2,655,621
Expected return on plan assets	262,192	235,627
Actuarial gain/(loss)	15,283	20,430
Contributions – Employer	122,122	105,149
Contributions – Employee	263,595	227,226
Assets acquired on acquisition/(Distributed on divestiture)	(19,565)	(27,593)
Benefits paid	(247,824)	(233,117)
Closing value of plan assets	3,379,146	2,983,343

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Particulars	(₹ '000)	
	Year ended March 31, 2018	Year ended March 31, 2017
Cost for the period:		
Service cost	122,122	105,149
Interest cost	202,746	202,282
Expected return on plan assets	(262,192)	(235,627)
Actuarial (gain)/loss	59,446	33,345
Total net cost recognised as "Employee benefit expense" in Revenue / Profit and loss account	122,122	105,149
Investment details of plan assets:		
Government of India Securities	54%	46%
Corporate Bonds	36%	46%
Equity shares of Listed Companies	0%	2%
Others	10%	6%
Total	100%	100%

Experience adjustments

Particulars	(₹ '000)				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	3,379,146	2,983,343	2,655,621	2,354,199	2,163,657
Plan assets	3,379,146	2,983,343	2,655,621	2,354,199	2,163,657
Surplus/(deficit)	-	-	-	-	-
Experience adjustments:					
- on plan liabilities	74,729	53,775	37,592	8,487	41,092
- on plan assets	15,283	20,430	7,835	4,431	20,136

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

Particulars	At March 31, 2018	At March 31, 2017
Discount rate for the term of the obligation	7.35%	6.80%
Average historic yield on the investment portfolio	8.95%	8.99%
Discount rate for the remaining term to maturity of the investment portfolio	8.05%	7.20%
Expected investment return	8.25%	8.59%
Guaranteed rate of return	8.55%	8.65%

(c) Other long term benefits

Long term incentive scheme:

The amount recognised as an expense during the year ended March 31, 2018 is ₹ 143,577 thousand (year ended March 31, 2017: ₹ 133,258 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, 2018	At March 31, 2017
Discount rate	6.80%	6.50%

Compensated absence:

The amount recognised as an expense during the year ended March 31, 2018 is ₹ 80,893 thousand (year ended March 31, 2017: ₹ 89,508 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, 2018	At March 31, 2017
Discount rate	7.35%	6.80%
Salary escalation rate	8.50%	8.50%

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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 FY 2018 under ESOS 2005 (Revised) on July 25, 2017.

The Company follows intrinsic value method and hence there was no charge in the Revenue Account and Profit and Loss Account on account of modification of the Scheme.

The salient features of tranches issued under ESOS 2005 are as stated below:

Date of Grant	Founder March 28, 2005	2004-05 April 25, 2005	2005-06 April 26, 2006	2006-07 Founder II April 24, 2007	2007-08 April 25, 2008	2017-18 July 25, 2017
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
Maximum term options granted	Thirteenth anniversary of the date of grant of options			Tenth anniversary of the date of grant of options	Tenth anniversary from the date of vesting of options	
Graded Vesting Period						
1st Year	50% of options granted		25% of options granted		30% of options granted	
2nd Year	25% of options granted		25% of options granted		30% of options granted	
3rd Year	25% of options granted		25% of options granted		40% of options granted	
4th Year	-		25% of options granted		-	
Mode of settlement	Equity					

Exercise price of all the options outstanding for all years/quarter for Founder scheme, 2004-05 scheme, 2005-06 scheme, 2006-07 scheme, Founder II, 2007-08 & 2017-18 scheme is ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130, ₹ 400 and ₹ 468.6 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, 2018		Year ended March 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,398,838	352.49	5,999,175	233.72
Add: Granted during the period	656,300	468.60	-	NA
Less: Forfeited/lapsed during the period	(82,650)	410.92	(578,575)	386.80
Less: Exercised during the period	(151,600)	261.08	(3,021,762)	108.33
Outstanding at the end of the period	2,820,888	382.70	2,398,838	352.49
Exercisable at the end of the year	2,193,488*	358.13	2,398,838	352.49

*Options outstanding at the end of the period less options unvested at the end of the period.

