



## ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Our Company was incorporated at Mumbai on July 20, 2000 as ICICI Prudential Life Insurance Company Limited, a public limited company under the Companies Act, 1956. Our Company obtained the certificate of commencement of business on October 16, 2000. For details relating to change in the registered office of our Company, see "History and Certain Corporate Matters" on page 168.

**Registered Office and Corporate Office:** ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025; **Tel:** (91 22) 4039 1600; **Fax:** (91 22) 6662 2031  
**Contact Person:** Vyoma Manek, Company Secretary and Compliance Officer  
**E-mail:** investor@icicprulife.com; **Website:** www.icicprulife.com  
**Corporate Identity Number:** U66010MH2000PLC127837

### OUR PROMOTERS: ICICI BANK LIMITED AND PRUDENTIAL CORPORATION HOLDINGS LIMITED

**PUBLIC OFFER OF UP TO 181,341,058 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, THROUGH AN OFFER FOR SALE BY ICICI BANK LIMITED ("SELLING SHAREHOLDER"), AGGREGATING UP TO [●] MILLION (THE "OFFER"), INCLUDING A RESERVATION OF UP TO 18,134,105 EQUITY SHARES FOR PURCHASE BY ICICI BANK SHAREHOLDERS (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO [●] MILLION (THE "ICICI BANK SHAREHOLDERS RESERVATION PORTION"). THE OFFER WOULD CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL AND THE NET OFFER SHALL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GCBRMLs") AND THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], ALL EDITIONS OF [●] AND [●] EDITION OF [●] (WHICH ARE ENGLISH, HINDI AND MARATHI NEWSPAPERS, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.**

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a press release, and also by indicating the change on the websites of the GCBRMLs and the BRLMs and at the terminals of the Syndicate Members and by intimation to Self Certified Syndicate Banks ("SCSBs"), Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). The Offer is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations"), wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholder may, in consultation with the GCBRMLs and the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the SCSBs, to participate in this Offer. For details, see "Offer Procedure" beginning on page 512.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholder, in consultation with the GCBRMLs and the BRLMs, as stated under "Basis for Offer Price" beginning on page 108) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 21.

### DISCLAIMER CLAUSE OF THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (THE "IRDAI")

The IRDAI does not undertake any responsibility for the financial soundness of our Company or for the correctness of any of the statements made or opinions expressed in this connection.

### COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility that this Draft Red Herring Prospectus contains all information about itself as the Selling Shareholder in the context of the Offer and assumes responsibility for statements in relation to itself included in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an "in-principle" approval from BSE and NSE for the listing of the Equity Shares pursuant to letter bearing number [●] dated [●] and letter bearing number [●] dated [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the [●].

### GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

### BOOK RUNNING LEAD MANAGERS

<b>DSP Merrill Lynch Limited</b> Ground Floor, A Wing, One BKC G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 E-mail: dg.icicprudential_ipo@baml.com Investor grievance e-mail: dg.india_merchantbanking@baml.com Website: www.dsplml.com Contact person: Radha Chakka SEBI registration number: INM000011625	<b>ICICI Securities Limited*</b> ICICI Center, H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 E-mail: iprulife.ip@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Amit Joshi / Ujjaval Kumar SEBI registration number: INM000011179	<b>CLSA India Private Limited*</b> 8/F Dalal House Nariman Point Mumbai 400 021 Tel: (91 22) 6650 5050 Fax: (91 22) 2284 0271 E-mail: icicprulife.ip@citicclsa.com Investor grievance e-mail: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact person: Sarfaraz Agboatwala SEBI registration number: INM000010619 * Formerly CLSA India Limited	<b>Deutsche Equities India Private Limited</b> The Capital, 14th floor C -70, G Block, Bandra Kurla Complex Mumbai 400 051 Tel: (91 22) 7180 4444 Fax: (91 22) 7180 4199 E-mail: icicpru.ip@db.com Investor grievance e-mail: db.redressal@db.com Website: www.db.com/India Contact person: Viren Jairath SEBI registration number: INM000010833	<b>Edelweiss Financial Services Limited</b> 14th Floor, Edelweiss House Off. C.S.T. Road, Kalina Mumbai 400 098 Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 E-mail: icicprulife.ip@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Pradeep Tewani SEBI registration number: INM0000010650

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

<b>HSBC Securities and Capital Markets (India) Private Limited</b> 52/60, Mahatma Gandhi Road, Fort Mumbai 400 001 Tel: (91 22) 2268 5555 Fax: (91 22) 2263 1284 E-mail: ICICPRUIPOHSCI@hsbc.co.in Investor grievance e-mail: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking Contact person: Mayank Jain/ Shreye Mirani SEBI registration number: INM000010353	<b>IIFL Holdings Limited</b> 10 <sup>th</sup> Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Tel: (91 22) 4646 4600 Fax: (91 22) 2493 1073 E-mail: iprulife.ip@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Gaurav Singhvi/ Pinak Bhattacharyya SEBI registration number: INM000010940	<b>JM Financial Institutional Securities Limited</b> 7th Floor, Chenergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: icicprudential.ip@jmfml.com Investor grievance e-mail: grievance.ib@jmfml.com Website: www.jmfml.com Contact person: Lakshmi Lakshmanan SEBI registration number: INM000010361	<b>SBI Capital Markets Limited</b> 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 E-mail: icicprulife.ip@sbicaps.com Investor Grievance e-mail: investor_relations@sbicaps.com Website: www.sbicaps.com Contact person: Gitesh Vargantwar SEBI registration number: INM000005351	<b>UBS Securities India Private Limited</b> 2 North Avenue, Maker Maxity Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Tel: (91 22) 6155 6000 Fax: (91 22) 6155 6292 E-mail: OL-ICICPRUIPO@ubs.com Investor grievance e-mail: customercare@ubs.com Website: www.ubs.com/indianoffices Contact person: Jasmine Kaur SEBI registration number: INM000010809	<b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda Hyderabad 500 032 Tel: (91 40) 6716 2222 Fax: (91 40) 2343 1551 E-mail: ctinwardr@karvy.com Investor grievance e-mail: icicprulife.ip@karvy.com Website: https://karisina.karvy.com Contact person: M. Murali Krishna SEBI registration number: INR000000221

### BID/OFFER PROGRAMME

<b>BID/OFFER OPENS ON**</b>	[●]
<b>BID/OFFER CLOSES ON***</b>	[●]

\* In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI Regulations, ICICI Securities Limited will be involved only in marketing of the Offer.

\*\* Our Company and the Selling Shareholder may, in consultation with the GCBRMLs and the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*\* Our Company and the Selling Shareholder may, in consultation with the GCBRMLs and the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings provided below. References to any legislation, act, regulation, rules, guidelines, policies, circulars, notifications or clarifications shall be to such legislation, act, regulation, rules, guidelines, policies, circulars, notifications or clarifications as amended.*

*The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act, the Insurance Act and the rules and regulations made thereunder, unless the context otherwise indicates or implies.*

#### General Terms

Term	Description
our Company / the Company	ICICI Prudential Life Insurance Company Limited, a company incorporated under the Companies Act, 1956 and having its registered office at ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
we / us / our	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary

#### Company Related Terms

Term	Description
AoA / Articles of Association	The articles of association of our Company, as amended
Appointed Actuary	The appointed actuary of our Company
Board / Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Director(s)	The director(s) of our Company
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
ESOS Scheme	ICICI Prudential Life Insurance Company Limited - The Employees Stock Option Scheme, (2005)
Group Companies	The companies which are covered under the applicable accounting standards and also other companies as considered material by our Board, as identified in the section "Our Group Companies" on page 203
ICICI Bank	ICICI Bank Limited, a company incorporated under the provisions of the Companies Act, 1956
ICICI Corporate Insurance Agency Agreement	Bancassurance agreement dated April 1, 2016 entered into between ICICI Bank and our Company
ICICI Group	ICICI Bank, its subsidiaries and associates
ICICI Master Services Agreement	Master service agreement dated October 14, 2015 entered into between ICICI Bank and our Company
ICICI Service Provider Agreement	Service provider agreement dated October 14, 2011 entered into between ICICI Bank and our Company, as amended by addendums dated December 24, 2013 and March 24, 2014
ICICI Trademark License Agreement	Trademark licensing agreement dated June 25, 2003 entered into between ICICI Bank and our Company, amended by an amendment agreement dated July 12, 2016
Joint Auditors / Joint Statutory	BSR & Co. LLP and Walker Chandiok & Co LLP

<b>Term</b>	<b>Description</b>
Auditors	
Existing Joint Venture Agreement	The amended and restated joint venture agreement relating to our Company entered into between ICICI Bank and PCHL on February 24, 2016
Key Management Personnel	The key management personnel of our Company in terms of the SEBI Regulations, the Companies Act, 2013 and the Corporate Governance Guidelines and as identified in the section “Our Management” from pages 182
MoA / Memorandum of Association	The memorandum of association of our Company, as amended
New Joint Venture Agreement	The amended and restated joint venture agreement relating to our Company entered into between ICICI Bank and PCHL on June 28, 2016
PCHL	Prudential Corporation Holdings Limited, a company incorporated under the laws of England and Wales
PIP Services Limited	Prudential IP Services Limited, a member of the Prudential group
Promoters	The promoters of our Company are ICICI Bank and PCHL. For details, see “Our Promoters and Promoter Group” from pages 193
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations. For details, see “Our Promoters and Promoter Group” from pages 200
Prudential Trademark License Agreement	Agreement dated September 26, 2014 entered into between PIP Services Limited and our Company
Registered Office and Corporate Office	The registered office and the corporate office of our Company located at ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
Restated Financial Statements	The financial information prepared by the management of our Company from its audited standalone and consolidated financial statements for the Fiscals 2012, 2013, 2014, 2015 and 2016 (prepared in accordance with Indian GAAP and the IRDAI Preparation of Financial Statements Regulations) and as restated by the Joint Auditors in accordance with the requirements of (a) Section 26(1)(b)(i), (ii) and (iii) of Chapter III of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; (b) relevant provisions of the SEBI Regulations; and (c) relevant provisions of the IRDAI Issuance of Capital Regulations
RoC / Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
Shareholders	The shareholders of our Company
Subsidiary / ICICI Prudential Pension Funds	ICICI Prudential Pension Funds Management Company Limited, a subsidiary of our Company

#### **Offer Related Terms**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, the transfer of the Equity Shares offered by the Selling Shareholder pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange



<b>Term</b>	<b>Description</b>
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid / Offer Period	One Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price.  The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to make Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer / Escrow Collection Bank(s)	Escrow Collection Bank, Refund Bank and Public Offer Account Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Procedure" from page 539
Bid	An indication to make an offer during the Bid / Offer Period by a Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid / Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations. The term "Bidding" shall be construed accordingly
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●] (Marathi being the

<b>Term</b>	<b>Description</b>
	regional language of Maharashtra, where the Registered Office is located), each with wide circulation  Our Company and the Selling Shareholder may, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI Regulations
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation
Bid / Offer Period	Except in relation to any Bids received from Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Offer is being made
BRLMs / Book Running Lead Managers	The book running lead managers to the Offer, being CLSA, Deutsche, Edelweiss, HSBC, IIFL, JM Financial, SBICAP and UBS
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker.  The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
CDP / Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account

<b>Term</b>	<b>Description</b>
CLSA	CLSA India Private Limited
CRISIL	CRISIL Limited
CRISIL Report	Report titled “Analysis of life insurance industry” dated July 14, 2016 issued by CRISIL Research, a division of CRISIL Limited
Cut-off Price	The Offer Price finalised by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs  Only Retail Individual Bidders and ICICI Bank Shareholders Bidding under the ICICI Bank Shareholders Reservation Portion (subject to the Bid Amount being upto ` 200,000) are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors and ICICI Bank Shareholders applying for the Bid Amount above ` 200,000 under the ICICI Bank Shareholders Reservation Portion are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders’ address, name of the Bidders’ father / husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms.  The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC
Designated Intermediaries	The members of the Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	[●]
Deutsche	Deutsche Equities India Private Limited
DRHP / Draft Red Herring Prospectus	This draft herring prospectus dated July 15, 2016 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
DSPML	DSP Merrill Lynch Limited
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account	The account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NEFT / RTGS / direct credit in respect

<b>Term</b>	<b>Description</b>
	of the Bid Amount when submitting a Bid
Escrow Agreement	The escrow agreement to be entered into among our Company, the Selling Shareholder, the GCBRLMs, the BRLMs, the Registrar to the Offer, the Escrow Collection Bank(s), the Refund Bank(s) and the Public Offer Bank(s) for <i>inter alia</i> , collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	A bank, which is a clearing member and registered with SEBI as a banker to an offer and with whom the Escrow Account will be opened, in this case being [●]
First Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
GCBRLMs / Global Co-ordinators and Book Running Lead Managers	The global co-ordinators and book running lead managers to the Offer, being DSPML and I-Sec
GID / General Information Document	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI suitably modified and included in "Offer Procedure" beginning on page 512
HSBC	HSBC Securities and Capital Markets (India) Private Limited
ICICI Bank Shareholders	Individuals and HUFs who are the public equity shareholders of ICICI Bank, one of our Promoters and Group Companies (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus
ICICI Bank Shareholders Reservation Portion	Reservation of up to 18,134,105 Equity Shares of the face value of ₹10 each aggregating to ₹ [●] million in favour of the ICICI Bank Shareholders
IIFL	IIFL Holdings Limited
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Institutional Securities Limited
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 1,632,070 Equity Shares which shall be available for allocation to Mutual Funds only
Net Offer	The Offer less the ICICI Bank Shareholders Reservation Portion
NIIs / Non-Institutional Investors	All Bidders that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Net Offer being not less than 15% of the Net Offer or 24,481,043 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India as defined under FEMA and includes a NRIs, FIIs, FVCIs and FPIs
Non-Resident Indians	A non-resident Indian as defined under the FEMA Regulations

Term	Description
Offer	The offer for sale of up to 181,341,058 Equity Shares by the Selling Shareholder at the Offer Price aggregating up to ₹ [●] million in terms of the Red Herring Prospectus. The Offer comprises the Net Offer and the ICICI Bank Shareholders Reservation Portion
Offer Agreement	The offer agreement dated July 15, 2016 entered into among our Company, the Selling Shareholder, the GCBRLMs and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	<p>The final price at which the Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs, on the Pricing Date</p>
Price Band	<p>The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof.</p> <p>Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs, and will be advertised, at least five Working Days prior to the Bid / Offer Opening Date, in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation</p>
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations, containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The account opened, in accordance with Section 40 of the Companies Act, 2013, with the Public Offer Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Bank	The bank(s) with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer or 81,603,476 Equity Shares which shall be allocated to QIBs (including Anchor Investors)
QIBs / QIB Bidders / Qualified Institutional Buyers	The qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	[●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Retail Portion	The portion of the Net Offer being not less than 35% of the Net Offer or 57,122,434 Equity Shares which shall be available for allocation to RIBs in accordance with the

<b>Term</b>	<b>Description</b>
	SEBI Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).  QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
RHP / Red Herring Prospectus	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto.  The red herring prospectus will be registered with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
RIBs / Retail Individual Bidders	The individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs) and does not include NRIs (other than Eligible NRIs)
RTAs / Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SBICAP	SBI Capital Markets Limited
SCSB(s) / Self Certified Syndicate Bank(s)	The Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time
Selling Shareholder	ICICI Bank
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement namely [●]
Share Escrow Agreement	The share escrow agreement to be entered into among our Company, the Selling Shareholder, the GCBRLMs, the BRLMs and the Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholder and credit of such Equity Shares to the demat accounts of the Allottees
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms
Syndicate / Members of the Syndicate	The GCBRLMs, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into among our Company, the Selling Shareholder, the GCBRLMs, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]
UBS	UBS Securities India Private Limited
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into among our Company, the Selling Shareholder and the Underwriters on or after the Pricing Date, but prior to filing the Prospectus with the RoC

<b>Term</b>	<b>Description</b>
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges. "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### **Technical / Insurance industry related terms / abbreviations**

<b>Term</b>	<b>Description</b>
Acquisition Cost	Costs that vary with and are primarily related to the acquisition of insurance contracts
APE	APE is the sum of annualised first year premiums on regular premium policies, and ten percent of single premiums, written by our Company during any period from both our retail and group customers. For the purposes of the APE calculation, we consider all premiums received in our group business and any top-up premiums as single premiums. This number is then adjusted downwards to account for estimated returned policies
Annuity Business	The business of effecting contracts to pay annuities on human life but does not include contracts under pension business. Annuities provide for a series of payments to be made at regular intervals in return for a certain sum paid up front. A deferred annuity is a contract to pay out regular amounts of benefit provided to the annuity holder at the end of the deferred period (the vesting date) when annuity payment commences for a specified period of time such as number of years or for life. An immediate annuity is a contract to pay out regular amounts of benefit wherein the contract commences payments, immediately after the contract is concluded
Asset share	The accumulation of premiums less actual expenses and mortality costs combined with actual investment returns
Assets under management (AUM)	AUM refers to the carrying value of investments managed by the Company and includes loans against policies and net current assets pertaining to investments
Assumptions	Assumptions in relation to future interest rates, investment returns, inflation, exchange rate, taxation, etc.
Bancassurance	An arrangement entered into by a bank and an insurance company, through which the insurance company sells or markets its products to the bank's client base
Basic Earning Per Share	Net profit after tax divided by weighted average number of shares attributable to equity shareholders outstanding during the year/period
Bonuses	The non-guaranteed benefit added to the participating life insurance policies and are the way in which policyholders receive their share of the profits of the policies
Certificate of Registration	Certificate granted by the IRDAI under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, registering an insurance company to transact the classes of business specified therein
Cost or total cost	Cost or total cost refers to total expenses including commission and including provision for doubtful debts and bad debts

Term	Description
Credit Risk	The risk of loss if the other party fails to meet its obligations or fails to do so in timely fashion
Creditors	Sundry creditors include payables to vendors providing goods and services including inter group payable but does not include payables on account of insurance contract liabilities
CRNHR	Cost of Residual Non Hedgeable Risks is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the present value of future profits
Death Benefit	Amount of benefit which is payable on death as specified in the policy document. This is stated at the inception of the contract
Debtors	Debtors include investment debtors, receivables from subsidiary and receivable from National Pension System
Debt investment	Debt investment means investment other than in equity instruments, equity mutual funds, investment in subsidiary and investment property. It includes fixed income securities, discounted securities and money market instruments issued by government, public sector undertakings and corporates. It also includes investment in debt and liquid mutual funds
Dividend Cover	A measure of the ability of an insurance company to pay its dividend. It is calculated as operating profit after tax divided by the total dividend paid for a particular financial year
Embedded Value	The measure of the consolidated value of shareholders' interest in the life insurance business. It represents the present value of shareholders' interests in the earnings distributable from the assets allocated to the business after sufficient allowance for the aggregate risks in the business
Embedded Value Operating Profit (EVOP) and Return on Embedded Value (RoEV)	Embedded Value Operating Profit ("EVOP") is a measure of the increase in the EV during any given period due to matters that can be influenced by management. It excludes changes in the EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs. Return on Embedded Value ("RoEV") is the ratio of EVOP for any given period to the EV at the beginning of that period
Embedded Value Report	The embedded value report dated July 12, 2016 prepared by Richard Holloway, a partner in Milliman Advisors LLP and acting as Reporting Actuary in accordance with Actuarial Practice Standard 10.
Expense Ratio or Cost Ratio	Total expenses including commission, provision for doubtful debts and bad debts written off divided by total weighted received premium (TWRP)
First Year Premium	Insurance premium that is due in the first policy year of a life insurance contract
Grievance Ratio	Number of grievances divided by policies issued in the same period (per 10,000)
Health Insurance Business	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
Independent Actuary	Richard Holloway, a partner in Milliman Advisors LLP, has acted as the Independent Actuary in accordance with the IRDAI Issuance of Capital Regulations
Indian Insurance Company	Under the Insurance Act, any insurer being a company: <ul style="list-style-type: none"> <li>a. which is formed and registered under the Companies Act, 2013 as a public company or is converted into such a company within one year of the</li> </ul>



Term	Description
	<p>commencement of the Insurance Laws (Amendment) Act, 2015;</p> <p>b. in which the aggregate holdings of equity shares by foreign investors, including portfolio investors, do not exceed forty-nine per cent of the paid up equity capital of such Indian insurance company, which is Indian owned and controlled, in such manner as may be prescribed; and</p> <p>Explanation: For the purposes of (b) above, the expression “control” shall include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements</p> <p>c. whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance</p>
In-Force	An insurance policy or contract, reflected on records, that has not expired, matured or otherwise been surrendered or terminated
Insurance Penetration	Penetration - Insurance premium as % of GDP
Insurance Premium	It is the consideration the policyholder will have to pay in order to secure the benefits offered by the insurance policy
Insurance Underwriting	The process by which an insurance company determines whether or not and on what basis it will accept an application for insurance
Insurer	An Indian Insurance Company or a statutory body established by an act of parliament to carry on insurance business or an insurance co-operative society or a foreign company engaged in re-insurance business through a branch established in India
Investment Assets	All investments made out of shareholders funds representing solvency margin, non-unit reserves of unit linked insurance business, participating and non- participating funds of policyholders; policyholders' funds of pension and general annuity fund at their carrying value; and policyholders unit reserves of unit linked insurance business at their market value
Investment Yield	A measure of the income received from an investment compared to the price paid for the investment. Normally expressed as a percentage
Lapse	A life insurance contract lapses if the policyholder does not pay the premiums within the stipulated period
Life Insurance Business	The business of effecting contracts of insurance upon human life, including any contract whereby the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life
Mathematical Reserves	The provision made by an insurer to cover liabilities arising under or in connection with policies or contracts for life insurance business. Mathematical reserves also include specific provision for adverse deviations of the bases, such as mortality and morbidity rates, interest rates, and expense rates, and any explicit provisions made, in the valuation of liabilities, in accordance with the regulations made by the IRDAI for this purpose. Please also see “ – Policy Liabilities”
Maturity Benefit	The amount of benefit which is payable on maturity i.e. at the end of the term, as specified in the policy document. This is stated at the inception of the contract
Maturity Date	The stipulated date on which benefit may become payable either absolutely or on the occurrence of a contingency
Morbidity Rate	The frequency at which a disease appears in a population. Morbidity rates help insurers predict the likelihood that an insured will contract or develop any number of specified diseases

<b>Term</b>	<b>Description</b>
Mortality Charges	The risk charges that are levied on the life cover part to provide the protection benefit to the policyholder
Mortality Rate	A measure of the number of deaths, varying by such parameters as age, gender and health, used in pricing and computing liabilities for future policyholders of life and annuity products, which contain mortality risks
NAV / Net Asset Value	NAV in the context of the equity shares is computed as the closing net worth of the companies, divided by the closing outstanding number of fully paid up equity share. In the context of the unit linked business of our company and the investments made in mutual funds by our company, it represents the value of one unit held by the policyholder/us and is computed as total assets of the fund/scheme divided by number of units outstanding
Net worth	Net worth represents the shareholders' funds and is computed as sum of share capital and reserves including share premium share application money and fair value change account net of debit balance in profit and loss account
Non-Participating Product / Policy	A life insurance policy where the policyholder is not entitled to a share of the surplus emerging in participating fund, but receives certain guaranteed benefits. Examples include pure risk policies such as fixed annuities, term insurance, critical illness etc
Operating expense ratio	Operating expenses (excluding commission) divided by total weighted received premium (TWRP)
Participating Product / Policy	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
Pension Business	Pension business includes business of effecting contracts to manage investments of pension funds or superannuation schemes or contracts to pay annuities that may be approved by the IRDAI
Persistency Ratio	The percentage of life insurance policies remaining in force to the premiums of all policies issued and calculated with respect to policies issued in a fixed period prior to the period of measurement. In other words, it is the percentage of policies that have not lapsed and is expressed as 13 <sup>th</sup> month 49 <sup>th</sup> month persistency etc. depicting the persistency level at 13 <sup>th</sup> month (2 <sup>nd</sup> year) and 49 <sup>th</sup> month (5 <sup>th</sup> year) respectively, after issuance of contract
Policy Liabilities	The policy liabilities under an insurance contract are the benefits an insurance company has contractually agreed to pay to the policyholders, plus its future expenses less future premiums. Please also see "Mathematical Reserves"
Present Value of Future Profits or PVFP	Present value of projected distributable profits to shareholders arising from the in-force covered business, determined by projecting the post taxation shareholder cash flows from the in-force covered business and the assets backing the associated liabilities
Protection Gap	As defined in the Swiss Re, Economic Research & Consulting "Mortality Protection Gap Asia-Pacific 2015", the protection gap is measured as the difference between the resources needed and the resources already available for dependents to maintain their living standards following the death of a working family member
Regular Premium Product	Life insurance product which requires regular periodic payment of premium
Reinsurance	An insurance contract between one insurance company (cedant) and another insurance company (reinsurer) to indemnify against losses on one or more contracts issued by the cedant in exchange for a consideration (the premium). The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risks across alternative institutions
Renewal Premium	Life insurance premiums falling due in the years subsequent to the first year of the policy

<b>Term</b>	<b>Description</b>
Retail Weighted Received Premium	Premiums actually received by the insurers under individual products (excluding accrued / due but not paid) and weighted at the rate of ten percent for single premiums
Required Solvency Margin, Available Solvency Margin and Solvency Ratio	Every insurer is required to maintain an excess of the value of assets over the amount of liabilities of not less than an amount prescribed by the IRDAI, which is referred to as a Required Solvency Margin. The actual excess of assets over liabilities maintained by the insurer is termed as Available Solvency Margin. The ratio of Available Solvency Margin to the Required Solvency Margin is called as Solvency margin
Rider	The add-on benefits which are in addition to the benefits under a basic policy
Single Premiums	Those policies that require only a single lump sum payment from the policyholder
Sum Assured	The amount that an insurer agrees to pay on the occurrence of a stated contingency
Surplus	The excess of the value placed on a life insurance company's assets over the value placed on its liabilities
Surrender	The termination of a life insurance policy at the request of the policyholder after which the policyholder receives the cash surrender value, if any, of the contract
Surrender Penalty	In case of linked contracts, surrender penalty is the unit value to the credit of the policyholder less what is actually paid out at the time of surrender
Surrender Value	The benefit payable when a policy surrenders or discontinues paying premiums
Time Value of Financial Options and Guarantees or TVFOG	Reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business. The intrinsic value of such options and guarantees is reflected in the PVFP
Top-Up Premium	An additional amount of premium over and above the contractual basic premiums charged at the commencement of the contract
Total weighted received premium or TWRP	Measure of premiums received on both retail and group products and is the sum of first year and renewal premiums on regular premium policies and ten percent of single premiums received by our Company during any given period
Unit linked business	Business of effecting life insurance, pension or health insurance contracts under which benefits are wholly or partly to be determined by reference to the value of underlying assets or any approved index
Unit Linked Fund	A unit linked fund pools together the premiums paid by policyholders and invests in a portfolio of assets to achieve the fund(s) objective. The price of each unit in a fund depends on how the investments in that fund perform
Unit linked products	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
Unrecovered expenses	The accumulation of charges less actual expenses rolled up with actual investment returns
Variable insurance product	A life insurance policy that offer investments in a number of sub accounts available in the policy
Value of new business (VNB) and VNB margin	VNB is the present value of expected future earnings from new policies written during any given period and it reflects the additional value to shareholders expected to be generated through the activity of writing new policies during any given period. VNB for any period reflects actual acquisition costs incurred during that period  VNB margin is the ratio of VNB to APE for any given period and is a measure of the expected profitability of new business

## Conventional and General Terms / Abbreviations

Term	Description
` / Rs./ Rupees/ INR	Indian Rupees
AGM	Annual general meeting
AIF	An alternative investment funds as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS / Accounting Standards	The Accounting Standards issued by the Institute of Chartered Accountants of India
Bn / bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I Foreign Portfolio Investors	The FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	The FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	The FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act, 1956	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Corporate Governance Guidelines	The Corporate Governance Guidelines for Insurers in India, 2016
CrPC	The Code of Criminal Procedure, 1973
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DIPP	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant identification
EGM	Extraordinary general meeting

<b>Term</b>	<b>Description</b>
EPS	Earnings per share
FDI	Foreign direct investment
FDI Policy	The Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	The foreign institutional investors as defined under the SEBI FPI Regulations
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FIR	First information report
Foreign Investment Rules	The Indian Insurance Companies (Foreign Investment) Rules, 2015
FPI(s)	The foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally accepted accounting principles in India
Insurance Act	The Insurance Act, 1938
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India

<b>Term</b>	<b>Description</b>
IRDA Act	The Insurance Regulatory and Development Authority of India Act, 1999
IRDAI Investment Regulations	The Insurance Regulatory and Development Authority (Investment) Regulations, 2000
IRDAI Issuance of Capital Regulations	The Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance business) Regulations, 2015
IRDAI Preparation of Financial Statements Regulations	The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002
IRDAI Registration of Corporate Agents Regulations	The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015
IRDAI Transfer of Equity Shares Regulations	The Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015
IST	Indian Standard Time
IT	Information technology
km	Kilometres
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MAT	Minimum alternate tax
Mn	Million
Mutual Fund(s)	The mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. / NA	Not applicable
NAV	Net asset value
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NR	Non-resident
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price / earnings ratio
PAN	Permanent account number

<b>Term</b>	<b>Description</b>
PAT	Profit after tax
RBI	Reserve Bank of India
RoNW	Profit after tax for the period divided by the net worth as at the period end
RTGS	Real time gross settlement
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Erstwhile the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. / US / USA / United States	United States of America
U.S. Securities Act	U.S. Securities Act, 1933
UK	United Kingdom
US GAAP	Generally accepted accounting principles in the United States of America
USD / US\$	United States Dollars
VAT	Value-added tax
VCFs	The venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and all references to the “U.S.”, “US”, “USA” or “United States” are to the United States of America and all references to the “U.K.”, “UK” are to the United Kingdom.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our standalone and consolidated Restated Financial Statements as of and for the Fiscals ended March 31, 2016, 2015, 2014, 2013 and 2012. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act, the Insurance Act, the IRDA Act, regulations framed and circulars issued thereunder and restated under the SEBI Regulations. The information pertaining to our assets under management (AUM) and details of investments in “our business” are based on standalone restated financial statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal for all amounts in ` billion and all percentage figures have been rounded off to one decimal place except certain elements like investment yield which are rounded off to second decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles and auditing standards has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. See “Risk Factors” from pages 21 for risks involving differences between Indian GAAP and other accounting principles and auditing standards and risks in relation to Ind AS. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Insurance Act, the IRDA Act, regulations framed and circulars issued thereunder, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the Insurance Act, the IRDA Act, regulations framed and circulars issued thereunder, the SEBI Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. See “Risk Factors - Risks Relating To The Indian Insurance Industry - Our financial statements and the presentation of our performance metrics differ significantly from those of non-insurance companies and may be difficult to understand or interpret” on page 45. Our Company has obtained the Embedded Value Report from Milliman Advisors LLP, prepared by Richard Holloway, an Independent Actuary, in accordance with the IRDAI Issuance of Capital Regulations. For further details, see “Embedded Value Report” beginning on page 430.

Our Company has obtained a certificate dated June 28, 2016 from Satyan Jambunathan, the then appointed actuary of our Company in relation to actuarial report and abstract for the Fiscal 2016, under the Insurance Act and the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 21, 133 and 408, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the consolidated Restated Financial Statements of our Company unless otherwise stated.

### Currency and Units of Presentation

All references to:

- “Rupees” or “`” or “INR” or “Rs.” or “Re” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in



“million” and “billion” units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

## Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, details with respect to the exchange rate between the Rupee and other currencies:

<i>(in `)</i>					
Currency	As on March 31, 2012	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015	As on March 31, 2016
1 US\$*	51.16 <sup>(3)</sup>	54.39 <sup>(2)</sup>	60.10 <sup>(1)</sup>	62.59	66.33

\* Source: RBI reference rate

(1) Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

(2) Exchange rate as on March 28, 2013, as RBI reference rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, a Saturday and a public holiday, respectively

(3) Exchange rate as on March 30, 2012, as RBI reference rate is not available for March 31, 2012 being a Saturday.

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, our Directors, our Promoters, the Selling Shareholder or the GCBRLMs or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. For details of risks in relation to the CRISIL Report, see “Risk Factors - This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research” on page 43.

**CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / CRISIL Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / CRISIL Report. The CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the CRISIL Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of the CRISIL Report may be published/reproduced in any form without CRISIL’s prior written approval.**

## Definitions

For definitions, see “Definitions and Abbreviations” beginning on page 1. In “Main Provisions of Articles of Association” beginning on page 552, defined terms have the meaning given to such terms in the Articles of Association. In “Statement of Tax Benefits” beginning on page 111, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In “Financial Statements” beginning on page 213, defined terms have the meaning given to such terms in the Financial Statements.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company’s exposure to market risks, general economic and political conditions in India which have an impact on our Company’s business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and other changes in our industry. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- any termination of, or any adverse change to, our relationships with or performance of our bancassurance partners, including with ICICI Bank and Standard Chartered Bank;
- any termination of, or any adverse change to, our ability to attract or retain distributors, both institutional and retail, and key sales employees;
- change in our product mix or our failure to maintain our market position or continue to grow;
- failure to manage our growth successfully;
- changes in the regulatory environment in which we operate;
- adverse financial market and economic conditions in India; and
- shifts in demographic trends and consumer attitudes towards life insurance.

For further discussion on factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 21, 133 and 408, respectively. Further, as required under the IRDAI Issuance of Capital Regulations, the Embedded Value Report has been included in this Draft Red Herring Prospectus, which contains certain assumptions for the future, including assessment of appropriate assumptions for future experience. By their nature, certain market risk related disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Selling Shareholder, the GCBRLMs, the BRLMs nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Regulations, our Company, will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholder will ensure that investors are informed of material developments in relation to statements and undertakings made by the Selling Shareholder in the Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchanges.

## SECTION II: RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If anyone or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environments that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of us on a consolidated basis and the terms of the Offer, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. For further details, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 133 and 408, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see “Forward-Looking Statements” on page 20.*

*Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.*

### **INTERNAL RISKS**

#### **RISKS RELATING TO OUR BUSINESS**

- 1. Our business, financial condition, results of operations and prospects may be materially and adversely affected if our product mix changes or if we are not able to maintain our market position or sustain our growth.***

We design and distribute a range of unit linked, participating, non-participating and pure protection products. Our ability to design and distribute appropriate products to our target customer segments through our multiple distribution channels on a timely basis affects our performance. Since our capital requirements, pricing assumptions, level of mathematical reserves, profitability and the patterns of profits vary from product to product, changes in the product mix for new business may impact the results of our operations.

We are focussed on certain products to maintain our growth, improve our profitability and increase the value of our new business. If we fail to continue to grow our unit linked business or manage to increase the proportion of our pure protection business in our overall new business or if we are unable to maintain our overall levels of growth while growing these lines of business, our market position, profitability and value of new business may be adversely affected.

We have experienced significant growth in our new business premiums and have a leading position among private sector life insurers in India, as of March 31, 2016. The Indian life insurance sector is highly competitive and may be subject to consolidation. We may not be able to sustain our growth in light of competitive pressure or other factors. As a result of consolidation, competitors may emerge that are larger in size or have other competitive advantages. Any slowdown in our growth, whether in absolute terms or relative to industry trends could adversely affect our market position and a loss of our market position could adversely affect our ability to sustain our growth.

Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

- 2. Any termination of, or any adverse change to, our relationships with or performance of our bancassurance partners, including with ICICI Bank and Standard Chartered Bank, may have a material adverse effect on our business, financial condition, results of operations and prospects.***

Banks which have entered into bancassurance agreements with our Company, including ICICI Bank and Standard Chartered Bank, are the main distribution channels for our insurance products. The retail APE from bancassurance partners represented 54.6%, 59.4% and 58.6% of our retail APE in fiscal 2014, 2015 and 2016, respectively. The retail APE through ICICI Bank represented 54.5%, 56.1% and 54.9% of our retail APE in fiscal 2014, 2015 and 2016, respectively. Currently, ICICI Bank exclusively distributes our life insurance products despite not being

contractually bound to do so.

Any termination of, disruption to, or any other adverse change to, our relationship with the banks with which our Company has entered into bancassurance agreements, including the termination of the exclusivity in our Company's arrangement with Standard Chartered Bank, any change in ICICI Bank's voluntary exclusive distribution, the formation of any partnership between our bank partners and any of our competitors, or a lack of experienced representatives at the bank branches, could significantly reduce our product sales and our growth opportunities. Our Company's bancassurance agreement with ICICI Bank can be terminated by ICICI Bank after March 31, 2017 after informing our Company and the IRDAI of the reasons for termination. A regulator might also require one or all of our bank partners to distribute our competitors' products, which could significantly reduce our product sales and our growth opportunities.

Prior to the issuance of the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 (the "**Registration of Corporate Agents Regulations**"), each bank registered with the IRDAI for the solicitation and servicing of insurance business for life insurance companies was permitted to act as a corporate agent for only one life insurance company. Pursuant to the issuance of the Registration of Corporate Agents Regulations, which came into effect from April 1, 2016, each bank is permitted to solicit, procure and service insurance products for a maximum of three life insurers, three general insurers and three health insurers. Banks can now act as non-exclusive corporate agents for up to three life insurers and accordingly, any of our bancassurance partners may act as a corporate agent of our competitors.

In addition, as the bancassurance market becomes increasingly competitive, banks could demand higher commission rates, which would increase our costs of sales and materially reduce our profitability. The banks which distribute our insurance products are subject to banking supervision and regulation in India, while we are subject to insurance supervision and regulation. Regulatory changes affecting the bancassurance business and distribution of insurance products could materially affect our relationship and arrangements with these banks or restrict our ability to further expand our bancassurance arrangements.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

**3. *Changes in the regulatory environment in which we operate could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in the form of significant reforms from time to time. We have been materially affected in the past due to regulatory changes in the sectors including those governing unit linked products introduced in 2010, which capped charges and prescribed minimum levels of sum assured, and those governing non linked products introduced in 2013. Any such change in the future may require us to commit significant management resources and may require significant changes to our business practices and could have a material adverse effect on our business, financial condition, results of operations and prospects.

**4. *Our Company and its Directors and our Subsidiary, one of our Promoters and certain Group Companies are involved in certain legal and other proceedings.***

Our Company and some of our Directors and our Subsidiary, one of our Promoters and certain Group Companies are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory/statutory authorities against our Company and its Directors, and our Subsidiary, our Promoters and Group Companies have been set out below. Further, the summary of the outstanding matters also include other outstanding matters pending against ICICI Bank and Group Companies, whose parent company is ICICI Bank, where the amount involved exceeded ₹ 5,100 million, other outstanding matters pending against our Company and our Subsidiary where the amount involved exceeded ₹ 826.4 million and all outstanding litigation involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

Litigation involving our Company:

Nature of the cases	No. of cases outstanding	Amount involved
		( ₹ in millions)
Criminal matters	Over 106	-
Direct tax matters	9	10,214.5
Indirect tax matters	26	10,720.3
Action by regulatory/ statutory authorities	4	-
Inquiry, inspections or investigations initiated or conducted under the Companies Act	-	-

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Other matters exceeding ` 826.4 million	-	-

Litigation involving our Subsidiary:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	-	-
Direct tax matters	1	0.05
Indirect tax matters	-	-
Action by regulatory/ statutory authorities	-	-
Other matters exceeding ` 826.4 million	-	-

Litigation involving our Directors:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	36	-
Direct tax matters	-	-
Indirect tax matters	-	-
Action by regulatory/ statutory authorities	4	22.76
Other matters	-	-

Litigation involving our Promoters:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
<b>ICICI Bank</b>		
Criminal matters	12	-
Direct tax matters	11	32,873.96
Indirect tax matters	6	6,862.62
Actions taken by regulatory/statutory authorities	13	789.31
Other matters exceeding ` 5,100 million	6	5,662.75

Litigation involving I-Sec:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	-	-
Direct tax matters	21	1,472
Indirect tax matters	9	272
Action by regulatory/ statutory authorities	1	10
Other matters exceeding ` 5,100 million	-	-

Litigation involving ICICI Lombard General Insurance Company Limited:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	13	-
Direct tax matters	3	23.49
Indirect tax matters	13	2,978.91
Action by regulatory/ statutory authorities	-	-
Other matters exceeding ` 5,100 million	-	-

Litigation involving ICICI Securities Primary Dealership Limited:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	-	-
Direct tax matters	15	67.1
Indirect tax matters	1	0.1
Action by regulatory/ statutory authorities	2	0.5
Other matters exceeding ` 5,100 million	-	-

Litigation involving ICICI Prudential Asset Management Company Limited:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	-	-
Direct tax matters	2	95.3
Indirect tax matters	2	4.1

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Action by regulatory/ statutory authorities	-	-
Other matters exceeding ` 5,100 million	-	-

Litigation involving ICICI Venture Funds Management Company Limited:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	2	-
Direct tax matters	1	13.3
Indirect tax matters	3	247.7
Action by regulatory/ statutory authorities	-	-
Other matters exceeding ` 5,100 million	1	US\$ 103.6 million

Litigation involving ICICI Home Finance Company Limited:

Nature of the cases	No. of cases outstanding	Amount involved
		(` in millions)
Criminal matters	-	-
Direct tax matters	6	3,970.66
Indirect tax matters	3	490.76
Action by regulatory/ statutory authorities	-	-
Other matters exceeding ` 5,100 million	-	-

*Note:* The amounts indicated above (wherever quantifiable) are approximate amounts.

Additionally, we are routinely subjected to policyholders' complaints and lawsuits, including criminal complaints against us and our employees. Such lawsuits are costly to defend against and can materially affect our financial condition, even if we are successful in defending them or effectively redress such complaints. We have in the past been, and may in the future be, subject to discrimination suits by employees against supervisory staff and fellow colleagues. If we are unsuccessful in defending these suits or settling these complaints, we may have to pay significant damages. Even if we are successful in defending them, our reputation could be materially harmed. We are exposed to the risk of complaints and/or litigation being filed by customers, which may result in adverse publicity or direct financial losses due to actual or purported breaches of promise or wrongful denial of claims. Improper product design could damage the "ICICI Prudential" brand and/or lead to significant financial losses resulting from dispute settlements. We cannot provide any assurance that such complaints or suits will be decided in our favour. In addition, even if we are successful in defending such cases, we will be subject to legal and other costs relating to such litigation and complaints, and such costs could be substantial. Further, we cannot assure you that similar proceedings or complaints will not be initiated in the future. If any of the above scenarios were to occur, they could materially and adversely affect our business, results of operations, financial condition, prospects and our reputation. Further, even if we take steps to maintain an effective grievance redressal system, in relation to our policyholders complaints, denial and repudiation of claims, mis-selling by our employees and agents and fraudulent surrender of policies, we may not be able to effectively, redress such complaints in an effective and a timely manner, which could adversely affect our business operations, financial condition, prospects and reputation.

For further details, see "Outstanding Litigation and Material Developments" on page 455. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company or our Directors, Subsidiary, our Promoters and Group Companies, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**5. Any adverse effect on the equity markets in India could have a material adverse effect on our business, financial condition and results of operations.**

A significant portion of our investment returns come from investments in the equity markets in India. Any significant decline in stock prices or dividends from stocks could negatively affect our net investment income in the following ways:

- As of March 31, 2016, 58.2% of our assets under management were unit-linked and without guarantees. While the risk of market downturns is generally borne by the policyholders of such products, a large share of our profits from unit-linked products is derived from fund management charges. Downturns in equity markets can have a negative impact on our fund management charges, due to the decline in the value of funds under management, and our profitability.
- The expected profit streams of our products are based in part on expected investment returns. Declining equity returns may adversely affect the profitability of these products.

- Downturns in equity markets may also result in losses on account of capital or return or unit price guarantees embedded in some of our products. As of March 31, 2016, 14.2% of our assets under management were in respect of unit-linked products with capital or return or unit price guarantees, which would be negatively affected by a downturn in equity markets.
- Our shareholders' funds are also partly invested in equities, the value of which could be affected by such movement.

Any adverse effect on the equity markets in India could have a material adverse effect on our business, financial condition and results of operations.

**6. *Changes in market interest rates could have a material adverse effect on our business and profitability.***

The profitability of some of our products and our returns on investment are highly sensitive to interest rate fluctuations. As of March 31, 2016, 53.7% of our investments were in debt securities. Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) could reduce our investment returns and spread and thus materially and adversely affect our insurance businesses and investment returns, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects. Our spread, which is the difference between the actual investment returns of our insurance products' reserves and the rate that needs to be earned to cover the benefits and expenses, is a key source of our profitability.

A decline in interest rates could not only result in an increase in the value of our existing fixed income assets calculated based on fair value, but could also result in reduced returns on investment from our newly added fixed income assets and thus materially reduce our profitability. During periods of declining interest rates, our average investment yield may be affected as our maturing investments and bonds that are redeemed or prepaid to take advantage of the lower interest rate environment may have to be replaced with new investments carrying lower yields, thus reducing our investment margins and investment income. Lowering assumed pricing rates could help partially offset decreases in investment margins on some products. However, our ability to lower these rates could be limited by competition and may not match the timing or magnitude of changes in investment yields, which would reduce or eliminate the profit margins on our products. In addition, policyholder behaviour in such scenarios, such as higher persistency than expected, could result in the guarantees embedded in some of our products becoming more onerous than expected. Accordingly, declining interest rates could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects and significantly reduce our profitability.

An increase in interest rates could also negatively affect our profitability. An increase in interest rates could not only result in an increase in investment returns on our newly added fixed income assets, but could also result in reduced value of our existing fixed income assets calculated based on fair value. We may not be able to replace, in a timely manner, the existing fixed income assets in our investment portfolio with higher yielding assets needed to fund our policies that offer higher rates of return. We, therefore, may have to accept a lower spread and, thus, lower profitability. While the increased investment yield will increase the returns on investment from newly added assets in our investment portfolios, surrenders and withdrawals of existing insurance policies may increase as policyholders may seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments by us requiring the sale of invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, potentially resulting in realised investment losses. These cash payments to policyholders would result in a decrease in total invested assets and a potential decrease in net income.

We cannot guarantee that our asset liability management process and regular monitoring of our positions will be adequate to eliminate, or even reduce, our exposure to such interest rate risks. In particular, if we are unable to closely match the duration of our assets and liabilities, we will be exposed to risks related to interest rate changes, which could materially and adversely affect our results of operations and financial condition. This could be in part due to the limited availability of long-term fixed income securities in the Indian capital markets, legal and regulatory restrictions on the types of investments we may make and improperly constructed fixed income derivative hedges.

In addition, assumptions related to future investment returns are used in pricing our products and setting of reserves. Actual investment returns that are lower than those projected could lead to us suffering significant losses on certain products and cause us to increase the price of our products in the future, thereby affecting future business.

Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, balance of payments, regulatory requirements and other factors beyond our control. For example, the RBI reduced its benchmark interest rate in April 2016 from 6.75% to 6.50%. The RBI or the Government of India may implement further measures in response to changes in the macroeconomic environment, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

**7. *Significant deviations from our assumptions regarding future persistency, coupled with concentrated policy surrenders, could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Under normal circumstances, it is generally possible for us to anticipate the overall level of policy surrenders, withdrawals and lapses in a given period. However, the occurrence of unusual events that have significant or lasting impact, such as sharp declines in income of customers due to a severe deterioration in economic conditions, radical changes in applicable government policies, loss of customer confidence in the insurance industry due to severe or perceived weakening of the financial strength of one or more insurance companies, or even a sharp upward movement in the equity markets, may trigger concentrated surrenders, withdrawals and lapses of insurance policies, thus reducing our persistency. Increased volatility in the capital markets also generally trigger concentrated surrenders in our unit linked portfolio, thus reducing our persistency.

Since the prices and expected future profitability of our products are based in part upon expected patterns of premiums and assumptions related to persistency, if the actual persistency of our products is different from our persistency assumptions, it could have a material adverse impact on our business and profitability.

In addition, if concentrated surrenders were to occur, we would have to sell our investment assets to cover the significant amount of surrender payments. Ordinarily, our total turnover of equity and debt assets is low compared to the total volume of such assets traded in the markets. However, if concentrated surrenders were to occur, we may be unable to sell our investment assets at favourable prices or in a timely manner to cover the significant level of surrender payments, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

**8. *Higher expenses than expected could have a material adverse effect on our business, financial condition and results of operations.***

We price our products based on assumptions for expenses we expect to incur. The assumptions for expenses include policy issuance cost, infrastructure related costs, employee costs, policy maintenance cost and other support costs. Expenses may be higher than expected due to specific events and changes in macroeconomic conditions including inflation, changes in regulations, competition dynamics, distributor pressures, people and other factors. In addition, significant variation of actual inflation from our assumptions could also result in higher than expected expenses. If actual incurred expenses exceed the priced levels, it could have a material adverse effect on our business, financial condition and results of operations. We may also be unable to control or maintain our costs due to low productivity or increased competition. Any of these could cause higher than expected expenses and could have a material adverse effect on our business, financial condition and results of operations.

Given the cap on charges on unit-linked products, the ability to absorb expenses in the pricing of our various products differs across products. Hence any shift in product mix could impact our segment level expense ratios and hence our financial condition and results of operations.

Further, since a portion of our expenses are fixed, if future sales are lower than expected, our expenses may not fall proportionally, or at all. This could adversely affect our margins, and thereby, our financial condition and results of operations.

Finally, while VNB for any period reflects actual acquisition costs incurred during that period, we also internally review VNB at target acquisition cost levels that we seek to achieve. Higher expenses than expected could result in our not achieving the target cost levels. If we invest significant resources in products based on our expectation of target acquisition costs, which we do not achieve, it could have a material adverse effect on our business, financial condition and results of operations.

**9. *We could be subject to claims by the customers and/or regulators for alleged mis-selling.***

We primarily sell insurance through intermediaries including individual agents, corporate agents, brokers and bancassurance partners, as well as certain of our employees. Intermediaries aid the customer in choosing the correct product, advising on appropriate benefits and affordable premiums, disclosing product features, and advising on whether to continue with a particular product or switch products.

Under certain circumstances, the sales process might be considered inadequate or there might be misconduct on part of our employees or intermediaries at the time of signing of the policy contract or during the course of customer service. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products and fund management strategies. We may be subject to claims by customers in such instances of mis-selling. In some instances, we may also have paid a commission to the intermediary prior to a claim of mis-selling by our customers, and if we have to refund the customer but are unable to recover such commission, we might face significant losses. In addition, regulators may



attribute the mis-selling activities of intermediaries to us and impose penalties on us for non-compliance with relevant laws and regulations.

It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. This could result in significant financial losses as well as loss of our reputation. Further, persons may also misrepresent themselves as agents of our Company to defraud customers and such aggrieved customers have filed and, in the future, may file complaints against us.

Any case of mis-selling, or recurring cases of mis-selling, could result in substantial claims and fines and could have a material adverse effect on our business, financial condition, results of operations and reputation. For details in relation to criminal complaints filed against us pertaining to mis-selling of insurance policies by our distributors and employees or by committing fraud, forgery and cheating, please see “Outstanding Litigation and other Material Developments—Litigation involving our Company—Litigation filed against our Company—Criminal matters” on page 455.

**10. *There are operational risks associated with the insurance industry which, when realised, may have a material adverse effect on our business, financial condition, results of operations and prospects.***

We, like all insurance companies, are exposed to many types of operational risk, and there can be no assurance that we will not suffer losses from operational risks in the future, and our reputation could be adversely affected by the occurrence of any such events. Our key operational risks include:

- human and systems errors in our complex and high volume transactions;
- failure of technology in our processes causing errors or disrupting our operations;
- inadequate technology infrastructure or inappropriate systems architecture;
- failure to adequately monitor and control our various distributors;
- failure to implement sufficient information security controls;
- an interruption in services by our service providers; and
- damage to physical assets, either IT assets or non-IT assets.

If any of the foregoing were to occur, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

**11. *Our business may be subject to periodic negative publicity, which could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our business is, to a large extent, reliant on the strength of the “ICICI Prudential” brand and our reputation, and that of our Promoters. The high media scrutiny and public attention that the insurance industry is subjected to, in addition with increasing consumer activism in India, increases the risk to the reputation of the insurance industry in general, and a risk of negative publicity and damage to the “ICICI Prudential” brand if we are presented in a negative light.

Litigation, employee misconduct, operational failures, regulatory investigations, press speculation and negative publicity, amongst others relating to us or our Promoters and Group Companies, whether founded or unfounded, could damage the “ICICI Prudential” brand or our reputation. The “ICICI Prudential” brand and our reputation could also be harmed if products or services recommended by us (or any of our intermediaries) do not perform as expected (whether or not the expectations are founded), or there is a change in customers’ expectations from the product. Negative publicity could be based, for instance, on allegations that we have failed to comply with regulatory requirements or result from failure in business continuity or performance of our information technology systems, loss of customer data or confidential information, unsatisfactory service and support levels or insufficient transparency. Incidents or developments negatively affecting ICICI Bank’s and Prudential’s brands may also negatively affect “ICICI Prudential” brand and our reputation.

Any damage to “ICICI Prudential” brand or our reputation could hamper the trust placed in the brand and cause existing customers or intermediaries to withdraw their business and potential customers or intermediaries to reconsider doing business with us. Furthermore, negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business and adversely affect our profitability. Negative publicity may also influence market or rating agencies’ perception of us, which could make it more difficult for us to maintain our credit rating.

Therefore, any damage to “ICICI Prudential” brand or our reputation could have a material adverse effect on our

business, financial condition, results of operations and prospects.

**12. *The embedded value and value of new business information presented in this Draft Red Herring Prospectus is based on several assumptions and may vary significantly if those assumptions are changed or if experience is different from assumptions.***

In order to provide investors with additional information to understand our economic value and business results, information regarding our embedded value, as discussed in the report of the Independent Actuary, has been included in this Draft Red Herring Prospectus. While we have obtained an embedded value report from an Independent Actuary, there is significant technical complexity involved in embedded value calculations and the estimates used in such embedded value report may vary materially if key assumptions are changed or if experience is different from assumptions. In addition, regardless of the accuracy of the assumptions, there is risk that the model used to calculate such embedded value itself may not be accurate. The Independent Actuary has determined our embedded value as at March 31, 2015 and March 31, 2016 using different assumptions and methodology than we used in the past. In future, the embedded value calculations may be done internally by the Company. Moreover, the Indian Embedded Value (“**IEV**”) method to calculate embedded value differs from other jurisdictions’ methods of calculation, such as the European Embedded Value (“**EEV**”) method. Therefore, the embedded value must be read in conjunction with the assumptions and limitations specified in such report and the discussion under the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators” on page 412 and care must be exercised in interpreting the embedded value results.

Further, one of our Promoters, PCHL, through the consolidated supplementary financial information of its ultimate parent company, Prudential Plc, publishes “Embedded Value” results, which incorporate disclosures in respect of its holding in us. All consideration of financial, and other, information with regard to an investor’s decision whether or not to invest in this Offer should be made on the basis of the financial statements presented in the Red Herring Prospectus and the Prospectus and not based on any information or documents published by our Promoters.

In addition, the model used to calculate the value of new business (“**VNB**”) may be incorrect or the experience may be different from the assumptions used in calculating the VNB. Therefore, care must be exercised when reading and interpreting the VNB number presented in this Draft Red Herring Prospectus and the report of the Independent Actuary.

**13. *Any termination of, or any adverse change to, our ability to attract or retain distributors, both institutional and retail, and key sales employees, could have a material adverse effect on our business, financial condition, results of operations and prospects.***

In addition to our bancassurance channel, we distribute our products through other financial intermediaries and dedicated sales specialists. We compete with other financial institutions to attract and retain these intermediaries and our success depends upon factors such as the amount of sales commissions and fees we pay (including due to regulatory restrictions), the range of our product offerings, our reputation, our perceived stability, our financial strength, the marketing and services we provide such intermediaries and the strength of the relationships we maintain with individuals at those firms. If we are unable to attract or retain our distributors and our key sales employees, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

It is also difficult, time consuming and costly to recruit, train and deploy insurance agents and other retail distributors. If we are unable to develop our agency force in a cost-effective manner, or at all, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

Pursuant to the issuance of the Registration of Corporate Agents Regulations, corporate agents can now act as non-exclusive agents for up to three life insurers and accordingly, any of our existing corporate agents may act as a corporate agent of our competitors. Further, our corporate agents could sell a larger share of our competitors’ products, which could have an adverse impact on our business, profitably and results of operations.

From time to time, due to competitive forces, we may experience unusually high attrition in our distribution channels. Our inability to continue to recruit productive independent sales intermediaries and dedicated sales specialists, or our inability to retain strong relationships with the individual agents or our independent sales intermediaries, could have a material adverse effect on our business, financial condition, results of operations and prospects.

**14. *Regulatory and statutory actions against us or our distributors could cause us reputational harm and have a material adverse effect on our business, financial condition, results of operations and prospects.***

We are subject to extensive laws and regulations issued by IRDAI and other regulatory and/or statutory authorities of India, and, from time to time, we may be subject to regulatory actions. Our Company has in the past received, and have been receiving, various queries and clarifications from the IRDAI, including in relation to inspection of

policyholders' grievances, compliance with investment limits specified under the Investment Regulations, alleged deficiencies observed by the IRDAI during an onsite inspection of our corporate agents, excessive payments by our Company to certain corporate agents, compliance with anti-money laundering laws, discrepancies in audited year end statistics submitted by our Company with the IRDAI and corporate governance compliance status reports. Failure to satisfactorily address these queries and clarifications in a timely manner or at all may result in our Company being subject to regulatory actions by the IRDAI and penalties. Further, responding to these regulatory actions, regardless of their ultimate outcome, is time-consuming and expensive and can divert the time and effort of our senior management from our business. Moreover, our provisions for regulatory actions may be inadequate. Given the uncertainties and complexity of many of these regulatory actions, their outcome generally cannot be predicted with any reasonable degree of certainty.

We are subject to periodic examinations by the IRDAI and other Indian governmental authorities. The regulators may impose penalties and/or sanctions on us for non-compliance. For more details, see the sections entitled "Our Business — Legal Proceedings" and "Outstanding Litigation and Material Developments" on pages 159 and 455, respectively. These and future examinations or proceedings by regulatory authorities may result in the imposition of penalties and/or sanctions, or issuance of negative reports or opinions, that could have a material adverse effect on our business, financial condition, results of operations and prospects. These government examinations or proceedings may also result in negative publicity, which could significantly harm our corporate image and reputation.

We are also exposed to risks, including regulatory actions, arising due to improper business practices such as inadequate due diligence, including customer verification, non-adherence to anti-money laundering guidelines, and customer needs analysis, in the sales process.

Any fraud, sales misrepresentation, money laundering and other misconduct committed by our employees, agents and distribution partners could result in violations of laws and regulations by us and subject us to regulatory sanctions. Even if such instances of misconduct do not result in any legal liabilities on our part, they could cause serious reputational or financial harm to us.

In addition, our intermediaries are also subject to regulatory oversight of the IRDAI, in addition to any other regulators within their industries. Any regulatory action against such partners could reduce our ability to distribute our products through them, harm our reputation and have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, if any new developments arise, including a change in Indian laws or regulations or decisions adverse to us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, financial condition, results of operations and cash flows.

To the extent that we enter new geographies or new product markets, the complexity of our regulatory environment will increase, potentially increasing the cost of compliance and the risk of non-compliance.

**15. *Adverse financial market and economic conditions in India and globally would have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our business depends on favourable economic conditions in India and, in particular, on growing household incomes and a high savings rate.

In the event of any economic downturn in India or elsewhere, which may be characterised by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for insurance and savings products could be adversely affected. Policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. We may also experience an elevated incidence of claims and surrenders or lapses of policies. For non-unit-linked funds, such surrenders or lapses may require the sale of invested assets at a time when asset prices are depressed, potentially resulting in investment losses.

Any adverse macroeconomic development in India, whether as a result of domestic or global developments, would adversely affect our customers and thereby have a material adverse effect on our business, financial condition, results of operations and prospects.

**16. *Shifts in demographic trends and consumer attitudes towards life insurance could have a material and adverse effect on our business, financial condition, results of operations and prospects.***

Our business and profitability are affected by general economic and demographic conditions in India. India's economic growth trends, household savings rate, consumer attitudes towards financial savings, demographic profile,

and life insurance penetration rates are some of the key factors affecting the performance of its life insurance industry. However, if the economic or demographic conditions in India deteriorate or are not in line with our expectations, or the impact on our business is different from what we expect, our financial condition and results of operations may be materially and adversely affected.

**17. *Catastrophic events, including natural disasters, could materially increase our liabilities for claims by policyholders and have a material adverse effect on our business, financial condition and results of operations.***

Our operations expose us to claims arising out of catastrophes. Earthquakes, typhoons, floods, wind, fires, explosions, industrial accidents, epidemics, terrorist attacks, pandemics and other events may cause catastrophes, and the occurrence and severity of catastrophes are inherently unpredictable. A localised catastrophic event that affects the workplace of one or more of our group insurance customers could cause a significant loss in our group insurance operations due to mortality or morbidity claims of the affected customers. Catastrophes could also result in losses in our investment portfolios, due to, among others, the failure of our counterparties to perform their obligations or significant volatility or disruption in the financial markets, and could in turn have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, national catastrophes, such as a nuclear strike, may not be covered by reinsurance. We have experienced, and will likely in the future experience, losses related to catastrophic events covered by our insurance that could materially increase claims paid and reduce our revenues.

Although we enter into catastrophic reinsurance arrangements to reduce our catastrophe loss exposure, due to limitations in the underwriting capacity and terms and conditions of the reinsurance market as well as inherent difficulties in assessing our exposure to catastrophes, such reinsurance may not be sufficient to adequately cover our losses. As a result, if catastrophic events covered by our insurance occur with greater frequency and severity than has historically been the case, claims arising therefrom could materially reduce our profits and cash flows and have a material adverse effect on our business, financial condition and results of operations.

**18. *Differences between our actual benefits and claim payments and those assumptions and estimates used in the pricing of, and setting reserves for, our products could have a material adverse effect on our business, financial condition, results of operations and prospects.***

We price our products based on assumptions for benefits and claim patterns. Our earnings depend significantly upon the extent to which actual claims and benefits are consistent with the assumptions used in pricing our products and determining the appropriate amount of policy reserves. Such assumptions include future mortality and morbidity rates. In respect of our annuity portfolio, we are exposed to longevity risk. If actual mortality rates are lower than expected for annuitants, it could have a material adverse effect on our profitability. In respect of our products that offer death and morbidity related benefits, actual mortality and morbidity rates that are higher than those projected could have a material adverse effect on our business, financial condition, results of operations and prospects. Mortality risk, i.e., the risk of higher mortality than expected, is more significant for our pure protection products as compared to our other products which offer both protection benefits as well as savings. Our pure protection portfolio currently represents a small proportion of our product portfolio. However, we have been increasingly focusing on protection business in recent years. Although we transfer a significant proportion of our mortality risk exposure to reinsurers, if our protection portfolio grows significantly, we would still have a significant exposure to mortality risk. Further, in recent years, we have released various new products. The assumptions used in pricing such products involve an elevated degree of uncertainty, as they are often based on limited experience when compared to assumptions used for existing products.

In addition to the assumptions mentioned above, we use policyholder data and various other third-party data as inputs to our models, which could be inaccurate or incomplete. Also, the models we use to value our expected benefits and claim payments themselves could be incorrect. As we increase the number and complexity of products we offer, the likelihood of an inaccuracy in our models may also increase.

Therefore, if our actual benefits and claim payments experience are significantly worse than our assumptions used in the pricing of our products or if we rely on inaccurate internal or third-party data or models, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

We establish liabilities to provide for future obligations under our products. However, reserves do not represent an exact calculation of liability, but are estimates of expected net future policy benefits and claims payments. The assumptions used to set our reserves and our estimates require significant judgement and, therefore, are inherently uncertain. We cannot determine with precision the ultimate amounts that we will pay for actual benefit and claim payments, the timing of those payments, or whether the assets supporting our liabilities will increase to the levels we estimate before payment of benefits or claims.

**19. *The actuarial valuations of liabilities for our policies with outstanding liabilities are not required to be audited and if such valuation is incorrect, it could have an adverse effect on our financial condition.***

The actuarial valuation presented in our financial statements and elsewhere of liabilities for our policies with outstanding liabilities are performed by our Appointed Actuary. In India, the appointed actuary of an insurance company certifies such valuation and that in his/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 IRDAI. Our auditors rely upon our Appointed Actuary's certificate and do not review or audit such valuation independently, which practice might differ from other jurisdictions. If the assumptions and/or models used to conduct such an actuarial valuation of our liabilities are incorrect, or if there is an error in a calculation, it could have an adverse effect on our financial condition, given that there is no independent assurance on the actuarial liabilities through an audit process.

We continually monitor the assumptions used in the calculation of reserves such as discount rates, mortality, morbidity, expenses including expense inflation and persistency. If we conclude that our reserves are insufficient to cover actual or expected policy benefits and expenses, we would be required to increase our reserves and incur income statement charges for the period in which we make the determination, and may lead to an increase in our pricing of certain products, which could have material adverse effect on our business, financial condition and results of operations.

**20. *Our Company is subject to a number of insurance laws and regulations which may restrict our operating flexibility.***

Our Company is subject to a number of insurance laws and regulations. The laws and regulations or the regulatory or enforcement environment may change at any time, which may have an adverse effect on the products or services we offer, the value of our assets or our business in general. Further, the laws and regulations governing the insurance industry have over a period become increasingly complex governing a wide variety of issues, including foreign investment, solvency requirements, investments, money laundering, privacy, record keeping, marketing and selling practices. Any change in the policies by the IRDAI, including in relation to investment or provisioning or rural and social sector obligations or norms, may result in our inability to meet such increased or changed requirements as well as require us to increase our coverage to relatively riskier segments. Future changes in laws and regulations and failure or the apparent failure to address any regulatory changes or enforcement initiatives could have an adverse impact on our business, our future financial performance and our shareholders' funds or policyholders' funds, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions of any kind or increase our litigation risks and have an adverse effect on the price of the Equity Shares.

In addition, the Insurance Act and the regulations issued by the IRDAI provide for a number of restrictions which restrict our operating flexibility and affect or restrict investors' shareholding or rights. The Insurance Act also restricts the types of capital of an insurer in India to only consist of equity share capital, consisting of equity shares each having a single face value, and other forms of capital as specified under the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015 prescribing preference share capital, subordinated debt instruments and any other debt instrument as may be permitted by the IRDAI. Accordingly, our ability to issue capital of varied nature is limited.

In addition, the Insurance Act provides that appointment, reappointment or termination of appointment, of a managing or whole time director, a manager or a chief executive officer, of an insurance company shall be made only with the prior approval of the IRDAI. Further, in terms of the Indian Insurance Companies (Foreign Investment) Rules, 2015, the right to appoint any chairman who exercises a casting vote and the right to appoint any chief executive officer is necessarily required to be retained and exercised by the Indian promoters and/or investors.

Further, in terms of the Investment Regulations, life insurers are bound to invest a fixed percentage of their investment assets forming part of their controlled fund in certain products in certain specified categories of assets and instruments, including bonds and securities issued by various government institutions and investments in housing and infrastructure sector. For instance, our Company is required to invest a minimum of 50% of our life funds (funds other than those relating to our pension, general annuity and group businesses and unit reserves of our unit-linked business) in government securities and a minimum of 15% of our funds in housing and infrastructure sectors. Additionally, IRDAI issues from time to time exposure norms and prudential norms which govern the types and categories of securities in which our Company is permitted to invest.

As regards schemes of arrangements, under the Insurance Act, an Indian insurer can implement a scheme of arrangement only with the prior approval of the IRDAI. Further, the IRDAI has the authority to prepare and submit a scheme of arrangement between insurers, (i) in the public interest, (ii) in the interests of the policyholders, (iii) in order to secure the proper management of an insurer; or (iv) in the interests of insurance business of the country as a whole, for amongst others, the transfer of the business, properties, assets and liabilities of one insurer on such terms and conditions as may be specified in the scheme.

Any laws and regulations which restrict our operating flexibility could have a material adverse effect on our financial condition, business, and results of operations.

**21. *Changes in the accounting standards used in the reporting of our financial statements due to new pronouncements, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial results, financial condition or Shareholders' equity.***

Our financial statements are prepared in accordance with accounting principles generally accepted in India (Indian GAAP), in compliance with the accounting standards notified under section 133 of the Companies Act, 2013 further amended by Companies (Accounting Standards) Amendment Rules, 2016, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India.

It is possible that in the future, changes to accounting standards or any other regulations governing us could change the current accounting treatment being followed by the Company. This may have a significant impact on the level and volatility of our financial results, financial condition or Shareholders' equity. In any such event, our profit/ loss for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made.

In addition, companies in India are required to prepare annual and interim financial statements under a variation of International Financial Reporting Standards (“IFRS”) known as “Ind AS”. The Ministry of Corporate Affairs, Government of India (“MCA”) has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 (“MCA IndAS Rules”) and has also issued a press release dated January 18, 2016 outlining a roadmap for implementation of IndAS converged with IFRS. Thereafter, MCA has issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 (“Amendment Rules”) applicable for accounting periods commencing on or after March 30, 2016. Such Amendment Rules state that insurance companies shall apply such Ind AS as may be notified by the IRDAI. IRDAI has issued a circular, dated March 1, 2016, with respect to the implementation of IndAS stating that insurers shall follow the IndAS as notified under the MCA IndAS Rules, subject to any guideline or direction issued by the IRDAI in this regard. IRDAI has further stated in this circular that insurance companies are required to prepare Ind AS based financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018. We are also required to be in preparedness to submit pro forma Ind AS financial statements to the IRDAI from the quarter ended December 31, 2016.

Given that there is significant lack of clarity on the adoption of and convergence with IFRS for insurance companies and there is not yet a significant body of established practice in India on which to draw in forming judgements regarding its implementation and application to insurance companies, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. In the transition to Ind AS reporting, we may encounter several technical difficulties. Moreover, there is increasing competition for the small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements.

There can hence be no assurance that our financial condition, financial results, cash flows or changes in Shareholders' equity will not appear materially worse under Ind AS than under Indian GAAP and that any failure to successfully adopt Ind AS and submit pro forma financial statements within the prescribed timelines could have a material adverse effect on the price of the Equity Shares.

Also see “—Risks Related to India— Significant differences exist between Indian GAAP and other reporting standards, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.” on page 50.

**22. *Our business, financial condition, results of operations and prospects may be materially and adversely affected if we are unable to manage our growth successfully.***

We have experienced significant growth in our gross premiums. Such growth has placed, and if we are able to continue to grow, will continue to place significant demands on our managerial, operational and capital resources. As part of our overall strategy, we may undertake investments, acquire certain businesses, assets and technologies, as well as develop new business lines, products and distribution channels. Such expansion of our business activities will require, among other things, the following:

- strengthening and expanding our risk management capabilities and information technology systems to effectively manage risks associated with existing and new lines of insurance products and services and increased marketing and sales activities;
- developing adequate underwriting and claims settlement capabilities;

- recruiting, training and retaining management, technical personnel and sales staff with sufficient experience and knowledge;
- managing our rapidly growing investment assets;
- developing new distribution channels, including digital platforms to expand capacity and improve productivity;
- compliance with additional regulatory obligations;
- maintaining and developing the “ICICI Prudential” brand and our reputation; and
- meeting the demand of an increased capital base and higher requirements for cost controls to satisfy the minimum solvency ratio requirements stipulated by the IRDAI and other capital needs.

Any investment, acquisition and business initiative could require our management to develop expertise in new areas, manage new business relationships, attract new types of customers, and divert their attention and resources, all of which could have a material adverse effect on our ability to manage our business. These investments, acquisitions and business initiatives may also expose us to potential risks, including risks associated with the integration of new business lines, operations and personnel, the diversion of resources from our existing business and technologies, the potential loss of, or harm to, relationships with employees and customers, as well as other unforeseen liabilities.

Typically, profit, if any, from life insurance contracts emerges over the life of the contract and we usually incur losses in the initial period after a policy is written. Any significant growth in new business will cause us to incur significant losses, thus affecting our results of operations.

We cannot assure you that we will be successful in managing our growth, if any, in the future. If we are not able to manage future growth successfully, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**23. *We rely on third-party contractors and service providers for a number of services, but we cannot guarantee that such contractors and service providers will comply with relevant regulatory requirements or their contractual obligations.***

We routinely outsource some of our operations in line with the guidelines issued by the regulator, such as data entry, policy printing and software development, to third-party contractors and providers. However, we cannot guarantee that our third-party contractors will comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all. Third-party providers may breach agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreements because of their own financial difficulties or business priorities, potentially at a time that is costly or otherwise inconvenient for us. Our operations could be delayed or our commercial activities could be harmed due to any such event despite having continuity plans in place as required by regulations. In addition, if our third-party providers fail to operate in compliance with regulations or corporate and societal standards, we could suffer reputational harm, which would likely cause a material adverse effect on our business, financial condition, results of operations and prospects. In the past, we have been subjected to a regulatory penalty and warnings for violations of the guidelines on outsourcing issued by the IRDAI, including on account of lack of due diligence and process gaps with respect to our vendors, and we cannot assure you that we may not face similar penalties in the future.

**24. *Our business is vulnerable to misconduct and fraudulent activities and such activities could have a material adverse effect on our business, financial condition, results of operations and reputation.***

We have in the past been subject to, and expect to continue to be subjected to, fraudulent activities by employees, customers and third parties. Although we maintain a system of internal controls to monitor, detect and prevent fraud, there can be no assurance that we will not suffer significant losses due to fraudulent activities.

Premium on our products may also be collected by our employees or intermediaries. This makes us vulnerable to misappropriation and breach of trust by our employees and agents. In cases where we compensate the customer for any loss of such premium, we may be unable to recover any such amounts from such employee or agent, leading to losses for the Company.

In addition, our sales agents have direct contact with our customers and have knowledge of their personal and financial information. This contact exposes our clients to various forms of possible misconduct, including illegal sales practices, fraud, identity theft and loss of personal information. Any such misconduct could have a material adverse effect on our business and reputation. Finally, we are also exposed to fraudulent activities engaged in by our customers and third parties. Such activities include the fraudulent use of customer accounts, use of false identities

and making of false claims. For instance, we have received complaints from customers in relation to spurious calls from unknown persons posing as representatives of our Company who had unauthorised access to our customers' information. We have filed a complaint with the police in relation to such matters.

If we are unable to detect or prevent fraudulent activities, we may suffer significant losses that we are unable to recover, and which could have a material adverse effect on our business, financial condition and results of operations. In addition, if we are able to recover our losses, any such fraud may still cause significant harm to our reputation.

See “—Regulatory and statutory actions against us or our distributors could cause us reputational harm and have a material adverse effect on our business, financial condition, results of operations and prospects” and the section entitled “Outstanding Litigation and Material Developments” on pages 29 and 455, respectively.

**25. *The enhanced supervisory and compliance environment in the financial sector increases the risk of regulatory action, whether formal or informal.***

We and our Promoters are subject to a wide variety of banking, insurance and financial services laws, regulations and regulatory policies and a large number of regulatory and enforcement authorities. Regulators in general have intensified their review, supervision and scrutiny of many financial institutions. Regulators are increasingly viewing financial institutions as presenting a higher risk profile than in the past, in a range of areas. This increased review and scrutiny or any changes in the existing regulatory supervision framework, increases the possibility that we or our Promoters may face adverse legal or regulatory actions. There can be no guarantee that all regulators will agree with our and our Promoters' internal assessments of asset quality, provisions, risk management, capital and management functioning, other measures of the safety and soundness of our and their operations or compliance with applicable laws, regulations, accounting norms or regulatory policies. Regulators may find that we or our Promoters are not in compliance with applicable laws, regulations, accounting norms or regulatory policies, and may take formal or informal actions in respect of the same. If we or our Promoters fail to manage legal and regulatory risk, our business could suffer, our reputation could be harmed and we would be subject to additional risks. We cannot predict the timing or form of any current or future regulatory or law enforcement initiatives, which are increasingly common for all financial institutions.

**26. *We depend on the accuracy and completeness of information provided by or on behalf of our customers and counterparties.***

In deciding whether to issue policies to customers, pay out claims or enter into other transactions with counterparties, we necessarily have to rely on information furnished to us by or on behalf of our consumers and counterparties, including personal details, their medical histories, income statements and other financial information. Our financial condition and results of operations could be negatively affected by relying on any incorrect, misleading or incomplete information sourced from customers and counterparties. Such information might include non-disclosure of pre-existing medical conditions, inaccurate, incomplete or forged income and financial statements, know your customer (“KYC”) documents, thereby leading to violation of laws including the anti-money laundering related laws. In the past, our Company been subjected to caution by the IRDAI in connection with lapses in our Company's KYC and anti-money laundering (“AML”) processes. In early 2013, online magazine Cobrapost accused us and several other financial institutions in India of deficient anti-money laundering practices. Pursuant to such accusations, IRDAI also conducted an onsite inspection during March/April 2013 to examine our Company's compliance with the provisions of the AML guidelines. Subsequently, in its 2014 order on the inspection, the IRDAI directed our Company to strengthen its internal controls over operational procedures and closely monitor its branches on KYC-related shortcomings as observed by our Company's Internal Audit Department. While we are implementing measures aimed at improving detection and prevention of employees' and external parties' fraud, sales misrepresentation, money laundering and other misconduct, we may not be able to timely detect or prevent such misconduct, which could harm our reputation, lead to further regulatory action, and have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, pursuant to an amendment to Section 45 of the Insurance Act, our Company is prohibited from calling in to question a life insurance policy on any grounds, including misstatement of facts or fraud, at any time after three years from the date of the policy, i.e., from the date of issuance of the policy, commencement of risk, revival of the policy or the rider to the policy, whichever is later. If we are unable to detect any such misstatement or fraud within the stipulated period, we could be subjected to higher morbidity, mortality and credit risks than we intended to assume. This could lead to higher claim payments to customers and could have a material adverse effect on our business, financial condition and results of operations.

While we are implementing measures aimed at improving detection and prevention of employees' and external parties' frauds, sales misrepresentations, money laundering and other misconduct, we may not be able to timely detect or prevent such misconduct, which could harm our reputation and have a material adverse effect on our business, financial condition, results of operations and prospects. We also cannot assure you that such incidents will



not recur, and any such recurrences could have a material adverse effect on our business, financial condition, results of operations and reputation.

**27. *Our risk management, as well as the risk management tools available to us, may not be adequate or effective in identifying or mitigating risks to which we are exposed.***

We have established a risk management system consisting of an organisational framework, policies, procedures and risk management methods that we consider to be appropriate for our business operations, and we have continued to enhance these systems. See the section entitled “Our Business — Risk Management” on page 155.

However, due to the inherent limitations in the design and implementation of such a system, including internal control environment, risk identification and evaluation, effectiveness of risk control, and information communication, our systems may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks.

Many of our methods for managing risk exposure are based upon observed historical market behaviour or statistics. These methods may not accurately predict future risk exposure, which can be significantly greater than what our historical measures may indicate. Other risk management methods depend upon the evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible to us. Such information may not be accurate, complete or properly evaluated. Moreover, the information and experience data that we rely on may quickly become obsolete as a result of market and regulatory developments, and our historical data may not be able to adequately reflect risks that may emerge from time to time in the future.

Management of our operational, legal and regulatory risks requires us to, among other things, develop and implement policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective. Failure or the ineffectiveness of these systems could have a material and adverse effect on our business, financial condition and results of operations.

Our employees and agents who conduct our business, including management, sales and product managers, sales agents and investment professionals, among others, do so in part by making decisions that expose us to risks. These decisions include setting underwriting guidelines and standards, product design and pricing, investment decisions, and pursuit of business opportunities, among others. In addition, our employees and agents may make decisions beyond their scope of authority and that expose us to excessive risks. Due to the large size of our operations and the large number of our branches, we cannot assure you that our controls and procedures designed to monitor the business decisions of our employees and agents will always be effective. If our employees and agents take excessive risks or make intentional or unintentional mistakes, the impact of those risks or mistakes could have a material adverse effect on our business, financial condition, results of operations and prospects.

As the Indian insurance market continues to evolve, we are likely to offer a broader and more diversified range of insurance products and invest in a wider range of assets in the future. Our failure to timely adapt our risk management policies and procedures to our developing business could have a material adverse effect on our business, financial condition, results of operations and prospects.

**28. *If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be materially and adversely affected.***

We take steps to establish and maintain compliance and disclosure procedures, systems and controls, and to maintain internal controls over financial reporting in order to produce reliable financial reports and prevent financial fraud. However, internal controls over financial reporting must be reviewed on an ongoing basis as risks evolve, and the processes to maintain such internal controls involve human diligence and compliance and are subject to lapses in judgement and breakdowns resulting from human error. To the extent that there are lapses in judgement or breakdowns resulting from human error, the accuracy of our financial reporting could be affected, resulting in a loss of investor confidence and a decline in the price of the Equity Shares.

In addition, the IRDAI has cautioned our Company in connection with lapses in our KYC and AML processes against violating various anti-money laundering guidelines and directed it to strengthen our internal control over operational procedures and closely monitor our branches on KYC related shortcomings as observed by our Company’s Internal Audit Department measures to adhere to anti-money laundering guidelines. See “—We depend on the accuracy and completeness of information provided by or on behalf of our customers and counterparties” on page 34.

**29. *Failures of or inadequacies in our information technology systems could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our business depends heavily on the ability of our information technology systems to timely process a large number

of policies written across numerous product lines. In particular, our products and processes have become increasingly complex and the volume of policies written continues to increase. In addition, in fiscal 2016, over 90% of our policies were initiated using our digital platform.

The proper functioning of our financial controls, accounting, customer database, customer service and other data processing systems, including those relating to underwriting and claims processing functions, actuarial and risk management, together with the communications systems linking our headquarters, branches, sales and service outlets and main information technology centres, is critical to our operations and to our ability to compete effectively. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these information technologies or communications systems. These failures could be caused by, among others, hardware failure, software program errors, computer virus attacks, internet failure, conversion errors due to system upgrading or system relocation, failure to successfully implement ongoing information technology initiatives, human errors, natural disasters, war, terrorist attacks, blackouts and unanticipated problems at our existing and future facilities. Many of these events are wholly or partially outside of our control. Although we back up our business data regularly and have an emergency disaster recovery centre located at a site different from our production data centre, any material disruption to the operation of our information technology systems could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our information technology infrastructure, including but not limited to data centre and network communications, is part of the Group's information technology infrastructure. Any disruptions to the Group's information technology infrastructure could have a material adverse effect on our business, financial condition, results of operations and prospects.

We update our information technology systems and introduce new information technology systems from time to time. However, delays, system failures or other accidents may occur during such system upgrades or introduction of new systems. In addition, the upgraded or new information technology systems may not be able to achieve the projected processing capacity and availability, and may also not be able to meet the needs of our business scale and business growth in the future. Our failure to address these problems promptly, including any delay in the implementation of any upgraded or new information systems, could result in our inability to perform, or prolonged delays in performing, critical business operational functions, the loss of key business data, which could have a material adverse effect on our business operations, customer service and risk management, among others. This could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

**30. *If we fail to maintain confidential information securely, or suffer from any security or privacy breaches, it could have a material adverse effect on our business, financial condition, results of operations and prospects.***

In our customer engagements, we collect, process, store, use, transmit and have access to a large volume of confidential information. Our and our partners' computer networks may be vulnerable to unauthorised access, computer hackers, computer viruses, worms, malicious applications and other security problems caused by unauthorised access to, or improper use of, systems by our employees, subcontractors or third-party vendors.

Information security, including the security of our technology systems, is managed jointly by our Company and one of our Promoters, ICICI Bank, as per the ICICI Group Information Security Framework. Despite the security controls implemented, computer attacks or disruptions may jeopardise the security of information stored in and transmitted through our computer systems or the systems that we manage. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches. Techniques used to obtain unauthorised access or to sabotage systems change frequently and generally are not recognised until launched against a target. We may be unable to anticipate these techniques or implement adequate preventative measures. Even if we anticipate these attacks, we may not be able to counteract these attacks in time to prevent them.

Any security breach, data theft, unauthorised access, unauthorised usage, virus or similar breach or disruption could result in loss or disclosure of confidential information, damage to our reputation, litigation, regulatory investigations or other liabilities. Actual or perceived concerns that our systems may be vulnerable to such attacks or disruptions may deter our customers from using services and result in negative publicity.

Data collection and storage are increasingly subject to legislation and regulations in various jurisdictions and governments are increasingly acting to protect the privacy and security of personal information. Our attempts to comply with applicable legal requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition, results of operations and prospects. We could be adversely affected if legislation or regulations are expanded or amended to require changes in our business practices or if such legislation or regulations are interpreted or implemented in ways that negatively affect our business, financial condition, results of operations and prospects.

**31. *If we are not able to integrate any future acquisitions, it could have a material adverse effect on our business, financial condition, results of operations and prospects.***

In the future, we may seek opportunities for growth through acquisitions or may be required to undertake mergers mandated by IRDAI under its statutory powers. Any such acquisitions or mergers may involve a number of risks, including ascertaining the right value of the target, unknown or inadequately quantified actuarial liabilities, deterioration of book quality of the acquired business, diversion of our management's attention required to integrate the acquired business, the failure to retain key acquired personnel, distributors and customers, leverage synergies or rationalise operations, develop skills required for new businesses and markets, or unknown and known liabilities, some or all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we may make acquisitions outside of India. These companies may be subject to foreign regulatory regimes with which the Company has little experience, and such companies may be subject to further risks which we may be unable to evaluate at the time we acquire them. These risks, if borne out, could have a material adverse effect on our business, financial condition, results of operations and prospects.

**32. *The success of our business depends on our ability to attract and retain our senior management, actuaries and high-quality employees, and the loss of their services could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The success of our business to a large extent depends on the continued service of our senior management and various professionals and specialists, including actuaries, information technology specialists, investment managers and finance professionals, legal professionals, risk management specialists and underwriting and claim settlement personnel. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and insurance professionals and specialists has intensified. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including management in professional departments of business, finance, actuarial, investment and information technology, or cannot adequately and timely replace them upon their departure.

Particularly, we rely on a limited number of actuarial personnel, including our Appointed Actuary. Actuaries work in a specialised profession and there are a limited number of persons qualified to practice as an actuary in India. Any failure on our part to attract, retain or find suitable replacements for any our actuarial personnel, including our Appointed Actuary, could have a material adverse effect on our business, including and up to being prevented from conducting our business at all.

Moreover, we may be required to increase substantially the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the insurance industry for such personnel. Our failure to retain or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among insurance companies and other business institutions may also require us to increase compensation and commissions, which would increase operating costs and reduce our profitability.

**33. *We rely heavily on our relationship with ICICI Bank, and our dependence on ICICI Bank leaves us vulnerable to changes in our relationship.***

In addition to being a principal shareholder and major distribution channel, we have in the past hired, and in the future expect to hire senior employees from ICICI Bank to fill our managerial positions and some of our senior employees have gone on to work at ICICI Group. Any change in relationship with ICICI Bank could cause a disruption in our succession plans and could have a material adverse effect on our business and prospects.

We also rely on ICICI Bank for services including technology services, such as data centres, cyber-security and network management. If ICICI Bank were, for any reason, to terminate or change its relationship with us, there could be a temporary disruption in our business till we find a replacement for these services and which could lead to an increase in our costs and have an adverse effect on our business. For further details on our dependence on ICICI Bank, see “—Our Promoters, Directors and Key Managerial Personnel are interested in our Company other than reimbursement of expenses or normal remuneration or benefits” on page 42.

**34. *Most of our new business premiums come from a few products. Any constraint in selling these products due to future regulatory changes restricting or limiting the sale or marketing of these products, changes in customer preference or any other factor could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The Indian insurance industry has witnessed significant changes driven by changes in customer preferences and regulations, in both products and distribution since the opening up of the insurance sector to private companies.