Nil options are vested during the year ended March 31, 2018 and ₹ 39,580 thousand was realised by exercise of options during the year ended March 31, 2018 (March 31, 2017: ₹ 327,337 thousand). During the year ended March 31, 2018 the Company has recognised a compensation cost of ₹ nil (year ended March 31, 2017: ₹ 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 ₹ 39,667 thousand (March 31, 2017: ₹ nil) and the proforma profit after tax would have been ₹ 16,151,986 thousand (March 31, 2017: ₹ 16,816,612 thousand). On a proforma basis, the Company's basic and diluted earnings per share would have been ₹ 11.25 (March 31, 2017: ₹ 11.72) and ₹ 11.25 (March 31, 2017: ₹ 11.72) respectively.

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Fair value methodology

The assumptions considered in the pricing model for the ESOPs granted during the year ended March 31, 2018 were:

Particulars	March 31, 2018	Basis
Risk-free interest rate	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	6 to 8 years	Simplified method (average of minimum and maximum life of options)
Dividend yield	0.96%	Based on recent dividend declared
Expected volatility	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, 2018 is ₹ 261.80 (year ended March 31, 2017: ₹ 108.3).

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, 2018		At March 31, 2017	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
130	340,113	2.1	422,113	3.1
400	1,853,375	0.1	1,976,725	1.1
468.6	188,220	10.3	-	-
468.6	188,220	11.3	-	-
468.6	250,960	12.3	-	-
Total	2,820,888	2.8	2,398,838	1.4

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, 2018, for the options granted to employees of the Company (year ended March 31, 2017: ₹ Nil).

3.12. Foreign exchange gain/loss

Transactions in foreign currencies are recorded at exchange rate prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognised as income or expense, as the case may be. The net foreign exchange loss debited to Revenue Account for the year ended March 31, 2018 is ₹ 1,367 thousand (year ended March 31, 2017: ₹ 3,221 thousand).

3.13. Earnings per share

Sr. No.	Particulars	(₹ '000)	
		March 31, 2018	March 31, 2017
I.	Net profit as per profit and loss account available for equity shareholders for both basic and diluted earnings per equity share of ₹ 10 each	16,191,653	16,816,612
II.	Weighted average number of equity shares for earnings per equity share		
(a)	For basic earnings per equity share	1,435,429,351	1,434,273,461
(b)	For diluted earnings per equity share		
	Number of equity shares for basic earnings per equity share as per (II) (a)	1,435,429,351	1,434,273,461
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	256,567	979,023
	Weighted number of equity shares for diluted earnings per equity share	1,435,685,918	1,435,252,484
III.	Earnings per equity share		
	Basic (in ₹)	11.28	11.72
	Diluted (in ₹)	11.28	11.72

3.14. Commitments

Commitments made and outstanding (net of advances) for Company's investment in Real estate (Investment property) is ₹ nil (March 31, 2017 ₹ nil).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 346,179 thousand (March 31, 2017: ₹ 112,616 thousand)

There are no loan commitments made by the Company (March 31, 2017 ₹ nil).

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3.15. Conversion of Investment Property to Fixed Assets.

During the year ended March 31, 2018, the Company has converted certain investment properties held in the Participating and Shareholder's funds to fixed assets for self-use. These investment properties have been converted to fixed assets based on the approval and stipulations of Insurance Regulatory and Development Authority of India.

Consequently, based on the valuation reports obtained from independent valuers, investment properties held in the Participating fund at a cost of ₹ 1,077,435 thousand have been transferred to the Shareholders' fund as fixed assets at a fair value of ₹ 1,132,099 thousand thereby resulting in a gain of ₹ 54,664 thousand in Participating fund. Consequently, the revaluation reserve amounting to ₹ 19,549 thousand has been reversed.