These changes include the emergence of unit-linked insurance products and the emergence of the bancassurance channel.

In fiscal 2016, 82.6% of our retail APE came from unit-linked products. We cannot be certain that there will be no changes in regulations or customer preferences restricting or limiting the sale or marketing of these products in the future, or that in the event of such changes, we would be able to suitably redevelop our product strategy. If we are unable to anticipate market developments, develop and exploit opportunities and create new products, we might be significantly disadvantaged as compared to our competitors willing to offer more attractive products in case of such changes. If our unit-linked funds underperform their respective benchmarks, we may not be able to market these products in the future and may be in a disadvantageous position as compared to our competitors.

Such changes, in the product categories that are significant for us currently or are likely to become significant to our new business in future, could have a material adverse effect on our business, financial condition, results of operations and prospects.

**35. *As a significant portion of our business is generated from relatively few regions, we are susceptible to economic and other trends and developments, including adverse weather conditions, in these areas.***

The states of Maharashtra, Gujarat, Karnataka, Tamil Nadu and Delhi accounted for over 55% of the total received premium from new business retail policies in fiscal 2016. A decline in local economic conditions which affects the demand for insurance products, affects the ability of consumers to maintain their premium payments or affects the ability of our agents or partners in those regions to conduct their business, may have a greater effect on our financial condition, business and prospects than businesses that are more geographically diverse. Given our geographic concentrations, negative publicity regarding any of our products in these areas could have a material adverse effect on our ability to attract new customers. Other regional occurrences, such as local strikes, terrorist attacks, increases in energy prices, natural or man-made disasters or more stringent state and local laws and regulations, to the extent these affect the demand of insurance products, affect the ability for customers to make their premiums, prevent our agents from consummating sales or cause concentrated surrenders could also have a material adverse effect on our business, financial condition, results of operations and prospects. .

**36. *Any increase in or realisation of our contingent liabilities could have a material adverse effect on our business, financial condition, results of operations and prospects.***

As of March 31, 2014, 2015 and 2016, our aggregate contingent liabilities, in accordance with the provisions of Accounting Standard - 29 – Provisions, Contingent Liabilities and Contingent Assets, were ` 1.89 billion, ` 1.97 billion and ` 2.01 billion, respectively. The details of our contingent liabilities as of March 31, 2016 as per our restated financial statements, which have not been provided for by us, are as follows:

<b>Particulars</b>	<b>At March 31, 2016 (` in millions)</b>
Partly paid-up investments	-
Claims, other than those under policies, not acknowledged as debts comprising:	
- Claims made by vendors for disputed payments	0.5
- Claims for damages made by landlords (of premises taken on lease)	39.4
- Claims made by employees and advisors for disputed dues and compensation	4.1
Underwriting commitments outstanding (in respect of shares and securities)	-
Guarantees given by or on behalf of the Company by various banks in favour of government authorities, hospital and court	-
Statutory demands/liabilities in dispute, not provided for <sup>#</sup>	1,537.0
Reinsurance obligations to the extent not provided for	-
Policy related claims under litigation in different consumer forums:	
- Claims for service deficiency	101.7
- Claims against repudiation	323.8

Particulars	At March 31, 2016 (` in millions)
Others	-
<b>Total</b>	<b>2,006.5</b>

# The contingent liability of ` 1,537.0 million 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.

For further details, see the sections entitled “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 408 and 455, respectively. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. In the event that any of our contingent liabilities were to be recognised on our financial statements, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

**37. *Credit risks in our day-to-day operations, including in our reinsurance contracts, may expose us to significant losses.***

We are dependent on a number of parties like brokers and dealers, merchant bankers, clearing agents, stock exchanges, banks, brokers and other intermediaries for our day-to-day operations. If any of these counterparties do not perform their obligations due to bankruptcy, lack of liquidity, downturns in the economy, operational failure, fraud or other reasons, and any collateral or security they provide proves inadequate to cover their obligations at the time of the default, we could suffer significant losses. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances.

We also transfer a significant proportion of the risk we assume under the insurance policies to reinsurance companies. Although reinsurance makes the reinsurer liable to us for the risk transferred, it does not discharge our liability to our policyholders. As a result, we are exposed to credit risk with respect to reinsurers. We cannot assure you that our reinsurers will pay the amounts owed to us now or in the future or that they will pay these amounts on a timely basis.

Therefore, a default of any counterparty's obligations, including any reinsurer's insolvency or non-payment under the terms of its reinsurance agreement with us, could have a material adverse effect on our business, financial condition and results of operations.

**38. *Credit risks related to our investments may expose us to significant losses.***

We are exposed to credit risks in relation to our investments. We have a sizeable debt portfolio which formed 53.7% of our assets under management as of March 31, 2016. The value of our debt portfolio could be affected by changes in the credit rating of the issuer of the securities as well as by changes in credit spreads in the bond markets. In addition, issuers, including the government, of the debt securities that we own may default on principal and interest payments.

The majority of our corporate bonds portfolio has a domestic credit rating of not lower than “AA”.

However, these domestic credit ratings, even with the same rating symbols, may not reflect the same creditworthiness as an international rating. Hence, we may be subject to greater credit risks with respect to our investments in debt securities than we believe, which could result in impairment losses.

We cannot assure you that we are able to identify and mitigate credit risks successfully. As a result, the losses in fair value or realised losses we could incur on investments we hold, as well as a significant downgrade in the credit rating of the debt securities owned by us could have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, the counterparties in our investments, including issuers of securities we hold, counterparties of any derivative transactions that we may enter into, banks that hold our deposits, debtors and investees of private equity funds, may default on their obligations to us due to bankruptcy, lack of liquidity, economic downturns, operational failure, fraud or other reasons. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances.

**39. *If we do not meet solvency ratio requirements, our Company could be subject to regulatory actions and could be forced to stop transacting any new business or change its business strategy or slow down its growth.***

Indian laws and regulations require us to maintain a control level of solvency. The solvency ratio is the ratio of the excess of assets over liabilities to the required capital. If we fail to meet the relevant control level of solvency

requirements, the IRDAI is authorised to issue directions to our Company as deemed necessary by it, including directions in regard to transacting any new business. For more information, see the section entitled “Regulations and Policies—Insurance Regulatory and Development Authority (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016” on page 163. As of March 31, 2014, 2015 and 2016, our solvency ratio was 369.4%, 336.5% and 320.0%, respectively.

Our solvency ratio is affected by factors such as our amount of capital, product mix, business growth and profitability. If our share capital and profit cannot continue to support the growth of our business in the future, if the statutorily required solvency margin increases, if our financial condition or results of operations deteriorate, or for other reasons we cannot comply with the statutory solvency ratio requirements, we may need to raise additional capital in order to meet such requirements.

In addition, IRDAI may raise the control level of solvency or change the solvency regime from the current regime. Any such change, including a change to a risk-based solvency regime, could subject us to significant compliance costs and we may need to raise additional capital in order to achieve compliance with the changed requirement.

Our ability to obtain additional capital from external sources in the future is subject to a variety of uncertainties, including but not limited to, our future financial condition, results of operations, cash flow, government regulatory approvals, changes in regulations relating to capital raising activities, our credit rating, general market conditions for capital raising activities, and other economic and political conditions in and outside India.

We may not be able to obtain additional capital in a timely manner or on acceptable terms or at all. Failure by us to meet the solvency ratio requirements may have a material adverse effect on our business, financial condition, results of operations and prospects.

Finally, our solvency regime is different from those of other countries. Therefore our solvency ratio might not be comparable to that of insurance companies in other countries with which an investor in the Equity Shares might be familiar.

**40. *Our investment portfolio is subject to liquidity risk which could decrease its value.***

Some of our investments may not have sufficient liquidity as a result of a lack of market makers, market sentiment and volatility, and the availability and cost of credit. In these circumstances, our ability to sell our assets without significantly depressing market prices, or at all, may be limited. As a large institutional investor in India, we may also hold significant positions in many of the listed stocks that we directly invest in, and any decision to sell or any perception in the market that we intend to sell could adversely affect the liquidity and market price of such security and, in turn, our returns on investments in such security. We use algorithm-based balancing to manage the risks of some of our portfolios. In time of market volatility and reduced liquidity, we may find it difficult to execute the balancing trade and expose ourselves to the risk of not meeting the underlying guarantees. We also hold unlisted debt and equity investments, and real estate investments. See the section entitled “Our Business—Investments” on page 150 for more details. If we are required to dispose of these or other potentially illiquid assets on short notice due to significant insurance claims to be paid, significant fall in value of our liquid assets, surrenders and withdrawals of existing policies or other reasons, we could be forced to sell such assets at prices significantly lower than the prices we have recorded in our consolidated financial statements. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further information in relation to risk on market volatility, see “—The results of the United Kingdom’s referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business, financial condition and results of operations and reduce the price of the Equity Shares” on page 51.

**41. *Any concentration in our investment portfolio could have a material adverse effect on our business, financial condition and results of operations.***

Our investment portfolio includes a variety of asset classes, including, but not limited to equity and debt securities. Our investment portfolio may at any point in time have significant concentration in certain asset classes. In the event that any asset class in which we have a significant asset allocation experiences adverse developments, such developments could have a material adverse effect on our business, financial condition and results of operations.

**42. *A downgrade or a potential downgrade in our Claims Paying Ability rating could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our Company is not required by IRDAI to obtain a financial strength rating. As a measure of good governance as well as independent certification of our financial strength, our Company has subscribed to ICRA Limited’s surveillance on Claims Paying Ability rating that measures an insurance company’s ability to meet policyholder obligations. Our Company has been rated iAAA since fiscal year ending March 31, 2009 when it initiated the surveillance with ICRA Limited. A downgrade in our Company’s Claims Paying Ability ratings, or the announced

potential for a downgrade, could have a material adverse effect on our business, financial condition, results of operations and prospects.

**43. *Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements and solvency ratio requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all. For details pertaining to dividend declared by our Company in the past, please see "Dividend Policy" on page 211.

**44. *Our subsidiary has incurred losses in recent periods and may not achieve or maintain profitability in the future. If our Subsidiary cannot achieve or maintain profitability, it could have a material adverse effect on our results of operations.***

Our Subsidiary, ICICI Prudential Pension Funds Management Company, is a pension fund manager for the management of pension funds under the private sector schemes of the National Pension System. Since it commenced operations in 2009, it has incurred cumulative losses of ₹ 14.4 million. Our Company continues to invest in our Subsidiary and if our Subsidiary incurs further losses or does not achieve or maintain profitability, it could have a material adverse effect on our results of operations.

In addition, our Subsidiary operates in a highly regulated industry, and as its sponsor, our Company may face regulatory sanctions or fines for certain infractions committed by our Subsidiary, which could have a material adverse effect on our business and results of operations.

**45. *Some of our Group Companies have incurred losses in the past, based on their audited financial statements available. One of our Promoters may also have unsecured loans.***

Some of our Group Companies have incurred losses in the past, based on their available audited financial statements. For further details of our loss making Group Companies, see "Group Companies – Loss making Group Companies" on page 208. We cannot assure you that our Group Companies will not incur losses in the future. Further, one of our Promoters, PCHL, may from time to time enter into agreements with other Prudential group entities pursuant to which it may have unsecured debt outstanding which are repayable on demand. PCHL does not have any secured loans (outstanding with external lenders) which may be recalled by such lenders at any point of time.

**46. *Our Promoters are able to, and post-listing will continue to, exercise significant influence over us and may not act in our best interests or those of our Company's other shareholders.***

As on the date of this Draft Red Herring Prospectus, ICICI Bank and PCHL hold 67.62% and 25.87%, respectively, of the issued and outstanding equity shares capital of our Company. Post listing, our Promoters will continue to exercise significant influence over us through their shareholding after the Offer. In accordance with the Articles of Association of our Company and the applicable laws and regulations, ICICI Bank individually, or together with PCHL, will be able to exercise significant influence over our business including with respect to issuance of Equity Shares and election of Directors.

The Existing Joint Venture Agreement shall terminate automatically by its own term upon, among other things, an IPO of our Company, other than the clauses in relation to (i) the voting threshold of more than 80% for special resolutions of the shareholders, (ii) the requirement of a special resolution for issuance of Equity Shares or securities convertible into Equity Shares, (iii) ICICI Bank's obligation to vote in favour of the appointment, re-appointment or replacement of at least one director to be nominated by PCHL, subject to fulfilment of certain conditions, and (iv) to achieve minimum public shareholding requirements post IPO, the obligation of ICICI Bank and PCHL to offer for sale to the public such number of shares proportionate to their respective shareholding within the prescribed time period as is necessary, provided that the holding of PCHL (on a fully diluted basis) and ICICI Bank shall not be required to fall below 20% and 54%, respectively. Additionally, ICICI Bank and PCHL have entered into a new Joint Venture Agreement to record the aforementioned understanding (i.e. points (i) to (iv) above). The new Joint Venture Agreement shall become effective from the date on which the Equity Shares are first admitted to trading on the Stock Exchanges pursuant to the Offer and the Existing Joint Venture Agreement shall terminate on such date. For further details, see "History and Certain Corporate Matters— Existing Joint Venture Agreement and New Joint Venture Agreement" on page 170.

Additionally, in accordance with our Articles of Association and applicable laws and regulations, ICICI Bank will

have the ability to exercise, directly or indirectly, a controlling influence over our business. For further details, see “Main Provisions of Articles of Association” on page 552.

For further details in relation to our use of trademarks of our Promoters, ICICI Bank and PCHL, see “—We do not own the “ICICI” and “Prudential” trademark and logo. The ICICI Trademark License Agreement and the Prudential Trademark License Agreement may be terminated under certain circumstances. In addition, we may be unable to adequately protect our intellectual property since a number of our trademarks, logos and other intellectual property rights may not be registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights” on page 43.

Our Promoters may have interests that may be adverse to the interests of our Company or our other shareholders and may take positions with which our other shareholders do not agree. Any of the foregoing factors could have an adverse effect on our business, financial condition, results of operations and cash flows.

**47. *One of our Promoters, ICICI Bank, and/or some of our Directors and related entities may be subject to conflicts of interest because of their interests in other insurance companies which could have a material adverse effect on our business, financial condition, results of operations and prospects.***

One of our Promoters, ICICI Bank, and/or some of our Directors and related entities hold direct and indirect interests in ICICI Lombard General Insurance Company Limited which is engaged in the general insurance business. IRDAI permits general insurance companies and life insurance companies to offer products with health insurance features. One of our Promoters, PCHL, engages in the life insurance business outside India through one or more of its subsidiaries.

Due to such conflicts of interest, our Promoters or some of our Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our or our Company’s other Shareholders’ best interests. They may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects.

**48. *We have entered into certain related party transactions, and we may continue to do so in the future.***

Our Company has entered into certain transactions with related parties, including with our Promoters and Group Companies. Additionally, our Company has a cost sharing arrangement with our Subsidiary, whereby our Subsidiary shares common resources (including employees), infrastructure and premises of our Company for the purposes of its business. Our Company has also given remuneration, dividends and stock options to certain of our Company’s directors and officers and our Promoters. For more information on our related party transactions, see the section entitled “Related Party Transactions” on page 210.

Certain related party transactions also require the approval of our Company’s shareholders (where the related parties are required to abstain from voting on such resolutions). There can be no assurance that such transactions will be approved. There can also be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favourable to us. While we believe that all of our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is also likely that we will enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflict of interests. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, results of operations and prospects.

**49. *Our Promoters, Directors and Key Managerial Personnel are interested in our Company other than reimbursement of expenses or normal remuneration or benefits.***

Our Promoters, ICICI Bank and PCHL, are interested in our Company to the extent of being promoters of our Company, to the extent of their shareholding and the dividends payable to them, if any. Our Company has entered into a Corporate Insurance Agency Agreement with ICICI Bank, wherein ICICI Bank is interested to the extent of receiving commissions in the capacity of a corporate agent from our Company. Our Company has also entered into a service provider agreement with ICICI Bank for providing services such as the display of publicity material and customer awareness initiatives for our Company. Further, our Company has also entered into the ICICI Trademark License Agreement and the Prudential Trademark License Agreement, in relation to licensing of “ICICI” and “Prudential” trademarks, among others. Prudential is also interested in our Company to the extent of hiring employees of our Company. ICICI Bank is also interested in our Company to the extent of hiring employees of our Company to work at the ICICI Group, permitting our Company to hire employees from ICICI Bank and providing certain services in the ordinary course of business, including technology services for general banking purposes. Further, ICICI Bank is interested to the extent of payment agreed to be paid to ICICI Bank in terms of the ICICI



Service Provider Agreement for provision of certain services like space for display of our Company's publicity materials at ICICI Bank's premises, customer awareness initiatives, etc. Further, our Promoters have entered into the Existing Joint Venture Agreement and the New Joint Venture Agreement in relation to, among other things, shareholding rights of our Promoters in respect of our Company. For further details in relation to the Corporate Insurance Agency Agreement, ICICI Trademark License Agreement and the Prudential Trademark License Agreement, see "Our Business" on pages 161. For details regarding the shareholding of ICICI Bank and PCHL in our Company, see "Capital Structure—History of the Equity Share capital held by our Promoters" on page 94. Further, for details in relation to the Existing Joint Venture Agreement and New Joint Venture Agreement, see "History and Certain Corporate Matters—Existing Joint Venture Agreement and New Joint Venture Agreement" and "Main Provisions of Articles of Association" on pages 170 and 552, respectively. For further details of interest of our Promoters in our Company, see "Our Promoters and Promoter Group – Interest of ICICI Bank" and "Our Promoters and Promoter Group – Interest of PCHL" on pages 195 and 198, respectively.

Certain of our Company's Directors and Key Management Personnel may be regarded as interested in the Equity Shares or employee stock options held by them or that may Allotted, pursuant to the Offer, to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters or the insurance policies of our Company. Certain of our Company's directors and Key Management Personnel, holding Equity Shares in our Company, may also be deemed to be interested to the extent of any dividends payable to them. For further details of interest of our Company's directors and KMPs in our Company, see "Our Management – Interests of Key Managerial Personnel" and "Our Management – Interests of Directors" on pages 183 and 180, respectively.

50. ***We do not own the "ICICI" and "Prudential" trademark and logo. Our ICICI Trademark License Agreement and the Prudential Trademark License Agreement may be terminated under certain circumstances. In addition, we may be unable to adequately protect our intellectual property since a number of our trademarks, logos and other intellectual property rights may not be registered and therefore do not enjoy any statutory protection. Further, we may be subject to claims alleging breach of third party intellectual property rights.***

Third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third-party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time-consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorised use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

Further, the "ICICI" and "Prudential" trademarks are registered in favour of ICICI Bank and PIP Services Limited, respectively. Pursuant to the ICICI Trademark License Agreement and the Prudential Trademark License Agreement, our Company has been granted a non-exclusive right to use the "ICICI" and "Prudential" trademark and logo. The ICICI Trademark License Agreement can be terminated if both the following conditions are met (i) ICICI Bank ceases to hold, whether directly, indirectly or beneficially, equity share capital in our Company at any time, representing 50% of our Company's total equity share capital on a fully diluted basis; and (ii) ICICI Bank notifies our Company of its intention to terminate the agreement as per the above mentioned terms. Further, ICICI Bank may elect not to terminate the agreement upon fulfilment of condition (i) above subject to mutually agreed terms. The Prudential Trademark License Agreement will be terminated (automatically and with immediate effect), among other grounds, if our Company ceases to be either a member of the Prudential group or a joint venture (as defined therein). PIP Services Limited is entitled to terminate the Prudential Trademark License Agreement any time by giving 90 days' notice in writing. In the event that the ICICI Trademark License Agreement and/or the Prudential Trademark License Agreement is terminated, our Company may have to discontinue the use of the "ICICI" and/or "Prudential" trademark and logo which may materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

51. ***This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research.***

This Draft Red Herring Prospectus in the sections titled "Summary of Industry", "Summary of Business", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 55, 60, 119, 133 and 408, respectively, includes information that is derived from an industry report titled "Analysis of life insurance industry" prepared by CRISIL Research, a research house, pursuant to an engagement with the Company. We commissioned these reports for the purpose of confirming our understanding of the insurance industry in India. Neither we, nor any of the Managers, our Directors, our Promoters, nor any other person connected with the Offer has verified the information in the commissioned report. CRISIL Research has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the such information and disclaims responsibility for any errors or omissions in the information or for the results obtained from the use of such information. The commissioned report also highlights certain industry

and market data, which may be subject to assumptions. Methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CRISIL Research's assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in the Equity Shares. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

**52. *Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price.***

Our Company has issued Equity Shares in the last 12 months, in connection with exercise of options under the ESOS Scheme, which may be at a price lower than the Offer Price. For further details, see "Capital Structure – Notes to Capital Structure" on page 90. Our Company may continue to issue Equity Shares, under the ESOS Scheme, at a price below the market price of Equity Shares at the time of issuance.

**53. *The Registered and Corporate Office from which our Company operates is not registered in the name of our Company in the revenue records of the Municipal Authority.***

ICICI Limited purchased, from a third party, the premises where the Registered Office and Corporate Office of our Company are situated. Pursuant to the merger between ICICI Limited and ICICI Bank the premises on which the Registered Office and Corporate Office of our Company is situated was transferred to ICICI Bank. Subsequently, our Company purchased the Registered Office and Corporate Office from ICICI Bank. While the sale and transfer deeds have been appropriately executed and though our Company has applied for a change in the revenue records of the Brihanmumbai Municipal Corporation (the "**Municipal Authority**"), the revenue records have not been updated to reflect our Company as the registered owner of its Registered Office and Corporate Office. While our Company continues to engage with the Municipal Authority and pay the applicable taxes and municipal charges on a continuous basis, there can be no assurance that the revenue records of the Municipal Authority will be updated to reflect our Company as the registered owner of its Registered Office and Corporate Office.

**54. *We are yet to receive or renew certain approvals or licenses required in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We require certain approvals, licenses, registrations and permissions for operating our business, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. For further details, see "Government and other Approvals" on page 480. Further, the approvals that we have obtained stipulate certain conditions requiring our compliance. If we fail to obtain any of these approvals or licences, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

Additionally, our Subsidiary has made a fresh application seeking registration as a pension fund under the new Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 ("**Pension Fund Regulations**"). Pursuant to the letter dated June 24, 2016 issued by PFRDA, PFRDA indicated that the registration granted to the Subsidiary is only for transitory period at this stage and that our Company and the Subsidiary will be required to apply afresh in terms of the selection process to be initiated by PFRDA under the Pension Fund Regulations and qualify all eligibility criteria and conditions afresh as per the prescribed selection process. Further, our Company has made applications for receiving registration certificates under the relevant shops and establishment act under laws of various states with respect to its 71 branches. For further details, see "Government and other Approvals" on page 480. If our Subsidiary fails to obtain such registration in a timely manner, or at all, our Subsidiary will not be able to carry out the business as a pension fund under the National Pension System and our business may be adversely affected. Similarly, if our the aforementioned branches of our Company fail to obtain such registration in a timely manner, or at all, such branches will not be able to carry out the life insurance business and our business may be adversely affected.

**55. *A majority of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.***

A majority of our business operations are being conducted on premises leased from various third parties. We may also enter into such transactions with third parties in the future. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may materially affect our business operations.

**56. *Certain of our Directors do not have documents for their professional experience, as disclosed in the section entitled "Our Management", and we have relied on publicly available sources.***

In accordance with the disclosure requirements stipulated under the SEBI Regulations, the brief biographies of our

Directors disclosed in the section entitled “Our Management” on page 173 include details of their professional experience. However, the original documents evidencing such professional experience are not available with respect to some of our Directors and we have relied on publicly available sources for the same. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

## **RISKS RELATING TO THE INDIAN INSURANCE INDUSTRY**

### **57. *The Indian insurance market has experienced volatility in growth and future growth cannot be assured.***

The Indian insurance market grew at a CAGR of 11%, on an RWRP basis, between fiscal 2007 and 2010 which was followed by a decline between fiscal 2010 and fiscal 2014, a negative CAGR of 5%, on an RWRP basis, according to CRISIL Research, Life insurance industry report, July 2016. In fiscal 2016, the market grew at 8.1% on RWRP basis after a gap of five years. Over the long term, we expect the insurance market in India to continue to expand and the insurance penetration and insurance density to continue to rise with the continued growth of the Indian economy, favourable demographic patterns and rise in household financial savings. Our judgements regarding the anticipated drivers of such growth and their impact on the Indian insurance industry might also be mistaken and actual developments might not reflect such expectations. In addition, the Indian insurance industry may not be free from systemic risks, including risks related to macroeconomic conditions and customers’ attitude to financial savings. Consequently, the growth and development of the Indian insurance industry cannot be assured.

### **58. *Our financial statements and the presentation of our performance metrics differ significantly from those of non-insurance companies and may be difficult to understand or interpret.***

As our Restated Financial Statements have been prepared in accordance with Indian GAAP, the Companies Act, the Insurance Act, the IRDA Act, regulations framed and circulars issued thereunder and restated under the SEBI Regulations. The Restated Financial Statements, and the financial statements which will be prepared for the future accounting periods will, differ significantly from those of non-insurance companies and may be difficult to understand. For example, while financial statements of companies other than insurance companies generally consists of a balance sheet, profit and loss statement and cash flows statement, our financial statements consist of balance sheet, revenue account (i.e. ‘technical account’ or ‘policyholders’ account’), the profit and loss account (i.e., ‘non-technical account’ or ‘shareholders’ account’) and the receipts and payments account. As a result of the technical nature of our financial statements as compared to those of non-insurance companies, an investor may find them difficult to understand or interpret, and it may cause the investor to make a choice to invest in us which he or she would not otherwise make with a more complete understanding.

Our performance metrics, including APE, RWRP and TWRP, are significantly different from those of non-insurance companies and may require certain estimates and assumptions in their calculation. These performance metrics are not part of the Company’s financial statements and are unaudited. Even among insurance companies, these metrics may be calculated differently by different companies. In addition, we present information related to the contribution of lapses to our profitability in this Draft Red Herring Prospectus due to the IRDAI requirements. There is no standard definition as to what constitutes profitability due to lapses and these have been calculated with certain estimates and assumptions. There can be no assurance that such estimates and assumptions are accurate or valid, or that such information accurately represents the profitability from lapses. An investor must exercise caution before relying on these metrics and these must be read along with our restated standalone and consolidated financial statements.

### **59. *The insurance sector is subject to seasonal fluctuations in operating results and cash flows.***

The insurance sector is subject to seasonal fluctuations in operating results and cash flow. Insurance volumes typically significantly increase in the final quarter of each fiscal year, which coincides with the end of the tax year, due to customers wanting to avail of income tax advantages that life insurance products offer. For the same reason, we typically experience slower sequential revenue growth in the first quarter of each fiscal year. As a result of these factors, we may be subject to seasonal fluctuations in operating results and cash flows during any interim financial period, and consequently, such results cannot be used as an indication of our annual results, and cannot be relied upon as an indicator of our future performance.

### **60. *Adverse changes in the reinsurance markets could have a material adverse effect on our business, financial condition, results of operations and prospects, and we are exposed to the risk that our reinsurers may not perform their obligations.***

As part of our overall risk management strategy, we cede a portion of the insured risks we underwrite to a number of reinsurance companies to reduce the underwriting risk of our various business segments. Under a reinsurance contract, the assuming reinsurer becomes liable to us to the extent of the risk ceded although we remain liable to the insured as the insurer.

The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly in different periods of time due to numerous factors, including reinsurance capacity in the market. If the market price of reinsurance increases, we may be unable to (i) maintain our current reinsurance coverage, (ii) obtain additional reinsurance coverage in the event our current reinsurance coverage is exhausted by a catastrophic event, or (iii) obtain other reinsurance coverage in adequate amounts at acceptable rates. We may be unable to obtain sufficient reinsurance to cover losses in the future, and we may not be able to obtain the reinsurance we require in a timely or cost-effective manner. Any decrease in the amount of reinsurance will increase our risk of loss and any increase in the cost of reinsurance will, absent a decrease in the amount of reinsurance, reduce our net income. Accordingly, we may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Reinsurance may also not protect us completely against losses due to the credit risk that our reinsurers may not perform their obligations. See “Risks Relating to Our Business—Credit risks in our day to day operations, including in our reinsurance contracts, may expose us to significant losses” on page 39.

**61. *If we cannot effectively respond to increasing competition in the Indian insurance industry, our profitability and market share could be materially and adversely affected.***

We face intense competition from both insurance companies and certain other companies like banks and mutual funds. Competition in the insurance industry is affected by a number of factors, including brand recognition and the reputation of the provider of services and products, customer satisfaction, distribution network and access to services and service personnel, pricing and quality of services, product design and diversification, financial strength, high-quality and stable professional team and information technology capabilities. Some of our competitors also have competitive strengths based on operating experience, capital base and product diversification. Our primary competitors are LIC, private sector life insurance companies and various types of asset management entities in the insurance and financial markets.

Competitors of ours might consolidate their businesses, which could lead to their attaining increased financial strength, management capabilities, resources, operational experience, market share, distribution channels and capabilities in pricing, underwriting and claims settlement. For example, in June 2016, HDFC Standard Life Insurance Company Limited (“**HDFC Life**”) and Max Life Insurance Company Limited (“**Max Life**”) announced that they will enter into an agreement to evaluate a potential combination through a merger of Max Life and Max Financial Services Limited into HDFC Life.

In addition, we face potential competition from commercial banks, which are permitted to invest in, or form alliances with, insurance companies to offer insurance products and services that compete against those offered by us. Closer integration between the insurance and banking sectors may potentially better align their economic interests and increase incentives for banks to distribute insurance products and services of their insurance business affiliates and partners instead of ours. Such potential competitors may further increase the competitive pressures we expect to face, especially in our bancassurance business.

In recent years, financial institutions in India have expanded their efforts to develop new types of investment products in response to the increasing public demand for diversified financial investments, which has led to a greater availability and variety of financial investment products. In addition, products offered by financial institutions are subjected to different tax treatment than products we can offer, and may offer customers better tax incentives. These products may be more attractive to customers, for tax reasons or otherwise, and could materially reduce the sale of some of our insurance products that offer similar investment features.

Financial institutions that are not life insurers are subject to a different regulatory regime, which may permit them to compete more effectively in the market for investment products. For example, for our non-ULIP portfolio, we have minimum investment requirements in certain sectors including infrastructure, real estate and power, and for our ULIP portfolio, we have certain non-approved securities that we may not invest in. We may not find suitable quality of investments within the regulatory limitations. Other financial institutions may not be subject to similar limitations and may be able to make higher quality investments, thereby providing better value to customers and obtaining a competitive advantage over us.

Our failure to respond effectively to these various competitive pressures could result in a decrease of market share and cause us to incur losses on some or all of our activities and to experience lower growth, or even a decline. A decline in our competitive position could have a material adverse effect on our business, financial condition, results of operations and prospects.

**62. *Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations and financial condition.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business. In fiscal 2011, Indian government agencies initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations and financial condition.

In addition, we use certain financial institutions as partners in our business. Any one of them could be negatively affected by financial difficulty as a result of occurrences over which we have no control. If one or more of our financial institutional partners suffers economic difficulty, this could have a material adverse effect on our business, results of operations and financial condition.

**63. *The limited amounts and types of long-term fixed income products in the Indian capital markets and the legal and regulatory requirements on the types of investment and amount of investment assets that insurance companies are permitted to make could severely limit our ability to closely match the duration of our assets and liabilities.***

Like other insurance companies, we seek to manage interest rate risk by matching, to the extent commercially practicable, the average duration of our investment assets and the corresponding insurance policy liabilities they support. Matching the duration of our assets to the corresponding liabilities reduces our exposure to changes in interest rates, because the effect of the changes could largely be offset against each other. However, restrictions under Indian insurance laws and related regulations, including the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, on the type of investments and amount of investment assets in which we may invest, as well as the limited amounts and types of long-term investment assets in the Indian capital markets capable of matching the duration of our liabilities, may result in a shorter duration of assets than liabilities with respect to certain of our investment accounts. Our exposure to interest rate risk may also worsen as we expand our business. We cannot assure you that the investment restrictions imposed on insurance companies in India will not be strengthened and the sizes and types of long-term fixed income products available in the Indian securities market may increase in the future. Our failure to closely match the duration of our assets to that of the corresponding liabilities will continue to expose us to risks related to interest rate changes, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

**64. *If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, and results of operations.***

Any change in tax laws, including for indirect taxes, may result in us no longer being able to enjoy the existing exemptions / benefits, available to us, which could adversely impact our profitability. If there is an upward revision to the currently applicable special corporate tax rates of 12.5% under Section 115B of the Income Tax Act applicable to us, or if the normal corporate tax rates of 30% along with applicable surcharge and cess become applicable to us, our tax burden will increase. Other benefits such as inapplicability of minimum alternate tax rates, as applicable to other corporates, exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for income of an IRDAI approved pension fund and exemption for interest received from any public sector company in respect of tax free bonds, if withdrawn by the statute in future, may no longer be available to us.

In respect of the specific rules governing taxation of policyholders of life insurance products, Section 80C of the Income Tax Act currently permits deductions of up to ₹ 1,50,000 per fiscal year for investments in life insurance products / schemes. Amendments to existing legislation, particularly if there is withdrawal of any tax relief, or an increase in tax rates, or the introduction of new rules, may affect the future long-term business and the decisions of policyholders. We are unable to accurately predict the impact of future changes in tax law on the taxation of life insurance and pension policies in the hands of policyholders. We conceptualise and design our long-term insurance products based on the tax legislation in force at that time. Changes in tax legislation or in the interpretation of current tax legislation may therefore, when applied to such products, have a material adverse effect on our financial condition and could also materially reduce the sales of certain of our products.

Similarly, in relation to the applicable law on indirect taxation, the Government of India (“GoI”) has proposed a comprehensive national Goods and Services Tax (the “GST”) regime that will combine taxes and levies by the central and state governments into one unified rate of interest. Enactment and consequent implementation of this regime is expected to, among other things, increase the prices of life insurance services, increase the operational burden, affect the availability of CENVAT credit to us and affect our overall tax efficiency, which could have an

adverse impact on our business, financial condition and results of operations. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the legal regime on the GST, we are unable to provide any assurance as to the implementation of the GST. Such implementation also remains subject to any disputes between the various state governments, which could create further uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India including us and may result in significant additional taxes becoming applicable to us. If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, if international tax reforms such as the Base Erosion and Profit Sharing measures of the Organisation for Economic Co-operation and Development are adopted by India, we may be subject to enhanced disclosure and compliance requirements and a resultant increase in our costs related to such compliance.

We cannot predict whether any tax laws or regulations impacting insurance products will be enacted, the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

## **EXTERNAL RISKS**

### **RISKS RELATING TO INDIA**

#### ***65. Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or regulatory environment, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to us and our business. Any significant changes in relevant insurance regulations, laws or regulatory environment such as changes in reserving or solvency requirements and product regulations might materially impact the Company's operations and financials.

Additionally, the regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in form of significant reforms from time to time. Any such change in the future may require us to commit significant management resources and may require significant changes to our business practices and could have a material adverse effect on our business, financial condition, results of operations and prospects.

The governmental and regulatory bodies in India may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations. For instance, the IRDAI has released the draft Insurance Regulatory and Development Authority (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations 2016, in relation to commission and remuneration payable to insurance agents and insurance intermediaries. In addition, a committee set up by the Ministry of Finance, Government of India, has issued a report dated August 2015, to suggest policy measures in relation to rationalising distribution incentives in financial products and prevention of mis-selling.

In addition, there have been various changes and proposed changes recently in the laws and regulations relating to information technology in India. Any such changes could require us to redesign our information technology systems or redesign our digital processes to comply with such laws and regulations. We cannot assure you that we will be able to redesign such systems or processes in a cost-effective manner, or at all. Since our business depends heavily on the ability of our information technology systems and digital processes, any change in the laws or regulations relating to information technology in India could have a material adverse effect on our business, financial condition, results of operations and prospects.

#### ***66. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;

- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its insurance sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

**67. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

**68. *Investors may have difficulty enforcing foreign judgements against our Company or its management.***

Our Company is a limited liability company incorporated under the laws of India. A majority of our Company's Directors and executive officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgements obtained against such parties outside India.

Recognition and enforcement of foreign judgements is provided for under Section 13 of the CPC on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) where the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; and (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgements. Section 44A of the CPC provides that where a foreign judgement has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgement had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees or judgements not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgement or to repatriate any amount recovered.

**69. *Significant differences exist between Indian GAAP and other reporting standards, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

As stated in the report of our auditors included in this Draft Red Herring Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to U.S. GAAP or IFRS or any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS.

Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP, Insurance Act, Insurance Regulatory and Development Authority of India Act, 1999, the Companies Act, and the regulations framed thereunder. Any reliance by persons not familiar with Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

In addition, our Promoters, ICICI Bank and PCHL, disclose certain financial information regarding us in U.S. GAAP (ICICI Bank) and U.K. GAAP and EEV (PCHL), respectively. In the past, our Promoters have also disclosed information regarding our business at different times than us and any such disclosure may not have the same presentation as any disclosure by us. We cannot assure you that our Promoters will not in the future disclose information regarding our business that we have not disclosed and with a different presentation from what investors in the Equity Shares are used to. All consideration of financial, and other, information with regard to an investor's decision whether or not to invest in this Offering should be made of the financial statements herein presented and not to any documents published by our Promoters.



70. ***Public companies in India, including our Company, are required to compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to ICDS in India is very recent and we may be negatively affected by such transition.***

The Ministry of Finance had issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. The ICDS were to take effect from April 1, 2015. However, in view of the representations from stakeholders, the Central Board of Direct Taxes, Ministry of Finance, according to its press release dated July 6, 2016, has deferred the applicability of ICDS to Financial Year 2017 onwards, 2017 being the first assessment year. This will have impact on computation of taxable income for Financial Year 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial condition.

71. ***The results of the United Kingdom’s referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business, financial condition and results of operations and reduce the price of the Equity Shares.***

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last two years after the government of the United Kingdom formally initiates a withdrawal process. Nevertheless, the referendum has created uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets.

Any of these factors or any other developments in developed or emerging markets that cause global market volatility or a change in risk appetite, could depress economic activity globally, including in India, and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

## **RISKS RELATING TO THE EQUITY SHARES**

72. ***The trading volume and market price of the Equity Shares may be volatile following the Offer.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;

- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

**73. *There are restrictions on transfers under the Insurance Act and the relevant IRDAI regulations.***

Under the Insurance Act and the IRDAI Transfer of Equity Shares Regulations, no transfer or issuance of Equity Shares which would result in change in our shareholding can be made, where (a) after the transfer, the total paid up holding of the transferee is likely to exceed 5% of our paid-up equity share capital, or (b) the nominal value of Equity Shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds 1% of our paid-up equity share capital, unless the previous approval of IRDAI has been obtained for the transfer. There can be no assurance that IRDAI will grant such approval. Additionally, these transfer restrictions could negatively affect the price of the Equity Shares and could limit the ability of the investors to trade the Equity Shares in the market. These limitations could also have a negative impact on our ability to raise further capital which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, the IRDAI, on June 15, 2016, has issued draft Guidelines for Listed Indian Insurance Companies, 2016. These draft guidelines are proposed to be applicable to insurers who are in the process of getting their shares listed on the stock exchanges in relation to the transfer or proposed transfer of shares. The draft guidelines, among other things, propose self-certification of fit and proper criteria by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid up equity share capital of the insurer, which shall be considered as a deemed approval of the IRDAI. However, if the person proposing to acquire equity shares is likely to result in (i) the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, increasing to 5% or more of the paid up equity share capital of the insurer or the total voting rights of the insurer, or (ii) the aggregate holding of such person along with the persons acting in concert, increasing to in excess of 10%, each such acquisition would require prior approval of the IRDAI. There is no assurance that the draft guidelines would be notified by IRDAI in its current form. However, if these guidelines are notified in its current form prior to the Offer, the investors intending to acquire Equity Shares amounting to 1% or more, up to 5%, of the paid up equity share capital of our Company in the Offer would be required to comply with the self-certification criteria set out in the Red Herring Prospectus. Additionally, investors intending to acquire in the Offer such that (i) the aggregate holding of such investor, his relatives, associate enterprises and persons acting in concert, would increase to 5% or more of the paid up Equity Share capital of our Company or the total voting rights of our Company, or (ii) the aggregate holding of the investor along with the persons acting in concert, increasing to in excess of 10% of the paid up Equity Share capital of our Company or the total voting rights of our Company, each such acquisition would require prior approval of the IRDAI.

**74. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction tax (“STT”) has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

Provisions under the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and U.S. Treasury regulations promulgated thereunder commonly known as “FATCA” generally impose a 30% withholding tax on certain “foreign passthru payments” made by a non-U.S. financial institution (including an intermediary) that has entered into an agreement with the U.S. Internal Revenue Service (the “IRS”) to perform certain diligence and reporting obligations (each such non-U.S. financial institution, a “Participating Foreign Financial Institution”). If payments on the Equity Shares are made by a Participating Foreign Financial Institution (including an intermediary), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not a Participating Foreign Financial Institution and is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payor, to the extent such payments are considered “foreign passthru payments”. Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before January 1,

2019.

The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. The Company has registered with the IRS as a financial institution pursuant to the intergovernmental agreement between the United States and India. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address “foreign passthru payments” and whether such agreements will require the Company or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as foreign passthru payments. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

**75. *Rights of shareholders of insurance companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Company’s Articles of Association, regulations of our Company’s board of directors, Indian laws governing our corporate affairs, the validity of corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**76. *Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

In addition, the Insurance Act has introduced a revision in the cap on aggregate holdings of equity shares by foreign investors, including portfolio investors, from the erstwhile 26% to 49% of paid-up equity share capital, provided the insurer is an Indian owned and controlled entity. The FDI Policy also permits total foreign investment up to 49% of the paid up equity capital of Indian insurance companies, under the automatic route. For further details on the cap on foreign investment and calculation of foreign investment in insurers, see “Restrictions on Foreign Ownership of Indian Securities” on page 551. If the Company reaches the cap, our ability to attract further foreign investors would be curtailed, which may have a material adverse impact on the market price of the Equity Shares.

**77. *Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering, may lead to the dilution of investors’ shareholdings in the Company. Any future issuances of Equity Shares (including under the ESOS Scheme) or the disposal of Equity Shares by our Promoters or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

**78. *We will not receive any proceeds from the Offer for Sale. One of our Promoters, ICICI Bank, is the Selling Shareholder and will receive the entire proceeds from the Offer for Sale.***

This Offer is an Offer for Sale of up to 181,341,058 Equity Shares by one of our Promoters, ICICI Bank. The entire proceeds from the Offer for Sale will be paid to ICICI Bank and we will not receive any such proceeds. For further details, see “Capital Structure” and “Objects of the Offer” on pages 90 and 106, respectively.

**79.  *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

**Prominent Notes:**

1. Public offer of up to 181,341,058 Equity Shares for cash at a price of ` [●] per Equity Share, aggregating up to ` [●] million through an offer for sale by the Selling Shareholder, including a reservation of up to 18,134,105 Equity Shares for subscription by ICICI Bank Shareholders for cash at a price ` [●] per Equity Share aggregating up to ` [●] million. The Offer would constitute [●]% of our post-Offer paid-up Equity Share capital and the Net Offer shall constitute [●]% of our post-Offer paid-up Equity Share capital.
2. As of March 31, 2016, our Company's net worth was ` 53,249.2 million as per our Company's standalone Restated Financial Statements and ` 53,234.8 million as per our Company's consolidated Restated Financial Statements.
3. As of March 31, 2016, the net asset value per Equity Share was ` 37.2 as per our Company's standalone Restated Financial Statements and was ` 37.2 as per our Company's consolidated Restated Financial Statements and the book value per Equity Share was ` 37.2 as per our Company's standalone Restated Financial Statements and was ` 37.2 as per our Company's consolidated Restated Financial Statements.
4. The average cost of acquisition of Equity Shares by our Promoters, has been calculated by taking an average of the amounts paid by our Promoters to acquire such Equity Shares. The average cost of acquisition of Equity Shares for ICICI Bank is ` 36.19 per Equity Share, the average cost of acquisition of Equity Shares for PCHL is ` 34.05 per Equity Share. For further details, see "Capital Structure" from page 90.
5. For details of related party transactions entered into by our Company with our Subsidiary and our Group Companies in the last Fiscal, see "Related Party Transactions" on page 210.
6. There has been no financing arrangement whereby our Promoter Group, directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
7. Except as disclosed in the sections entitled "Our Promoters and Promoter Group", "Group Companies" and "Related Party Transactions" on pages 193, 203 and 210, none of our Group Companies have business interest or other interests in our Company.
8. For any complaints, information or clarifications pertaining to the Offer, investors may contact the Registrar to the Offer, our Company, the GCBRLMs and the BRLMs who have submitted the due diligence certificate to SEBI.

## SECTION III: INTRODUCTION

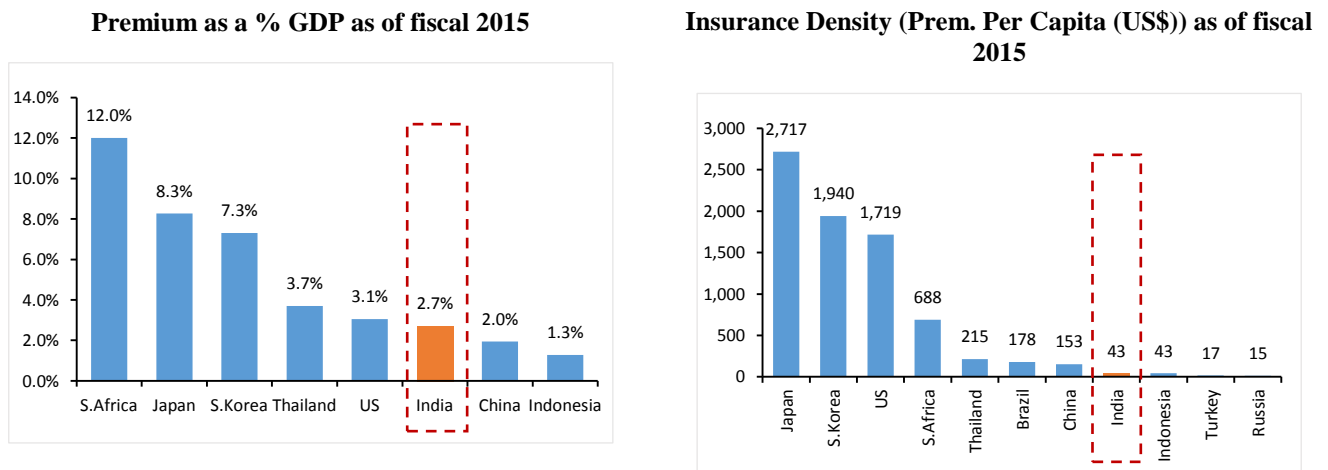
### SUMMARY OF INDUSTRY

*Investors should note that this is only a summary of the industry in which our Company operates and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 21 and 213, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “Risk Factors” beginning on page 21.*

#### India Life Insurance Sector Overview

The size of the Indian life insurance sector (excluding Sahara Life Insurance Company Limited) was ₹ 3.7 trillion on a total premium basis in fiscal 2016, making it the tenth largest life insurance market in the world and the fifth largest in Asia, according to Swiss Re, *sigma* No 3/2016. The total premium in the Indian life insurance sector grew at a CAGR of approximately 17% between fiscal 2001 and fiscal 2016. Despite this, India continues to be an underpenetrated insurance market with a life insurance penetration of 2.7% in fiscal 2015, as compared to 3.7% in Thailand, 7.3% in South Korea and a global average of 3.5% in 2015. At US\$43 in fiscal 2015, the insurance density in India also remains very low as compared to other developed and emerging market economies. According to Swiss Re, Economic Research & Consulting “Mortality Protection Gap Asia-Pacific 2015”, the Protection Gap for India was approximately US\$8.5 trillion as of December 31, 2014, which was much higher compared to its Asian counterparts.

The following table sets forth a comparison of life insurance penetration and density across select countries.

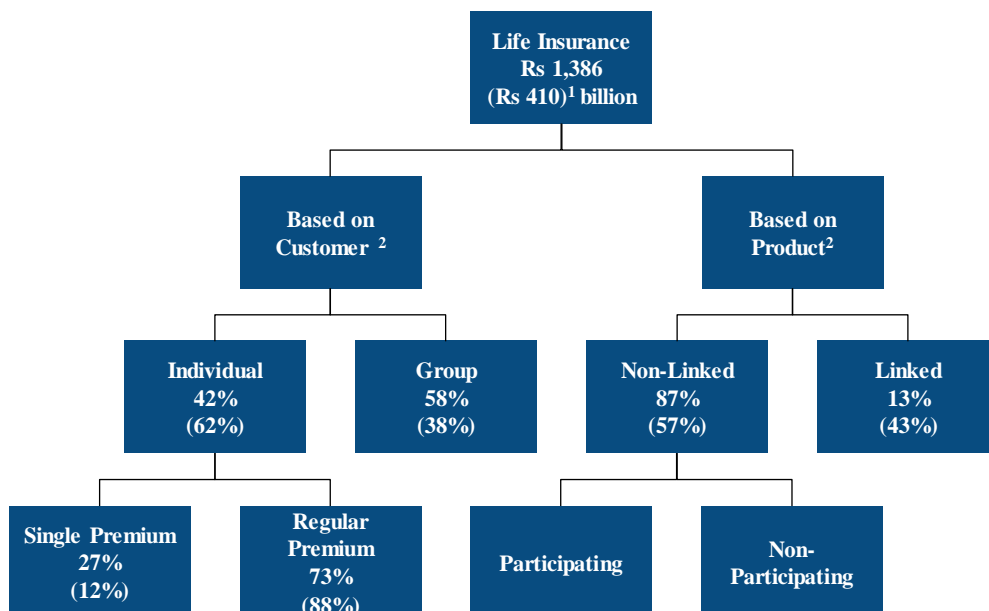


Source: Swiss Re, *sigma* No 3/2016

In 2015, Government of India increased the maximum permissible shareholding of foreign investors from 26% of paid-up equity capital to 49%. This led to an inflow in foreign investments of US\$1.13 billion in fiscal 2016, an approximate increase of 170% over fiscal 2015.

#### Market Structure

The Indian life insurance sector can be classified both in terms of customer segments and products offered. The following chart sets forth the composition of new business premium in fiscal 2016 by customer type and by product:



Source: IRDAI; CRISIL Research, Life insurance industry report, July 2016

(1) Numbers in brackets are for private sectors companies

(2) For the year ended March 31, 2016

In terms of customer segments, the life insurance sector caters to individual and group customers with single and regular premium payment options.

In terms of products offered, the life insurance sector provides unit linked and non-linked policies. These products are designed under IRDAI product design regulations to meet customers' protection and saving needs.

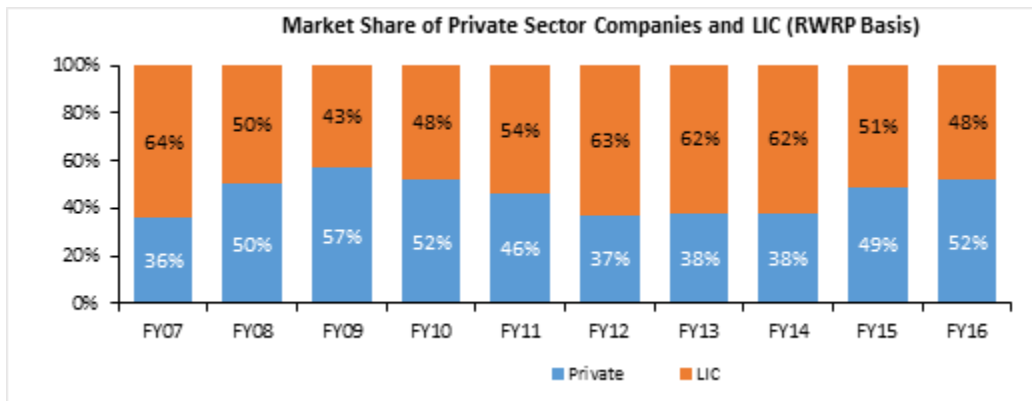
### Historical Evolution

The Indian life insurance sector was opened for private companies in 2000, which witnessed the commencement of operations by four private companies in the first year itself and 22 companies between 2000 and 2010 (Source: IRDAI). As of March 31, 2016, there are a total of 24 companies in the Indian life insurance sector with Life Insurance Corporation ("LIC") being the only public sector life insurer. The private sector has grown significantly since 2000 and it accounted for 51.5% of the life insurance sector, on an RWRP basis, in fiscal 2016. Historically, life insurance products were savings oriented. However, since 2000, there was a shift from largely tax savings-based par sales to multiple products.

The life insurance sector is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). IRDAI was constituted as an autonomous body to regulate and develop the insurance industry in 1999 and received statutory status in April 2000.

### Market Share

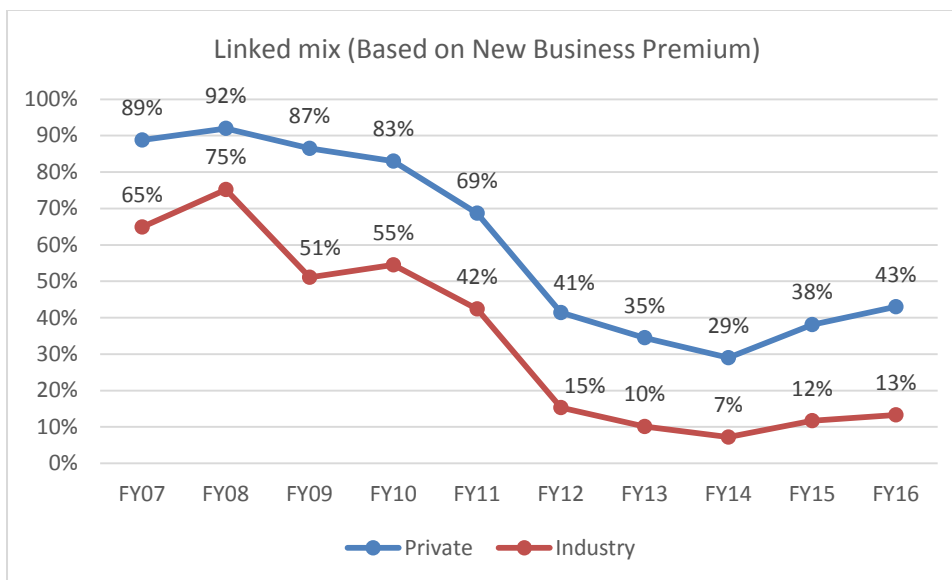
Since the opening up of the sector, private sector companies have gained significant market share. Their share peaked at 57% in fiscal 2009, on an RWRP basis. The financial crisis in 2008 and regulatory changes in fiscal 2010 resulted in loss of market share for private sector companies, and their market share declined to 37% in fiscal 2012. Private sector companies have regained significant market share in the last two years; increasing their share from 38% of the overall Indian life insurance sector in fiscal 2014 to 52% in fiscal 2016. This growth in market share has been driven by improved product design, primarily for linked products that offer a superior customer value propositions. Private sector companies have also increased their focus on bancassurance for marketing their products. The following chart sets forth, for the periods indicated, the trend in market share on an RWRP basis.



Source: IRDAI

### Product Mix

ULIPs accounted for 92% and 75% of the new business premiums for private sector companies and the overall industry, respectively in fiscal 2008. The unit-linked product regulations introduced in September 2010, financial crisis, slowdown in economic growth and financial savings, volatility in the equity markets, rising interest rates and high inflation led to changes in the product mix. During this period, the commission in ULIPs reduced, which was a challenge to distributors (especially agents). This resulted in a decline of the share of linked products in the life insurance sector from 55% to 7% and from 83% to 29% for private sector companies in fiscal 2014. The demand for linked products revived in fiscal 2015 and the new business premium for linked products increased by 54.9% for private sector companies, due to the enhanced value proposition of ULIP products and a robust market outlook. The following chart sets forth, for the periods indicated, the trend in the share of linked products in the new business premium for private sector companies and the overall industry.



Source: IRDAI

### Sum Assured

The sum assured covered by life insurance companies has increased significantly in recent years due to an increased focus on protection sales as set forth in the following table:

	Year ending March 31,								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Individual Sum Assured ( ` in trillions)	38.6	24.0	29.1	33.4	38.6	43.1	47.2	66.5	75.5
Ratio of Individual Sum Assured to GDP	89.8%	48.1%	51.8%	51.5%	49.5%	49.4%	47.4%	59.0%	60.5%

### Reinsurance

In fiscal 2015, LIC ceded ` 1,848 million of reinsurance premium as compared to ` 1,442 million in fiscal 2014, whereas private sector life insurers ceded ` 9,971 million of reinsurance premium in fiscal 2015, as compared to ` 9,448 million in fiscal 2014.

## Channel Mix

There has been a significant shift in the channel mix of the Indian life insurance sector from the earlier agency-only model to a diversified distribution mix. The following table sets forth, for the periods indicated, the trend in channel mix for the industry:

**Change in New Business Premium by Various Distribution Channels  
(Individual Life Insurance Product)**

Channel	Year ended March 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Individual Agents	90.5%	83.7%	79.6%	79.6%	78.9%	78.7%	77.5%	78.4%	71.4%	68.5%
Corporate Agents – Banks	5.6%	8.0%	9.7%	10.6%	13.3%	15.0%	16.2%	15.6%	20.8%	24.0%
Corporate Agents – Others	3.0%	4.4%	4.9%	4.3%	3.6%	2.7%	2.1%	1.3%	1.4%	1.4%
Direct Selling	0.4%	3.3%	4.8%	4.1%	2.4%	1.9%	2.6%	3.1%	4.4%	4.8%
Brokers	0.5%	0.6%	1.1%	1.4%	1.8%	1.8%	1.7%	1.6%	1.8%	1.3%

Source: IRDAI; CRISIL Research, Life insurance industry report, July 2016

The cap on ULIP charges, introduced in 2010, has led to a rationalisation of owned agency network and introduced a shift towards third-party channels. This resulted in the increase of bancassurance share from 5.6% of the retail business, on a new business premium basis, in fiscal 2007 to 24.0% in fiscal 2016, while the share of new business premiums from individual agents decreased from 90.5% in fiscal 2007 to 68.5% in fiscal 2016. The high share of the agency channel in the retail new business premium is largely attributable to LIC.

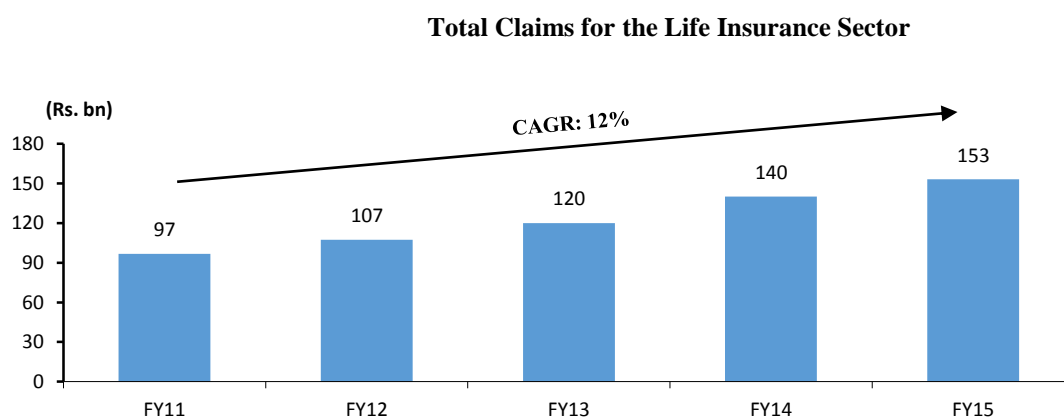
The well-developed banking sector in India and the nationwide presence of banks resulted in the increase of bancassurance's contribution to total insurance business. In fiscal 2016, bancassurance contributed to 52.6% of the new business premiums for private sector companies.

## Commission and other expenses

The industry has seen a decline in recent years in the commission ratio, which is total commission as a percentage of total weighted received premium. This decline has been more pronounced for private sector companies. In fiscal 2015, the commission ratio for private sector companies was 5.6%, as compared to 8.0% for LIC and 7.2% for the overall life insurance sector, due to the cap on ULIP charges and private companies having more exposure to linked products. The operating expense ratio, which is total expenses less commission as a percentage of total weighted received premiums, declined for private sector companies while it increased for LIC. In fiscal 2015, the operating expense ratio for private sector companies was 18.4% as compared to 11.8% for LIC and 13.7% for the industry. The total cost ratio, which is total expenses as a percentage of total weighted received premiums, also declined for private companies while it has increased for LIC. In fiscal 2015, the total cost ratio for private companies was 23.9% as compared to 19.8% for LIC and 21.0% for the industry.

## Claims Settlement

The total claims paid by the life insurance sector grew at a CAGR of 12% between fiscal 2010 and fiscal 2015 as set forth in the following chart:

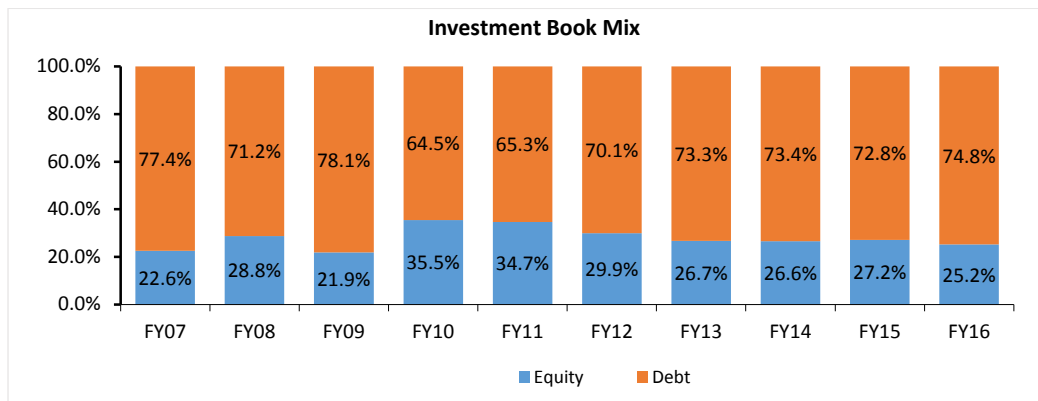


Source: IRDAI



### Investment of Funds by the Life Insurance Sector

The total assets under management for the life insurance sector were ₹ 22.47 trillion at March 31, 2015, with the majority of the investment in debt instruments. The high share of debt instruments reflects the portfolio mix of LIC, which held 78% of its investments in debt instruments at March 31, 2015. Investment in equity is also driven by the proportion of unit linked policies in the business of insurance companies. Insurance companies invest in infrastructure on account of the long term nature of their liabilities. The total infrastructure investment of the Indian life insurance sector at March 31, 2015 was ₹ 2.91 trillion. The following chart sets forth, for the periods indicated, the trend in investment portfolio composition for the life insurance sector.



### FDI in Insurance

The Government increased the maximum permissible shareholding of foreign investors in Indian life insurance companies from 26% of paid-up equity capital to 49% in its Insurance Laws (Amendment) Bill, 2015. However, ownership and control would still remain with Indian shareholders, as Indian partners are required to have the right to appoint a majority of the directors or to control the management and policy decisions, including by virtue of their shareholding, management rights or shareholders agreements or voting agreements. This amendment led to an inflow in foreign investments of US\$1.13 billion in fiscal 2016, an approximate increase of 170% over fiscal 2015.

## SUMMARY OF OUR BUSINESS

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in “Risk Factors” and “Financial Statements” beginning on pages 21 and 213, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “Risk Factors” beginning on page 21. In this section, unless the context otherwise requires, a reference to our “Company” or to “we”, “us” and “our” refers to ICICI Prudential Life Insurance Company Limited and our Subsidiary on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our consolidated Restated Financial Statements.*

### Overview

We were the largest private sector life insurer in India by total premium in fiscal 2016 and assets under management at March 31, 2016. We are a joint venture between ICICI Bank Limited, India’s largest private sector bank in terms of total assets with an asset base of ₹ 7.2 trillion at March 31, 2016, and Prudential Corporation Holdings Limited, a part of the Prudential Group, an international financial services group with GBP 509 billion of assets under management at December 31, 2015. We were one of the first private sector life insurance companies in India and commenced operations in fiscal 2001. We offer our customers a range of life insurance, health insurance and pension products and services. Every fiscal year since fiscal 2002, we have consistently generated the most new business premiums on a retail weighted received premium basis among all private sector life insurers in India.

The Indian life insurance sector was the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premiums in 2016, according to Swiss Re, *sigma* No 3/2016. The Indian economy is one of the fastest growing large economies in the world, with a GDP growth rate of 7.3% (in real terms) in fiscal 2016 and a household savings rate of 19.1% of GDP in fiscal 2015, according to CRISIL Research, Life insurance industry report, July 2016. We expect these macroeconomic factors, coupled with India’s large and young population, rapid urbanisation and rising affluence to propel the growth of the Indian life insurance sector.

In fiscal 2016, our market share, on a retail weighted received premium basis, among all insurance companies in India (public and private sector) was 11.3%, as compared with a market share of 9.7% for our nearest private sector competitor. Among the 23 private sector life insurance companies in India, we had a market share, on a retail weighted received premium basis, of 21.9% in fiscal 2016.

A customer-centric culture that spans all aspects of our business is a key element of our strategy. We offer a range of products to cater to the specific needs of customers in different life stages, enabling them to meet their long-term savings and protection needs. We offer our customers access to our products and services through an extensive multi-channel sales network across India, including through the branches of our bank partners, individual agents, corporate agents, our employees, our offices and our website. As of March 31, 2016, we had 121,016 individual agents. As of July 12, 2016, our bank partners had over 4,500 branches. We believe we are at the forefront of leveraging technology in the Indian life insurance sector, with our focus on digitisation and transformation of sales, customer on-boarding and internal processes. We believe that our focus on technology has enriched customer experience and enhanced the productivity of our employees and distributors.

In fiscal 2016, our gross premium income was ₹ 191.64 billion, which comprised ₹ 49.24 billion of retail new business regular premium, ₹ 4.32 billion of retail new business single premium, ₹ 119.95 billion of retail renewal premium and ₹ 18.13 billion of group premium. Our 13th month persistency ratio in fiscal 2016 was 82.4%, which was one of the highest in the sector. At March 31, 2016, we had ₹ 1.04 trillion of assets under management, making us one of the largest fund managers in India. Of these, 72.4% were in linked assets. Funds representing 92.9% of our linked assets with identified benchmarks at March 31, 2016 had performed better than their respective benchmarks since inception. Our expense ratio of 14.6% for fiscal 2016 was also one of the lowest among the private sector life insurance companies in India.

Our Company has an established track record of delivering annual returns to shareholders. Our profit after tax was ₹ 16.53 billion in fiscal 2016 and our return on equity has exceeded 30% for each year since fiscal 2012. We have a strong capital position with a solvency ratio of 320.0% at March 31, 2016 compared to the IRDAI-prescribed control level of 150.0%. Our business has not received a shareholder capital injection since fiscal 2009 and our Company has paid annual dividends since fiscal 2012. Our Company has paid cumulative dividends (exclusive of dividend distribution tax) of ₹ 40.32 billion since fiscal 2012. Our value of new business grew from ₹ 2.70 billion in fiscal 2015 to ₹ 4.12 billion in fiscal 2016, representing an increase of 52.6%. Our Indian embedded value at March 31, 2016 was ₹ 139.39 billion.

Our Company also has a wholly owned subsidiary, ICICI Prudential Pension Funds Management Company Limited, which is registered as a fund manager with the Pensions Fund Regulatory and Development Authority of India.

## **Our Competitive Strengths**

We believe the following competitive strengths contribute to our success and position us well for future growth:

### ***Consistent Leadership across Cycles***

According to CRISIL Research, Life insurance industry report, July 2016, we have consistently generated the most new business premiums on a retail weighted received premium basis among all private sector life insurers in India for every year since fiscal 2002.

From fiscal 2007 to fiscal 2010, the retail weighted received premium of the life insurance sector grew at a CAGR of 11.0%. However, following changes in regulations governing unit linked products effective September 2010, the Indian life insurance sector had to recalibrate its business model and experienced a decline in retail weighted received premium from fiscal 2011 to fiscal 2015. Since then, the Indian life insurance sector experienced growth in retail weighted received premium for the first time in fiscal 2016.

We have responded successfully to the various regulatory changes since 2010. Our market share, on a retail weighted received premium basis, in the Indian life insurance sector increased from 5.9% in fiscal 2012 to 11.3% in fiscal 2016 and our market share among the 23 private sector life insurance companies in India has also increased from 16.1% to 21.9% in the same period. From fiscal 2012 to fiscal 2016, our retail weighted received premium grew at a CAGR of 15.2% compared to a CAGR of 6.7% in the private sector and a decline of 2.1% per annum in the overall Indian life insurance sector for the same period.

### ***Delivering Superior Customer Value***

*Customer centric product portfolio.* We seek to deliver superior value to our customers by offering them a range of products to cater to their specific needs in different life stages, enabling them to meet their long-term savings and protection needs. We believe that unit linked insurance products offer superior customer value due to lower charges, lower loss of value on surrender or lapse of policies, flexibility in asset allocation and greater transparency. Unit linked insurance products comprised 82.6% of our retail annualised premium equivalent in fiscal 2016. Our annualised premium equivalent from unit linked insurance products increased from ₹ 22.10 billion in fiscal 2014 to ₹ 41.79 billion in fiscal 2016, representing a CAGR of 37.5%. We also price our products competitively in order to provide superior value to our customers. For example, most of our unit linked insurance products have had lower charges than the maximum permissible regulatory amounts.

*Consistent and robust fund performance.* At March 31, 2016, we had ₹ 1.04 trillion of assets under management, making us one of the largest fund managers in India. Of these, 72.4% were in linked assets. Funds representing 92.9% of our linked assets with identified benchmarks as at March 31, 2016 had performed better than their respective benchmarks since inception.

*Quality service experience.* We believe that our ability to provide quality customer service is reflected in our low grievance ratio among our retail customers. In fiscal 2015, we had a grievance ratio of 185 per 10,000 new policies issued, which compared favourably to the private sector average of 345 per 10,000 new policies issued. In fiscal 2016, our grievance ratio improved to 153 per 10,000 new policies issued. In fiscal 2015, our claims settlement ratio for retail death claims of 93.8% was higher than most private sector life insurance companies, as compared to the private sector average of 89.4%. Our claims settlement ratio for retail death claims improved to 96.2% in fiscal 2016. In the same year, over 99% of our claim payouts were settled within the IRDAI prescribed timeline of 30 days for claims that are not investigated, and the average time taken to settle such death claims was 3.3 days from the date of submission of all required documents and information in relation to the claim.

### ***Diversified Multi-channel Distribution Network***

We offer our customers access to our products and services through an extensive multi-channel sales network across India including through the branches of our bank partners, individual agents, corporate agents, our employees, our offices and our website. As at March 31, 2016, we had 121,016 individual agents. As of July 12, 2016, our bank partners had over 4,500 branches.

*Strong bancassurance network.* We leverage the extensive and growing branch network of our partner banks to reach a growing number of customers and geographies. We work with our partner banks to integrate our processes with theirs to improve efficiencies and increase productivity. Our largest shareholder, ICICI Bank, is a key partner that currently exclusively distributes our life insurance products. We have also entered into a bancassurance relationship with Standard Chartered Bank pursuant to which Standard Chartered Bank currently exclusively distributes our products. We will also leverage the growth of Capital Small Finance Bank Limited, which recently received a license to operate as a small finance bank. Our annualised premium equivalent through bancassurance was ₹ 29.64 billion in fiscal 2016, which constituted 58.6% of our retail annualised premium equivalent.

*Diversification across channels.* We believe our diversified channel mix enables us to access different customer segments and outperform the market across business cycles on a retail weighted received premium basis. Each of our channels has grown in the last two fiscal years in terms of annualised premium equivalent and our non-bank channels contributed to 41.4% of our retail annualised premium equivalent in fiscal 2016. According to CRISIL Research, Life insurance industry report, July 2016, we have one of the largest agency channels among private sector life insurance companies in India in terms of premium, with 121,016 individual agents at March 31, 2016. Our agency channel accounted for ₹ 12.31 billion of annualised premium equivalent in fiscal 2016, which constituted 24.3% of our retail annualised premium equivalent for the same year. ICICI Securities, a wholly owned subsidiary of ICICI Bank, also distributes our products. We also have long-term relationships with other financial services distributors such as India Infoline Insurance Brokers and Bluechip Insurance Broking, both of whom have been our partners for over ten years. We have scaled up our direct sales channel, where we offer our products to customers through our employees, at our offices and on our website. Direct sales grew at a CAGR of 52.8% between fiscal 2014 and fiscal 2016 and accounted for 10.0% of our retail annualised premium equivalent in fiscal 2016.

### ***Leveraging Technology***

We believe we are at the forefront of leveraging technology in the Indian life insurance sector. We focus on digitisation and transformation of sales, customer on-boarding and internal processes, which we believe has led to a cultural change within our organisation. We have created a device-agnostic technology platform that provides our customers, employees and distributors with a seamless experience – from sales to claims settlement. We believe that our focus on technology has enriched customer experience and improved the productivity of our employees and distributors. In fiscal 2016, 92.3% of our new business applications were initiated on our digital platform either by our distributors or our customers. This has helped improve employee productivity, measured as retail weighted received premium per employee per annum, from ₹ 2.8 million in fiscal 2014 to ₹ 4.6 million in fiscal 2016, representing a CAGR of 29.1%.

We have created a plug-and-play architecture so that we can integrate our systems with partners quickly, to leverage their processes and facilitate faster time-to-market and issuance of policies. In fiscal 2015, we were able to leverage digitisation to ensure that our exclusive bancassurance relationship with Standard Chartered Bank became operational within 120 days of the entry into the distribution agreement.

Our Company was named the Model Insurer, 2015 by Celent in the “Digital and OmniChannel” category. For details, see “— Information Technology and Digitisation” on page 145.

### ***Robust and Sustainable Business Model***

*Robust risk management and control process.* We recognise that risk is an integral element of our business and managing risk is essential for shareholder value creation. We have implemented robust risk management and control processes, with a detailed cost benefit analysis for risk mitigation initiatives and a strong focus on the credit quality of our portfolio. During fiscal 2016, we also adopted the COSO 2013 framework to strengthen our internal controls. We believe that our strong governance structure and processes allow us to effectively target profitable growth opportunities, as well as provide us with a consistent and robust control architecture.

*Balance sheet resilience.* We have a strong capital position: at March 31, 2016, our solvency ratio was 320.0% compared to the IRDAI-prescribed control level of 150.0%. Our business has not received a shareholder capital injection since 2009 and our Company has paid annual dividends since fiscal 2012. With over 90% of our debt portfolio at March 31, 2016 invested in domestic AAA-rated instruments, including sovereign instruments and AAA equivalent rated instruments, we believe that we have a low exposure to credit risk. We also have a low exposure to guarantees which is reflected in the low time-value of financial options and guarantees of ₹ 385 million at March 31, 2016. For details, see “Embedded Value Report” on page 430.

*Market-leading cost and persistency ratios.* Our 13th month persistency ratio, which has been increasing in recent years, was 82.4% in fiscal 2016 – one of the highest in the Indian life insurance sector. Our 49th month persistency ratio, at 62.2% in fiscal 2016, was also one of the highest in the Indian life insurance sector. The ratio of our cost to total weighted received premium, which we use to monitor expenses, declined from 17.9% in fiscal 2012 to 14.6% in fiscal 2016 and compared favourably with our peers according to CRISIL Research, Life insurance industry report, July 2016.

*Established record of delivering results.* Our robust risk management, resilient balance sheet and focus on cost efficiency and persistency have enabled us to establish a track record of delivering results. Our profit after tax was ₹ 16.53 billion in fiscal 2016. Our return on equity has exceeded 30% for each year since fiscal 2012.

### ***Strong Brand***

We believe that we have leveraged the strong and established brands of our Company’s shareholders, “ICICI Bank” and “Prudential”, to build “ICICI Prudential” into a recognised and trusted brand in its own right. As per the syndicated Nielsen Brand Track, the “ICICI Prudential” brand has high awareness and consideration scores of 85% and 60%, respectively. The brand has been ranked as one of the best brands in the insurance category as per “BrandZ Top 50 Most Valuable Indian Brands” in 2014 and 2015, a study published by WPP and conducted by Millward Brown.

### ***Experienced Senior Management Team***

We have a management team with extensive experience and know-how in the Indian Life insurance industry. We believe the quality of our management team has been critical in achieving our business results. Our Company's CEO, Mr. Sandeep Bakhshi has been with our Company for over five years. He joined ICICI Group in 1986 in the project financing group of ICICI Limited. He has over 32 years of experience in the banking, financial services and insurance sector.

28 of the top 36 members of our management team have worked within the ICICI Group for over 10 years and have an average work experience of 20 years. Senior managerial personnel in the actuary, investment, underwriting and claims department have an average functional experience of over 16 years. We believe that our management's experience will help us make timely strategic and business decisions in response to evolving customer needs and market conditions.

### **Our Strategies**

Our objective is to enhance our market leadership among private sector life insurance companies and deliver superior profitability. In order to achieve our goals, we plan to pursue the following strategies:

#### ***Leverage Market Opportunity***

The Indian life insurance sector was the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premiums in 2016, according to Swiss Re, *sigma* No 3/2016. The Indian economy is one of the fastest growing large economies in the world, with a GDP growth rate of 7.3% (in real terms) in fiscal 2016 and a household savings rate of 19.1% of GDP in fiscal 2015, according to CRISIL Research, Life insurance industry report, July 2016. In addition, the penetration (total sum assured as a percentage of GDP) and density (total premium per capita) of the Indian insurance market are significantly lower than those of most developed countries, representing underinsurance and a significant growth potential. We expect these macroeconomic factors, coupled with India's large and young population, rapid urbanisation and rising affluence to propel the growth of the Indian life insurance sector. According to CRISIL Research, Life insurance industry report, July 2016, total premiums in the Indian life insurance market are expected to increase from ₹ 3,667 billion in fiscal 2016 to ₹ 6,600-7,000 billion in fiscal 2021.

To leverage this market opportunity and maintain our leadership position in the private sector life insurance sector, we seek to:

- *Continue to deliver superior customer value.* Our customer-centric approach spans the customer life cycle, from product development, to customer service and claims management. We will continue to focus on delivering value to consumers through competitive customer charges and higher returns. We aim to provide customers with a fair, accurate, consistent and transparent service experience. We endeavor to be easily accessible and settle claims in a quick and efficient manner and with a high degree of sensitivity.
- *Deliver superior fund performance.* We believe that delivering a superior fund performance is important to our customer value proposition. We believe that we have a robust investment management framework and our focus is to ensure long-term safety, stability and growth of our customers' funds. We intend to continue to maintain a debt portfolio of high credit quality. We also aim to continue to maintain a diversified portfolio of equity and debt investments spread across various companies, corporate groups and industries. Funds representing 92.9% of our linked assets with identified benchmarks at March 31, 2016 had performed better than their respective benchmarks since inception and we aim to continue to outperform the respective benchmarks of our funds.
- *Focus on key local markets.* While we have an India-wide presence, we expect to continue to focus on key local markets, with a customised regional strategy to maintain and enhance our position in these markets. Our regional strategies are aimed at catering to local needs and rely on a dedicated and empowered senior leader in each micro market, who is evaluated on a comprehensive set of key performance indicators including market share, cost efficiency and persistency.
- *Explore Growth Opportunities in Emerging Segments.* We aim to continue to identify and explore growth opportunities including emerging segments like health and pensions. As of March 31, 2015, only 17% of Indians possess health insurance, according to CRISIL Research, Life insurance industry report, July 2016. We believe that the growth of the Indian insurance market, favorable demographics and the underinsurance in the health insurance segment will drive growth of the health insurance market in India. While certain regulations currently applicable to health insurance products offered by life insurance companies restrict our ability to compete effectively with general insurance companies and mono-line health insurance companies in this segment, we believe we are poised to take advantage of any favorable regulatory changes and we will continue to explore opportunities in this sector as and when they arise. Pensions are a latent need in India due to the lack of formal retirement provisions for a large segment of the population. The assets under management for pension plans in India could be as large as ₹ 276 trillion by 2030, according to CRISIL Research, Life insurance industry report, July 2016. We offer a variety of products to cater to both the accumulation and payout stage needs of customers seeking to manage their retirement

finances. Our Company was also the first life insurer to receive a license to incorporate a subsidiary, ICICI Prudential Pension Funds Management Company, to participate in the National Pension System in 2009. We will continue to explore opportunities in this sector, including through our Subsidiary.

### ***Focus on Increasing Our Value of New Business***

Our value of new business grew from ₹ 2.70 billion in fiscal 2015 to ₹ 4.12 billion in fiscal 2016, representing an increase of 52.6%. We focus on continuing to increase our value of new business through the following three main drivers:

- *Expand our protection business.* We are focusing on expanding our protection business as these products typically have higher margins. We intend to achieve this by offering protection as an add-on to our savings products across channels, penetrating the online term insurance market and by partnering with loan providers to offer coverage against loans. We will approach the protection business in a risk-calibrated manner.
- *Improve customer retention.* Customer retention is essential for the growth of our value of new business, and we are focused on strengthening mechanisms to increase renewal premiums and reduce policy surrenders. We encourage customers to provide standing instructions for renewal payments which are supplemented by regular reminders and convenient payment options. We also ensure there is adequate focus by distributors and employees on customer retention by aligning key performance indicators and rewards to this objective. We also monitor customer behavior to identify any triggers for proactive intervention. Our 13th month persistency, one of the indicators that we use to measure our customer retention and quality of the sale, was 82.4% in fiscal 2016 and was one of the highest in the Indian life insurance sector.
- *Maintain market-leading cost efficiency.* We are focused on improving our operational efficiency because we believe that it is essential to drive growth in our value of new business. We believe that our regional structure plays a key role in ensuring requisite focus on efficiency at the local level. In addition, our digitisation efforts have helped us create a structured sales process, achieve faster turnaround times, reduce paperwork, and reduce dependence on physical infrastructure without compromising market penetration. The ratio of our cost to total weighted received premium, which we use to monitor expenses, declined from 17.9% in fiscal 2012 to 14.6% in fiscal 2016 and compared favorably with our peers, according to CRISIL Research, Life insurance industry report, July 2016. We intend to continue our efforts to maintain our cost leadership in the face of increasing scale and complexity of our business.

### ***Strengthen Multi-channel Architecture and Explore Non-traditional Channels***

We believe that our multi-channel distribution architecture helps us navigate economic cycles where one distribution channel may be significantly impacted, provides us access to different customer segments and reduces concentration risk without compromising scalability. To achieve sustainable growth, we plan to further diversify our distribution architecture by exploring non-traditional channels, while strengthening existing channels and relationships.

*Major channels.* We will continue to focus on deepening existing bancassurance relationships and also seek alliances with other banks. We will continue to focus on increasing sales to customers walking into branches, improving acquisition processes of reaching out to customers, improving our visibility on our bank partners' ATMs, websites and mobile applications, and using our data analytics capabilities to target our partners' customers. We will also focus on increasing the scale of our agency distribution channel. Finally, we will seek to establish relationships with new corporate agent and broker partners with a focus on partners sourcing better quality of business.

*Non-traditional channels.* We will increase our focus on non-traditional channels of distribution. We intend to leverage our direct channel by working on targeted campaigns to existing customers by cross-selling and up-selling them during service interactions. We will also leverage digital channels to enhance our direct-to-consumer sales and to generate leads by targeting customers both on our partners' and our websites. In addition, we intend to leverage existing corporate relationships to sell retail solutions through worksite activities, aided by a mobile-based system to manage leads. We also intend to explore partnerships with companies which have large retail customer franchises and access to customer behaviour data, which provides us with the ability to analyse and target prospective customers.

### ***Leverage Technology for Profitable Growth***

We believe that digital technology has influenced and will continue to significantly influence customer advocacy, information search and insurance sales. We expect online sales to play an increasingly larger role in the sale of simpler products like pure term insurance; however, for our savings and protection products, we believe that an end-to-end digital platform to empower our distributors is more critical.

Our approach to digitisation has been customer centric and we intend to focus on five main initiatives to drive our digital agenda: increasing digital marketing and sales; utilising big data and machine learning techniques; building a modular information technology platform; digitising sales and service processes; and partnering with organisations across the eco-

system.

By leveraging technology across the value chain in pre-sales, fulfilment and post-sales, we aim to provide a convenient experience to our customers, easily accessible information and a smoother sale and service process to our distributors, resulting in improved customer on-boarding, employee and distributor productivity, and quality of sales.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from:*

- a. The standalone Restated Financial Statements as of and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012; and*
- b. The consolidated Restated Financial Statements as of and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.*

*The financial statements referred to above are presented under “Financial Statements” beginning on page 213. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 213 and 408, respectively.*

*[This has been left blank intentionally]*



**RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

(Amount in ` million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Sources of funds</b>					
Shareholders' funds:					
Share capital	14,323.2	14,317.2	14,292.6	14,289.4	14,288.5
Share application money	0.8	11.7	1.0	-	-
Reserve and surplus	36,416.4	34,295.9	33,663.8	33,645.1	33,639.5
Credit/[debit] fair value change account	2,508.8	4,029.0	1,860.7	477.6	207.6
<b>Sub - total</b>	<b>53,249.2</b>	<b>52,653.8</b>	<b>49,818.1</b>	<b>48,412.1</b>	<b>48,135.6</b>
Borrowings	-	-	-	-	-
Policyholders' funds:					
Credit/[debit] fair value change account	9,712.3	11,754.7	4,794.0	2,478.0	2,203.1
Revaluation reserve - Investment property	577.1	562.1	668.9	704.5	704.5
Policy liabilities (A)+(B)+(C)	955,495.1	920,340.2	740,779.1	684,161.9	658,231.1
Non unit liabilities (mathematical reserves) (A)	202,547.9	172,587.5	138,124.9	110,276.0	83,380.0
Provision for linked liabilities (fund reserves)(B)	719,902.9	724,775.2	591,373.6	569,584.0	574,185.9
(a) Provision for linked liabilities	650,825.0	584,006.0	523,002.3	530,343.0	546,863.7
(b) Credit/[debit] fair value change account (Linked)	69,077.9	140,769.2	68,371.3	39,241.0	27,322.2
Funds for discontinued policies (C)	33,044.3	22,977.5	11,280.6	4,301.9	665.2
(a) Discontinued on account of non-payment of premium	33,027.4	22,977.5	11,285.4	4,302.7	664.9
(b) Other discontinuance	16.9	-	-	-	-
(c) Credit/[debit] fair value change account	-	-	(4.8)	(0.8)	0.3
Total linked liabilities (B)+(C)	752,947.2	747,752.7	602,654.2	573,885.9	574,851.1
<b>Sub - total</b>	<b>965,784.5</b>	<b>932,657.0</b>	<b>746,242.0</b>	<b>687,344.4</b>	<b>661,138.7</b>
Funds for Future Appropriations					
Linked	10.8	22.7	450.0	1,322.4	3,322.6
Non linked	6,606.8	5,250.7	4,517.2	3,760.1	4,282.9
<b>Sub - total</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>
<b>Total</b>	<b>1,025,651.3</b>	<b>990,584.2</b>	<b>801,027.3</b>	<b>740,839.0</b>	<b>716,879.8</b>
<b>Application of funds</b>					
Investments					
Shareholders'	62,156.7	58,567.7	53,488.4	49,187.6	34,757.5
Policyholders'	215,156.2	188,579.5	144,426.1	112,770.4	91,044.4
Asset held to cover linked liabilities	752,957.9	747,775.4	603,104.3	575,208.3	578,173.7
Loans	442.7	201.1	119.1	87.5	95.7
Fixed assets - net block	2,195.4	2,150.0	2,015.4	1,722.5	1,802.4
Deferred tax asset	0.7	1.3	15.3	118.0	875.4
Current assets					
Cash and Bank balances	2,002.1	2,554.8	1,934.4	3,247.6	2,840.6
Advances and Other assets	12,750.8	12,328.1	9,642.0	9,860.3	6,639.9
Sub-Total (A)	14,752.9	14,882.9	11,576.4	13,107.9	9,480.5
Current liabilities	18,213.9	17,807.7	16,043.2	18,415.1	16,374.1
Provisions	3,797.3	3,766.0	3,646.2	1,753.2	1,296.1
Sub-Total (B)	22,011.2	21,573.7	19,689.4	20,168.3	17,670.2
Net Current Assets (C) = (A-B)	(7,258.3)	(6,690.8)	(8,113.0)	(7,060.4)	(8,189.7)
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	-	-	-	-
Debit Balance in Profit & Loss Account	-	-	5,971.7	8,805.1	18,320.4

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
(Shareholders' account)					
<b>Total</b>	<b>1,025,651.3</b>	<b>990,584.2</b>	<b>801,027.3</b>	<b>740,839.0</b>	<b>716,879.8</b>
<b>Contingent liabilities</b>	2,006.5	1,969.2	1,889.2	1,701.8	347.6

**RESTATED STANDALONE SUMMARY STATEMENT OF REVENUE ACCOUNT (POLICYHOLDERS' ACCOUNT/TECHNICAL ACCOUNT)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Premiums earned (Net of service tax)</b>					
(a) Premium	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
(b) Reinsurance ceded	(1,656.9)	(1,461.7)	(1,460.0)	(1,210.0)	(937.0)
(c) Reinsurance accepted	-	-	-	-	-
<b>Sub-total</b>	<b>189,987.0</b>	<b>151,604.5</b>	<b>122,826.5</b>	<b>134,172.4</b>	<b>139,278.7</b>
<b>Income from Investments</b>					
(a) Interest, dividend & rent - Gross	38,169.0	35,402.7	31,693.2	27,992.3	22,364.0
(b) Profit on sale/redemption of investments	50,831.1	79,667.8	43,201.5	35,302.9	36,223.6
(c) (Loss) on sale/redemption of investments	(10,621.7)	(5,031.4)	(15,048.3)	(16,547.5)	(18,692.0)
(d) Transfer/gain on revaluation/change in fair value	(71,691.4)	72,402.7	29,126.4	11,980.0	(45,060.6)
(e) Accretion of discount/(amortisation of premium) (Net)	5,396.6	4,943.6	3,153.2	3,139.1	3,864.6
(f) Appropriation/expropriation adjustment account	-	-	-	-	(24.3)
<b>Sub-total</b>	<b>12,083.6</b>	<b>187,385.4</b>	<b>92,126.0</b>	<b>61,866.8</b>	<b>(1,324.7)</b>
<b>Other income</b>					
Fees and charges	177.2	146.7	56.4	36.9	62.5
Miscellaneous income	31.6	32.5	116.1	203.8	76.6
<b>Sub-total</b>	<b>208.8</b>	<b>179.2</b>	<b>172.5</b>	<b>240.7</b>	<b>139.1</b>
Contribution from the Shareholders' account	-	388.5	958.8	6,272.9	4,042.6
<b>Total (A)</b>	<b>202,279.4</b>	<b>339,557.6</b>	<b>216,083.8</b>	<b>202,552.8</b>	<b>142,135.7</b>
Commission	6,199.8	5,531.7	6,274.8	7,654.2	6,054.7
Operating expenses related to Insurance business	18,883.3	16,543.3	16,161.7	17,131.0	17,733.1
Provision for doubtful debts	7.2	(121.9)	(37.4)	53.5	(69.5)
Bad debts written off	44.2	116.7	81.8	16.7	109.5
Provisions (other than taxation)					
(a) For diminution in the value of investments (Net)	126.4	67.5	85.0	98.7	127.1
(b) Others	-	-	-	-	-
Service tax charge on linked charges	3,465.0	3,069.4	3,066.1	3,181.1	2,260.8
<b>Total (B)</b>	<b>28,725.9</b>	<b>25,206.7</b>	<b>25,632.0</b>	<b>28,135.2</b>	<b>26,215.7</b>
Benefits paid (Net)	124,060.6	122,483.5	120,739.6	132,878.8	84,552.0
Interim bonus paid	187.4	116.4	93.8	48.7	29.8
Change in valuation of policy liabilities					
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)	37,023.9	37,072.1	29,319.8	28,321.3	26,493.2
(b) Amount ceded in reinsurance	(7,063.5)	(2,609.5)	(1,470.9)	(1,425.3)	(1,988.7)
(c) Amount accepted in reinsurance	-	-	-	-	-
(d) Fund reserve	(4,872.3)	133,401.6	21,789.6	(4,601.9)	(8,143.7)
(e) Funds for discontinued policies	10,066.8	11,696.9	6,978.7	3,636.7	665.1
<b>Total (C)</b>	<b>159,402.9</b>	<b>302,161.0</b>	<b>177,450.6</b>	<b>158,858.3</b>	<b>101,607.7</b>
<b>Surplus/(deficit) (D) =(A)-(B)-(C)</b>	<b>14,150.6</b>	<b>12,189.9</b>	<b>13,001.2</b>	<b>15,559.3</b>	<b>14,312.3</b>
Provision for taxation					
(a) Current tax credit/(charge)	(702.9)	(497.7)	(428.2)	(225.8)	(153.5)
(b) Deferred tax credit/(charge)	(0.6)	(14.0)	(53.2)	(124.6)	(260.5)
<b>Surplus/(deficit) after tax</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
<b>Appropriations</b>					
Transfer to Shareholders' account	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
Transfer to other Reserves	-	-	-	-	-
Balance being funds for future appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Total</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Funds for future appropriation</b>					
Balance at the beginning of the year	5,273.4	4,967.2	5,082.5	7,605.5	9,748.2
Add: Current period appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Balance carried forward to Balance Sheet</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>

**RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT (SHAREHOLDERS' ACCOUNT/NON-TECHNICAL ACCOUNT)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Amounts transferred from Policyholders' account (Technical account)	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
<b>Income from investments</b>					
(a) Interest, dividend & rent - Gross	3,877.7	3,769.1	3,592.2	3,004.0	1,628.2
(b) Profit on sale/redemption of investments	2,004.4	1,429.6	1,432.0	1,061.2	558.0
(c) (Loss) on sale/redemption of investments	(196.1)	(171.8)	(1,318.7)	(162.6)	(426.5)
(d) Accretion of discount/(amortisation of premium) (Net)	309.8	342.9	142.1	253.9	428.1
Other income	-	4.6	99.1	4.8	5.6
<b>Total (A)</b>	<b>18,098.7</b>	<b>16,746.4</b>	<b>16,581.8</b>	<b>21,893.2</b>	<b>18,234.4</b>
Expenses other than those directly related to the insurance business	313.3	453.4	114.3	58.2	16.9
Bad debts written-off	-	-	-	-	-
Provisions (other than taxation)					
(a) For diminution in value of investments (Net)	43.9	-	263.0	-	-
(b) Provision for doubtful debts	-	-	-	-	-
Contribution to Policyholders' account (Technical account)	-	388.5	958.8	6,272.9	4,042.6
<b>Total (B)</b>	<b>357.2</b>	<b>841.9</b>	<b>1,336.1</b>	<b>6,331.1</b>	<b>4,059.5</b>
Profit before Tax	17,741.5	15,904.5	15,245.7	15,562.1	14,174.9
Provision for Taxation					
(a) Current tax credit/(charge)	(1,211.1)	497.7	428.2	225.8	153.5
(b) Deferred tax credit/(charge)	-	-	(49.5)	(632.7)	(471.1)
<b>Profit after Tax</b>	<b>16,530.4</b>	<b>16,402.2</b>	<b>15,624.4</b>	<b>15,155.2</b>	<b>13,857.3</b>
<b>Appropriations</b>					
(a) Balance at the beginning of the year	457.5	(10,418.5)	(11,685.2)	(19,704.6)	(27,361.8)
(b) Interim dividends paid during the year	9,022.0	5,361.1	7,931.5	3,429.3	3,142.8
(c) Proposed final dividend	3,007.9	3,006.8	3,001.4	1,414.0	1,000.9
(d) Final dividend	-	0.3	-	-	-
(e) Dividend distribution tax	2,448.9	1,604.8	1,858.1	796.6	672.2
(f) Transfer to/(from) general reserve	-	(4,446.8)	1,566.7	1,495.9	1,384.2
<b>Profit/(Loss) carried to Balance Sheet</b>	<b>2,509.1</b>	<b>457.5</b>	<b>(10,418.5)</b>	<b>(11,685.2)</b>	<b>(19,704.6)</b>
<b>Earnings per equity share:</b>					
Basic earnings per equity share `	11.54	11.47	10.93	10.61	9.70
Diluted earnings per equity share `	11.53	11.45	10.91	10.58	9.67
Nominal value per equity share `	10.00	10.00	10.00	10.00	10.00

**RESTATED STANDALONE SUMMARY STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNT**

(Amount in ` million)

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Cash receipts from customers:</b>					
Premium and other receipts	215,147.6	178,369.2	149,906.5	164,188.2	170,111.2
<b>Cash paid towards operating activities:</b>					
Commission paid	(6,183.0)	(5,579.7)	(6,445.0)	(7,052.1)	(6,082.6)
Policy benefits paid	(124,291.9)	(123,069.5)	(121,140.1)	(132,707.8)	(86,485.6)
Other expenses	(42,422.5)	(40,696.6)	(41,953.7)	(45,971.9)	(46,532.5)
Service tax paid	(3,651.5)	(3,326.2)	(3,386.9)	(3,993.2)	(2,559.2)
Reinsurance premium ceded (net of recovery amount)	(308.8)	(420.4)	(704.6)	(456.1)	(209.4)
Advances and deposits	24.8	5.9	(4.1)	60.5	374.4
Taxes paid	(1,943.8)	-	(83.2)	(464.3)	(315.0)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>36,370.9</b>	<b>5,282.7</b>	<b>(23,811.1)</b>	<b>(26,396.7)</b>	<b>28,301.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets	(529.8)	(568.9)	(786.9)	(345.8)	(378.3)
Sale of fixed assets	21.0	42.9	35.5	20.3	8.4
Purchase of investments	(1,047,489.2)	(899,642.7)	(956,390.1)	(985,080.5)	(884,978.2)
Loan	(241.6)	(82.0)	(31.6)	8.3	(8.8)
Sale of investments	1,004,836.6	881,899.2	986,816.5	962,798.0	837,851.3
Advance/deposit for investment property	(1,395.8)	(188.4)	(36.4)	7.3	-
Interest & rent received (net of Tax deducted at source)	36,232.9	31,512.0	28,645.5	22,410.3	13,517.5
Dividend received	6,085.5	5,945.2	6,294.0	6,239.1	6,026.9
Investments in money market instruments and in liquid mutual funds (Net)	2,899.8	(36,955.5)	(4,381.6)	9,722.3	19,968.5
Expense related to investment	(171.1)	(159.0)	(123.6)	(152.3)	(149.2)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>248.3</b>	<b>(18,197.2)</b>	<b>60,041.3</b>	<b>15,627.0</b>	<b>(8,141.9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of share capital*	54.1	209.9	22.9	6.5	36.5
Final Dividend	(3,006.9)	(3,001.7)	(1,414.7)	(1,000.2)	(3,142.8)
Interim Dividend Paid	(9,022.0)	(5,361.1)	(7,931.5)	(3,429.3)	-
Dividend Distribution tax paid	(2,448.8)	(1,502.7)	(1,588.4)	(718.6)	(509.8)
<b>Net cash used in financing activities (C)</b>	<b>(14,423.6)</b>	<b>(9,655.6)</b>	<b>(10,911.7)</b>	<b>(5,141.6)</b>	<b>(3,616.1)</b>
Effect of foreign exchange rates on cash and cash equivalents (net) (D)	(0.8)	0.6	0.5	0.2	0.3
<b>Net increase In cash and cash equivalents (A+B+C)</b>	<b>22,194.8</b>	<b>(22,569.5)</b>	<b>25,319.0</b>	<b>(15,911.1)</b>	<b>16,543.6</b>
Cash and cash equivalents at beginning of the year	18,780.4	41,349.9	16,030.9	31,942.0	15,398.4

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
<b>Cash and cash equivalents at end of the year</b>	40,975.2	18,780.4	41,349.9	16,030.9	31,942.0
Note:					
Cash and cash equivalents at the end of the year					
- Cash (Including cheques in hand and stamps in hand)	1,286.3	1,363.1	1,515.5	1,689.5	1,492.2
- Bank Balances and Money at call and short notice	720.0	1,193.0	1,436.2	1,643.9	1,357.3
[Including bank balance for linked business of ` 4,279 thousands (` 1,287 thousands at March 31, 2015, ` 1,017,337 thousands at March 31, 2014, ` 85,794 thousands at March 31, 2013, ` 8,911 thousands at March 31, 2012)]					
- Other short term liquid investment [Forming part of investments in financials]	39,937.8	16,224.3	38,628.5	12,697.9	29,092.5
- Banks having negative book balance [Forming Part of other liabilities under Annexure XXI]	(968.9)	-	(230.3)	(0.4)	-
	40,975.2	18,780.4	41,349.9	16,030.9	31,942.0

\* Includes movement in share application money

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

(Amount in ` million)

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>Sources of funds</b>					
Shareholders' funds:					
Share capital	14,323.2	14,317.2	14,292.6	14,289.4	14,288.5
Share application money	0.8	11.7	1.0	-	-
Reserve and surplus	36,402.0	34,284.7	33,663.8	33,645.1	33,639.5
Credit/[debit] fair value change account	2,508.8	4,029.0	1,860.7	477.6	207.6
Deferred tax liability	0.1	0.2	0.2	0.2	0.2
<b>Sub - total</b>	<b>53,234.9</b>	<b>52,642.8</b>	<b>49,818.3</b>	<b>48,412.3</b>	<b>48,135.8</b>
Borrowings	-	-	-	-	-
Policyholders' funds:					
Credit/[debit] fair value change account	9,712.3	11,754.7	4,794.0	2,478.0	2,203.1
Revaluation reserve - Investment property	577.1	562.1	668.9	704.5	704.5
Policy liabilities (A)+(B)+(C)	955,495.1	920,340.2	740,779.1	684,161.9	658,231.1
Non unit liabilities (mathematical reserves) (A)	202,547.9	172,587.5	138,124.9	110,276.0	83,380.0
Provision for linked liabilities (fund reserves) (B)	719,902.9	724,775.2	591,373.6	569,584.0	574,185.9
(a) Provision for linked liabilities	650,825.0	584,006.0	523,002.3	530,343.0	546,863.7
(b) Credit/[debit] fair value change account (Linked)	69,077.9	140,769.2	68,371.3	39,241.0	27,322.2
Funds for discontinued policies (C)	33,044.3	22,977.5	11,280.6	4,301.9	665.2
(a) Discontinued on account of non-payment of premium	33,027.4	22,977.5	11,285.4	4,302.7	664.9
(b) Other discontinuance	16.9	-	-	-	-
(c) Credit/[debit] fair value change account	-	-	(4.8)	(0.8)	0.3
Total linked liabilities (B)+(C)	752,947.2	747,752.7	602,654.2	573,885.9	574,851.1
<b>Sub - total</b>	<b>965,784.5</b>	<b>932,657.0</b>	<b>746,242.0</b>	<b>687,344.4</b>	<b>661,138.7</b>
Funds for Future Appropriations					
Linked	10.8	22.7	450.0	1,322.4	3,322.6
Non linked	6,606.8	5,250.7	4,517.2	3,760.1	4,282.9
<b>Sub - total</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>
<b>Total</b>	<b>1,025,637.0</b>	<b>990,573.2</b>	<b>801,027.5</b>	<b>740,839.2</b>	<b>716,880.0</b>
<b>Application of funds</b>					
Investments					
Shareholders'	62,124.0	58,552.0	53,482.9	49,178.3	34,757.5
Policyholders'	215,156.2	188,579.5	144,426.1	112,770.4	91,044.4
Asset held to cover linked liabilities	752,957.9	747,775.4	603,104.3	575,208.3	578,173.7
Loans	442.7	201.1	119.1	87.5	95.7
Fixed assets - net block	2,196.0	2,151.0	2,017.1	1,724.1	1,804.4
Deferred tax asset	0.7	1.3	15.3	118.0	875.4
Current assets					
Cash and Bank balances	2,002.3	2,554.8	1,934.4	3,247.7	2,840.7
Advances and Other assets	12,770.4	12,333.2	9,637.3	9,868.0	6,638.4
Sub-Total (A)	14,772.7	14,888.0	11,571.7	13,115.7	9,479.1



<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Current liabilities	18,215.9	17,809.1	16,047.0	18,416.6	16,375.0
Provisions	3,797.3	3,766.0	3,646.2	1,753.2	1,296.1
Sub-Total (B)	22,013.2	21,575.1	19,693.2	20,169.8	17,671.1
Net Current Assets (C) = (A-B)	(7,240.5)	(6,687.1)	(8,121.5)	(7,054.1)	(8,192.0)
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	-	-	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)	-	-	5,984.2	8,806.7	18,320.9
<b>Total</b>	<b>1,025,637.0</b>	<b>990,573.2</b>	<b>801,027.5</b>	<b>740,839.2</b>	<b>716,880.0</b>
<b>Contingent liabilities</b>	2,006.5	1,969.2	1,889.2	1,701.8	347.6

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF REVENUE ACCOUNT (POLICYHOLDERS' ACCOUNT/TECHNICAL ACCOUNT)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Premiums earned (Net of service tax)</b>					
(a) Premium	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
(b) Reinsurance ceded	(1,656.9)	(1,461.7)	(1,460.0)	(1,210.0)	(937.0)
(c) Reinsurance accepted	-	-	-	-	-
<b>Sub-total</b>	<b>189,987.0</b>	<b>151,604.5</b>	<b>122,826.5</b>	<b>134,172.4</b>	<b>139,278.7</b>
<b>Income from Investments</b>					
(a) Interest, dividend & rent - Gross	38,169.0	35,402.7	31,693.2	27,992.3	22,364.0
(b) Profit on sale/redemption of investments	50,831.1	79,667.8	43,201.5	35,302.9	36,223.6
(c) (Loss) on sale/redemption of investments	(10,621.7)	(5,031.4)	(15,048.3)	(16,547.5)	(18,692.0)
(d) Transfer/gain on revaluation/change in fair value	(71,691.4)	72,402.7	29,126.4	11,980.0	(45,060.6)
(e) Accretion of discount/(amortisation of premium) (Net)	5,396.6	4,943.6	3,153.2	3,139.1	3,864.6
(f) Appropriation/expropriation adjustment account	-	-	-	-	(24.3)
<b>Sub-total</b>	<b>12,083.6</b>	<b>187,385.4</b>	<b>92,126.0</b>	<b>61,866.8</b>	<b>(1,324.7)</b>
<b>Other income</b>					
Fees and charges	177.2	146.7	56.4	36.9	62.5
Miscellaneous income	31.6	32.5	116.1	203.8	76.6
<b>Sub-total</b>	<b>208.8</b>	<b>179.2</b>	<b>172.5</b>	<b>240.7</b>	<b>139.1</b>
Contribution from the Shareholders' account	-	388.5	958.8	6,272.9	4,042.6
<b>Total (A)</b>	<b>202,279.4</b>	<b>339,557.6</b>	<b>216,083.8</b>	<b>202,552.8</b>	<b>142,135.7</b>
Commission	6,199.8	5,531.7	6,274.8	7,654.2	6,054.7
Operating expenses related to Insurance business	18,883.3	16,543.3	16,161.7	17,131.0	17,733.1
Provision for doubtful debts	7.2	(121.9)	(37.4)	53.5	(69.5)
Bad debts written off	44.2	116.7	81.8	16.7	109.5
Provisions (other than taxation)					
(a) For diminution in the value of investments (Net)	126.4	67.5	85.0	98.7	127.1
(b) Others	-	-	-	-	-
Service tax charge on linked charges	3,465.0	3,069.4	3,066.1	3,181.1	2,260.8
<b>Total (B)</b>	<b>28,725.9</b>	<b>25,206.7</b>	<b>25,632.0</b>	<b>28,135.2</b>	<b>26,215.7</b>
Benefits paid (Net)	124,060.6	122,483.5	120,739.6	132,878.8	84,552.0
Interim bonus paid	187.4	116.4	93.8	48.7	29.8
Change in valuation of policy liabilities					
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)	37,023.9	37,072.1	29,319.8	28,321.3	26,493.2
(b) Amount ceded in reinsurance	(7,063.5)	(2,609.5)	(1,470.9)	(1,425.3)	(1,988.7)
(c) Amount accepted in reinsurance	-	-	-	-	-
(d) Fund reserve	(4,872.3)	133,401.6	21,789.6	(4,601.9)	(8,143.7)
(e) Funds for discontinued policies	10,066.8	11,696.9	6,978.7	3,636.7	665.1

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Total (C)</b>	<b>159,402.9</b>	<b>302,161.0</b>	<b>177,450.6</b>	<b>158,858.3</b>	<b>101,607.7</b>
<b>Surplus/(deficit) (D) =(A)-(B)-(C)</b>	<b>14,150.6</b>	<b>12,189.9</b>	<b>13,001.2</b>	<b>15,559.3</b>	<b>14,312.3</b>
Provision for taxation					
(a) Current tax credit/(charge)	(702.9)	(497.7)	(428.2)	(225.8)	(153.5)
(b) Deferred tax credit/(charge)	(0.6)	(14.0)	(53.2)	(124.6)	(260.5)
<b>Surplus/(deficit) after tax</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
<b>Appropriations</b>					
Transfer to Shareholders' account	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
Transfer to other Reserves	-	-	-	-	-
Balance being funds for future appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Total</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
<b>Funds for future appropriation</b>					
Balance at the beginning of the year	5,273.4	4,967.2	5,082.5	7,605.5	9,748.2
Add: Current period appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Balance carried forward to Balance Sheet</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT  
(SHAREHOLDERS' ACCOUNT/NON-TECHNICAL ACCOUNT)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Amounts transferred from Policyholders' account (Technical account)	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
<b>Income from investments</b>					
(a) Interest, dividend & rent - Gross	3,900.2	3,789.2	3,614.3	3,017.2	1,636.9
(b) Profit on sale/redemption of investments	2,005.1	1,436.6	1,432.3	1,065.2	559.5
(c) (Loss) on sale/redemption of investments	(196.1)	(171.8)	(1,318.7)	(162.6)	(426.5)
(d) Accretion of discount/(amortisation of premium) (Net)	309.8	342.9	142.1	253.9	428.1
Other income	0.5	6.6	102.0	4.9	5.6
<b>Total (A)</b>	<b>18,122.4</b>	<b>16,775.5</b>	<b>16,607.1</b>	<b>21,910.5</b>	<b>18,244.6</b>
Expenses other than those directly related to the insurance business	339.2	481.1	150.5	76.6	27.3
Bad debts written-off	-	-	-	-	-
Provisions (other than taxation)					
(a) For diminution in value of investments (Net)	43.9	-	263.0	-	-
(b) Provision for doubtful debts	-	-	-	-	-
Contribution to Policyholders' account (Technical account)	-	388.5	958.8	6,272.9	4,042.6
<b>Total (B)</b>	<b>383.1</b>	<b>869.6</b>	<b>1,372.3</b>	<b>6,349.5</b>	<b>4,069.9</b>
Profit before Tax	17,739.3	15,905.9	15,234.8	15,561.0	14,174.7
Provision for Taxation					
(a) Current tax credit/(charge)	(1,212.2)	497.6	428.2	225.8	153.5
(b) Deferred tax credit/(charge)	0.1	-	(49.5)	(632.7)	(471.3)
<b>Profit after Tax</b>	<b>16,527.2</b>	<b>16,403.5</b>	<b>15,613.5</b>	<b>15,154.1</b>	<b>13,856.9</b>
<b>Appropriations</b>					
(a) Balance at the beginning of the year	446.3	(10,431.0)	(11,686.8)	(19,705.1)	(27,361.9)
(b) Interim dividends paid during the year	9,022.0	5,361.1	7,931.5	3,429.3	3,142.8
(c) Proposed final dividend	3,007.9	3,006.8	3,001.4	1,414.0	1,000.9
(d) Final dividend	-	0.3	-	-	-
(e) Dividend distribution tax	2,448.9	1,604.8	1,858.1	796.6	672.2
(f) Transfer to/(from) general reserve	-	(4,446.8)	1,566.7	1,495.9	1,384.2
<b>Profit/(Loss) carried to Balance Sheet</b>	<b>2,494.7</b>	<b>446.3</b>	<b>(10,431.0)</b>	<b>(11,686.8)</b>	<b>(19,705.1)</b>
<b>Earnings per equity share:</b>					
Basic earnings per equity share `	11.54	11.47	10.93	10.61	9.70
Diluted earnings per equity share `	11.53	11.45	10.90	10.58	9.67
Nominal value per equity share `	10.00	10.00	10.00	10.00	10.00

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNT**

(Amount in ` million)

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers:					
Premium and other receipts	215,148.0	178,372.0	149,908.6	164,188.2	170,111.2
Tax Refund	0.4	2.8	0.6	0.6	-
<b>Cash paid towards operating activities:</b>					
Commission paid	(6,183.0)	(5,579.7)	(6,445.0)	(7,052.1)	(6,082.6)
Policy benefits paid	(124,291.9)	(123,069.5)	(121,140.1)	(132,707.8)	(86,485.6)
Other expenses	(42,446.4)	(40,750.8)	(41,966.8)	(45,987.5)	(46,541.0)
Service tax paid	(3,651.5)	(3,326.2)	(3,386.9)	(3,993.2)	(2,559.2)
Reinsurance premium ceded (net of recovery amount)	(308.8)	(420.4)	(704.6)	(456.1)	(209.4)
Advances and deposits	24.8	5.9	(4.1)	60.5	374.4
Taxes paid	(1,943.8)	-	(83.2)	(464.3)	(315.5)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>36,347.8</b>	<b>5,234.1</b>	<b>(23,821.5)</b>	<b>(26,411.7)</b>	<b>28,292.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets	(529.8)	(568.9)	(786.9)	(345.9)	(378.3)
Sale of fixed assets	21.0	42.9	35.5	20.3	8.4
Purchase of investments	(1,047,502.6)	(900,112.5)	(956,429.6)	(985,250.9)	(884,998.2)
Loan	(241.6)	(82.0)	(31.6)	8.3	(8.8)
Sale of investments	1,004,868.2	882,342.5	986,922.4	962,981.6	837,870.8
Advance/deposit for investment property	(1,395.8)	(188.4)	(36.4)	7.3	-
Interest & rent received (net of Tax deducted at source)	36,238.1	31,517.0	28,659.6	22,412.1	13,525.2
Dividend received	6,085.5	5,945.2	6,294.0	6,239.1	6,026.9
Investments in money market instruments and in liquid mutual funds (Net)	2,899.8	(36,955.5)	(4,381.6)	9,722.3	19,968.5
Expense related to investment	(171.1)	(159.0)	(123.6)	(152.3)	(149.2)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>271.7</b>	<b>(18,218.7)</b>	<b>60,121.8</b>	<b>15,641.9</b>	<b>(8,134.7)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of share capital*	54.1	209.9	22.9	6.5	36.5
Final Dividend	(3,006.9)	(3,001.7)	(1,414.7)	(1,000.2)	(3,142.8)
Interim Dividend Paid	(9,022.0)	(5,361.1)	(7,931.5)	(3,429.3)	-
Dividend Distribution tax paid	(2,448.8)	(1,502.7)	(1,588.4)	(718.6)	(509.8)
<b>Net cash used in financing activities (C)</b>	<b>(14,423.6)</b>	<b>(9,655.6)</b>	<b>(10,911.7)</b>	<b>(5,141.6)</b>	<b>(3,616.1)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents (net) (D)</b>	<b>(0.8)</b>	<b>0.6</b>	<b>0.5</b>	<b>0.2</b>	<b>0.3</b>
<b>Net increase In cash and cash</b>	<b>22,195.1</b>	<b>(22,639.6)</b>	<b>25,389.1</b>	<b>(15,911.2)</b>	<b>16,541.8</b>

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
equivalents (A+B+C)					
Cash and cash equivalents at beginning of the year	18,780.4	41,420.0	16,030.9	31,942.1	15,400.3
<b>Cash and cash equivalents at end of the year</b>	<b>40,975.5</b>	<b>18,780.4</b>	<b>41,420.0</b>	<b>16,030.9</b>	<b>31,942.1</b>
<b>Note:</b>					
Cash and cash equivalents at the end of the year					
- Cash (Including cheques in hand and stamps in hand)	1,286.3	1,363.1	1,515.5	1,689.5	1,492.2
- Bank Balances and Money at call and short notice Including bank balance for linked business of ` 4,279 thousands (` 1,287 thousands at March 31, 2015, ` 1,017,337 thousands at March 31, 2014, ` 85,794 thousands at March 31, 2013, ` 8,911 thousands at March 31, 2012)	720.3	1,193.0	1,436.3	1,644.0	1,357.4
- Other short term liquid investment Forming part of investments in financials	39,937.8	16,224.3	38,698.5	12,697.8	29,092.5
- Banks having negative book balance Forming Part of other liabilities under Annexure XXI	(968.9)	-	(230.3)	(0.4)	-
	40,975.5	18,780.4	41,420.0	16,030.9	31,942.1

\*Includes movement in share application money

#### Emphasis of matter

The Joint Auditors have drawn attention to the fact that the Joint Auditors report on consolidated financial statements of our Company for Fiscal 2012 has, without qualifying their opinion, drawn attention to the following matter:

- Our Company had not taken adjustments in relation to tax proposals pertaining to MAT introduced in Finance Bill 2012 and made applicable to insurance companies holding the view that MAT would not be applicable to insurance companies which was clarified by Ministry of Finance vide circular no. 3/2012 dated June 12, 2012.

## THE OFFER

<b>Offer of Equity Shares<sup>(1)</sup></b>	Up to 181,341,058 Equity Shares
<i>Including</i>	
ICICI Bank Shareholders Reservation Portion	Up to 18,134,105 Equity Shares
Net Offer	Up to 163,206,953 Equity Shares
<i>Of which</i>	
A) QIB portion <sup>(2)(3)</sup>	Not more than 81,603,476 Equity Shares
<i>Of which</i>	
(i) Anchor Investor Portion	Up to 48,962,085 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to 32,641,391 Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	At least 1,632,070 Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	31,009,321 Equity Shares
B) Non-Institutional Portion <sup>(3)</sup>	Not less than 24,481,043 Equity Shares
C) Retail Portion <sup>(3)</sup>	Not less than 57,122,434 Equity Shares
<b>Equity Shares pre and post Offer</b>	
Equity Shares outstanding prior to the Offer	1,433,207,585 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares

- (1) ICICI Bank has approved its participation in the Offer pursuant to a resolution passed by its board of directors dated April 29, 2016 read with letter dated May 11, 2016 issued by ICICI Bank. The Equity Shares to be offered in the Offer have been held by the Selling Shareholder for a period of at least one year prior to the date of this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer. Further, our Board of Directors and our Shareholders have approved the Offer pursuant to the resolutions dated April 26, 2016 and June 24, 2016, respectively.
- (2) Our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, including restrictions on allotment in the Offer, see "Offer Procedure" beginning on page 512.
- (3) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category (including the ICICI Bank Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the ICICI Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such undersubscription shall be permitted from the ICICI Bank Shareholders Reservation Portion. ICICI Bank Shareholders bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid.

Allocation to investors in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

## GENERAL INFORMATION

Our Company was incorporated at Mumbai on July 20, 2000 as ICICI Prudential Life Insurance Company Limited, a public limited company under the Companies Act, 1956. Our Company obtained the certificate of commencement of business on October 16, 2000. Our Company is registered with IRDAI for carrying out the business of life insurance pursuant to the registration certificate dated November 24, 2000.

For details of the business of our Company and change in registered office, see “Our Business” and “History and Certain Corporate Matters” on page 133 and 168.

### Registered Office and Corporate Office of our Company

ICICI PruLife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Tel: (91 22) 4039 1600  
Fax: (91 22) 6662 2031  
E-mail: investor@iciciprulife.com  
Website: www.iciciprulife.com  
CIN: U66010MH2000PLC127837  
Registration Number: 127837

### Address of the RoC

Our Company is registered with the RoC situated at 100, Everest, Marine Drive, Mumbai 400 002.

### Board of Directors

The following table sets forth details relating to our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Chanda D. Kochhar	Chairperson (Nominee Director of ICICI Bank)	00043617	CCI Chambers, Flat number 45, Dinshaw Vachha Road, Churchgate, Mumbai 400 020
N. S. Kannan	Nominee Director of ICICI Bank	00066009	Flat number 204, Tower B, Kalpataru Horizon, S. K. Ahire Marg, Worli, Mumbai 400 018
Adrian O’Connor	Nominee Director of PCHL	02417554	House 29, Le Palais, 8 Pak Pat Shan Road, Tai Tam, Hong Kong
Marti G. Subrahmanyam	Independent Director	00306761	70, East Tenth Street #18-S, New York, NY 10003, United States of America
Rama Bijapurkar	Independent Director	00001835	8/CD, Mona Apartments, 46F Bhulabhai Desai Road, Mumbai 400 026
Vinod Kumar Dhall	Independent Director	02591373	Dewan Manohar House, B-88, Sector – 51, Noida 201 301
V. Sridar	Independent Director	02241339	Flat number 303/A, H. P. C. L. Employees CHS, Plot number NDR – 11, Tilak Nagar, Chembur, Mumbai 400 089
M.S. Ramachandran	Additional (Independent) Director	00943629	C-23, Second Floor, Green Park Main, New Delhi 110 016
Dilip Karnik	Additional (Independent) Director	06419513	Shri Ram, 1102/B-4, Shivajinagar, Pune 411 016
Sandeep Bakhshi	Managing Director and Chief Executive Officer	00109206	8/B, Tanna Residency, opposite Siddhivinayak Temple, Prabhadevi, Mumbai 400 025
Puneet Nanda	Executive Director and Chief Marketing Officer	02578795	Flat No. 11, Victoria, Sarojini Road, Santacruz (West), Mumbai 400 054
Sandeep Batra	Executive Director	03620913	5 <sup>th</sup> Floor, Vraj 10 <sup>th</sup> Road, JVPD, Mumbai 400 049

For further details of our Directors, see “Our Management” from pages 173.

### Chief Financial Officer

Satyan Jambunathan  
ICICI PruLife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi



Mumbai 400 025  
Tel: (91 22) 4039 1600  
Fax: (91 22) 6662 2031  
E-mail: satyan.jambunathan@iciciprulife.com

### **Company Secretary and Compliance Officer**

Vyoma Manek  
ICICI PruLife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Tel: (91 22) 4039 1400  
Fax: (91 22) 2437 6956  
E-mail: investor@iciciprulife.com

**Investors can contact the Company Secretary and Compliance Officer, the GCBRLMs, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

### **Global Co-ordinators and Book Running Lead Managers**

#### **DSP Merrill Lynch Limited**

Ground Floor, A Wing, One BKC  
G Block, Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6632 8000  
Fax: (91 22) 2204 8518  
E-mail: dg.iciciprudential\_ipo@baml.com  
Investor grievance e-mail:  
dg.india\_merchantbanking@baml.com  
Website: www.dspml.com  
Contact person: Radha Chakka  
SEBI registration number: INM000011625

#### **ICICI Securities Limited\***

ICICI Center, H.T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Tel: (91 22) 2288 2460  
Fax: (91 22) 2282 6580  
E-mail: iprulife.ipo@icicisecurities.com  
Investor grievance e-mail:  
customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact person: Amit Joshi / Ujjaval Kumar  
SEBI registration number: INM000011179

\* *In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI Regulations, ICICI Securities Limited will be involved only in marketing of the Offer.*

### **Book Running Lead Managers**

#### **CLSA India Private Limited<sup>#</sup>**

8/F Dalamal House  
Nariman Point  
Mumbai 400 021  
Tel: (91 22) 6650 5050  
Fax: (91 22) 2284 0271  
E-mail: iciciprulife.ipo@citiclsa.com  
Investor grievance e-mail: investor.helpdesk@cls.com  
Website: www.india.cls.com  
Contact person: Sarfaraz Agboatwala  
SEBI registration number: INM000010619

#### **Deutsche Equities India Private Limited**

The Capital, 14th floor  
C -70, G Block, Bandra Kurla Complex  
Mumbai 400 051  
Tel: (91 22) 7180 4444  
Fax: (91 22) 7180 4199  
E-mail: icicipru.ipo@db.com  
Investor grievance e-mail: db.redressal@db.com  
Website: www.db.com/India  
Contact person: Viren Jairath

# Formerly CLSA India Limited

**Edelweiss Financial Services Limited**

14th Floor, Edelweiss House  
Off. C.S.T. Road, Kalina  
Mumbai 400 098  
Tel: (91 22) 4086 3535  
Fax: (91 22) 4086 3610  
E-mail: iciciprulife.ipo@edelweissfin.com  
Investor grievance e-mail:  
customerservice.mb@edelweissfin.com  
Website: www.edelweissfin.com  
Contact person: Pradeep Tewani  
SEBI registration number: INM0000010650

**IIFL Holdings Limited**

10th Floor, IIFL Centre  
Kamala City, Senapati Bapat Marg  
Lower Parel (West)  
Mumbai 400 013  
Tel: (91 22) 4646 4600  
Fax: (91 22) 2493 1073  
E-mail: iprulife.ipo@iiflcap.com  
Investor grievance e-mail: ig.ib@iiflcap.com  
Website: www.iiflcap.com  
Contact person: Gaurav Singhvi/ Pinak Bhattacharyya  
SEBI registration number: INM000010940

**SBI Capital Markets Limited**

202, Maker Tower 'E'  
Cuffe Parade  
Mumbai 400 005  
Tel: (91 22) 2217 8300  
Fax: (91 22) 2218 8332  
E-mail: iciciprulife.ipo@sbicaps.com  
Investor Grievance e-mail: investor.relations@sbicaps.com  
Website: www.sbicaps.com  
Contact person: Gitesh Vargantwar  
SEBI registration number: INM000003531

**Syndicate Members**

[•]

**Indian Legal Counsel to our Company**

**Cyril Amarchand Mangaldas**

5<sup>th</sup> Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
Tel: (91 22) 2496 4455  
Fax: (91 22) 2496 3666

**Indian Legal Counsel to the GCBRLMs and the BRLMs**

**S&R Associates**

One Indiabulls Centre  
1403, Tower 2B  
841 Senapati Bapat Marg  
Lower Parel

SEBI registration number: INM000010833

**HSBC Securities and Capital Markets (India) Private Limited**

52/60, Mahatma Gandhi Road,  
Fort  
Mumbai 400 001  
Tel: (91 22) 2268 5555  
Fax: (91 22) 2263 1284  
E-mail: ICICIPRUIPOHSCI@hsbc.co.in  
Investor grievance e-mail:  
investorgrievance@hsbc.co.in  
Website: <http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking>  
Contact person: Mayank Jain / Shreye Mirani  
SEBI registration number: INM000010353

**JM Financial Institutional Securities Limited**

7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Tel: (91 22) 6630 3030  
Fax: (91 22) 6630 3330  
E-mail: iciciprudential.ipo@jmfl.com  
Investor grievance e-mail: grievance.ibd@jmfl.com  
Website: www.jmfl.com  
Contact person: Lakshmi Lakshmanan  
SEBI registration number: INM000010361

**UBS Securities India Private Limited**

2 North Avenue, Maker Maxity  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 6155 6000  
Fax: (91 22) 6155 6292  
E-mail: OL-ICICIPruIPO@ubs.com  
Investor grievance e-mail: customercare@ubs.com  
Website: www.ubs.com/indianoffers  
Contact person: Jasmine Kaur  
SEBI registration number: INM000010809

Mumbai 400 013  
Tel: (91 22) 4302 8000  
Fax: (91 22) 4302 8001

**International Legal Counsel to the GCBRLMs and the  
BRLMs as to United States federal law and New York law**

**Davis Polk & Wardwell**

18<sup>th</sup> Floor, The Hong Kong Club Building  
3A Chater Road  
Hong Kong  
Tel: (852) 2533 3300  
Fax: (852) 2533 3388

**Joint Auditors to our Company**

**BSR & Co. LLP**

Chartered Accountants  
Lodha Excelus  
5<sup>th</sup> floor, Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai 400 011  
Tel: (91 22) 3989 6000  
Fax: (91 22) 3090 2511  
E-mail: vv@bsraffiliates.com  
Firm registration number: 101248W/W-100022  
Peer review number: 006478

**Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)  
Chartered Accountants  
Indiabulls Finance Centre  
16<sup>th</sup> Floor, Tower II, S B Marg  
Elphinstone (West)  
Mumbai 400 013  
Tel: (91 22) 6626 2600  
Fax: (91 22) 6626 2601  
E-mail: khushroo.panthaky@in.gt.com  
Firm registration number: 001076N/N500013  
Peer review number: 009046

**Escrow Collection Bank(s)**

[•]

**Public Offer Bank(s)**

[•]

**Refund Bank(s)**

[•]

**Banker to our Company**

**ICICI Bank**

ICICI Bank Towers  
Bandra Kurla Complex  
Mumbai 400 051  
Tel: (91 22) 4008 8162  
Fax: (91 22) 2653 1368  
E-mail: rajaram.kadayam@icicibank.com  
Website: www.icicibank.com  
Contact person: Kadayam Rajaram

**Registrar to the Offer**

**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda  
Hyderabad 500 032  
Tel: (91 40) 6716 2222  
Fax: (91 40) 2343 1551  
E-mail: einward.ris@karvy.com  
Investor grievance e-mail: icicprulife.ipo@karvy.com  
Website: https://karisma.karvy.com  
Contact person: M. Murali Krishna  
SEBI registration number: INR000000221

## **Designated Intermediaries**

### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

### **Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Joint Auditors namely, BSR & Co. LLP and Walker Chandiok & Co LLP to include their respective names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” defined under Section 2(38) and Section 26 of the Companies Act, 2013 in respect of the report of the Joint Auditors dated June 29, 2016 on the Restated Financial Statements, and the statement of tax benefits dated July 15, 2016 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. As the Equity Shares in the Offer will not be registered under the U.S. Securities Act, any references to the term “expert” herein and the Joint Auditors’ consent to be named as “expert” with respect to the Offer are not in the context of a U.S. registered offering of securities.

Our Company has obtained the Embedded Value Report from Milliman Advisors LLP, prepared by Richard Holloway, an Independent Actuary, in accordance with the IRDAI Issuance of Capital Regulations. Our Company has received written consent from Richard Holloway, partner at Milliman Advisors LLP to include his name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the Embedded Value Report and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

### **Appraising Entity**

The Offer being an offer for sale, the objects of the Offer have not been appraised.

### **Inter-se allocation of Responsibilities**

The following table sets forth details of the inter-se allocation of responsibilities for various activities among the GCBRLMs and the BRLMs for the Offer:

<b>Inter-se Allocation of Responsibilities among GCBRLMs and BRLMs</b>			
<b>S. No.</b>	<b>Activity</b>	<b>Responsibilities</b>	<b>Co-ordination</b>
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	GCBRLMs, BRLMs	DSPML
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC, SEBI and IRDAI including finalisation of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	GCBRLMs, BRLMs	DSPML
3.	Drafting and approval of all statutory advertisement	GCBRLMs, BRLMs	DSPML
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.	GCBRLMs, BRLMs	I-SEC
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Offer	GCBRLMs, BRLMs	DSPML
6.	International institutional marketing strategy <ul style="list-style-type: none"> <li>• Preparation of road show presentation</li> <li>• Finalise the list and division of investors for one to one meetings, in consultation with the Company, and</li> <li>• Finalising the International road show schedule and investor meeting schedules</li> </ul>	GCBRLMs, BRLMs	DSPML
7.	Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"> <li>• Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company.</li> <li>• Finalising the list and division of investors for one to one meetings, and</li> <li>• Finalising investor meeting schedules</li> </ul>	GCBRLMs, BRLMs	I-SEC
8.	Non-Institutional and Retail marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"> <li>• Formulating marketing strategies, preparation of publicity budget</li> <li>• Finalise Media and PR strategy</li> <li>• Finalising centers for holding conferences for press and brokers</li> <li>• Finalising collection centres;</li> <li>• Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Offer material</li> </ul>	GCBRLMs, BRLMs	I-SEC
9.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.	GCBRLMs, BRLMs	DSPML
11.	Finalisation of pricing, in consultation with the Company	GCBRLMs, BRLMs	DSPML
12.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable.	GCBRLMs, BRLMs	JM Financial

## Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

## Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

## Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholder, in consultation with GCBRLMs and the BRLMs, and which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid / Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs after the Bid / Offer Closing Date.

**All Bidders, except Anchor Investors, can participate in the Offer only through the ASBA process.**

**In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Investors Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and ICICI Bank Shareholders bidding in the ICICI Bank Shareholders Reservation Portion (subject to the Bid Amount being upto ₹ 200,000) can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid / Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

For further details, see “Offer Structure” and “Offer Procedure” beginning on pages 507 and 512, respectively.

## Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation” on page 539.

## Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder propose to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The following table sets forth details relating to the intention of the Underwriters to underwrite the number of Equity Shares indicated below:

*(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)*

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after pricing and actual allocation and subject to the provisions of the SEBI Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition

to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

## CAPITAL STRUCTURE

The following table sets forth details of the Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus:

*(In ₹, except share data)*

		Aggregate value at face value	Aggregate value at Offer Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	1,500,000,000 Equity Shares	15,000,000,000	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	1,433,207,585 Equity Shares	14,332,075,850	
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
	Offer for sale of up to 181,341,058 Equity Shares <sup>(1)</sup>	1,813,410,580	[●]
	<i>Which includes</i>		
	ICICI Bank Shareholders Reservation Portion up to 18,134,105 Equity Shares	181,341,050	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares	[●]	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer	33,924,098,600	[●]
	After the Offer	[●]	[●]

(1) ICICI Bank has approved its participation in the Offer pursuant to a resolution passed by its board of directors dated April 29, 2016 read with letter dated May 11, 2016 issued by ICICI Bank. The Equity Shares to be offered in the Offer have been held by the Selling Shareholder for a period of at least one year prior to the date of this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer. Further, our Board of Directors and our Shareholders have approved the Offer pursuant to the resolutions dated April 26, 2016 and June 24, 2016, respectively.

### Changes in the authorised share capital of our Company

- The initial authorised share capital of our Company was ₹ 500,000 comprising 50,000 Equity Shares. This authorised capital was increased to ₹ 1,500,000,000 comprising 150,000,000 Equity Shares pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on September 11, 2000.
- The authorised share capital of our Company of ₹ 1,500,000,000 comprising 150,000,000 Equity Shares was increased to ₹ 2,300,000,000 comprising 230,000,000 Equity Shares pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on December 26, 2001.
- The authorised share capital of our Company of ₹ 2,300,000,000 comprising 230,000,000 Equity Shares was increased to ₹ 6,000,000,000 comprising 600,000,000 Equity Shares pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on September 2, 2002.
- The authorised share capital of our Company of ₹ 6,000,000,000 comprising 600,000,000 Equity Shares was increased to ₹ 12,000,000,000 comprising 1,200,000,000 Equity Shares each pursuant to a resolution passed by our Shareholders in their annual general meeting held on May 29, 2003.
- The authorised share capital of our Company of ₹ 12,000,000,000 comprising 1,200,000,000 Equity Shares was increased to ₹ 15,000,000,000 comprising 1,500,000,000 Equity Shares pursuant to a resolution passed by our Shareholders on April 26, 2006.

### Notes to the Capital Structure

#### 1. Equity Share capital history of our Company

(a) The following table sets forth details of the history of the Equity Share capital of our Company:



Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value (₹)	Issue price (including premium if applicable) (₹)	Reason for allotment	Consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
July 25, 2000*	50,000	10	10	Subscription to the Memorandum of Association <sup>(1)</sup>	Cash	50,000	500,000	Nil
October 18, 2000	110,950,000	10	10	Allotment <sup>(2)</sup>	Cash	111,000,000	1,110,000,000	Nil
October 23, 2000	39,000,000	10	10	Allotment <sup>(3)</sup>	Cash	150,000,000	1,500,000,000	Nil
March 27, 2002	40,000,000	10	10	Preferential Allotment <sup>(4)</sup>	Cash	190,000,000	1,900,000,000	Nil
June 26, 2002	40,000,000	10	10	Preferential Allotment <sup>(5)</sup>	Cash	230,000,000	2,300,000,000	Nil
September 13, 2002	95,000,000	10	10	Preferential Allotment <sup>(6)</sup>	Cash	325,000,000	3,250,000,000	Nil
January 30, 2003	50,000,000	10	10	Preferential Allotment <sup>(7)</sup>	Cash	375,000,000	3,750,000,000	Nil
March 24, 2003	50,000,000	10	10	Preferential Allotment <sup>(8)</sup>	Cash	425,000,000	4,250,000,000	Nil
July 9, 2003	100,000,000	10	10	Preferential Allotment <sup>(9)</sup>	Cash	525,000,000	5,250,000,000	Nil
November 29, 2003	100,000,000	10	10	Preferential Allotment <sup>(10)</sup>	Cash	625,000,000	6,250,000,000	Nil
March 12, 2004	50,000,000	10	10	Preferential Allotment <sup>(11)</sup>	Cash	675,000,000	6,750,000,000	Nil
September 30, 2004	150,000,000	10	10	Preferential Allotment <sup>(12)</sup>	Cash	825,000,000	8,250,000,000	Nil
February 3, 2005	100,000,000	10	10	Preferential Allotment <sup>(13)</sup>	Cash	925,000,000	9,250,000,000	Nil
September 30, 2005	160,000,000	10	10	Preferential Allotment <sup>(14)</sup>	Cash	1,085,000,000	10,850,000,000	Nil
December 20, 2005	100,000,000	10	10	Preferential Allotment <sup>(15)</sup>	Cash	1,185,000,000	11,850,000,000	Nil
June 30, 2006	21,428,571	10	70	Preferential Allotment <sup>(16)</sup>	Cash	1,206,428,571	12,064,285,710	1,285,714,260
Quarter ended June 30, 2006	4,000	10	30	Allotment under the ESOS Scheme <sup>(17)</sup>	Cash	1,206,432,571	12,064,325,710	1,285,794,260
August 31, 2006	35,714,284	10	70	Preferential Allotment <sup>(18)</sup>	Cash	1,242,146,855	12,421,468,550	3,428,651,300
Quarter ended September 30, 2006	25,030	10	30-70	Allotment under the ESOS Scheme <sup>(19)</sup>	Cash	1,242,171,885	12,421,718,850	3,429,195,300
December 29, 2006	32,856,267	10	70	Preferential Allotment <sup>(20)</sup>	Cash	1,275,028,152	12,750,281,520	5,400,571,320
Quarter ended December 31, 2006	24,080	10	30-70	Allotment under the ESOS Scheme <sup>(21)</sup>	Cash	1,275,052,232	12,750,522,320	5,401,230,720
March 30, 2007	34,904,352	10	70	Preferential Allotment <sup>(22)</sup>	Cash	1,309,956,584	13,099,565,840	7,495,491,840
Quarter ended March 31, 2007	2,344,951	10	30-70	Allotment under the ESOS Scheme <sup>(23)</sup>	Cash	1,312,301,535	13,123,015,350	7,552,136,016
June 29, 2007	23,128,424	10	130	Preferential Allotment <sup>(24)</sup>	Cash	1,335,429,959	13,354,299,590	10,327,546,896
August 17, 2007	17,640,806	10	130	Preferential Allotment <sup>(25)</sup>	Cash	1,353,070,765	13,530,707,650	12,444,443,616
September 28, 2007	25,384,615	10	130	Preferential Allotment <sup>(26)</sup>	Cash	1,378,455,380	13,784,553,800	15,490,597,416
December 31, 2007	12,285,714	10	350	Preferential Allotment <sup>(27)</sup>	Cash	1,390,741,094	13,907,410,940	19,667,740,176
February 29, 2008	10,250,000	10	400	Preferential Allotment <sup>(28)</sup>	Cash	1,400,991,094	14,009,910,940	23,665,240,176
Quarter ended March 31, 2008	122,629	10	42-70	Allotment under the ESOS Scheme <sup>(29)</sup>	Cash	1,401,113,723	14,011,137,230	23,671,161,040
June 30, 2008	12,500,000	10	400	Preferential Allotment <sup>(30)</sup>	Cash	1,413,613,723	14,136,137,230	28,546,161,040
September 30, 2008	7,500,000	10	400	Preferential Allotment <sup>(31)</sup>	Cash	1,421,113,723	14,211,137,230	31,471,161,040
Quarter ended September 30, 2008	1,052,383	10	30-130	Allotment under the ESOS Scheme <sup>(32)</sup>	Cash	1,422,166,106	14,221,661,060	31,521,838,336
October 22, 2008	5,000,000	10	400	Preferential Allotment <sup>(33)</sup>	Cash	1,427,166,106	14,271,661,060	33,471,838,336
Quarter ended	60,125	10	30-130	Allotment under the	Cash	1,427,226,231	14,272,262,310	33,475,045,836

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value (₹)	Issue price (including premium if applicable) (₹)	Reason for allotment	Consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
December 31, 2008				ESOS Scheme <sup>(34)</sup>				
Quarter ended March 31, 2009	31,062	10	30-130	Allotment under the ESOS Scheme <sup>(35)</sup>	Cash	1,427,257,293	14,272,572,930	33,476,870,876
Quarter ended June 30, 2009	8,350	10	42-70	Allotment under the ESOS Scheme <sup>(36)</sup>	Cash	1,427,265,643	14,272,656,430	33,477,271,076
Quarter ended December 31, 2009	9,375	10	42-70	Allotment under the ESOS Scheme <sup>(37)</sup>	Cash	1,427,275,018	14,272,750,180	33,477,728,576
Quarter ended March 31, 2010	867,865	10	30-130	Allotment under the ESOS Scheme <sup>(38)</sup>	Cash	1,428,142,883	14,281,428,830	33,528,186,456
Quarter ended September 30, 2010	153,074	10	30-130	Allotment under the ESOS Scheme <sup>(39)</sup>	Cash	1,428,295,957	14,282,959,570	33,537,518,536
Quarter ended March 31, 2011	165,192	10	30-130	Allotment under the ESOS Scheme <sup>(40)</sup>	Cash	1,428,461,149	14,284,611,490	33,545,848,956
Quarter ended March 31, 2012	387,975	10	30-130	Allotment under the ESOS Scheme <sup>(41)</sup>	Cash	1,428,849,124	14,288,491,240	33,578,439,056
Quarter ended December 31, 2012	46,625	10	30-130	Allotment under the ESOS Scheme <sup>(42)</sup>	Cash	1,428,895,749	14,288,957,490	33,581,426,556
Quarter ended March 31, 2013	43,500	10	42-130	Allotment under the ESOS Scheme <sup>(43)</sup>	Cash	1,428,939,249	14,289,392,490	33,584,027,120
Quarter ended September 30, 2013	175,663	10	30-130	Allotment under the ESOS Scheme <sup>(44)</sup>	Cash	1,429,114,912	14,291,149,120	33,595,113,680
Quarter ended March 31, 2014	140,775	10	42-130	Allotment under the ESOS Scheme <sup>(45)</sup>	Cash	1,429,255,687	14,292,556,870	33,602,771,480
Quarter ended June 30, 2014	135,238	10	30-130	Allotment under the ESOS Scheme <sup>(46)</sup>	Cash	1,429,390,925	14,293,909,250	33,612,196,560
Quarter ended September 30, 2014	360,899	10	30-130	Allotment under the ESOS Scheme <sup>(47)</sup>	Cash	1,429,751,824	14,297,518,240	33,640,076,040
Quarter ended December 31, 2014	164,407	10	30-130	Allotment under the ESOS Scheme <sup>(48)</sup>	Cash	1,429,916,231	14,299,162,310	33,651,565,200
Quarter ended March 31, 2015	1,800,760	10	30-130	Allotment under the ESOS Scheme <sup>(49)</sup>	Cash	1,431,716,991	14,317,169,910	33,777,359,220
Quarter ended June 30, 2015	117,290	10	70-130	Allotment under the ESOS Scheme <sup>(50)</sup>	Cash	1,431,834,281	14,318,342,810	33,788,884,020
Quarter ended September 30, 2015	127,502	10	70-130	Allotment under the ESOS Scheme <sup>(51)</sup>	Cash	1,431,961,783	14,319,617,830	33,800,719,260
Quarter ended December 31, 2015	231,490	10	30-130	Allotment under the ESOS Scheme <sup>(52)</sup>	Cash	1,432,193,273	14,321,932,730	33,823,450,160
Quarter ended March 31, 2016	126,075	10	70-130	Allotment under the ESOS Scheme <sup>(53)</sup>	Cash	1,432,319,348	14,323,193,480	33,836,329,160
Quarter ended June 30, 2016	549,828	10	30-130	Allotment under the ESOS Scheme <sup>(54)</sup>	Cash	1,432,869,176	14,328,691,760	33,894,697,520
Quarter ending September 30, 2016	338,409	10	30-130	Allotment under the ESOS Scheme <sup>(55)</sup>	Cash	1,433,207,585	14,332,075,850	33,924,098,600

\*Date of subscription to the Memorandum is July 18, 2000.

- (1) 50,000 Equity Shares were allotted to ICICI Bank (formerly known as ICICI Limited), and seven individuals who held the Equity Shares of our Company as nominees of ICICI Bank, pursuant to the board resolution passed on July 25, 2000.
- (2) 110,950,000 Equity Shares were allotted to ICICI Bank (formerly known as ICICI Limited).
- (3) 39,000,000 Equity Shares were allotted to PCHL.
- (4) 29,600,000 and 10,400,000 Equity Shares were allotted to ICICI Bank (formerly known as ICICI Limited) and PCHL, respectively.
- (5) 29,600,000 and 10,400,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.

- (6) 70,300,000 and 24,700,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (7) 37,000,000 and 13,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (8) 37,000,000 and 13,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (9) 74,000,000 and 26,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (10) 74,000,000 and 26,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (11) 37,000,000 and 13,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (12) 111,000,000 and 39,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (13) 74,000,000 and 26,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (14) 118,400,000 and 41,600,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (15) 74,000,000 and 26,000,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (16) 15,857,143 and 5,571,428 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (17) An aggregate of 4,000 Equity Shares have been allotted by our Company under the ESOS Scheme on May 18, 2006. The allotments were made to an employee of our Company as of the date of the allotment.
- (18) 26,428,570 and 9,285,714 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (19) An aggregate of 25,030 Equity Shares have been allotted by our Company under the ESOS Scheme to one employee of our Company on July 7, 2006, to one employee of our Company on August 2, 2006, to one employee of our Company on August 31, 2006 and to two employees of our Company on September 22, 2006.
- (20) 24,313,638 and 8,542,629 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (21) An aggregate of 24,080 Equity Shares have been allotted by our Company under the ESOS Scheme to one employee of our Company on October 20, 2006, to two employees of our Company on November 7, 2006, to two employees of our Company on December 27, 2006 and 530 Equity Shares to four employees of our Company on December 29, 2006.
- (22) 25,829,220 and 9,075,132 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (23) An aggregate of 2,344,951 Equity Shares have been allotted by our Company under the ESOS Scheme to three employees of our Company on March 15, 2007, to 86 employees of our Company on March 30, 2007 and to 68 employees of our Company on March 31, 2007.
- (24) 17,115,034 and 6,013,390 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (25) 13,054,196 and 4,586,610 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (26) 18,784,615 and 6,600,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (27) 9,091,429 and 3,194,285 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (28) 7,585,000 and 2,665,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (29) An aggregate of 122,629 Equity Shares have been allotted by our Company under the ESOS Scheme to 11 employees of our Company on February 28, 2008 and to seven employees of our Company on March 31, 2008.
- (30) 9,250,000 and 3,250,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (31) 5,550,000 and 1,950,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (32) An aggregate of 1,052,383 Equity Shares have been allotted by our Company under the ESOS Scheme to six employees of our Company on July 10, 2008, to 35 employees of our Company on August 5, 2008 and to 30 employees of our Company on August 25, 2008.
- (33) 3,700,000 and 1,300,000 Equity Shares were allotted to ICICI Bank and PCHL, respectively.
- (34) An aggregate of 60,125 Equity Shares have been allotted by our Company under the ESOS Scheme to eight employees of our Company on November 6, 2008.
- (35) An aggregate of 31,062 Equity Shares have been allotted by our Company under the ESOS Scheme to six employees of our Company on March 24, 2009.
- (36) An aggregate of 8,350 Equity Shares have been allotted by our Company under the ESOS Scheme to two employees of our Company on June 9, 2009.
- (37) An aggregate of 9,375 Equity Shares have been allotted by our Company under the ESOS Scheme to one employee of our Company on November 6, 2009.
- (38) An aggregate of 867,865 Equity Shares have been allotted by our Company under the ESOS Scheme to 60 employees of our Company on March 26, 2010 and to nine employees of our Company on March 31, 2010.

- (39) *An aggregate of 153,074 Equity Shares have been allotted by our Company under the ESOS Scheme to 17 employees of our Company on September 22, 2010.*
- (40) *An aggregate of 165,192 Equity Shares have been allotted by our Company under the ESOS Scheme to nine employees of our Company on March 28, 2011.*
- (41) *An aggregate of 387,975 Equity Shares have been allotted by our Company under the ESOS Scheme to 11 employees of our Company on January 13, 2012 and to eight employees of our Company on March 28, 2012.*
- (42) *An aggregate of 46,625 Equity Shares have been allotted by our Company under the ESOS Scheme to six employees of our Company on October 3, 2012.*
- (43) *An aggregate of 43,500 Equity Shares have been allotted by our Company under the ESOS Scheme to two employees of our Company on January 7, 2013 and to one employee of our Company on March 26, 2013.*
- (44) *An aggregate of 175,663 Equity Shares have been allotted by our Company under the ESOS Scheme to four employees of our Company on July 5, 2013 and to two employees of our Company on September 27, 2013.*
- (45) *An aggregate of 140,775 Equity Shares have been allotted by our Company under the ESOS Scheme to two employees of our Company on January 3, 2014 and to one employee of our Company on March 24, 2014.*
- (46) *An aggregate of 135,238 Equity Shares have been allotted by our Company under the ESOS Scheme to 11 employees of our Company on June 11, 2014.*
- (47) *An aggregate of 360,899 Equity Shares have been allotted by our Company under the ESOS Scheme to three employees of our Company on July 9, 2014, to seven employees of our Company on September 3, 2014 and to 12 employees of our Company on September 29, 2014.*
- (48) *An aggregate of 164,407 Equity Shares have been allotted by our Company under the ESOS Scheme to seven employees of our Company on November 4, 2014, and to five employees of our Company on December 1, 2014.*
- (49) *An aggregate of 1,800,760 Equity Shares have been allotted by our Company under the ESOS Scheme to eight employees of our Company on January 2, 2015, to 14 employees of our Company on February 11, 2015 and to 22 employees of our Company on March 5, 2015.*
- (50) *An aggregate of 117,290 Equity Shares have been allotted by our Company under the ESOS Scheme to 16 employees of our Company on April 2, 2015 and to two employees of our Company on June 3, 2015.*
- (51) *An aggregate of 127,502 Equity Shares have been allotted by our Company under the ESOS Scheme to seven employees of our Company on July 16, 2015, to two employees of our Company on August 18, 2015 and to four employees of our Company on September 23, 2015.*
- (52) *An aggregate of 231,490 Equity Shares have been allotted by our Company under the ESOS Scheme to four employees of our Company on October 21, 2015 and to eight employees of our Company on December 14, 2015.*
- (53) *An aggregate of 126,075 Equity Shares have been allotted by our Company under the ESOS Scheme to four employees of our Company on January 7, 2016, to two employees of our Company on February 17, 2016 and to two employees of our Company on March 25, 2016.*
- (54) *An aggregate of 549,828 Equity Shares have been allotted by our Company under the ESOS Scheme to five employees of our Company on May 12, 2016, to nine employees of our Company on June 2, 2016 and to 11 employees of our Company on June 15, 2016.*
- (55) *An aggregate of 338,409 Equity Shares have been allotted by our Company under the ESOS Scheme to 23 employees of our Company on July 12, 2016.*

(b) The details of the Equity Shares allotted for consideration other than cash:

Our Company has not allotted any Equity Shares for consideration other than cash or out of revaluation reserves.

## 2. **Issue of Shares in the last two preceding years**

For details of issue of Equity Shares by our Company in the last two preceding years, see “Capital Structure – Share Capital History of our Company” from pages 90.

## 3. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,339,942,546 Equity Shares, constituting 93.49% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters’ shareholding is set out below.

### (a) *Build-up of our Promoters’ shareholding in our Company*

The following table sets forth details of the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of transaction	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price / transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
<b>ICICI Bank</b>							
July 18, 2000	Subscription to the Memorandum of Association	50,000	Cash	10	10	Negligible	[●]
October 18, 2000	Allotment	110,950,000	Cash	10	10	7.74	[●]
March 27, 2002	Allotment	29,600,000	Cash	10	10	2.07	[●]
June 26, 2002	Allotment	29,600,000	Cash	10	10	2.07	[●]
September 13, 2002	Allotment	70,300,000	Cash	10	10	4.91	[●]
January 30, 2003	Allotment	37,000,000	Cash	10	10	2.58	[●]
March 24, 2003	Allotment	37,000,000	Cash	10	10	2.58	[●]
July 9, 2003	Allotment	74,000,000	Cash	10	10	5.16	[●]
November 29, 2003	Allotment	74,000,000	Cash	10	10	5.16	[●]
March 12, 2004	Allotment	37,000,000	Cash	10	10	2.58	[●]
September 30, 2004	Allotment	111,000,000	Cash	10	10	7.74	[●]
February 3, 2005	Allotment	74,000,000	Cash	10	10	5.16	[●]
September 30, 2005	Allotment	118,400,000	Cash	10	10	8.26	[●]
December 20, 2005	Allotment	74,000,000	Cash	10	10	5.16	[●]
June 30, 2006	Allotment	15,857,143	Cash	10	70	1.11	[●]
August 31, 2006	Allotment	26,428,570	Cash	10	70	1.84	[●]
December 29, 2006	Allotment	24,313,638	Cash	10	70	1.70	[●]
March 30, 2007	Allotment	25,829,220	Cash	10	70	1.80	[●]
June 29, 2007	Allotment	17,115,034	Cash	10	130	1.19	[●]
August 17, 2007	Allotment	13,054,196	Cash	10	130	0.91	[●]
September 28, 2007	Allotment	18,784,615	Cash	10	130	1.31	[●]
December 31, 2007	Allotment	9,091,429	Cash	10	350	0.63	[●]
February 29, 2008	Allotment	7,585,000	Cash	10	400	0.53	[●]
June 30, 2008	Allotment	9,250,000	Cash	10	400	0.65	[●]
September 30, 2008	Allotment	5,550,000	Cash	10	400	0.39	[●]
October 22, 2008	Allotment	3,700,000	Cash	10	400	0.26	[●]
December 24, 2008	Transfer <sup>(1)</sup>	1,704,062	Cash	10	400	0.12	[●]
November 25, 2009	Transfer <sup>(2)</sup>	148,000	Cash	10	217.20	0.01	[●]
January 22, 2016	Transfer <sup>(3)</sup>	(57,435,497)	Cash	10	226.34	4.01	[●]
March 31, 2016	Transfer <sup>(4)</sup>	(28,717,748)	Cash	10	226.34	2.00	[●]

Date of transaction	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price / transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
<b>Sub-Total</b>		<b>969,157,662</b>				<b>67.62</b>	<b>[●]</b>
<b>PCHL</b>							
October 23, 2000	Allotment	39,000,000	Cash	10	10	2.72	[●]
March 27, 2002	Allotment	10,400,000	Cash	10	10	0.73	[●]
June 26, 2002	Allotment	10,400,000	Cash	10	10	0.73	[●]
September 13, 2002	Allotment	24,700,000	Cash	10	10	1.72	[●]
January 30, 2003	Allotment	13,000,000	Cash	10	10	0.91	[●]
March 24, 2003	Allotment	13,000,000	Cash	10	10	0.91	[●]
July 9, 2003	Allotment	26,000,000	Cash	10	10	1.81	[●]
November 29, 2003	Allotment	26,000,000	Cash	10	10	1.81	[●]
March 12, 2004	Allotment	13,000,000	Cash	10	10	0.91	[●]
September 30, 2004	Allotment	39,000,000	Cash	10	10	2.72	[●]
February 3, 2005	Allotment	26,000,000	Cash	10	10	1.81	[●]
September 30, 2005	Allotment	41,600,000	Cash	10	10	2.90	[●]
December 20, 2005	Allotment	26,000,000	Cash	10	10	1.81	[●]
June 30, 2006	Allotment	5,571,428	Cash	10	70	0.39	[●]
August 31, 2006	Allotment	9,285,714	Cash	10	70	0.65	[●]
December 29, 2006	Allotment	8,542,629	Cash	10	70	0.60	[●]
March 30, 2007	Allotment	9,075,132	Cash	10	70	0.63	[●]
June 29, 2007	Allotment	6,013,390	Cash	10	130	0.42	[●]
August 17, 2007	Allotment	4,586,610	Cash	10	130	0.32	[●]
September 28, 2007	Allotment	6,600,000	Cash	10	130	0.46	[●]
December 31, 2007	Allotment	3,194,285	Cash	10	350	0.22	[●]
February 29, 2008	Allotment	2,665,000	Cash	10	400	0.19	[●]
June 30, 2008	Allotment	3,250,000	Cash	10	400	0.23	[●]
September 30, 2008	Allotment	1,950,000	Cash	10	400	0.14	[●]
October 22, 2008	Allotment	1,300,000	Cash	10	400	0.09	[●]
March 6, 2009	Transfer <sup>(5)</sup>	598,696	Cash	10	400	0.04	[●]
March 31, 2010	Transfer <sup>(6)</sup>	52,000	Cash	10	217.20	Negligible	[●]
<b>Sub-Total</b>		<b>370,784,884</b>		10	-	<b>25.87</b>	<b>[●]</b>
<b>Total</b>		<b>1,339,942,546</b>				<b>93.49</b>	<b>[●]</b>

(1) Transfer of 1,704,062 Equity Shares from 137 individuals to ICICI Bank.

(2) Transfer of 148,000 Equity Shares from Shikha Sharma to ICICI Bank.

(3) Transfer of 57,435,497 Equity Shares to M/s Hasham Traders. These Equity Shares are held by Azim Hasham Premji for M/s Hasham Traders.

- (4) Transfer of 28,717,748 Equity Shares to Compassvale Investments Pte. Ltd.
- (5) Transfer of 598,696 Equity Shares from 137 individuals to PCHL.
- (6) Transfer of 52,000 Equity Shares from Shikha Sharma to PCHL.

The Equity Shares allotted by our Company to our Promoters were fully paid-up as on their respective dates of allotment. ICICI Bank, one of our Promoters, has confirmed to our Company, the GCBRLMs and the BRLMs that the Equity Shares held by them which shall be locked-in for a period of three years as promoters' contribution have been financed from their own funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(b) *Details of promoters' contribution and lock-in:*

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by ICICI Bank, except for the Equity Shares offered under the Offer, shall be locked in as minimum promoters' contribution for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year. The following table sets forth details of the Equity Shares which are held by ICICI Bank and eligible for such lock-in for a period of three years from the date of Allotment:

Date of the transaction	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price / transfer price per Equity Share (₹)	Number of Equity Shares locked-in	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

The minimum promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from ICICI Bank, which falls within the definition of a 'promoter' under the SEBI Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of promoters' contribution in terms of Regulation 33 of the SEBI Regulations. In this connection, we confirm the following:

- (i) The Equity Shares offered for promoters' contribution have not been acquired in the last three years for (a) consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of promoters' contribution;
- (ii) Our promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) Our Company has not been formed by the conversion of a partnership firm into a Company; and
- (iv) The Equity Shares held by our Promoters and offered for promoters' contribution are not subject to any pledge.

*Other requirements in respect of lock-in:*

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by ICICI Bank and locked-in for three years as specified above and other than the Equity Shares Allotted pursuant to the Offer and Equity Shares allotted under the ESOS Scheme to existing employees of our Company, the entire pre-Offer Equity Share capital of our Company, will be locked-in for a period of one year from the date of Allotment.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans, subject to applicable laws (including laws prescribed by IRDAI).

The Equity Shares held by persons other than the Promoters prior to the Offer and locked-in under the SEBI Regulations may be transferred to any other person holding the Equity Shares which are locked-in subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations and the Insurance Act, as applicable. The Equity Shares held by our Promoters which are locked-in may be transferred to and among our Promoter Group entities or to any new promoter or persons in control of our Company, subject to compliance with any lock-in/ transfer restrictions prescribed by the IRDAI, continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover

Regulations, as applicable.

*Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

Any Equity Shares allotted as part of the Anchor Investors Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. **Shareholding of our Promoters and Promoter Group in our Company**

Our Promoters hold 1,339,942,546 Equity Shares, constituting 93.49% of the total Equity Share capital of our Company. Our Promoter Group and the directors of our Promoters do not hold any Equity Shares in our Company.



## 5. Shareholding Pattern of our Company

The following table sets forth details of the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity	Class eg: Others								
(A)	Promoter & Promoter Group	2	1,339,942,546	0	0	1,339,942,546	93.49	1,339,942,546	0	1,339,942,546	93.49	0	0	NA	969,157,662		
(B)	Public	872	93,265,039	0	0	93,265,039	6.48	93,265,039	0	93,265,039	6.48	0	0	4,779	93,004,276		
(C)	Non Promoter-Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0	NA	0		
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	NA	0		
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0	NA	0		
	<b>Total</b>	<b>874</b>	<b>1,433,207,585</b>	<b>0</b>	<b>0</b>	<b>1,433,207,585</b>	<b>100.00</b>	<b>1,433,207,585</b>	<b>0</b>	<b>1,433,207,585</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>4,779</b>	<b>1,062,161,938</b>		

6. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them are set forth below:**

- (a) The following table sets forth details of the top 10 Shareholders as on the date of this Draft Red Herring Prospectus:

Serial Number	Name of the Shareholder	Number of Equity Shares (face value of ` 10 each) <sup>(1)</sup>	Percentage (%)
1.	ICICI Bank	969,157,662 <sup>(2)</sup>	67.62
2.	PCHL	370,784,884	25.87
3.	M/s Hasham Traders <sup>(3)</sup>	57,435,497	4.01
4.	Compassvale Investments Pte. Ltd	28,717,748	2.00
5.	Binayak Dutta	328,750	0.02
6.	Puneet K Nanda	247,500	0.02
7.	Kalpana Bharat Sampat	235,000	0.02
8.	Binay Kumar Agarwala	185,000	0.01
9.	Shuba Rao Mayya	175,000	0.01
10.	Pankaj Jain	167,250	0.01
<b>Total</b>		<b>1,427,434,291</b>	<b>99.60</b>

(1) This does not include the Equity Shares that the Shareholders will be entitled to upon exercise of options under the ESOS Scheme.

(2) As a part of the subscription to the Memorandum of Association, 50,000 Equity Shares were issued to ICICI Bank (formerly known as ICICI Limited), and seven individuals who held the Equity Shares of our Company as nominees of ICICI Bank, pursuant to the Board resolution passed on July 25, 2000.

(3) These Equity Shares are held by Azim Hasham Premji for M/s Hasham Traders.

- (b) The following table sets forth details of the top 10 Shareholders 10 days prior to the date of this Draft Red Herring Prospectus:

Serial Number	Name of the Shareholder	Number of Equity Shares (face value of ` 10 each) <sup>(1)</sup>	Percentage (%)
1.	ICICI Bank	969,157,662 <sup>(2)</sup>	67.64
2.	PCHL	370,784,884	25.88
3.	M/s Hasham Traders <sup>(3)</sup>	57,435,497	4.01
4.	Compassvale Investments Pte. Ltd	28,717,748	2.00
5.	Binayak Dutta	328,750	0.02
6.	Puneet K Nanda	247,500	0.02
7.	Kalpana Bharat Sampat	235,000	0.02
8.	Binay Kumar Agarwala	185,000	0.01
9.	Shuba Rao Mayya	175,000	0.01
10.	Satyan Jambunathan	146,875	0.01
<b>Total</b>		<b>1,427,413,916</b>	<b>99.62</b>

(1) This does not include the Equity Shares that the Shareholders will be entitled to upon exercise of options under the ESOS Scheme.

(2) As a part of the subscription to the Memorandum of Association, 50,000 Equity Shares were issued to ICICI Bank (formerly known as ICICI Limited), and seven individuals who held the Equity Shares of our Company as nominees of ICICI Bank, pursuant to the Board resolution passed on July 25, 2000.

(3) These Equity Shares are held by Azim Hasham Premji for M/s Hasham Traders.

- (c) The following table sets forth details of the top 10 Shareholders two years prior to the date of this Draft Red Herring Prospectus:

Serial Number	Name of the Shareholder	Number of Equity Shares (face value of ` 10 each) <sup>(1)</sup>	Percentage (%)
1.	ICICI Bank	1,055,310,907 <sup>(2)</sup>	73.83
2.	PCHL	370,784,884	25.94

Serial Number	Name of the Shareholder	Number of Equity Shares (face value of ₹ 10 each) <sup>(1)</sup>	Percentage (%)
3.	Shuba Rao Mayya	175,000	0.01
4.	Pankaj Jain	139,250	0.01
5.	Tarun Chugh	137,000	0.01
6.	Anita Sudhir Pai	127,500	0.01
7.	Sanjay Khatau Asher	120,525	0.01
8.	Kalpana Bharat Sampat	115,000	0.01
9.	Pankaj Sharma	101,875	0.01
10.	Rishi Srivastava	91,875	0.01
<b>Total</b>		<b>1,429,432,925</b>	<b>99.84</b>

(1) This does not include the Equity Shares that the Shareholders will be entitled to upon exercise of options under the ESOS Scheme.

(2) As a part of the subscription to the Memorandum of Association, 50,000 Equity Shares were issued to ICICI Bank (formerly known as ICICI Limited), and seven individuals who held the Equity Shares of our Company as nominees of ICICI Bank, pursuant to the Board resolution passed on July 25, 2000.

## 7. ESOS Scheme

Our Company instituted the ESOS Scheme pursuant to the resolution passed by our Board and Shareholders on March 28 2005. At that time, no eligible employee could, in aggregate be granted, options greater than 1% of the issued capital of our Company and the aggregate of options granted to the eligible employees under the ESOS Scheme was capped at 3% of the issued capital of our Company as on the date of such grant(s). Further, the exercise price is finalised by the Board Nomination and Remuneration Committee (the “**Committee**”) in concurrence with our Board. The ESOS Scheme has allowed an exercise period of later of (i) 10<sup>th</sup> anniversary of the date of grant of options, (ii) the 5<sup>th</sup> anniversary of the date of vesting of options, or (iii) such extended time period for specific grants previously made as approved by the Committee. Pursuant to the ESOS Scheme, options were granted in six tranches on March 28, 2005, April 25, 2005, April 26, 2005, April 24, 2007, April 24, 2007 and April 25, 2008, respectively. Subsequently, in the interest of employees, our Company extended the exercise period from 10 years to 13 years in respect of the options granted between 2005 to 2007 namely Founder, 2004-05, 2005-06, 2006-07 and Founder II. Further, the ESOS Scheme has been amended pursuant to a resolution of the Board of Directors of our Company. The ESOS Scheme has been amended to permit grant of employee stock options issued or issuable since March 31, 2016, shall not be exceeding a figure equal to 2.64% of the number of issued share capital of our Company as on March 31, 2016. The aforementioned amendment is subject to the approval of our Shareholders and accordingly no fresh grant will be made under the ESOS Scheme until the approval of the ESOS Scheme by our Shareholders.

Over time, certain employees who had held options granted by our Company have been transferred to other entities within the ICICI Group or the Prudential group, or have resigned. As of July 14, 2016, there are 12 transferred option holders holding 794,775 vested outstanding options and three resigned option holders holding 17,500 vested outstanding options (collectively, the “**Option Holders**”). With respect to outstanding options granted to the Option Holders and employees who may disassociate in future either by way of transfer by our Company within the ICICI Group or Prudential group or resignations, our Company has applied for an exemption from SEBI from the requirements of Regulation 26(5)(b) of the SEBI Regulations by way of its letter dated July 15, 2016, and in the event we receive such an exemption from SEBI, our Company may allow such option holders to hold their vested options, exercise such options and receive the Equity Shares in terms of their respective exercise periods, whether prior to, or after the date of listing of the Equity Shares. The following table sets forth the particulars of the options granted under the ESOS Scheme as on the date of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	24,183,825; no options were granted in last three fiscal years
The pricing formula	The exercise price shall be determined by the Committee in concurrence with the Board of Directors of the Company on the date the options are granted
Exercise price of options (as on the date of grant of options)	Founder – ₹ 30 FY04-05 – ₹ 42 FY05-06 – ₹ 70 FY06-07 – ₹ 130 Founder II – ₹ 130 FY07-08 – ₹ 400
Total options vested	19,187,200; all options had been vested during FY2013 and before
Options exercised – as on July 14, 2016	9,612,027

	FY 2016 : 499,067 FY 2015 : 2,556,531 FY 2014 : 330,501
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	5,003,688 (Outstanding options which are in force, net of options exercised and lapsed)
Options forfeited / lapsed / cancelled - as on July 14, 2016	9,568,110 FY 2016 : 559,175 FY 2015 : 588,000 FY 2014 : 2,087,905
Variation in terms of options	As mentioned in Note I
Money realised by exercise of options- as on July 14, 2016	~ 663 million (No of options*exercise price) scheme wise
Options outstanding (in force)- as on July 14, 2016	5,003,688
Employee wise details of options granted to:	
(a) Senior Managerial Personnel, i.e. Directors and key managerial personnel	As mentioned in Note II(a)
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	As mentioned in Note II(b)
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	FY 2016 : ~ 11.53 FY 2015 : ~ 11.45 FY 2014 : ~ 10.90
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	<b>Profits would have been lower by :</b> FY 2016 : ~ Nil FY 2015 : ~ 22.3 million FY 2014 : ~ Nil <b>Impact on Basic EPS :</b> FY 2015: Basic EPS would decrease from 11.47 to 11.46 <b>Impact on Diluted EPS :</b> FY2015: Diluted EPS would decrease from 11.45 to 11.44
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed of options whose exercise price either equals or exceeds or is less than the market price of the stock	<b>Not applicable</b>
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The Company has used the Binomial Tree for computing the fair value of the options with assumptions of current dividend yield, annual volatility, risk free rate and expected life.
Vesting schedule	Founder scheme – 50:25:25; FY2004-2005, FY2005-2006, FY2006-2007, Founder-II, FY2007-2008

	schemes-25:25:25:25
Lock-in	No lock in period as per ESOS 2005 scheme document, except as required under the applicable law
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	There are no options granted in last three years. So no effect on EPS.
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer and quantum of Equity Shares intended to be sold by the Directors, senior managerial personnel and employees having Equity Shares under the ESOS Scheme amounting to more than 1% of the issued capital of our Company	Nil

**Note I**

At its meeting held on January 16, 2015 the Board approved extension of exercise period by 3 years for the options granted under the tranches Founder, FY2004-05, FY2005-06, FY2006-07, and Founder II of Employee Stock Options Scheme (ESOS) 2005.

Accordingly, section III (1)(f) of the ESOS 2005 was modified by substituting the same with the below definition: "Exercise Period" means the period commencing from the date of vesting of options and ending on the later of (i) the tenth anniversary of the date of grant of Options or (ii) such extended time period for specific grants previously made as may be approved by the Board Nomination & Remuneration Committee from time to time or (iii) the fifth anniversary of the date of vesting of options.

**Note: II (a)**

Name of KMP/SMP	Designation	Total ESOPs granted	Total ESOPs Outstanding
N.S. Kannan	Director	565,000	565,000
Sandeep Bakhshi	Managing Director & CEO	Nil	Nil
Puneet Nanda	Executive Director	520,000	210,000
Sandeep Batra	Executive Director	300,000	30,000
Judhajit Das	Chief - Human Resources	350,000	195,000
Satyan Jambunathan	Chief Financial Officer	243,500	66,000
Deepak Kinger	Chief Risk and Compliance Officer	186,800	52,800
Manish Kumar	Chief Investments Officer	161,800	52,800
Pranav Mishra	Chief – Sales & Distribution	224,000	77,000
Prasun Sikdar	Chief – Sales & Distribution	265,300	132,800
Balaji V.V.	Chief – IT & Operations	81,000	66,000
Ajay Chowdhary	Executive Vice President & Head – Group Sales	180,800	60,800
Sourav Ganguly	Vice President and Internal Auditor	46,450	6,750
Asha Murali	Appointed Actuary	Nil	Nil
Vyoma Manek	Company Secretary	Nil	Nil

**Note II (b)**

Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Year of grant	Name of employee receiving grant more than 5% of total options granted in that year
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Year of grant	Name of employee receiving grant more than 5% of total options granted in that year
FY 2005	Shikha Sharma
FY 2006	Shikha Sharma
FY 2007	Shikha Sharma
FY 2008	Shikha Sharma
FY 2009	None

8. All the Equity Shares held by ICICI Bank are held in dematerialised form. Further, all the Equity Shares held by one of our Promoters, namely, PCHL, shall be in dematerialised form prior to filing of the Red Herring Prospectus with the RoC.
9. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
10. For details in relation to Equity Shares held by our Directors and Key Management Personnel, see “Our Management” on pages 173.
11. Other than Equity Shares issued pursuant to the ESOS Scheme, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year.
12. As of the date of this Draft Red Herring Prospectus, the total number of our Shareholders is 874.
13. There has been no financing arrangement whereby our Promoter Group, directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
14. Except for issue of the Equity Shares pursuant to the exercise of the options granted pursuant to the ESOS Scheme and their consequent conversion into Equity Shares, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.
15. Except as disclosed in herein under “*Build-up of our Promoters’ shareholding in our Company*” on page 94, our Promoters have not purchased or sold any securities of our Company or its Subsidiary during the period commencing six months prior to the date of filing this Draft Red Herring Prospectus.
16. Except as disclosed below, our Promoter Group, the directors of our Promoters, our Directors and their immediate relatives have not purchased or sold any securities of our Company or its Subsidiary during the period commencing six months prior to the date of filing this Draft Red Herring Prospectus:

Date of the transaction	Name of the shareholder	Promoter/ Promoter Group/ Director	Total no. of Equity Shares transferred	Aggregate consideration (in ₹)	Percentage of pre- <i>Offer</i> capital
January 14, 2016,	Sandeep Batra	Director	5,000	12,00,000	0.00035%
March 18, 2016,	Sandeep Batra	Director	5,000	11,25,000	0.00035%
March 22, 2016	Sandeep Batra	Director	5,000	11,25,000	0.00035%
April 20, 2016	Sandeep Batra	Director	5,000	11,50,000	0.00035%

17. Our Company, our Directors, the GCBRLMs and the BRLMs have not made any or entered into any buy-back and/or standby arrangements for purchase of the Equity Shares being offered in the Offer from any person.
18. As on the date of this Draft Red Herring Prospectus, the GCBRLMs, the BRLMs and their respective associates (in accordance with the definition of “associate company” as provided under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

19. Except for the options granted under the ESOS Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Draft Red Herring Prospectus.
20. Any over-subscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot.
21. All Equity Shares allotted pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
22. The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription if any, in any category including the ICICI Bank Shareholders Reservation Portion, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the ICICI Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the ICICI Bank Shareholders Reservation Portion. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs to the extent of the respective Bid Amounts, to participate in the Offer. For further details, see "Offer Procedure" on page 512.
23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
24. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or by our Promoters to the persons who are Allotted Equity Shares pursuant to the Offer.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares of our Company on the Stock Exchanges and to carry out the sale of up to 181,341,058 Equity Shares by the Selling Shareholder. The listing of the Equity Shares will enhance the “ICICI Prudential” brand name and provide liquidity to the existing shareholders. The listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer.

### Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, fees payable to the GCBRLMs and the BRLMs, underwriting fees, selling commission, legal counsels, Registrar to the Offer, Public Offer Bank(s) including processing fee to the SCSBs for processing Bid cum Application Forms submitted by ASBA Bidders procured by the Members of the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses with respect to the Offer (other than listing fees which shall be payable by our Company) will be borne by the Selling Shareholder. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed by the Selling Shareholder to our Company. The following table sets forth details of the break-up for the Offer expenses:

Activity	Estimated Expense <sup>(1)</sup> (₹ million)	As a % of total estimated Offer expense <sup>(1)</sup>	As a % of total Offer size <sup>(1)</sup>
Fees payable to the GCBRLMs and the BRLMs	[●]	[●]	[●]
Selling commission and processing fees for SCSBs <sup>(2)</sup>	[●]	[●]	[●]
Selling commission and bidding charges for the Syndicate Members, Registered Brokers, RTAs and CDPs <sup>(3)(4)</sup>	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationary expenses	[●]	[●]	[●]
Advertising and marketing expenses			
Others:	[●]	[●]	[●]
i. Listing fees;			
ii. SEBI, BSE and NSE processing fees;			
iii. Fees payable to Legal Counsels; and			
iv. Miscellaneous.			
<b>Total Offer Expenses</b>	[●]	[●]	[●]

<sup>(1)</sup> Amounts will be finalised at the time of filing the Prospectus and on determination of Offer Price and other details

<sup>(2)</sup> Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Investors*	[●]% of the Amount Allotted (plus applicable service tax)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable service tax)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking would be as follows:

Portion for Retail Individual Bidders*	₹ [●] per valid application (plus applicable service tax)
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Portion for Non-Institutional Investors*	` [●] per valid application (plus applicable service tax)
--	---

\* For each valid applications.

- (3) Selling commission on the portion for Retail Individual Bidders and the portion for Non-Institutional Investors which are procured by Syndicate Members (including their sub Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable service tax)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable service tax)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

- (4) Bidding Charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	` [●] per valid application (plus applicable service tax)
Portion for Non-Institutional Investors*	` [●] per valid application (plus applicable service tax)

\* Based on valid applications.

\* Amount of bidding charges payable to Registered Brokers, RTAs / CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs / CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ` [●] plus applicable service tax.

#### **Monitoring of Utilisation of Funds**

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “Our Business”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 133, 21, 213 and 408, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- A. Consistent leadership across cycles;
- B. Ability to deliver superior customer value;
- C. Diversified multi-channel distribution network for our products and services;
- D. Leveraging technology;
- E. Robust and sustainable business model of our business;
- F. Strong and established brand of our shareholders, “ICICI Bank” and “Prudential”; and
- G. Experienced senior management team.

For further details, see “Our Business – Our Competitive Strengths” from pages 133.

### Quantitative Factors

The information presented below relating to our Company is based on the standalone and consolidated Restated Financial Statements. For further details, see “Financial Statements” beginning on page 213.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### I. Basic and Diluted Earnings per Share (“EPS”) (Face value of ₹ 10 each), as adjusted for change in capital:

On a standalone basis:

Fiscal ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2016	11.54	11.53	3
March 31, 2015	11.47	11.45	2
March 31, 2014	10.93	10.91	1
<b>Weighted Average</b>	<b>11.42</b>	<b>11.40</b>	

On a consolidated basis:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2016	11.54	11.53	3
March 31, 2015	11.47	11.45	2
March 31, 2014	10.93	10.90	1
<b>Weighted Average</b>	<b>11.42</b>	<b>11.40</b>	

(1) The face value of each Equity Share is ₹ 10.

(2) Basic and diluted earnings per Equity Share are computed in accordance with Accounting Standard 20 ‘Earnings per Share’ notified by Companies (Accounting Standards) Rules, 2006 (as amended).

(3) The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.

(4) Basic EPS (₹) is Net profit attributable to equity shareholders divided by Weighted average number of Equity Shares outstanding during the year / period.

**II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for the year ended March 31, 2016 on an standalone basis	[●]	[●]
Based on basic EPS for the year ended March 31, 2016 on a consolidated basis	[●]	[●]
Diluted EPS for the year ended March 31, 2016 on an standalone basis	[●]	[●]
Diluted EPS for the year ended March 31, 2016 on a consolidated basis	[●]	[●]

Industry P/E ratio

*Note: There are no listed life insurance companies in India. Max Financial Services Limited (“MFS”), which is a holding company for Max Life Insurance, is the only listed company in this sector. However, MFS underwent a restructuring during the fiscal 2016 and hence comparative financial information corresponding to the latest fiscal year for MFS is unavailable as of date.*

**III. Average Return on Net Worth (“RoNW”)**

As per standalone Restated Financial Statements:

Fiscal ended	RoNW (%)	Weight
March 31, 2016	31.2%	3
March 31, 2015	34.0%	2
March 31, 2014	37.4%	1
<b>Weighted Average</b>	<b>33.2%</b>	

As per consolidated Restated Financial Statements:

Fiscal ended	RoNW (%)	Weight
March 31, 2016	31.2%	3
March 31, 2015	34.0%	2
March 31, 2014	37.4%	1
<b>Weighted Average</b>	<b>33.2%</b>	

Note: Return on net worth (%) is Net profit attributable to equity shareholders divided by Average net worth excluding preference share capital (average for two years).

**IV. Minimum Return on Increased Net Worth required for maintaining pre-issue EPS as at March 31, 2016 is:**

There will be no change in the Net Worth post-Offer, as the Offer is by way of Offer by the Selling Shareholder.

**V. Net Asset Value per Equity Share (Face value of ₹ 10 each)**

- Net asset value per Equity Share as on March 31, 2016 on a standalone basis is ₹ 37.18.
- Net asset value per Equity Share as on March 31, 2016 on a consolidated basis is ₹ 37.17.

As the Offer consists only of an offer for sale by the Selling Shareholder, there will be no change in the NAV post-Offer.

Offer Price: ₹ [●]

**VI. Comparison with Listed Industry Peers**

There are no listed life insurance companies in India. MFS, which is a holding company for Max Life Insurance, is the only listed company in this sector. However, MFS underwent a restructuring during the fiscal 2016 and hence comparative financial information corresponding to the latest fiscal year for MFS is unavailable as of date.

**VII. The Offer price is [●] times of the face value of the Equity Shares.**

The Offer Price of [●] has been determined by our Company and the Selling Shareholder, in consultation with the GCBRLMs and the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 21, 133, 408 and 213, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

The Board of Directors  
ICICI Prudential Life Insurance Company Limited  
ICICI PruLife Towers  
Appasaheb Marathe Marg  
Prabhadevi  
MUMBAI 400 025  
India

15 July 2016

Dear Sirs

**Subject: Proposed initial public offering of equity shares of ₹ 10 each (the “Issue”) by ICICI Prudential Life Insurance Company Limited (the “Company”)**

- 1) We hereby report that the enclosed Statement of possible tax benefits available to the company and its shareholders under the applicable tax laws in India (the “Statement”) is in connection with (i) the possible special tax benefits available to the Company under the Income-tax Act, 1961, presently in force in India, and, (ii) to the shareholders of the Company under the Income tax Act, 1961, and presently in force in India.
- 2) Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.
- 3) The benefits discussed in the enclosed Statement are not exhaustive. Further, the preparation of the Statement and its contents is the responsibility of management of the Company. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor are we advising the investor to invest money based on this Statement.
- 4) We do not express any opinion or provide any assurance as to whether:
  - i. the Company or its shareholders will continue to obtain these benefits in the future; or
  - ii. the conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

- 5) Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.
- 6) The enclosed Statement is intended solely for your information and for inclusion in the Draft Red Herring Prospectus in connection with the Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.
- 7) We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus of the Company in connection with the Offer.

For **BSR & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

**Venkataramanan Vishwanath**  
*Partner*  
Membership No: 113156

Mumbai  
15 July 2016

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2016-17 relevant to the assessment year 2017-18). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

### **UNDER THE INCOME TAX ACT, 1961 (“THE ACT”)**

#### **A. BENEFITS TO THE COMPANY UNDER THE ACT:**

##### **1. Special tax benefits available to the Company**

###### **a) Taxability of insurance companies**

Taxability of an insurance company is governed by the provisions of Section 44 read with Rule 2 of the First Schedule of the Act. As per Section 44 of the Act, the normal computational provisions *i.e.* “Interest on securities”, “Income from House property”, “Capital gains” or “Income from other sources”, or Sections 28 to 43B of “Profits or Gains from Business and Profession” are not applicable to the company.

Further, as the company is into life insurance business, it is taxed at the rate of 12.5 percent (plus applicable surcharge and cess) under Section 115B of the Act

###### **b) Minimum Alternate Tax (MAT)**

Provisions relating to MAT under Section 115JB are not applicable to any income accruing or arising to a company from life insurance business.

###### **c) Income from pension business**

The Company is entitled to claim exemption under Section 10(23AAB) of the Act in respect of income earned from pension business, subject to specified conditions stipulated therein.

Subject to the fulfillment of conditions prescribed under the sections mentioned hereunder, the Company shall be eligible, *inter-alia*, for the following specified exemptions/ deductions/benefits in respect of its total income:

###### **d) Dividends**

- As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.
- Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act.

In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.

- Any income received from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt.
- Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which does not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not a

tax deductible expenditure. However, as per various judicial precedents, Section 14A is not applicable to life insurance companies.

e) Carry forward and set off of losses

- As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
- As per the provisions of Section 72A of the Act, pursuant to business re-organisations such as demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company, subject to fulfillment of prescribed conditions.

**B. BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT**

a) Dividends

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax on the amount distributed as dividend.

However, the Finance Act 2016 has introduced Section 115BBD which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any expenditure.

- Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt

b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognised stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long-term capital assets are termed as Long Term Capital Gains (LTCG).
- Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognised stock exchange in India held for 12 months or less, immediately preceding the date of transfer.
- LTCG arising on transfer of a long term capital asset, being an equity share in a company shall be exempt from tax under Section 10(38) of the Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 on a recognised stock exchange and such transaction is chargeable to Securities Transaction Tax (STT).
- Taxable LTCG would arise [if not exempt under Section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
  - a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
  - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.

Under Section 112 of the Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act. However, in case of listed securities, the amount of such tax could be limited to 10 percent (plus applicable surcharge and cess), without indexation, at the option of the shareholder.



- In respect of a non-resident shareholder, as per the First Proviso to Section 48 of the Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not available to non-resident shareholders.
- As per the provisions of Section 111A of the Act, STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.
- STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, wherein the transaction is not chargeable to STT, it is subject to tax at the rate as applicable (plus applicable surcharge and cess).
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.
- When the company is liable to pay tax on book profits under Section 115JB of the Act, the income exempt in terms of Section 10(38) of the Act will form part of book profits while computing the book profit under Section 115JB of the Act.
- The characterisation of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has vide a circular clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.
- Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

(ii) Exemption of capital gain from income-tax:

- As per Section 54EC of the Act, LTCG arising on transfer of shares of the company (other than sale referred to in Section 10(38) of the Act) is exempt from capital gains tax to the extent the same is invested within a period of six months after the date of such transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein.

Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed INR 50 lakhs per assessee during any financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/conversion.

- As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.

c) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

d) Non-resident Indian taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable cess).
- As per the provisions of Section 115F of the Act, LTCG [not covered under Section 10(38) of the Act] arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(48) of the Act are transferred or converted into money within three years from the date of their acquisition.
- Under the provisions of Section 115G of the Act, it shall not be necessary for a NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.
- Under the provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- Under the provisions of Section 115-I of the Act, a NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

**Benefits available to Foreign Institutional Investors ("FIIs") under the Act:**

a) Dividends exempt under Section 10(34) of the Act

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.
- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits. Resultantly, the effective rate of tax will be 20.358 percent of the amount of dividends declared, distributed or paid by the Company.

b) Capital gains

- In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.
- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.
- LTCG arising to shareholder on transfer of long term capital asset being listed equity shares of the company will be exempt from tax under Section 10(38) of the Act provided that the transaction is entered in on or after 1 October 2004 and STT has been paid on such transfer.
- As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.
- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).
- The benefits of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

c) Tax Treaty benefits

In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate).

d) Computation of book profit under Section 115JB

An explanation has been inserted in Section 115JB stating that, the provisions of Section 115JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if-

- i. It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub-section (1) of Section 90 and it does not have a permanent establishment in India; or
- ii. It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies.

**Benefits available to Venture Capital Companies/ Funds under the Act:**

In terms of Section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an “investment fund” of the previous year relevant to the assessment year beginning on or after 1st April 2016.

“Investment fund” has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

**Benefits available to Investment Fund under the Act:**

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as “investment fund” as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment

fund other than income chargeable under the head “Profits and gains of business or profession” shall be exempt from income tax.

#### **Benefits available to Mutual Funds under the Act:**

- In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.
- However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

#### **General Anti-Avoidance Rule (‘GAAR):**

In terms of Chapter XA of the Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *interalia* denial of tax benefit, applicable w.e.f FY 2017-18. The GAAR provisions can be said to be not applicable in certain circumstances viz. where the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated 22 June 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made 1 April 2017. Further, GAAR provisions are applicable to any arrangement, irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after 1 April 2017.

#### **UNDER THE WEALTH TAX ACT, 1957**

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

#### **UNDER THE GIFT TAX ACT, 1958**

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. However, in the hands of the donee the same could be treated as income subject to certain conditions unless the gift is from a relative as defined under Explanation to Section 56(2)(vii) of the Act.

#### **Notes:**

- (i) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2017-18 (considering the amendments made by Finance Act, 2016).
- (ii) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
- (iii) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- (iv) In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/her participation in the IPO.
- (v) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares
- (vi) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

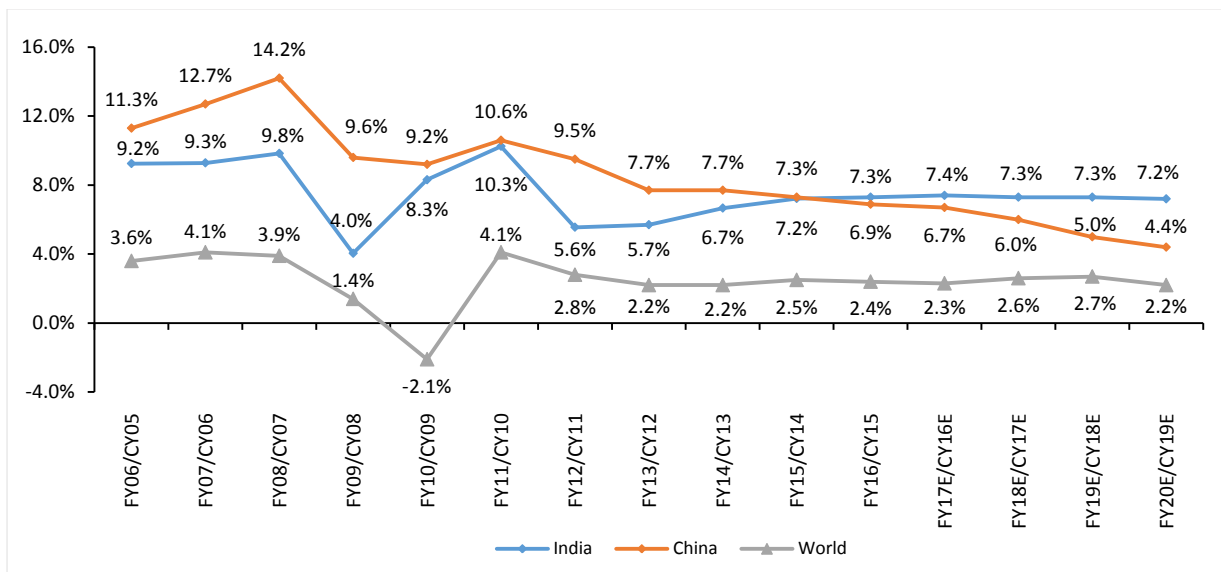
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#### Indian Economy

The Indian economy is the fourth largest economy in the world in terms of GDP at purchasing power parity (“PPP”) exchange rates, with an estimated GDP, in PPP terms, for 2015 of US\$7.97 trillion (Source: CIA World Factbook, as of June 17, 2016). At current prices, India’s GDP was ` 136.3 trillion in fiscal 2016. According to Economist Intelligence Unit (“EIU”) forecasts in June 2016, the Indian GDP was expected to grow at an average of approximately 7.3% (in real terms) for the next three years, which was higher than the GDP growth rates for China and the world.

**Real GDP Growth Rates of India, China and the World**

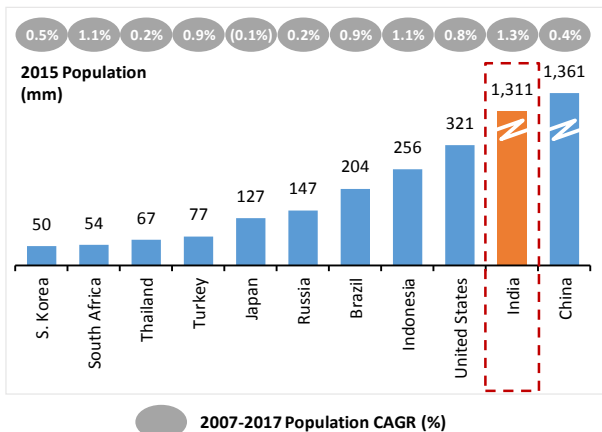


Source: EIU

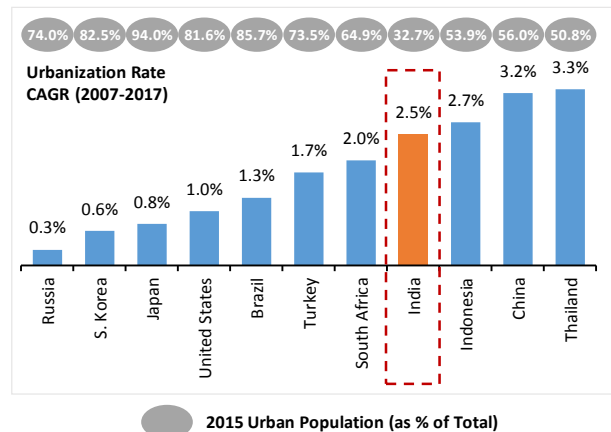
#### Demographics

India currently has one of the youngest populations in the world, with a median age of 28 years and an estimated 90% of the India’s population will still be below the age of 60 by 2020. A high share of working population, coupled with rapid urbanisation and rising affluence, is expected to propel the growth of the Indian life insurance sector.

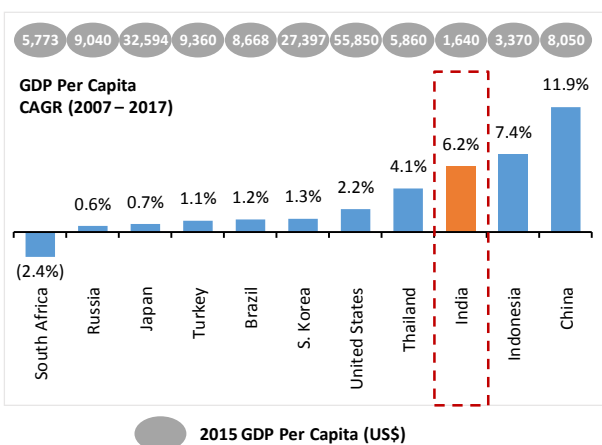
### Population Growth Rates of Various Countries(1)



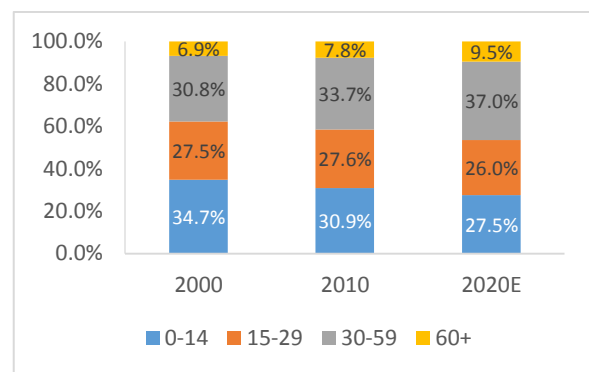
### Urbanisation Rate of Various Countries(1)



### GDP per Capita Details of Various Economies(1)



### Indian Working Population(2)



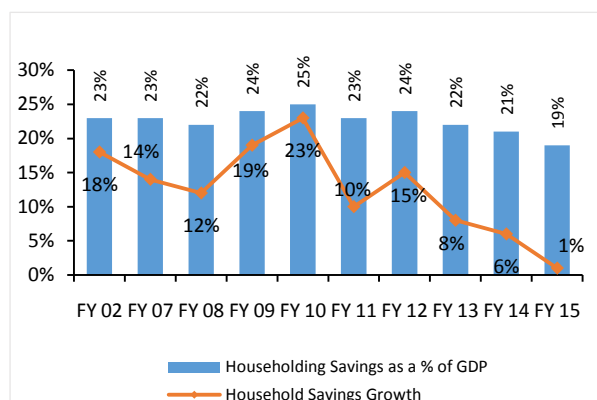
Source:

1. EIU
2. UN Department of Economic and Social Affairs

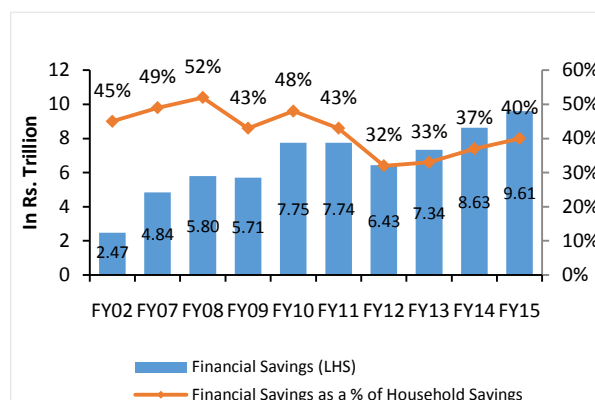
### Savings

India has a large pool of household savings and in fiscal 2015 – the ratio of household savings to GDP was 19%. According to CRISIL Research, Life insurance industry report, July 2016, Consumer Price Index (“CPI”) inflation averaged approximately 6% and 5% in fiscal 2015 and 2016, respectively, and is expected to remain relatively stable in fiscal 2017. Further the Reserve Bank of India has stated its objective of keeping inflation low and range-bound. Higher GDP growth translates to rising income and lower inflation, which provides a strong impetus to growth in savings. The share of financial savings as a proportion of household savings is also likely to rise, 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 financial savings as a proportion of household savings declined from 52% in fiscal 2008 to 32% in fiscal 2012, due to higher risk aversion after the financial crisis in 2008, market volatility and high inflation. This share has since increased to 40% in fiscal 2015.

### Household Savings as a % of GDP

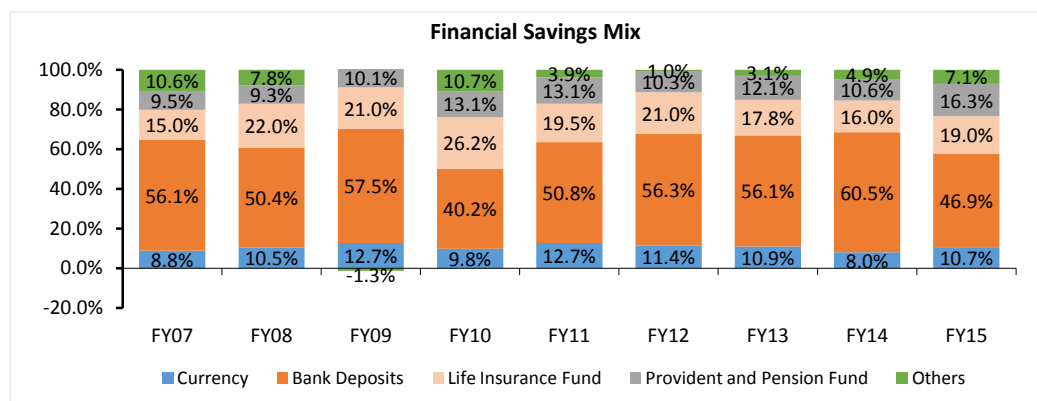


### Financial Savings



Source: RBI

The share of life insurance as a proportion of financial savings in India reached its highest level at 26.2% in fiscal 2010. However, with regulatory changes in the sector and a downturn in capital markets, the share of life insurance declined sharply to 16.0% of financial savings in fiscal 2014. In fiscal 2015, the share of life insurance increased to 19.0%, partly due to increase in the sale of linked products. The following chart sets forth, for the periods indicated, the trend in the overall composition of financial savings.



Source: RBI

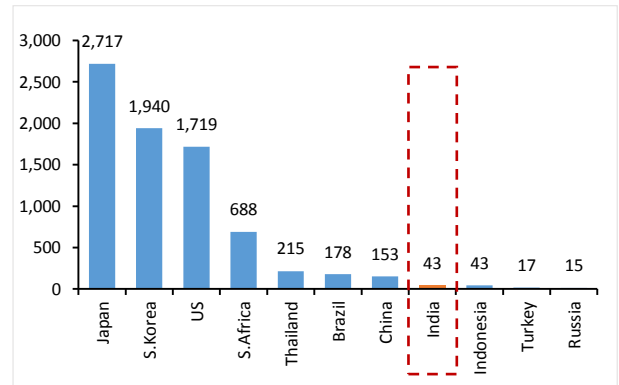
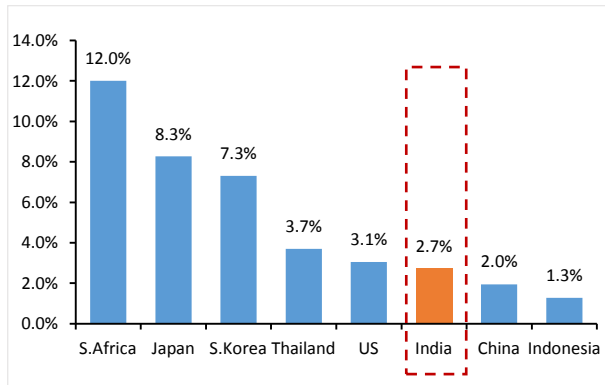
### India Life Insurance Sector Overview

The size of the Indian life insurance sector (excluding Sahara Life Insurance Company Limited) was ` 3.7 trillion on a total premium basis in fiscal 2016, making it the tenth largest life insurance market in the world and the fifth largest in Asia, according to Swiss Re, *sigma* No 3/2016. The total premium in the Indian life insurance sector grew at a CAGR of approximately 17% between fiscal 2001 and fiscal 2016. Despite this, India continues to be an underpenetrated insurance market with a life insurance penetration of 2.7% in fiscal 2015, as compared to 3.7% in Thailand, 7.3% in South Korea and a global average of 3.5% in 2015. At US\$43 in fiscal 2015, the insurance density in India also remains very low as compared to other developed and emerging market economies. According to Swiss Re, Economic Research & Consulting “Mortality Protection Gap Asia-Pacific 2015”, the Protection Gap for India was approximately US\$8.5 trillion as of December 31, 2014, which was much higher compared to its Asian counterparts.

The following table sets forth a comparison of life insurance penetration and density across select countries.

Premium as a % GDP as of fiscal 2015

Insurance Density (Prem. Per Capita (US\$)) as of fiscal 2015



Source: Swiss Re, sigma No 3/2016

In 2015, Government of India increased the maximum permissible shareholding of foreign investors from 26% of paid-up equity capital to 49%. This led to an inflow in foreign investments of US\$1.13 billion in fiscal 2016, an approximate increase of 170% over fiscal 2015.

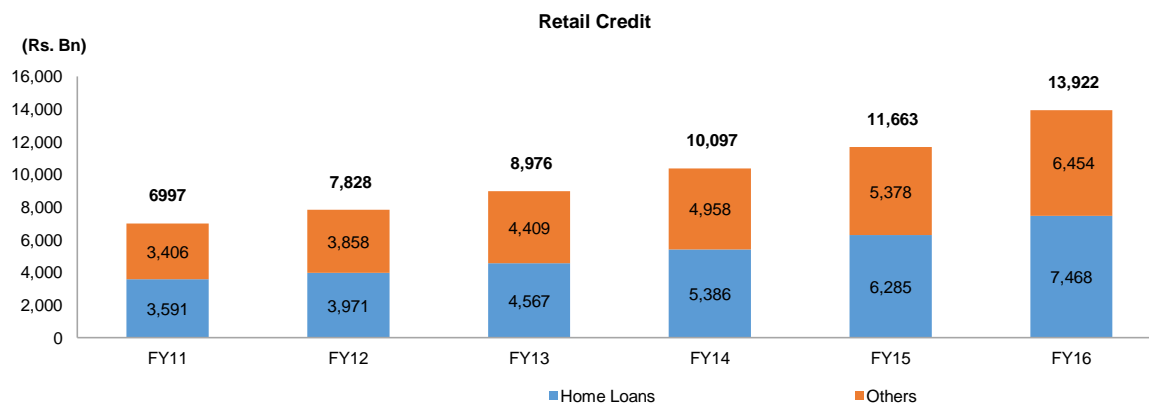
### Future Growth Potential

According to CRISIL Research, Life insurance industry report, July 2016, the new business premium for Indian life insurance companies is expected to grow at a CAGR of 11-13% over the next five years. Improving economic growth, low insurance penetration, increased financial savings, and a low sum assured to GDP ratio are expected to be the key catalysts for this growth.

India's GDP per capita, in PPP terms, was approximately US\$5,800 in 2014 and its life insurance density was US\$44 in 2014. These numbers are similar to China's GDP per capita, in PPP terms, in 2006 and its life insurance density in 2007. China's GDP per capita, in PPP terms, increased from US\$5,800 in 2006 to US\$13,130 in 2014, during which time total premiums quadrupled. According to EIU forecasts in June 2016, the Indian economy was expected to grow at an average of approximately 7.3% (in real terms) for the next three years.

India's financial savings grew by 11.1% in fiscal 2015, in line with the growth in its nominal GDP. Financial savings are expected to grow faster than GDP in the near future due to factors such as an increase in the household savings rate and a shift from physical to financial savings. Increased financial savings, coupled with an expected increase in the share of insurance as a percentage of financial savings (due to significant improvements in product proposition and delivery mechanisms), is expected to drive growth in the Indian life insurance sector.

The growth of retail credit in India, with the banking system's retail credit growing by 15.5% and 19.4% in fiscal 2015 and fiscal 2016, respectively, is expected to provide an opportunity for the growth of protection premiums.



Source: CRISIL Research, Life insurance industry report, July 2016

The decline in term insurance premium rates, smoother on-boarding processes, increasing importance of online sales and product innovations such as providing term products with a health wrapper are expected to further drive the penetration of protection premiums.

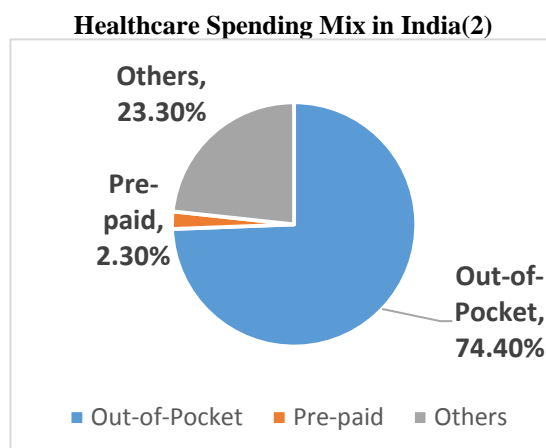
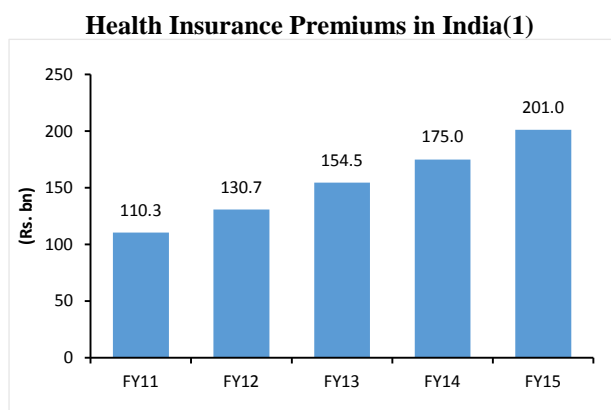
### Emerging Opportunities

#### Health Insurance

According to IRDAI, only 288 million people (or 17% of the total population) in India had health insurance coverage at March 31, 2015. In addition, only about 20% of this health insurance coverage was provided by insurance providers (both life



and general), with the remaining covered under government-sponsored schemes such as the Central Government Health Scheme and the Employee State Insurance Scheme. Low penetration levels, rising healthcare costs, high out-of-pocket health expenses, constraints on the ability of governments to spend, limited coverage – presently covering only hospitalisation, a large informal sector which can be catered for by retail distribution and increased demand for quality healthcare with rising incomes provide opportunities for insurance providers.



(1) Source: IRDAI. Note: Includes health insurance coverage provided by general and standalone health insurers

(2) Private spending; Source: WHO, World Health Statistics

### Pensions

A January 2015 study by CRISIL Research on the need to build a pension net entitled “When India ages, whither pension for all?” indicates that the number of people aged over 60 in India will triple from nearly 112 million in 2014 to 300 million by 2050. Most of them will not be financially secure in the absence of a social security net. As of 2014, only around 8% of retirees in the private sector receive a pension, indicating a significant opportunity in the pension sector. Provision of additional tax benefits to the extent of employers’ contribution in the New Pension Scheme is expected to provide an opportunity for the growth of pension premiums; however there are further challenges in terms of annuity taxation.

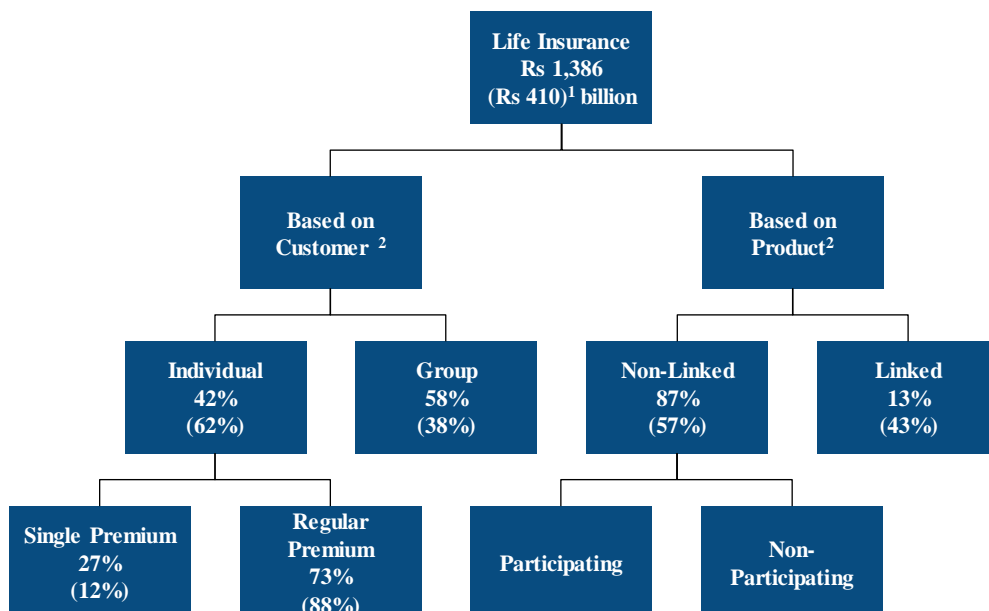
The table that follows sets forth the projected retirement corpus of the private sector workforce under various pension coverage scenarios by the year 2030 and 2050.

Pension Coverage Ratio	2030		2050	
	in trillions	% of GDP	in trillions	% of GDP
8%	21	3	281	6
30%	83	11	1,088	22
50%	138	19	1,813	37
70%	193	26	2,538	52
100%	276	38	3,626	74

Source: United Nations Population Division; PFRDA; Department of Financial Services; 6th Pay Commission Report; CRISIL Research, Life insurance industry report, July 2016

### Market Structure

The Indian life insurance sector can be classified both in terms of customer segments and products offered. The following chart sets forth the composition of new business premium in fiscal 2016 by customer type and by product:



Source: IRDAI; CRISIL Research, Life insurance industry report, July 2016

(1) Numbers in brackets are for private sectors companies

(2) For the year ended March 31, 2016

In terms of customer segments, the life insurance sector caters to individual and group customers with single and regular premium payment options.

In terms of products offered, the life insurance sector provides unit linked and non-linked policies. These products are designed under IRDAI product design regulations to meet customers' protection and saving needs.

## Linked Products

### Unit Linked Insurance Products ("ULIPs")

ULIPs offer a combination of investment and protection where the customer can choose the level of life coverage, subject to minimum levels mandated by regulations. With ULIPs, customers have the flexibility to decide the asset classes in which their contributions are invested, based on their risk appetite, and to transfer money among different funds in a tax-efficient manner, depending on market outlook and changing risk appetite. In September 2010, IRDAI introduced regulatory changes to ULIPs, which included a limit on charges, including surrender and discontinuance charges, and minimum levels of sums assured. The limit on discontinuance charges ensures that customers are protected from excessive charges in case of a policy lapse.

## Non-Linked Products

### Participating (par) products

Participating (par) products are those for which the surplus is shared with the policyholders in the form of bonuses. They are also referred to as "with profit" products. These policies usually have a minimum guaranteed amount that is payable on death or maturity in addition to the bonuses declared from time to time. The bonuses, once declared, accrue to the policy and are guaranteed.

Par products do not have an explicit cap on charges as ULIPs, have significant exit loads upon policy discontinuance and do not offer customers a choice of asset allocation. However, due to the structure of these products, customers are not exposed to the underlying volatility and benefit from smoother returns.

### Non-participating savings and annuity products (non-par products)

Non-participating products are those that offer benefits that are guaranteed in absolute terms at the beginning of the policy and do not provide any upside potential from the underlying fund performance. Like par products, these products also do not have an explicit cap on charges as ULIPs, have significant exit loads on policy discontinuance and do not offer customers a choice of asset allocation. These products are preferred by customers who have a low risk appetite and are willing to accept lower but guaranteed returns.

## Pure Protection Products

Pure protection products typically provide life and health insurance protection for a defined period. The sum assured under the policy is paid to the beneficiary or beneficiaries upon occurrence of the insured event during the period of coverage. In some variants, customers receive a proportion of the premiums paid upon survival at the end of the policy term. These products are also offered as coverage against loans, where in the event of death, the proceeds can be used to fully or partly pay off an outstanding loan.

## Group Products

### Group term

Group term products provide life insurance coverage to a group of individuals, where, upon the death of a member, the sum assured is paid to the member’s nominee. These products provide benefits to both formal (employer-employee) and informal (non-employer-employee) groups. These products can also be offered as coverage against loans, where in the event of death, the proceeds can be used to fully or partly pay off an outstanding loan. Other than products which provide coverage against loans, group term products typically have a one year term and need to be renewed upon expiry.

### Other group products

Other group products include unit-linked and variable insurance products. Group gratuity products help employers meet expenses for employees’ gratuity. Group leave encashment products help employers set up a fund for leave encashment. Group superannuation products help employees save for their retirement. These superannuation products offer employees an opportunity to grow their money, depending on their risk appetite, and provide them a corpus at the time of their retirement, two-thirds of which needs to be used to buy an annuity.

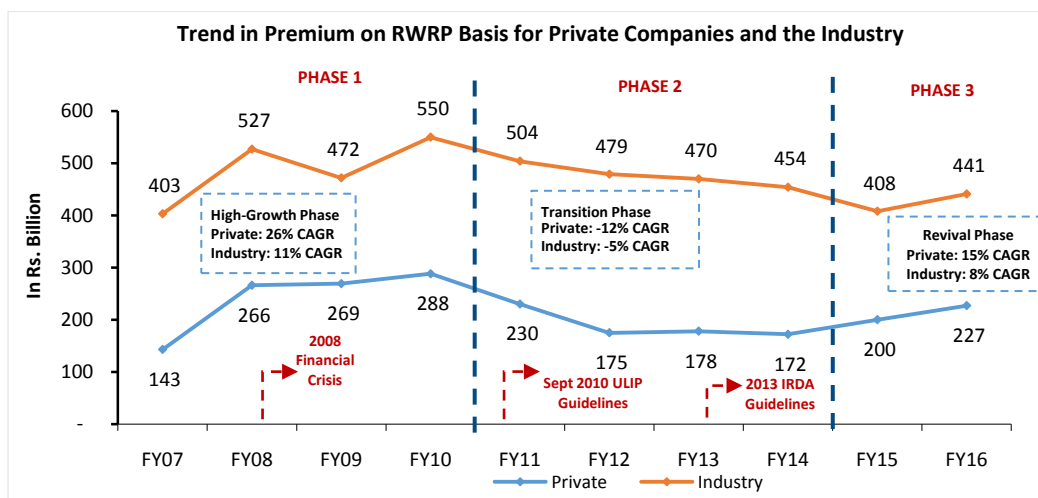
## Historical Evolution

The Indian life insurance sector was opened for private companies in 2000, which witnessed the commencement of operations by four private companies in the first year itself and 22 companies between 2000 and 2010 (Source: IRDAI). As of March 31, 2016, there are a total of 24 companies in the Indian life insurance sector with Life Insurance Corporation (“LIC”) being the only public sector life insurer. The private sector has grown significantly since 2000 and it accounted for 51.5% of the life insurance sector, on an RWRP basis, in fiscal 2016. Historically, life insurance products were savings oriented. However, since 2000, there was a shift from largely tax savings-based par sales to multiple products.

The life insurance sector is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). IRDAI was constituted as an autonomous body to regulate and develop the insurance industry in 1999 and received statutory status in April 2000.

The total premium generated during fiscal 2002 was ₹ 501 billion. This resulted in insurance penetration reaching 2.6% of GDP. In the same period, total assets under management were ₹ 2,304 billion (Source: IRDAI Handbook, 2014-2015).

The Indian life insurance sector has experienced three phases since fiscal 2007 as set forth in the following chart:



Source: IRDAI

### Phase I – High Growth Phase

The industry experienced robust growth between fiscal 2007 and fiscal 2010. RWRP grew at a CAGR of 11% for the industry

as a whole and 26% for the private sector. This growth resulted in insurance penetration reaching 4.6% of GDP in fiscal 2010 (according to Swiss Re, *sigma* No 3/2016). During this period, the share of private sector companies on an RWRP basis increased from 36% to 52%. This growth in RWRP of private sector companies was primarily driven by growth in sale of ULIPs due to positive capital markets performance. In fiscal 2010, ULIPs contributed to 88% of new business premium for private sector companies. Life insurance companies diversified their channel mix from an agency-only model to include alternate channels such as bancassurance, corporate agents and direct sales in order to increase their reach. This resulted in the share of business from channels other than agencies reaching 20.4% for the overall industry and 49.3% for the private sector in fiscal 2010.

The total premium and total new business premium, on an RWRP basis, generated during fiscal 2010 were ₹ 2,655 billion and ₹ 550 billion, respectively. In the same period, total assets under management were approximately ₹ 12,125 billion, in-force sum assured was ₹ 33,385 billion, in-force sum assured for individual business as a percentage of GDP was 51.5% and in-force individual policies were 318.9 million.

### ***Phase II – Transitional Phase***

In 2010, IRDAI issued regulations with respect to ULIPs, including a cap on charges, including surrender and discontinuance charges, and minimum levels of sum assured. Further, in 2013, IRDAI issued regulations to link commissions to the premium paying term, to discontinue non-participating products linked to an external index and highest Net Asset Value guarantee products, and to increase the guaranteed surrender value for non-linked products.

During this phase, the sector went through structural changes as various companies re-aligned their business models in view of the regulatory changes in 2010. The RWRP of private sector companies and the industry declined at a CAGR of 12% and 5%, respectively, between fiscal 2010 and fiscal 2014. This led to a decline in life insurance penetration from 4.6% of GDP in fiscal 2010 to 3.1% in fiscal 2014. IRDAI regulatory changes in fiscal 2010 impacted the sale of linked products, while further regulatory changes by IRDAI in fiscal 2013 affected non-linked products. In addition to the impact of regulatory changes, other key factors that caused this decline were the shift from financial savings to physical savings, slower economic growth, and high inflation. The decline was higher for private sector companies due to their higher share of linked products. Private sector companies enhanced their focus on non-linked products. During this period, private sector companies focused on improving operational efficiencies by leveraging technology and increasing the use of banking channels to market their life insurance products.

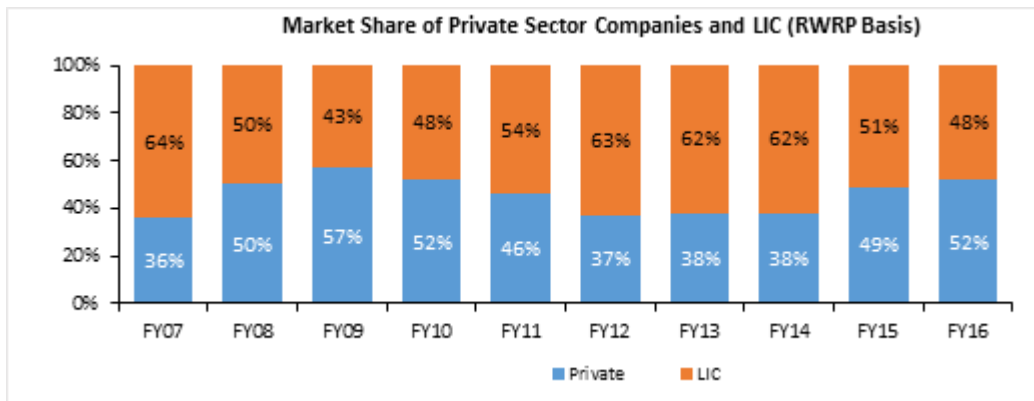
### ***Phase III – Revival in Growth***

The RWRP for the overall industry grew by 8.1% in fiscal 2016, for the first time after five years. The RWRP for private sector companies grew by 16.3% in fiscal 2015 and 13.5% in fiscal 2016. This growth was driven by an improvement in economic growth, lower inflation, and an increase in financial savings. There was an increase in the demand for ULIPs, which grew by 54.9% in fiscal 2015, on a new business premium basis.

The total premium and new business premium, on an RWRP basis, generated during fiscal 2015 were ₹ 3,281 billion and ₹ 408 billion, respectively. In the same period, total assets under management were approximately ₹ 22,475 billion, in-force sum assured was ₹ 75.5 trillion, in-force sum assured as a percentage of GDP was 60.5% and in-force individual policies were 326.3 million.

### **Market Share**

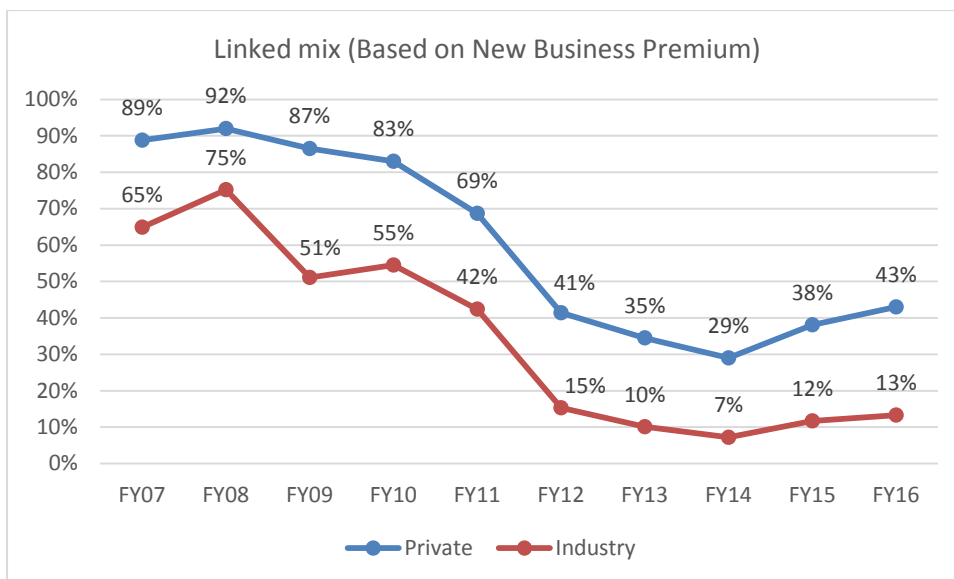
Since the opening up of the sector, private sector companies have gained significant market share. Their share peaked at 57% in fiscal 2009, on an RWRP basis. The financial crisis in 2008 and regulatory changes in fiscal 2010 resulted in loss of market share for private sector companies, and their market share declined to 37% in fiscal 2012. Private sector companies have regained significant market share in the last two years; increasing their share from 38% of the overall Indian life insurance sector in fiscal 2014 to 52% in fiscal 2016. This growth in market share has been driven by improved product design, primarily for linked products that offer a superior customer value propositions. Private sector companies have also increased their focus on bancassurance for marketing their products. The following chart sets forth, for the periods indicated, the trend in market share on an RWRP basis.



Source: IRDAI

### Product Mix

ULIPs accounted for 92% and 75% of the new business premiums for private sector companies and the overall industry, respectively in fiscal 2008. The unit-linked product regulations introduced in September 2010, financial crisis, slowdown in economic growth and financial savings, volatility in the equity markets, rising interest rates and high inflation led to changes in the product mix. During this period, the commission in ULIPs reduced, which was a challenge to distributors (especially agents). This resulted in a decline of the share of linked products in the life insurance sector from 55% to 7% and from 83% to 29% for private sector companies in fiscal 2014. The demand for linked products revived in fiscal 2015 and the new business premium for linked products increased by 54.9% for private sector companies, due to the enhanced value proposition of ULIP products and a robust market outlook. The following chart sets forth, for the periods indicated, the trend in the share of linked products in the new business premium for private sector companies and the overall industry.



Source: IRDAI

### New Insurance Products

Indian life insurers introduced 177 new products in fiscal 2015, as compared to 147 new products in fiscal 2014.

Life insurance companies launched nine products in fiscal 2015 for health insurance compared to only two new products in fiscal 2014. These products covered customers for serious diseases like cancer or other critical illnesses.

### Sum Assured

The sum assured covered by life insurance companies has increased significantly in recent years due to an increased focus on protection sales as set forth in the following table:

	Year ending March 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Individual Sum Assured (in trillions)	38.6	24.0	29.1	33.4	38.6	43.1	47.2	66.5	75.5	
Ratio of Individual Sum Assured to	89.8%	48.1%	51.8%	51.5%	49.5%	49.4%	47.4%	59.0%	60.5%	

	Year ending March 31,								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP									

### Reinsurance

In fiscal 2015, LIC ceded ` 1,848 million of reinsurance premium as compared to ` 1,442 million in fiscal 2014, whereas private sector life insurers ceded ` 9,971 million of reinsurance premium in fiscal 2015, as compared to ` 9,448 million in fiscal 2014.

### Average Premium

The average new business premium per policy for the industry increased from ` 10,343 in fiscal 2010 to ` 16,508 in fiscal 2016. Private sector companies have higher average premiums than LIC. The following table sets forth, for the periods indicated, the trends in average new business premium per policy:

	Year ending March 31,						
	2010	2011	2012	2013	2014	2015	2016
	(in `)						
Private sector companies	20,049	20,715	20,756	24,104	27,112	34,849	36,682
LIC	6,754	7,384	8,507	7,928	8,160	10,303	10,419
Life insurance sector	10,343	10,450	10,856	10,638	11,107	15,740	16,508

### Channel Mix

There has been a significant shift in the channel mix of the Indian life insurance sector from the earlier agency-only model to a diversified distribution mix. The following table sets forth, for the periods indicated, the trend in channel mix for the industry:

#### Change in New Business Premium by Various Distribution Channels (Individual Life Insurance Product)

	Year ended March 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Channel</b>										
Individual Agents	90.5%	83.7%	79.6%	79.6%	78.9%	78.7%	77.5%	78.4%	71.4%	68.5%
Corporate Agents – Banks	5.6%	8.0%	9.7%	10.6%	13.3%	15.0%	16.2%	15.6%	20.8%	24.0%
Corporate Agents – Others	3.0%	4.4%	4.9%	4.3%	3.6%	2.7%	2.1%	1.3%	1.4%	1.4%
Direct Selling	0.4%	3.3%	4.8%	4.1%	2.4%	1.9%	2.6%	3.1%	4.4%	4.8%
Brokers	0.5%	0.6%	1.1%	1.4%	1.8%	1.8%	1.7%	1.6%	1.8%	1.3%

Source: IRDAI; CRISIL Research, Life insurance industry report, July 2016

The cap on ULIP charges, introduced in 2010, has led to a rationalisation of owned agency network and introduced a shift towards third-party channels. This resulted in the increase of bancassurance share from 5.6% of the retail business, on a new business premium basis, in fiscal 2007 to 24.0% in fiscal 2016, while the share of new business premiums from individual agents decreased from 90.5% in fiscal 2007 to 68.5% in fiscal 2016. The high share of the agency channel in the retail new business premium is largely attributable to LIC.

The well-developed banking sector in India and the nationwide presence of banks resulted in the increase of bancassurance's contribution to total insurance business. In fiscal 2016, bancassurance contributed to 52.6% of the new business premiums for private sector companies.

The direct distribution channel has also increased in importance over the years for private sector companies. In fiscal 2016, direct sales contributed 9.6% of the new business premiums for private sector companies.

The following table below sets forth, for the periods indicated, the percentage contributions of various channels in retail new business premiums for private sector companies.

	Year ended March 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Channel</b>										
Individual Agents	65.8%	59.8%	54.9%	50.7%	46.9%	44.0%	39.7%	40.1%	35.7%	31.8%

	Year ended March 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Corporate Agents – Banks	16.6%	18.9%	20.8%	24.9%	33.2%	39.0%	43.1%	43.6%	47.4%	52.6%
Corporate Agents – Others	8.4%	11.0%	10.9%	10.3%	8.7%	7.5%	6.0%	4.0%	3.4%	3.0%
Direct Business	8.1%	8.8%	11.4%	10.7%	6.4%	4.4%	6.1%	7.4%	9.0%	9.6%
Brokers	1.1%	1.5%	2.0%	3.4%	4.8%	5.1%	5.1%	4.9%	4.5%	3.0%

Note: Direct Selling in fiscal 2007 includes 6.8% of new business through referral and 1.4% through direct selling

### Commission and Other Expenses

The industry has seen a decline in recent years in the commission ratio, which is total commission as a percentage of total weighted received premium. This decline has been more pronounced for private sector companies. In fiscal 2015, the commission ratio for private sector companies was 5.6%, as compared to 8.0% for LIC and 7.2% for the overall life insurance sector, due to the cap on ULIP charges and private companies having more exposure to linked products. The operating expense ratio, which is total expenses less commission as a percentage of total weighted received premiums, declined for private sector companies while it increased for LIC. In fiscal 2015, the operating expense ratio for private sector companies was 18.4% as compared to 11.8% for LIC and 13.7% for the industry. The total cost ratio, which is total expenses as a percentage of total weighted received premiums, also declined for private companies while it has increased for LIC. In fiscal 2015, the total cost ratio for private companies was 23.9% as compared to 19.8% for LIC and 21.0% for the industry.

The following tables set forth, for the periods indicated, the trend in cost ratios for private companies, LIC and the overall life insurance sector:

	Year ended March 31,								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Commission ratio</b>									
Private sector companies	12.5%	10.9%	8.9%	7.8%	6.4%	5.9%	6.3%	6.0%	5.6%
LIC	8.8%	8.0%	7.9%	8.3%	8.4%	8.5%	8.8%	9.1%	8.0%
Industry	9.5%	8.8%	8.3%	8.2%	7.8%	7.7%	8.1%	8.2%	7.2%

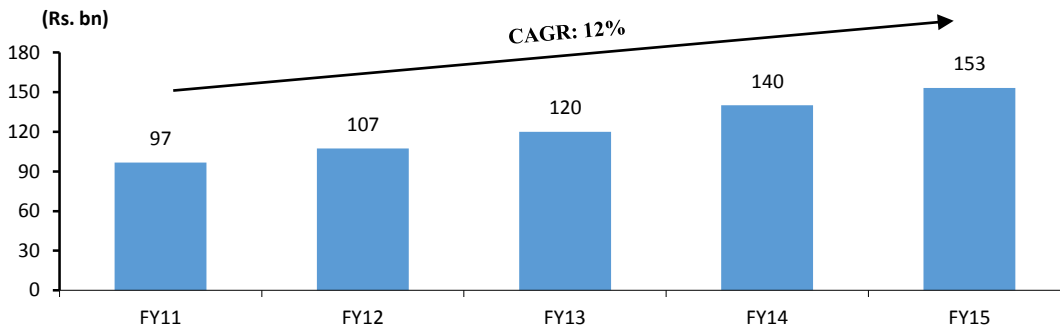
	Year ended March 31,								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Operating expense ratio</b>									
Private sector companies	26.3%	25.6%	27.3%	21.9%	20.6%	19.6%	21.1%	19.8%	18.4%
LIC	6.8%	7.0%	7.2%	8.4%	10.8%	9.0%	10.0%	12.9%	11.8%
Industry	10.5%	12.2%	13.7%	13.0%	14.0%	12.3%	13.3%	14.8%	13.7%

	Year ended March 31,								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total cost ratio</b>									
Private sector companies	38.8%	36.5%	36.2%	29.7%	27.0%	25.6%	27.4%	25.8%	24.0%
LIC	15.6%	15.0%	15.1%	16.7%	19.2%	17.5%	18.8%	22.0%	19.8%
Industry	20.1%	21.1%	22.0%	21.2%	21.8%	20.0%	21.4%	23.0%	21.0%

### Claims Settlement

The total claims paid by the life insurance sector grew at a CAGR of 12% between fiscal 2010 and fiscal 2015 as set forth in the following chart:

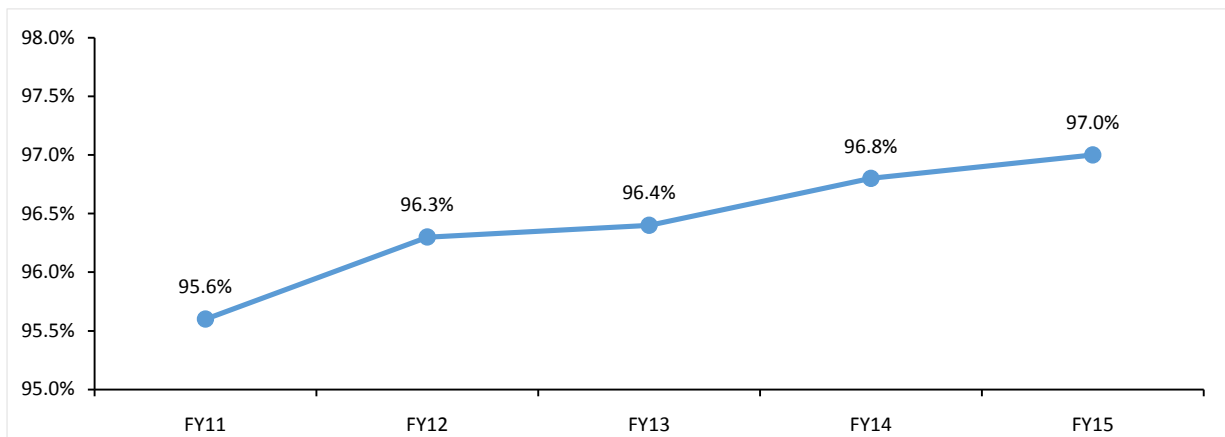
#### Total Claims for the Life Insurance Sector



Source: IRDAI

The claim settlement ratio has consistently improved during this period.

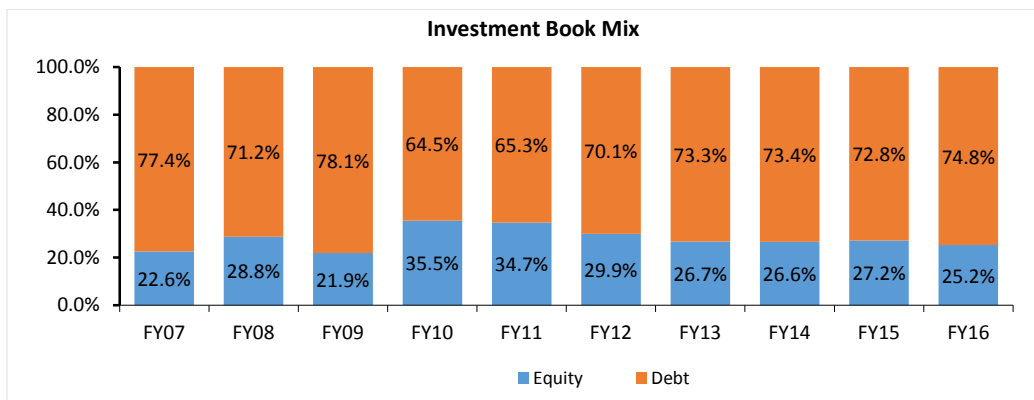
#### Individual Claim Settlement Ratio for the industry



Source: IRDAI

#### Investment of Funds by the Life Insurance Sector

The total assets under management for the life insurance sector were ₹ 22.47 trillion at March 31, 2015, with the majority of the investment in debt instruments. The high share of debt instruments reflects the portfolio mix of LIC, which held 78% of its investments in debt instruments at March 31, 2015. Investment in equity is also driven by the proportion of unit linked policies in the business of insurance companies. Insurance companies invest in infrastructure on account of the long term nature of their liabilities. The total infrastructure investment of the Indian life insurance sector at March 31, 2015 was ₹ 2.91 trillion. The following chart sets forth, for the periods indicated, the trend in investment portfolio composition for the life insurance sector.



Source: Life Insurance Council

#### FDI in Insurance

The Government increased the maximum permissible shareholding of foreign investors in Indian life insurance companies from 26% of paid-up equity capital to 49% in its Insurance Laws (Amendment) Bill, 2015. However, ownership and control



would still remain with Indian shareholders, as Indian partners are required to have the right to appoint a majority of the directors or to control the management and policy decisions, including by virtue of their shareholding, management rights or shareholders agreements or voting agreements. This amendment led to an inflow in foreign investments of US\$1.13 billion in fiscal 2016, an approximate increase of 170% over fiscal 2015.

### Comparison of Top Five Private Sector Companies

The table below sets forth, for the periods indicated, a comparison of the five largest private sector life insurers.

	Unit	ICICI Prudential Life	HDFC Standard Life	SBI Life	Max Life	Kotak Mahindra Old Mutual Life
<b>Market share</b>						
RWRP (fiscal 2016) (private companies)	%	21.9	14.7	18.8	9.3	4.1
RWRP (fiscal 2016) (Industry)	%	11.3	7.6	9.7	4.8	2.1
<b>Product mix (New Business Premium – fiscal 2016)(1)</b>						
Linked	%	82.3	43.7	45.6	21.1	26.4
Non-Linked	%	17.7	56.3	54.4	78.9	73.6
<b>By customer segment (new business weighted Basis – fiscal 2016)</b>						
Individual	%	97.2	92.2	87.7	97.2	55.1
Group	%	2.8	7.8	12.3	2.8	44.9
<b>Average premium per policy (fiscal 2016)</b>						
RWRP	`	85,607	28,975	33,590	45,712	36,126
<b>Operating performance</b>						
RWRP (Fiscal 2012 - 2016 CAGR)	%	15.2	5.3	19.3	8.7	18.5
Commission ratio (Commission/TWRP – fiscal 2016)	%	3.5	5.2	5.3	9.7	7.4
Operating expense ratio (Op.Expense/TWRP – fiscal 2016)	%	11.0	14.1	10.9	15.2	23.0
Agent Productivity	`	1,09,324	59,723	2,03,090	1,60,353	44,680
Number of Individual Agents	Units	1,21,016	82,381	92,619	45,275	86,303
Average Policy Size (Individual Agents)	`	88,553	11,954	45,273	40,689	34,578
Employee Productivity	`	46,15,584	22,51,890	45,56,004	24,48,707	n.a
Average Policy Size (Banks)	`	105,359	48,583	60,981	38,366	65,922
Number of Branches (Bancassurance Partners)	Units	4,550	4,791	22,606	3,679	1,333
<b>Channel Mix - Retail Business (fiscal 2016)</b>						
Individual Agents	%	25	13	38	28	36
Corporate Agents – Banks	%	57	68	61	58	56
Corporate Agents – Others	%	4	3	0	4	1
Brokers	%	3	4	0	0	4
Direct Business	%	11	12	1	11	4
<b>Channel Premium (fiscal 2016)</b>						
Individual Agents	` in bn	13.23	4.92	18.81	7.26	3.86
Corporate Agents – Banks	` In bn	30.62	24.91	30.24	15.05	5.94
Corporate Agents – Others	` in bn	2.24	0.99	0.23	0.99	0.08
Brokers	` in bn	1.45	1.36	0.04	0.07	0.38
Direct Business	` in bn	6.02	4.40	0.46	2.76	0.38
<b>Channel Mix Growth (fiscal 2014-</b>						

	Unit	ICICI Prudential Life	HDFC Standard Life	SBI Life	Max Life	Kotak Mahindra Old Mutual Life
<b>16)</b>						
Individual Agents	%	11.2	8.6	8.4	5.8	38.2
Corporate Agents – Banks	%	29.7	22.2	40.9	19.5	33.3
Corporate Agents – Others	%	21.7	37.7	-13.9	-28.6	-18.6
Brokers	%	-8.0	-7.2	-44.5	0.0	-14.7
Direct Business	%	65.5	30.0	-1.1	31.3	-5.4
<b>Persistency ratio (fiscal 2016)</b>						
13th month	%	82.4	78.9	77.7	79.0	82.0
49th month	%	62.2	63.4	58.7	56.0	71.0
<b>Portfolio Mix (fiscal 2015)</b>						
AUM	₹ bn	1,001.8	670.0	713.0	311.0	136.0
Equity AUM(2)	%	48.0	48.0	31.0	32.0	44.0
Debt AUM	%	52.0	52.0	49.0	68.0	56.0
<b>Others</b>						
RoE three-year average (fiscal 2016)(3)	%	34.2	35.4	22.1	21.4	21.2
Dividend Payout Ratio three-year average. (fiscal 2016)(4)	%	76.8	21.3	16.7	76.2	0.0
Solvency ratio (fiscal 2016)	%	320.0	198.0	212.0	343.0	311.0
Claims settlement ratio (individual) (fiscal 2016)(3)	%	96.2	95.0	95.8	96.2	89.1

Note: (1) Product Mix is for fiscal 2015 for Kotak Mahindra Old Mutual Life

(2) CRISIL estimates.

(3) SBI Life data is for total business

(4) Dividend distribution Tax has been considered in calculation of dividend payout ratio

Source: IRDAI; Life Insurance Council; CRISIL Research, Life insurance industry report, July 2016

#### KEY BANKING PARTNERS FOR TOP 5 PLAYERS

ICICI Prudential Life	HDFC Standard Life	SBI Life	Max Life	Kotak Mahindra Old Mutual Life
ICICI Bank	HDFC Bank	State Bank of India	Axis Bank	Kotak Mahindra Bank
Standard Chartered Bank	Saraswat Co-operative Bank	SBI Affiliates	Yes Bank	
	The Ratnakar Bank		Lakshmi Vilas Bank	

Source: CRISIL Research, Life insurance industry report, July 2016

## OUR BUSINESS

### Overview

We were the largest private sector life insurer in India by total premium in fiscal 2016 and assets under management at March 31, 2016. We are a joint venture between ICICI Bank Limited, India's largest private sector bank in terms of total assets with an asset base of ₹ 7.2 trillion at March 31, 2016, and Prudential Corporation Holdings Limited, a part of the Prudential Group, an international financial services group with GBP 509 billion of assets under management at December 31, 2015. We were one of the first private sector life insurance companies in India and commenced operations in fiscal 2001. We offer our customers a range of life insurance, health insurance and pension products and services. Every fiscal year since fiscal 2002, we have consistently generated the most new business premiums on a retail weighted received premium basis among all private sector life insurers in India.

The Indian life insurance sector was the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premiums in 2016, according to Swiss Re, *sigma* No 3/2016. The Indian economy is one of the fastest growing large economies in the world, with a GDP growth rate of 7.3% (in real terms) in fiscal 2016 and a household savings rate of 19.1% of GDP in fiscal 2015, according to CRISIL Research, Life insurance industry report, July 2016. We expect these macroeconomic factors, coupled with India's large and young population, rapid urbanisation and rising affluence to propel the growth of the Indian life insurance sector.

In fiscal 2016, our market share, on a retail weighted received premium basis, among all insurance companies in India (public and private sector) was 11.3%, as compared with a market share of 9.7% for our nearest private sector competitor. Among the 23 private sector life insurance companies in India, we had a market share, on a retail weighted received premium basis, of 21.9% in fiscal 2016.

A customer-centric culture that spans all aspects of our business is a key element of our strategy. We offer a range of products to cater to the specific needs of customers in different life stages, enabling them to meet their long-term savings and protection needs. We offer our customers access to our products and services through an extensive multi-channel sales network across India, including through the branches of our bank partners, individual agents, corporate agents, our employees, our offices and our website. As of March 31, 2016, we had 121,016 individual agents. As of July 12, 2016, our bank partners had over 4,500 branches. We believe we are at the forefront of leveraging technology in the Indian life insurance sector, with our focus on digitisation and transformation of sales, customer on-boarding and internal processes. We believe that our focus on technology has enriched customer experience and enhanced the productivity of our employees and distributors.

In fiscal 2016, our gross premium income was ₹ 191.64 billion, which comprised ₹ 49.24 billion of retail new business regular premium, ₹ 4.32 billion of retail new business single premium, ₹ 119.95 billion of retail renewal premium and ₹ 18.13 billion of group premium. Our 13th month persistency ratio in fiscal 2016 was 82.4%, which was one of the highest in the sector. At March 31, 2016, we had ₹ 1.04 trillion of assets under management, making us one of the largest fund managers in India. Of these, 72.4% were in linked assets. Funds representing 92.9% of our linked assets with identified benchmarks at March 31, 2016 had performed better than their respective benchmarks since inception. Our expense ratio of 14.6% for fiscal 2016 was also one of the lowest among the private sector life insurance companies in India.

Our Company has an established track record of delivering annual returns to shareholders. Our profit after tax was ₹ 16.53 billion in fiscal 2016 and our return on equity has exceeded 30% for each year since fiscal 2012. We have a strong capital position with a solvency ratio of 320.0% at March 31, 2016 compared to the IRDAI-prescribed control level of 150.0%. Our business has not received a shareholder capital injection since fiscal 2009 and our Company has paid annual dividends since fiscal 2012. Our Company has paid cumulative dividends (exclusive of dividend distribution tax) of ₹ 40.32 billion since fiscal 2012. Our value of new business grew from ₹ 2.70 billion in fiscal 2015 to ₹ 4.12 billion in fiscal 2016, representing an increase of 52.6%. Our Indian embedded value at March 31, 2016 was ₹ 139.39 billion.

Our Company also has a wholly owned subsidiary, ICICI Prudential Pension Funds Management Company Limited, which is registered as a fund manager with the Pensions Fund Regulatory and Development Authority of India.

### Our Competitive Strengths

We believe the following competitive strengths contribute to our success and position us well for future growth:

#### *Consistent Leadership across Cycles*

According to CRISIL Research, Life insurance industry report, July 2016, we have consistently generated the most new business premiums on a retail weighted received premium basis among all private sector life insurers in India for every year since fiscal 2002.

From fiscal 2007 to fiscal 2010, the retail weighted received premium of the life insurance sector grew at a CAGR of 11.0%.

However, following changes in regulations governing unit linked products effective September 2010, the Indian life insurance sector had to recalibrate its business model and experienced a decline in retail weighted received premium from fiscal 2011 to fiscal 2015. Since then, the Indian life insurance sector experienced growth in retail weighted received premium for the first time in fiscal 2016.

We have responded successfully to the various regulatory changes since 2010. Our market share, on a retail weighted received premium basis, in the Indian life insurance sector increased from 5.9% in fiscal 2012 to 11.3% in fiscal 2016 and our market share among the 23 private sector life insurance companies in India has also increased from 16.1% to 21.9% in the same period. From fiscal 2012 to fiscal 2016, our retail weighted received premium grew at a CAGR of 15.2% compared to a CAGR of 6.7% in the private sector and a decline of 2.1% per annum in the overall Indian life insurance sector for the same period.

### ***Delivering Superior Customer Value***

*Customer centric product portfolio.* We seek to deliver superior value to our customers by offering them a range of products to cater to their specific needs in different life stages, enabling them to meet their long-term savings and protection needs. We believe that unit linked insurance products offer superior customer value due to lower charges, lower loss of value on surrender or lapse of policies, flexibility in asset allocation and greater transparency. Unit linked insurance products comprised 82.6% of our retail annualised premium equivalent in fiscal 2016. Our annualised premium equivalent from unit linked insurance products increased from ₹ 22.10 billion in fiscal 2014 to ₹ 41.79 billion in fiscal 2016, representing a CAGR of 37.5%. We also price our products competitively in order to provide superior value to our customers. For example, most of our unit linked insurance products have had lower charges than the maximum permissible regulatory amounts.

*Consistent and robust fund performance.* At March 31, 2016, we had ₹ 1.04 trillion of assets under management, making us one of the largest fund managers in India. Of these, 72.4% were in linked assets. Funds representing 92.9% of our linked assets with identified benchmarks as at March 31, 2016 had performed better than their respective benchmarks since inception.

*Quality service experience.* We believe that our ability to provide quality customer service is reflected in our low grievance ratio among our retail customers. In fiscal 2015, we had a grievance ratio of 185 per 10,000 new policies issued, which compared favourably to the private sector average of 345 per 10,000 new policies issued. In fiscal 2016, our grievance ratio improved to 153 per 10,000 new policies issued. In fiscal 2015, our claims settlement ratio for retail death claims of 93.8% was higher than most private sector life insurance companies, as compared to the private sector average of 89.4%. Our claims settlement ratio for retail death claims improved to 96.2% in fiscal 2016. In the same year, over 99% of our claim payouts were settled within the IRDAI prescribed timeline of 30 days for claims that are not investigated, and the average time taken to settle such death claims was 3.3 days from the date of submission of all required documents and information in relation to the claim.

### ***Diversified Multi-channel Distribution Network***

We offer our customers access to our products and services through an extensive multi-channel sales network across India including through the branches of our bank partners, individual agents, corporate agents, our employees, our offices and our website. As at March 31, 2016, we had 121,016 individual agents. As of July 12, 2016, our bank partners had over 4,500 branches.

*Strong bancassurance network.* We leverage the extensive and growing branch network of our partner banks to reach a growing number of customers and geographies. We work with our partner banks to integrate our processes with theirs to improve efficiencies and increase productivity. Our largest shareholder, ICICI Bank, is a key partner that currently exclusively distributes our life insurance products. We have also entered into a bancassurance relationship with Standard Chartered Bank pursuant to which Standard Chartered Bank currently exclusively distributes our products. We will also leverage the growth of Capital Small Finance Bank Limited, which recently received a license to operate as a small finance bank. Our annualised premium equivalent through bancassurance was ₹ 29.64 billion in fiscal 2016, which constituted 58.6% of our retail annualised premium equivalent.

*Diversification across channels.* We believe our diversified channel mix enables us to access different customer segments and outperform the market across business cycles on a retail weighted received premium basis. Each of our channels has grown in the last two fiscal years in terms of annualised premium equivalent and our non-bank channels contributed to 41.4% of our retail annualised premium equivalent in fiscal 2016. According to CRISIL Research, Life insurance industry report, July 2016, we have one of the largest agency channels among private sector life insurance companies in India in terms of premium, with 121,016 individual agents at March 31, 2016. Our agency channel accounted for ₹ 12.31 billion of annualised premium equivalent in fiscal 2016, which constituted 24.3% of our retail annualised premium equivalent for the same year. ICICI Securities, a wholly owned subsidiary of ICICI Bank, also distributes our products. We also have long-term relationships with other financial services distributors such as India Infoline Insurance Brokers and Bluechip Insurance Broking, both of whom have been our partners for over ten years. We have scaled up our direct sales channel, where we offer our products to customers through our employees, at our offices and on our website. Direct sales grew at a CAGR of 52.8%

between fiscal 2014 and fiscal 2016 and accounted for 10.0% of our retail annualised premium equivalent in fiscal 2016.

### ***Leveraging Technology***

We believe we are at the forefront of leveraging technology in the Indian life insurance sector. We focus on digitisation and transformation of sales, customer on-boarding and internal processes, which we believe has led to a cultural change within our organisation. We have created a device-agnostic technology platform that provides our customers, employees and distributors with a seamless experience – from sales to claims settlement. We believe that our focus on technology has enriched customer experience and improved the productivity of our employees and distributors. In fiscal 2016, 92.3% of our new business applications were initiated on our digital platform either by our distributors or our customers. This has helped improve employee productivity, measured as retail weighted received premium per employee per annum, from ₹ 2.8 million in fiscal 2014 to ₹ 4.6 million in fiscal 2016, representing a CAGR of 29.1%.

We have created a plug-and-play architecture so that we can integrate our systems with partners quickly, to leverage their processes and facilitate faster time-to-market and issuance of policies. In fiscal 2015, we were able to leverage digitisation to ensure that our exclusive bancassurance relationship with Standard Chartered Bank became operational within 120 days of the entry into the distribution agreement.

Our Company was named the Model Insurer, 2015 by Celent in the “Digital and OmniChannel” category. For details, see “— Information Technology and Digitisation” on page 145.

### ***Robust and Sustainable Business Model***

*Robust risk management and control process.* We recognise that risk is an integral element of our business and managing risk is essential for shareholder value creation. We have implemented robust risk management and control processes, with a detailed cost benefit analysis for risk mitigation initiatives and a strong focus on the credit quality of our portfolio. During fiscal 2016, we also adopted the COSO 2013 framework to strengthen our internal controls. We believe that our strong governance structure and processes allow us to effectively target profitable growth opportunities, as well as provide us with a consistent and robust control architecture.

*Balance sheet resilience.* We have a strong capital position: at March 31, 2016, our solvency ratio was 320.0% compared to the IRDAI-prescribed control level of 150.0%. Our business has not received a shareholder capital injection since 2009 and our Company has paid annual dividends since fiscal 2012. With over 90% of our debt portfolio at March 31, 2016 invested in domestic AAA-rated instruments, including sovereign instruments and AAA equivalent rated instruments, we believe that we have a low exposure to credit risk. We also have a low exposure to guarantees which is reflected in the low time-value of financial options and guarantees of ₹ 385 million at March 31, 2016. For details, see “Embedded Value Report” on page 430.

*Market-leading cost and persistency ratios.* Our 13th month persistency ratio, which has been increasing in recent years, was 82.4% in fiscal 2016 – one of the highest in the Indian life insurance sector. Our 49th month persistency ratio, at 62.2% in fiscal 2016, was also one of the highest in the Indian life insurance sector. The ratio of our cost to total weighted received premium, which we use to monitor expenses, declined from 17.9% in fiscal 2012 to 14.6% in fiscal 2016 and compared favourably with our peers according to CRISIL Research, Life insurance industry report, July 2016.

*Established record of delivering results.* Our robust risk management, resilient balance sheet and focus on cost efficiency and persistency have enabled us to establish a track record of delivering results. Our profit after tax was ₹ 16.53 billion in fiscal 2016. Our return on equity has exceeded 30% for each year since fiscal 2012.

### ***Strong Brand***

We believe that we have leveraged the strong and established brands of our Company’s shareholders, “ICICI Bank” and “Prudential”, to build “ICICI Prudential” into a recognised and trusted brand in its own right. As per the syndicated Nielsen Brand Track, the “ICICI Prudential” brand has high awareness and consideration scores of 85% and 60%, respectively. The brand has been ranked as one of the best brands in the insurance category as per “BrandZ Top 50 Most Valuable Indian Brands” in 2014 and 2015, a study published by WPP and conducted by Millward Brown.

### ***Experienced Senior Management Team***

We have a management team with extensive experience and know-how in the Indian Life insurance industry. We believe the quality of our management team has been critical in achieving our business results. Our Company’s CEO, Mr. Sandeep Bakhshi has been with our Company for over five years. He joined ICICI Group in 1986 in the project financing group of ICICI Limited. He has over 32 years of experience in the banking, financial services and insurance sector.

28 of the top 36 members of our management team have worked within the ICICI Group for over 10 years and have an average work experience of 20 years. Senior managerial personnel in the actuary, investment, underwriting and claims department have an average functional experience of over 16 years. We believe that our management’s experience will help us make timely strategic and business decisions in response to evolving customer needs and market conditions.

## Our Strategies

Our objective is to enhance our market leadership among private sector life insurance companies and deliver superior profitability. In order to achieve our goals, we plan to pursue the following strategies:

### *Leverage Market Opportunity*

The Indian life insurance sector was the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premiums in 2016, according to Swiss Re, *sigma* No 3/2016. The Indian economy is one of the fastest growing large economies in the world, with a GDP growth rate of 7.3% (in real terms) in fiscal 2016 and a household savings rate of 19.1% of GDP in fiscal 2015, according to CRISIL Research, Life insurance industry report, July 2016. In addition, the penetration (total sum assured as a percentage of GDP) and density (total premium per capita) of the Indian insurance market are significantly lower than those of most developed countries, representing underinsurance and a significant growth potential. We expect these macroeconomic factors, coupled with India's large and young population, rapid urbanisation and rising affluence to propel the growth of the Indian life insurance sector. According to CRISIL Research, Life insurance industry report, July 2016, total premiums in the Indian life insurance market are expected to increase from ₹ 3,667 billion in fiscal 2016 to ₹ 6,600-7,000 billion in fiscal 2021.

To leverage this market opportunity and maintain our leadership position in the private sector life insurance sector, we seek to:

- *Continue to deliver superior customer value.* Our customer-centric approach spans the customer life cycle, from product development, to customer service and claims management. We will continue to focus on delivering value to consumers through competitive customer charges and higher returns. We aim to provide customers with a fair, accurate, consistent and transparent service experience. We endeavor to be easily accessible and settle claims in a quick and efficient manner and with a high degree of sensitivity.
- *Deliver superior fund performance.* We believe that delivering a superior fund performance is important to our customer value proposition. We believe that we have a robust investment management framework and our focus is to ensure long-term safety, stability and growth of our customers' funds. We intend to continue to maintain a debt portfolio of high credit quality. We also aim to continue to maintain a diversified portfolio of equity and debt investments spread across various companies, corporate groups and industries. Funds representing 92.9% of our linked assets with identified benchmarks at March 31, 2016 had performed better than their respective benchmarks since inception and we aim to continue to outperform the respective benchmarks of our funds.
- *Focus on key local markets.* While we have an India-wide presence, we expect to continue to focus on key local markets, with a customised regional strategy to maintain and enhance our position in these markets. Our regional strategies are aimed at catering to local needs and rely on a dedicated and empowered senior leader in each micro market, who is evaluated on a comprehensive set of key performance indicators including market share, cost efficiency and persistency.
- *Explore Growth Opportunities in Emerging Segments.* We aim to continue to identify and explore growth opportunities including emerging segments like health and pensions. As of March 31, 2015, only 17% of Indians possess health insurance, according to CRISIL Research, Life insurance industry report, July 2016. We believe that the growth of the Indian insurance market, favorable demographics and the underinsurance in the health insurance segment will drive growth of the health insurance market in India. While certain regulations currently applicable to health insurance products offered by life insurance companies restrict our ability to compete effectively with general insurance companies and mono-line health insurance companies in this segment, we believe we are poised to take advantage of any favorable regulatory changes and we will continue to explore opportunities in this sector as and when they arise. Pensions are a latent need in India due to the lack of formal retirement provisions for a large segment of the population. The assets under management for pension plans in India could be as large as ₹ 276 trillion by 2030, according to CRISIL Research, Life insurance industry report, July 2016. We offer a variety of products to cater to both the accumulation and payout stage needs of customers seeking to manage their retirement finances. Our Company was also the first life insurer to receive a license to incorporate a subsidiary, ICICI Prudential Pension Funds Management Company, to participate in the National Pension System in 2009. We will continue to explore opportunities in this sector, including through our Subsidiary.

### *Focus on Increasing Our Value of New Business*

Our value of new business grew from ₹ 2.70 billion in fiscal 2015 to ₹ 4.12 billion in fiscal 2016, representing an increase of 52.6%. We focus on continuing to increase our value of new business through the following three main drivers:

- *Expand our protection business.* We are focusing on expanding our protection business as these products typically have higher margins. We intend to achieve this by offering protection as an add-on to our savings products across

channels, penetrating the online term insurance market and by partnering with loan providers to offer coverage against loans. We will approach the protection business in a risk-calibrated manner.

- *Improve customer retention.* Customer retention is essential for the growth of our value of new business, and we are focused on strengthening mechanisms to increase renewal premiums and reduce policy surrenders. We encourage customers to provide standing instructions for renewal payments which are supplemented by regular reminders and convenient payment options. We also ensure there is adequate focus by distributors and employees on customer retention by aligning key performance indicators and rewards to this objective. We also monitor customer behavior to identify any triggers for proactive intervention. Our 13th month persistency, one of the indicators that we use to measure our customer retention and quality of the sale, was 82.4% in fiscal 2016 and was one of the highest in the Indian life insurance sector.
- *Maintain market-leading cost efficiency.* We are focused on improving our operational efficiency because we believe that it is essential to drive growth in our value of new business. We believe that our regional structure plays a key role in ensuring requisite focus on efficiency at the local level. In addition, our digitisation efforts have helped us create a structured sales process, achieve faster turnaround times, reduce paperwork, and reduce dependence on physical infrastructure without compromising market penetration. The ratio of our cost to total weighted received premium, which we use to monitor expenses, declined from 17.9% in fiscal 2012 to 14.6% in fiscal 2016 and compared favorably with our peers, according to CRISIL Research, Life insurance industry report, July 2016. We intend to continue our efforts to maintain our cost leadership in the face of increasing scale and complexity of our business.

### ***Strengthen Multi-channel Architecture and Explore Non-traditional Channels***

We believe that our multi-channel distribution architecture helps us navigate economic cycles where one distribution channel may be significantly impacted, provides us access to different customer segments and reduces concentration risk without compromising scalability. To achieve sustainable growth, we plan to further diversify our distribution architecture by exploring non-traditional channels, while strengthening existing channels and relationships.

*Major channels.* We will continue to focus on deepening existing bancassurance relationships and also seek alliances with other banks. We will continue to focus on increasing sales to customers walking into branches, improving acquisition processes of reaching out to customers, improving our visibility on our bank partners' ATMs, websites and mobile applications, and using our data analytics capabilities to target our partners' customers. We will also focus on increasing the scale of our agency distribution channel. Finally, we will seek to establish relationships with new corporate agent and broker partners with a focus on partners sourcing better quality of business.

*Non-traditional channels.* We will increase our focus on non-traditional channels of distribution. We intend to leverage our direct channel by working on targeted campaigns to existing customers by cross-selling and up-selling them during service interactions. We will also leverage digital channels to enhance our direct-to-consumer sales and to generate leads by targeting customers both on our partners' and our websites. In addition, we intend to leverage existing corporate relationships to sell retail solutions through worksite activities, aided by a mobile-based system to manage leads. We also intend to explore partnerships with companies which have large retail customer franchises and access to customer behaviour data, which provides us with the ability to analyse and target prospective customers.