The Investment property held in the Shareholders' fund amounting to ₹ 716,468 thousand has been reclassified from investment property to fixed assets at the cost of ₹ 703,632 thousand and the revaluation reserve amounting to ₹ 12,836 thousand has been reversed.

The above fixed assets are depreciated as per the accounting policy.

3.16. Valuation of Investment property

In accordance with the IRDA Regulations, 2002 (Preparation of Financial Statements and Auditors' Report of Insurance Companies), the Company's investment property has been revalued. The Company has revalued all its investment properties held for more than one year and market value for such properties is based on valuation performed by an independent valuer at March 31, 2018. 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 ₹ 4,666,000 thousand at March 31, 2018 (March 31, 2017: ₹ 6,338,958 thousand). The historical cost of the property is ₹ 3,836,532 thousand (March 31, 2017: ₹ 5,617,599 thousand). Refer note 3.15 on conversion of investment property to fixed assets.

3.17. Impairment of investment assets

In accordance with the impairment policy of the Company, diminution in the value of investments has been recognised under the head 'Provision for diminution in the value of investments (Net)' in the Revenue Account and the Profit and Loss Account. The total impairment loss recognised for the year ended March 31, 2018 is ₹ 50,872 thousand (year ended March 31, 2017: ₹ 65,125 thousand).

3.18. 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, 2017: ₹ 1,000,000 thousand) and ₹ 100,000 thousand (March 31, 2017: ₹ 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)

Particulars	(₹ '000)			
	At March 31, 2018		At March 31, 2017	
	Market value	Amortised cost	Market value	Amortised cost
Pledged under securities segment				
Government securities	3,746,922	3,793,836	2,067,500	1,959,467
Cash	204,200	204,200	70,000	70,000
Pledged under Collateralised Borrowing and Lending Obligation segment (CBLO)				
Government securities	212,789	207,055	218,000	207,120
Cash	100	100	100	100
Pledged for Default Fund under securities segment				
Government securities	59,400	58,126	60,660	58,015
Cash	-	-	-	-
Pledged for Default Fund under CBLO segment				
Government securities	19,800	19,375	20,220	19,338
Cash	-	-	-	-

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Terms of pledge: Physical custody of the securities is maintained with the CCIL, however interest accrued on these securities is received by the Company. The Company is not entitled to any interest income on the money deposited with the CCIL towards margin requirements. These deposits, both securities and cash, can be invoked by CCIL in case of any default by the Company in settlement of trades in Securities and CBLO segment.

c. Other encumbrances

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

Particulars	(₹ '000)	
	At March 31, 2018	At March 31, 2017
Fixed deposit placed with bank based on the directive from the Hon. Patna High Court in case of one death claim settlement pertaining to a deceased policyholder	-	606
Bank guarantees issued:		
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5,000	5,000
- towards purchase of postage on policy welcome kit document	2,000	2,000
- in favour of UIDAI deposit towards enabling Aadhaar Authentication services	2,500	-
- in lieu of earnest money deposit towards tender of Indian Oil Corp Refineries Trust for administration of EDLI scheme	-	229
- 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	575,679
- in favour of Cleartrip Private Limited for timely performance of obligations as per the terms of the agreement	-	100
- Fixed deposit placed with State Bank of 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	1,000
- Fixed deposit placed with Corporation Bank towards margin requirement for equity trade settlement pertaining to Scheme E Tier I and II issued in favour of National Securities Clearing Corporation Limited	2,500	2,500

3.19. 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, 2018 is ₹ 1,044,030 thousand (March 31, 2017: ₹ nil).

3.20. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

There are no payments made to or dues outstanding to Micro, Small and Medium Enterprises beyond the timelines prescribed by the MSMED Act (March 31, 2017: ₹ nil).

3.21. Dividend

Interim dividend appropriation for the year ended March 31, 2018 is ₹ 5,874,239 thousand (year ended March 31, 2017: ₹ 6,645,630 thousand) including dividend distribution tax of ₹ 993,586 thousand (year ended March 31, 2017: ₹ 1,124,058 thousand).