### ***Leverage Technology for Profitable Growth***

We believe that digital technology has influenced and will continue to significantly influence customer advocacy, information search and insurance sales. We expect online sales to play an increasingly larger role in the sale of simpler products like pure term insurance; however, for our savings and protection products, we believe that an end-to-end digital platform to empower our distributors is more critical.

Our approach to digitisation has been customer centric and we intend to focus on five main initiatives to drive our digital agenda: increasing digital marketing and sales; utilising big data and machine learning techniques; building a modular information technology platform; digitising sales and service processes; and partnering with organisations across the ecosystem.

By leveraging technology across the value chain in pre-sales, fulfilment and post-sales, we aim to provide a convenient experience to our customers, easily accessible information and a smoother sale and service process to our distributors, resulting in improved customer on-boarding, employee and distributor productivity, and quality of sales.

### **Products**

We offer a range of products to meet the long-term savings and protection needs of retail customers and group customers in India. Our savings products are available as pension products or savings-cum-protection products, with participating, non-participating and unit-linked variants. In addition, our Company's wholly owned subsidiary, ICICI Prudential Pension Fund

Management Company Limited, acts as a pension fund manager under the National Pension System. Our primary focus is on retail customers and the following table sets forth the breakdown of APE by customer type for the periods indicated:

	For the year ended March 31,					
	2014		2015		2016	
		%		%		%
	(in ` billions, except percentages)					
<b>Annualised Premium Equivalent</b>						
Retail Life Insurance Products	33.59	97.5	46.66	98.4	50.60	97.9
Group Life Insurance Products	0.86	2.5	0.78	1.6	1.11	2.1
<b>Total</b>	<b>34.45</b>	<b>100.0</b>	<b>47.44</b>	<b>100.0</b>	<b>51.70</b>	<b>100.0</b>

### **Product Design**

We follow a “customer-centric, market-oriented” approach in our product design through a “4C Model”. Under the 4C Model, we develop products by balancing objectives from the following “4C” perspectives:

- Customer: products which meet different customer needs, provide better returns and are easy to understand;
- Company: products that are profitable and enhance our market position;
- Channel: products that are easy to sell and offer distributors appropriate remuneration; and
- Competition: products that are innovative and offer better customer value than competitors.

The features of our products are driven by both external and internal factors. We proactively respond to the changing economic and regulatory environment by recalibrating our product strategy. We track innovations in financial products, identify gaps vis-à-vis our competitors’ products, identify latent customer needs using primary and secondary research, and seek to expand the market by creating new segments with innovative offerings.

Our products are designed to cater to customers in multiple life stages and income segments. For example, we believe that young and single customers in the age group of 25-30 years typically seek life protection and wealth creation; married customers in the age group of 30-35 years typically seek a combination of life and health protection and wealth creation; married customers in the age group of 35-45 years with young children typically have the additional goals of planning for their children’s future and their own retirement; married customers in the age group of 45-55 years with adult children typically shift their goals to wealth creation, health protection and retirement planning; and retired customers in the age group of above 55 years typically seek health protection and pensions.

We have implemented a goal based selling approach. In addition to standalone standardised products, we offer customised solutions to meet customers’ needs by combining multiple products. This can be executed in a simple fashion on our digital platform during the application process.

We continue to improve our product development capabilities and strive to provide innovative products that satisfy the needs of new consumer groups and adapt to changing market conditions. For example, we launched ICICI Pru iProtect Smart in fiscal 2016 to provide customers with coverage against accidental death and 34 critical illnesses, in addition to coverage against death and terminal illness. ICICI Pru iProtect Smart was recognised as the “Product of the Year 2016” in the life insurance category in the “Consumer Survey of Product Innovation” conducted by Nielsen.

### **Retail Products**

We sell four principal categories of retail products to our individual customers – unit-linked, participating, pure protection and non-participating. In all products other than pure protection, we offer a combination of savings and protection features. Regulations mandate the same minimum level of sum assured across unit-linked, participating and non-participating products.

*Unit Linked Insurance Products* offer a combination of investment and protection where the customer can choose the level of life cover subject to minimum levels mandated by regulations. Customers have the flexibility to decide the asset classes in which their contributions are invested, depending on their risk appetite. We also provide our customers with the flexibility to transfer money among different funds in a tax-efficient manner depending on their market outlook and evolving risk appetite. These features make unit linked products typically more transparent than other types of products. In September 2010, IRDAI introduced regulatory changes to ULIPs such as limit on charges, including surrender and discontinuance charges, and minimum levels of sum assured. The limit on discontinuance charges ensures that customers are protected in case of policy lapses. We believe that with these changes, ULIPs have become more customer friendly.

Our unit linked product portfolio caters to customers across income segments and with different risk appetites. These products are typically used for goal based savings, retirement and saving for children. We also offer a product called ICICI



Pru Guaranteed Wealth Protector which provides a capital guarantee to customers who have a lower risk appetite.

Our APE from ULIPs increased from ₹ 22.10 billion in fiscal 2014, or 65.8% of retail APE, to ₹ 41.79 billion in fiscal 2016, or 82.6% of retail APE, a CAGR of 37.5%, reflecting our ability to sell more transparent products in line with customer needs.

*Participating (par) products* are products where the surplus is shared with its policyholders in the form of bonuses. They are also referred to as ‘With Profit’ products. These policies usually have a minimum guaranteed amount that is payable upon death or maturity in addition to the bonuses declared from time to time. The bonuses once declared, accrue to the policy and are guaranteed.

Par products do not have an explicit cap on charges similar to ULIPs, have significant exit loads upon policy discontinuance and do not offer customers a choice of asset allocation. However, due to the structure of these products, customers are not exposed to the volatility of underlying asset returns and benefit from smoother returns. We typically recommend these products to customers who have a low risk appetite and want to save for certain definite goals.

Our APE from par products increased from ₹ 6.28 billion in fiscal 2014 to ₹ 7.27 billion in fiscal 2016, at a CAGR of 7.6%.

*Non-participating savings and annuity products (non-par products)* are products that offer benefits that are guaranteed in absolute terms at the beginning of the policy and do not provide any upside potential from the underlying fund performance. Like par products, these products also do not have an explicit cap on charges, have significant exit loads on policy discontinuance and do not offer customers a choice of asset allocation. Customers who have a low risk appetite and are willing to accept lower but guaranteed returns typically prefer these products. We also offer immediate annuity products where an income is paid out to the customer as long as they are alive in return for a certain lump sum paid upfront. The products have not been a significant proportion of our business in the last two fiscal years.

*Pure protection products* typically provide life and health insurance protection for a defined period. The sum assured under the policy is paid to the beneficiary or beneficiaries on the occurrence of the insured event during the period of coverage. In some variants, customers receive a proportion of the premiums paid upon survival at the end of policy term. We also offer these products to provide coverage against loans, where in the event of death, the proceeds can be used to fully or partly pay off an outstanding loan.

Our latest offering in this segment is ICICI Pru iProtect Smart, which was launched in fiscal 2016. It provides customers with coverage against accidental death and 34 critical illnesses, in addition to coverage against death and terminal illness. In addition, we waive the premium upon permanent disability. The product has flexible premium payment terms as well as flexible benefit payouts. ICICI Pru iProtect Smart was recognised as the “Product of the Year 2016” in the life insurance category in the “Consumer Survey of Product Innovation” conducted by Nielsen.

Our APE from pure protection products increased from ₹ 0.63 billion in fiscal 2014 to ₹ 1.33 billion in fiscal 2016, at a CAGR of 45.4%.

The following table sets forth certain operating data for our principal retail product categories for the periods indicated:

		For the year ended March 31,		
		2014	2015	2016
		(in ₹ millions)		
ULIPs	New business regular received premium	21,495.5	38,809.0	41,164.3
	New business single premium	1,196.5	1,413.3	2,078.5
	Retail weighted received premium	21,615.1	38,950.3	41,372.2
	Annualised premium equivalent	22,095.6	39,402.4	41,790.5
Par products	New business regular received premium	6,002.8	6,157.7	6,924.4
	New business single premium	–	–	–
	Retail weighted received premium	6,002.8	6,157.7	6,924.4
	Annualised premium equivalent	6,282.8	6,262.9	7,267.7
Non-par products	New business regular received premium	4,195.5	53.6	56.3
	New business single premium	810.9	1,087.0	839.0
	Retail weighted received premium	4,276.6	162.3	140.2
	Annualised premium equivalent	4,581.4	297.1	211.5
Pure protection products	New business regular received premium	630.3	683.1	1,100.2
	New business single premium	5.3	19.8	1,406.3
	Retail weighted received premium	630.8	685.1	1,240.8
	Annualised premium equivalent	633.3	700.2	1,328.4
<b>Total</b>	<b>New business regular received premium</b>	<b>32,324.1</b>	<b>45,703.4</b>	<b>49,245.2</b>
	<b>New business single premium</b>	<b>2,012.7</b>	<b>2,520.1</b>	<b>4,323.8</b>

	For the year ended March 31,		
	2014	2015	2016
	(in ` millions)		
<b>Retail weighted received premium</b>	<b>32,525.4</b>	<b>45,955.4</b>	<b>49,677.5</b>
<b>Annualised premium equivalent</b>	<b>33,593.1</b>	<b>46,662.6</b>	<b>50,598.1</b>

The average retail APE per policy increased from ` 43,143 in fiscal 2014 to ` 87,194 in fiscal 2016. The following table sets forth the average APE per policy for our principal retail product categories for the periods indicated:

	For the year ended March 31,		
	2014	2015	2016
	(In ` )		
<b>Average retail APE per policy</b>			
ULIPs	102,706	129,087	149,777
Par products	34,902	38,430	44,533
Non par products	42,262	25,233	23,656
Pure protection products	2,284	4,408	10,284
Overall	43,143	73,047	87,194

### Group Insurance

We offer group insurance products to employers to cover their employees, to banks, non-banking finance companies and micro-finance institutions to cover their customers, and to other professional and informal groups to cover their members.

*Group term products* provide life insurance coverage to a group of individuals, where, upon the death of a member, the sum assured is paid to the member's nominee. These products provide benefits to both formal (employer-employee) and informal (non-employer-employee) groups. We also offer these products to provide coverage against loans, where, in the event of death, the proceeds can be used to fully or partly pay off an outstanding loan. Other than products which provide coverage against loans, group term products typically have a one-year term and need to be renewed upon expiry.

In fiscal 2016, the Government of India launched a financial inclusion initiative to offer life insurance coverage of ` 200,000 for an annual premium of ` 330. The initiative has led to the enrolment of over 29 million customers and an increase of over ` 5.91 trillion in sum assured in the life insurance sector. We participated in this initiative and covered over 367,000 lives, receiving an annual premium of ` 106.3 million.

*Other group products* include unit-linked and variable insurance products. Group gratuity products help employers meet expenses for employees' gratuity. Group leave encashment products help employers set up a fund for leave encashment. Group superannuation products help employees save for their retirement. These superannuation products offer employees an opportunity to grow their money depending on their risk appetite and provide them a corpus at the time of their retirement, two-thirds of which needs to be used to buy an annuity.

The following table sets forth certain operating data for our principal group insurance product categories for the periods indicated:

	For the year ended March 31,		
	2014	2015	2016
	(in ` Billions)		
<b>Annualised premium equivalent</b>			
Group term products	0.11	0.06	0.06
Other group products	0.75	0.72	1.04
<b>Total</b>	<b>0.86</b>	<b>0.78</b>	<b>1.11</b>

### Product Mix

The following table sets forth our retail and group insurance product mix as percentages of our total APE for the periods indicated:

	For the year ended March 31,		
	2014	2015	2016
	(in percentages of Annualised Premium Equivalent)		
Retail ULIPs	64.1%	83.1%	80.8%
Retail par products	18.2%	13.2%	14.1%
Retail non-par products	13.3%	0.6%	0.4%

	For the year ended March 31,		
	2014	2015	2016
	(in percentages of Annualised Premium Equivalent)		
Pure protection (Retail and Group) products	2.2%	1.6%	2.7%
Other group products	2.2%	1.5%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The focus on pure protection products resulted in an increase in sum assured from ₹ 1,196 billion in fiscal 2015 to ₹ 1,546 billion in fiscal 2016. The total premium for pure protection products increased from ₹ 3.03 billion in fiscal 2015 to ₹ 5.20 billion in fiscal 2016.

The segments discussed in this section are based on how the business is managed operationally and may not be directly traceable to the segments shown in the financials.

### ***Pension Fund Management***

Our wholly owned subsidiary, ICICI Prudential Pension Fund Management Company, is licensed by the Pension Funds Regulatory and Development Authority (the “**PFRDA**”) as a pension fund manager under the National Pension System. For further details, see “History and Certain Corporate Matters—Our Subsidiary” on page 172.

ICICI Prudential Pension Fund Management Company had ₹ 7.01 billion in assets under management at March 31, 2016, as compared to ₹ 1.77 billion and ₹ 3.69 billion at March 31, 2014 and March 31, 2015, respectively.

### **Sales and Marketing**

We employ a multi-channel approach to market and sell our products, which has helped us establish an extensive and effective distribution network across India. We believe that our multi-channel distribution architecture helps us mitigate economic cycles where one distribution segment may be significantly impacted, provides us access to different customer segments and reduces concentration risk without compromising on scalability. At March 31, 2016, we had 521 offices. As of July 12, 2016, our bank partners had over 4,500 branches. Our primary channels for retail business are: bancassurance, agency, corporate agents and brokers and direct sales. Most of our group business is through direct sales.

The following table sets forth certain operating data of our retail business by distribution channels for the periods indicated:

		For the year ended March 31,		
		2014	2015	2016
		(in ` millions, except average premium and percentages)		
Bancassurance	New business regular received premium	17,920.6	27,362.0	29,187.3
	New business single premium	287.4	371.0	1,424.9
	Retail weighted received premium	17,949.3	27,399.1	29,329.8
	Annualised premium equivalent	18,331.5	27,700.4	29,638.9
	% Retail annualised premium equivalent	54.6%	59.4%	58.6%
Agency	New business regular received premium	9,280.2	11,315.3	11,942.8
	New business single premium	924.2	937.7	1,294.4
	Retail weighted received premium	9,372.7	11,409.0	12,072.2
	Annualised premium equivalent	9,707.2	11,579.2	12,307.6
	% Retail annualised premium equivalent	28.9%	24.8%	24.3%
Corporate agency and brokers	New business regular received premium	3,103.9	3,136.3	3,335.4
	New business single premium	127.3	134.6	373.4
	Retail weighted received premium	3,116.7	3,149.8	3,372.8
	Annualised premium equivalent	3,394.0	3,318.3	3,610.5
	% Retail annualised premium equivalent	10.1%	7.1%	7.1%
Direct sales	New business regular received premium	2,019.3	3,889.8	4,779.7
	New business single premium	673.9	1,076.9	1,231.0
	Retail weighted received premium	2,086.7	3,997.5	4,902.8
	Annualised premium equivalent	2,160.4	4,064.8	5,041.0
	% Retail annualised premium equivalent	6.4%	8.7%	10.0%
<b>Retail total</b>	<b>New business regular received premium</b>	<b>32,324.1</b>	<b>45,703.4</b>	<b>49,245.2</b>
	<b>New business single premium</b>	<b>2,012.7</b>	<b>2,520.1</b>	<b>4,323.8</b>
	<b>Retail weighted received premium</b>	<b>32,525.4</b>	<b>45,955.4</b>	<b>49,677.5</b>
	<b>Annualised premium equivalent</b>	<b>33,593.1</b>	<b>46,662.6</b>	<b>50,598.1</b>
	<b>% Retail annualised premium equivalent</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The following table sets forth our retail insurance product mix as percentages of our retail APE by distribution channel for the periods indicated:

		For the year ended March 31,		
		2014	2015	2016
		(in percentages of Annualised Premium Equivalent)		
Bancassurance	Retail unit linked insurance products	75%	88%	89%
	Retail par products	12%	10%	9%
	Retail non-par products	11%	0%	0%
	Retail protection products	2%	2%	2%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Agency	Retail unit linked insurance products	55%	78%	76%
	Retail par products	31%	19%	20%
	Retail non-par products	13%	1%	1%
	Retail protection products	2%	1%	3%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Corporate agency and brokers	Retail unit linked insurance products	40%	62%	47%
	Retail par products	28%	34%	49%
	Retail non-par products	31%	2%	1%

		For the year ended March 31,		
		2014	2015	2016
		(in percentages of Annualised Premium Equivalent)		
	Retail protection products	2%	1%	3%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Direct	Retail unit linked insurance products	82%	93%	86%
	Retail par products	5%	3%	8%
	Retail non-par products	9%	2%	2%
	Retail protection products	3%	2%	5%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Retail total</b>	<b>Retail unit linked insurance products</b>	<b>66%</b>	<b>84%</b>	<b>83%</b>
	<b>Retail par products</b>	<b>19%</b>	<b>13%</b>	<b>14%</b>
	<b>Retail non-par products</b>	<b>14%</b>	<b>1%</b>	<b>0%</b>
	<b>Retail protection products</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### ***Bancassurance***

Bancassurance is our largest distribution channel and contributed 58.6% of our retail APE in fiscal 2016. According to CRISIL Research, Life insurance industry report, July 2016, our bancassurance channel was the largest in India in terms of first year retail received premium in fiscal 2016.

Our bancassurance partners are ICICI Bank, Standard Chartered Bank and Capital Small Finance Bank Limited. At July 12, 2016, ICICI Bank had 4,450 branches across India and contributed 54.9% of our retail APE in fiscal 2016, Standard Chartered Bank had 100 branches across India, and Capital Small Finance Bank Limited had 56 branches in five districts in the State of Punjab. It recently received a small finance bank license. Our relationships with these banks provide us with access to potential new customers and their branch network to expand our market reach. We collaborate with our bancassurance partners to provide branch staff with training and comprehensive support, to better market our products and services.

### ***Agency***

Agency is our second largest distribution channel and contributed to 24.3% of our retail APE in fiscal 2016. According to CRISIL Research, Life insurance industry report, July 2016, our agency channel was the third largest in India in terms of new business retail received premium and the number of agents in fiscal 2016.

We had 121,016 individual agents at March 31, 2016, all of whom are contractually obligated to not sell the products of our life insurance competitors. In line with current market practice in India, we designate employee unit managers to manage our agents. The retail APE from our agency channel grew from ` 9.71 billion in fiscal 2014 to ` 12.31 billion in fiscal 2016 while the average number of unit managers declined from 4,156 to 2,662 in the same period. Our average unit managers' productivity grew from an APE of ` 2.3 million in fiscal 2014 to ` 4.6 million in fiscal 2016, a CAGR of 40.7%.

### ***Corporate Agents and Brokers***

The corporate agent and broker channel contributed 7.1% of our retail APE in fiscal 2016. Our corporate agents primarily include ICICI Securities, Fullerton India Credit Company and Pioneer Assurance Consultants.

We also market and sell insurance products through insurance brokers. Unlike corporate agents who represent the insurer, brokers represent the customer. We have established relationships with a number of brokers across India such as Bluechip Insurance Broking, India Infoline Insurance Brokers, IEP Insurance Broking Private Limited and Bajaj Capital and some of these brokers have been our partners for more than a decade. We will continuously seek opportunities to engage with other brokers to expand our brokerage network.

We have also entered into and are exploring opportunities for partnerships with companies which have large retail customer franchises and access to customer behaviour data. Our partnership approach involves offering appropriate products aligned to the partners' customer profile, redesigning our sales and underwriting processes to integrate with the partners' existing sales processes, and using analytics to create shared customer insights. We believe that such partnerships will enable us to analyse and access a much wider group of potential customers, while associating our brand with other well recognised and trusted brands.

## Direct Sales

We have a dedicated team of sales employees to market our insurance products directly to customers. According to CRISIL Research, Life insurance industry report, July 2016, our direct sales channel was the largest in India in terms of the first year retail received premium in fiscal 2016.

The direct sales channel has been one of our areas of focus in the past few years and retail APE contributed by our direct marketing channel has grown at a CAGR of 52.8% from fiscal 2014 to 2016, significantly outpacing our total retail APE CAGR of 22.7% for the same period. We have taken the following initiatives to strengthen our direct sales channel:

- calling customers on a periodic basis to inquire about any service needs or to make product pitches;
- converting service interactions into sales opportunities when customers visit local branches, call a call center, or request our representatives on our website;
- approaching large corporations for worksite activities; and
- focusing on online sales and marketing.

Customers use a combination of online and offline face-to-face purchase process. We believe that customers use digital platforms to research and compare competing products to seek assurance on their choice of product based on brand reputation, claims settlement record and past investment performance. They will also seek convenience across the value chain, from on-boarding to claims settlement. Accordingly, our online sales are structured along four aspects: reach, proposition, convenience and marketing. We aim to ensure adequate reach through our and our partners' websites, web aggregators and retargeting campaigns. As part of our product proposition, we offer all our retail products through the online sales channel. To enhance customer convenience, we provide easy to understand product details on our website and easy-to-use application form supported by a simplified on-boarding process. To ensure adequate marketing, we target customers across different digital platforms by leveraging analytics and personalised site notifications.

The direct channel has played a key role in the improvement in our ability to cross-sell to existing customers. The APE from existing customers increased from ₹ 13.09 billion in fiscal 2014 to ₹ 19.66 billion in fiscal 2016.

## Group Sales

The group sales channel is a proprietary channel under which our employees directly solicit business from corporations to satisfy their employee benefit needs. We primarily sell annuity, group funds and group term insurance products through our group sales channel. We also actively seek opportunities to partner with banks, housing finance companies and non-banking financial companies to offer credit-linked life insurance products to their customers through our group sales channel.

## Geographical Distribution of Premium

The following table sets forth the geographical distribution of our total received premium from retail new business for the periods indicated:

	For the year ended March 31,			CAGR
	2014	2015	2016	
	(in ₹ millions)			
<b>Total received premium from new business</b>				
Maharashtra	7,900	11,456	12,967	28.1%
Delhi	3,077	4,396	4,995	27.4%
Tamil Nadu	3,011	4,226	4,545	22.9%
Gujarat	2,453	3,418	3,940	26.7%
Karnataka	2,110	3,163	3,408	27.1%
Uttar Pradesh	2,427	3,127	3,363	17.7%
West Bengal	1,977	2,602	3,042	24.0%
Kerala	1,372	2,098	2,393	32.1%
Rajasthan	1,425	2,165	2,344	28.3%
Telangana*	-	1,999	2,066	
Punjab	986	1,407	1,503	23.5%
Haryana	973	1,391	1,372	18.7%
Odisha	720	923	1,178	27.9%
Madhya Pradesh	746	1,095	1,142	23.7%
Bihar .....	700	893	1,023	20.9%
Andhra Pradesh*	2,095	836	935	

	For the year ended March 31,			CAGR
	2014	2015	2016	
	(in ` millions)			
Jharkhand	486	567	606	11.7%
Assam	348	467	566	27.5%
Chandigarh	273	416	413	23.0%
Chhattisgarh	310	337	385	11.4%
Uttarakhand	246	330	344	18.3%
Himachal Pradesh	166	233	271	27.8%
Goa	155	189	187	9.8%
Jammu & Kashmir	93	137	152	27.8%
Other States and Union Territories	288	353	429	22.0%
<b>Total</b>	<b>34,337</b>	<b>48,224</b>	<b>53,569</b>	<b>24.9%</b>

\* In fiscal 2014, business booked in Andhra Pradesh included business sourced from areas now in the state of Telangana.

### Information Technology and Digitisation

We believe that our information technology (“IT”) capability is critical to the efficient operation and performance of our business and one of the key contributors to our success as well as our future growth. Important operational and management areas that rely upon information technology include, among others, product development, underwriting and claims settlement, sales support and distribution channel management, customer services, investment management, actuarial and financial management, business analytics and risk management. We intend to continue to make investments in our IT systems, including our backup systems, to improve our operational efficiency, customer service and decision making process and to reduce the risk of system failures and the negative impacts these failures may have on our business.

Our IT architecture has matured over the years as we have adopted enterprise standards, a service oriented architecture, deployed web services and created a unified mid and back-office platform. This has helped us improve operational efficiency by eliminating application redundancy, streamlining business process management, implementing rule-based underwriting, introducing Optical Character Recognition-based document verification and automating control checks for validations of data elements and workflow allocations.

We have also made significant investments in our IT architecture to enable real time data reporting and analytics capability across the organisation. Our IT platform allows employees to access real time reports and dashboards from source systems anywhere anytime on any device. We are also leveraging advanced analytics and big data technology to improve decision making and run campaigns with messages ranging from upsell opportunities to premium payments. These campaigns are executed either periodically in batches based on our current portfolio and customer information, or as trigger campaigns in reaction to specific changes in customer variables such as policy status, life stage, or financial status. Our technology allows us to deploy these campaigns through multiple modes including SMS, email, website and telephone, or through notifications to employees or agents to enable informed interactions with customers. We also have an arrangement with one of our Promoters, ICICI Bank, whereby we use the technology and related systems of ICICI Bank on a cost-sharing basis.

We have focused on leveraging technology across the value chain. Digitisation reduces our reliance on physical infrastructure without compromising market penetration. One of our key IT initiatives in the last few years is digitising pre-sales and sales processes. We believe that digital technology has influenced and will continue to significantly influence customer advocacy, information search and insurance sales. We expect online sales to play an increasingly larger role in the sale of simpler products like pure term insurance; however, for our savings-cum-protection products, we believe that an end-to-end digital platform to empower our intermediaries is critical. Our IT platform I-Neo+ has enabled a structured sales process, faster turnaround, less paperwork and improved efficiency. We aim to provide easily accessible information and a convenient sales and service experience to our customers and distributors, resulting in easier customer on-boarding, improved employee and distributor productivity, and better sales and service quality. For pre-sales, our structured sales approach with need analysis, product literature in 12 languages and standardised content including videos enables consistent messaging and integrated our lead management system with the I-Neo+ platform. As part of the fulfilment process, we have been able to provide customers with a simple and easy to follow on-boarding experience that virtually eliminates paperwork. For example, we have enabled pre-population of customer details on an easy to use application form, and electronic Know-Your-Customer which does not require submission of physical KYC documents for ICICI Bank customers, ICICI Prudential Life Insurance customers and Aadhar card holders. We have also created scan-and-upload modules for documents, enabled multiple payment options, online underwriting for instant decisions and use of e-signatures. The success of fulfilment process is reflected in the reduction in policy issuance time. Customers directly or through intermediaries, can now apply for policies online which are usually issued within a few hours. As part of post sales, we have enabled anywhere-anytime services where customer can either directly or with the help of an employee or agent, view and update policy details, make payments and accept pre-approved offers for additional products. Our modular digitisation platform will also help us enter into partnerships across the broad ecosystem. We deploy our plug-and-play IT architecture based on our partners’ comfort in level of system and process

integration.

The following table sets forth the impact of digitisation for the periods indicated:

	For the year ended March 31,		
	2014	2015	2016
% of new business applications initiated through digital platform	65.0%	88.5%	92.3%
% of renewal premiums collected electronically (through online, direct debit and Electronic Clearing System payments)	37.3%	44.0%	51.9%
Retail weighted received premium / per employee ( ` million)	2.8	4.3	4.6

### Customer Retention

We believe that customer retention is essential for our profitable growth. We have been focusing on improving the growth in assets under management by increasing persistency and reducing surrenders. Some of the key initiatives that we have taken to increase persistency and reduce surrenders are:

- Increase the proportion of customers opting for Electronic Clearing System (“ECS”) mandates for automatic payment from bank accounts or giving standing instructions for payment via debit and credit cards at the time of sale;
- Expand premium payment options;
- Use a combination of proactive and reactive service interventions such as sending reminders via different media to customers and distributors and conducting telephonic interviews with customers; and
- Implement various key performance indicators for different levels of our sales and operational teams to align their performance indicators and rewards with our focus on increasing persistency and reducing surrenders.

Persistency is the ratio of premium of policies remaining in force to the premium of all policies issued. Persistency is calculated with respect to policies issued in a fixed period prior to the period of measurement. We believe that persistency ratio, particularly in the 13th month, is a key metric to determine the quality of our sales performance and the efficacy of the execution of our sales strategy. Our 13th month retail persistency ratio in fiscal 2016 was 82.4%, which was one of the highest in Indian life insurance sector. The 49th month persistency ratio is also an important metric as our regular premium ULIP contracts have a minimum premium payment period of five years and this metric helps us assess the proportion of customers who have paid all their premiums.

The following tables set forth our retail persistency ratios for the periods indicated:

	For the year ended March 31,		
	2014	2015	2016
13th month	71.5%	79.0%	82.4%
25th month	68.4%	65.9%	71.2%
37th month	57.3%	64.3%	61.6%
49th month	20.3%	54.4%	62.2%
61st month	12.7%	14.5%	46.0%

The following tables set forth our retail persistency ratios by product categories for the periods indicated:

		For the year ended March 31,		
		2014	2015	2016
ULIPs	13th month	70.8%	79.9%	82.8%
	25th month	69.4%	64.7%	71.1%
	37th month	57.6%	66.0%	60.1%
	49th month	20.1%	54.6%	63.8%
	61st month	12.3%	14.2%	45.5%
Par products	13th month	62.5%	74.4%	77.2%
	25th month	56.7%	55.9%	68.0%
	37th month	46.8%	50.5%	51.9%
	49th month	33.7%	42.9%	47.3%
	61st month	29.3%	31.3%	41.1%
Non-par products	13th month	73.5%	80.5%	98.0%
	25th month	68.0%	68.7%	75.7%
	37th month	59.7%	63.3%	65.0%



		For the year ended March 31,		
		2014	2015	2016
	49th month	100.0%	58.1%	61.4%
	61st month	100.0%	100.0%	57.3%
Pure protection products	13th month	81.6%	81.0%	79.6%
	25th month	77.4%	71.5%	70.7%
	37th month	49.2%	72.3%	60.4%
	49th month	19.9%	46.1%	67.9%
	61st month	9.0%	17.9%	43.0%

The following tables set forth our retail persistency ratios by distribution channels for the periods indicated:

		For the year ended March 31,		
		2014	2015	2016
Bancassurance	13th month	75.1%	80.4%	80.8%
	25th month	71.7%	69.6%	72.4%
	37th month	76.1%	67.9%	65.1%
	49th month	17.5%	74.7%	65.9%
	61st month	13.3%	11.5%	64.1%
Agency	13th month	69.6%	77.7%	84.8%
	25th month	64.6%	62.8%	68.7%
	37th month	45.4%	60.1%	58.1%
	49th month	19.9%	42.0%	57.7%
	61st month	12.1%	14.7%	35.1%
Corporate agency and brokers	13th month	61.8%	70.6%	79.5%
	25th month	71.3%	58.6%	66.2%
	37th month	42.2%	68.3%	55.9%
	49th month	20.2%	36.5%	66.5%
	61st month	14.1%	13.7%	29.7%
Direct sales	13th month	74.7%	85.9%	87.6%
	25th month	69.7%	69.5%	78.9%
	37th month	46.7%	65.7%	65.4%
	49th month	31.4%	41.9%	64.1%
	61st month	13.2%	23.8%	34.4%

Surrender of retail linked policies as a percentage of retail linked assets under management decreased from 1.5% per month in fiscal 2014 to 1.0% per month in fiscal 2016.

The following table sets forth the segment wise contribution of lapses to our profitability.

	For the year ended March 31,		
	2014	2015	2016
	(in ` Millions)		
<b>Business segment</b>			
Unit linked	473.8	(826.3)	(2,799.5)
Participating	37.2	112.1	176.4
Non participating – Savings	99.6	750.8	1,321.7
Protection	54.6	142.9	238.2
<b>Total</b>	<b>665.2</b>	<b>179.5</b>	<b>(1,063.2)</b>
<b>Total (attributable to shareholders)</b>	<b>628.0</b>	<b>67.4</b>	<b>(1,239.6)</b>

There is no standard definition as to what constitutes profitability due to lapses and the instance at which this profit has to be calculated. We have, therefore, used our judgement and calculated profitability for contracts under which a surrender penalty has been collected in the respective fiscals.

For non-linked contracts, profitability from lapses has been estimated as asset share (which is the accumulation of premiums less actual expenses and mortality costs combined with actual investment returns) less “surrender value”. For linked contracts this has been estimated as surrender penalty (the unit value to the credit of the policyholder less what is actually paid out at the time of surrender) less any unrecovered expenses (accumulation of charges, except mortality charges, less actual expenses combined with actual investment return. Certain approximations and estimations have been made in the calculation methods and historical parameters of actual expenses, investment returns and mortality cost where unavailable.

## Customer Service

Superior customer service is an integral part of our value proposition to our customers. We believe that an easy and simple on-boarding process, efficient service delivery and robust claims management and grievance redressal processes are the key elements of our service value proposition. By leveraging technology, we seek to provide a seamless service experience to our customers through all stages of an insurance policy. The high customer satisfaction and service quality are reflected in the low grievance ratio of 153 per 10,000 policies in fiscal 2016 and the claims settlement ratio of 96.2% in fiscal 2016, making us one of the best in the Indian life insurance sector. The table below sets forth our grievance ratio and claims settlement ratio for the periods indicated:

	For the year ended March 31,		
	2014	2015	2016
Grievance Ratio	253	185	153
Claims Settlement Ratio	94.1%	93.8%	96.2%

### Service Philosophy

We have a “Customer First” approach and seek to establish long-term relationships with our customers by providing trustworthy and reliable services. The “FACT” principles described below are the cornerstones of our customer service philosophy:

- Fair: Fair and unbiased in all our dealings with customers;
- Accurate: Error-free customer services;
- Consistent: Consistent service quality at all customer interfaces; and
- Transparent: Transparency in all our dealings with customers by sharing relevant facts in a clear and comprehensible manner to facilitate informed decision-makings.

### Service Culture

Our service culture is closely linked with and based on our service philosophy. We have a platform named “TATVA” to award our employees and partners who provide exemplary customer service or initiate new ideas to improve our service standards. It focuses on developing and maintaining mechanisms that nurtures a robust and pervasive customer centric culture within the organisation. We believe that TATVA inspires our employees to consistently live our service philosophy and deliver excellent customer services.

### Service Delivery

We aim to anticipate customer needs and address them proactively on the basis of their past interactions with us. We have established a multi-channel customer service architecture comprising our website, branches, call centre, email, SMS, and Interactive Voice Response System (“IVRS”). This architecture allows customers to interact with us through the channel of their choice.

We have been focusing on technology to improve the accessibility, speed and efficiency of our customer services. Our technology platform I-Neo+ is accessible to all our employees and intermediaries, including agents and partners, enabling them to provide “anytime and anywhere” service to our customers. Our agents and employees can use I-Neo+ to provide instant customer service. Our website and IVRS channels cater to customers’ needs for self-service, where they may view policy details, download unit statements or conduct transactions. The number of new business applications initiated on our digital platform either by our distributors or our customers increased significantly from 65.0% in fiscal 2014 to 92.3% in fiscal 2016. In the same period, the share of renewal premiums collected electronically increased from 37.3% to 51.9%.

### Claim Settlement

We believe that claim settlement is the ultimate promise delivered to our customers and plays a pivotal role in our brand recognition and customer service. We endeavour to be easily accessible and settle claims in a relatively quick and efficient manner and with high degree of sensitivity. To that end, we have developed a robust claims process to provide satisfactory claim settlement services to customers. Apart from priority desks at branches and an around-the-clock claim care support call centre, claimants may also take advantage of our digital platform to submit claims online. We seek to provide timely feedback to claimants and inform them about their claim status on an ongoing basis. In fiscal 2016, over 99% of our claim payouts were settled within IRDAI prescribed timelines, and the average time taken to settle mortality claims was 3.3 days from the date of submission of all required documents and information in relation to the claim. For the same fiscal year, our claims settlement ratio was 96.2%.

## ***Grievance Policy***

Our grievance policy aims at addressing grievances in a fast and sensitive manner. We have established a Grievance Redressal Committee (the “**GRC**”) to provide effective grievance redressal to policyholders. The GRC meets on a quarterly basis to, among others, evaluate feedback on the quality of customer service and claims experience and review and approve representations received on claim repudiations. We conduct customer education campaigns to educate customers on policy benefits, including grievance procedures. We also periodically train our employees on our grievance redressal policy to handle grievances effectively. For details in relation to the complaints filed by our customers, see “Risk Factors — Our Company and its Directors and our Subsidiary, one of our Promoters and certain Group Companies are involved in certain legal and other proceedings.” on page 22.

## **Underwriting and Pricing**

Our underwriting process helps us both identify and control risks to ensure that any policy that we decide to issue is within our mortality and morbidity risk appetite. We follow a balanced underwriting approach that seeks to ensure fairness and convenience to our customers while being profitable.

Our underwriting process for individuals is segmented using inputs such as policy characteristics, customer demographics, income, location, and sourcing channel. Based on these inputs, an automated rules engine provides an instant decision on policies that are eligible for “Straight Through Processing” and classifies the remaining into policies that require manual inspection of the application form, procurement of additional information or a medical examination. We apply more stringent underwriting requirements for segments in which we expect higher claims. We periodically review, and where necessary, revise the parameters for policies that can be issued without additional checks such as a medical examination based on factors such as evolving market practice, claims experience and reinsurance feedback.

Our group underwriting process is based on the size, industry and mortality experience of a particular group. We determine the parameters for group schemes by taking into account variables such as the distribution of sum-assured, industry type, group size, nature of work undertaken and claims experience.

To ensure appropriate underwriting of a policy, we may also rely on one or more of the following: reports from agents and/or our sales team (to certify insurable interest, customer identity, relationship to the agent and disclosures of health and income), expert advice from a senior medical professional, risk checks for suspicious cases and reinsurance referrals.

Some of the risk control measures we undertake to ensure the effectiveness of underwriting process are described below.

- We establish individual underwriting limits for underwriters factoring in their experience and performance. We also conduct periodic training for the underwriting team;
- We conduct periodic audits of the underwriting process and retrospective revaluation of a sample of underwriting decisions. Based on the findings from these exercises, appropriate action may be taken in respect of underwriters whose error percentage is beyond an acceptable limit, thereby controlling the risk to our policy portfolio;
- We conduct sample medical tests to gauge the degree of non-disclosure and potential adverse selection during the sourcing process; and
- We conduct “mystery shopper” exercises with medical examiners.

The pricing of our products is based mainly on assumptions with respect to expected mortality and morbidity rates, rates of return on investments, persistency and expenses. These assumptions include a margin for adverse deviation and are based on our own experience, the Indian Assured Lives Mortality (“**IALM**”) 2006-08 table, the LIC(a) 96-98 table for annuities, the CIBT 93 table and risk rates provided by reinsurers. In the event that the assumptions used in the pricing of any of our insurance products appear to deviate significantly from our subsequent experience, we discontinue further sales of such products and try to replace them with new products. See “Risk Factors—Risks Relating to our Business—Significant deviations from our assumptions regarding future persistency, coupled with concentrated policy surrenders, could have a material adverse effect on our business, financial condition, results of operations and prospects” on page 26.

## **Reinsurance**

We use reinsurance primarily to mitigate risk exposure and obtain technical advice on underwriting and pricing. Our reinsurance strategy is aimed at managing new and emerging risks in a prudent manner and supporting business objectives, including facilitating a seamless on-boarding process, while ensuring that the interests of all stakeholders in the arrangement are aligned. Our reinsurance philosophy has been to have higher risk retention for products with stable experience and higher reinsurance for products with high risks or uncertain experience. We determine the nature and extent of risk to be ceded based on our appetite for mortality and morbidity risk, prior experience and expected quality of the portfolio being reinsured, product type and pricing, solvency benefits and catastrophe cover considerations. The choice of reinsurer is based on the

reinsurer's rating, administrative and operational efficiency, access to expertise and global best practices, pricing and other terms, and limits for underwriting and claims. We review our reinsurance arrangements periodically to factor in the changing operating environment as well as our developing experience.

## Investments

We are one of the largest fund managers in India. Our assets under management ("AUM") increased from ₹ 805.79 billion at March 31, 2014 to ₹ 1,039.39 billion at March 31, 2016. Our investments are divided into two categories: policyholders' funds and shareholders' funds. Policyholders' funds are further divided into three sub-categories: linked funds, participating funds and non-participating funds. Linked funds are assets underlying our ULIPs for which the asset allocation is largely determined by customers. Participating funds and non-participating funds are assets underlying our participating and non-participating life insurance products, respectively. The following table sets forth the breakdown of our AUM by categories for the dates indicated:

	At March 31,					
	2014		2015		2016	
	Carrying Value	% of total	Carrying Value	% of total	Carrying Value	% of total
	(in ₹ billions, except percentages)					
Policyholders' Funds:						
Linked Funds	603.11	74.8%	747.77	74.6%	752.96	72.4%
Non-Participating Funds	79.77	9.9%	111.46	11.1%	132.16	12.7%
Participating Funds	67.76	8.4%	82.17	8.2%	89.07	8.6%
Shareholders' Funds	55.15	6.9%	60.43	6.1%	65.20	6.3%
<b>Total</b>	<b>805.79</b>	<b>100.0%</b>	<b>1001.83</b>	<b>100.0%</b>	<b>1,039.39</b>	<b>100.0%</b>

## Investment Strategy

We manage our investments with the objective of ensuring adequate returns consistent with the safety and liquidity profile of each fund. Our investment strategy is also guided by risk management policies (see "—Risk Management" on page 155 for more details on our risk management process), regulatory guidelines (see "Insurance Regulatory and Development Authority (Investment) Regulations, 2000 ("Investment Regulations")" on page 164) and internal norms. Applicable regulations restrict the proportion of funds that can be allocated to specified types of investments. We make investments based on the characteristics of our liabilities. In addition, we seek to augment earnings in the mid- to long-term by investing in assets such as equities and property which we believe have a favourable risk return trade-off. While our strategic asset allocation differs among product groups, the following general objectives apply to all product groups:

- Maintenance of earnings that exceed liability costs (at assumed yields);
- Determination of a reasonable bonus for par funds;
- Maintenance of appropriate liquidity; and
- Maintenance of adequate solvency.

We consider the allocation between debt assets and riskier assets and the maturity profile of debt assets to be important factors in the determination of our strategic asset allocation. We also monitor credit risk, and, when necessary, establish appropriate limits to maintain a balance between safety and returns.

The investment objectives for each category of funds are as follows:

- Linked funds: maximise the value of underlying assets while meeting the specific objectives of each individual fund.
- Participating funds: the twin objectives are to meet the guarantees and maximise policy bonuses and discretionary benefits.
- Non-participating funds: meet the guaranteed return while maintaining a suitable balance between long-term safety, stability and return.
- Shareholders' funds: maximise returns and to ensure safety of assets supporting the solvency ratio requirements.

Our investment management is governed by the corporate investment policy approved by the Board of Directors. Our Company has established the Board Investment Committee ("BIC"), which assists the Board in fulfilling its oversight responsibility for our investment assets. The BIC formulates the overall investment policy and establishes a framework for our investment operations with adequate controls. It also provides the Board of Directors periodic reports on the investment

performance against the applicable benchmarks and oversees the reporting systems for ongoing monitoring of investment operations. The BIC is supported by the Executive Investment Committee (“EIC”) for its functioning. We also ensure appropriate segregation of responsibilities: the front office reports to the Chief Investment Officer while the mid office and back office reports to the Chief Financial Officer.

### Composition of Our Funds

We maintain a diversified investment portfolio to generate investment returns to support our liabilities to our policyholders. At March 31, 2016, our AUM amounted to ₹ 1,039.39 billion, of which equities constituted 45.6%, government securities constituted 27.8% and corporate bonds constituted 11.0%. More than 90% of our equity investments are in linked funds where the asset allocation is selected by our customers who bear the investment risk. We also invest in fixed deposits, liquid mutual funds, property and provide our customers with loans against their policies.

The following table sets forth the composition of our funds by carrying value at the dates indicated:

	At March 31,					
	2014		2015		2016	
	Carrying Value	% of total	Carrying Value	% of total	Carrying Value	% of total
	(in ₹ billions, except percentages)					
Equity <sup>(1)</sup>	377.32	46.8%	475.91	47.5%	474.05	45.6%
Government securities	147.49	18.3%	254.41	25.4%	288.77	27.8%
Debentures and bonds <sup>(2)</sup>	127.10	15.8%	108.34	10.8%	114.58	11.0%
Money market instruments	69.60	8.6%	87.05	8.7%	109.50	10.6%
Fixed deposits	54.45	6.8%	40.80	4.1%	14.79	1.4%
Mutual funds	11.86	1.5%	13.43	1.3%	14.28	1.4%
Property <sup>(3)</sup>	0.85	0.1%	2.53	0.3%	2.55	0.2%
Loan	0.12	0.0%	0.20	0.0%	0.44	0.0%
Net current assets and other investments <sup>(4)</sup>	17.00	2.1%	19.16	1.9%	20.43	2.0%
<b>Total</b>	<b>805.79</b>	<b>100.0%</b>	<b>1001.83</b>	<b>100.0%</b>	<b>1039.39</b>	<b>100.0%</b>

<sup>(1)</sup> Includes investment of ₹ 2.20 billion and ₹ 2.34 billion at March 31, 2015 and March 31, 2016, respectively from linked funds in equity exchange traded funds.

<sup>(2)</sup> Includes non-convertible preference shares.

<sup>(3)</sup> Does not include ₹ 1.60 billion, ₹ 0.18 billion and ₹ 0.04 billion at March 31, 2016, March 31, 2015 and March 31, 2014 respectively towards advance for investment property, which is included in net current assets.

<sup>(4)</sup> Other investments include venture capital fund investments, securitised paper, deposit with Clearing Corporation of India Limited and investment in subsidiary.

The following table sets forth the composition of our funds by carrying value across different asset classes at March 31, 2016:

Asset class	Linked	% of total	Non-participating	% of total	Participating	% of total	Share Holder	% of total	Grand Total	% of total
	In ₹ billions, except percentages									
Equity <sup>(1)</sup>	432.60	57.5%	18.49	14.0%	13.84	15.5%	9.12	14.0%	474.05	45.6%
Government securities	128.42	17.1%	80.26	60.7%	52.20	58.6%	27.89	42.8%	288.77	27.8%
Debentures and bonds <sup>(2)</sup>	62.10	8.3%	23.04	17.4%	15.25	17.1%	14.19	21.8%	114.58	11.0%
Money market instruments	95.91	12.7%	4.63	3.5%	1.65	1.9%	7.31	11.2%	109.50	10.5%
Fixed deposits	10.42	1.4%	1.05	0.8%	0.97	1.1%	2.35	3.6%	14.79	1.4%
Mutual funds	12.32	1.6%	1.39	1.1%	0.32	0.4%	0.25	0.4%	14.28	1.4%
Property <sup>(3)</sup>	0.00	0.0%	0.00	0.0%	1.84	2.1%	0.71	1.1%	2.55	0.2%
Loan	0.00	0.0%	0.23	0.2%	0.21	0.2%	0.00	0.0%	0.44	0.0%
Net current assets and other investments	11.19	1.5%	3.07	2.3%	2.79	3.1%	3.38	5.2%	20.43	2.0%
<b>Total</b>	<b>752.96</b>	<b>100.0%</b>	<b>132.16</b>	<b>100.0%</b>	<b>89.07</b>	<b>100.0%</b>	<b>65.20</b>	<b>100.0%</b>	<b>1,039.39</b>	<b>100.0%</b>

<sup>(1)</sup> Includes investment of ₹ 2.34 billion in equity exchange traded funds.

<sup>(2)</sup> Includes non-convertible preference shares.

<sup>(3)</sup> Does not include ₹ 1.60 billion advance for investment property, which is included in net current assets.

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 following table sets forth the book value and the market value of these investments at the dates indicated:

	At March 31,					
	2014		2015		2016	
	Balance sheet value	Market value	Balance sheet value	Market value	Balance sheet value	Market value
	(In ₹ billions)					
'Held to maturity' investments in non-linked and shareholder funds	166.39	160.60	207.50	215.59	231.08	236.62

#### Equity (including exchange traded funds)

We invest in equity and exchange traded funds with the objective of long-term returns with a focus on value stocks. We own equity in companies in a wide range of industries, including financial and insurance services, information technology, manufacture, telecommunications and others. At March 31, 2016, 83.3% of our equity investments were in companies forming part of the Nifty 50 Index and 97.8% of our equity investments were in companies forming part of Nifty 500 Index. The following table sets forth the breakdown of equity investments by the sectors that contribute to more than 5% of our total equity investments at March 31, 2016:

	Equity investments (in ₹ billions)	% of total equity investments
Financial and insurance services	112.57	23.7%
Computer programming, consultancy and related activities (information technology)	63.83	13.5%
Manufacture of motor vehicles, trailers and semi-trailers	41.88	8.8%
Telecommunications	30.94	6.5%
Manufacture of coke and refined petroleum products	24.90	5.3%

#### Fixed Income Portfolio

Our fixed income portfolio consists of government securities, debentures and bonds, and money market instruments. We aim to maintain a fixed income portfolio of high asset quality. At March 31, 2016, 94.6% of our total fixed income portfolio comprised domestic AAA-rated instruments, including sovereign instruments and AAA equivalent-rated instruments, and 100% of our money market instruments had sovereign/A1+ or equivalent rating. We have not had any defaults or delayed payments in our fixed income portfolio in the last five years.

The following table sets forth the domestic rating mix of our fixed income portfolio at the dates indicated:

	At March 31,		
	2014	2015	2016
Sovereign	35.9%	50.5%	53.3%
AAA	57.6%	43.1%	41.3%
AA+	2.9%	1.9%	2.1%
Others	3.6%	4.5%	3.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The following table sets forth the breakdown of corporate bonds by the sectors that contribute to more than 5% of our total corporate bond portfolio at March 31, 2016:

	Corporate bonds (in ₹ billions)	% of total corporate bond investments	% of overall AUM
Financial and insurance activities	46.51	40.6%	4.5%

	Corporate bonds (in ` billions)	% of total corporate bond investments	% of overall AUM
Housing	22.00	19.2%	2.1%
Electricity, gas, steam and air conditioning supply	15.39	13.4%	1.5%
Manufacture of basic metals	7.42	6.5%	0.7%

#### Real Estate

Real estate held for investment purposes includes mainly commercial buildings held for rental income as well as for capital appreciation. Our investment real estate portfolio comprises three properties, one of which is currently under construction.

#### Investment Performance

The following table sets forth the net investment income and yield of our AUM by category for the periods indicated:

	For the year ended March 31,					
	2014		2015		2016	
	Investment income	Yield	Investment income	Yield	Investment income	Yield
	(in ` billions, except percentages)					
<b>A. Without unrealised gains</b>						
Shareholders' Funds	3.58	7.2%	5.37	10.1%	5.95	10.6%
Participating Funds	4.89	8.5%	6.14	9.4%	6.29	8.7%
Non-Participating Funds	5.20	8.1%	7.04	8.0%	9.09	8.1%
Linked Funds	52.83	8.3%	101.73	17.6%	68.26	9.1%
<b>B. With unrealised gains</b>						
Shareholders' Funds	4.24	8.3%	10.10	18.5%	3.60	5.8%
Participating Funds	3.49	5.7%	13.77	20.5%	4.68	5.7%
Non-Participating Funds	3.24	5.0%	17.62	20.5%	6.97	5.8%
Linked Funds	81.96	12.9%	174.14	28.1%	(3.43)	(2.1)%

Note: Yield is computed using Time Weighted Rate of Return as per Modified Dietz method.

Of the net investment income set forth above, the following table sets forth net investment income for equities and bonds (including government securities) for the periods indicated:

	For the year ended March 31,					
	2014		2015		2016	
	Investment income	Yield	Investment income	Yield	Investment income	Yield
	(in ` billions, except percentages)					
<b>A. Without unrealised gains</b>						
Equities	35.05	11.1%	72.61	23.2%	44.68	12.4%
Bonds	20.29	8.0%	35.13	11.3%	33.23	8.8%
<b>B. With unrealised gains</b>						
Equities	69.60	18.6%	149.08	34.9%	(29.68)	(6.2)%
Bonds	12.11	4.8%	53.95	17.2%	29.82	7.7%

Note: Yield is computed as interest income divided by average investments.

#### Performance of Linked Funds

For each unit linked fund, a performance benchmark index is identified based on the fund objectives and fund performance is reviewed against such benchmark. At March 31, 2016, funds representing 92.9% of our linked funds with identified benchmarks had performed better than their respective benchmarks since inception.

The following table sets forth, at March 31, 2016, the performance of linked funds, which have been in existence for at least three years and have a size of over ` 5.00 billion and for which benchmarks have been identified, for three and five year durations, respectively:

	Benchmark	Assets held (` billion)	Three-year return (annualised)		Five-year return (annualised)	
			Fund	Bench- mark	Fund	Bench- mark

	Benchmark	Assets held (` billion)	Three-year return (annualised)		Five-year return (annualised)	
			Fund	Bench- mark	Fund	Bench- mark
<i>Equity funds</i>						
Maximiser Fund V	S&P BSE 100	87.47	15.2%	11.3%	N/A*	N/A*
Maximiser Fund	S&P BSE 100	42.85	14.9%	11.3%	8.3%	6.0%
Multi Cap Growth Fund	NIFTY 500	31.34	16.8%	13.3%	10.2%	6.9%
Dynamic P/E Fund	75% NIFTY 50 and 25% MIBEX	26.00	10.7%	10.7%	6.0%	6.9%
Pension Flexi Growth Fund	NIFTY 500	21.30	16.0%	13.3%	9.1%	6.9%
Flexi Growth Fund	NIFTY 500	17.71	15.6%	13.3%	9.1%	6.9%
Pension Flexi Growth Fund II	NIFTY 500	16.76	17.3%	13.3%	10.2%	6.9%
Pension Maximiser Fund II	S&P BSE 100	15.33	15.9%	11.3%	9.6%	6.0%
Pension RICH Fund	S&P BSE 200	13.92	15.8%	12.5%	8.8%	6.5%
Pension Multi Cap Growth Fund	NIFTY 500	13.30	16.3%	13.3%	10.1%	6.9%
Maximiser Fund II	S&P BSE 100	11.65	16.0%	11.3%	9.4%	6.0%
Flexi Growth Fund II	NIFTY 500	11.31	16.4%	13.3%	9.7%	6.9%
Pension Dynamic P/E Fund	75% NIFTY 50 and 25% MIBEX	10.09	10.8%	10.7%	6.1%	6.9%
Flexi Growth Fund IV	NIFTY 500	9.37	16.3%	13.3%	9.6%	6.9%
Pension RICH Fund II	S&P BSE 200	7.86	16.3%	12.5%	9.4%	6.5%
RICH Fund II	S&P BSE 200	7.43	14.1%	12.5%	6.7%	6.5%
Multiplier Fund	NIFTY 50	7.25	12.1%	10.8%	6.9%	5.8%
RICH Fund	S&P BSE 200	5.29	13.2%	12.5%	5.8%	6.5%
Pension Maximiser Fund	S&P BSE 100	5.41	14.7%	11.3%	8.7%	6.0%
<i>Debt funds</i>						
Income Fund	CRISIL Composite Bond Fund Index	37.03	8.9%	9.0%	9.3%	8.8%
Group Debt Fund	CRISIL Composite Bond Fund Index	13.62	8.8%	9.0%	9.3%	8.8%
Pension Protector Fund	CRISIL Composite Bond Fund Index	12.67	8.3%	9.0%	8.6%	8.8%
Protector Fund	CRISIL Composite Bond Fund Index	7.03	8.5%	9.0%	8.8%	8.8%
Pension Income Fund	CRISIL Composite Bond Fund Index	6.26	8.9%	9.0%	9.3%	8.8%
Invest Shield Cash Fund	CRISIL Composite Bond Fund Index	5.23	8.6%	9.0%	9.0%	8.8%
Pension Protector Fund II	CRISIL Composite Bond Fund Index	5.01	9.7%	9.0%	9.9%	8.8%
<i>Balanced funds</i>						
Group Balanced Fund	85% CRISIL Composite Bond Fund Index and 15% S&P BSE 100	16.85	9.5%	9.5%	9.0%	8.5%
Balancer Fund	65% CRISIL Composite Bond Fund Index and 35% S&P BSE 100	10.64	10.1%	10.1%	8.1%	8.1%
Multi Cap Balanced Fund	55% NIFTY 500 and 45% CRISIL Composite Bond Fund Index	6.27	13.7%	11.6%	9.9%	8.1%
Group Growth Fund	55% S&P BSE 100 and 45% CRISIL Composite Bond Fund Index	5.72	13.0%	10.6%	10.0%	7.6%
<i>Liquid funds</i>						
Money Market Fund	CRISIL Liquid Fund Index	20.93	8.6%	8.8%	8.9%	8.6%
Pension Preserver Fund	CRISIL Liquid Fund	6.80	8.6%	8.8%	8.9%	8.6%



	Benchmark	Assets held (` billion)	Three-year return (annualised)		Five-year return (annualised)	
			Fund	Bench- mark	Fund	Bench- mark
	Index					
Preserver Fund	CRISIL Liquid Fund Index	5.12	8.6%	8.8%	8.9%	8.6%

\* Not applicable since the fund has been in existence for less than five years.

## Risk Management

We recognise that risks are an integral element of our business and managed acceptance of risk is essential for the creation of shareholder value. Our acceptance of risk is dependent on the return on risk-adjusted capital and consistency with our strategic objectives. We have established a company-wide risk management framework. Our general approach is to seek to actively manage risks, rather than eliminating them. For a description of the risks relating to our business, see “Risk Factors—Risks Relating to our Business” on page 21.

### *Risk Management Framework*

We have an established risk management framework: vertically, our risk management framework covers our Company’s Board of Directors, the Board Risk Management Committee (“**BRMC**”) and the Executive Risk Committee (“**ERC**”); and horizontally, our “three-line” defence mechanisms operate in accordance with their designated functions.

Our risk management framework aims to achieve the following:

- Determining our risk profile that is the aggregate level of risks that we have undertaken in pursuit of our business;
- Identification, measuring, monitoring and control of risk for the purpose of protecting the interests of our key stakeholders;
- Enhancing our 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 our exposure to adverse outcomes through risk control;
- Ensuring compliance with regulatory requirements; and
- Strengthening our capability and experience in risk management and transfer.

### *Three Levels of Our Risk Management Framework*

- At the Board of Directors level: The Board of Directors assumes the ultimate responsibility for our risk management, internal control and compliance. The Board approves our risk management policies that cover the identification, measurement, monitoring and control standards relating to various operational risks.
- At the BRMC level: The BRMC formulates our risk management policy, including asset liability management, monitors all risks across various lines of business and establishes appropriate systems to mitigate such risks. The BRMC also defines our risk appetite and risk profile and oversees the effective operation of the risk management system and advises the Board of Directors on key risk issues.
- At the ERC level: The ERC comprises of the Company’s senior management and is responsible for guiding, coordinating and ensuring compliance with the risk management framework of the Company.

### *The “Three-line Defense Mechanisms” in our Risk Management*

The key responsibilities of each line of defense are as follows:

- First line of defense – sales, operations, underwriting, finance, investment and other functional departments. These departments assume primary responsibility for their own risks and identify risks they face and maintain effective internal controls. They execute risk and control procedures on a daily basis.

- Second line of defense – specialised departments such as enterprise risk management, risk control unit and compliance. They employ specialised methods to identify and assess risks faced by the “first line of defense”, provide the “first line of defense” with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk-related information, and promote the adoption of appropriate risk prevention measures.
- Third line of defense – internal audit department and external audit functions. They conduct monitoring and periodic evaluation of the results of risk management, internal control and compliance activities to ensure adequacy of risk controls and appropriate risk governance, and provide the Board of Directors with comprehensive assurance based on independence and objectivity.

### ***Risk Management Process***

We have adopted a standardised four-stage risk management process, namely, risk identification and assessment, risk measurement, risk monitoring and risk control. By implementing the risk management process effectively, we seek to achieve the overall objectives of our risk management and promote the operation of a dynamic risk supervision and control mechanism.

#### *Risk Identification and Assessment*

We identify risk exposures through a variety of techniques and processes, including:

- Stress testing of our current financial condition. We identify risk by monitoring indicators such as the Company’s Embedded Value (“**EV**”) or solvency or liquidity positions.
- Sensitivity analysis of profit margins to market and insurance risks during product development process. We assess any liquidity or operational risk arising out of a new product or modifications of an existing product prior to product launch.
- Sensitivity analysis of projected solvency and profit as part of the annual business planning process; and
- Risk and Control Self-Assessment (“**RCSA**”) to identify and assess operational risks in terms of their likelihood and impact by each business department. RCSA is conducted with due cognizance to any historical loss events or negative audit findings.

#### *Risk Measurement*

We measure our risk exposure through the following indicators:

- Risk to EV: We use value at risk (“**VaR**”) of the EV as an indicator of our risk exposure for market, credit and insurance risks. 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, subject to appropriate adjustments for local conditions and our stage of development.
- Risk to EV growth: In addition to the risk to the current EV, we also consider risks that may impede future EV growth such as insufficient new business profit growth as well as over-run in acquisition or renewal expenses caused by adverse deviation of actual unit costs from planned unit costs.
- Risk to statutory position: We assess the impact of market risk on our statutory position and assess the quality of our AUM by performing a resilience test periodically by calculating changes in solvency under extreme economic scenarios,
- Operational and fraud losses: We identify the extent of deviation from our risk tolerance limit by measuring our operational and fraud losses as a proportion of profit for the same period.
- Liquidity ratio: We assess our liquidity position by tracking the ratio of highly liquid assets to near term liabilities.

#### *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 Directors of the key findings.

#### *Risk Control*

Identified risks are managed by one or more of the following techniques: retention (acceptance), avoidance, transfer, or

reduction (mitigation). The nature and level of control exercised are based upon the probability and impact of the occurrence of that risk and the cost of implementing controls relative to the significance of that risk, and our risk appetite. New products or significant modifications of existing products can materially alter our risk profile. Thus, we seek to effectively manage this risk at the product design stage through a comprehensive review by a number of internal departments, including the products, actuarial, legal and compliance, underwriting and claims settlement departments. Typically a risk report will be prepared for review by the ERC and the product will be launched only after approval by the ERC.

### Insurance Risk

Insurance risk is the risk arising from mis-estimation or random fluctuations of the frequency, size and timing of insurance liabilities. Insurance risks can be broadly categorised into (i) mortality and morbidity risk including catastrophes, (ii) persistency and surrender risk and (iii) expense risk.

(a) We use the following approaches to manage mortality and morbidity risk:

- Reinsurance: We periodically assess our reinsurance exposure and enter into appropriate reinsurances arrangements, including catastrophe reinsurance, to manage morbidity and mortality risk.
- Experience analysis: We conduct experience analysis regularly to ensure timely commencement of corrective actions in the event that assumptions used in product pricing and embedded value reporting are not in line with experience.
- Repricing: Based on our experience analysis, we reserve the right to reprice the product subject to approval by the IRDAI.
- Underwriting and claims controls: We also manage morbidity and mortality risks through comprehensive underwriting and claims policies and procedures, which are reviewed and updated periodically.

(b) We use the following approaches to manage persistency risk:

- Product features: Our products are designed with features like loyalty bonuses and additional allocation of units to encourage policyholders to continue with their policies.
- Service initiatives: We use a combination of proactive and reactive service interventions to manage persistency. The interventions include attaching direct debit or ECS mandates, sending reminders via different media to customers and distributors and conducting telephonic interviews with customers.
- Aligning key performance indicators: We have designed various key performance indicators for different levels of our sales and operational teams to align their interests with our focus on persistency.

(c) We use the following approaches to manage expense risk:

- Experience analysis: We actively monitor expense levels, which are then factored into new product pricing, reserve calculation and management reporting. In the event of any adverse deviations between actual unit costs and planned unit costs, mitigation measures will be taken accordingly.
- Aligning key performance indicators: We have designed various key performance indicators for all our business departments to align their interests with our focus on expense.

### Market Risk and Asset Liability Matching Risk

Market risk arises from unanticipated financial loss due to adverse fluctuations in key variables, including interest rates, foreign exchange rates and equity market prices. Asset and liability matching risk is the risk resulting from the mismatches of assets and liabilities, which 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.

We use various quantitative models to assess market risks, including sensitivity analyses, value-at-risk models and stress tests. We have also developed detailed investment specifications that govern the investment strategy and limits for each fund depending on the profile of its liabilities. The investment specifications set forth limits of permissible exposures to various asset classes along with duration guidelines for fixed income instruments. The investment specifications are designed to achieve return objectives in line with policyholders' reasonable expectations while maintaining the risks within our risk appetite and with due consideration of regulatory requirements. We manage market risk by each product category, depending on whether the product is linked or non-linked and whether the product is with or without guarantees:

- Non-linked products with benefits based on performance of underlying investments: Our 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. We regularly monitor the equity allocation and debt duration against limits as applicable. For participating products, in addition to asset allocation, we can also vary the bonus rates to manage market risk.
- Non-linked products with fixed benefits and premiums: The liabilities for these products are obligations to policyholders either at a fixed time or upon the occurrence of a contingency. We manage the risk on such products by investing only in fixed income instruments. We also utilise a combination of duration matching and cash flow matching approaches to mitigate asset liability mismatches.
- Linked products with guarantees: We calculate the cost for providing the guarantee and hold a reserve on this account. We manage the investment risk arising from these products by setting limits and continually monitoring equity allocation and debt duration.
- Linked products without guarantees: These products are managed with respect to an appropriate benchmark index, which poses minimal market risk and does not require active asset liability management.

### Liquidity Risk

Liquidity risk is the risk of not having access to sufficient funds or having a high financing cost to meet our obligations as they become due. We have implemented various measures to manage our liquidity which, among others, include:

- Stipulating minimum investment in highly liquid assets, taking account of constraints on asset fungibility among different funds;
- Specifying cash flow matching for certain funds;
- Evaluating the impact of market liquidity on any hedging or asset allocation strategy for a product; and
- Establishing a liquidity contingency plan.

### Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate internal operational processes, personnel, systems or external events.

We actively promote a risk awareness culture through communication and education among management, employees, contractors and vendors.

We manage our operational risk by leveraging our internal control systems and policies, including whistle-blower policy, code of business conduct and ethics for directors and employees, code of conduct for prevention of insider trading, anti-money laundering and counter-financing of terrorism policy and anti-bribery policy.

We manage fraud risk through identification of suspected frauds by monitoring signals from both internal data and external environment and by random sample checks. We also investigate suspected frauds to identify responsible internal or external parties or process or system failures. We initiate remedial actions like recovery process, implementation of internal controls to prevent repeat incidents and disciplinary or law enforcement actions on responsible parties. We also focus on creating awareness and encouraging incident reporting among employees by training.

We manage outsourcing risk by implementing the following initiatives:

- Outsource only non-core or specified supporting core activities pursuant to regulatory guidelines; and
- Adopt outsourcing policy and standardise outsourcing framework by focusing on business continuity, customer satisfaction and process delivery.

We have a Business Continuity Management framework to ensure resilience and continuity of key products and services at minimum acceptable level to achieve business-as-usual presence in the market and increase safety of human resources.

We have an information security framework that safeguards our business information by establishing comprehensive management processes throughout the Company and works closely with ICICI Bank's Information Security Group on these issues. We adopt appropriate controls and proactive measures to reduce risks of unauthorised access, modification, sharing or destruction of data, and service disruption. Information access rights are role-based and IT applications are periodically assessed for security vulnerabilities.

## Credit Risk

Credit risk is the risk resulting from the failure of our obligors or our counterparties to perform or timely perform their contractual obligations or the deterioration in the credit profile of relevant parties. We manage credit risk principally through the following measures:

- Setting counterparty exposure limits for companies, groups and industries in accordance with the IRDAI norms and our investment policy;
- Restricting investments primarily to securities rated AA and above by domestic rating agencies; and
- Engaging with selected and financially sound reinsurers pursuant to internal reinsurance guidelines. Review credit risk on reinsurance contracts when we plan to enter into a relationship with a new reinsurer, or when an existing reinsurer experiences a significant event such as rating downgrade.

## **Compliance**

The Board of Directors, through the Audit Committee, oversees our compliance framework. We have formulated various internal compliance policies and procedures, including a compliance policy, code of conduct, code of business conduct and ethics, policy against sexual harassment at workplace, professional workplace conduct, anti-bribery and anti-corruption policy, whistleblower policy and code of conduct for personal investments. These policies ensure compliance with relevant laws and applicable regulatory guidelines issued by the relevant regulatory, statutory and enforcement authorities from time to time. In addition, we designate a compliance officer who reports to the Audit Committee and senior management on various compliance matters. The Audit Committee is updated by the compliance officer on a quarterly basis on compliance failures, regulatory actions, key regulatory developments and steps taken to ensure compliance. We also vest compliance responsibility with each business department which ensures compliance on a daily basis.

Our compliance function creates company-wide awareness regarding relevant laws, regulations and circulars on IRDAI requirements related to life insurance and on other matters such as anti-money laundering, and monitors the adequacy of the compliance framework across the Company. We have a standard process of identifying and addressing compliance risks in a systematic manner through appropriate policies and procedures and regular review of their compliance. In addition, our compliance function has established a certification process, whereby each business department certifies compliance to statutory and regulatory guidelines on a quarterly basis. Our compliance function also provides inputs to the internal audit department to prepare necessary risk assessment checklists outlining the key compliance areas while performing internal audit reviews.

In early 2013, online magazine Cobrapost accused our Company and several other financial institutions in India of deficient anti-money laundering practices. Pursuant to such accusations and inspections, the IRDAI, in a 2014 order, directed our Company to strengthen our internal controls over operational procedures and closely monitor our branches on KYC-related shortcomings. See “Risk Factors—We depend on the accuracy and completeness of information provided by or on behalf of our customers and counterparties” on page 34.

Our compliance function is also assessed through 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 Audit Committee and the senior management about the adequacy and effectiveness of the risk management and control framework in the Company. The internal audit reviews and assesses the adequacy and effectiveness of the Company’s internal controls and covers the auditing of processes, transactions and systems. Key audit observations and recommendations are reported to the Audit Committee on a quarterly basis and implementation of the recommendations is actively monitored.

## **Legal Proceedings**

We are subject to insurance claims and legal proceedings in the ordinary course of our business, including litigation over denial of claims.

At the date of this Draft Red Herring Prospectus, our Company has 35 outstanding tax demands. For details, see “Outstanding Litigation and other Material Developments—Tax Proceedings” on page 479. In the past five years, our Company has been subject to seven instances of warning or cautions by the IRDAI in connection with certain practices or transactions by our Company, our Company’s employees or our Company’s agents. In October 2015, the IRDAI passed an order imposing a ₹ 5 million penalty on our Company due to non-compliance with the outsourcing guidelines issued by the IRDAI. In May 2012, the IRDAI passed an order imposing a ₹ 11.8 million penalty on the Company due to non-compliances under the Insurance Act, 1938 and regulations and guidelines issued by the IRDAI in respect of distribution partners and group business. For details, see “Outstanding Litigation and other Material Developments” beginning on page 455.

## Competition

We face intense competition in the Indian insurance market from both public and private sector competitors. We believe that competition in the Indian insurance sector is based on a number of factors, including distribution networks, quality of service, product features, pricing, marketing methods, brand recognition, financial strength ratings and other indicators of financial soundness. We also believe that products offered by the life insurance sector compete with other financial services products. In the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes. In the area of health insurance, we compete with general insurance companies and stand-alone health insurance companies.

Within the life insurance sector, there were 24 public and private sector life insurance companies operating in India at March 31, 2016. We compete principally with other large life insurance companies in India, such as Life Insurance Corporation of India (“**LIC**”), HDFC Life, SBI Life Insurance Company Limited (“**SBI Life**”), Max Life and Kotak Mahindra Old Mutual Life Insurance Limited. We also face competition from smaller insurance companies, including health insurers, which have been seeking to expand their market shares in recent years and may develop strong positions in certain customer segments. In June 2016, HDFC Life and Max Life announced that they will enter into an agreement to evaluate a potential combination through a merger of Max Life and Max Financial Services Limited into HDFC Life.

LIC is the sole public life insurance company in India. LIC enjoys competitive advantages in the Indian insurance market due to its large customer base, extensive nationwide agency network, strong brand recognition and favourable public perception of its stability due to its association with the Government.

We believe that one of the key competitive factors among the private sector life insurers is access to strong bancassurance partners. Over the last five years, bancassurance has emerged as a dominant distribution channel for private sector life insurance companies in India. Companies which are either promoted by large banks or have large banks as bancassurance partners have generally outperformed others. We have built a strong bancassurance channel by leveraging our strategic relationship with our Company’s controlling shareholder, ICICI Bank. It is the largest bancassurance partner in India and gives us access to a large and affluent customer base to sell our products. In 2015, the IRDAI promulgated corporate agency guidelines that allow banks to collaborate with up to three life insurance companies with respect to bancassurance distribution, which are expected to promote competition for bancassurance partners among private sector life insurance companies. We also compete to attract new partners and maximize share of business among existing partners which promote products from more than one insurance company. Agency continues to remain as a significant distribution channel for private sector life insurance companies. We have one of the largest agency channels among private sector life insurance companies in India, with 121,016 individual agents at March 31, 2016. We compete with our peers to attract new and maintain existing agents.

The following table sets forth the growth in our RWRP and our market share across the years:

	For the year ended March 31,				
	2012	2013	2014	2015	2016
	(in ` billions, except percentages)				
RWRP	28.18	33.10	32.53	45.96	49.68
Overall Market share	5.9%	7.0%	7.2%	11.3%	11.3%
Private Market share	16.1%	18.5%	18.9%	23.0%	21.9%

Our RWRP grew from ` 28.18 billion in fiscal 2012 to ` 49.68 billion in fiscal 2016, representing a CAGR of 15.2%. In the same period, our overall market share grew from 5.9% to 11.3% and private market share grew from 16.1% to 21.9%.

## Employees

At March 31, 2016, we had 10,673 employees. Our agents are not our employees.

Employee compensations and benefits are based on merits. In addition to annual fixed pay and variable pay, we have long-term pay schemes designed to encourage institution building among middle and senior management employees. These schemes may be administered either through employee stock options or deferred cash schemes. There are also non-cash benefits provided to employees linked to their level in the Company to supplement rewards and meet their non-financial requirements.

Our philosophy is to promote learning and internal growth among our employees, which we believe reinforces the “ICICI Prudential” brand as a potential employer for a long-term career. We aim to offer our employees a long-term career proposition by providing a supportive work environment, offering a platform for their learning and growth, and fostering meritocracy. We implement the “Business Leadership Program”, which enables management graduates from all specialisations to acquire comprehensive experience in direct selling and profit and loss management roles across multiple geographies before being assigned a specific functional responsibility. In addition, our internal job posting and job rotation

policy allows our employees to take on roles across functions and geographies, enabling opportunities for non-linear career growth. We also offer self-directed learning opportunities through eLearning programs, newsletters, online repository, library tie-ups and education assistance policy, supported with periodic learning events and workshops. Our employee loyalty is testified by the fact that 28 of the top 36 members of our management team have worked within the ICICI Group for over 10 years and have an average work experience of 20 years. Senior managerial personnel in the actuary, investment, underwriting and claims department have an average functional experience of over 16 years.

### **Property**

The registered and corporate office of our Company is located in Prabhadevi, Mumbai. While our Company purchased the Registered Office and Corporate Office from ICICI Bank, executed appropriate sale and transfer deeds in relation to such purchase and applied for a change in the revenue records of the Municipal Authority, the revenue records have not been updated to reflect our Company as the registered owner of its Registered Office and Corporate Office. For further details, see “Risk Factors—The Registered and Corporate Office from which our Company operates is not registered in the name of our Company in the revenue records of the Municipal Authority” on page 44.

As of June 30, 2016, our operations were spread across 29 states, three union territories in India through our 519 offices and one representative office in each of the United Arab Emirates and Bahrain, which are operated from leased premises. For further details, see “Government and other Approvals—Pending Applications” on page 482.

### **Insurance**

Our Company has obtained insurance policies to cover our assets against losses from fire, burglary and risks to our property. Our Company also maintains insurance policies against third party liabilities, including a public liability policy. Additionally, we maintains a group term insurance policy, a group personal accident policy and a group health insurance policy to cover the medical expenses incurred by our employees during hospitalisation, for any illness or injury suffered. Our Company is also covered for directors’ and officers’ liability insurance obtained by one of our Promoters, ICICI Bank.

### **Intellectual Property**

Our intellectual property includes trademarks associated with our business. We have registered various trademarks associated with our business. We regard our trademarks as important to our success. While we have made applications for registration of the trademarks in accordance with the Trademarks Act, 1999, some of these applications have been objected to or opposed by third parties.

The “ICICI” trademark is owned by our Promoter, ICICI Bank and the “Prudential”, “Pru”, “Prudence” and “PCA” trademarks, among other, are owned by a member of the Prudential group.

Pursuant to the ICICI Trademark License Agreement entered into between ICICI Bank and our Company, ICICI Bank has agreed to grant a non-exclusive license and right to use the ICICI trademark to our Company and any subsidiaries that our Company may establish, for the purposes of our business. The consideration for such license shall be the share capital of our Company held by ICICI Bank at any point. ICICI Bank is also entitled to terminate the agreement if both the following conditions are met (i) ICICI Bank ceases to hold, whether directly, indirectly or beneficially, equity share capital in our Company at any time, representing 50% of our Company’s total equity share capital on a fully diluted basis; and (ii) ICICI Bank notifies our Company of its intention to terminate the agreement as per the above mentioned terms. Further, ICICI Bank may elect not to terminate the agreement upon fulfillment of condition (i) above subject to mutually agreed terms.

Pursuant to the Prudential Trademark License Agreement, PIP Services Limited has agreed to grant a non-exclusive, royalty free, perpetual license and right to use the core trademarks of PIP Services Limited, including (i) the words “Prudential”, “Pru”, “Prudence”, “PCA”, any translation or transliteration of the same, (ii) the “Prudence” logo, and (iii) the *Pru Sans* typeface, in relation to the business of our Company. Our Company is also required to comply with the obligations of Prudential Plc under the long standing arrangements that exist between Prudential Plc and Prudential Financial Inc relating to the use of the words “Prudential” and “Pru”. In the event that our Company ceases to be a member of the Prudential group or the joint venture, this agreement shall terminate automatically and with immediate effect. PIP Services Limited is entitled to terminate this agreement any time by giving 90 days’ notice in writing. PIP Services Limited may also terminate the agreement after giving written notice in the event of breach of agreement by our Company or on happening of certain events including, winding-up, liquidation or amalgamation of our Company.

## REGULATIONS AND POLICIES

*The following description is an indicative summary of certain sector specific key laws and regulations in India, which are applicable to our Company and our Subsidiary. The information detailed in this section has been obtained from publications available in the public domain. The regulations, as amended, set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed as nor intended to be a substitute for professional legal advice.*

### **The Insurance Act and the IRDA Act**

The Insurance Act along with the various regulations, guidelines and circulars issued by IRDAI, govern, amongst other matters, registration of the insurers, opening of new places of business, accounts and balance sheet, audit of financial statements, actuarial report and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins, restriction on dividends, limits on expenses of management. The IRDA Act has established the IRDAI to regulate, promote and ensure orderly growth of the insurance sector in India and to protect the interests of policyholders.

Insurers are required to be registered with the IRDAI under the Insurance Act in order to carry out any class of insurance business, including life insurance in India. The Insurance Act stipulates among other things certain requirements in relation to the capital structure for insurers including in relation to minimum paid-up equity capital and equal voting rights. Insurers are required to maintain records of policies, including the details of policyholder, nominations of claims, including the details of discharge or rejection of claim and a register of insurance agents. Under the Insurance Act, an insurer is required to be “Indian owned and controlled”.

As regards, investments of assets, the Insurance Act mandates insurers to keep invested assets in a prescribed manner in Government securities and other approved investments. Further, the Government securities and certain other approved securities in which assets are to be invested are required to be held by the insurers free of any encumbrance, charge, hypothecation or lien. Certain restrictions on investments of assets and controlled fund have also been prescribed, including investment in shares or debentures of a private limited company. IRDAI has issued the Insurance Regulatory and Development Authority (Investment) Regulations, 2000. For further details, see page “Regulations and Policies - Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“Investment Regulations”)” on page 164.

Any appointment, re-appointment or termination of appointment or amendment of the terms of remuneration, appointment, re-appointment or termination of appointment, of a managing or whole-time director, executive directors, manager or chief executive officer of an insurance company requires the prior approval of the IRDAI.

IRDAI has specified norms for issuance of capital according to which insurers are required to obtain prior approval of the IRDAI for issuance of capital by way of public issue or any subsequent issue of equity shares. As regards transfer of equity shares, insurers are required to obtain prior approval of the IRDAI in the event (i) the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, or (ii) the nominal value of equity shares intended to be transferred by any individual, firm, group, constituents of a group or body corporate under the same management, jointly or severally, exceeds 1% of the paid up capital of the insurance company. These have also been prescribed under the Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015. In the event there are one or more investors (excluding foreign investors) in an insurance company, an investor can hold shares not exceeding 10% of the paid up equity share capital of such an insurance company. Further, all such investors excluding foreign investors jointly are permitted to hold a maximum of 25% of the paid up equity share capital of such an insurance company. The IRDAI has prescribed relevant regulations in this regard.

### **The Insurance Law (Amendment) Act, 2015 (the “Amendment”)**

The Amendment has introduced several changes in the scheme of the Insurance Act, amongst other things, in relation to ownership and control, capital, enhancement of enforcement powers of the IRDAI and the responsibilities of agents and intermediaries.

As regards foreign investors, the cap on aggregate holding of equity shares by foreign investors, including portfolio investors, has been raised to 49% of paid up capital from the erstwhile 26% and insurance companies are required to be Indian owned and controlled. Control includes the right to appoint majority of directors or control the management or policy decisions by the virtue of their shareholding or management rights or shareholders agreements or voting agreements. Therefore, both the ownership and control are required to remain in Indian hands. Further, the Amendment has permitted insurers to raise capital through instruments other than equity. In this regard, IRDAI has issued regulations which permit insurers to raise capital by way of preference shares and subordinate debt instruments after obtaining prior approval from the IRDAI. The Amendment empowers the insurance companies to appoint agents subject to fulfilment of the criteria stipulated by IRDAI. The Amendment has further given powers to IRDAI to regulate the commission payable to the agents and intermediaries through regulations.



The Amendment has extended the powers of the IRDAI for regulating various day to day operations and activities of insurance companies by issuing regulations for the same. Further, the IRDAI has issued regulations and guidelines on registration and licensing of insurance companies, investments, solvency margin requirements, insurance agents and intermediaries, corporate governance requirements, transfer of shares, opening, closure and relocation of branches, expenses of management, advertising, accounting procedure and reporting formats, granting of loans and advances, limit on expenses, maintenance of records.

The Amendment has fixed the period during which a policy can be called into question on any ground, including misstatement of facts etc., to the expiry of three years from the later of the date of commencement of risk, the date of the policy, the date of revival of policy or the date of the rider to the policy; and no policy can be challenged after the stipulated time. Further, the Amendment has simplified the process for payment to nominee of policyholder. The Amendment has vested the policyholder with a power to assign an insurance policy, wholly or in part, provided that such assignment is bonafide, not contrary to public interest and not for the purpose of trading of the insurance policy.

The Amendment has removed various redundant clauses in the Insurance Act including the sections relating to acceptance of deposits by insurance companies, appointment of chief agent and principal agent, divesting excess shareholding above 26% by promoters etc. The Amendment has specified enhanced penalties for insurers for contravention of any of the provisions of the Insurance Act ranging from ₹ 0.1 million for each day during which contravention continues, ₹ 10 million to ₹ 250 million for different kinds of violations. A person who carries on the business of insurance without obtaining a certificate of registration may additionally be punishable with imprisonment extending to 10 years.

### ***Certain regulations prescribed by the IRDAI***

#### **Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 (“Registration Regulations”)**

The Registration Regulations prescribe the procedure for obtaining registration of prospective insurers, renewal, suspension and cancellation of registrations. Further, the insurer is required to pay an annual fee to the IRDAI as prescribed under the regulations.

#### **Insurance Regulatory and Development Authority (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016**

These regulations prescribe the procedures to be followed by insurers for determining the value of assets, liabilities and solvency margin of insurers. Further, these regulations require insurers to prepare a statement of valuation of assets, determine amount of liabilities and solvency margin of insurers in the formats prescribed under the regulations on an annual basis. An insurer is required to maintain its available solvency margin at a level which is not less than the higher of (i) 50% of the amount of minimum capital as prescribed under the Insurance Act; and (ii) 100% of the required solvency margin. An insurer is required to maintain a control solvency margin as stipulated by the IRDAI, which currently is a solvency ratio of 150%. In this regard, the Insurance Act prescribes that if at any time the insurer is not able to maintain the required control level of solvency margin, the IRDAI may require such insurer to submit a financial plan indicating a plan of action to correct the deficiency within a specified period not exceeding six months.

#### **Insurance Regulatory and Development Authority (Protection of Policyholders’ Interests) Regulations, 2002 (“Protection of Policyholders’ Interest Regulations”)**

The Protection of Policyholders’ Interest Regulations prescribes the specifications with respect to various aspects including insurance product solicitation, grievance redressal, servicing requests and claim settlement, in order to protect the interests of policyholder. It mandates insurers to maintain proper documents or records, including in respect of proposal forms for granting insurance cover. Additionally, insurers are required to have in place adequate procedures and effective mechanism to address complaints and grievances of policyholders. The Protection of Policyholders’ Interest Regulations also prescribe the matters to be stated in insurance policies, including the terms and conditions of the policy, details of premium payable, provisions for nomination, assignment and loans and the benefits payable under the policy. In addition, these regulations also stipulate the procedure for submission of claims by claimants and payment of interest by insurers in the event of delay in settlement of such claims.

#### **Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2000 (“Appointed Actuary Regulations”) and Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 (the “Actuarial Report Regulations”)**

The Insurance Act prescribes the requirement of an annual investigation by an actuary of the financial condition of the life insurance business, including valuation of liabilities and preparation of an actuarial report thereon. The Appointed Actuary Regulations state that a life insurer shall not carry on business of insurance without an appointed actuary and require that the insurers appoint a person fulfilling the eligibility requirements, to act as an appointed actuary, after seeking the approval of the IRDAI in this regard. The appointed actuary is required to render actuarial advice to the management of the insurer in

relation to product designing and pricing, insurance contract wording, investments and reinsurance. The appointed actuary shall ensure solvency of the insurer and comply with requirements in regard to the certification of the valuation of assets and liabilities and maintenance of solvency margin in the manner prescribed and shall draw the management's attention to any action required to be taken to avoid any contraventions of the Insurance Act or prejudice to the interests of policyholders. In relation to life insurance business, an appointed actuary is also required to *inter alia* certify the actuarial report, abstract and other returns required under the Insurance Act, ensure compliance with the provisions with respect to bases of premium and ensure that the premium rates of the insurance products are fair, ensure compliance with respect to recommendation of bonus or interim bonus payable by life insurers to policyholders whose policies mature for payment by reason of death or otherwise during the inter-valuation period and ensure that the policyholders' reasonable expectations have been considered.

The Actuarial Report Regulations stipulate procedures for preparation of actuarial reports and abstracts. The Actuarial Report Regulations also provide for details of valuation methods and parameters to be included in the actuarial reports and abstracts.

#### **Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“Investment Regulations”)**

These regulations have segregated a life insurer's total investment assets into three categories i.e. funds of life insurance business, including one year renewable pure group term assurance business and non-unit reserves of all categories of unit-linked life insurance business, funds of pension, annuity and group business and funds of unit reserves portions of the unit linked business. The manner and limits up to which amounts can be invested out of these funds has also been defined under these regulations. Maximum exposure limits for a single 'investee' company, group of the investee companies and for the industry sector to which the investee company belongs to have been defined. Additionally, limits at various asset classes and exposure to credit instruments including limits based on credit ratings have also been prescribed. The regulations however, prohibit replacement of appropriate risk analysis and management on the part of the insurer *in lieu* of credit ratings as applicable. Insurers are also required to implement investment risk management systems and processes which are certified by a chartered accountant's firm and which shall be subject to audit at least once at the beginning of every two financial years. The Investment Regulations also stipulates certain investment management mechanism, including constitution of an investment committee, formulating an investment policy, risk management and audit and reporting to the board/ board committees. Further, the net asset value as declared by the insurer shall be subject to a daily concurrent audit. The insurer is also required to have in place a model code of conduct, approved by the board of directors, to prevent insider/personal trading by officers involved in various levels of investment operations in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

#### **Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural or Social Sectors) Regulations, 2015**

These regulations require insurers, including life insurers, to provide a prescribed percentage of insurance policies and cover certain number of lives during respective financial years as stipulated under the regulations, to the rural and social sector.

#### **Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000 and Master Circular on Advertisements, 2015**

These regulations prescribes certain compliances and controls in relation to insurance advertisements issued by insurers, intermediaries or insurance agents, which are required to establish and maintain a system of control over the content, form and method of dissemination of all advertisements relating to its insurance policies. Such advertisements are required to be filed with the IRDAI within seven days after its release. Insurers are required to ensure that advertisements are not unfair or misleading in as much as, it should clearly identify the product of insurance, describe benefits as detailed in the provisions of the policy and indicate the risks involved in the policy. Additionally, IRDAI has issued a master circular dated August 13, 2015 in this regard prescribing the do's and don'ts which are to be adhered to by insurers and insurance intermediaries while publishing advertisements. Further, every insurer, intermediary or insurance agent is required to maintain an advertising register and specimens of all advertisements for a minimum period of three years.

#### **Insurance Regulatory and Development Authority (Life insurance-reinsurance) Regulations, 2013 and Insurance Regulatory Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015**

In terms of the Insurance Act, insurers are required to reinsure with Indian reinsurers such percentage of sum assured on each policy, as notified by IRDAI from time to time, however, such percentage should not exceed 30% of the sum assured on such policy. Every life insurer is required to prepare a programme of reinsurance in respect of lives covered, and a profile of such programme, certified by the appointed actuary and approved by the board of directors, which is required to be filed annually with the IRDAI. Life insurers are required to ensure that reinsurance arrangements in respect of catastrophe risks are adequate and approved by the board of directors, using various realistic disaster scenario testing, before filing the reinsurance arrangements along with the reinsurance programme, while explaining the measures taken to mitigate the credit and concentration risk of the reinsurance arrangements, if any, with the IRDAI. The Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 specify the eligibility criteria for registration including obtaining approval from their home country regulator,

registration in a national regulatory environment and with whom the Government of India has a signed double taxation avoidance agreement, minimum net owned fund, minimum credit rating, solvency margin, minimum assigned capital etc. as prescribed by IRDAI.

Additionally, a life insurer is not permitted to make any treaty arrangements with its promoter company or the associate or group company, except on terms, which are commercially competitive in the market and with the prior approval of the IRDAI.

### **Insurance Regulatory and Development Authority (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013**

These regulations prescribe procedure for implementation of a scheme of amalgamation and transfer by life insurers, which includes filing an application with the IRDAI and obtaining approval of the IRDAI. The IRDAI prior to granting final approval of amalgamation and transfer may cause an independent actuarial valuation of insurance business of the transacting parties to be conducted.

### **Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002**

These regulations prescribe accounting principles and other financial disclosures to be adhered to while preparing financial statements. Additionally, these should also be prepared in conformity with the accounting standards issued by the ICAI, to the extent applicable, except for accounting standard 3 for cash flow statements which shall be prepared only under the direct method of accounting and accounting standard 17 for segment reporting which shall be applicable to all insurers irrespective of the requirements regarding listing and turnover specified in such accounting standard. Preparation of financial statements, management report and auditor's report are required to be prepared in accordance with the formats as prescribed under these regulations, which includes balance sheet, revenue account, profit and loss account and receipts and payments account of an insurer.

#### ***Certain regulations prescribed by the IRDAI for agents and intermediaries***

In order to regulate agents and intermediaries, the IRDAI has notified certain regulations in relation to individual agents, corporate agents, brokers, web aggregators, insurance marketing firms etc. Individual agents are appointed by insurers as per the Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations 2016. Under these regulations, an agent is permitted to act as an agent for one life, general, health and mono-line insurer each. Corporate agents are granted a certificate of registration by IRDAI in accordance with the Insurance Regulatory and Development Authority (Registration of Corporate Agents) Regulations, 2015. A corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and three health insurers and is required to have a Board Policy on the same. They have to adhere to a code of conduct on soliciting and servicing of insurance policies as prescribed by the regulations. There are such similar regulations for other insurance intermediaries. The Insurance Regulatory and Development Authority (Linked Life Insurance Products) Regulations 2013 and the Insurance Regulatory and Development Authority (Non-Linked Insurance Products) Regulations 2013 also prescribe product-wise restrictions on the commission payable to insurance agents and insurance intermediaries. The IRDAI has released the draft Insurance Regulatory and Development Authority (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations 2016, which propose a revised payment structure for insurance agents and insurance intermediaries and clarifies that commission and remuneration paid to insurance agents and insurance intermediaries will continue to be regulated and subject to the limits specified by the IRDAI.

#### ***Certain guidelines prescribed by the IRDAI***

The IRDAI periodically issues guidelines pertaining to insurers, including life insurers. IRDAI has recently issued Corporate Governance Guidelines on May 18, 2016 which are applicable from the Fiscal 2017 and which encompass the corporate governance requirements stipulated under the Companies Act. These guidelines stipulate the governance structure in insurance companies, including board of directors, key management personnel, constitution of various committees such as investment committee, policyholder protection committee, role of appointed actuaries, appointment of auditors, relationship with stakeholders, whistle blower policy and certain disclosure requirements in relation to financial statements, including quantitative and qualitative information on financial and operating ratios, actual solvency margin *vis-a-vis* required margin, description of risk management architecture, payments made to group entities from the policyholders funds and pecuniary relationships with the non-executive directors.

On September 28, 2015, the IRDAI issued revised guidelines pertaining to anti-money laundering and counter-financing of terrorism in relation to the life insurance sector. Life insurers are mandated to comply with “*Know Your Customer*” norms by obtaining requisite documents from the customers to establish the customer identity and also formulating effective procedures for proper identification of new customers in all retail business contracts and on juridical persons. The guidelines require insurers to adopt enhanced due diligence processes including adopting simplified measures in case of low risk customers and enhanced measures in case of high risk customers. In order to comply with the requirements specified by the Unlawful

Activities (Prevention) Act, 1967, the insurers are required to screen their existing as well as prospective customers against the sanctions/negative lists published by the Ministry of Home Affairs and United Nations Security Council, in order to ensure that the insurers do not enter into a contract with customer whose identity matches with any person in the UN Sanctions List or with banned entities and those reported to have links with terrorists or terrorist organisations. The insurers are also required to monitor and report suspicious transactions to Financial Intelligence Unit-India.

In addition, on October 19, 2015, the IRDAI issued guidelines on Indian owned and controlled, which *inter alia* prescribes that majority of directors excluding independent directors should be nominated by Indian promoters or Indian investors. Further key management personnel should be nominated by the board of directors or by the Indian promoters or Indian investors. Further, the guidelines also prescribe quorum requirements, requiring presence of majority of the Indian directors irrespective of presence of nominees of foreign investors.

Additionally, IRDAI has prescribed various norms and regulations regarding insurance products. All insurance products require prior approval from IRDAI before they are launched as per the file and use Guidelines. It is mandatory for insurers to adhere to the file and use conditions as prescribed for the respective products.

Insurance products are broadly regulated by the Insurance Regulatory and Development Authority (Linked Insurance Products) Regulations, 2013 (“**Linked Products Regulations**”) and the Insurance Regulatory and Development Authority (Non-Linked Products) Regulations, 2013 (“**Non-Linked Products Regulations**”). The Linked Products Regulations provide that linked insurance products are required to be offered through products that are non-participating in nature. The Linked Products Regulations require the minimum death benefit of life insurance products and individual pension products and the minimum death or health related benefits under health insurance products to not be less than 105% of all premiums paid till date of death. The Non-Linked Products Regulations provide for non-linked insurance products to be offered through products that are participating and non-participating in nature. The Non-Linked Products Regulations provide broad specifications for the benefits payable on death, benefits offered under health cover, general administration of additional benefits, requirements relate to guidelines on policy term, premium and commission. In addition, insurance products offered by an insurer on a group platform are also governed by the Linked Products Regulations and Non-Linked Products Regulations. These regulations define groups for the purpose of insurance, segregate them on the basis of relationship between Master Policyholder and members as formal and informal groups and specify the products that may be offered to such groups. In addition, the IRDAI has also issued guidelines introducing cap on charges levied on customers investing in unit-linked insurance products. The regulations further prescribe the requirements on revival of a policy upon its discontinuance, the revival period and the obligations of an insurer upon revival. Further, the IRDAI issued guidelines on non-linked life insurance products included limits on the commission rates payable by insurance companies, introduction of minimum guaranteed surrender value and minimum death benefits.

As regards unclaimed funds, IRDAI through a circular dated July 24, 2015 has specified that an insurer shall maintain a single segregated fund to manage all unclaimed funds while, ensuring that the sum of such funds shall be invested in money market instruments and/or fixed deposits of nationalised scheduled banks. The said circular further specified that all insurers shall credit the investment income accruing on the unclaimed amount to the respective unclaimed account. This income shall be credited from October 1, 2015 wherein for the Fiscal 2016, the proportionate investment income at the interest rate per annum applicable to saving bank account of State Bank of India shall be credited to the fund and from the Fiscal 2017 onwards, the investment income earned shall be allocated to the unclaimed amount fund.

The IRDAI on June 15, 2016 has issued draft Guidelines for Listed Indian Insurance Companies, 2016. These draft guidelines are proposed to be applicable to the listed insurers and the insurers who are in the process of getting their shares listed on the stock exchanges in relation to the transfer or proposed transfer of shares. The draft guidelines, *inter alia*, propose self-certification of fit and proper criteria by a person intending to acquire equity shares of an insurer amounting to 1% or more, upto 5%, of the paid up equity share capital of the insurer, which shall be considered as a deemed approval of the IRDAI. However, if the person proposing to acquire equity shares is likely to result in the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, increasing to 5% or more of the paid up equity share capital of the insurer or 5% or more of the total voting rights of the insurer, such acquisition would require prior approval of the IRDAI.

Further, an existing shareholder who has previously obtained IRDAI permission as a major shareholder of the insurer may acquire up to 10% of equity shares or voting rights of the concerned insurer without prior approval of IRDAI, subject to, *inter alia*, furnishing details of the source of funds for such incremental acquisition to the insurer. However, if the shareholding of the major shareholder along with persons acting in concert results in the aggregate holding to exceed or likely to exceed 10% of the paid up equity share capital or the total voting rights of the insurer, then such an acquisition would require prior fresh approval of the IRDAI. In addition to the above, the draft guidelines also prescribe continuous monitoring obligations by insurers in case of major shareholders.

### **Redressal of Public Grievances Rules, 1998 (the “Grievance Redressal Rules”)**

The Ombudsmen are appointed under the Grievance Redressal Rules to resolve complaints relating to settlement of claims on the part of insurers in a cost-effective, efficient and timely manner. The Ombudsmen are also empowered to receive and consider any partial or total repudiation of claims by insurers, disputes in relation to the premium paid, premium payable,

terms of the policy and claims filed by customers, delay in settlement of claims and the non-issue of any insurance document to customers after receipt of premium.

The Grievance Redressal Rules prescribe the manner in which a complaint can be made against an insurer. No complaints shall be made to the Ombudsman unless (i) the complainant had (before making a complaint to the Ombudsman) made a written representation to the concerned insurer and the insurer had rejected the complaint or the complainant had not received any reply within a period of one month after the insurer received the representation or the complainant is not satisfied with the reply provided by the insurer; (ii) the complaint is made not later than one year after the insurer had rejected the representation or sent his final reply on the representation of the complainant and (iii) the complaint is not on the same subject matter, for which any proceedings before any court, or Consumer Forum, or arbitrator is pending or were so earlier. Insurers are required to comply with the recommendations of the Ombudsman in relation to a complaint within a period of 15 days of the receipt of such recommendations and intimate the Ombudsman its compliance. In the event a complaint is not settled by such recommendations, the Ombudsman shall pass an award and insurers are required to comply with the award within 15 days of the receipt of the acceptance letter by the complainant and intimate its compliance to the Ombudsman.

### ***Laws governing our Subsidiary***

#### **The Pension Fund Regulatory and Development Authority Act, 2013**

Our Subsidiary is a registered pension fund manager for managing the funds collected from private sector subscribers, under the National Pension System (“NPS”). Our Subsidiary began its operations after it was appointed by the Pension Fund Regulatory and Development Authority (“PFRDA”) as a pension fund manager. The PFRDA was established under the Pension Fund Regulatory and Development Authority Act, 2013 to regulate and develop pension funds, protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.

#### **Other Regulations**

In addition to the above, our Company and its subsidiary are required to comply with the provisions of the Companies Act, FEMA, labour laws, various tax related legislations, various other IRDAI related regulations notifications and guidelines, and other applicable statutes and policies along with the rules formulated thereunder for its day-to-day operation.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated at Mumbai on July 20, 2000 as ICICI Prudential Life Insurance Company Limited, a public limited company under the Companies Act, 1956. Our Company obtained the certificate of commencement of business on October 16, 2000. Our Company is registered with IRDAI for carrying out the business of life insurance pursuant to the registration certificate dated November 24, 2000. For information of our Company's profile, activities, services, products, market, growth, technology, managerial competence, capacity built-up, standing with reference to prominent competitors and major customers, see "Our Management", "Our Business" and "Industry Overview" beginning on pages 173, 133 and 119, respectively.

As on the date of this Draft Red Herring Prospectus, our Company has 874 members.

### Changes in Registered Office

Except as disclosed below, there has been no change in the Registered Office of our Company since the date of its incorporation.

Date of change	Details of change in the address of the Registered Office	Reasons for change in the address of the Registered Office
May 21, 2001	Change of registered office from ICICI Towers, Bandra-Kurla Complex, Mumbai – 400 051 to ICICI PruLife Insurance Company Limited, ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	To ensure greater operational efficiency.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

- To carry on the business of life assurance and insurance in all its branches, and in particular to grant or effect assurances or insurance of all kinds for payment of money by way of a single payment, or by several payments or otherwise, upon the happening of all or any of the following events, namely, the death, or marriage, or birth, or survivorship, or failure of issue of or the attainment of a given age by any person or persons, or the expiration of any fixed or ascertainable period, or upon the happening of any other contingency or event dependent upon or connected with human life or upon or connected with the occurrence of any contingency or event which would or might be taken to affect the interest, whether in possession, vested, contingent, expectant, prospective or otherwise, of any person or persons in any property, subject or not to any such events as aforesaid happening in the lifetime of any other person or persons or upon the loss or recovery of contractual or testamentary capacity in any person or persons;*
- To grant annuities of all kinds, whether dependent on human life or otherwise, and whether perpetual or terminable, and whether immediate or deferred, and whether contingent or otherwise;*
- To contract with leaseholders, borrowers, lenders, annuitants and others for the establishment, accumulation, provision, and payment of sinking funds, redemption funds, depreciation funds, renewal funds, endowment funds, and any other special funds, and that either in consideration of a lump sum, or of an annual premium, or otherwise, and generally on such terms and conditions as may be arranged;*
- To carry on the business of effecting contracts of insurance upon human life, including any contract whereby the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life and any contract which is subject to payment of premiums for a term dependent on human life and including the granting of disability and double or triple indemnity accident benefits, if so provided in the contract; the granting of annuities upon human life; the granting of superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment or of dependents of such persons;*
- To carry on the business of sickness and accident insurance in all its branches whether within the categories of business set out in the preceding sub-clauses hereof or not;*
- To purchase and deal in and lend on the security of life reversionary and other interests whether absolute contingent or expectant and whether terminable or not in property of all kinds including annuities and policies of assurance and to acquire lend money or redeem cancel or extinguish by purchase surrender or otherwise any policy security grant or contract issued or assumed by or taken for or entered into by or transferred to the Company;*

7. *To reassure or counter-assure all or any risks, and to undertake all kinds of reinsurance and counter-assurance connected with any of the business aforesaid;*
8. *To carry on all forms of insurance business and indemnity and guarantee business, including the guarantee of the fidelity of persons in situations of trust, whether within the categories of business set out in the preceding sub-clauses hereof or not; and*
9. *To carry out all or any of the objects of the Company and do all or any of the above things in any part of the world and either as principal, agent, contractor, or trustee, or otherwise, and by or through trustees or agents or otherwise, and either alone.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

#### **Amendments to our Memorandum of Association**

<b>Date of Shareholder's resolution / effective date</b>	<b>Particulars</b>
September 11, 2000	The authorised share capital of our Company was increased from ₹ 500,000 comprising 50,000 Equity Shares to ₹ 1,500,000,000 comprising 150,000,000 Equity Shares.
December 26, 2001	The authorised share capital of our Company was increased from ₹ 1,500,000,000 comprising 150,000,000 Equity Shares to ₹ 2,300,000,000 comprising 230,000,000 Equity Shares.
September 2, 2002	The authorised share capital of our Company was increased from ₹ 2,300,000,000 comprising 230,000,000 Equity Shares to ₹ 6,000,000,000 comprising 600,000,000 Equity Shares.
May 29, 2003	The authorised share capital of our Company was increased from ₹ 6,000,000,000 comprising 600,000,000 Equity Shares to ₹ 12,000,000,000 comprising 1,200,000,000 Equity Shares.
April 26, 2006	The authorised share capital of our Company was increased from ₹ 12,000,000,000 comprising 1,200,000,000 Equity Shares to ₹ 15,000,000,000 comprising 1,500,000,000 Equity Shares.

#### **Major events and milestones of our Company**

<b>Fiscal</b>	<b>Particulars</b>
2001	Our Company started operations
2002	Crossed the mark of 100,000 policies
2005	Crossed the mark of 1 million policies
2008	Crossed the mark of 5 million policies
2008	Crossed receipt of ₹ 100 billion of total premium Crossed ₹ 250 billion of assets under management
2010	Established Subsidiary for the purposes of undertaking pension funds related business
2010	Our Company turned profitable - registered profit of ₹ 2.58 billion Crossed ₹ 500 billion of assets under management
2012	Started paying dividends
2015	Crossed ₹ 1 trillion of assets under management

#### **Awards and Accreditations**

<b>Calendar year</b>	<b>Award/Certification/Recognition</b>
2016	ICICI Pru iProtect Smart product voted 'Product of the Year 2016' in the life insurance category by consumers nationwide by Product of the Year (India) Private Limited.
2015	Recognised as Model Insurer (Digital) by Celent Model Insurer
2015	Our Company ranked as one of the best brands in BFSI sector as per "BrandZ top 50 most valuable Indian brands 2015", a study conducted by Millward Brown and published by WPP.
2014	Our Company was conferred the QualTech prize for "Innovation" at the Qimpro Awards. Our Company ranked as one of the best brands in BFSI sector as per the "Brandz top 50 most valuable Indian brands 2014", a study conducted by Millward Brown and published by WPP.
2013	Our Company received the Silver Effie award in the financial services category for the brand campaign "Aache Bandeh".
2012	Our Company was pronounced winner in the second Excellence Awards and Recognition for shared

Calendar year	Award/Certification/Recognition
	services in the insurance domain category.
2011	Our Company was awarded “The Best Leading Private Player Life Insurance” at the CNBC TV18 Best Bank and Financial Institutions Award.
	Our Company was conferred the ‘Insurance Company of the Year Award 2011’ and “Company of the Year Award 2011 Life Insurance” at The Indian Insurance Awards instituted by the reputed insurance journal of India Insurance Review, in association with Celent, a research and consulting firm.

## Key shareholders’ agreement

### *Existing Joint Venture Agreement and New Joint Venture Agreement*

Our Company was incorporated on July 20, 2000, as a public limited company under the Companies Act, 1956 pursuant to a memorandum of understanding dated April 21, 1997 (“**MoU**”) between The Industrial Credit and Investment Corporation of India Limited (since amalgamated with ICICI Bank and hereinafter, “**ICICI Bank**”) and Prudential Corporation Plc (now known as Prudential Plc). In terms of the MoU, ICICI Bank and Prudential Plc agreed to participate in the capital of a joint venture company to be engaged in the business of life insurance, subject to receipt of necessary regulatory approvals. Each of ICICI Bank and Prudential Plc agreed to hold, directly or through their affiliates, Equity Shares of our Company in the ratio of 51% and 49%, respectively. Further, each of ICICI Bank and Prudential Plc were permitted to assign their rights and obligations thereunder to their respective affiliates. The ratio of the respective shareholding of ICICI Bank and Prudential Plc was subsequently modified to 74% and 26%, through a letter agreement dated March 3, 2000 (“**First Amendment Agreement**”) between ICICI Bank and Prudential Corporation Asia Limited, an affiliate of Prudential Plc. The MoU was further amended pursuant to letter agreements dated May 25, 2005 (“**Second Amendment Agreement**”) and June 25, 2010 (“**Third Amendment Agreement**”). The MoU as amended by the First Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement is referred to as the “**JV Agreement**”). The JV Agreement was amended pursuant to the Fourth Amendment Agreement dated October 29, 2015 (“**Fourth Amendment Agreement**”) between ICICI Bank and PCHL. In terms of the Fourth Amendment Agreement, ICICI Bank and PCHL confirmed that they were the parties to the JV Agreement and any reference to ‘Prudential Corporation Asia Limited’, ‘Prudential Plc’ or ‘Prudential Corporation Plc’ as parties to the JV Agreement would be read as a reference to PCHL.

Subsequently, ICICI Bank and PCHL entered into the Existing Joint Venture Agreement.

The key provisions of the Existing Joint Venture Agreement are summarised below:

*Board of Directors:* In terms of the Existing Joint Venture Agreement, the Board shall comprise at least six and not more than 15 Directors. ICICI Bank and PCHL have the right to nominate Directors in proportion to their shareholding and the number of nominee Directors of ICICI Bank shall at all times be at least one more than the aggregate of the nominee Directors of PCHL and any directors nominated by a foreign shareholder, if any. The quorum for meetings of the Board shall be three, with two nominee Directors of ICICI Bank and one nominee Director of PCHL.

*Shareholder approval matters and fundamental matters:* All decisions of the Board in relation to matters identified as ‘shareholder approval matters’ and ‘fundamental matters’ require approval of at least one nominee Director of each of ICICI Bank and PCHL. Under the Existing Joint Venture Agreement, the shareholder approval matters include altering or authorising additional business activities, amendment to the Memorandum of Association and Articles of Association, any merger involving our Company or any acquisition or disposition of property or assets by our Company, replacement of auditors or change in accounting policy, and the undertaking of or any projects jointly by the Parties with or without the participation of our Company relating to its business. Under the Existing Joint Venture Agreement, fundamental matters include any transaction between our Company and ICICI Bank or PCHL or their respective affiliates on terms that are more favourable to ICICI Bank and PCHL or their respective affiliates that would be obtained on an arms’ length basis, establishment of dividend policy and recommendation of dividend payouts, appointment and removal of actuaries, change in the borrowing limit of Company and approval of the investment strategy adopted by the investment committee or any subsequent change to such strategy.

*Transfer restrictions:* In terms of the Existing Joint Venture Agreement, ICICI Bank and PCHL shall obtain each other’s consent for transfer of shares unless the transfer is permitted by the Existing Joint Venture Agreement. Under the Existing Joint Venture Agreement, the Parties are permitted to transfer Equity Shares only to their respective affiliates provided the affiliates agree to be bound by the Existing Joint Venture Agreement. However, each Party may transfer, up to 5% in the case of PCHL and up to 10% in the case of ICICI Bank, of the issued share capital of our Company, to a person other than its affiliates (“**Transferee**”) subject to the conditions mentioned in the Existing Joint Venture Agreement. In case such a Transferee wishes to transfer any of its Equity Shares (“**Sale Shares**”), prior to an IPO of our Company other than to its affiliate, the Transferee shall deliver a written notice, to ICICI Bank and / or PCHL who had originally transferred its Equity Shares to the Transferee (each as applicable a “**ROFR Shareholder**”), offering the ROFR Shareholder the Sale Shares for purchase. In case the ROFR Shareholder refuses to purchase the Sale Shares, the Transferee may proceed to transferring such Sale Shares to a person other than its affiliate, subject to certain conditions. Anytime after the expiry of seven years from the



date the Equity Shares were first allotted to the Parties, any Party may sell all or any of its Equity Shares to a person other than their respective affiliates who agree to be bound by the Existing Joint Venture Agreement by giving a notice to the other Party with such particulars as specified in the Existing Joint Venture Agreement, subject to giving a right of first refusal to the other Party prior to effecting such a sale.

*Consent rights relating to further capital issues:* ICICI Bank and PCHL have agreed that any issue of shares, convertible instruments, equity-linked securities, and other securities, which have a dilutive effect on the parties' respective shareholding will require the prior written consent of both ICICI Bank and PCHL.

*Post-IPO:* The parties have agreed that post-IPO, the Articles of Association of our Company shall provide that the voting thresholds for all special resolutions shall be more than 80% instead of 75% and any decision or resolution relating to issuance of Equity Shares or securities convertible into Equity Shares shall only be approved by way of a special resolution.

ICICI Bank has agreed that in the event of an IPO, it shall vote in favour of the appointment, re-appointment or replacement of at least one Director to be nominated by PCHL provided that neither PCHL nor any of its affiliates holds more than 10% of the issued share capital of another life insurance company in India and PCHL and/or its affiliates hold 5% or more of the issued share capital of our Company.

Further, ICICI Bank and PCHL have agreed that in order to achieve minimum public shareholding post-IPO, they shall offer for sale to the public such number of Equity Shares proportionate to their respective shareholding provided that neither ICICI Bank nor PCHL shall be required to reduce their holding below 54% and 20% respectively.

The aforementioned understanding is hereinafter referred to as the "Post-IPO Arrangements".

Additionally, ICICI Bank and PCHL have entered into the New Joint Venture Agreement for recording the Post-IPO Arrangements. The New Joint Venture Agreement also clarifies that PCHL's minimum post-IPO shareholding of 20% will be considered on a "fully diluted" basis only. The New Joint Venture Agreement shall become effective from the date on which the Equity Shares are first admitted to trading on the Stock Exchanges pursuant to the IPO. The Existing Joint Venture Agreement will terminate on such date.

*Termination and survival:* In terms of the Existing Joint Venture Agreement, the Existing Joint Venture Agreement shall terminate automatically (a) in case of a breach of the terms of the Existing Joint Venture Agreement and if such breach remains un-remedied for 30 days from the date of receipt of notice from the other Party; (b) in case either ICICI Bank or PCHL (and their Transferees) cease to hold 15% or more of the issued share capital of our Company; or (c) upon an IPO of our Company on a stock exchange, other than the clauses in relation to (i) voting threshold of more than 80% for special resolution of the shareholders', (ii) requirement of special resolution for issuance of equity shares or convertible securities convertible into shares, (iii) ICICI Bank voting in favour of the appointment, re-appointment or replacement of at least one director to be nominated by PCHL subject to fulfillment of certain conditions, and (iv) Parties offering for sale to public such number of Equity Shares proportionate to their respective shareholding to achieve minimum public shareholding requirements post IPO provided that neither ICICI Bank nor PCHL shall be required to reduce their holding below 54% and 20% respectively, which shall continue to have full force and effect. Further, the Post-IPO Arrangements, in relation to the voting threshold for special resolution, the requirement for a special resolution for all issues of equity shares or convertible securities, and the obligation to achieve minimum public shareholding post IPO as recorded in the New Joint Venture Agreement shall terminate automatically if ICICI Bank or PCHL and/or their respective affiliates cease to hold 15% or more of the issued share capital of our Company. The remainder of the New Joint Venture Agreement shall automatically terminate if PCHL and/or its affiliates cease to hold 5% or more of the issued share capital of our Company.

## **Other agreements**

### ***Share purchase agreement dated November 19, 2015 among ICICI Bank, Compassvale Investments Pte. Ltd. and our Company ("Compassvale SPA")***

Pursuant to the Compassvale SPA, one of our Promoters, ICICI Bank, sold 2% of the share capital of our Company as on the date of execution of the Compassvale SPA, to Compassvale Investments Pte. Ltd., a company incorporated under the laws of Mauritius.

### ***Share purchase agreement dated November 27, 2015 among ICICI Bank, M/s Hasham Traders and our Company ("Hasham SPA")***

Pursuant to the Hasham Traders SPA, one of our Promoters, ICICI Bank, sold 4% of the share capital of our Company as on the date of execution of the Hasham SPA, to M/s Hasham Traders, a registered partnership firm constituted under the laws of India.

## **Capital raising activities through equity or debt**

For details regarding our capital raising activities through equity or debt, see "Capital Structure" and "Financial Statements"

beginning on pages 90 and 213.

### **Injunctions or restraining order against our Company**

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

### **Guarantees provided by our Promoters**

Except as disclosed below, our Promoters have not given any guarantees to third parties that are outstanding as of the date of this Draft Red Herring Prospectus:

Under the terms of PCHL's arrangements with the Prudential group's main U.K. banker, the bank has a right of set-off between credit balances and all overdrawn balances of those group undertakings with similar arrangements.

### **Financial and Strategic Partners**

Our Company does not have any financial or strategic partners.

### **Our Holding Company**

ICICI Bank is our holding company. For details of our holding company, see "Our Promoters and Promoter Group" beginning on page 193.

### **Our Subsidiary**

ICICI Prudential Pension Funds is a subsidiary of our Company. ICICI Prudential Pension Funds was incorporated on April 22, 2009 at Mumbai under the Companies Act, 1956. It acts as a pension funds manager which deals in the management of the pension funds of non-government employees under the national pension system. We have made an application to the PFRDA for registration of our Subsidiary on August 12, 2015, which is yet to be approved by the PFRDA. On June 24, 2016, we received an extension for our Subsidiary's appointment as a fund manager under the national pension system for a transitory period, in accordance with regulation 3(5) of the Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015, until the completion of the fresh selection process to be initiated under the aforementioned regulations. For further details, see Risk Factor "Risk Factors - We are yet to receive or renew certain approvals or licenses required in the ordinary course of business, and the failure to obtain them in a timely manner or at all may adversely affect our operations." on page 44.

### **Capital Structure:**

	<b>Number of equity shares of face value ` 10 each</b>
Authorised Capital	35,000,000
Issued, subscribed and paid-up capital	27,000,000

### **Shareholding pattern:**

The following table sets forth details of the shareholding pattern of ICICI Prudential Pension Funds:

<b>Serial Number</b>	<b>Name of the shareholder</b>	<b>Number of equity shares of face value ` 10 each</b>	<b>Percentage of total equity holding (%)</b>
1.	ICICI Prudential Life Insurance Company Limited	27,000,000 <sup>(1)</sup>	100.00

(1) This includes six Equity Shares issued to six nominees of our Company at the time of subscription to the memorandum of association of our Subsidiary.

There are no accumulated profits or losses of ICICI Prudential Pension Funds not accounted for by our Company for the Fiscal 2016.

ICICI Prudential Pension Funds is not listed on any stock exchange in India or abroad.

### **Business Interest of our Subsidiary**

We have entered into certain business contracts with our Subsidiary. For details, see "Our Business" from page 133 and "Related Party Transactions" from page 210.

Other than as stated above, our Subsidiary does not have any business interest in our Company.

## OUR MANAGEMENT

In terms of our Articles of Association, our Company is required to have not less than six and not more than 15 directors. Our Board currently comprises 12 Directors.

The following table sets forth details of our Board:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p><b>Chanda D. Kochhar</b></p> <p><i>Designation:</i> Chairperson (Nominee Director of ICICI Bank)</p> <p><i>Address:</i> CCI Chambers, Flat number 45, Dinshaw Vachha Road, Churchgate, Mumbai 400 020</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Not liable to retire by rotation</p> <p><i>DIN:</i> 00043617</p>	54	<ul style="list-style-type: none"> <li>• ICICI Bank;</li> <li>• Catalyst;</li> <li>• ICICI Bank Canada;</li> <li>• ICICI Bank UK PLC;</li> <li>• ICICI Lombard General Insurance Company Limited;</li> <li>• ICICI Prudential Asset Management Company Limited; and</li> <li>• I-Sec.</li> </ul>
<p><b>N. S. Kannan</b></p> <p><i>Designation:</i> Nominee Director of ICICI Bank</p> <p><i>Address:</i> Flat number 204, Tower B, Kalpataru Horizon, S. K. Ahire Marg, Worli, Mumbai 400 018</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00066009</p>	51	<ul style="list-style-type: none"> <li>• ICICI Bank;</li> <li>• ICICI Bank Canada;</li> <li>• ICICI Bank UK PLC;</li> <li>• ICICI Lombard General Insurance Company Limited;</li> <li>• ICICI Prudential Asset Management Company Limited; and</li> <li>• ICICI Securities Primary Dealership Limited.</li> </ul>
<p><b>Adrian O'Connor</b></p> <p><i>Designation:</i> Nominee Director of PCHL</p> <p><i>Address:</i> House 29, Le Palais, 8 Pak Pat Shan Road, Tai Tam, Hong Kong</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Irish</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02417554</p>	57	<ul style="list-style-type: none"> <li>• Prudential Corporation Asia Limited; and</li> <li>• Prudential Vietnam Finance Company Limited.</li> </ul>
<p><b>Marti G. Subrahmanyam</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 70, East Tenth Street #18-S, New York, NY 10003, United States of America</p> <p><i>Occupation:</i> Service</p>	69	<ul style="list-style-type: none"> <li>• AION India Investment Advisors Private Limited;</li> <li>• Nomura Asset Management (USA) Inc; and</li> <li>• Vayana Enterprises Private Limited.</li> </ul>

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p><i>Nationality:</i> American</p> <p><i>Term:</i> With effect from January 16, 2015 until July 25, 2017</p> <p><i>DIN:</i> 00306761</p>		
<p><b>Rama Bijapurkar</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 8/CD, Mona Apartments, 46F Bhulabhai Desai Road, Mumbai 400 026</p> <p><i>Occupation:</i> Independent Management Consultant</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> With effect from January 16, 2015 until January 16, 2018</p> <p><i>DIN:</i> 00001835</p>	59	<ul style="list-style-type: none"> <li>• Ambit Corporate Finance Private Limited;</li> <li>• Emami Limited;</li> <li>• Indian Council on Global Relations;</li> <li>• Mahindra &amp; Mahindra Financial Services Limited;</li> <li>• National Payments Corporation of India;</li> <li>• People Research on India's Consumer Economy;</li> <li>• RBL Bank Limited; and</li> <li>• Redington Gulf FZE.</li> </ul>
<p><b>Vinod Kumar Dhall</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Dewan Manohar House, B-88, Sector – 51, Noida 201 301</p> <p><i>Occupation:</i> Professional (Advocate)</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> With effect from January 16, 2015 until March 4, 2019</p> <p><i>DIN:</i> 02591373</p>	72	<ul style="list-style-type: none"> <li>• Advani Hotels &amp; Resorts (India) Limited;</li> <li>• ICICI Prudential Pension Funds Management Company Limited;</li> <li>• ICICI Prudential Trust Limited;</li> <li>• I-Sec;</li> <li>• Orient Cement Limited; and</li> <li>• Schneider Electric Infrastructure Limited.</li> </ul>
<p><b>V. Sridar</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Flat number 303/A, H. P. C. L. Employees CHS, Plot number NDR – 11, Tilak Nagar, Chembur, Mumbai 400 089</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years with effect from January 16, 2015 until January 15, 2020</p> <p><i>DIN:</i> 02241339</p>	68	<ul style="list-style-type: none"> <li>• ICICI Bank;</li> <li>• Aadhar Housing Finance Limited;</li> <li>• Cent Bank Home Finance Limited;</li> <li>• IDFC AMC Trustee Company Limited;</li> <li>• Ponni Sugars (Erode) Limited; and</li> <li>• Seshasayee Paper and Boards Limited.</li> </ul>
<p><b>M.S. Ramachandran</b></p> <p><i>Designation:</i> Additional (Independent) Director</p> <p><i>Address:</i> C-23, Second Floor, Green Park Main, New</p>	71	<ul style="list-style-type: none"> <li>• Ester Industries Limited;</li> <li>• GOCL Corporation Limited;</li> <li>• Gulf Oil Lubricants India Limited;</li> </ul>

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>Delhi 110 016</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years with effect from June 29, 2016 until June 28, 2021<sup>(1)</sup></p> <p><i>DIN:</i> 00943629</p>		<ul style="list-style-type: none"> <li>• Houghton International Inc (USA);</li> <li>• ICICI Bank;</li> <li>• Infrastructure India Plc (Isle of Man);</li> <li>• International Paper APPM Limited; and</li> <li>• Supreme Petrochem Limited.</li> </ul>
<p><b>Dilip Karnik</b></p> <p><i>Designation:</i> Additional (Independent) Director</p> <p><i>Address:</i> Shri Ram, 1102/B-4, Shivajinagar, Pune 411 016</p> <p><i>Occupation:</i> Professional (Advocate)</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of five years with effect from June 29, 2016 until June 28, 2021<sup>(1)</sup></p> <p><i>DIN:</i> 06419513</p>	66	<ul style="list-style-type: none"> <li>• ICICI Securities Primary Dealership Limited.</li> </ul>
<p><b>Sandeep Bakhshi</b></p> <p><i>Designation:</i> Managing Director and Chief Executive Officer</p> <p><i>Address:</i> 8/B, Tanna Residency, opposite Siddhivinayak Temple, Prabhadevi, Mumbai 400 025</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period with effect from August 1, 2015 until May 31, 2018</p> <p><i>DIN:</i> 00109206</p>	56	<ul style="list-style-type: none"> <li>• ICICI Prudential Pension Funds Management Company Limited; and</li> <li>• FINO Pay Tech Limited.</li> </ul>
<p><b>Puneet Nanda</b></p> <p><i>Designation:</i> Executive Director and Chief Marketing Officer</p> <p><i>Address:</i> Flat No. 11, Victoria, Sarojini Road, Santacruz (West), Mumbai 400 054</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02578795</p>	47	<ul style="list-style-type: none"> <li>• ICICI Prudential Pension Funds Management Company Limited.</li> </ul>
<p><b>Sandeep Batra</b></p> <p><i>Designation:</i> Executive Director</p>	50	<ul style="list-style-type: none"> <li>• Cheryl Advisory Private Limited;</li> <li>• ICICI Prudential Pension Funds</li> </ul>

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>Address: 5<sup>th</sup> Floor, Vraj 10<sup>th</sup> Road, JVPD, Mumbai 400 049</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 03620913</p>		<p>Management Company Limited; and</p> <ul style="list-style-type: none"> <li>• ICICI Prudential Trust Limited.</li> </ul>

<sup>(1)</sup> The appointment of these Directors is subject to regularisation in the ensuing annual general meeting of our Shareholders.

### Relationship between our Directors

None of our Directors are related to each other.

### Arrangements or understandings with major shareholders, customers, suppliers or others

Pursuant to the terms of the Existing Joint Venture Agreement, Chanda D. Kochhar, N. S. Kannan and Rajiv Sabharwal were appointed on our Board as nominee directors of ICICI Bank and Tony Wilkey and Adrian O'Connor were appointed on our Board as nominee directors of PCHL. Subsequently, Rajiv Sabharwal and Tony Wilkey have ceased to be Directors. For details, see "History and Other Corporate Matters" and "Our Management - Changes in the Board in the last three years" on page 168 and 180, respectively.

Except as stated above, none of the Directors have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers.

### Brief Biographies of Directors

**Chanda D. Kochhar** is the Chairperson of our Company and the nominee Director of ICICI Bank. She was appointed as a Director with effect from May 28, 2002. She has obtained a bachelors' degree in arts from the University of Mumbai. She has also obtained a masters' degree in management studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. She has received an honorary doctorate of laws from Carleton University, Canada. She has been the managing director and chief executive office of ICICI Bank since 2009. She has experience in the fields of corporate credit, infrastructure financing, e-commerce strategy and retail business. She is the recipient of the Padma Bhushan Award, 2011, the third highest civilian honour awarded by the Government of India. She has been a member of the Prime Minister's Council of Trade and Industry and the Board of Trade and High-Level Committee on Financing Infrastructure.

**N. S. Kannan** is a Nominee Director of ICICI Bank on our Board. He was appointed as a Director with effect from May 1, 2009 and was re-appointed with effect from June 23, 2014. He has obtained a bachelors' degree in mechanical engineering from the National Institute of Technology, Tiruchirappalli and master's degree in business administration from the Indian Institute of Management, Bengaluru. He is also a qualified Chartered Financial Analyst registered with the Institute of Chartered Financial Analysts of India. His responsibilities include finance, treasury, corporate legal, operations, risk management, secretarial, corporate communications, corporate branding and strategic solutions group. He has been with the ICICI Group for over 25 years. He was the Executive Director and Chief Financial Officer of ICICI Bank from May 1, 2009 to October 25, 2013. Since May 1, 2009, he is an Executive Director of ICICI Bank.

**Adrian O'Connor** is a Nominee Director of PCHL on our Board. He was appointed as a Director with effect from July 23, 2008. He has obtained both his Bachelor of Science degree in Experimental Physics and his Masters of Business Administration from University College Dublin. He is a fellow of the Institute of Actuaries and a fellow of the Society of Actuaries.

**Marti G. Subrahmanyam** is an Independent Director of our Company. He was appointed as a Director with effect from July 26, 2007. He has obtained a bachelors' degree in mechanical engineering from the Indian Institute of Technology, Chennai, a post-graduate diploma in business administration from the Indian Institute of Management, Ahmedabad and a doctorate from the Massachusetts Institute of Technology, USA. He is the Charles E. Merrill Professor of Finance, Economics and International Business in the Stern School of Business at New York University and has published various articles and books in the area of corporate finance, capital markets and international finance. He was the Founding Editor of an academic journal specialising in derivative securities and markets entitled Review of Derivatives Research. His research interests include valuation of corporate securities, options and futures markets, asset pricing, market microstructure, and fixed income markets. Books authored by him include Recent Advances in Corporate Finance (Irwin, 1985) and Financial Options: From Theory to

Practice (Dow Jones-Irwin, 1992). He has won several teaching awards including, New York University's Distinguished Teaching Medal in 2003. He has won several teaching awards including, the Distinguished Alumnus Award, 2011 awarded by India Institute of Management, Ahmedabad.

**Rama Bijapurkar** is an Independent Director of our Company. She was appointed as a Director with effect from January 17, 2008. She has obtained a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has experience in market research and strategy.

**Vinod Kumar Dhall** is an Independent Director of our Company. He was appointed as a Director with effect from March 5, 2009. He holds a bachelors' degree in law from the University of Delhi and a masters' degree in mathematics from the University of Allahabad. He is enrolled as an advocate with the Bar Council of Delhi and is in active legal practice in the field of competition law. He has experience in the fields of competition law, corporate affairs, industry, economic regulation and finance. Previously, he was a part of the Indian Administrative Services and served as a Secretary to the Government of India. He has also served as an acting chairman of the Competition Commission of India until 2008. He has also been an ex-officio member of SEBI, Life Insurance Corporation, General Insurance Corporation and has worked with the United Nations Industrial Development Organisation. He has received several awards for his academic and extra-curricular achievements at the University of Allahabad.

**V. Sridar** is an Independent Director of our Company. He was appointed as a Director with effect from April 18, 2013. He obtained his bachelors' degree in science from University of Madras and qualified as a Chartered Accountant in November, 1973. He has experience in the field of accounting, finance and banking. He has also served as Chairman and Managing Director of UCO Bank Limited and Chairman and Managing Director of the National Housing Bank.

**M.S. Ramachandran** is an Additional (Independent) Director of our Company. He was appointed as a Director with effect from June 29, 2016. He holds a bachelors' degree in mechanical engineering from the University of Madras and has experience in petrochemicals industry He was the chairman of Indian Oil Corporation Limited. He has been awarded with Chemtech-Pharma Bio Hall of Fame Award, 2005 for his outstanding contribution to the petroleum and petrochemicals industry.

**Dilip Karnik** is an Additional (Independent) Director of our Company. He was appointed as a Director with effect from June 29, 2016. He obtained his bachelors' degree in science and a bachelors' degree in law from the University of Pune. He was a practising advocate from 1972 to 2001 and a judge of the Bombay High Court from October 12, 2001 to May 9, 2012. Presently he is a Vice President of Indian Law Society, New Delhi.

**Sandeep Bakhshi** is the Managing Director and Chief Executive Officer of our Company. He was appointed as a Director with effect from August 1, 2010 and was re-appointed with effect from August 1, 2015. He has obtained his bachelors' degree in mechanical engineering from Punjab Engineering College, Chandigarh and a post graduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur. His responsibilities include business development, project appraisals, project monitoring and business re-structuring at our Company. He has experience in finance, banking and insurance. He joined ICICI Group in 1986 in the project financing group of ICICI Limited, corporate banking, where he was responsible for wholesale banking and small and medium enterprises. Previously, he has served as a deputy managing director and head of retail at ICICI Bank, chief executive officer and managing director of ICICI Lombard General Insurance Company Limited and chairman of ICICI Home Finance Company Limited.

**Puneet Nanda** is an Executive Director-Business of our Company. He was appointed as an Executive Director with effect from August 1, 2010 and was re-appointed as an Executive Director with effect from August 1, 2015. He has obtained his bachelors' degree in engineering from Malaviya Regional Engineering College, University of Rajasthan, Jaipur and a post graduate diploma in management from the Indian Institute of Management, Lucknow. His current responsibilities include sales and distribution, product design and management, brand and marketing, customer service and operations, underwriting and claims, digitalisation, technology and information systems. Prior to this, he was an Executive Director-Corporate Center where the functions he managed included finance, investments, business intelligence and strategy, legal and compliance, internal audit and operational risk management, product design and management, customer service and operations, underwriting and claims, technology and corporate communications. He is part of the company since inception and initially set up and managed the Investment function as Chief Investment Officer.

**Sandeep Batra** is an Executive Director of our Company. He was appointed as a Director with effect from January 1, 2014. He is a qualified chartered accountant registered with the Institute of Chartered Accountants of India and a qualified company secretary registered with the Institute of Company Secretaries of India. He is responsible for functions in investments, business intelligence and strategy, enterprise risk management, actuarial, finance and accounts, taxation, internal audit and compliance, legal and secretarial, operational risk, policy affairs and corporate communications. He has experience in finance, banking and insurance. He has been one of the founder members of our Company and has worked with our Company as the chief financial officer until November 8, 2006, post which he moved to ICICI Bank. He has served as the group compliance officer and company secretary of ICICI Bank. He also serves as a non-executive director on the board of ICICI Prudential Trust Limited.

## Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on BSE or NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such companies.

## Terms of appointment of the Executive Directors

The appointment of the Executive Directors have been approved by the IRDAI. The terms of appointment of the Executive Directors are as set out below:

### 1. *Sandeep Bakhshi:*

Sandeep Bakhshi was appointed as the Managing Director and Chief Executive Officer of our Company with effect from August 1, 2010, pursuant to a Board resolution dated July 31, 2010 and Shareholders' resolution dated September 9, 2010. He was re-appointed as the Managing Director and Chief Executive Officer of our Company pursuant to a Board resolution dated April 24, 2015 with effect from August 1, 2015 until May 31, 2018. Pursuant to the Shareholders' resolution dated June 24, 2016, Sandeep Bakhshi is entitled to remuneration, perquisites and allowances with effect from April 1, 2016, as detailed below subject to IRDA approval for the revised remuneration:

Particulars (per annum)	Remuneration (in ` million) (per annum)
Basic salary	19.87
Supplementary Allowances	13.62
Retirals (provident fund, gratuity)	4.04

In addition to the above, Sandeep Bakhshi is entitled to 8,31,250 number of stock options of ICICI Bank under ICICI Bank Employees Stock Options Scheme, 2000, subject to the IRDAI approval. Further, proposed target performance bonus for the Fiscal 2017 subject to IRDA approval is as follows– 70% of total fixed pay (basic and allowances). Additionally, in the event the bonus is more than 50% of fixed pay, 60% of the bonus would be paid upfront and balance equally deferred over 3 years.

### 2. *Puneet Nanda:*

Puneet Nanda was appointed as the Executive Director of our Company with effect from August 1, 2010, pursuant to Board resolution dated July 31, 2010 and Shareholders' resolution dated September 9, 2010. He was re-appointed as the Executive Director of our Company pursuant to a Board resolution dated April 24, 2015 for a period of five years with effect from August 1, 2015. Pursuant to the Shareholders' resolution dated June 24, 2016, Puneet Nanda is entitled to remuneration, perquisites and allowances with effect from April 1, 2016, as detailed below, subject to IRDA approval for revised remuneration:

Particulars (per annum)	Remuneration (in ` million) (per annum)
Basic salary	11.18
Supplementary allowances	11.47
Retirals (provident fund, gratuity)	2.27

In addition to the above, Puneet Nanda is entitled to 2,75,500 number of stock options of ICICI Bank under ICICI Bank Employees Stock Options Scheme, 2000, subject to the IRDAI approval. Further, proposed target performance bonus for the Fiscal 2017 subject to IRDA approval is as follows– 70% of total fixed pay (basic and allowances). Additionally, in the event the bonus is more than 50% of fixed pay, 60% of the bonus would be paid upfront and balance equally deferred over 3 years.

### 3. *Sandeep Batra:*

Sandeep Batra was appointed as the Executive Director of our Company pursuant to a Board resolution dated October 30, 2013 and Shareholders' resolution dated December 3, 2013 for a period of five years with effect from January 1, 2014. Pursuant to the Shareholders' resolution dated June 24, 2016, Sandeep Batra is entitled to remuneration, perquisites and allowances with effect from April 1, 2016, as detailed below, subject to IRDA approval for revised remuneration:

Particulars (per annum)	Remuneration (in ` million) (per annum)
Basic salary	8.74
Supplementary allowances	12.98
Retirals (provident fund, gratuity)	1.77



In addition to the above, Sandeep Batra is entitled to 232,750 number of stock options of ICICI Bank under ICICI Bank Employees Stock Options Scheme, 2000, subject to the IRDAI approval. Further, proposed target performance bonus for the Fiscal 2017 subject to IRDA approval is as follows– 70% of total fixed pay (basic and allowances). Additionally, in the event the bonus is more than 50% of fixed pay, 60% of the bonus would be paid upfront and balance equally deferred over 3 years.

### Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2016 are as follows:

#### 1. Remuneration to Executive Directors

The following table sets forth details of remuneration paid to Executive Directors during Fiscal 2016:

Serial Number	Name of the director	Remuneration (In ` million)
1.	Sandeep Bakhshi	65.63
2.	Puneet Nanda	38.53
3.	Sandeep Batra	31.07

*Perquisite value of the stock options exercised have been included along with tax-free medical, tax-free LTA, contribution to provident fund, superannuation and National Pension System. Further, amounts rounded off to nearest decimal.*

#### 2. Remuneration to Non-Executive Directors

In terms of with the resolution of the Board dated April 22, 2014, the Board has approved payment of sitting fees of ` 0.1 million for attending each Board meeting and ` 0.02 million for attending each meeting of the committee of the Board. The following table sets forth details of sitting fees paid to the Non-Executive Directors during Fiscal 2016:

Serial Number	Name of the Director	Sitting Fees (In ` million)	Commission (In ` million)	Total (In ` million)
1.	Chanda D. Kochhar	-	-	-
2.	N. S. Kannan	-	-	-
3.	Adrian O'Connor	-	-	-
4.	Marti G. Subrahmanyam	0.62	-	0.62
5.	Rama Bijapurkar	0.72	-	0.72
6.	Vinod Kumar Dhall	0.76	-	0.76
7.	V. Sridar	0.74	-	0.74
8.	M.S. Ramachandran <sup>(1)</sup>	-	-	-
9.	Dilip Karnik <sup>(1)</sup>	-	-	-

<sup>(1)</sup> Appointed as a Director with effect from June 29, 2016.

Except as sitting fees paid to Vinod Kumar Dhall, no remuneration has been paid, or is payable, by our Subsidiary to the Directors of our Company.

### Shareholding of Directors in our Company

The following table sets forth details of shareholding of our Directors in our Company:

Serial Number	Name of the Director	Number of Equity Shares held in our Company
1.	Puneet Nanda	247,500

Our Articles of Association do not require our Directors to hold any qualification shares.

### Shareholding of Directors in our Subsidiary

Except as disclosed below, none of our Directors hold any equity shares in our Subsidiary as of the date of this Draft Red Herring Prospectus.

Serial Number	Name of Director	Number of equity shares held (of ` 10 face value)
1.	N. S. Kannan	1 <sup>(1)</sup>

Serial Number	Name of Director	Number of equity shares held (of ₹ 10 face value)
2.	Puneet Nanda	1 <sup>(1)</sup>

<sup>(1)</sup> These equity shares are held by these Directors as a nominee of our Company.

#### Appointment of relatives of Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company.

#### Interest of Directors

All our Non-Executive Directors, excluding Nominee Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses payable to them under our Articles of Association as approved by our Board of Directors. Our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid to them for services rendered as officers of our Company.

Certain of our Directors may also be regarded as interested in the Equity Shares or employee stock options held by them or that may Allotted, pursuant to the Offer, to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters. Certain of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares held by them.

Our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Further, our Directors have no interest in any property acquired within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Except as stated in “Related Party Transactions” on page 210 and as disclosed in this section, our Directors do not have any other interest in our Company.

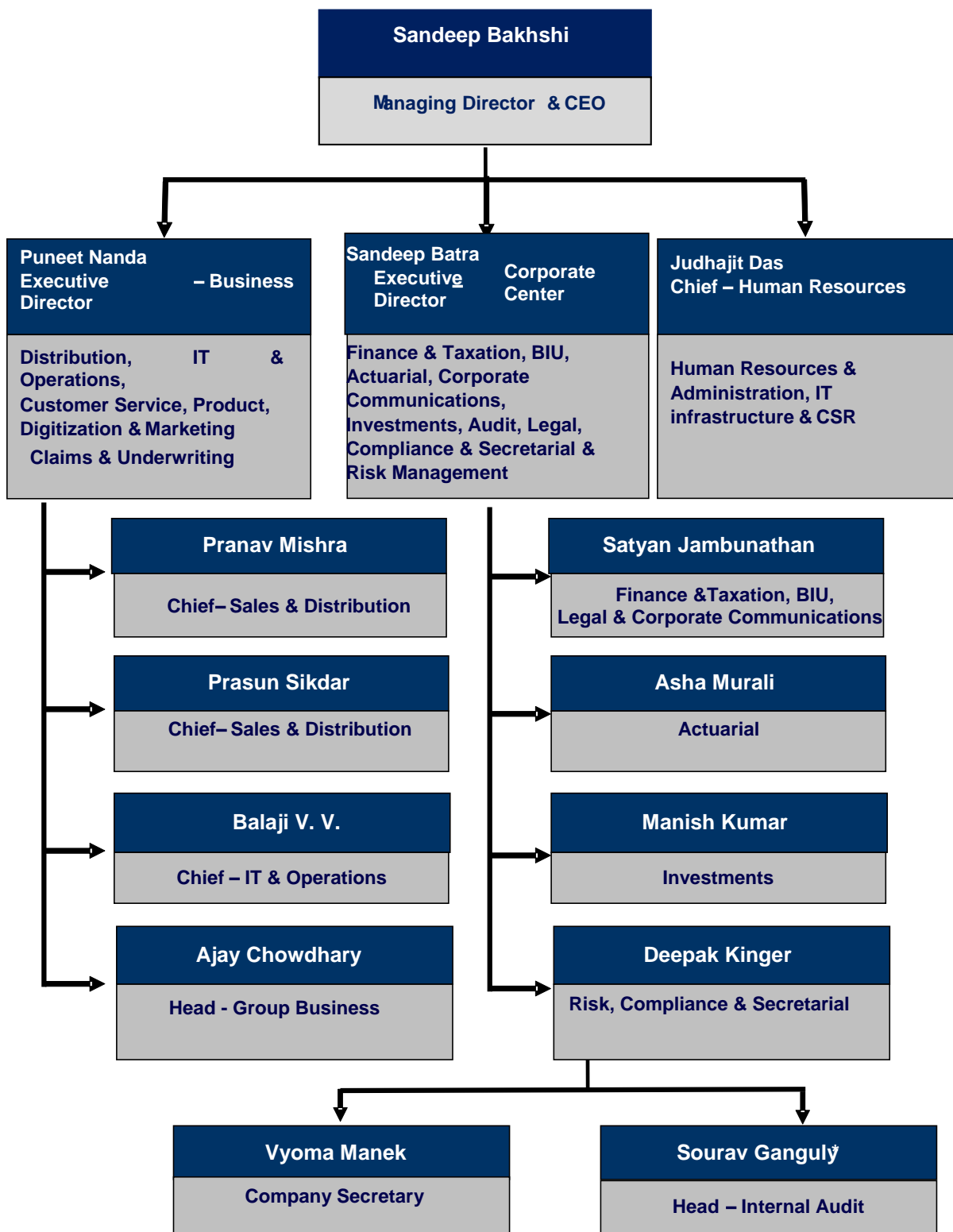
No loans have been availed by our Directors or the Key Management Personnel and Senior Management Personnel from our Company.

While all our Directors have one active DIN as stated above, five Directors have been allotted other DINs in the past. As on date of the Draft Red Herring Prospectus, as per the website of the Ministry of Corporate Affairs, such other DINs are not shown as ‘active’. The respective Directors have filed Form DIR 5 with the Central Government (Regional Director) to seek cancellation / deactivation of such other DINs.

#### Changes in the Board in the last three years

Name	Date of appointment/ cessation	Reason
Sandeep Batra	January 1, 2014	Appointed as Executive Director
Barry Stowe	July 28, 2015	Ceased to be a Nominee Director
Tony Wilkey	July 29, 2015	Appointed as a Nominee Director
Keki Dadiseth	April 26, 2016	Ceased to be Independent Director
K. Ramkumar	May 31, 2016	Ceased to be a Nominee Director
Tony Wilkey	June 24, 2016	Ceased to be a Nominee Director
M.S. Ramachandran	June 29, 2016	Appointed as an Additional (Independent) Director
Dilip Karnik	June 29, 2016	Appointed as an Additional (Independent) Director
Rajiv Sabharwal	June 30, 2016	Ceased to be a Nominee Director

**Management Organisation Chart**



\* Reports to the Board Audit Committee and also Deepak Kinger for day to day operations.

**Key Management Personnel**

For details in relation to biographies of Sandeep Bakhshi, Puneet Nanda and Sandeep Batra, see “Our Management - Brief Biographies of Directors” on page 176.

**Judhajt Das**, aged 44, is the Chief - Human Resources of our Company. He holds a bachelors degree in arts from Jadavpur University and a post-graduate diploma in personnel management and industrial relations from Xavier School of Management, Jamshedpur. He has been associated with our Company since November 15, 2000. He has experience in human

resources, administration, IT infrastructure, and corporate social responsibility. Previously, he worked with GE Capital Business Process Management Services Private Limited as the Manager, Human Resources from August 1999 to November 2000, prior to which he served RPG Enterprises from June 1995 to July 1999 as the Manager, Human Resources. He currently holds the position as President of National HRD Network, Mumbai. He was paid a remuneration of ₹ 29.77 million in Fiscal 2016.

**Satyan Jambunathan**, aged 44, is the Chief Financial Officer of our Company. He holds a bachelor of science degree in Statistics from University of Madras and is a Fellow of the Institute of Actuaries of India. He has been associated with our Company since August 17, 2000 and has been appointed as the Chief Financial Officer with effect from June 1, 2016. He has experience in the field of life insurance. Previously, he worked with Life Insurance Corporation of India. In our Company, he has held various responsibilities across actuarial, enterprise risk, products, finance and taxation, business intelligence unit, legal and corporate communications. He is currently responsible for finance and taxation, business intelligence unit, legal and corporate communications. He was paid a remuneration of ₹ 20.56 million in Fiscal 2016.

**Manish Kumar**, aged 45, is the Chief Investments Officer of our Company. He holds a bachelors' degree in electrical engineering from Indian Institute of Technology, Kanpur and a post-graduate diploma in management from Indian Institute of Management, Calcutta. He has been associated with our Company since June 14, 2004. He has experience in the field of equity research, trading and fund management. Previously, he worked with UTI Asset Management Company Private Limited. In our Company, he is responsible for entire investment portfolio management of our Company. He was paid a remuneration of ₹ 22.06 million in Fiscal 2016.

**Deepak Kinger**, aged 41 years, is the Chief Risk and Compliance Officer of our Company. He holds a bachelors degree in commerce from the Mumbai University. He is a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He is a Certified Information Systems Auditor. He has been associated with our Company since October 15, 2004. He has experience in risk, compliance, audit, legal, taxation and secretarial teams. Previously, he worked with Ernst & Young in the advisory - risk departments. He has also worked with A. F. Ferguson in the audit department. In our Company, he is responsible for managing compliance, risk, legal, taxation and secretarial functions. He was paid a remuneration of ₹ 15.98 million in Fiscal 2016.

**Asha Murali**, aged 48, is the Appointed Actuary of the Company. She holds a master's degree in physics from the Bangalore University. She is a Fellow of the Institute of Actuaries of India and of the Institute and Faculty of Actuaries, UK. She has been associated with our Company since May 2009 and has been appointed as the Appointed Actuary with effect from June 29, 2016. She has experience in the field of insurance. Previously, she worked with Life Insurance Corporation of India. Prior to being appointed as an Appointed Actuary of our Company, she held the position of Senior Vice President (Actuarial) of our Company and she was paid a remuneration of ₹ 8.41 million in Fiscal 2016.

**Sourav Ganguly**, aged 41, is the Head – Internal Audit of our Company. He holds a bachelors degree in electrical engineering from Jadavpur University and post graduate diploma in management from XLRI University. He has been associated with our Company since April 2002. He has experience in different departments including sales, sales training, customer service branch operations and internal audit functions. Previously, he worked with ITC Limited (information systems Division) and Citibank. In our Company, he is responsible for internal audit of our Company. He was paid a remuneration of ₹ 4.85 million in Fiscal 2016.

**Vyoma Manek**, aged 34, is the Company Secretary of our Company. She is a qualified company secretary and holds a bachelors degree in commerce and law from University of Mumbai. She has been associated with our Company since August 2007. Previously she worked with Kotak Mahindra Prime Limited and Intelenet Global Services Private Limited. In our Company, she is responsible for secretarial functions. She was paid a remuneration of ₹ 2.48 million in Fiscal 2016.

### Senior Management Personnel

**Pranav Mishra**, aged 45, is the Chief – Sales and Distribution officer of our Company. He holds bachelor's degree in science with gold medal in mathematics and a post graduate diploma in management with specialisation in marketing. He has done CAIIB-I from the Indian Institute of Bankers. He has experience in banking, insurance and mutual fund and has been with our Company since August 2001. He has been involved in various fields such as managing products, direct marketing, health, training, agency, sales analytics and strategy in his 15 years stint with our Company. Currently, he heads pan India retail sales business for the organisation. Previously, he has worked for UTI AMC and Global Trust Bank in functions of products, business development marketing, credit appraisal, project finance, sales & distribution. He has won the "ICICI Group Leadership Award" six times. Further, he has won the Unit Trust of India certificate for outstanding performance during the year 1994 - 1995. He has also won the Global Trust Bank Award for mobilising low cost deposits during the period November, 2000 to March, 2001. He was paid a remuneration of ₹ 17.99 million in Fiscal 2016.

**Prasun Sikdar**, aged 44, is the Chief – Sales and Distribution officer of our Company. He holds a masters degree in economics from the Kolkata University. He has experience in financial services and insurance industry along with on-the job cross functional and cross industry experience and as a founder member of our Company. He has previous experience in Northern India Credit Factors Limited, Citicorp Credit Services India Limited and GE Capital Process Management Services

Private Limited. He was paid a remuneration of ₹ 18.94 million in Fiscal 2016.

**Balaji V. V.**, aged 50, Chief – IT and Operations of our Company. He holds a bachelors degree in commerce from the University of Madras. He also holds a membership with the Institute of Costs Accountants of India. He has experience in the fields of finance, accounts, taxation, collections, revenue assurance, customer service, operations, process reengineering and IT. Previously he worked with Hindustan Aeronautics Limited in finance and accounts function and has also worked with various groups like Eicher Limited, Bharti Airtel Limited and Reliance Communications Limited. He joined our Company in 2007. He was paid a remuneration of ₹ 22.49 million in Fiscal 2016.

**Ajay Chowdhary**, aged 51, is the head of group and alliances business of our Company. He holds a bachelors degree in commerce from Punjab University and a masters degree in business administration from Newport University. He has been associated with our Company since July 2004. He has an overall experience in the fields of insurance, marketing and sales. Previously, he worked with Birla Sunlife Insurance Company Limited, Birla Global Asset Finance Company Limited, Videocon International Limited and LML Limited. In our Company, he is responsible for managing the group, alliances and rural departments of our Company. He was paid a remuneration of ₹ 20.94 million in Fiscal 2016.

None of our Key Management Personnel and Senior Management Personnel are related to each other.

All our Key Management Personnel and Senior Management Personnel are permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel and Senior Management Personnel were selected as members of our senior management.

#### **Shareholding of Key Management Personnel and Senior Management Personnel**

Except as disclosed below, none of our Key Management Personnel and Senior Management Personnel hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name	Number of Equity Shares
1.	Satyan Jambunathan	146,875
2.	Manish Kumar	103,000
3.	Deepak Kinger	128,000
4.	Judhajit Das	25,000
5.	Ajay Chowdhary	115,500
6.	Prasun Kumar Sikdar	101,875
7.	Pranav Mishra	107,500
8.	Balaji V V	15,000

#### **Bonus or profit sharing plan of the Key Management Personnel and the Senior Management Personnel**

Except for the annual bonus, bonus based on organisation and individual performance and long term reward scheme applicable to the Key Management Personnel and the Senior Management Personnel, our Company does not have any bonus or profit sharing plan for the Key Management Personnel and the Senior Management Personnel.

#### **Interests of Key Management Personnel and the Senior Management Personnel**

The Key Management Personnel and the Senior Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits, including contingent or deferred compensation, to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, the annual bonus, bonus based on organisation and individual performance and long term reward scheme applicable to them, the employee stock options held, if any and the insurance policies of our Company. Judhajit Das is entitled to 183,000 stock options of ICICI Bank under ICICI Bank Employees Stock Options Scheme, 2000. The Key Management Personnel and the Senior Management Personnel may be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them. Some of the Key Management Personnel and the Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them.

Our Company has not entered into any service contracts with our Key Management Personnel and the Senior Management Personnel which provide for benefits upon termination of employment of our Key Management Personnel and the Senior Management Personnel.

#### **Changes in our Key Management Personnel**

The changes in our Key Management Personnel in the last three years are as follows:

Name	Date of change	Reason for change
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<b>Name</b>	<b>Date of change</b>	<b>Reason for change</b>
Poonam Bharadwaj	April 30, 2015	Ceased to be Chief Risk Officer - Operations Risk
Binay Agarwala	April 30, 2015	Ceased to be Chief Risk Officer - Enterprise Risk
Amish Banker	April 30, 2015	Appointment as Chief Risk Officer - Operations Risk
Pratyay Bhattacharya	April 30, 2015	Appointment as Chief Risk Officer - Enterprise Risk
M. Sanaulla Khan	May 11, 2015	Ceased to be Company Secretary
Vyoma Manek	May 12, 2015	Appointed as Company Secretary
Navin Sharma	May 31, 2016	Ceased to be Head – Internal Audit
Satyan Jambunathan	June 28, 2016	Ceased to be Appointed Actuary
Binay Agarwala	June 28, 2016	Ceased to be Chief Financial Officer
Satyan Jambunathan	June 29, 2016	Appointed as Chief Financial Officer
Asha Murali	June 29, 2016	Appointed as Appointed Actuary
Sourav Ganguly	June 29, 2016	Appointment as Head - Internal Audit
Amish Banker	July 6, 2016	Ceased to be Chief Risk Officer - Operations Risk
Pratyay Bhattacharya	July 6, 2016	Ceased to be Chief Risk Officer - Enterprise Risk
Deepak Kinger	July 7, 2016	Appointment as Chief Risk Officer

### **Payment or Benefit to officers of our Company**

Except for the payment of remuneration or commission for services rendered by our officers, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.

Our Company has granted options to certain employees of our Company. For details, see “Capital Structure” on page 90.

### **Corporate Governance**

Our Company is in compliance with the corporate governance requirements prescribed under the Listing Regulations with respect to composition of board of directors, constitution of committees and terms of reference. The Listing Regulations will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act, 2013 and the SEBI Regulations in respect of corporate governance including constitution of the Board and committees thereof. We are currently in compliance with the Guidelines on Corporate Governance issued by the IRDAI on August 5 2009, which are applicable to us as of the date of this Draft Red Herring Prospectus. Our Company is also required to comply with the Corporate Governance Guidelines issued by IRDAI on May 18, 2016, in relation to corporate governance requirements. However, these guidelines permit our Company to comply with the provisions of the same within three months of the notification of these guidelines and our Company shall comply with these guidelines accordingly. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board or its committees detailed reports on its performance periodically.

Currently, our Board has 12 Directors. In compliance with the requirements of the Listing Regulations, our Company has an Executive Chairman, three Executive Directors and nine Non-Executive Directors including six Independent Directors, on our Board. Further, in compliance with the Listing Regulations and the Companies Act, 2013, we have a woman director on our Board.

### **Committees of the Board**

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

#### ***Audit Committee***

The members of the Audit Committee are:

1. V. Sridar, Independent Director (*Chairman*);
2. Marti G. Subrahmanyam, Independent Director;
3. Vinod Kumar Dhall, Independent Director;

4. M.S.Ramachandran; Independent Director;
5. N. S. Kannan, Nominee Director; and
6. Adrian O'Connor, Nominee Director.

The Audit Committee was last re-constituted by a meeting of our Board held on July 8, 2016. Our Audit Committee met five times during the preceding Fiscal Year. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18(3) of the Listing Regulations and Clause 7.1 of the Corporate Governance Guidelines and its terms of reference include the following:

**A. Accounts & Audit:**

1. 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;
2. 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;
3. 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;
4. Evaluation of internal financial controls and risk management systems;
5. 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;
6. Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them;
7. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements to the extent applicable;
  - f. 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;
  - g. Modified opinion(s) in the draft audit report.
8. Review with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
9. 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;
10. Review of housekeeping items, particularly review of suspense balances, reconciliations (including

Subsidiary General Ledger (SGL) accounts) and other outstanding assets & liabilities;

11. Scrutiny of inter-corporate loans and investments, if any;
12. Valuation of undertakings or assets of our Company, wherever it is necessary;
13. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by any other regulatory authority.

**B. Internal audit:**

1. 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;
2. Oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice;
3. Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms;
4. 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;
5. Review with the management, performance of internal auditors, and the adequacy of the internal control systems;
6. Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
7. Review the functioning of the whistle blower / vigil mechanism.

**C. Compliance and ethics:**

1. Monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies, including the Company's code of ethics or conduct;
2. 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;
3. 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;
4. 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;
5. 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;
6. Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters;
7. Review key transactions involving conflict of interest;
8. Review the Anti Money Laundering (AML)/Counter – Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/CFT programme;
9. Review compliance of Insurance Regulatory & Development Authority of India (IRDAI) Corporate Governance guidelines;
10. Monitor the directives issued/penalties imposed/penal action taken against the Company under various laws



and statutes and action taken for corrective measures;

11. 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.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Rama Bijapurkar, Independent Director (*Chairperson*);
2. Marti G. Subrahmanyam, Independent Director;
3. Vinod Kumar Dhall, Independent Director;
4. N.S. Kannan, Nominee Director; and
5. Adrian O'Connor, Nominee Director.

The Nomination and Remuneration Committee was last re-constituted by the Board on June 29, 2016. The terms of reference of the Nomination and Remuneration Committee were modified on July 8, 2016. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, Regulation 19(4) of the Listing Regulations and Clause 7.5 of the Corporate Governance Guidelines. The terms of reference of the Nomination and Remuneration Committee include the following:

1. 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;
2. To consider and approve employee stock option schemes and to administer and supervise the same;
3. To devise a policy on diversity of the Board;
4. 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;
5. 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;
6. 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;
7. 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;
8. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
9. 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;
10. To ensure that the proposed appointments/ re-appointments of key managerial personnel or directors are in conformity with the Board approved policy on retirement/ superannuation; and
11. To carry out any other function, if any, as prescribed in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by any other regulatory authority.

#### ***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Vinod Kumar Dhall, Independent Director (*Chairman*);
2. N.S. Kannan, Nominee Director; and
3. Adrian O'Connor, Nominee Director.

The Corporate Social Responsibility Committee was last reconstituted by our Board on June 29, 2016. The purpose of the Corporate Social Responsibility Committee is to formulate and recommend to our Board, the corporate social responsibility policy of our Company and to recommend the amount of expenditure to be incurred on such activities. It also formulates the annual corporate social responsibility plan and monitors these activities and compliance with the corporate social responsibility policy from time to time. The terms of reference of the Corporate Social Responsibility Committee are as follows:

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

#### ***Risk Management Committee***

The members of the Risk Management Committee are:

1. Marti G. Subrahmanyam, Independent Director (*Chairman*);
2. Rama Bijapurkar, Independent Director;
3. N. S. Kannan, Nominee Director; and
4. Adrian O'Connor, Nominee Director.

The Risk Management Committee was constituted by a meeting of our Board held on January 20, 2010. The Risk Management Committee is responsible for formulation of the risk management policy of our Company including the asset liability management, to monitor all risks across the various lines of business of our Company and establish appropriate systems to mitigate such risks. The Risk Management Committee also defines the risk appetite and risk profile of our Company and oversees the effective operation of the risk management system and advises our Board on key issues. In terms of the Corporate Governance Guidelines, the risk management function should be under the overall guidance and supervision of the Chief Risk Officer, being Deepak Kinger, with a clearly defined role. Deepak Kinger would be inducted as a member of the Risk Management Committee in the ensuing meeting of our Board. See “- Corporate Governance” on page 184. The scope and function of the Risk Management Committee is in accordance with Clause 7.8.1 and 7.8.2 of the Corporate Governance Guidelines. The terms of reference of the Risk Management Committee are as follows:

#### **A. Risk management:**

1. Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;
2. Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
3. 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;
4. Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;
5. Review the Company's risk-reward performance to align with overall policy objectives;
6. Discuss and consider best practices in risk management in the market and advise the respective functions;
7. 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.;

8. Review the solvency position of the Company on a regular basis;
9. Monitor and review regular updates on business continuity;
10. Formulation of a Fraud monitoring policy and framework for approval by the Board;
11. Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
12. Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated January 21, 2013, issued by the Authority; and
13. 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 Companies Act, 2013 or the Listing Regulations, or by any other regulatory authority.

**B. Asset liability management:**

1. 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;
2. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
3. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
4. Placing information pertaining to ALM before the Board at periodic intervals;
5. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;
6. Quantifying the level of risk exposure (eg. market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
7. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
8. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
9. Managing capital requirements at the company level using the regulatory solvency requirements;
10. Reviewing, approving and monitoring capital plans and related decisions over capital transactions; and
11. 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 Companies Act or the Listing Regulations, or by any other regulatory authority.

***Investment Committee***

The members of the Investment Committee are:

1. Marti G. Subrahmanyam, Independent Director (*Chairman*);
2. Sandeep Bakhshi, Managing Director and Chief Executive Officer;
3. Sandeep Batra, Executive Director;
4. N. S. Kannan, Nominee Director;
5. Adrian O'Connor, Nominee Director;
6. Satyan Jambunathan, Chief Financial Officer;

7. Manish Kumar, Chief Investment Officer; and
8. Asha Murali, Appointed Actuary.

The Investment Committee was last reconstituted by the Board on April 26, 2016, subject to the approval of the IRDAI on the appointment of Asha Murali as the Appointed Actuary, with effect from June 29, 2016. In terms of the Corporate Governance Guidelines, the Chief Risk Officer, being Deepak Kinger, is required to be a member of the Investment Committee. Deepak Kinger would be inducted as a member of the Risk Management Committee in the ensuing meeting of our Board. See “-Corporate Governance” on page 184. The Investment Committee assists our Board in fulfilling its oversight responsibility for the investment assets of our Company. The Investment Committee is responsible for formulating the overall investment policy and establishing a framework for its investment operations with adequate control. The scope and function of the Investment Committee is in accordance with Clause 7.2 of the Corporate Governance Guidelines. The Investment Committee also monitors investment performance against the applicable benchmarks and provides guidance for protection of shareholders’ and policyholders’ funds.

The terms of reference of the Investment Committee of our Company include the following:

1. Responsible for the recommendation of the Investment Policy and 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;
2. 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;
3. 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;
4. 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; and
5. 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 Companies Act, 2013 or by any other regulatory authority.

#### ***Customer Services and Policyholders’ Protection Committee***

The members of the Customer Services and Policyholders’ Protection Committee are:

1. Vinod Kumar Dhall, Independent Director (*Chairman*);
2. N.S. Kannan, Nominee Director; and
3. Adrian O’Connor, Nominee Director.

The Customer Services and Policyholders’ Protection Committee was last reconstituted by our Board on June 29, 2016. The role of the Customer Services and Policyholders’ Protection Committee is to assist our Board to protect the interests of the policyholders and improve their experiences in dealing with our Company at all stages and level of their relationship with our Company. The Customer Services and Policyholders’ Committee monitors policies and procedures for grievance redressal and resolution of disputes, disclosure of material information to policyholders and compliance with regulatory requirements. The scope and functions of the Customer Services and Policyholders’ Protection Committee are in accordance with Clause 7.7 of the Corporate Governance Guidelines. The terms of reference of the Customer Services and Policyholders’ Committee of our Company include the following:

1. Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries;
2. Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders’ protection;
3. Review the mechanism at periodic intervals;

4. 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;
5. Review the status of complaints of the policyholders and take steps to reduce these complaints at periodic intervals;
6. Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority;
7. Provide details of insurance ombudsmen to the policyholders;
8. Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry;
9. Oversee the functions of the customer service council;
10. Review measures for enhancing the quality of customer service;
11. Provide guidance to improve in the overall satisfaction level of customers;
12. Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof;
13. 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;
14. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefore and report the same to the Board for initiating remedial action, where necessary;
15. Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims;
16. Reviewing Repudiated claims with analysis of reasons;
17. Status of settlement of other customer benefit payouts like Surrenders, Loan, and Partial withdrawal requests etc.; and
18. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.

#### ***With Profits Committee***

The With Profits Committee was constituted by a meeting of our Board held on October 18, 2013. In addition, Asha Murali was appointed as the Appointed Actuary by the meeting of our Board held on April 26, 2016, subject to the approval of the IRDAI, with effect from June 29, 2016, in accordance with Regulation 45(d) of the Insurance Regulatory and Development Authority (Non-Linked Products) Regulations, 2013 and became a member of the With Profits Committee. The scope and functions of the With Profit Committee are in accordance with Clause 7.7 of the Corporate Governance Guidelines. The members of the With Profits Committee are:

1. V. Sridar, Independent Director (*Chairman*);
2. Sandeep Bakhshi, Managing Director and Chief Executive Officer;
3. N. S. Kannan, Nominee Director;
4. Adrian O’Connor, Nominee Director;
5. N. M. Govardhan, independent actuary; and
6. Asha Murali; Appointed Actuary.

The terms of reference of the With Profits Committee include the following:

1. 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;

2. Determining the asset share for each product in accordance with the guidance or practice standards, etc. issued by the Institute of Actuaries of India; and
3. Providing approval for the detailed working of the asset share, the expense allowed for, the investment income earned on the fund of policyholders, etc. which were represented in the asset share.

#### ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Vinod Kumar Dhall, Independent Director (*Chairman*);
2. Sandeep Bakhshi, Managing Director and Chief Executive Officer; and
3. Sandeep Batra, Executive Director.

The Stakeholders' Relationship Committee was last re-constituted by our Board on April 26, 2016. This committee is responsible for the redressal of shareholder grievances.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20(4) of the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

1. 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;
2. Approval and rejection of transfer and transmission of shares or securities, including preference shares, bonds, debentures and securities;
3. Approval and rejection of requests for split and consolidation of share certificates;
4. Approval and rejection of issue of duplicate share, issued from time to time;
5. Redemption of securities and the listing of securities on stock exchanges;
6. Allotment of shares and securities; and
7. Any other activities which are incidental or ancillary thereto.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company are ICICI Bank and PCHL. ICICI Bank and PCHL have been identified as promoters in previous filings with IRDAI. Further, our Company is an “Indian owned and controlled” company under the Insurance Act and applicable regulations. ICICI Bank currently holds 969,157,662 Equity Shares and PCHL holds 370,784,884 Equity Shares, equivalent to 67.62% and 25.87% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company, respectively.

### Details of our Promoters

#### A. ICICI Bank

ICICI Bank was incorporated on January 5, 1994 as a public limited company under the Companies Act, 1956 at Vadodara, Gujarat. In 2002, ICICI Limited, a non-bank financial institution, and two of its subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, were amalgamated with ICICI Bank. The registered office of ICICI Bank is located at Landmark, Race Course Circle, Vadodara, 390 007. ICICI Bank is registered with RBI as a banking company. ICICI Bank provides a wide range of banking and financial services including commercial banking and treasury operations.

ICICI Bank does not have any identifiable promoters and is a professionally managed company.

The equity shares of ICICI Bank are currently listed on BSE and NSE. The American depository shares (“ADS”) of ICICI Bank are listed on the New York Stock Exchange.

There has been no change in control or management of ICICI Bank in the last three years.

#### *Board of directors of ICICI Bank*

The following table sets forth details of the board of directors of ICICI Bank as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the director	Designation
1.	Mahendra Kumar Sharma	Chairman, Independent Director
2.	Chanda D. Kochhar	Managing Director and Chief Executive Officer
3.	N.S.Kannan	Executive Director
4.	Rajiv Sabharwal	Executive Director
5.	Vishakha Mulye	Executive Director
6.	Dileep Choksi	Independent Director
7.	Homi R.Khusrokhhan	Independent Director
8.	M.S.Ramachandran	Independent Director
9.	Tushaar Shah	Independent Director
10.	V.K.Sharma	Independent Director
11.	V. Sridar	Independent Director
12.	Alok Tandon	Government Nominee Director

### Shareholding pattern of ICICI Bank

The following table sets forth details of the shareholding pattern of ICICI Bank as on March 31, 2016:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)	
								No of Voting Rights					Total as a % of (A+B+ C)	No. (a)	As a % of total Shares held (b)	Number (a)		As a % of total shares held(b)
								Class eg: Equity	Class eg: Others	Total			Total as a % of (A+B+C)					
(A)	Promoter & Promoter Group	0	0	-	-	0	0	0	-	0	-	-	0	-	-	-	0	
(B)	Public	986,966	4,348,598,648	-	-	4,348,598,648	100	4,348,598,648	-	4,348,598,648	74.79	-	-	0	-	-	4,317,700,908	
(C)	Non Promoter-Non Public	1	0	-	1,466,169,782	1,466,169,782	0	1,466,169,782	-	1,466,169,782	25.21	-	-	0	-	0	1,466,169,782	
(C1)	Shares underlying DRs	1	0	-	1,466,169,782	1,466,169,782	0	1,466,169,782	-	1,466,169,782	25.21	-	-	0	-	-	1,466,169,782	
(C2)	Shares held by Employee Trusts	0	0	-	0	0	0	0	-	0	0	-	-	0	-	-	0	
	<b>Total</b>	986,967	4,348,598,648	-	1,466,169,782	5,814,768,430	100	5,814,768,430	-	5,814,768,430	100	-	-	0	-	-	5,783,870,690	



Our Company confirms that the PAN, bank account numbers, the company registration number and address of the registrar of companies where ICICI Bank is registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

### **Financial Performance**

The following table sets forth details of the brief audited financial results of ICICI Bank for the Fiscal 2016, Fiscal 2015 and Fiscal 2014:

<i>(in ` million, except per share data)</i>			
<b>Particulars</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>
Equity Capital	11,631.7	11,596.6	11,550.4
Reserves (excluding revaluation reserves) and surplus	857,549.4	792,696.9	720,582.8
Sales/turnover (income, including other income)	680,624.9	612,672.7	546,060.2
Profit after tax/loss	97,262.9	111,753.5	98,105
Earning per share (face value ` 2 each) (Basic)	16.8	19.3	17.0
Earning per share (face value ` 2 each) (Diluted)	16.7	19.1	16.9
Net asset value per share	NA	NA	NA

*Except as mentioned below, there are no significant notes of the auditors in relation to the aforementioned financial statements.*

*Independent auditor has drawn an attention to Note 25 to the standalone financial statements, which provides details with regard to the creation of provision relating to Funded Interest Term Loan through the utilisation of reserves pertaining to the year ended March 31, 2015, as permitted by the RBI vide letter dated January 6, 2015. The Independent Auditor's opinion is not modified in respect of this matter.*

*ICICI Bank has not had negative net worth in the past. Further, except as disclosed above, ICICI Bank has not incurred loss as per their last available audited financial statements and the profit/(loss) made by them in during Fiscal 2016, Fiscal 2015 and Fiscal 2014.*

### **Share price information**

The following table sets forth details of the highest and lowest price on BSE during the preceding six months:

<i>(in `)</i>				
<b>Sr. No.</b>	<b>Month</b>	<b>Quantum of equity shares traded</b>	<b>Monthly high</b>	<b>Monthly Low</b>
1.	January 2016	2,32,57,588	263.50	216.00
2.	February 2016	5,61,29,418	229.00	180.80
3.	March 2016	3,22,47,202	241.00	193.80
4.	April 2016	2,54,10,291	257.65	219.15
5.	May 2016	3,30,18,129	248.90	213.20
6.	June 2016	2,16,92,145	261.00	221.35

Source: [www.bseindia.com](http://www.bseindia.com)

The following table sets forth details of the highest and lowest price on NSE during the preceding six months:

<i>(in `)</i>				
<b>Sr. No.</b>	<b>Month</b>	<b>Quantum of equity shares traded</b>	<b>Monthly high</b>	<b>Monthly Low</b>
1.	January 2016	31,69,57,199	263.60	217.80
2.	February 2016	54,35,77,573	227.35	180.75

Sr. No.	Month	Quantum of equity shares traded	Monthly high	Monthly Low
3.	March 2016	37,86,17,400	241.35	195.25
4.	April 2016	42,64,67,139	257.80	219.10
5.	May 2016	45,75,73,408	249.00	213.20
6.	June 2016	31,05,07,526	261.20	221.10

Source: www.nseindia.com

The closing equity share price of ICICI Bank as on July 14, 2016 on BSE and NSE were ₹ 268.25 and 268.60, respectively.