The Board of Directors have also proposed a final dividend of ₹ 4,737,146 thousand (year ended March 31, 2017: ₹ 5,023,715 thousand). The dividend distribution tax on the same amounts to ₹ 973,734 thousand (year ended March 31, 2017: ₹ 1,022,710 thousand).

Final dividend shown in previous year of ₹ 1,142 thousand and dividend distribution tax of ₹ 233 thousand on the same pertains to dividend on 543,828 equity shares for year ended March 31, 2016 and allotted between date of Board Meeting i.e. April 26, 2016 and Record Date i.e. June 22, 2016.

Unclaimed dividend of ₹ 4,768 thousand at March 31, 2018 (at March 31, 2017: ₹ 697 thousand) represents dividend paid but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

3.22. Pending litigations

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2018. 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 ₹ 301,244 thousand at March 31, 2018 (At March 31, 2017: ₹ 169,015 thousand).

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3.23. 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.

3.24. 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, 2018 was ₹ 230,288 thousand (year ended March 31, 2017: ₹ 217,391 thousand).

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

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
	(₹ '000)					
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	222,884	7,639	230,523	194,029	24,813	218,842

Amounts of related party transactions with ICICI Foundation for Inclusive Growth pertaining to CSR related activities for year ended March 31, 2018 was ₹ 172,769 thousand (year ended March 31, 2017: ₹ 170,263 thousand)

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

Particulars	March 31, 2018	March 31, 2017
	(₹ '000)	
Opening balance	24,813	25,424
Expense during the year	230,523	218,842
Paid during the year	(247,697)	(219,453)
Closing balance	7,639	24,813

3.25. 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.

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3.26. Specified bank notes

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

However for consolidation purpose since the disclosure is applicable to the subsidiary company, details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 for the subsidiary is as below.

This disclosure is not applicable for year ended March 31, 2018.

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
Closing cash in hand as on December 30, 2016	NIL	NIL	NIL

3.27 Previous year comparatives

Previous period's figures have been regrouped and reclassified wherever necessary to conform to current period's presentation.

Sr. No.	Regrouped to	Regrouped from	Amount (in ₹ '000)	Reason
1	Schedule 3: Others – Business conferences and meetings	Schedule 3: Agents training, recruitment and incentives	394,192	The reclassification has been done for appropriate presentation.
2	Schedule 3: Employees' remuneration and welfare benefits	Schedule 3: Agents training, recruitment and incentives	44,049	

As per our report of even date attached.

For and on behalf of the Board of Directors

For B S R & Co. LLP Chartered Accountants ICAI Firm Reg. No. 101248W/W-100022	For Walker Chandiok & Co LLP Chartered Accountants ICAI Firm Reg. No. 001076N/N500013	Chanda Kochhar Chairperson DIN: 00043617	V. Sridar Director DIN: 02241339	Sandeep Bakhshi Managing Director and CEO DIN: 00109206	Sandeep Batra Executive Director DIN: 03620913
Venkataramanan Vishwanath Partner Membership No. 113156	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, 2018

HOW TO CONTACT US

CONTACT INFORMATION

At ICICI Prudential Life Insurance Company Limited, we believe all stakeholders and customers should have access to complete information regarding the Company, its products, its position, etc.

The ICICI Prudential Life Insurance website: www.iciciprulife.com serves as an easy mode of communication for all customers/stakeholders. Our intuitive website facilitates easy self-service transactions.

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Email: ir@iciciprulife.com

Ms. Vyoma Manek

Company Secretary
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Email: investor@iciciprulife.com

For matters relating to Registrar and share transfer agents:

Ms. C Shobha Anand
Karvy Computershare Private Limited
Tel no: +91 40 67161559
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Customer contacts:

Write to us:

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Raheja Tipco Plaza, Rani Sati Marg, Malad (East),
Mumbai 400097

Call us:

1860 266 7766

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NOTES



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NOTES



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