### **Interest of ICICI Bank**

ICICI Bank is interested in our Company to the extent of being a Promoter of our Company, its shareholding and the dividends payable, if any and certain services provided in the ordinary course of business. Our Company has entered into the ICICI Master Services Agreement with ICICI Bank, under which our Company has agreed to use certain infrastructure, technology and systems of ICICI Bank on a cost sharing basis, wherein ICICI Bank is interested to the extent of receiving compensation as stipulated under the ICICI Master Services Agreement, in accordance with the cost sharing policy. Likewise, our Company has entered into the ICICI Service Provider Agreement with ICICI Bank, under which ICICI Bank has agreed to provide certain services including, *inter alia*, providing space for display of our Company's publicity materials at ICICI Bank's premises, provision of customer awareness initiatives and collecting customer feedback on behalf of our Company, wherein ICICI Bank is interested to the extent of payment agreed to be paid to ICICI Bank under the ICICI Service Provider Agreement. Further, our Company has entered into the ICICI Corporate Insurance Agency Agreement with ICICI Bank, under which ICICI Bank has agreed to act as the corporate agent (as defined under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015) of our Company. In this regard, ICICI Bank is interested to the extent of receiving commission in the capacity of a corporate agent, as per the terms and conditions specified in the ICICI Corporate Insurance Agency Agreement. Additionally, our Company has entered into the ICICI Trademark License Agreement with ICICI Bank for the use of "ICICI" trademarks for the purposes of its business. For further details in relation to these agreements, see "Our Business" on page 133. For details regarding the shareholding of ICICI Bank in our Company, see "Capital Structure" on page 90. Further, see "History and Certain Corporate Matters - Existing Joint Venture Agreement and the New Joint Venture Agreement" and "Main Provisions of Articles of Association" on pages 170 and 552.

ICICI Bank is not interested in transactions related to any property acquired by our Company in the two years immediately preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company, as a vendor of the property or otherwise.

Except for the sale of Registered Office by ICICI Bank to our Company through deed of sale and transfer dated March 30, 2007, ICICI Bank is not interested in any transactions by our Company for acquisition of land, construction of building or supply of machinery.

Further, Chanda D. Kochhar and N.S.Kannan are nominee directors of ICICI Bank on the Board of our Company.

Except as stated in this Draft Red Herring Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which ICICI Bank is directly or indirectly interested and no payments have been made to ICICI Bank in respect of the contracts, agreements or arrangements which are proposed to be made with it other than in ordinary course of business. For further details of related party transactions, as per Accounting Standard 18, see "Related Party Transactions" on page 210.

Except as disclosed below, ICICI Bank is not involved with any ventures which are in the same line of activity or business as that of our Company, being life insurance business:

Sr. No.	Name of the entity	Area of business	ICICI Bank's Shareholding
1.	ICICI Lombard General Insurance Company Limited	Providing general insurance business, including health insurance	63.80%

### ***Companies with which ICICI Bank has disassociated in the last three years***

Except as provided below, ICICI Bank has not disassociated itself from any companies during the preceding three years:

<b>Name of company from which disassociated</b>	<b>Reasons for disassociation</b>	<b>Date of disassociation (in terms of shareholding)</b>
I-Ven Biotech Limited	Divestment	March 31, 2016
ICICI Bank Eurasia	Strategic sale	March 17, 2015
ICICI Kinfra Limited	Strategic sale	October 1, 2014
Mewar Aanchalik Gramin Bank	Amalgamation	June 30, 2014
TCW/ICICI Investment Partners Limited	Liquidation	September 23, 2013

### ***Investor grievance***

As at March 31, 2016, there are no investor complaints pending with respect to ICICI Bank.

### ***Mechanism for redressal of investor grievance***

The board of directors of ICICI Bank has constituted a stakeholders' relationship committee in accordance with the Listing Regulations to look into the redressal of shareholder/investor complaints. It normally takes seven days to dispose various types of investor grievances. It received 482 investor complaints in the last three years and all investor complaints were disposed off in that period.

### ***Other Confirmations***

ICICI Bank does not fall under the definition of sick companies under SICA and it is not under winding up.

Further, during the five years preceding the date of this Draft Red Herring Prospectus, ICICI Bank has not been a defunct company nor has there been an application made to the registrar of companies for striking off its name.

## **B. PCHL**

PCHL was incorporated on December 11, 1978 under the laws of England and Wales as a private company limited by shares. The registered office of PCHL is located at Laurence Pountney Hill, London, EC4R 0HH. As on the date of this Draft Red Herring Prospectus, PCHL holds 370,784,884 Equity Shares, representing 25.87% of the paid up capital of our Company. The principal activity of PCHL is to act as the holding company of the Prudential group's insurance and asset management operations in Asia.

There has been no change in control or management of PCHL in the last three years.

### ***Board of directors of PCHL***

The following table sets forth details of the board of directors of PCHL as on the date of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the director</b>	<b>Designation</b>
1.	Kieran Joseph Devlin	Director
2.	David Charles Martin	Director
3.	Stuart James Turner	Director

### ***Shareholding pattern of PCHL***

The following table sets forth details of the shareholding pattern of PCHL:

<b>Sr. No.</b>	<b>Name of the holder</b>	<b>Status (Indian / Foreign)</b>	<b>No. of Shares held<sup>(1)</sup></b>	<b>Percentage of holding<sup>(1)</sup></b>
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Sr. No.	Name of the holder	Status (Indian / Foreign)	No. of Shares held <sup>(1)</sup>	Percentage of holding <sup>(1)</sup>
1.	Prudential Holdings Limited	Foreign (Incorporated in Scotland)	2,290,000,000	100.00

<sup>(1)</sup> As of March 31, 2016.

Our Company confirms that a copy of the PAN registration, proof of bank account number, and a copy of the certificate of incorporation, in respect of PCHL, shall be submitted to the Stock Exchanges at the time of this Draft Red Herring Prospectus.

### **Financial Performance**

The following table sets forth certain financial information from the audited financial reports of PCHL for the financial years ended December 31, 2014, December 31, 2013 and December 31, 2012:

*(in GBP million, except per share data)*

Particulars	December 31, 2014	December 31, 2013	December 31, 2012
Equity Capital	263	173	342
Reserves (excluding revaluation reserves) and surplus	188	109	276
Sales/turnover (income, including other income)	479	530	649
Profit after tax/loss	179	240	281
Earning per share (Basic) (GBP)	3.58	4.80	5.62
Earning per share (Diluted) (GBP)	3.58	4.80	5.62
Net asset value per share (GBP)	5.26	3.46	6.84

*Note: PCHL is yet to publish its financial reports for the financial year ended December 31, 2015.*

There are no matters on which the auditors of PCHL were required to report on by exception in relation to the aforementioned financial reports.

PCHL does not have negative net worth and was not a loss making entity for the financial year ended December 31, 2014.

### **Interest of PCHL**

PCHL is interested in our Company to the extent of being a promoter of our Company, to the extent of its shareholding (and the dividends payable, if any) and as a party to the Existing Joint Venture Agreement and the New Joint Venture Agreement. Further, our Company has entered into the Prudential Trademark License Agreement with PIP Services Limited under which our Company has been granted rights to use certain trademarks of the Prudential group owned by PIP Services Limited. For further details in relation to these agreements, see “Our Business” on page 133. For details regarding the shareholding of PCHL in our Company, see “Capital Structure” on page 90. Further, see “History and Certain Corporate Matters - Existing Joint Venture Agreement and New Joint Venture Agreement” and “Main Provisions of Articles of Association” on pages 170 and 552.

PCHL is not interested in transactions related to any property acquired by our Company in the two years immediately preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Further, Adrian O’Connor is a nominee director of PCHL on the Board of our Company.

PCHL is not interested, directly or indirectly, in any transaction by our Company in acquisition of land or property, construction of building or supply of machinery.

For further details of related party transactions, as per Accounting Standard 18, see “Related Party Transactions” on page 210.

Other than in respect of the Company or its subsidiary, PCHL has no interests in any company or entity that is

engaged in undertaking a life insurance business in India. However, PCHL may have interests in respect of other companies, entities, and ventures (including as a member or shareholder) that are engaged in undertaking life insurance businesses outside India.

***Companies with which PCHL has disassociated in the last three years***

Except as disclosed below, PCHL has not disassociated itself from any companies during the preceding three years:

<b>Name of company from which disassociated</b>	<b>Reasons for disassociation</b>	<b>Date of disassociation (in terms of shareholding)</b>
PCA Life Insurance Company Limited (Japan)	Sale of the business	February 5, 2015

***Promoter of PCHL***

PCHL is part of the Prudential group whose ultimate parent company is Prudential Plc.

PCHL is a wholly owned subsidiary of Prudential Holdings Limited (“PHL”), a holding company incorporated and registered in Scotland. In turn, PHL is a wholly owned subsidiary of Prudential Corporation Asia Limited, a company incorporated and registered in Hong Kong which is itself a wholly owned subsidiary of the ultimate parent company in the Prudential group, namely Prudential Plc, which is listed on the stock exchanges in London, Hong Kong, Singapore and New York.

The board of directors of Prudential Plc consist of the following members:

<b>Sr. No.</b>	<b>Name of the director</b>	<b>Designation</b>
1.	Sir Howard Davies	Director
2.	John Foley	Director
3.	Ann Godbehere	Director
4.	Penelope James	Director
5.	David Law	Director
6.	Paul Manduca	Director
7.	Kaikhushru Nargolwala	Director
8.	Nicolaos Nicandrou	Director
9.	Anthony Nightingale	Director
10.	The Hon. Philip Remnant	Director
11.	Anne Richards	Director
12.	Alice Schroeder	Director
13.	Barry Stowe	Director
14.	Lord Jonathan Turner	Director
15.	Michael Andrew Wells	Director
16.	Tony Wilkey	Director

***Other Confirmations***

During the five years preceding the date of this Draft Red Herring Prospectus, PCHL has not been a defunct company and no application has been made in the last five years to the registrar of companies in the country of its

incorporation for striking off its name.

## **Confirmations**

### ***Payment or Benefits to our Promoters and Promoter Group.***

Except as stated otherwise in “Related Party Transactions” which provides the related party transactions, as per Accounting Standard 18 on page 210, in “Our Promoter and Promoter Group – Interests of our Promoter” on pages 195 and 198, and certain amounts paid and intended to be paid by our Company to certain members of the Promoter Group in the form of consideration intended to be paid to Prudential Process Management Services India Private Limited for provision of actuarial support and assistance to the Company, there has been no payment or benefit to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus. Further, our Company has invested in non-convertible debentures of one of our promoter group entities, India Infradebt Limited, for a value of ₹ 600 million and ₹ 250 million in Fiscal 2016 and Fiscal 2015 respectively.

Our Promoters have not been declared as Wilful Defaulters.

Except as disclosed herein, our Promoters have not been found to be non-compliant with the securities laws of India or abroad.

Our Promoters and Promoter Group entities have not been debarred or prohibited from accessing capital markets under any order or direction passed by SEBI or any other authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters, except as disclosed under “Outstanding Litigation and Material Developments – Litigation against our Promoter – Litigation against ICICI Bank” on page 463.

Our Promoters are not and have never been a promoter of any other company which is debarred or prohibited from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

Except as disclosed in “Related Party Transactions” on page 210, our Promoters are not related to any sundry debtors of our Company.

## **Promoter Group**

Persons constituting our Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations are set out below.

1. FINO PayTech Limited;
2. ICICI Bank Canada;
3. ICICI Bank UK PLC;
4. ICICI Home Finance Company Limited;
5. ICICI International Limited;
6. ICICI Investment Management Company Limited;
7. ICICI Lombard General Insurance Company Limited;
8. ICICI Merchant Services Pvt. Ltd;
9. ICICI Prudential Asset Management Company Limited;
10. ICICI Prudential Trust Limited;
11. ICICI Securities Holdings Inc.;
12. ICICI Securities Inc;
13. ICICI Securities Primary Dealership Limited;

14. ICICI Trusteeship Services Limited;
15. ICICI Venture Funds Management Company Limited;
16. India Infradebt Limited;
17. I-Process Services (India) Pvt. Ltd;
18. I-Sec;
19. NIIT Institute of Finance, Banking & Insurance Training Limited;
20. Asia Altitude Fund (in liquidation);
21. Asia Altitude Master Fund (in liquidation);
22. BOCI-Prudential Asset Management Limited;
23. BOCI-Prudential Trustee Limited;
24. CITIC-Prudential Fund Management Company Limited;
25. CITIC-Prudential Life Insurance Company Limited;
26. Eastspring Al-Wara' Investments Berhad;
27. Eastspring Asset Management Korea Co. Ltd.;
28. Eastspring Investments (Hong Kong) Limited;
29. Eastspring Investments Berhad;
30. Eastspring Investments Limited (Japan);
31. Eastspring Investments Limited (UAE) (in liquidation);
32. Eastspring Securities Investment Trust Company Limited;
33. North Sathorn Holdings Company Limited;
34. PCA IP Services Limited;
35. PCA Life Assurance Co. Ltd.;
36. PCA Life Insurance Co., Ltd.;
37. Pru Life Insurance Corporation of U.K.;
38. Prudence Foundation Limited;
39. Prudential (Cambodia) Life Assurance Plc;
40. Prudential BSN Takaful Berhad;
41. Prudential Holdings Limited;
42. Prudential Life Assurance (Lao) Company Limited;
43. Prudential Life Assurance (Thailand) Public Company Limited;
44. Prudential Mauritius Holdings Limited;
45. Prudential Process Management Services India Private Limited;
46. Prudential Services Asia Sdn. Bhd.;
47. Prudential Singapore Holdings Pte. Limited;

48. Prudential Vietnam Assurance Private Limited;
49. PT. Prudential Life Assurance;
50. Sri Han Suria Sdn. Bhd.; and
51. Staple Limited.

Life Insurance Corporation of India (“**LIC**”) which holds more than 10% of the share capital of ICICI Bank has not been considered as a Promoter Group. LIC is a public sector insurance company and a financial institution. LIC has made a financial investment in ICICI Bank among many similar investments made by LIC in various entities. LIC does not exercise direct or indirect control or any significant influence over ICICI Bank. In addition, as of March 31, 2016, Deutsche Bank Trust Company Americas in its capacity as the depository held 1,466,169,782 equity shares of ICICI Bank represented by the American Depositary Shares (“**ADRs**”) issued by ICICI Bank. Since such equity shares are held by the depository on behalf of the holders of the ADRs, Deutsche Bank Trust Company Americas has also not been considered as a Promoter Group entity.

Further, ICICI Bank being a financial institution holds investment of 10% or more in (i) 11 companies pursuant to debt restructuring on conversion of loans granted to such companies including through the Strategic Debt Restructuring Scheme issued by Reserve Bank of India. ICICI Bank’s shareholding in such companies ranges from 10% to 30%. However, ICICI Bank does not, directly or indirectly, exercise any control over these companies or promote these companies. These companies are also not categorized as related parties of ICICI Bank for accounting purposes under the Indian Accounting Standards; (ii) 11 companies to facilitate the development of such companies and to support certain governmental initiatives. ICICI Bank’s shareholding in such companies ranges from 10% to 24%. All such companies are professionally managed companies and are under the supervision of their respective board of directors. These companies are also not categorized as related parties of ICICI Bank for accounting purposes under the Indian Accounting Standards; and (iii) 16 companies which are non-strategic investments acquired in the ordinary course of its financing activities, of which investments in 12 companies have been fully written off. ICICI Bank’s shareholding in such companies ranges from 10% to 30%. ICICI Bank does not, directly or indirectly, exercise any control over these companies or promote these companies. These companies are also not categorized as related parties of ICICI Bank for accounting purposes under the Indian Accounting Standards. In light of the above, these entities have not been considered as Promoter Group entities.



## OUR GROUP COMPANIES

Our Board has approved that other than companies (apart from the Subsidiary) which constitute part of the related parties of our Company in accordance with the applicable accounting standards (Accounting Standard 18) as per the restated consolidated financial statements of our Company as of and for the Fiscal ended March 31, 2016, there are no material group companies of our Company. Accordingly, we have set out below the details of our Group Companies which have also been disclosed in this Draft Red Herring Prospectus in “Financial Statements” from page 213.

In addition to ICICI Bank and PCHL, the following companies are our Group Companies:

1. ICICI Bank Canada;
2. ICICI Bank UK PLC;
3. ICICI Home Finance Company Limited;
4. ICICI International Limited;
5. ICICI Investment Management Company Limited;
6. ICICI Lombard General Insurance Company Limited;
7. ICICI Prudential Asset Management Company Limited;
8. ICICI Prudential Trust Limited;
9. ICICI Securities Holdings Inc.;
10. ICICI Securities Inc.;
11. I-Sec;
12. ICICI Securities Primary Dealership Limited;
13. ICICI Trusteeship Services Limited; and
14. ICICI Venture Funds Management Company Limited.

### Details of the top five Group Companies:

The top five Group Companies on the basis of turnover are as follows:

#### 1. ICICI Bank UK PLC

##### *Corporate Information*

ICICI Bank UK PLC was incorporated on February 11, 2003 as ICICI Bank UK Ltd, a private company, in England and Wales. Subsequently, the name of the company was changed to ICICI Bank UK PLC as a result of change in the status of the company from a private company to a public limited company on October 30, 2006. ICICI Bank UK PLC is engaged in the business of banking.

##### *Interest of the Promoters*

One of our Company’s Promoters, namely ICICI Bank, holds 420,000,000 equity shares of US\$ 1.00 and 50,002 equity shares of GBP 1.00 each, aggregating to 100.0% of the issued and paid-up capital of ICICI Bank UK PLC.

##### *Financial Performance*

The following table sets forth details of the brief audited financial results of ICICI Bank UK PLC for the Fiscal 2016, Fiscal 2015 and Fiscal 2014:

*(US\$ in million, except per share data)*

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Equity Capital	420.0	420.0	495.0
Reserves and Surplus	118.1	119.4	128.7
Total Income	169.2	182.9	168.8
Profit/(Loss) after Tax	0.5	18.3	25.2

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Earnings per share (basic) (US\$) (face value US\$ 1 for 420 million shares and GBP1 for 50,002 shares)	0.001	0.044	0.051
Earnings per share (diluted) (US\$) (face value US\$ 1 for 420 million shares and GBP1 for 50,002 shares)	0.001	0.044	0.051
Net asset value per share	NA	NA	NA

There are no significant notes of the auditors in relation to the aforementioned financial statements.

## 2. ICICI Home Finance Company Limited

### Corporate Information

ICICI Home Finance Company Limited was incorporated on May 28, 1999, as a public limited company, under the Companies Act, 1956 in India. ICICI Home Finance Company Limited is a registered housing finance company engaged in the business of mortgage finance. It is also engaged in providing advisory, consultancy and broking services in the real estate industry.

### Interest of the Promoters

One of our Company's Promoters, namely ICICI Bank, along with its nominees, holds 1,098,745,000 equity shares of ₹ 10.0 each, aggregating to 100.0% of the issued and paid-up capital of ICICI Home Finance Company Limited.

### Financial Performance

The following table sets forth details of the brief audited financial results of ICICI Home Finance Company Limited for the Fiscal 2016, Fiscal 2015 and Fiscal 2014:

(in ₹ million, except per share)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Equity Capital	10,987.5	10,987.5	10,987.5
Reserves and Surplus	4,304.6	3,929.1	4,221.8
Total Income	10,713.7	9,877.3	9,357.2
Profit/(Loss) after Tax	1,798.5	1,975.7	2,228.2
Earnings per share (basic) (₹) (face value ₹ 10 each)	1.64	1.80	2.03
Earnings per share (diluted) (₹) (face value ₹ 10 each)	1.64	1.80	2.03
Net asset value per share	-	-	-

There are no significant notes of the auditors in relation to the aforementioned financial statements.

## 3. ICICI Lombard General Insurance Company Limited

### Corporate Information

ICICI Lombard General Insurance Company Limited was incorporated on October 30, 2000 as a public company under the Companies Act, 1956 at Mumbai. It is engaged in carrying on all kinds of general insurance business.

### Interest of our Promoters

One of our Company's Promoters, namely ICICI Bank, holds 285,605,284 equity shares of ₹ 10.0 each, aggregating to 63.80% of the issued and paid-up capital of ICICI Lombard General Insurance Company Limited.

### Financial Performance

The following table sets forth details of the brief audited financial results of ICICI Lombard General Insurance Company Limited for the Fiscal 2016, Fiscal 2015 and Fiscal 2014:

(in ₹ million, except per share data)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Equity Capital <sup>(1)</sup>	4,475.4	4,467.9	4,453.6
Reserves and Surplus	27,281.1	23,769.3	19,360.4
Total Income <sup>(2)</sup>	67,113.4	59,036.9	57,255.6
Profit/(Loss) after Tax	5,074.4	5,356.1	5,113.6
Earnings per share (basic) (face value ₹ 10)	11.35	12.03	11.50
Earnings per share (diluted) (face value ₹ 10)	11.27	11.93	11.38

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net asset value per share	NA	NA	NA

(1) *Equity share capital includes share application money pending allotment.*

(2) *Includes net earned premium, reinsurance inward commission income and investment income (excluding impairment) & income from pool.*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

#### 4. I-Sec

##### *Corporate Information*

I-Sec was incorporated on March 9, 1995, as public limited company, under the Companies Act, 1956 in India. I-Sec is engaged in the business of securities broking and merchant banking and distribution of financial product.

##### *Interest of our Promoters*

One of our Company's Promoters, namely ICICI Bank, along with its nominees, holds 805,353,500 equity shares of ₹ 2.00 each, aggregating to 100.0% of the issued and paid-up capital of I-Sec. Further, ICICI Securities Limited is a corporate distribution agent of the Company.

I-Sec has been appointed as a Global Co-ordinator and Book Running Lead Manager in the Offer with the limited responsibility of marketing of the Offer.

##### *Financial Performance*

The following table sets forth details of the brief audited financial results of I-Sec for the Fiscal 2016, Fiscal 2015 and Fiscal 2014:

*(in ₹ million, except per share)*

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Equity Capital	1,610.7	1,610.7	1,610.7
Reserves and Surplus	2,331.6	1,910.6	1,385.0
Total Income	11,235.6	12,094.6	8,117.4
Profit/(Loss) after Tax	2,357.4	2,439.6	749.4
Earnings per share (basic) (face value ₹ 2)	2.9	3.0	0.9
Earnings per share (diluted) (face value ₹ 2)	2.9	3.0	0.9
Net asset value per share	NA	NA	NA

There are no significant notes of the auditors in relation to the aforementioned financial statements.

#### 5. ICICI Securities Primary Dealership Limited

##### *Corporate Information*

ICICI Securities Primary Dealership Limited was incorporated on February 22, 1993, as a public limited company, under the Companies Act, 1956 in India. ICICI Securities Primary Dealership Limited is engaged in the business of dealing in securities, acting as portfolio managers, merchant bankers, etc.

##### *Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, along with its nominees, holds 15,634 equity shares of ₹ 100,000.0 each, aggregating to 100.0% of the issued and paid-up capital of ICICI Securities Primary Dealership Limited and has such rights as listed in the articles of association of ICICI Securities Primary Dealership Limited.

##### *Financial Performance*

The following table sets forth details of the brief audited financial results of ICICI Securities Primary Dealership Limited for the Fiscal 2016, Fiscal 2015 and Fiscal 2014:

*(in ₹ million, except per share)*

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Equity Capital	1,563.4	1,563.4	1,563.4
Reserves and Surplus	7,105.2	6,542.9	5,859.6

	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>
Total Income	13,619.4	13,088.2	9,035.6
Profit/(Loss) after Tax	1,954.7	2,173.7	1,318.3
Earnings per share (basic) (₹) (face value ₹ 100,000)	125,030.1	139,039.3	84,324.9
Earnings per share (diluted) (₹) (face value ₹ 100,000)	125,030.1	139,039.3	84,324.9
Net asset value per share	NA	NA	NA

There are no significant notes of the auditors in relation to the aforementioned financial statements.

## **Other Group Companies**

Apart from our Promoters, ICICI Bank and PCHL, the details of the rest of our Group Companies are provided below:

### **1. ICICI Bank Canada**

#### *Corporate Information*

ICICI Bank Canada was incorporated on September 12, 2003 as a limited liability company in Canada. ICICI Bank Canada is engaged in the business of providing wide range of financial solutions to cater to personal, commercial, corporate, investment, treasury and trade requirements.

#### *Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, holds 839,500,000 equity shares amounting to CAD \$634.5 million, aggregating to 100% of the issued and paid-up capital of ICICI Bank Canada.

### **2. ICICI International Limited**

#### *Corporate Information*

ICICI International Limited was incorporated on January 18, 1996, as a private limited company, in Republic of Mauritius. ICICI International Limited is registered as a CIS manager with the Financial Services Commission, Mauritius and is in the business of investment management.

#### *Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, holds 90,000 equity shares of US\$ \$10.00 each, aggregating to 100.0% of the issued and paid-up capital of ICICI International Limited.

### **3. ICICI Investment Management Company Limited**

#### *Corporate Information*

ICICI Investment Management Company Limited was incorporated on March 9, 2000, as a public limited company under the Companies Act, 1956 in India. ICICI Investment Management Company Limited is engaged in the business of asset management and providing financial management, financial consultancy and advisory services.

#### *Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, along with its nominees, holds 10,000,700 equity shares of ₹ 10.00 each, aggregating to 100.0% of the issued and paid-up capital of ICICI Investment Management Company Limited.

### **4. ICICI Prudential Asset Management Company Limited**

#### *Corporate Information*

ICICI Prudential Asset Management Company Limited was incorporated on June 22, 1993, as a public limited company, under the Companies Act, 1956 in India. ICICI Prudential Asset Management Company Limited is an asset management company and is involved in providing financial management, financial consultancy and advisory services.

#### *Interest of the Promoters*

Our Promoters, namely ICICI Bank and PCHL, hold 9,001,873 and 8,649,517 equity shares of ` 10.0 each, aggregating to 51.0% and 49.0% respectively of the issued and paid-up capital of ICICI Prudential Asset Management Company Limited.

5. **ICICI Prudential Trust Limited**

*Corporate Information*

ICICI Prudential Trust Limited was incorporated on June 22, 1993, as a public limited company, under the Companies Act, 1956 in India. ICICI Prudential Trust Limited is a trustee company and is involved in the business of and acquiring, holding, managing and disposing of properties or assets and securities, in its capacity as a trustee.

*Interest of the Promoters*

Our Promoters, namely ICICI Bank and PCHL, hold 50,657 and 49,343 equity shares of ` 10.0 each, aggregating to 51.0% and 49.0% respectively, of the issued and paid-up capital of ICICI Prudential Trust Limited

6. **ICICI Securities Holdings Inc.**

*Corporate Information*

ICICI Securities Holdings Inc. was incorporated on June 12, 2000, in United States of America. ICICI Securities Holdings Inc. is a holding company and is not currently registered with any regulatory authority.

*Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, holds 1,664 equity shares amounting to US\$ 16,640,000, aggregating to 100.0% of the issued and paid-up capital of ICICI Securities Holdings Inc. through its 100.0% subsidiary ICICI Securities Limited.

7. **ICICI Securities Inc.**

*Corporate Information*

ICICI Securities Inc. was incorporated on June 13, 2000, a company, in United States of America. ICICI Securities Inc. is engaged in the business of securities broking.

*Interest of the Promoters*

One of our Company's Promoters, ICICI Bank, has 1,298 equity shares amounting to US\$ 12,980,000, aggregating to 100.0% of the issued and paid-up capital of ICICI Securities Inc. through its 100.0% subsidiary ICICI Securities Holdings, Inc.

8. **ICICI Trusteeship Services Limited**

*Corporate Information*

ICICI Trusteeship Limited was incorporated on April 29, 1999, as a public limited company, under the Companies Act, 1956 in India. ICICI Trusteeship Services Limited is engaged in the business of providing trusteeship services and acquiring, holding, managing, disposing of securities or money market instruments or property or assets and receivables or financial assets or any other assets or property, in its capacity as a trustee.

*Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, along with its nominees, holds 50,000 equity shares of ` 10.0 each, aggregating to 100.0% of the issued and paid-up capital of ICICI Trusteeship Services Limited.

9. **ICICI Venture Funds Management Company Limited**

*Corporate Information*

ICICI Venture Funds Management Company Limited was incorporated on January 5, 1988, as a public limited company, under the Companies Act, 1956 in India. ICICI Venture Funds Management Company Limited is involved in the business of providing venture capital funding to start-up companies and private equity to a range of companies.

### *Interest of the Promoters*

One of our Company's Promoters, namely ICICI Bank, along with its nominees, holds 1,000,000 equity shares of ₹ 10.0 each, aggregating to 100.0% of the issued and paid-up capital of ICICI Venture Funds Management Company Limited.

### **Nature and Extent of Interest of Group Companies**

- ***In the promotion of our Company***

I-Sec is appointed as a book running lead manager and is interested to the extent of marketing the Offer. In addition, except for ICICI Bank and PCHL, none of our Group Companies have any interest in the promotion of our Company.

- ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus***

None of our Group Companies is interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus, or proposed to be acquired.

- ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

### **Common Pursuits between our Group Companies and our Company**

There are no common pursuits among any of our Group Companies (other than ICICI Bank and PCHL) and our Company.

### **Related Business Transactions within our Group Companies and significance on the financial performance of our Company**

For more information, see "Related Party Transactions" beginning on page 210.

### **Significant Sale / Purchase with our Group Companies and our Subsidiary**

Except as disclosed in the section "Related Party Transactions" on page 210, our Company is not involved in any sales or purchases with any of our Group Companies or our Subsidiary where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

### **Business Interest of Group Companies**

We have entered into certain business contracts with some of our Group Companies. For details, see "Our Business" from page 133 and "Related Party Transactions" from page 210.

Other than as stated above, none of our Group Companies (other than ICICI Bank and PCHL) have any business interest in our Company.

### **Defunct Group Companies**

None of our Group Companies remain defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies, during the five years preceding the date of this Draft Red Herring Prospectus.

### **Loss making Group Companies**

The following table sets forth the details of our Group Companies which have incurred loss as per their last available audited financial statements and the profit/(loss) made by them in during Fiscal 2016, Fiscal 2015 and Fiscal 2014 are as follows:

*(except as stated, in ₹ million)*

Name of Group Company	Profit / (loss)		
	Fiscal 2016	Fiscal 2015	Fiscal 2014
ICICI Venture Funds Management Company Limited	(212.3)	8.7	329.8
ICICI International Limited	(4.9)	(7.9)	(2.7)
ICICI Investment Management Company Limited	(18.5)	(20.2)	1.9

Name of Group Company	Profit / (loss)		
	Fiscal 2016	Fiscal 2015	Fiscal 2014
ICICI Securities Holdings Inc. (US\$ in thousands)	(11,471.0)	(11.0)	(14.0)

### Other Confirmations

Except for the equity shares of ICICI Bank, no equity shares of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years. The following Group Companies have issued debt securities which are listed on the Stock Exchanges:

1. ICICI Home Finance Company Limited; and
2. ICICI Securities Primary Dealership Limited.

None of our Group Companies have a negative net worth. None of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

None of our Group Companies have been debarred or prohibited from accessing the capital market for any reasons by SEBI or any other authorities.

None of our Group Companies have been identified as Wilful Defaulters.

For details of related party transactions entered into by our Company with our Group Companies, as per Accounting Standard 18, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 210.

For further details, see “Outstanding Litigation and Material Developments” and “Other Regulatory and Statutory Disclosures” on pages 455 and 483.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last five Fiscals, as per the requirements under Accounting Standard 18 “Related Party Disclosures”, see “Financial Statements - Annexure - XXIX: Restated Standalone Statement of Related Party Transactions” and “Financial Statements - Annexure - XXIX: Restated Consolidated Statement of Related Party Transactions” from pages 299 and 401, respectively.



## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend policy of our Company was approved and adopted by our Board of Directors in their meeting on December 27, 2011.

The dividend policy provides for declaration of dividend in accordance with the applicable law and provisions of our AoA. Under the dividend policy, our Company is permitted to pay a dividend out of the profits for the financial year or out of the profits for the previous financial years which have not been transferred to the reserves or out of both after providing for depreciation provided there is a surplus in the valuation balance sheet. Our Company is however restrained from paying a dividend, if our Company is, or would be after the payment of such dividend, in contravention of the solvency margins, as required under the Insurance Act. In addition, our Company shall consider the impact of declaration of a dividend on the financial position and strategy of our Company. These considerations shall include our business plan, anticipated business and profit growth, strategic investments, cash flows, regulations relating to accumulated losses (if any) and continuing resilience of the balance sheet.

As there are no explicit regulatory upper limit on dividend ratio for insurance companies our Company has ascertained a maximum dividend ratio (excluding dividend distribution tax) to be 40% of PAT, however the Board of Directors, after reviewing the profit and solvency of our Company, may permit a higher dividend in any form, including in the form of a special dividend. Our Board of Directors may consider declaration of an interim dividend at any time during the year in accordance with applicable law, however consideration for declaration of final dividend will take place at the meeting of our Board of Directors approving the annual financial statements each year.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. For details of risks in relation to our capability to pay dividend, see "Risk Factors - Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements" on page 41. The details of dividend paid by our Company in the last five Financial Years are given below:

	2016	2015	2014	2013	2012
Number of Equity Shares of face value of ` 10 each	1,431,867,232 <sup>(1)</sup>	1,429,516,124 <sup>(5)</sup>	1,429,027,912 <sup>(8)</sup>	1,428,849,124 <sup>(12)</sup>	1,428,461,149 <sup>(16)</sup>
		1,429,751,824 <sup>(6)</sup>	1,429,114,912 <sup>(9)</sup>	1,428,895,749 <sup>(13)</sup>	1,428,677,799 <sup>(17)</sup>
	1,432,058,547 <sup>(2)</sup>	1,431,834,281 <sup>(7)</sup>	1,429,121,687 <sup>(10)</sup>	1,428,916,249 <sup>(14)</sup>	1,428,849,124 <sup>(18)</sup>
	1,432,284,273 <sup>(3)</sup>		1,429,390,925 <sup>(11)</sup>	1,428,939,249 <sup>(15)</sup>	
	1,432,869,176 <sup>(4)</sup>				
Dividend per Equity Share of face value of ` 10 each (in `)	2.10 <sup>(1)</sup>	1.85 <sup>(5)</sup>	1.00 <sup>(8)</sup>	0.70 <sup>(12)</sup>	1.45 <sup>(16)</sup>
		1.90 <sup>(6)</sup>	2.15 <sup>(9)</sup>	0.85 <sup>(13)</sup>	0.75 <sup>(17)</sup>
	2.10 <sup>(2)</sup>	2.10 <sup>(7)</sup>	2.40 <sup>(10)</sup>	0.85 <sup>(14)</sup>	0.70 <sup>(18)</sup>
	2.10 <sup>(3)</sup>		2.10 <sup>(11)</sup>	0.99 <sup>(15)</sup>	
	2.10 <sup>(4)</sup>				
Rate of dividend on Equity Share of face value of ` 10 each (%)	21.00 <sup>(1)</sup>	18.50 <sup>(5)</sup>	10.00 <sup>(8)</sup>	7.00 <sup>(12)</sup>	14.50 <sup>(16)</sup>
		19.00 <sup>(6)</sup>	21.50 <sup>(9)</sup>	8.50 <sup>(13)</sup>	7.50 <sup>(17)</sup>
	21.00 <sup>(2)</sup>	21.00 <sup>(7)</sup>	24.00 <sup>(10)</sup>	8.50 <sup>(14)</sup>	7.00 <sup>(18)</sup>
	21.00 <sup>(3)</sup>		21.00 <sup>(11)</sup>	9.90 <sup>(15)</sup>	
	21.00 <sup>(4)</sup>				
Total dividend* on Equity Share of face value of ` 10 each (in ` billion)	3.01 <sup>(1)</sup>	2.64 <sup>(5)</sup>	1.43 <sup>(8)</sup>	1.00 <sup>(12)</sup>	2.07 <sup>(16)</sup>
		2.72 <sup>(6)</sup>	3.07 <sup>(9)</sup>	1.21 <sup>(13)</sup>	1.07 <sup>(17)</sup>
	3.01 <sup>(2)</sup>	3.01 <sup>(7)</sup>	3.43 <sup>(10)</sup>	1.21 <sup>(14)</sup>	1.00 <sup>(18)</sup>
	3.01 <sup>(3)</sup>		3.00 <sup>(11)</sup>	1.41 <sup>(15)</sup>	
	3.01 <sup>(4)</sup>				

\* This does not include dividend distribution tax.

1. The Board of Directors approved an interim dividend of ` 1.10 and a special dividend of ` 1.00 in their meeting on July 28, 2015.
2. The Board of Directors approved an interim dividend of ` 1.10 and a special dividend of ` 1.00 in their meeting on October 27, 2015.
3. The Board of Directors approved an interim dividend of ` 1.10 and a special dividend of ` 1.00 in their meeting on January 19, 2016.
4. The Board of Directors approved a final dividend of ` 1.10 and a special dividend of ` 1.00 in their meeting on April 26, 2016.
5. The Board of Directors approved an interim dividend of ` 1.05 and a special dividend of ` 0.80 by way of a circular resolution on September 15, 2014.
6. The Board of Directors approved an interim dividend of ` 1.10 and a special dividend of ` 0.80 in their meeting on October 17, 2014.

7. *The Board of Directors approved a final dividend of ` 1.05 and a special dividend of ` 1.05 in their meeting on April 24, 2015.*
8. *The Board of Directors approved an interim dividend of ` 1.00 in their meeting on July 16, 2013.*
9. *The Board of Directors approved an interim dividend of ` 1.05 and a special dividend of ` 1.10 in their meeting on October 18, 2013.*
10. *The Board of Directors approved an interim dividend of ` 1.15 and a special dividend of ` 1.25 in their meeting on January 16, 2014.*
11. *The Board of Directors approved a final dividend of ` 2.10 in their meeting on April 22, 2014.*
12. *The Board of Directors approved an interim dividend of ` 0.70 in their meeting on July 24, 2012.*
13. *The Board of Directors approved an interim dividend of ` 0.85 in their meeting on October 19, 2012*
14. *The Board of Directors approved an interim dividend of ` 0.85 in their meeting on January 22, 2013.*
15. *The Board of Directors approved a final dividend of ` 0.99 in their meeting on April 18, 2013*
16. *The Board of Directors approved an interim dividend of ` 1.45 in their meeting on December 27, 2011.*
17. *The Board of Directors approved an interim dividend of ` 0.75 in their meeting on January 17, 2012.*
18. *The Board of Directors approved a final dividend of ` 0.70 in their meeting on April 25, 2012.*

*The Annual Dividends have been approved by the Shareholders of our Company in the respective annual general meetings.*

## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### The Board of Directors

ICICI Prudential Life Insurance Company Limited  
ICICI PruLife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
India

Dear Sirs

We have examined the attached Restated Standalone Summary Financial Information of ICICI Prudential Life Insurance Company Limited (the 'Company') which comprise the Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, the Restated Standalone Summary Statement of Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Restated Standalone Summary Statement of Profit and Loss Account (also called the "Shareholders' Account" or the Non- Technical Account"), the Restated Standalone Summary Statement of Receipts and Payments Account and other financial information (as described more in detail in paragraph 6 below, referred as "Other Restated Standalone Summary Financial Information") for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 as approved by the Board of Directors of the Company on 29 June 2016, prepared by the management of the Company in terms of the requirements of Section 26 (1) (b) of the Companies Act, 2013 read with Rule 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Part (B) of Item (IX) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the 'SEBI Regulations'), the Issuance of capital by Indian Insurance Companies transacting Life Insurance Business Regulations, 2015 read with the Issuance of Capital by Life Insurance Companies Regulations 2011 – Disclosure Requirements issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI Regulations') and the Guidance Note on Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') (Guidance Note) to the extent applicable in connection with the proposed issue of equity shares of the Company by way of an offer for sale by the selling shareholders.

The Restated Standalone Summary Financial Information have been extracted by the Company's Management from the Company's standalone audited financial statements for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012. The standalone financial statements for years ended 31 March 2016, 31 March 2015 and 31 March 2012 were audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, and M/s Walker Chandiook & Co LLP, Chartered Accountants, for the purpose of the Restated Standalone Summary Financial Information, have placed reliance on the standalone financial statements audited by them and the financial report included for these years are based solely on the reports submitted by them. The standalone financial statements for years ended 31 March 2014 and 31 March 2013 were audited jointly by M/s S. B. Billimoria & Co. LLP,

Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants and M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants, for the purpose of the Restated Standalone Summary Financial information, have placed reliance on the standalone financial statements audited by them and the financial report included for these years are based solely on the reports submitted by them.

1 In accordance with the requirements of Section 26 (1) (b) of the Companies Act, 2013 read with Rule 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the IRDAI regulations and the Guidance Note, as amended from time to time, we further report that:

- a) The Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, examined by us, as set out in Annexure I to this report read with the summary of significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Standalone Summary Financial Statements enclosed as Annexure VI to this report. For the years ended 31 March 2016, 31 March 2015 and 31 March 2012, reliance has been placed by M/s Walker Chandiook & Co LLP, Chartered Accountants, on the financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, and for the years ended 31 March 2014 and 31 March 2013, reliance has been placed by M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants on the financial statements audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- b) The Restated Standalone Summary Statement of Revenue Account and Restated Standalone Summary Statement of Profit and Loss Account for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 as set out in Annexure II and Annexure III to this report read with the summary of significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Standalone Summary Financial Statements enclosed as Annexure VI to this report. For the years ended 31 March 2016 and 31 March 2015 and 31 March 2012, reliance has been placed by M/s Walker Chandiook & Co LLP, Chartered Accountants, on the financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants and for the years ended 31 March 2014 and 31 March 2013, reliance has been placed by M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants on the financial statements audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
- c) The Restated Standalone Summary Statement of Receipts and Payments Account for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 as set out in Annexure IV to this report read with the summary of significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Standalone Summary Financial Statements enclosed as Annexure VI to this report. For the years ended 31 March 2016 and 31 March 2015 and 31 March 2012, reliance has been placed by M/s Walker Chandiook & Co LLP, Chartered Accountants, on the financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants and for the years ended 31 March 2014 and 31 March 2013,

reliance has been placed by M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants on the financial statements audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- 2 We draw attention to the fact that the Joint Auditors report on the standalone financial statements of the Company for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 have, without qualifying the opinion, drawn attention to the following matter in the report for the respective years:
- i) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at the respective year ends has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. As required by the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 the standalone audit reports draw reliance 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 on standalone financial statements of the Company as at the respective year ends.
- 3 We draw attention to the fact that the Joint Auditors report on the standalone financial statements of the Company for the year ended 31 March 2012 has, without qualifying the opinion, drawn attention to the following matter in the report for that year:
- i) no adjustments on account of the tax proposals applicable to insurance companies as contained in the Finance Bill 2012 have been made to the carrying value of deferred tax asset of ₹ 860,260 thousand of the Company as at March 31, 2012.
- 4 We draw attention to the fact that the Joint Auditors report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, of the standalone financial statements of the Company for the year ended 31 March 2016 has, without qualifying the opinion, drawn attention to the following matter in the report for that year:
- i) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at the

respective year ends has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority (“IRDAI” / “Authority”) and the Institute of Actuaries of India in concurrence with the Authority. The standalone audit report and the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 report draws reliance 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 on standalone financial statements of the Company as at that year end.

5 Based on the above, and based on the reliance placed on the standalone financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, for the years ended 31 March 2016, 31 March 2015 and 31 March 2012 and audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, for the years ended 31 March 2014 and 31 March 2013, we are of the opinion that the Restated Standalone Summary Financial Information:

- i) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at 31 March 2016;
- ii) has been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and
- iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Summary Financial Information and do not contain any qualifications requiring adjustments.

6 We have also examined the following Other Restated Standalone Summary Financial Information, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospects and the Prospectus, as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors on 29 June 2016, relating to the Company for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012:

- i. Notes on Adjustments for Restated Standalone Summary Financial Information, included in Annexure VI;
- ii. Restated Standalone Statement of Accounting Ratios, included in Annexure VII;
- iii. Restated Standalone Statement on Segment Disclosure, included in Annexure VIII;
- iv. Restated Standalone Statement of Premium income, included in Annexure IX;
- v. Restated Standalone Statement of Commission Expenses, included in Annexure X ;
- vi. Restated Standalone Statement of Operating Expenses related to Insurance business, included in Annexure XI;
- vii. Restated Standalone Statement of Expenses other than those directly related to the Insurance business, included in Annexure XI A;
- viii. Restated Standalone Statement of Benefits Paid (net), included in Annexure XII;
- ix. Restated Standalone Statement of Share Capital, included in Annexure XIII;
- x. Restated Standalone Statement of Pattern of Shareholding, included in Annexure XIII A;
- xi. Restated Standalone Statement of Reserves and Surplus , included in Annexure XIV;
- xii. Restated Standalone Statement of Borrowings , included in Annexure XV;
- xiii. Restated Standalone Statement of Investments - Shareholders, included in Annexure XVI;
- xiv. Restated Standalone Statement of Investments - Policyholders, included in Annexure XVI A;
- xv. Restated Standalone Statement of Assets held to cover linked liabilities, included in Annexure XVI B;
- xvi. Restated Standalone Statement of Loans, included in Annexure XVII;

- xvii. Restated Standalone Statement of Fixed Assets, included in Annexure XVIII;
- xviii. Restated Standalone Statement of Cash and Bank Balances, included in Annexure XIX;
- xix. Restated Standalone Statement of Advances and other assets, included in Annexure XX;
- xx. Restated Standalone Statement of Current liabilities, included in Annexure XXI;
- xxi. Restated Standalone Statement of Provisions, included in Annexure XXII;
- xxii. Restated Standalone Statement of Miscellaneous expenditure, included in Annexure XXIII;
- xxiii. Restated Standalone Statement of Other Income, included in Annexure XXIV;
- xxiv. Restated Standalone Statement of Capitalisation, included in Annexure XXV;
- xxv. Restated Standalone Statement of Tax Shelter, included in Annexure XXVI.
- xxvi. Restated Standalone Statement of Debtors, included in Annexure XXVII;
- xxvii. Restated Standalone Statement of Dividend, included in Annexure XXVIII;
- xxviii. Restated Standalone Statement of Related Party Transactions, included in Annexure XXIX;
- xxix. Restated Standalone Statement of Secured and Unsecured Loans, included in Annexure XXX;
- xxx. Restated Standalone Statement of Aggregate Book Value and Market Value of Quoted Investments, included in Annexure XXXI.

7 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other firms of Chartered Accountants, nor should this report be construed as an opinion on any of the standalone financial statements referred to herein.

8 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9 In our opinion, the above Restated Standalone Summary Financial Information contained in Annexure I to Annexure XXXI accompanying this report read along with the Summary of Significant Accounting Policies in Annexure V and Notes on Adjustments for Restated Standalone Summary Financial Statements enclosed as Annexure VI to this report are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, IRDAI Regulations and the Guidance note issued in this regard by the ICAI, as amended from time to time.

10 Our report is intended solely for use of the management and for inclusion in the Draft Red Herring Prospectus, Red Herring Prospects and the Prospectus in connection with the proposed issue of equity shares of the Company by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

For **B S R & Co. LLP**  
*(B S R & Co. (a partnership firm with registration no. BA61223), converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181), with effect from October 14, 2013)*

Chartered Accountants  
 ICAI Firm Registration No:  
 101248W/W-100022

**Venkataramanan Vishwanath**  
*Partner*  
 Membership No: 113156  
 Place : Mumbai  
 29 June 2016

For **Walker Chandiok & Co LLP**  
*(formerly Walker, Chandiok & Co )*

Chartered Accountants

ICAI Firm Registration No:  
 001076N/N500013

**per Khushroo B. Panthaky**  
*Partner*  
 Membership No: 42423  
 Place : Mumbai  
 29 June 2016

**Annexure - I: Restated standalone summary statement of Assets and Liabilities**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Sources of funds</b>					
Shareholders' funds:					
Share capital	14,323.2	14,317.2	14,292.6	14,289.4	14,288.5
Share application money	0.8	11.7	1.0	-	-
Reserve and surplus	36,416.4	34,295.9	33,663.8	33,645.1	33,639.5
Credit/[debit] fair value change account	2,508.8	4,029.0	1,860.7	477.6	207.6
<b>Sub - total</b>	<b>53,249.2</b>	<b>52,653.8</b>	<b>49,818.1</b>	<b>48,412.1</b>	<b>48,135.6</b>
Borrowings	-	-	-	-	-
Policyholders' funds:					
Credit/[debit] fair value change account	9,712.3	11,754.7	4,794.0	2,478.0	2,203.1
Revaluation reserve - Investment property	577.1	562.1	668.9	704.5	704.5
Policy liabilities (A)+(B)+(C)	955,495.1	920,340.2	740,779.1	684,161.9	658,231.1
Non unit liabilities (mathematical reserves) (A)	202,547.9	172,587.5	138,124.9	110,276.0	83,380.0
Provision for linked liabilities (fund reserves)(B)	719,902.9	724,775.2	591,373.6	569,584.0	574,185.9
(a) Provision for linked liabilities	650,825.0	584,006.0	523,002.3	530,343.0	546,863.7
(b) Credit/[debit] fair value change account (Linked)	69,077.9	140,769.2	68,371.3	39,241.0	27,322.2
Funds for discontinued policies (C)	33,044.3	22,977.5	11,280.6	4,301.9	665.2
(a) Discontinued on account of non-payment of premium	33,027.4	22,977.5	11,285.4	4,302.7	664.9
(b) Other discontinuance	16.9	-	-	-	-
(c) Credit/[debit] fair value change account	-	-	(4.8)	(0.8)	0.3
Total linked liabilities (B)+(C)	752,947.2	747,752.7	602,654.2	573,885.9	574,851.1
<b>Sub - total</b>	<b>965,784.5</b>	<b>932,657.0</b>	<b>746,242.0</b>	<b>687,344.4</b>	<b>661,138.7</b>
Funds for Future Appropriations					
Linked	10.8	22.7	450.0	1,322.4	3,322.6
Non linked	6,606.8	5,250.7	4,517.2	3,760.1	4,282.9
<b>Sub - total</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>
<b>Total</b>	<b>1,025,651.3</b>	<b>990,584.2</b>	<b>801,027.3</b>	<b>740,839.0</b>	<b>716,879.8</b>
<b>Application of funds</b>					
Investments					
Shareholders'	62,156.7	58,567.7	53,488.4	49,187.6	34,757.5
Policyholders'	215,156.2	188,579.5	144,426.1	112,770.4	91,044.4
Asset held to cover linked liabilities	752,957.9	747,775.4	603,104.3	575,208.3	578,173.7
Loans	442.7	201.1	119.1	87.5	95.7
Fixed assets - net block	2,195.4	2,150.0	2,015.4	1,722.5	1,802.4
Deferred tax asset	0.7	1.3	15.3	118.0	875.4
Current assets					
Cash and Bank balances	2,002.1	2,554.8	1,934.4	3,247.6	2,840.6
Advances and Other assets	12,750.8	12,328.1	9,642.0	9,860.3	6,639.9
Sub-Total (A)	14,752.9	14,882.9	11,576.4	13,107.9	9,480.5
Current liabilities	18,213.9	17,807.7	16,043.2	18,415.1	16,374.1
Provisions	3,797.3	3,766.0	3,646.2	1,753.2	1,296.1
Sub-Total (B)	22,011.2	21,573.7	19,689.4	20,168.3	17,670.2
Net Current Assets (C) = (A-B)	(7,258.3)	(6,690.8)	(8,113.0)	(7,060.4)	(8,189.7)
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	-	-	-	-
Debit Balance in Profit & Loss Account	-	-	5,971.7	8,805.1	18,320.4

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
(Shareholders' account)					
<b>Total</b>	<b>1,025,651.3</b>	<b>990,584.2</b>	<b>801,027.3</b>	<b>740,839.0</b>	<b>716,879.8</b>
<b>Contingent liabilities</b>	2,006.5	1,969.2	1,889.2	1,701.8	347.6

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**For and on behalf of the Board of Directors**

**Venkataramanan  
Vishwanath**  
Partner  
Membership No. 113156

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

**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

**Vyoma Manek**  
Company Secretary

Date: June 29, 2016



**Annexure – II: Restated Standalone Summary Statement of Revenue Account (Policyholders' Account/Technical Account)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Premiums earned (Net of service tax)</b>					
(a) Premium	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
(b) Reinsurance ceded	(1,656.9)	(1,461.7)	(1,460.0)	(1,210.0)	(937.0)
(c) Reinsurance accepted	-	-	-	-	-
<b>Sub-total</b>	<b>189,987.0</b>	<b>151,604.5</b>	<b>122,826.5</b>	<b>134,172.4</b>	<b>139,278.7</b>
<b>Income from Investments</b>					
(a) Interest, dividend & rent - Gross	38,169.0	35,402.7	31,693.2	27,992.3	22,364.0
(b) Profit on sale/redemption of investments	50,831.1	79,667.8	43,201.5	35,302.9	36,223.6
(c) (Loss) on sale/redemption of investments	(10,621.7)	(5,031.4)	(15,048.3)	(16,547.5)	(18,692.0)
(d) Transfer/gain on revaluation/change in fair value	(71,691.4)	72,402.7	29,126.4	11,980.0	(45,060.6)
(e) Accretion of discount/(amortisation of premium) (Net)	5,396.6	4,943.6	3,153.2	3,139.1	3,864.6
(f) Appropriation/expropriation adjustment account	-	-	-	-	(24.3)
<b>Sub-total</b>	<b>12,083.6</b>	<b>187,385.4</b>	<b>92,126.0</b>	<b>61,866.8</b>	<b>(1,324.7)</b>
<b>Other income</b>					
Fees and charges	177.2	146.7	56.4	36.9	62.5
Miscellaneous income	31.6	32.5	116.1	203.8	76.6
<b>Sub-total</b>	<b>208.8</b>	<b>179.2</b>	<b>172.5</b>	<b>240.7</b>	<b>139.1</b>
Contribution from the Shareholders' account	-	388.5	958.8	6,272.9	4,042.6
<b>Total (A)</b>	<b>202,279.4</b>	<b>339,557.6</b>	<b>216,083.8</b>	<b>202,552.8</b>	<b>142,135.7</b>
Commission	6,199.8	5,531.7	6,274.8	7,654.2	6,054.7
Operating expenses related to Insurance business	18,883.3	16,543.3	16,161.7	17,131.0	17,733.1
Provision for doubtful debts	7.2	(121.9)	(37.4)	53.5	(69.5)
Bad debts written off	44.2	116.7	81.8	16.7	109.5
Provisions (other than taxation)					
(a) For diminution in the value of investments (Net)	126.4	67.5	85.0	98.7	127.1
(b) Others	-	-	-	-	-
Service tax charge on linked charges	3,465.0	3,069.4	3,066.1	3,181.1	2,260.8
<b>Total (B)</b>	<b>28,725.9</b>	<b>25,206.7</b>	<b>25,632.0</b>	<b>28,135.2</b>	<b>26,215.7</b>
Benefits paid (Net)	124,060.6	122,483.5	120,739.6	132,878.8	84,552.0
Interim bonus paid	187.4	116.4	93.8	48.7	29.8
Change in valuation of policy liabilities					
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)	37,023.9	37,072.1	29,319.8	28,321.3	26,493.2
(b) Amount ceded in reinsurance	(7,063.5)	(2,609.5)	(1,470.9)	(1,425.3)	(1,988.7)
(c) Amount accepted in reinsurance	-	-	-	-	-
(d) Fund reserve	(4,872.3)	133,401.6	21,789.6	(4,601.9)	(8,143.7)
(e) Funds for discontinued policies	10,066.8	11,696.9	6,978.7	3,636.7	665.1
<b>Total (C)</b>	<b>159,402.9</b>	<b>302,161.0</b>	<b>177,450.6</b>	<b>158,858.3</b>	<b>101,607.7</b>
<b>Surplus/(deficit) (D) =(A)-(B)-(C)</b>	<b>14,150.6</b>	<b>12,189.9</b>	<b>13,001.2</b>	<b>15,559.3</b>	<b>14,312.3</b>
Provision for taxation					
(a) Current tax credit/(charge)	(702.9)	(497.7)	(428.2)	(225.8)	(153.5)
(b) Deferred tax credit/(charge)	(0.6)	(14.0)	(53.2)	(124.6)	(260.5)
<b>Surplus/(deficit) after tax</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
<b>Appropriations</b>					
Transfer to Shareholders' account	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
Transfer to other Reserves	-	-	-	-	-
Balance being funds for future appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Total</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Funds for future appropriation</b>					
Balance at the beginning of the year	5,273.4	4,967.2	5,082.5	7,605.5	9,748.2
Add: Current period appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Balance carried forward to Balance Sheet</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**For and on behalf of the Board of Directors**

**Venkataramanan  
Vishwanath**  
Partner  
Membership No. 113156

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

**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

**Vyoma Manek**  
Company Secretary

Date: June 29, 2016

**Annexure - III: Restated Standalone Summary Statement of Profit and Loss Account (Shareholders' Account/Non-Technical Account)**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Amounts transferred from Policyholders' account (Technical account)	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
<b>Income from investments</b>					
(a) Interest, dividend & rent - Gross	3,877.7	3,769.1	3,592.2	3,004.0	1,628.2
(b) Profit on sale/redemption of investments	2,004.4	1,429.6	1,432.0	1,061.2	558.0
(c) (Loss) on sale/redemption of investments	(196.1)	(171.8)	(1,318.7)	(162.6)	(426.5)
(d) Accretion of discount/(amortisation of premium) (Net)	309.8	342.9	142.1	253.9	428.1
Other income	-	4.6	99.1	4.8	5.6
<b>Total (A)</b>	<b>18,098.7</b>	<b>16,746.4</b>	<b>16,581.8</b>	<b>21,893.2</b>	<b>18,234.4</b>
Expenses other than those directly related to the insurance business	313.3	453.4	114.3	58.2	16.9
Bad debts written-off	-	-	-	-	-
Provisions (other than taxation)					
(a) For diminution in value of investments (Net)	43.9	-	263.0	-	-
(b) Provision for doubtful debts	-	-	-	-	-
Contribution to Policyholders' account (Technical account)	-	388.5	958.8	6,272.9	4,042.6
<b>Total (B)</b>	<b>357.2</b>	<b>841.9</b>	<b>1,336.1</b>	<b>6,331.1</b>	<b>4,059.5</b>
Profit before Tax	17,741.5	15,904.5	15,245.7	15,562.1	14,174.9
Provision for Taxation					
(a) Current tax credit/(charge)	(1,211.1)	497.7	428.2	225.8	153.5
(b) Deferred tax credit/(charge)	-	-	(49.5)	(632.7)	(471.1)
<b>Profit after Tax</b>	<b>16,530.4</b>	<b>16,402.2</b>	<b>15,624.4</b>	<b>15,155.2</b>	<b>13,857.3</b>
<b>Appropriations</b>					
(a) Balance at the beginning of the year	457.5	(10,418.5)	(11,685.2)	(19,704.6)	(27,361.8)
(b) Interim dividends paid during the year	9,022.0	5,361.1	7,931.5	3,429.3	3,142.8
(c) Proposed final dividend	3,007.9	3,006.8	3,001.4	1,414.0	1,000.9
(d) Final dividend	-	0.3	-	-	-
(e) Dividend distribution tax	2,448.9	1,604.8	1,858.1	796.6	672.2
(f) Transfer to/(from) general reserve	-	(4,446.8)	1,566.7	1,495.9	1,384.2
<b>Profit/(Loss) carried to Balance Sheet</b>	<b>2,509.1</b>	<b>457.5</b>	<b>(10,418.5)</b>	<b>(11,685.2)</b>	<b>(19,704.6)</b>
<b>Earnings per equity share:</b>					
Basic earnings per equity share ₹	11.54	11.47	10.93	10.61	9.70
Diluted earnings per equity share ₹	11.53	11.45	10.91	10.58	9.67
Nominal value per equity share ₹	10.00	10.00	10.00	10.00	10.00

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**For and on behalf of the Board of Directors**

**Venkataramanan**  
**Vishwanath**  
Partner  
Membership No. 113156

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

**Chanda Kochhar**  
Chairperson  
DIN: 00043617

**V. Sridar**  
Director  
DIN: 02241339

**Sandeep Bakhshi**

**Sandeep Batra**

Managing Director and CEO  
DIN: 00109206

Executive Director  
DIN: 03620913

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

Place: Mumbai

Date: June 29, 2016

**Vyoma Manek**  
Company Secretary

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Annexure - IV: Restated Standalone Summary Statement of Receipts and Payments Account

(Amount in ` million)

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Cash receipts from customers:</b>					
Premium and other receipts	215,147.6	178,369.2	149,906.5	164,188.2	170,111.2
<b>Cash paid towards operating activities:</b>					
Commission paid	(6,183.0)	(5,579.7)	(6,445.0)	(7,052.1)	(6,082.6)
Policy benefits paid	(124,291.9)	(123,069.5)	(121,140.1)	(132,707.8)	(86,485.6)
Other expenses	(42,422.5)	(40,696.6)	(41,953.7)	(45,971.9)	(46,532.5)
Service tax paid	(3,651.5)	(3,326.2)	(3,386.9)	(3,993.2)	(2,559.2)
Reinsurance premium ceded (net of recovery amount)	(308.8)	(420.4)	(704.6)	(456.1)	(209.4)
Advances and deposits	24.8	5.9	(4.1)	60.5	374.4
Taxes paid	(1,943.8)	-	(83.2)	(464.3)	(315.0)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>36,370.9</b>	<b>5,282.7</b>	<b>(23,811.1)</b>	<b>(26,396.7)</b>	<b>28,301.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets	(529.8)	(568.9)	(786.9)	(345.8)	(378.3)
Sale of fixed assets	21.0	42.9	35.5	20.3	8.4
Purchase of investments	(1,047,489.2)	(899,642.7)	(956,390.1)	(985,080.5)	(884,978.2)
Loan	(241.6)	(82.0)	(31.6)	8.3	(8.8)
Sale of investments	1,004,836.6	881,899.2	986,816.5	962,798.0	837,851.3
Advance/deposit for investment property	(1,395.8)	(188.4)	(36.4)	7.3	-
Interest & rent received (net of Tax deducted at source)	36,232.9	31,512.0	28,645.5	22,410.3	13,517.5
Dividend received	6,085.5	5,945.2	6,294.0	6,239.1	6,026.9
Investments in money market instruments and in liquid mutual funds (Net)	2,899.8	(36,955.5)	(4,381.6)	9,722.3	19,968.5
Expense related to investment	(171.1)	(159.0)	(123.6)	(152.3)	(149.2)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>248.3</b>	<b>(18,197.2)</b>	<b>60,041.3</b>	<b>15,627.0</b>	<b>(8,141.9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of share capital*	54.1	209.9	22.9	6.5	36.5
Final Dividend	(3,006.9)	(3,001.7)	(1,414.7)	(1,000.2)	(3,142.8)
Interim Dividend Paid	(9,022.0)	(5,361.1)	(7,931.5)	(3,429.3)	-
Dividend Distribution tax paid	(2,448.8)	(1,502.7)	(1,588.4)	(718.6)	(509.8)
<b>Net cash used in financing activities (C)</b>	<b>(14,423.6)</b>	<b>(9,655.6)</b>	<b>(10,911.7)</b>	<b>(5,141.6)</b>	<b>(3,616.1)</b>
Effect of foreign exchange rates on cash and cash equivalents (net) (D)	(0.8)	0.6	0.5	0.2	0.3
<b>Net increase In cash and cash equivalents (A+B+C)</b>	<b>22,194.8</b>	<b>(22,569.5)</b>	<b>25,319.0</b>	<b>(15,911.1)</b>	<b>16,543.6</b>
Cash and cash equivalents at beginning of the	18,780.4	41,349.9	16,030.9	31,942.0	15,398.4

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
year					
<b>Cash and cash equivalents at end of the year</b>	40,975.2	18,780.4	41,349.9	16,030.9	31,942.0
Note:					
Cash and cash equivalents at the end of the year					
- Cash (Including cheques in hand and stamps in hand)	1,286.3	1,363.1	1,515.5	1,689.5	1,492.2
- Bank Balances and Money at call and short notice [Including bank balance for linked business of ` 4,279 thousands (` 1,287 thousands at March 31, 2015, ` 1,017,337 thousands at March 31, 2014, ` 85,794 thousands at March 31, 2013, ` 8,911 thousands at March 31, 2012)]	720.0	1,193.0	1,436.2	1,643.9	1,357.3
- Other short term liquid investment [Forming part of investments in financials]	39,937.8	16,224.3	38,628.5	12,697.9	29,092.5
- Banks having negative book balance [Forming Part of other liabilities under Annexure XXI]	(968.9)	-	(230.3)	(0.4)	-
	40,975.2	18,780.4	41,349.9	16,030.9	31,942.0

\* Includes movement in share application money

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

**For B S R & Co. LLP**  
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101248W/W-100022

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**For and on behalf of the Board of Directors**

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Vishwanath**  
Partner  
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Managing Director and CEO  
DIN: 00109206

**Sandeep Batra**  
Executive Director  
DIN: 03620913

**Satyan Jambunathan**  
Chief Financial Officer

**Asha Murali**  
Appointed Actuary

Place: Mumbai

**Vyoma Manek**  
Company Secretary

Date: June 29, 2016

## Annexure - V: Summary of Significant Accounting Policies and Notes to Accounts

### 1. Corporate Information

ICICI Prudential Life Insurance Company Limited ('the Company') is a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited, was incorporated on July 20, 2000 as a Company under the Companies Act, 2013 ('the Act'). The Company is licensed by the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying life insurance business in India. The license is in force as at March 31, 2016.

The Company carries on business of providing life insurance, pensions and health insurance to individuals and groups. Riders providing additional benefits are offered under some of these products. The business is conducted in participating, non-participating and unit linked lines of businesses. These products are distributed through individual agents, corporate agents, banks, brokers, the Company's proprietary sales force and the Company website.

### 2. Summary of significant accounting policies

#### 2.1. **Basis of preparation**

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The company has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 further amended by Companies (Accounting Standards) Amendment Rules, 2016, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except where differential treatment is required as per new pronouncements made by the regulatory authorities.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

#### 2.2. **Use of estimates**

The Company's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities, and disclosures relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

#### 2.3. **Revenue recognition**

##### 2.3.1. **Premium income**

Premium for non-linked policies is recognised as income when due from policyholders. For unit linked business, premium is recognised as income when the associated units are created.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Products having regular premium paying plans with limited premium payment term and/or pre-determined policy term are treated as regular business with due classification of premium into first year and renewal. Premium income on products other than aforesaid is classified as single premium.

Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

##### 2.3.2. **Reinsurance premium ceded**

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

##### 2.3.3. **Income from investments**

Interest income on investments is recognised on accrual basis. Amortisation of premium or accretion of discount on debt securities is recognised over the remaining term of such instruments on the basis of effective interest rate method.

Dividend income, in respect of other than unit linked business, is recognised when the right to receive dividend is established. Dividend income, in respect of unit linked business, is recognised on the 'ex-dividend date'.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on a straight-line basis.

Lease rentals on investment property is recognised on accrual basis and include only the realised rent and does not include any notional rent, as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002. Costs related to operating and maintenance of investment property are recognised as expense in the Revenue Account.

Profit or loss on sale/redemption of debt securities for other than unit linked business is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale. Profit or loss on sale/redemption of debt securities for unit linked business is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale/redemption of equity shares, equity 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 under "Fair Value Change Account".

#### 2.3.4. **Income from unit linked policies**

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the unit linked funds in accordance with terms and conditions of policies issued and are recognised when due.

#### 2.3.5. **Fees and charges**

Interest income on loans is recognised on an accrual basis. Fees and charges include policy reinstatement fee and loan processing fee which are recognised on receipt basis.

#### 2.4. **Appropriation / Expropriation adjustment**

In accordance with the Unit Linked guidelines issued by the IRDA effective July 1, 2006, the Company followed the Appropriation/Expropriation methodology for calculating Net Asset Value ('NAV') until August 17, 2011. The Appropriation/Expropriation methodology provided for adjusting the NAV on account of 'Dealing costs'. The impact of such dealing costs is accounted for in the Revenue account as "Income from investments" with a corresponding impact in "Change in valuation of policy liability". Corresponding adjustments are also made in "Assets held to cover linked liabilities" and the "Provisions for linked liabilities" in the Balance Sheet.

As stipulated by the IRDA vide circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011, NAV is being computed without Appropriation/Expropriation adjustments in unit pricing with effect from August 18, 2011.

#### 2.5. **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.

#### 2.6. **Employee benefits**

##### 2.6.1. **Short term employee benefits**

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

##### 2.6.2. **Long term employee benefits: Post-employment**

The Company has both defined contribution and defined benefit plans.

###### **Defined contribution plan**

The Company has a defined contribution scheme for Superannuation for its employees. Contributions to the Superannuation scheme are made on a monthly basis, when due, and charged to Revenue account and Profit and



Loss account, as applicable. The expenses are booked on an undiscounted basis. The Company has no further obligation beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation Scheme.

### **Defined benefit plans**

Gratuity and Provident fund are defined benefit obligations.

**Gratuity:** The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972 or the Company's gratuity plan, whichever is higher. The gratuity liability of the Company is actuarially determined at each Balance Sheet date using projected unit credit method.

The Company contributes towards net liabilities to ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme.

The Company recognises the net obligation of the Scheme in Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15 (revised 2005), 'Employee benefits'. The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognised in the Revenue account and Profit or Loss account for the period in which they emerge. Expected long-term rate-of-return on assets has been determined based on historical experience and available market information.

**Provident fund:** The Company's defined benefit obligation towards interest rate guarantee on the exempt provident fund is actuarially determined and measured in accordance with the Guidance Note (GN 29) on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by The Institute of Actuaries of India.

#### 2.6.3. **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 present value of the obligation as at the Balance Sheet date.

#### 2.6.4. **Employee share based payments**

The Employee Stock Option Scheme ('the Scheme') provides that eligible employees are granted options to subscribe to equity shares of the Company which vest in a graded manner. The vested options may be exercised within a specified period.

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the Company follows the intrinsic value method to account for its share-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period. The fair value of the shares is determined based on an external valuation report.

#### 2.7. **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.

#### 2.8. **Provision for doubtful debts**

The Company regularly evaluates the probability of recovery and provides for doubtful deposits, advances and others receivables.

#### 2.9. **Benefits paid**

Benefits paid comprise of policy benefits and claim settlement costs, if any.

Death and rider claims are accounted for on receipt of intimation. Survival and maturity benefits are accounted when due. Withdrawals and surrenders under non linked policies are accounted on the receipt of intimation. Withdrawals and surrenders under unit linked policies are accounted in the respective schemes when the associated units are cancelled.

## 2.10. **Actuarial liability valuation**

The actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), regulations notified by the Insurance Regulatory and Development Authority of India and Actuarial Practice Standards of the Institute of Actuaries of India.

## 2.11. **Funds for Future Appropriations (FFA)**

### **FFA (Unit linked)**

Amounts estimated by Appointed Actuary as FFA in respect of lapsed unit linked policies, are set aside in the Balance Sheet and are not available for distribution to Shareholders until the expiry of the maximum revival period.

### **FFA (Non-unit and Non-participating)**

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

### **FFA (Participating)**

Based on the recommendation of Appointed Actuary unappropriated surplus is held in the Balance Sheet as Funds for Future Appropriations.

## 2.12. **Investments**

Investments are made and accounted for in accordance with the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority (Investments) Regulations, 2000 amended from time to time, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment Policy of the Company and various other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any, but excludes interest accrued as on the date of acquisition.

Broken period interest paid/received is debited/credited to interest receivable account.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

Rights entitlements are recognised as investments on the 'ex-rights date'.

Any front end discount on investments is reduced from the cost of such investments.

### 2.12.1. **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.

### 2.12.2. **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.

### 2.12.3. **Valuation - Unit Linked business**

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

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL Limited ('CRISIL') on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on effective interest rate method over the remaining period to maturity of instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on effective interest rate method.

Listed equity shares, 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.

### 2.12.4. **Transfer of investments**

Transfer of investments from Shareholders' fund to the Policyholders' fund to meet the deficit in the Policyholders' account is made at amortised/book cost or market price, whichever is lower. The transfer of investments between unit linked funds is done at the prevailing market price.

No transfer of investments is carried out between non-linked policyholders' funds.

2.13. **Loans**

Loans are stated at historical cost, subject to provision for impairment, if any.

2.14. **Fixed assets and Impairment**

2.14.1. **Tangible assets and depreciation**

Tangible assets are stated at acquisition cost less accumulated depreciation and impairment loss, if any. Cost includes the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any cost directly attributable to bring the asset to its working condition for its intended use and other incidental expenses incurred upto that date. Subsequent expenditure incurred on tangible assets is expensed out except where such expenditure results in an increase in future benefits from the existing assets beyond its previously assessed standard of performance.

The useful life of various category of assets is as below:

Asset	Useful life
Office buildings on freehold land	60
Improvement to leasehold properties	Lease period, subject to maximum of 9 years
Furniture and fixtures	10
Office equipment	5
Information technology equipment	3
Communication networks and servers	6
Motor vehicles	5

Schedule II of the Companies Act 2013 specifies the useful life of eight years for motor vehicle. As per Company policy, the motor vehicle is transferred to employee on completion of five years or at written down value (WDV) in case of separation of employee before five years. Accordingly, the Company has depreciated the motor vehicle over five years. Assets costing upto ₹ 5,000 are considered to be immaterial in value and hence fully depreciated in the year of acquisition.

Depreciation is provided using straight-line method ('SLM') prorated from the date of being ready to use, upto the date of sale, based on estimated useful life for each class of asset.

2.14.2. **Intangibles**

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortised over the remaining useful life of original software. Software expenses are amortised using SLM over a period of 4 years from the date of being ready to use.

2.14.3. **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.

2.14.4. **Impairment of assets**

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

## 2.15. **Taxation**

### 2.15.1. **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.

### 2.15.2. **Indirect taxes**

Service tax liability on life insurance service is set-off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward for future set-off, where there is reasonable certainty of utilisation.

## 2.16. **Provisions and contingencies**

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the management estimate of amount required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. A disclosure of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed.

## 2.17. **Segmental reporting**

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 ('the Regulations') read with AS 17 on "Segmental Reporting" notified under section 133 of the Companies Act 2013 and rules thereunder, the Company has classified and disclosed segmental information separately for Shareholders' and Policyholders'. Within Policyholders', the businesses are further segmented into Participating (Life and Pension for Group and Retail segments put together), Non-Participating, Linked (Life, Pension, Health and Group), Health and Annuity.

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

The allocation of revenue, expenses, assets and liabilities to specific segments is done in the following manner, which is applied on a consistent basis.

- Revenue, expenses, assets and liabilities that are directly identifiable to the segment are allocated on actual basis;
- Other revenue, expenses (including depreciation and amortisation), assets and liabilities that are not directly identifiable to a segment are allocated based on the relevant drivers which includes:
  - Number of policies
  - Weighted annualised first year premium income

- Annualised premium since inception
- Sum assured
- Total premium income
- Medical cases
- Funds under management
- Commission
- Total operating expenses (for assets and liabilities)
- Use of asset (for depreciation expense)

2.18. **Foreign exchange transactions**

**Initial recognition:** Foreign currency transactions are recorded in Indian Rupees, by applying to the foreign currency amount the exchange rate between the Indian Rupee and the foreign currency at the date of the transaction.

**Conversion:** Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**Exchange differences:** Exchange differences are recognised as income or as expenses in the period in which they arise.

2.19. **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.

2.20. **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**

(Amount in ` million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Partly-paid up investments	-	-	-	-	-
Claims, other than those under policies, not acknowledged as debts comprising of:					
- Claims made by vendors for disputed payments	0.5	0.4	0.4	0.2	2.8
- Claims for damages made by landlords (of premises taken on lease)	39.4	40.1	43.7	53.1	50.8

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
- Claims made by employees and advisors for disputed dues and compensation	4.1	3.3	4.1	3.0	3.7
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	-	-	-	-	4.9
Statutory demands/liabilities in dispute, not provided for *	1,537.0	1,537.0	1,537.0	1,351.6	-
Reinsurance obligations to the extent not provided for	-	-	-	-	-
Policy related claims under litigation in different consumer forums:					
- Claims for service deficiency	101.7	137.8	142.2	155.9	121.7
- Claims against repudiation	323.8	250.6	161.8	138.0	163.7
Others	-	-	-	-	-
<b>Total</b>	<b>2,006.5</b>	<b>1,969.2</b>	<b>1,889.2</b>	<b>1,701.8</b>	<b>347.6</b>

\*For FY 2015-16, FY 2014-15 and FY 2013-14, the liability amounting to ` 1,537.0 and for FY 2012-13 amounting to ` 1,350.0 is on account of objections raised by office of the Commissioner of Service tax, Mumbai (through the Service Tax audit under EA-2000) on certain positions taken by the Company

### 3.2. Actuarial method and assumptions

The actuarial liability in respect of both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, morbidity, expense and inflation and, in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The liability for the unexpired portion of the risk for the non-unit liabilities of linked business and attached riders is the greater of liability calculated using discounted cash flows and unearned premium reserves.

An unexpired risk reserve and a reserve in respect of claims incurred but not reported is held for one year renewable group term insurance.

The unit liability in respect of linked business is the value of the units standing to the credit of policyholders, using the Net Asset Value ('NAV') prevailing at the valuation date.

A brief of the assumptions used in actuarial valuation is as below:

- 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.
- 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.

e) Other assumptions used in valuation are:

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Interest rates used for valuing liabilities	4.92 – 5.53 %	4.47 – 5.39 %	4.87 – 5.77 %	4.43 – 6.26 %	4.93 – 6.02 %
Inflation rate of policy renewal expense	5.18 %	4.49 %	4.84 %	5.41 %	5.20 %
Tax Rate	14.42 %	14.42 %	14.16%	14.16%	13.84%

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. The free look cancellation assumption used for below years are:

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Free Look Cancellation Rate	2.80 %	3.70%	3.10 %	2.64 %	3.10 %

- Reserves for lapsed policies eligible for revivals

### 3.3. **Funds for Future Appropriations ('FFA')**

The balance of FFA as summarized below. These balances are not available for distribution to shareholders. Such amount is classified under Funds for Future appropriations, in the Balance Sheet.

(Amount in ` million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Unit linked FFA	10.8	22.7	450.0	1,322.4	3,322.6
Non unit/ Non-participating FFA	1,858.9	1,715.4	1,567.4	1,999.2	3,113.7
Participating FFA	4,747.9	3,535.3	2,949.8	1,760.9	1,169.2
<b>Total</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>

### 3.4. **Claims settled and remaining unpaid**

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Claims settled and remaining unpaid for a period of more than six months	14.1	0.5	0.1	8.2	12.9

### 3.5. **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 is tabulated as below:

- 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 million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	3.1	2.9	0.2	-	-	-	-	-	-
March 31, 2015	5.6	5.6	-	-	-	-	-	-	-
March 31, 2014	5.1	2.6	2.5	-	-	-	-	-	-



At	Total amount	Age-wise analysis ( ` in million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2013	8.6	0.4	-	-	-	-	2.7	5.5	-
March 31, 2012	5.9	0.5	0.1	-	-	5.3	-	-	-

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

At	Total amount	Age-wise analysis ( ` in million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	1,714.1	241.8	319.9	151.3	465.2	69.5	238.6	34.0	193.8
March 31, 2015	2,121.4	820.2	531.9	147.2	270.2	59.6	136.7	36.9	118.7
March 31, 2014	1,710.2	738.0	335.5	208.7	227.0	51.2	42.7	13.2	93.9
March 31, 2013	1,176.1	675.3	210.5	65.5	85.9	13.3	22.3	9.6	93.7
March 31, 2012	819.5	667.7	101.6	13.8	18.4	5.8	3.6	5.4	3.2

c. Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far:

At	Total amount	Age-wise analysis ( ` in million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	67.1	61.2	5.4	0.1	0.3	-	-	0.1	-
March 31, 2015	51.6	45.7	5.6	0.1	-	0.2	-	-	-
March 31, 2014	73.4	70.4	2.5	0.3	0.1	-	-	-	0.1
March 31, 2013	94.8	75.2	16.2	1.9	1.0	0.2	0.2	-	0.1
March 31, 2012	152.4	120.7	26.4	2.8	2.0	0.1	0.1	0.1	0.2

At	Total amount	Age-wise analysis ( ` in million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	6,239.1	2,427.1	1,082.9	212.2	124.4	169.8	518.2	244.4	1,460.1
March 31, 2015	4,333.9	1,281.2	170.3	282.5	611.3	312.3	154.4	230.9	1,291.0
March 31, 2014	4,658.6	1,949.1	447.7	292.7	254.8	310.6	300.4	416.2	687.1
March 31, 2013	4,047.6	946.4	580.0	496.6	475.5	626.8	350.7	238.8	332.8
March 31, 2012	4,380.8	2,027.8	874.3	626.9	359.9	194.5	58.6	46.3	192.5

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

e. Cheques issued but not encashed by the policyholder / insured which are within the validity period but not yet encashed:

Particulars	( ` in million)				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Cheques within the validity period but not encashed by policyholder's	3,066.9	1,378.4	2,122.8	1,198.2	2,187.1

### 3.6. Direct taxes

The current tax provision is determined in accordance with the provisions of the Income Tax Act, 1961. The provision for current tax during the years is as below:

Particulars	( ` in million)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Total Current tax charge/(credit):	1,914.0	-	-	-	-
- Participating Line of Business	702.9	497.7	428.2	225.8	153.5
- Other Line of Business	1,211.1	(497.7)	(428.2)	(225.8)	(153.5)

Deferred tax asset is recognized on carry forward of eligible tax losses, which can be set off against future taxable income and on timing differences arising from funds for future appropriation under linked line of business. The deferred tax position and the movement is summarised below:

(` in million)

Deferred tax asset	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Opening Balance	1.3	15.3	118.0	875.4	1,607.0
Charge on account of:					
- Carry forward losses	-	-	(49.5)	(632.7)	(471.1)
- Linked Funds for Future Appropriation	(0.6)	(14.0)	(53.2)	(124.7)	(260.5)
Closing Balance	<b>0.7</b>	<b>1.3</b>	<b>15.3</b>	<b>118.0</b>	<b>875.4</b>

### 3.7. Operating lease commitments

The Company takes premises, motor vehicles, office equipment's, computers, servers and modular furniture on operating lease. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancellable and non-cancellable operating lease arrangements are charged to the Revenue account and the Profit and Loss account over the lease term on a straight line basis.

Summary of Lease rentals charged in Revenue and Profit and Loss account for the year is as below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Total Lease Rentals	686.0	683.6	816.4	964.0	1,361.3
Lease Rentals pertaining to Non-cancellable leases	223.1	207.7	299.1	343.6	411.6

The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Not later than one year	31.6	201.7	217.5	300.9	320.4
Later than one year but not later than five years	113.1	-	201.7	418.6	662.2
Later than five years	-	-	-	-	-

### 3.8. Assets given on operating lease

The Company has entered into an agreement in the nature of leave and license for leasing out the investment property. This is in the nature of operating lease and lease arrangement contains provisions for renewal. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency.

The total lease payments received in respect of such lease recognized in Revenue account are summarized below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Lease payments received	52.9	53.0	53.0	40.0	28.9

3.9. **Segmental reporting**

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

For the year ended March 31, 2016

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	26,755.5	1,440.2	29,647.3	3,657.7	168.3	115,388.3	4,369.6	962.3	19,890.2	5,995.7	208,275.1
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	1,990.8	303.5	4,572.4	1,497.3	340.9	1,620.2	3,348.5	225.4	251.3	5,639.2	19,789.5
Depreciation/ Amortisation	66.6	0.3	23.5	1	0.3	349.4	9.5	1	3.7	-	455.3
Significant non-cash expenses*	14,990.3	(7,344.1)	21,153.5	789.1	(220.2)	51,735.4	(43,810.5)	147.8	(2,108.4)	43.9	35,376.8

For the year ended March 31, 2015

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	20,994.5	2,048.8	26,337.1	3,773.1	181.1	192,282.2	73,201.1	3,298.7	17,052.5	5,374.4	344,543.5
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	1,094.7	379.6	2,668.3	(388.5)	187.5	1,134.6	5,937.3	432.6	355.4	4,920.7	16,722.2
Depreciation/ Amortisation	63.2	0.5	21.5	1.4	0.5	284.5	16.8	1.7	6.0	0.1	396.2
Significant non-cash expenses*	11,030.3	(202.3)	20,604.9	2,909.7	(84.4)	127,743.4	9,395.5	2,307.0	5,919.2	-	179,623.3

For the year ended March 31, 2014

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	15,471.8	3,327.6	26,797.8	3,593.5	215.3	108,407.0	44,250.9	2,266.0	10,795.3	3,946.7	219,071.9

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
account)											
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	1,403.9	517.1	597.0	(604.8)	335.0	1,751.0	7,440.6	299.7	303.0	3,569.5	15,612.0
Depreciation/ Amortisation	89.1	0.5	83.0	1.5	0.7	260.2	23.4	4.6	5.3	0.2	468.5
Significant non-cash expenses*	6,112.8	(1,680.2)	19,599.8	3,142.2	(191.1)	44,225.7	(17,805.7)	1,225.9	2,117.3	263.0	57,009.7

For the year ended March 31, 2013

( in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	10,943.1	4,952.4	26,245.9	3,678.0	195.2	81,335.9	49,064.8	2,096.8	17,767.8	4,161.2	200,441.1
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	573.4	498.6	(5,505.1)	(139.7)	(628.2)	4,932.7	9,144.0	165.3	245.5	4,102.8	13,389.3
Depreciation/ Amortisation	34.2	0.4	154.1	0.5	1.1	179.9	20.8	13.9	4.7	0.2	409.8
Significant non-cash expenses*	3,998.8	(302.9)	19,242.1	2,896.6	704.9	6,432.0	(14,209.6)	1,018.9	6,318.9	-	26,099.8

For the year ended March 31, 2012

( in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	9,777.3	7,024.2	15,167.4	3,157.3	214.5	51,417.6	37,708.3	1,654.8	11,971.8	2,193.4	140,286.6
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	123.6	93.1	(2,794.1)	(1,248.5)	225.3	3,096.4	9,923.2	36.8	814.2	2,176.3	12,446.3
Depreciation/ Amortisation	51.0	0.6	165.4	0.5	1.9	281.5	29.3	21.5	4.1	0.1	555.9
Significant non-cash expenses*	6,314.2	5,386.5	9,118.5	3,671.0	(169.2)	(7,410.7)	(5,614.5)	779.3	5,117.8	-	17,192.9

\* comprises of change in valuation of policy liabilities, provisions for diminution in the value of investments (net), provision for doubtful debts and bad debts written off.

3.10. **Employee benefits**

**Provision for staff benefits as per AS 15 (Revised):**

(a) **Defined contribution plans**

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Amount recognized as an expense during the year	43.2	40.1	40.7	43.1	41.6

(b) **Defined benefit plans**

**Gratuity**

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Reconciliation of benefit obligations and planned assets for the period:					
Present value of the defined benefit obligations at period end (A)	787.6	656.6	593.3	500.6	397.4
Fair value of plan assets at period end (B)	747.8	621.0	554.8	476.3	301.9
Unrecognized Past Service Cost (C)	-	-	-	-	9.8
<b>Net asset/(liability) recognised in Balance Sheet at end of the year (B+C-A)</b>	<b>(39.8)</b>	<b>(35.6)</b>	<b>(38.5)</b>	<b>(24.4)</b>	<b>(85.8)</b>
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	<b>189.8</b>	<b>45.3</b>	<b>116.9</b>	<b>132.9</b>	<b>87.5</b>
<b>Change in defined benefit obligation:</b>					
Opening obligations at April 1	656.6	593.3	500.6	397.4	328.6
Service cost	76.9	77.2	72.0	63.1	59.2
Interest cost	52.4	53.2	40.3	34.3	26.9
Actuarial (gain)/loss	74.4	18.1	46.1	59.6	12.8
Past service costs	-	-	-	-	-
Liability assumed on transfer of employees.	-	-	6.7	-	(0.3)
Benefits paid	(72.7)	(85.2)	(72.5)	(53.7)	(29.6)
<b>Present value of the defined benefit obligations at period end (A)</b>	<b>787.6</b>	<b>656.6</b>	<b>593.3</b>	<b>500.6</b>	<b>397.4</b>
<b>Change in Plan Asset:</b>					
Opening plan assets, at fair value at April 1	621.0	554.8	476.3	301.9	310.3
Expected return on plan assets	44.0	41.7	37.2	23.0	14.7
Actuarial gain/(loss)	(30.1)	61.5	4.3	10.8	6.8
Contributions	185.6	48.2	102.8	194.3	-
Assets acquired on acquisition/(settled on divestiture)	-	-	6.7	-	(0.3)
Benefits paid	(72.7)	(85.2)	(72.5)	(53.7)	(29.6)
<b>Fair value of plan assets at period end (B)</b>	<b>747.8</b>	<b>621.0</b>	<b>554.8</b>	<b>476.3</b>	<b>301.9</b>

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Cost for the period:</b>					
Service cost	76.9	77.2	71.9	63.1	59.2
Interest cost	52.4	53.2	40.3	34.3	26.9
Expected return on plan assets	(44.0)	(41.7)	(37.2)	(23.0)	(14.7)
Actuarial (gain)/loss	104.5	(43.4)	41.8	48.8	5.9
Past service cost	-	-	-	9.8	10.2
Losses /(gains) on acquisition/divestiture	-	-			-
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	<b>189.8</b>	<b>45.3</b>	<b>116.9</b>	<b>132.9</b>	<b>87.5</b>
<b>Investment details of plan assets:</b>					
Plan assets invested in insurer managed funds	100.0%	100.0%	100.0%	100.0%	100.0%
Fund earning rate	3.3%	16.8%	9.0%	10.0%	6.7%
Asset allocation:					
Debentures and Bonds	28.6%	19.2%	35.3%	31.5%	28.2%
Fixed deposits	1.3%	12.4%	18.7%	17.8%	20.2%
Government securities	36.7%	40.0%	14.2%	19.5%	0.8%
Equity shares	16.6%	15.0%	15.8%	15.3%	15.0%
Money market instruments	13.2%	7.9%	11.8%	10.5%	29.4%
Others	3.6%	5.5%	4.2%	5.4%	6.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Assumptions:</b>					
Discount rate	7.65%	7.95%	8.70%	7.80%	8.25%
Salary escalation rate *					
Level 1 to 3	8.0%	5.0%	5.0%	5.0%	5.0%
Level 4 and above					
- Year 1	8.0%	8.0%	8.0%	10.0%	10.0%
- Year 2 to 3	8.0%	8.0%	8.0%	8.0%	8.0%
- Year 4 to 6	8.0%	8.0%	8.0%	7.0%	7.0%
- Year 7 onwards	8.0%	8.0%	8.0%	5.0%	5.0%
Estimated rate of return on plan assets #	7.5%	7.5%	7.5%	7.5%	7.5%
<b>Expected future contribution from employer for next year</b>	<b>80.0</b>	<b>80.0</b>	<b>120.0</b>	<b>150.0</b>	<b>150.0</b>

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

# Expected rate of return on plan assets is based on our expectation of the average long-term rate of return expected on investments of fund during the estimated term of obligations.

#### Experience adjustments on gratuity provisioning

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Defined benefit obligation	787.6	656.6	593.3	500.6	397.4
Plan assets	747.8	621.0	554.8	476.3	301.9

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Surplus/(deficit)	(39.8)	(35.6)	(38.5)	(24.4)	(95.6)
Experience adjustments					
- on plan liabilities	60.2	(5.3)	26.7	49.7	24.9
- on plan assets	(30.1)	61.5	4.3	10.8	6.8

### Provident fund

Provident fund benefits are aimed at providing security to staff members and their dependents on retirement, disability or death. Both employee and the company contribute an equal percentage of the basic salary a part of which goes to the fund, and balance portion is contributed to the government administered pension fund. The provident fund is managed by ICICI Prudential Life Insurance Company Employees' Provident Fund Trust.

The minimum rate at which the annual interest is payable by the trust to members is prescribed by the Government. The Company has an obligation to make good the shortfall, if any, between the Government prescribed rate and actual return earned by the provident fund.

As there is net surplus in the plan, no liability needs to be provided for in the books of accounts of the Company.

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

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Discount rate for the term of the obligation	7.65%	7.95%	8.70%	7.80%	8.25%
Average historic yield on the investment portfolio	9.01%	9.00%	8.90%	8.90%	8.97%
Discount rate for the remaining term to maturity of the investment portfolio	7.95%	7.95%	8.92%	8.00%	8.55%
Expected investment return	8.71%	9.00%	8.68%	8.70%	8.67%
Guaranteed rate of return	8.75%	8.75%	8.75%	8.50%	8.25%

### (c) Other long term benefits

**Long term incentive scheme:** Liability for the scheme is determined based on actuarial valuation which has been carried out from FY 2012-13 onwards 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, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013
Discount rate per annum	7.40%	8.00%	8.70%	7.80%

**Compensated absence:** Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation during the years are:

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Discount rate per annum	7.65%	7.95%	8.70%	7.80%	8.25%
Salary escalation rate (per annum)					
Level 1 to 3	8.0%	5.0%	5.0%	5.0%	5.0%
Level 4 and above					
- Year 1	8.0%	8.0%	8.0%	10.0%	8.0%
- Year 2	8.0%	8.0%	8.0%	8.0%	8.0%
- Year 3	8.0%	8.0%	8.0%	8.0%	7.0%

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
- Year 4 to 5	8.0%	8.0%	8.0%	7.0%	7.0%
- Year 6	8.0%	8.0%	8.0%	7.0%	5.0%
- Year 7 onwards	8.0%	8.0%	8.0%	5.0%	5.0%

Leave accumulation policy of the Company is given below:

**From FY 2013-14 onwards:**

Criteria	Level 1 to 6	Level 7 & above
Employment upto 5 years	NA	60 days
Employment more than 5 years	60 days	90 days

**For FY 2011-12 and FY 12-13:**

The company policy allows accumulation of leave of 90 days for employees who are in employment of 5 years and above with the company and 60 days with employees with lesser vintage and certain junior grades.

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”) presently has six tranches namely Founder I, 2004-05, 2005-06, 2006-07, Founder II and 2007-08. ESOS 2005 permits the grant of share options up to 3% of the issued capital of Company. The maximum number of options that can be granted to any eligible employee is restricted to 1% of the issued capital. The exercise price was finalised by the Board Compensation and Nominations Committee in concurrence with the Board of Directors of the Company.

The scheme allowed an exercise period of “later of the tenth anniversary of the date of grant of Options or the fifth anniversary of the date of vesting of Options”. During the year ended March 31, 2015, in the interest of employees, the Company had extended the exercise period from 10 years to 13 years for the options granted namely Founder I, 2004-05, 2005-06, 2006-07 and Founder II. The Company follows intrinsic value method and hence there 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 I	2004-05	2005-06	2006-07 Founder II	2007-08
	March 28, 2005	April 25, 2005	April 26, 2006	April 24, 2007	April 25, 2008
Number of options granted	2,662,500	3,782,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000
Maximum term of options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options
Graded Vesting Period					
1 <sup>st</sup> Year	50% of option granted	25% of options granted			
2 <sup>nd</sup> Year	25% of options granted				
3 <sup>rd</sup> Year	25% of options granted				
4 <sup>th</sup> Year	-	25% of options granted			
Mode of settlement	Equity				

Exercise price of all the options outstanding for all years for Founder I (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme, Founder II and 2007-08 scheme is ` 30, ` 42, ` 70, ` 130, ` 130 and ` 400 respectively.

A summary of status of Company’s Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:



Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Outstanding at the beginning of the year	7,057,417	10,201,948	12,620,354	13,111,648	13,914,104
<b>Add:</b> Granted during the period	-	-	-	-	-
<b>Less:</b> Forfeited/lapsed during the period	(559,175)	(588,000)	(2,087,905)	(401,169)	(414,481)
<b>Less:</b> Exercised during the period	(499,067)	(2,556,531)	(330,501)	(90,125)	(387,975)
Outstanding at the end of the period	5,999,175	7,057,417	10,201,948	12,620,354	13,111,648
<b>Exercisable at the end of the year</b>	<b>5,999,175</b>	<b>7,057,417</b>	<b>10,201,948</b>	<b>12,620,354</b>	<b>10,791,011</b>

During the below years, the Company has recognised a compensation cost of ₹ nil for the below years as the intrinsic value of the options. Had the company followed fair value method, the impact would have been as below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Additional Cost on Revenue account and Profit and Loss account (in million)	Nil	22.3	Nil	2.4	34.3
Profit after tax would have been(₹ in million)	16,530.4	16,379.9	15,624.4	15,152.8	13,823.0
Basic EPS would have been	11.54	11.46	10.93	10.60	9.68
Diluted EPS would have been	11.53	11.43	10.91	10.58	9.65
Weighted Average Price of options exercised during the year	108.4	82.1	69.3	70.0	94.0

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, 2016		At March 31, 2015		At March 31, 2014		At March 31, 2013		At March 31, 2012	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
30	21,438	2.0	28,438	3.0	129,890	1.0	107,140	2.0	126,015	3.0
42	152,175	2.1	155,175	3.1	719,635	1.1	786,938	2.1	808,275	3.1
70	832,612	3.1	1,105,927	4.1	2,187,290	2.1	2,554,492	3.1	2,615,055	4.1
130	2,445,850	4.1	2,783,002	5.1	3,747,508	3.1	4,687,691	4.1	4,854,485	5.1
400	2,547,100	2.1	2,984,875	3.1	3,417,625	4.1	4,484,093	5.1	4,707,818	6.1
<b>Total</b>	<b>5,999,175</b>	<b>3.0</b>	<b>7,057,417</b>	<b>4.0</b>	<b>10,201,948</b>	<b>3.0</b>	<b>12,620,354</b>	<b>4.1</b>	<b>13,111,648</b>	<b>5.1</b>

### 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 is as below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Foreign Exchange Loss	(1.4)	(3.3)	(3.2)	(3.1)	(0.9)

(₹ in million)

3.13. **Earnings per share**

Sr. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
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 (in million)	16,530.4	16,402.2	15,624.4	15,155.2	13,857.3
II	Weighted average number of equity shares for earnings per equity share					
(a)	For basic earnings per equity share	1,432,016,936	1,429,853,060	1,429,053,739	1,428,876,063	1,428,508,855
(b)	For diluted earnings per equity share Number of equity shares for basic earnings per equity share as per (II) (a)	1,432,016,936	1,429,853,060	1,429,053,739	1,428,876,063	1,428,508,855
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	1,927,727	2,663,925	3,089,612	3,928,872	4,058,024
	Weighted number of equity shares for diluted earnings per equity share	1,433,944,663	1,432,516,985	1,432,143,351	1,432,804,935	1,432,566,879
III	<b>Earnings per equity share</b>					
	Basic (in ₹)	11.54	11.47	10.93	10.61	9.70
	Diluted (in ₹)	11.53	11.45	10.91	10.58	9.67

3.14. **Managerial remuneration**

The remuneration of the Managing Director and Executive Directors' included in employee remuneration and welfare benefits is as follows:

(₹ in million)

FY2016	Basic	Bonus	Retirals	Allowances/ Perquisites	LTRS <sup>1</sup>	Total
Sandeep Bakhshi, Managing Director & CEO	17.3	11.9	3.9	12.2	20.4	65.7
Puneet Nanda, Executive Director	9.7	8.1	2.1	9.8	8.8	38.5
Sandeep Batra, Executive Director	7.8	7.3	0.9	15.1	-	31.1
<b>Total</b>	<b>34.8</b>	<b>27.3</b>	<b>6.9</b>	<b>37.1</b>	<b>29.2</b>	<b>135.3</b>

(₹ in million)

FY2015	Basic	Bonus	Retirals	Allowances/ Perquisites	LTRS <sup>1</sup>	Total
Sandeep Bakhshi, Managing Director & CEO	15.0	10.9	3.4	9.0	27.4	65.7
Puneet Nanda, Executive Director	8.5	7.7	1.9	35.1	13.8	67.0
Sandeep Batra, Executive Director	7.0	5.3	0.8	21.6	-	34.7
<b>Total</b>	<b>30.5</b>	<b>23.9</b>	<b>6.1</b>	<b>65.7</b>	<b>41.2</b>	<b>167.4</b>

(₹ in million)

FY2014	Basic	Bonus	Retirals	Allowances/ Perquisites	LTRS <sup>1</sup>	Total
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<b>FY2014</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	12.6	5.6	2.9	7.6	15.0	43.7
Puneet Nanda, Executive Director	7.3	4.1	1.6	7.3	12.5	32.8
Sandeep Batra, Executive Director <sup>2</sup>	1.6	-	0.2	2.3	-	4.1
Madhivanan Balakrishnan, Executive Director <sup>3</sup>	0.1	1.7	0.6	0.3	7.5	10.2
<b>Total</b>	<b>21.6</b>	<b>11.4</b>	<b>5.3</b>	<b>17.5</b>	<b>35.0</b>	<b>90.8</b>

(` in million)

<b>FY2013</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	10.9	7.3	2.4	6.9	4.0	31.5
Puneet Nanda, Executive Director	6.6	4.6	1.5	6.4	5.5	24.6
Madhivanan Balakrishnan, Executive Director <sup>3</sup>	1.7	4.6	6.5	3.0	2.5	18.3
<b>Total</b>	<b>19.2</b>	<b>16.5</b>	<b>10.4</b>	<b>16.3</b>	<b>12.0</b>	<b>74.4</b>

(` in million)

<b>FY2012</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	8.8	4.5	1.8	5.4	-	20.5
Puneet Nanda, Executive Director	5.6	3.9	1.1	5.6	2.0	18.2
Madhivanan Balakrishnan, Executive Director <sup>3</sup>	5.6	4.1	1.1	5.4	-	16.2
<b>Total</b>	<b>20.0</b>	<b>12.5</b>	<b>4.0</b>	<b>16.4</b>	<b>2.0</b>	<b>54.9</b>

<sup>1</sup> Long Term Reward Scheme paid during the year

<sup>2</sup> Inducted effective January 1, 2014

<sup>3</sup> Held office for the period April 1 2012 to June 30, 2012

Expenses towards gratuity and leave encashment provision are determined actuarially for the Company as a whole and accordingly have not been considered in the above information.

Managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) and as approved by the IRDAI. Managerial remuneration in excess of the limits prescribed by IRDAI has been charged to the Shareholders' account.

### 3.15. **Commitments**

The commitments made by the company are as below:

(` in million)

<b>Particulars</b>	<b>At March 31, 2016</b>	<b>At March 31, 2015</b>	<b>At March 31, 2014</b>	<b>At March 31, 2013</b>	<b>At March 31, 2012</b>
Commitments made and outstanding (net of advances) for Company's Investment in Real Estate	487.1	1,711.5	1,064	Nil	Nil
Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance)	91.4	129.7	117.2	180.8	61.9
Loan Commitments by the company	Nil	Nil	Nil	Nil	Nil

### 3.16. **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 for year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

### 3.17. **Investments**

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

3.18. **Restructured assets**

There are no assets including loans subject to re-structuring for the year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

3.19. **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 year end for all the years. The historical cost and the revalued value of real estate property is summarized below:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Value of Investment property post revaluation	2,553.5	2,528.7	854.4	890.0	890.0
Historical Cost	1,966.6	1,966.6	185.5	185.5	185.5

3.20. **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 is as below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Impairment Loss recognized during the year	170.3	67.5	348.0	98.7	127.1

3.21. **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 as mentioned below has been deposited with NSCCL and ICCL respectively towards margin requirement for equity trade settlement.

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Fixed Deposit with NSCCL	1,050.0	1,050.2	1,050.2	1,050.1	1,050.0
Fixed Deposit with ICCL	99.0	299.0	300.1	100.0	100.0

**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)**

(` in million)

Particulars	At March 31, 2016		At March 31, 2015		At March 31, 2014		At March 31, 2013		At March 31, 2012	
	Market value	Amortised cost	Market value	Amortised cost	Market value	Amortised cost	Market value	Amortised cost	Market value	Amortised cost
<b>Pledged under securities segment</b>										
Government securities	1,487.6	1,425.7	1,556.4	1,428.9	1,227.2	1,321.7	807.4	795.0	831.5	843.4
Cash	70.0	70.0	70.0	70.0	70.0	70.0	60.0	60.0	60.0	60.0
<b>Pledged under Collateralized Borrowing and Lending Obligation segment (CBLO)</b>										

Particulars	At March 31, 2016		At March 31, 2015		At March 31, 2014		At March 31, 2013		At March 31, 2012	
Government securities	207.8	206.9	209.9	207.1	185.2	207.3	203.3	207.6	191.4	209.2
Cash	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

**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:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
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	0.6	0.5	0.5	-	-
Bank guarantees issued					
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5.0	5.0	-	-	-
- towards purchase of postage on policy welcome kit document	2.0	-	-	-	-
- in lieu of earnest money deposit towards tender of Indian Oil Corp Refineries Trust for administration of EDLI scheme	0.1	-	-	-	-

**3.22. 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.

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Value of shares lent under SLB	1,113.9	115.1	416.8	-	-

**3.23. Reverse Repo transactions in Government securities/Corporate Debt Securities**

Disclosures pursuant to IRDAI notification ref IRDA/F&I/CIR/INV/250/12/2012 dated December 4, 2012:

(` in million)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
<b>Securities sold under repo</b>								
i. Government Securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo</b>								
i. Government	1,500.0	261.2	26,999.3	4,467.3	7,698.7	2,237.1	-	261.2

Securities								
ii. Corporate securities	debt	-	680.0	-	680.0	-	680.0	-

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
<b>Securities sold under repo</b>								
i. Government Securities	-	-	-	-	-	-	-	-
ii. Corporate securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo</b>								
iii. Government Securities	258.9	52.0	4,719.8	3,999.9	3,169.6	2,963.8	-	-
iv. Corporate securities	689.2	-	689.2	-	689.2	-	-	-

Regulation was notified by IRDA in FY 12-13, hence the disclosure is not applicable for FY 11-12

3.24. **Value of investment contracts where settlement or delivery is pending is as follows:**

(` in million)

Particulars	Shareholder's				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Purchases where deliveries are pending	-	-	-	696.3	644.2
Sales where receipts are pending	50.7	266.2	474.5	570.8	420.0

(` in million)

Particulars	Policy Holder's				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Purchases where deliveries are pending	195.9	1,544.1	1,011.9	1,460.6	155.1
Sales where receipts are pending	387.9	1,643.9	51.6	1,289.5	-

(` in million)

Particulars	Unit Linked				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Purchases where deliveries are pending	2,990.0	3,732.9	1,694.2	4,245.8	2,393.1
Sales where receipts are pending	5,280.1	6,050.8	3,521.3	7,001.5	2,745.5

There are no investment contracts where sales have been made and payments are overdue at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012.

3.25. **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	FY2016	FY2015	FY 2014	FY 2013	FY 2012
Rural – Number of policies	183,695	138,442	212,650	305,909	331,133
– Percentage of total policies	31.6%	21.7%	27.3%	31.9%	32.2%
Social – Gross premium underwritten for new lives (` in million)	4.9	7.6	15.2	14.4	23.3
– Number of policies issued (including group business)	29,755	1	1	1	1
– Number of new lives covered	65,012	89,711	171,791	168,593	155,339
– Percentage of total lives	3.6%	5.8%	10.2%	7.3%	5.3%
Total – Number of policies (including group business)	580,685	639,137	778,911	960,178	1,029,068
– Number of total lives	1,784,405	1,538,941	1,690,222	2,312,424	2,912,132

3.26. **Discontinued Policy Fund**

Pursuant to the IRDAI circular number IRDA/Reg/2/52/2010 dated July 1, 2010, the following details are disclosed with respect to policies discontinued either on customer request or for non-payment of premium amount within the grace period

a) Movement in funds for discontinued policies:

( ` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Opening balance of funds for discontinued policies	22,977.5	11,280.7	4,301.8	665.2	0.1
Add: Fund of policies discontinued during the year	22,041.8	17,005.5	9,850.4	3,470.2	656.0
Less: Fund of policies revived during the year	(9,332.7)	(6,687.9)	(3,472.8)	0.0	0.0
Add: Income on investments of fund	2,378.3	1,505.9	651.8	177.9	9.7
Less: Fund management charges	(168.3)	(97.6)	(42.1)	11.4	0.6
Less: Amount refunded to policyholders during the year	(4,852.3)	(29.1)	(8.5)	0.0	0.0
Closing balance of fund for discontinued policies	33,044.3	22,977.5	11,280.7	4,301.8	665.2

b) Number of policies discontinued during the years is as below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
No. of policies discontinued during the year	117,080	118,902	114,636	90,192	30,029

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

Product Name	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
ICICI Pru Elite Wealth	16.2%	21.3%	7.9%	2.1%	-
ICICI Pru Elite Life	15.3%	22.0%	9.5%	3.1%	-
ICICI Pru Shubh Retirement	14.1%	32.2%	2.8%	-	-
ICICI Pru Wealth Builder	13.9%	24.3%	6.4%	-	-
ICICI Pru Easy Retirement	13.0%	3.0%	-	-	-
ICICI Pru SmartKid Premier	12.4%	17.8%	16.2%	14.8%	5.2%
ICICI Pru Pinnacle Super	12.2%	17.7%	21.3%	25.1%	-
ICICI Pru Guaranteed Wealth Protector	11.7%	0.1%	-	-	-
ICICI Pru LifeStage Wealth II	11.0%	20.7%	19.0%	16.7%	10.2%
ICICI Pru Wealth Builder II	8.5%	0.9%	-	-	-
ICICI Pru Elite Wealth II	8.4%	0.2%	-	-	-
ICICI Pru LifeTime Premier	7.9%	19.6%	27.3%	20.4%	20.8%
ICICI Pru Elite Life II	7.3%	0.3%	-	-	-
ICICI PruPinnacle II	4.1%	13.0%	16.2%	17.5%	14.0%
ICICI Pru Smart Life RP	0.6%	0.0%	-	-	-

d) Number and percentage of policies revived:

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Number of policies revived	99,107	48,981	38,271	24,124	4,514
Number of policies discontinued	355,990	287,552	206,847	115,735	30,057
Percentage of policies revived	27.8%	17.0%	18.5%	20.84%	15.02%

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

Particulars	( ` in million)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Charges imposed on account of discontinued policies	297.1	276.9	274.1	208.7	43.9
Charges readjusted on account of revival of discontinued policies	(96.7)	(96.3)	(90.3)	(51.6)	-
<b>Total</b>	<b>200.4</b>	<b>180.6</b>	<b>183.8</b>	<b>157.1</b>	<b>43.9</b>

### 3.27. Disclosure on fines and penalties

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

#### For the year ended 2016

Sr. No.	Authority	Non-compliance / violation	( ` in million)		
			Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Non-compliance observed towards outsourcing guidelines	0.5	0.5	-
2	Service Tax Authorities	NIL	-	-	-
3	Income Tax Authorities	NIL	-	-	-
4	Any other Tax Authorities	NIL	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	NIL	-	-	-
6	Registrar of Companies / National Company Law Tribunal / Company Law Board / Department of Corporate Affairs or any Authority under Companies Act, 2013	NIL	-	-	-
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation	Non-compliance under section 22(4) & under 18 (1)R & 29 (1) of Minimum Wages Act	-	-	-
		Non-compliance to Section 29, R - 24(11) of Karnataka Shops & Commercial Establishments Act	-	-	-
		Contravention of Section 381 B of the MMC Act	-	-	-
8	Competition Commission of India	NIL	-	-	-
9	Any other State / Central / Local Government / Statutory Authority		-	-	-
	Shop and Establishment Act	NIL	-	-	-



Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
	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	-	-	-
	<b>Total</b>		0.5	0.5	-

**For the Year ended 2015**

Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority of India	NIL	-	-	-
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 or Companies Act, 1956	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	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	-	-	-
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
		Payment of Gratuity Act	-	-	-
	<b>Total</b>		-	-	-

**For the Year ended 2014**

(` in million)					
Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority	NIL	-	-	-
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	NIL	-	-	-

Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
	Board / Department of Corporate Affairs or any Authority under Companies Act, 1956				
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation	NIL	-	-	-
8	Competition Commission of India	NIL	-	-	-
9	Any other State / Central / Local Government / Statutory Authority	Shop and Establishment Act	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	0.2	0.2	0.2
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
		Payment of Gratuity Act	-	-	-
	<b>Total</b>		0.2	0.2	0.2

#### For the Year ended 2013

(` in million)					
Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority	NIL	11.8	11.8	11.8
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, 1956	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	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	-	-	-
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
		Payment of Gratuity Act	-	-	-
	<b>Total</b>		11.8	11.8	11.8

#### For the Year ended 2012

(` in million)					
Sl No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced

SI No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority	NIL	-	-	-
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, 1956	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	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	-	-	-
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
		Payment of Gratuity Act	-	-	-
	<b>Total</b>		-	-	-

### 3.28. Risk retained and reinsured

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

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
<b>Individual business</b>					
Risk retained	51%	61%	60%	63%	70%
Risk reinsured	49%	39%	40%	37%	30%
<b>Group business</b>					
Risk retained	52%	52%	37%	40%	44%
Risk reinsured	48%	48%	63%	60%	56%

### 3.29. 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 for the below years. 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 provisions as below:

Particulars	(` in million)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Provision amount	135.5	55.4	47.0	27.5	27.5

### 3.30. Long term contracts

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. During the year's, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the financial statements.

For insurance contracts, actuarial valuation of liabilities for policies in force is done by the Appointed Actuary of the Company. The assumptions used in valuation of liabilities are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI.

3.31. **Statement showing the Controlled Fund of ICICI Prudential Life Insurance Company Limited**

Sr.No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
1	<b>Computation of Controlled fund as per the Balance Sheet</b>					
	<b>Policyholders' Fund (Life Fund)</b>					
	<b>Participating</b>					
	Individual Assurance	73,046.9	58,005.0	43,458.8	36,147.1	30,354.9
	Individual Pension	7,682.1	7,432.6	6,772.0	6,441.8	6,224.0
	Group Assurance	1,461.3	2,156.7	2,834.5	3,066.8	4,694.7
	Group Pension	1,697.8	9,371.5	10,010.8	11,977.1	12,562.9
	<b>Non-participating</b>					
	Individual Assurance	99,483.8	79,784.5	55,429.9	34,672.2	15,392.8
	Group Assurance	-	-	-	-	-
	Individual Annuity	21,186.0	20,397.0	17,486.9	14,344.7	11,448.3
	Health	321.9	542.1	631.1	822.1	117.3
	<b>Linked</b>					
	Individual Assurance	521,124.0	469,416.0	341,690.2	297,478.9	291,067.6
	Group Assurance	-	-	-	-	-
	Individual Pension	168,913.0	212,723.5	203,326.1	221,134.1	235,353.0
	Group Superannuation & Gratuity	63,286.3	65,394.7	59,475.7	57,358.5	51,039.6
	Health	7,581.3	7,433.5	5,126.0	3,901.2	2,883.7
	Funds for Future Appropriations	6,617.6	5,273.4	4,967.2	5,082.5	7,605.5
	<b>Total (A)</b>	<b>972,402.0</b>	<b>937,930.5</b>	<b>751,209.2</b>	<b>692,427.0</b>	<b>668,744.3</b>
	<b>Shareholders' Fund</b>					
	Paid up Capital*	14,324.0	14,328.9	14,293.6	14,289.4	14,288.5
	Reserves & Surplus	36,416.4	34,295.9	33,663.8	33,645.1	33,639.5
	Fair Value Change	2,508.8	4,029.0	1,860.7	477.6	207.6
	<b>Total (B)</b>	<b>53,249.2</b>	<b>52,653.8</b>	<b>49,818.1</b>	<b>48,412.1</b>	<b>48,135.6</b>
	Misc. expenses not written off	-	-	-	-	-
	Credit / (Debit) from P&L A/c.	-	-	(5,971.7)	(8,805.1)	(18,320.4)
	<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>(5,971.7)</b>	<b>(8,805.1)</b>	<b>(18,320.4)</b>
	Total shareholders' funds (B+C)	53,249.2	52,653.8	43,846.4	39,607.0	29,815.2
	<b>Controlled Fund (Total (A+B+C))</b>	<b>1,025,651.2</b>	<b>990,584.3</b>	<b>795,055.6</b>	<b>732,034.0</b>	<b>698,559.5</b>
2	<b>Reconciliation of the Controlled Fund from Revenue and Profit &amp; Loss Account</b>					
	<b>Opening Balance of Controlled Fund</b>	<b>990,584.3</b>	<b>795,055.6</b>	<b>732,034.0</b>	<b>698,559.5</b>	<b>674,533.7</b>
	Add: Inflow					
	Premium Income	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
	Less: Reinsurance ceded	(1,656.9)	(1,461.7)	(1,460.0)	(1,210.0)	(937.0)
	<b>Net Premium</b>	<b>189,987.0</b>	<b>151,604.5</b>	<b>122,826.5</b>	<b>134,172.4</b>	<b>139,278.7</b>
	Investment Income**	11,957.2	187,317.9	92,041.0	61,768.1	(1,451.8)
	Other Income	208.8	179.2	172.5	240.7	139.1
	Funds transferred from Shareholders' Accounts	-	388.5	958.8	6,272.9	4,042.6
	<b>Total Income</b>	<b>202,153.0</b>	<b>339,490.1</b>	<b>215,998.8</b>	<b>202,454.1</b>	<b>142,008.6</b>
	Less: Outgo					
	(i) Benefits paid (Net)	124,060.6	122,483.5	120,739.6	132,878.8	84,552.0
	(ii) Interim Bonus Paid	187.4	116.4	93.8	48.7	29.8

Sr.No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
	(iii) Change in Valuation of Liability	35,154.9	179,561.1	56,617.2	25,930.8	17,025.9
	(iv) Commission	6,199.8	5,531.7	6,274.8	7,654.2	6,054.7
	(v) Operating Expenses	18,934.7	16,538.1	16,206.1	17,201.2	17,773.1
	(vi) Service tax charge on linked charges	3,465.0	3,069.4	3,066.1	3,181.1	2,260.8
	(vii) Provision for Taxation					
	(a) FBT	-	-	-	-	-
	(b) I.T.	703.5	511.7	481.4	350.4	414.0
	<b>Total Outgo</b>	<b>188,705.9</b>	<b>327,811.9</b>	<b>203,479.0</b>	<b>187,245.2</b>	<b>128,110.3</b>
	<b>Surplus of the Policyholders' Fund</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
	<b>Less: transferred to Shareholders' Account</b>	<b>12,102.9</b>	<b>11,372.0</b>	<b>12,635.1</b>	<b>17,731.9</b>	<b>16,041.0</b>
	Net Flow in Policyholders' account	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
	Add: Net income in Shareholders' Fund	16,530.4	16,402.2	15,624.4	15,155.2	13,857.3
	<b>Net Inflow / Outflow</b>	<b>17,874.6</b>	<b>16,708.4</b>	<b>15,509.1</b>	<b>12,632.2</b>	<b>11,714.6</b>
	Add: change in valuation Liabilities	35,154.9	179,561.1	56,617.2	25,930.8	17,025.9
	Add: Increase in Paid up Capital	54.1	209.9	22.9	6.5	35.9
	Less: Dividend & dividend distribution tax	(14,478.8)	(9,973.0)	(12,791.0)	(5,639.9)	(4,815.9)
	<b>Closing balance of controlled fund as per cash flow</b>	<b>1,029,189.1</b>	<b>981,562.0</b>	<b>791,392.2</b>	<b>731,489.1</b>	<b>698,494.2</b>
	Change in fair value change & revaluation reserve account	(3,537.9)	9,022.3	3,663.4	544.9	65.3
	<b>Closing balance of controlled fund</b>	<b>1,025,651.2</b>	<b>990,584.3</b>	<b>795,055.6</b>	<b>732,034.0</b>	<b>698,559.5</b>
	<b>As Per Balance Sheet</b>	<b>1,025,651.2</b>	<b>990,584.3</b>	<b>795,055.6</b>	<b>732,034.0</b>	<b>698,559.5</b>
	Difference, if any	-	-	-	-	-
3	<b>Reconciliation with Shareholders' and Policyholders' Fund</b>					
	<b>Policyholders' Funds</b>					
3.1	<b>Policyholders' Funds - Traditional-PAR and NON-PAR</b>					
	Opening Balance of the Policyholders' Fund	182,892.6	140,524.6	109,232.8	81,964.1	58,018.7
	Add: Surplus of the Revenue Account	1,342.0	1,302.7	2,139.6	591.9	(156.8)
	Add: change in valuation Liabilities	29,217.7	34,211.4	26,871.9	26,401.9	24,178.9
	<b>Total</b>	<b>213,452.3</b>	<b>176,038.7</b>	<b>138,244.3</b>	<b>108,957.9</b>	<b>82,040.8</b>
	Change in fair value change & revaluation reserve account	(2,027.5)	6,853.9	2,280.3	274.9	(76.7)
	<b>Total</b>	<b>211,424.8</b>	<b>182,892.6</b>	<b>140,524.6</b>	<b>109,232.8</b>	<b>81,964.1</b>
	<b>As per Balance Sheet</b>	<b>211,424.8</b>	<b>182,892.6</b>	<b>140,524.6</b>	<b>109,232.8</b>	<b>81,964.1</b>
	Difference, if any	-	-	-	-	-
3.2	<b>Policyholders' Funds - Linked</b>					
	Opening Balance of the Policyholders' Fund	755,037.9	610,684.5	583,194.2	586,780.1	595,919.1
	Add: Surplus of the Revenue Account	2.2	(996.2)	(2,255.1)	(3,114.7)	(1,985.8)
	Add: change in valuation Liabilities	5,937.1	145,349.6	29,745.4	(471.2)	(7,153.2)
	<b>Total</b>	<b>760,977.2</b>	<b>755,037.9</b>	<b>610,684.5</b>	<b>583,194.2</b>	<b>586,780.1</b>
	<b>As per Balance Sheet</b>	<b>760,977.2</b>	<b>755,037.9</b>	<b>610,684.5</b>	<b>583,194.2</b>	<b>586,780.1</b>
	Difference, if any	-	-	-	-	-
3.3	<b>Shareholders' Funds</b>					
	Opening Balance of Shareholders' Fund	52,653.8	43,846.4	39,607.0	29,815.2	20,595.9
	Add: net income of Shareholders' account (P&L)	16,530.4	16,402.2	15,624.4	15,155.2	13,857.3
	Add: Infusion of Capital	54.1	209.9	22.9	6.5	35.9
	Less: Dividend & dividend distribution tax	(14,478.8)	(9,973.0)	(12,791.0)	(5,639.9)	(4,815.9)

<b>Sr.No.</b>	<b>Particulars</b>	<b>2015-2016</b>	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>
	Closing Balance of the Shareholders' fund	54,759.5	50,485.5	42,463.3	39,337.0	29,673.2
	Change in fair value change	(1,510.3)	2,168.3	1,383.1	270.0	142.0
	<b>Closing Balance of the Shareholders' fund</b>	<b>53,249.2</b>	<b>52,653.8</b>	<b>43,846.4</b>	<b>39,607.0</b>	<b>29,815.2</b>
	<b>As per Balance Sheet</b>	<b>53,249.2</b>	<b>52,653.8</b>	<b>43,846.4</b>	<b>39,607.0</b>	<b>29,815.2</b>
	Difference, if any	-	-	-	-	-

\* Includes Share application money pending allotment

\*\* Includes provision for diminution in the value of investments

## Annexure – VI: Notes on Adjustments for Restated Standalone Summary Financial Information

1. The summary of results of restatements made in the audited Standalone financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars	(` in million)				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31,2012
<b>Profit after tax as per audited standalone financial statements</b>	16,504.6	16,342.9	15,666.6	14,959.4	13,841.7
<b>(A) Adjustments due to change in accounting policy</b>					
Impact on accretion of discount/ amortisation of premium due to change in method of amortisation from straight line method (SLM) to Effective interest rate (EIR) method (Refer note A (i))	-	99.0	(40.2)	(13.6)	(18.9)
<b>(B) Other adjustments</b>					
Adjustment for provision for litigation cases (Refer Note B (i))	25.8	(47.4)	(6.1)	-	42.5
Adjustment for deferred tax (Refer Note B(ii))	-	-	(28.0)	214.3	-
Adjustment for current tax for participating products (Refer Note B(iii))	-	7.7	44.0	(8.7)	(7.5)
<b>(C) Deferred Tax impact of adjustments in (A) and (B)</b> (Refer note C)	-	-	(11.9)	3.8	(0.5)
<b>Profit after tax as per Restated Standalone Summary Financial Information</b>	16,530.4	16,402.2	15,624.4	15,155.2	13,857.3

### A. Material Adjustments:

#### (i) Changes in Accounting Policy

During the year ended 31 March 2015, the company changed its accounting policy for amortisation of premium or accretion of discount on all debt securities including government securities and money market instruments to effective interest rate (EIR) method over the remaining period of maturity as compared to amortisation of premium or accretion of discount on straight line basis (SLM) over the remaining period of maturity, which the company consistently followed for the earlier years. Retrospective impact of this change was recorded in the standalone audited financial statements for the year ended March 31, 2015. For the purpose of Restated Standalone Summary Financial Information, this change in accounting policy and the consequential adjustments on account of amortisation have been appropriately adjusted in the year ended 31 March 2014, 31 March 2013 and 31 March 2012. Adjustment related to financial years prior to 31 March 2012 has been adjusted in the opening balance of the Restated Standalone Summary Financial Information as at 1 April 2011.

### B. Other adjustments

In the financial statements for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, certain items of income/expenses have been identified as adjustments pertaining to earlier years. These adjustments were recorded in the year in which they were identified. However, for the purpose of Restated Standalone Summary Financial Information, such adjustments have been appropriately recorded in the respective years to which the transactions pertain. Adjustments related to financial years prior to year ended 31 March 2012 have been adjusted against the opening balance of the Restated Standalone Summary Statement of Profit and Loss Account as at 1 April 2011. The details of such adjustments are as under:

#### (i) Adjustment for provision of litigation cases

In the audited financial statements, the Company had created provision for probable litigation cases of earlier years in the year of receipt of court order or in the year of change in assessment of litigation cases by the

Company. For the purpose of Restated Standalone Summary Financial Information, provisions for litigation cases pertaining to earlier years accounted for during the years ended 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2012 have been adjusted in the respective financial years to which they pertain. Adjustments related to financial years prior to year ended 31 March 2012 have been adjusted against the opening balance of the Restated Standalone Summary Statement of Profit and Loss Account as at 1 April 2011.

**(ii) Adjustments for Deferred tax**

During the year ended 31 March 2013, the company created deferred tax charge on account of unabsorbed losses resulting from the difference between the losses in the books of accounts and the losses as appearing in the income tax returns existing as on the balance sheet date. For the purpose of Restated Standalone Summary Financial Information, the impact of such difference has been adjusted in the opening balance of the Restated Standalone Summary Statement of Profit and Loss Account as at April 01, 2011 for the loss position existing as on that date.

Further, the interest on tax free bonds was claimed as exempt income for the first time in Assessment year 2014-2015 and revised IT return claiming exemption for Assessment year 2013-2014 was also filed. The cumulative impact of both the years was taken in deferred tax computation in the financial year ended 31 March 2015. This has been appropriately adjusted in the Restated Standalone Summary Financial Information for years ended 31 March 2013 and 31 March 2014.

**(iii) Current tax calculation for participating products**

For the current tax computation of participating products, the dividend income exemption was considered for the first time in financial year ended 31 March 2014 providing cumulative effect for earlier years in the financial statements for that year. This impact has been adjusted to tax computation in the Restated Standalone Summary Financial Information for the respective financial years to which they pertain. As the Company had unabsorbed losses as per Income Tax Act in those respective years, there is no current tax liability and hence change in tax computation for participating products has been offset by a corresponding impact in the Restated Standalone Summary Statement of Profit and Loss Account for the respective years. Adjustments related to financial years prior to year ended 31 March 2012 have been adjusted against the opening balance of the Restated Standalone Summary Statement of Profit and Loss Account as at 1 April 2011.

**C. Tax impact of adjustments**

The tax impact has been computed on adjustments made as detailed above in Note A and Note B and has been adjusted in the restated profits and losses for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 and the balance brought forward in the Restated Standalone Summary Statement of Profit and Loss Account as at 1 April 2011.

**2. Material Regroupings**

Appropriate adjustments have been made in the Restated Standalone Summary Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities, receipts and payments in order to bring them in line with the groupings as per the audited financial statement of the Company as at and for the period ended March 31, 2016.

**3. Reconciliation of Opening Net Worth as on April 1, 2011:**

Particulars	in million
Net worth* as at April 1, 2011 as per audited standalone financial statements	20,849.0
Adjustments for:	
Impact on accretion of discount/ amortisation of premium due to change in method of amortisation from straight line method (SLM) to Effective interest rate (EIR) method (Refer note A (i))	(26.3)
Adjustment for provision for litigation cases (Refer Note B (i))	(14.8)
Adjustment for deferred tax (Refer Note B(ii))	(186.3)
Adjustment for current tax for participating products (Refer Note B(iii))	(34.4)
Deferred Tax impact of adjustments in (A) and (B) (Refer note C)	8.6
Net worth* as at April 1, 2011 as per Restated Standalone Summary Financial Information	20,595.8

\* Includes share application money and fair value change account pertaining to shareholders



**4. Non - adjusting items:**

**Matter of emphasis in the Auditors' report which do not require any corrective adjustments in the Restated Standalone Summary Financial Information**

For the financial year ended 31 March 2012, the standalone auditors' report draws attention to the matter that the Company has not made adjustments on account of tax proposals introduced in Finance Bill 2012 and made applicable to insurance companies. The Company had not taken any adjustment holding the view that MAT would not be applicable to insurance companies which was clarified by Ministry of Finance in June 2012 vide circular no. 3/2012 dated 12-6-2012 and thus the company has not taken any adjustment in the Restated Standalone Summary Financial Information.

**Annexure VII - Restated Standalone Statement of Accounting Ratios**

Sr No.	Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
1	New business premium income growth (segment-wise)					
	Participating Life	12.4%	2.1%	188.7%	-31.6%	-32.1%
	Participating Pension	-103.2%	-1150.0%	-100.0%	-74.7%	-49.5%
	Non-Participating	143.0%	-78.1%	-62.9%	31.1%	153.7%
	Annuities Non-Participating	-15.1%	-3.6%	-10.2%	8.2%	173.1%
	Health	152.4%	-96.2%	-59.7%	-32.3%	-74.3%
	Linked Life	7.9%	81.6%	21.8%	-4.5%	-37.9%
	Linked Pension	-10.0%	-2.6%	70.0%	62.6%	-98.5%
	Linked Health	-114.6%	-98.1%	-58.6%	-17.7%	7.3%
	Linked Group	262.6%	482.8%	-92.3%	117.0%	-53.5%
2	Net retention ratio (Net premium divided by gross premium)	99.1%	99.0%	98.8%	99.1%	99.3%
3	Ratio of expenses of management (Expenses of management including commission divided by the total gross direct premium)	13.1%	14.4%	18.1%	18.3%	17.0%
4	Commission Ratio (Gross commission paid to Gross premium)	3.2%	3.6%	5.0%	5.7%	4.3%
5	Ratio of policyholders liabilities to shareholders funds	1826.1%	1781.3%	1713.3%	1748.3%	2243.0%
6	Growth rate of shareholders fund	1.1%	20.1%	10.7%	32.8%	44.8%
7	Ratio of surplus to policyholders liability					
	Participating Life	1.7%	1.0%	2.0%	0.9%	-0.1%
	Participating Pension	2.7%	2.1%	2.9%	2.6%	0.5%
	Non-Participating	4.5%	3.3%	1.1%	-15.9%	-18.2%
	Annuities Non-Participating	7.1%	-1.9%	-3.5%	-1.0%	-10.9%
	Health	105.9%	34.6%	53.1%	-76.4%	192.1%
	Linked Life	0.3%	0.2%	0.5%	1.6%	1.0%
	Linked Pension	2.0%	2.8%	3.6%	4.1%	4.2%
	Linked Health	3.0%	5.8%	5.8%	4.2%	1.3%
	Linked Group	0.4%	0.5%	0.5%	0.4%	1.6%
8	Change in networth (₹ in Million)	595.7	8807.2	4239.6	9791.5	9219.4
9	Profit after tax / Total income	7.9%	4.8%	7.1%	7.6%	9.9%
10	(Total Real Estate + Loans) / Cash & invested assets	0.4%	0.4%	0.2%	0.3%	0.3%
11	Total Investment / (Capital + Surplus)	1934.8%	1889.6%	1826.9%	1861.2%	2361.1%
12	Total Affiliated Investment / (Capital+Surplus)	2.2%	4.7%	6.4%	7.8%	20.9%
13	Investment Yield (Gross and Net)					
	<b>A. Without unrealised gains</b>					
	- Shareholders' Fund	10.6%	10.1%	7.2%	10.0%	7.6%
	- Policyholders' Fund					
	- Non Linked					

Sr No.	Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	Par	8.7%	9.4%	8.5%	9.4%	8.1%
	Non Par	8.1%	8.0%	8.1%	9.0%	8.4%
	- Linked					
	Non Par	9.1%	17.6%	8.3%	5.7%	5.2%
	<b>B. With unrealised gains</b>					
	- Shareholders' Fund	5.8%	18.5%	8.3%	11.5%	8.2%
	- Policyholders' Fund					
	- Non Linked					
	Par	5.7%	20.5%	5.7%	12.2%	6.0%
	Non Par	5.8%	20.5%	5.0%	11.8%	7.2%
	- Linked					
	Non Par	-2.1%	28.1%	12.9%	7.6%	-3.1%
14	Conservation Ratio					
	Participating Life	88.3%	84.0%	78.7%	78.5%	54.0%
	Participating Pension	92.8%	24.3%	51.1%	37.9%	26.7%
	Non-Participating	96.1%	90.2%	83.1%	76.1%	72.5%
	Annuities Non-Participating	NA	NA	NA	NA	NA
	Health	90.6%	89.2%	85.2%	82.7%	70.0%
	Linked Life	82.7%	85.9%	75.1%	67.4%	65.4%
	Linked Pension	73.5%	68.3%	48.7%	64.2%	64.3%
	Linked Health	85.2%	83.7%	85.3%	86.2%	87.9%
	Linked Group	98.5%	80.1%	36.2%	54.4%	40.0%
15	Persistency Ratio*					
	13th Month	82.4%	79.0%	71.5%	71.9%	77.2%
	25th Month	71.2%	65.9%	68.4%	74.8%	54.1%
	37th Month	61.6%	64.3%	57.3%	26.5%	28.9%
	49th Month	62.2%	54.4%	20.3%	19.4%	17.7%
	61th Month	46.0%	14.5%	12.7%	11.9%	14.6%
16	NPA Ratio					
	- Gross NPA Ratio	NIL	NIL	NIL	NIL	NIL
	- Net NPA Ratio	NIL	NIL	NIL	NIL	NIL
17	Solvency Ratio	320.0%	336.5%	369.4%	393.2%	369.8%
18	Basic EPS (in `) **	11.54	11.47	10.93	10.61	9.70
19	Diluted EPS (in `) **	11.53	11.45	10.91	10.58	9.67
20	Return on Net worth **	31.2%	34.0%	37.4%	43.7%	55.0%
21	Net Asset Value Per share (in `) **	37.2	36.8	30.7	27.7	20.9

\* The ratio is computed based on the original premiums issued. Calculations are in accordance with the IRDA circular IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014"

\*\* The Ratio have been computed as below

$$\text{Earnings per Share (in `)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Weighted average Number of equity shares}}$$

$$\text{Diluted Earnings per Share (in `)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Weighted average dilutive Number of equity shares}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated profit after tax attributable to equity shareholders for the year/period}}{\text{Average of Restated Net worth at the beginning and end of the year/period}}$$

$$\text{Net Assets Value per Share (in `)} = \frac{\text{Restated Net Worth at the end of the year/period}}{\text{Total number of equity shares outstanding at the end of the year/period}}$$

**Annexure - VIII: Restated Standalone Statement on Segment Disclosure**

(Amount in ` Million)

S.no	Particulars	For the year ended				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>1</b>	<b>Segment Income:</b>					
	Segment A - Par life					
	Net Premium	21,396.8	16,394.2	12,182.0	7,804.6	7,279.3
	Income from investments	5,212.5	4,480.4	3,191.9	3,040.4	2,354.8
	Other income	80.1	64.9	39.2	39.6	47.4
	Segment B - Par pension					
	Net Premium	357.5	385.2	1,585.7	3,100.9	5,756.1
	Income from investments	1,081.3	1,662.2	1,697.6	1,838.6	1,234.1
	Other income	1.1	1.4	38.5	0.9	2.6
	Segment C - Non Par					
	Net Premium	23,148.3	21,529.4	23,684.3	24,447.3	14,415.3
	Income from investments	6,335.5	4,706.0	3,041.8	1,688.4	722.9
	Other income	103.5	89.2	51.2	82.1	29.2
	Segment D - Annuity Non Par					
	Net Premium	1,867.5	2,199.4	2,281.3	2,540.8	2,347.7
	Income from investments	1,790.2	1,573.6	1,312.0	1,136.1	809.3
	Other income	0.1	0.1	0.2	1.1	0.2
	Segment E - Health					
	Net Premium	116.2	129.8	147.1	171.8	188.7
	Income from investments	51.9	50.9	67.9	22.6	24.7
	Other income	0.2	0.4	0.3	0.9	1.1
	Segment F - Linked Life					
	Net Premium	117,741.4	92,162.1	62,362.3	54,972.0	57,386.7
	Income from investments	(2,375.2)	100,099.5	46,010.1	26,264.3	(6,017.3)
	Other income	22.1	20.5	34.5	99.4	48.2
	Segment G - Linked Pension					
	Net Premium	7,952.2	10,137.1	13,997.4	27,327.1	42,154.7
	Income from investments	(3,583.8)	63,062.0	30,247.4	21,729.2	(4,453.8)
	Other income	1.2	2.1	6.1	8.4	7.5
	Segment H - Linked Health					
	Net Premium	1,106.9	1,353.8	1,656.0	1,805.5	1,659.7
	Income from investments	(144.7)	1,944.7	608.2	285.8	(7.2)
	Other income	0.1	0.2	1.7	5.5	2.3
	Segment I - Linked Group					
	Net Premium	16,300.2	7,313.5	4,930.4	12,002.4	8,090.5
	Income from investments	3,589.6	9,738.6	5,864.1	5,762.7	3,880.7
	Other income	0.4	0.4	0.8	2.8	0.6
	Shareholders					
	Income from investments	5,951.8	5,369.8	3,584.6	4,156.5	2,187.8
	Other income	-	4.6	99.1	4.8	5.6
<b>2</b>	<b>Segment Surplus/Deficit(Net of Transfer from shareholders account):</b>					
	Segment A - Par life	1,990.8	1,094.7	1,403.9	573.4	123.6
	Segment B - Par pension	303.5	379.6	517.1	498.6	93.1
	Segment C - Non Par	4,572.4	2,668.3	597.0	(5,505.1)	(2,794.1)
	Segment D - Annuity Non Par	1,497.3	(388.5)	(604.8)	(139.7)	(1,248.5)

S.no	Particulars	For the year ended				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	Segment E - Health	340.9	187.5	335.0	(628.2)	225.3
	Segment F - Linked Life	1,620.5	1,134.5	1,750.9	4,932.6	3,096.1
	Segment G - Linked Pension	3,348.5	5,937.3	7,440.6	9,144.0	9,923.2
	Segment H - Linked Health	225.4	432.6	299.7	165.3	36.8
	Segment I - Linked Group	251.3	355.4	303.0	245.5	814.2
	Shareholders	5,638.6	4,921.0	3,569.4	4,103.1	2,176.5
<b>3</b>	<b>Segment Assets:</b>					
	Segment A - Par life	77,485.4	62,188.6	48,003.4	40,136.8	35,752.6
	Segment B - Par pension	11,150.6	18,312.5	18,022.5	19,256.9	19,253.2
	Segment C - Non Par	101,281.0	81,452.4	56,380.8	34,672.2	15,392.8
	Segment D - Annuity Non Par	21,186.0	20,397.0	17,486.9	14,344.7	11,448.3
	Segment E - Health	321.9	542.1	631.1	822.1	117.3
	Segment F - Linked Life	521,128.9	469,425.2	342,082.8	298,742.6	294,106.4
	Segment G - Linked Pension	168,927.3	212,736.9	203,943.1	223,122.7	238,750.3
	Segment H - Linked Health	7,634.7	7,481.0	5,182.9	3,970.4	2,883.7
	Segment I - Linked Group	63,286.3	65,394.7	59,475.7	57,358.5	51,039.6
	Shareholders	53,249.2	52,653.8	43,846.4	39,607.0	29,815.2
<b>4</b>	<b>Segment Policy Liabilities:</b>					
	Segment A - Par life	77,485.4	62,188.6	48,003.4	40,136.8	35,752.6
	Segment B - Par pension	11,150.6	18,312.5	18,022.5	19,256.9	19,253.2
	Segment C - Non Par	101,281.0	81,452.4	56,380.8	34,672.2	15,392.8
	Segment D - Annuity Non Par	21,186.0	20,397.0	17,486.9	14,344.7	11,448.3
	Segment E - Health	321.9	542.1	631.1	822.1	117.3
	Segment F - Linked Life	521,128.9	469,425.2	342,082.8	298,742.6	294,106.4
	Segment G - Linked Pension	168,927.3	212,736.9	203,943.1	223,122.7	238,750.3
	Segment H - Linked Health	7,634.7	7,481.0	5,182.9	3,970.4	2,883.7
	Segment I - Linked Group	63,286.3	65,394.7	59,475.7	57,358.5	51,039.6
	Shareholders	53,249.2	52,653.8	43,846.4	39,607.0	29,815.2

**Annexure – IX: Restated Standalone Statement of Premium income**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
First year premiums	49,243.8	45,731.7	32,851.7	41,841.3	36,449.2
Renewal premiums	123,986.4	99,744.9	86,690.6	87,296.2	95,804.8
Single premiums	18,413.7	7,589.6	4,744.2	6,244.9	7,961.7
<b>Total Premium</b>	<b>191,643.9</b>	<b>153,066.2</b>	<b>124,286.5</b>	<b>135,382.4</b>	<b>140,215.7</b>
<b>Premium Income from business written:</b>					
In India	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
Outside India	-	-	-	-	-
<b>Total Premium</b>	<b>191,643.9</b>	<b>153,066.2</b>	<b>124,286.5</b>	<b>135,382.4</b>	<b>140,215.7</b>

Annexure – X: Restated Standalone Statement of Commission Expenses

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Commission</b>					
Direct – First year premiums	3,744.1	3,541.3	4,697.2	6,304.6	4,814.0
– Renewal premiums	2,402.3	1,973.3	1,561.6	1,339.6	1,202.9
– Single premiums	53.4	17.1	16.0	10.0	37.8
<b>Total</b>	<b>6,199.8</b>	<b>5,531.7</b>	<b>6,274.8</b>	<b>7,654.2</b>	<b>6,054.7</b>
Add: Commission on re-insurance accepted	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-
<b>Net Commission</b>	<b>6,199.8</b>	<b>5,531.7</b>	<b>6,274.8</b>	<b>7,654.2</b>	<b>6,054.7</b>
<b>Break-up of the commission by distribution network</b>					
Individual agents	1,630.1	1,474.3	1,891.8	2,770.2	2,674.0
Corporate agents	4,181.7	3,682.4	3,857.2	4,043.8	2,724.9
Brokers	388.0	375.0	525.8	840.2	656.8
Referral	-	-	-	-	(1.0)
<b>Total Commission</b>	<b>6,199.8</b>	<b>5,531.7</b>	<b>6,274.8</b>	<b>7,654.2</b>	<b>6,054.7</b>

**Annexure – XI: Restated Standalone Statement of Operating Expenses related to Insurance business**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Employees' remuneration and welfare benefits	7,350.1	6,832.5	7,126.7	7,691.4	7,638.9
Travel, conveyance and vehicle running expenses	401.8	346.1	339.8	375.4	285.3
Agents training, recruitment and incentives	1,080.1	973.7	650.9	1,668.5	2,022.2
Rents, rates and taxes	962.6	888.6	963.1	1,130.8	1,299.5
Repairs	329.2	284.2	284.5	308.7	302.8
Printing and stationery	41.6	75.6	80.4	136.2	51.5
Communication expenses	596.1	639.5	607.9	672.9	581.7
Legal and professional charges	433.2	441.9	564.0	391.4	426.9
Medical fees	81.9	23.6	19.6	34.9	104.2
Auditors' fees, expenses etc:					
(a) as auditor	13.4	11.8	11.9	10.6	13.9
(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)	-	-	0.2	0.2	-
Advertisement and publicity	964.4	578.6	1,160.4	1,372.3	1,263.8
Interest and bank charges	119.0	168.4	147.7	136.0	158.0
<b>Others</b>					
Administration support expenses	4,527.9	3,443.7	2,272.0	999.7	1,326.6
Business conferences and meetings	441.7	548.3	368.3	547.8	383.8
Information technology cost	491.5	391.3	364.7	321.6	313.2
Office running expenses	247.5	261.6	325.8	319.6	417.6
Data entry related expenses	126.4	126.3	166.5	220.8	251.7
Miscellaneous expenses	181.5	117.3	183.7	88.8	150.1
Depreciation	455.3	396.0	468.2	409.6	555.8
Service tax expenses	38.1	(5.7)	55.4	293.8	185.6
<b>Total</b>	<b>18,883.3</b>	<b>16,543.3</b>	<b>16,161.7</b>	<b>17,131.0</b>	<b>17,733.1</b>



Annexure - XIA

Restated Standalone Statement of Expenses other than those directly related to the Insurance business

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Employees' remuneration and welfare benefits	102.5	140.0	65.6	35.4	14.4
Travel, conveyance and vehicle running expenses	0.1	-	-	-	0.1
Rent, rates and taxes	0.1	0.3	0.3	0.4	-
Printing and stationery	-	-	-	-	-
Communication expenses	-	-	-	-	0.1
Legal and professional charges	0.6	0.5	0.3	-	-
Interest and bank charges	0.6	1.0	0.9	1.6	1.8
CSR expenses	199.1	310.6	-	-	-
Others	10.2	0.9	47.0	20.6	0.4
Depreciation	0.1	0.1	0.2	0.2	0.1
<b>Total</b>	<b>313.3</b>	<b>453.4</b>	<b>114.3</b>	<b>58.2</b>	<b>16.9</b>

Annexure – XII: Restated Standalone Statement of Benefits Paid (net)

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Insurance claims</b>					
Claims by death	4,765.8	4,045.8	3,660.5	3,197.5	2,667.4
Claims by maturity	4,907.4	3,150.6	2,034.3	1,439.1	950.6
Annuities/Pension payment	1,270.9	1,126.6	952.4	799.5	658.0
Other benefits					
- Surrender/Withdrawal	112,067.3	113,096.6	113,065.8	126,926.5	79,763.1
- Survival	1,463.3	1,380.4	1,166.1	651.7	554.1
- Rider	90.9	92.3	93.2	91.6	101.4
- Health	735.8	659.5	601.0	568.4	475.2
- Interest on unclaimed amounts	92.2	-	-	-	-
<b>Sub Total (A)</b>	<b>125,393.6</b>	<b>123,551.8</b>	<b>121,573.3</b>	<b>133,674.3</b>	<b>85,169.8</b>
<b>(Amount ceded in reinsurance)</b>					
Claims by death	(994.6)	(765.3)	(543.1)	(528.2)	(386.4)
Claims by maturity	-	-	-	-	-
Annuities/Pension payment	-	-	-	-	-
Other benefits	-	-	-	-	-
- Surrender/Withdrawal	-	-	-	-	-
- Survival	-	-	-	-	-
- Rider	-	-	-	-	-
- Health	(338.4)	(303.0)	(290.6)	(267.3)	(231.4)
<b>Sub Total (B)</b>	<b>(1,333.0)</b>	<b>(1,068.3)</b>	<b>(833.7)</b>	<b>(795.5)</b>	<b>(617.8)</b>
<b>Amount accepted in reinsurance</b>					
Claims by death	-	-	-	-	-
Claims by maturity	-	-	-	-	-
Annuities/Pension payment	-	-	-	-	-
Other benefits	-	-	-	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B) + (C)</b>	<b>124,060.6</b>	<b>122,483.5</b>	<b>120,739.6</b>	<b>132,878.8</b>	<b>84,552.0</b>
<b>Benefits paid to claimants:</b>					
In India	125,393.6	123,551.8	121,573.3	133,674.3	85,169.8
Outside India	-	-	-	-	-
<b>Total</b>	<b>125,393.6</b>	<b>123,551.8</b>	<b>121,573.3</b>	<b>133,674.3</b>	<b>85,169.8</b>

**Annexure – XIII: Restated Standalone Statement of Share Capital**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Authorised capital</b>					
1,500,000,000 Equity shares of ₹ 10/- each	15,000.0	15,000.0	15,000.0	15,000.0	15,000.0
<b>Issued, subscribed and called-up capital</b>					
1,432,319,348 Equity shares of ₹ 10/- each fully paid up (Previous years: March 31, 2015: 1,431,716,991 Equity shares, March 31, 2014: 1,429,255,687 Equity shares, March 31, 2013: 1,428,939,249 Equity shares, March 31, 2012: 1,428,849,124 Equity shares)	14,323.2	14,317.2	14,292.6	14,289.4	14,288.5
<b>Total</b>	<b>14,323.2</b>	<b>14,317.2</b>	<b>14,292.6</b>	<b>14,289.4</b>	<b>14,288.5</b>

Out of the total equity share capital, 969,157,662 equity shares (March 31, 2015 - 1,055,310,907 equity shares, March 31, 2014 - 1,055,310,907 equity shares, March 31, 2013 - 1,055,310,907 equity shares, March 31, 2012 - 1,055,310,907 equity shares) of ₹ 10 each are held by the holding company, ICICI Bank Limited.

**Annexure – XIII A: Restated Standalone Statement of Pattern of Shareholding**  
[As certified by the Management]

Shareholder	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Promoters					
Indian (ICICI Bank Limited)	969,157,662	1,055,310,907	1,055,310,907	1,055,310,907	1,055,310,907
Foreign (Prudential Corporation Holdings Limited)	370,784,884	370,784,884	370,784,884	370,784,884	370,784,884
Others	92,376,802	5,621,200	3,159,896	2,843,458	2,753,333
<b>Total</b>	<b>1,432,319,348</b>	<b>1,431,716,991</b>	<b>1,429,255,687</b>	<b>1,428,939,249</b>	<b>1,428,849,124</b>

**Annexure – XIV: Restated Standalone Statement of Reserves and Surplus**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Capital reserves	-	-	-	-	-
Capital redemption reserve	-	-	-	-	-
Share premium	33,897.4	33,838.4	33,663.8	33,645.1	33,639.5
Revaluation reserve	9.9	-	-	-	-
General reserve					
Opening balance	-	4,446.8	2,880.1	1,384.2	-
Add: Transfer from/(to) Profit and Loss <sup>1</sup>	-	(4,446.8)	1,566.7	1,495.9	1,384.2
Closing balance	-	-	4,446.8	2,880.1	1,384.2
Less: Debit balance in Profit and Loss Account	-	-	(4,446.8)	(2,880.1)	(1,384.2)
Less: Amount utilized for buy-back	-	-	-	-	-
Catastrophe reserve	-	-	-	-	-
Other reserves	-	-	-	-	-
Balance of profit in Profit and Loss Account	2,509.1	457.5	-	-	-
<b>Total</b>	<b>36,416.4</b>	<b>34,295.9</b>	<b>33,663.8</b>	<b>33,645.1</b>	<b>33,639.5</b>

1. Credit balance of General reserve has been adjusted against Debit balance in Profit and Loss Account

**Annexure – XV: Restated Standalone Statement of Borrowings**

(Amount in ₹ million)

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Debentures/Bonds	-	-	-	-	-
Banks	-	-	-	-	-
Financial Institutions	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Annexure – XVI: Restated Standalone Statement of Investments- Shareholders

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>LONG TERM INVESTMENT</b>					
<b>Government securities</b>	24,864.4	22,149.5	12,475.2	13,207.9	2,653.1
(Market value at March 31, 2016: ₹ 25,546.7 Mn)					
(Market value at March 31, 2015: ₹ 23,505.6 Mn)					
(Market value at March 31, 2014: ₹ 12,136.1 Mn)					
(Market value at March 31, 2013: ₹ 13,265.6 Mn)					
(Market value at March 31, 2012: ₹ 2,607.9 Mn)					
<b>Other approved securities</b>	3,646.7	649.9	1,702.7	2,203.8	1,205.2
(Market value at March 31, 2016: ₹ 3,713.7 Mn)					
(Market value at March 31, 2015: ₹ 700.4 Mn)					
(Market value at March 31, 2014: ₹ 1,721.8 Mn)					
(Market value at March 31, 2013: ₹ 2,210.7 Mn)					
(Market value at March 31, 2012: ₹ 1,178.1 Mn)					
<b>Other approved investments</b>					
Equity shares	7,545.8	8,740.1	7,840.1	6,699.2	4,131.5
(Historical value at March 31, 2016: ₹ 5,192.6 Mn)					
(Historical value at March 31, 2015: ₹ 4,999.8 Mn)					
(Historical value at March 31, 2014: ₹ 5,998.8 Mn)					
(Historical value at March 31, 2013: ₹ 6,230.7 Mn)					
(Historical value at March 31, 2012: ₹ 3,932.2 Mn)					
Preference shares	301.7	286.6	-	-	-
(Market value at March 31, 2016: ₹ 331.3 Mn)					
(Market value at March 31, 2015: ₹ 294.5 Mn)					
(Market value at March 31, 2014: ₹ Nil)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ Nil)					
Debentures/Bonds	2,823.1	3,956.1	4,352.1	4,328.0	3,342.9
(Market value at March 31, 2016: ₹ 2,924.7 Mn)					
(Market value at March 31, 2015: ₹ 4,093.6 Mn)					
(Market value at March 31, 2014: ₹ 4,343.0 Mn)					
(Market value at March 31, 2013: ₹ 4,409.9 Mn)					
(Market value at March 31, 2012: ₹ 3,372.9 Mn)					
Investments in subsidiary	270.0	270.0	270.0	270.0	110.0
CCIL deposit	70.0	70.0	70.0	60.0	60.0
(Market value at March 31, 2016: ₹ 70.0 Mn)					
(Market value at March 31, 2015: ₹ 70.0 Mn)					
(Market value at March 31, 2014: ₹ 70.0 Mn)					
(Market value at March 31, 2013: ₹ 60.0 Mn)					
(Market value at March 31, 2012: ₹ 60.0 Mn)					
Fixed deposits	694.5	1,014.5	1,140.2	3,011.2	1,639.0
(Market value at March 31, 2016: ₹ 694.5 Mn)					
(Market value at March 31, 2015: ₹ 1,014.5 Mn)					
(Market value at March 31, 2014: ₹ 1,140.2 Mn)					
(Market value at March 31, 2013: ₹ 3,011.2 Mn)					

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Market value at March 31, 2012: ` 1,639.0 Mn)					
Property	713.5	703.6	-	-	-
(Historical value at March 31, 2016: ` 703.6 Mn)					
(Historical value at March 31, 2015: ` 703.6 Mn)					
(Historical value at March 31, 2014: ` Nil)					
(Historical value at March 31, 2013: ` Nil)					
(Historical value at March 31, 2012: ` Nil)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved Investments</b>					
Debentures/Bonds	6,331.1	8,470.3	7,895.5	8,613.9	5,024.4
(Market value at March 31, 2016: ` 6,631.3 Mn)					
(Market value at March 31, 2015: ` 8,818.3 Mn)					
(Market value at March 31, 2014: ` 7,751.8 Mn)					
(Market value at March 31, 2013: ` 8,730.4 Mn)					
(Market value at March 31, 2012: ` 5,025.8 Mn)					
Equity shares	1,367.5	339.2	306.5	444.3	226.1
(Historical value at March 31, 2016: ` 1,174.2 Mn)					
(Historical value at March 31, 2015: ` 271.7 Mn)					
(Historical value at March 31, 2014: ` 328.0 Mn)					
(Historical value at March 31, 2013: ` 450.2 Mn)					
(Historical value at March 31, 2012: ` 220.1 Mn)					
¤					
<b>Other investments</b>					
Debentures/Bonds	-	100.0	-	-	-
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` 108.4 Mn)					
(Market value at March 31, 2014: ` Nil)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` Nil)					
Equity shares	189.1	887.9	-	-	-
(Historical value at March 31, 2016: ` 226.9 Mn)					
(Historical value at March 31, 2015: ` 666.7 Mn)					
(Historical value at March 31, 2014: ` Nil)					
(Historical value at March 31, 2013: ` Nil)					
(Historical value at March 31, 2012: ` Nil)					
<b>Other investments</b>					
Debentures/Bonds	1,371.0	1,400.0	1,000.0	612.8	362.9
(Market value at March 31, 2016: ` 1,427.3 Mn)					
(Market value at March 31, 2015: ` 1,500.2 Mn)					
(Market value at March 31, 2014: ` 1,051.6 Mn)					
(Market value at March 31, 2013: ` 655.6 Mn)					
(Market value at March 31, 2012: ` 373.4 Mn)					
Equity shares	21.7	21.7	687.2	568.3	217.7
(Historical value at March 31, 2016: ` 21.7 Mn)					
(Historical value at March 31, 2015: ` 21.7 Mn)					
(Historical value at March 31, 2014: ` 647.1 Mn)					
(Historical value at March 31, 2013: ` 553.4 Mn)					
(Historical value at March 31, 2012: ` 215.5 Mn)					
<b>SHORT TERM INVESTMENT</b>					
<b>Government securities</b>	-	2.9	1,844.6	575.2	2,620.0

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` 2.9 Mn)					
(Market value at March 31, 2014: ` 1,844.4 Mn)					
(Market value at March 31, 2013: ` 575.2 Mn)					
(Market value at March 31, 2012: ` 2,618.0 Mn)					
<b>Other approved securities</b>	-	1.7	0.5	-	699.5
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` 1.7 Mn)					
(Market value at March 31, 2014: ` 0.5 Mn)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` 694.5 Mn)					
<b>Other approved investments</b>					
Debentures/Bonds	917.9	922.1	449.7	470.3	848.1
(Market value at March 31, 2016: ` 924.5 Mn)					
(Market value at March 31, 2015: ` 937.5 Mn)					
(Market value at March 31, 2014: ` 447.5 Mn)					
(Market value at March 31, 2013: ` 471.2 Mn)					
(Market value at March 31, 2012: ` 853.6 Mn)					
Fixed deposits	1,656.7	2,565.4	4,962.0	3,504.2	3,856.2
(Market value at March 31, 2016: ` 1,656.7 Mn)					
(Market value at March 31, 2015: ` 2,565.4 Mn)					
(Market value at March 31, 2014: ` 4,962.0 Mn)					
(Market value at March 31, 2013: ` 3,504.2 Mn)					
(Market value at March 31, 2012: ` 3,856.2 Mn)					
Certificate of deposits	3,379.2	2,617.1	4,863.3	3,782.8	3,417.7
(Market value at March 31, 2016: ` 3,379.2 Mn)					
(Market value at March 31, 2015: ` 2,617.1 Mn)					
(Market value at March 31, 2014: ` 4,863.3 Mn)					
(Market value at March 31, 2013: ` 3,782.8 Mn)					
(Market value at March 31, 2012: ` 3,417.7 Mn)					
Commercial Papers	-	-	1,197.4	-	95.9
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` Nil)					
(Market value at March 31, 2014: ` 1,197.4 Mn)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` 95.9 Mn)					
Reverse Repo	-	-	-	-	231.8
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` Nil)					
(Market value at March 31, 2014: ` Nil)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` 231.8 Mn)					
Collateralized borrowing and lending obligation	-	-	80.2	-	1,002.0
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` Nil)					
(Market value at March 31, 2014: ` 80.2 Mn)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` 1,002.0 Mn)					
Mutual fund	-	417.8	-	0.3	641.0
(Historical value at March 31, 2016: ` Nil)					



Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Historical value at March 31, 2015: ` 417.8 Mn)					
(Historical value at March 31, 2014: ` Nil)					
(Historical value at March 31, 2013: ` 0.3 Mn)					
(Historical value at March 31, 2012: ` 641.0 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved Investments</b>					
Debentures/Bonds	1,569.5	2,143.2	840.1	835.4	1,702.1
(Market value at March 31, 2016: ` 1,579.9 Mn)					
(Market value at March 31, 2015: ` 2,218.3 Mn)					
(Market value at March 31, 2014: ` 839.3 Mn)					
(Market value at March 31, 2013: ` 836.5 Mn)					
(Market value at March 31, 2012: ` 1,695.4 Mn)					
Commercial papers	3,225.7	838.1	-	-	670.4
(Market value at March 31, 2016: ` 3,225.7 Mn)					
(Market value at March 31, 2015: ` 838.1 Mn)					
(Market value at March 31, 2014: ` Nil)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` 670.4 Mn)					
Certificate of deposits	701.7	-	-	-	-
(Market value at March 31, 2016: ` 701.7 Mn)					
(Market value at March 31, 2015: ` Nil)					
(Market value at March 31, 2014: ` Nil)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` Nil)					
<b>Other investments</b>					
Debentures/Bonds	250.0	-	14.3	-	-
(Market value at March 31, 2016: ` 255.6 Mn)					
(Market value at March 31, 2015: ` Nil)					
(Market value at March 31, 2014: ` 14.2 Mn)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` Nil)					
Mutual fund	245.9	-	1,496.8	-	-
(Historical value at March 31, 2016: ` 245.9 Mn)					
(Historical value at March 31, 2015: ` Nil)					
(Historical value at March 31, 2014: ` 1,496.0 Mn)					
(Historical value at March 31, 2013: ` Nil)					
(Historical value at March 31, 2012: ` Nil)					
<b>Total</b>	<b>62,156.7</b>	<b>58,567.7</b>	<b>53,488.4</b>	<b>49,187.6</b>	<b>34,757.5</b>
In India	62,156.7	58,567.7	53,488.4	49,187.6	34,757.5
<b>Total</b>	<b>62,156.7</b>	<b>58,567.7</b>	<b>53,488.4</b>	<b>49,187.6</b>	<b>34,757.5</b>

1. Includes securities deposited under Section 7 of Insurance Act, 1938 as below:

Particulars	(Amount in ` million)				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Book value	-	111.0	102.3	104.6	209.4
Market value	-	106.1	102.2	104.3	208.0

2. Includes government securities deposited with Clearing Corporation of India Limited (CCIL) as below:

(Amount in ` million)

<b>For Settlement Guarantee Fund (SGF) deposit</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Book value	927.4	953.1	-	-	-
Market value	968.3	1,037.6	-	-	-

3. Includes fixed deposit deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited towards margin requirement for equity trade settlement

(Amount in ` million)

	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<b>a. National Securities Clearing Corporation Limited</b>					
Book value	1,050.0	1,050.2	1,050.2	1,050.1	1,050.0
Market value	1,050.0	1,050.2	1,050.2	1,050.1	1,050.0
<b>b. Indian Clearing Corporation Limited</b>					
Book value	99.0	299.0	300.1	100.0	100.0
Market value	99.0	299.0	300.1	100.0	100.0

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

(Amount in ` million)

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	51,803.2	47,187.4	42,887.9	41,205.5	29,431.2
Market value of above Investments	53,062.8	49,286.4	42,463.6	41,513.7	29,393.8
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	7,834.8	7,351.3	8,739.8	7,504.5	5,118.6

5. For Investment in holding company and other related entities - Refer related party disclosure.
6. Investments made out of Catastrophe reserve is ` Nil as on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012
7. 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.

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Schedules forming part of condensed financial statements

Annexure – XVIA: Restated Standalone Statement of Investments- Policyholders

(Amount in ` million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>LONG TERM INVESTMENT</b>					
<b>Government securities<sup>1</sup></b>	123,073.4	103,055.2	65,360.2	42,288.1	31,976.4
(Market value as at March 31, 2016: ` 126,223.8 Mn)					
(Market value as at March 31, 2015: ` 107,523.3 Mn)					
(Market value as at March 31, 2014: ` 61,316.5 Mn)					
(Market value as at March 31, 2013: ` 42,172.0 Mn)					
(Market value as at March 31, 2012: ` 30,417.1 Mn)					
<b>Other approved securities</b>	9,761.0	7,194.7	10,655.8	15,458.7	11,707.2
(Market value as at March 31, 2016: ` 9,952.1 Mn)					
(Market value as at March 31, 2015: ` 7,466.6 Mn)					
(Market value as at March 31, 2014: ` 10,229.7 Mn)					
(Market value as at March 31, 2013: ` 15,640.5 Mn)					
(Market value as at March 31, 2012: ` 11,371.8 Mn)					
<b>Other approved investments</b>					
Equity shares	28,517.9	22,489.3	12,595.5	7,799.7	4,647.5
(Historical value as at March 31, 2016: ` 19,490.9 Mn)					
(Historical value as at March 31, 2015: ` 11,397.3 Mn)					
(Historical value as at March 31, 2014: ` 7,883.3 Mn)					
(Historical value as at March 31, 2013: ` 5,295.1 Mn)					
(Historical value as at March 31, 2012: ` 2,529.1 Mn)					
Preference shares	93.8	87.3	9.3	-	-
(Market value as at March 31, 2016: ` 110.3 Mn)					
(Market value as at March 31, 2015: ` 98.0 Mn)					
(Market value as at March 31, 2014: ` 18.5 Mn)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
Debentures/Bonds	7,217.1	12,366.0	13,521.6	9,551.9	5,658.0
(Market value as at March 31, 2016: ` 7,453.4 Mn)					
(Market value as at March 31, 2015: ` 12,725.5 Mn)					
(Market value as at March 31, 2014: ` 13,219.5 Mn)					
(Market value as at March 31, 2013: ` 9,693.5 Mn)					
(Market value as at March 31, 2012: ` 5,620.4 Mn)					
Property	1,840.0	1,825.0	854.4	890.0	890.0
(Historical value as at March 31, 2016: ` 1,263.0 Mn)					
(Historical value as at March 31, 2015: ` 1,263.0 Mn)					
(Historical value as at March 31, 2014: ` 185.5 Mn)					
(Historical value as at March 31, 2013: ` 185.5 Mn)					
(Historical value as at March 31, 2012: ` 185.5 Mn)					
CCIL deposit	0.1	0.1	0.1	0.1	0.1
(Market value as at March 31, 2016: ` 0.1 Mn)					
(Market value as at March 31, 2015: ` 0.1 Mn)					
(Market value as at March 31, 2014: ` 0.1 Mn)					
(Market value as at March 31, 2013: ` 0.1 Mn)					
(Market value as at March 31, 2012: ` 0.1 Mn)					

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Fixed deposits	1,820.0	1,892.0	2,131.5	3,540.1	4,027.0
(Market value as at March 31, 2016: ` 1,820.0 Mn)					
(Market value as at March 31, 2015: ` 1,892.0 Mn)					
(Market value as at March 31, 2014: ` 2,131.5 Mn)					
(Market value as at March 31, 2013: ` 3,540.1 Mn)					
(Market value as at March 31, 2012: ` 4,027.0 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Equity shares	3,384.8	1,316.1	1,838.7	972.7	115.7
(Historical value as at March 31, 2016: ` 2,763.7 Mn)					
(Historical value as at March 31, 2015: ` 1,028.2 Mn)					
(Historical value as at March 31, 2014: ` 1,896.2 Mn)					
(Historical value as at March 31, 2013: ` 1,054.4 Mn)					
(Historical value as at March 31, 2012: ` 123.8 Mn)					
Debentures/Bonds	24,840.8	24,889.6	19,499.1	18,293.0	14,835.0
(Market value as at March 31, 2016: ` 25,518.3 Mn)					
(Market value as at March 31, 2015: ` 25,709.1 Mn)					
(Market value as at March 31, 2014: ` 19,055.1 Mn)					
(Market value as at March 31, 2013: ` 18,485.7 Mn)					
(Market value as at March 31, 2012: ` 14,728.5 Mn)					
<b>Other investments</b>					
Equity shares	292.6	702.2	-	-	-
(Historical value as at March 31, 2016: ` 253.6 Mn)					
(Historical value as at March 31, 2015: ` 356.0 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
Debentures/Bonds	210.0	210.0	-	-	-
(Market value as at March 31, 2016: ` 207.8 Mn)					
(Market value as at March 31, 2015: ` 206.9 Mn)					
(Market value as at March 31, 2014: ` Nil)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
<b>Other investments</b>					
Equity shares	130.8	37.2	593.1	637.9	316.1
(Historical value as at March 31, 2016: ` 105.6 Mn)					
(Historical value as at March 31, 2015: ` 8.5 Mn)					
(Historical value as at March 31, 2014: ` 456.6 Mn)					
(Historical value as at March 31, 2013: ` 583.4 Mn)					
(Historical value as at March 31, 2012: ` 223.9 Mn)					
Debentures/Bonds	2,001.1	138.7	387.8	127.4	171.0
(Market value as at March 31, 2016: ` 1,981.8 Mn)					
(Market value as at March 31, 2015: ` 138.1 Mn)					
(Market value as at March 31, 2014: ` 365.0 Mn)					
(Market value as at March 31, 2013: ` 127.4 Mn)					
(Market value as at March 31, 2012: ` 171.0 Mn)					
<b>Venture fund</b>	146.8	216.0	-	580.4	641.3
(Market value as at March 31, 2016: ` 156.9 Mn)					
(Market value as at March 31, 2015: ` 226.0 Mn)					
(Market value as at March 31, 2014: ` Nil)					
(Market value as at March 31, 2013: ` 590.8 Mn)					

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Market value as at March 31, 2012: ` 645.8 Mn)					
<b>SHORT TERM INVESTMENT</b>					
<b>Government securities</b>	20.5	499.1	1,003.0	1,983.6	1,013.6
(Market value as at March 31, 2016: ` 20.7 Mn)					
(Market value as at March 31, 2015: ` 499.1 Mn)					
(Market value as at March 31, 2014: ` 1,003.0 Mn)					
(Market value as at March 31, 2013: ` 1,983.6 Mn)					
(Market value as at March 31, 2012: ` 1,010.7 Mn)					
<b>Other approved securities</b>	22.1	0.4	369.2	-	100.0
(Market value as at March 31, 2016: ` 22.2 Mn)					
(Market value as at March 31, 2015: ` 0.4 Mn)					
(Market value as at March 31, 2014: ` 366.7 Mn)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` 99.5 Mn)					
<b>Other approved investments</b>					
Debentures/Bonds	2,047.1	460.4	607.8	630.2	635.0
(Market value as at March 31, 2016: ` 2,059.9 Mn)					
(Market value as at March 31, 2015: ` 474.6 Mn)					
(Market value as at March 31, 2014: ` 605.7 Mn)					
(Market value as at March 31, 2013: ` 629.9 Mn)					
(Market value as at March 31, 2012: ` 629.9 Mn)					
Fixed deposits	198.0	300.0	1,086.2	4,056.5	4,500.4
(Market value as at March 31, 2016: ` 198.0 Mn)					
(Market value as at March 31, 2015: ` 300.0 Mn)					
(Market value as at March 31, 2014: ` 1,086.2 Mn)					
(Market value as at March 31, 2013: ` 4,056.5 Mn)					
(Market value as at March 31, 2012: ` 4,500.4 Mn)					
Certificate of deposits	3,384.7	3,364.1	4,964.5	756.8	3,454.4
(Market value as at March 31, 2016: ` 3,384.7 Mn)					
(Market value as at March 31, 2015: ` 3,364.1 Mn)					
(Market value as at March 31, 2014: ` 4,964.5 Mn)					
(Market value as at March 31, 2013: ` 756.8 Mn)					
(Market value as at March 31, 2012: ` 3,454.4 Mn)					
Reverse repo	-	261.2	-	-	-
(Market value as at March 31, 2016: ` Nil)					
(Market value as at March 31, 2015: ` 261.2 Mn)					
(Market value as at March 31, 2014: ` Nil)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
Commercial Papers	-	-	-	-	143.9
(Market value as at March 31, 2016: ` Nil)					
(Market value as at March 31, 2015: ` Nil)					
(Market value as at March 31, 2014: ` Nil)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` 143.9 Mn)					
Collateralized borrowing and lending obligation	-	1,990.5	5.9	1,924.2	2,200.2
(Market value as at March 31, 2016: ` Nil)					
(Market value as at March 31, 2015: ` 1,990.5 Mn)					
(Market value as at March 31, 2014: ` 5.9 Mn)					
(Market value as at March 31, 2013: ` 1,924.2 Mn)					

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Market value as at March 31, 2012: ` 2,200.2 Mn)					
Mutual fund	1,051.5	1,894.1	2,090.9	2,104.8	2,344.5
(Historical value as at March 31, 2016: ` 1,051.5 Mn)					
(Historical value as at March 31, 2015: ` 1,894.1 Mn)					
(Historical value as at March 31, 2014: ` 2,089.8 Mn)					
(Historical value as at March 31, 2013: ` 2,104.3 Mn)					
(Historical value as at March 31, 2012: ` 2,343.7 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Debentures/Bonds	1,428.2	1,605.6	2,310.9	585.3	1,550.5
(Market value as at March 31, 2016: ` 1,433.6 Mn)					
(Market value as at March 31, 2015: ` 1,629.6 Mn)					
(Market value as at March 31, 2014: ` 2,306.0 Mn)					
(Market value as at March 31, 2013: ` 585.4 Mn)					
(Market value as at March 31, 2012: ` 1,546.3 Mn)					
Certificate of deposits	187.1	-	-	-	-
(Market value as at March 31, 2016: ` 187.1 Mn)					
(Market value as at March 31, 2015: ` Nil)					
(Market value as at March 31, 2014: ` Nil)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
Commercial papers	2,703.6	1,704.2	922.0	589.0	116.6
(Market value as at March 31, 2016: ` 2,703.6 Mn)					
(Market value as at March 31, 2015: ` 1,704.2 Mn)					
(Market value as at March 31, 2014: ` 922.0 Mn)					
(Market value as at March 31, 2013: ` 589.0 Mn)					
(Market value as at March 31, 2012: ` 116.6 Mn)					
<b>Other investments</b>					
Debentures/Bonds	50.8	-	-	-	-
(Market value as at March 31, 2016: ` 48.6 Mn)					
(Market value as at March 31, 2015: ` Nil)					
(Market value as at March 31, 2014: ` Nil)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
Venture fund	74.7	80.5	529.8	-	-
(Market value as at March 31, 2016: ` 76.3 Mn)					
(Market value as at March 31, 2015: ` 89.7 Mn)					
(Market value as at March 31, 2014: ` 538.0 Mn)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
Mutual fund	657.7	-	3,088.8	-	-
(Historical value as at March 31, 2016: ` 657.7 Mn)					
(Historical value as at March 31, 2015: ` Nil)					
(Historical value as at March 31, 2014: ` 3,087.0 Mn)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Total</b>	<b>215,156.2</b>	<b>188,579.5</b>	<b>144,426.1</b>	<b>112,770.4</b>	<b>91,044.4</b>
In India	215,156.2	188,579.5	144,426.1	112,770.4	91,044.4
<b>Total</b>	<b>215,156.2</b>	<b>188,579.5</b>	<b>144,426.1</b>	<b>112,770.4</b>	<b>91,044.4</b>

1. Government securities deposited with Clearing Corporation of India Limited (CCIL) as below:

**(Amount in ` million)**

<b>a. For Settlement Guarantee Fund (SGF) deposit</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Book value	498.4	475.8	1,322.1	794.9	842.3
Market value	519.2	518.8	1,227.2	807.4	831.5
<b>b. For trades in Collateralized borrowing and lending obligation segment</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Book value	206.9	207.1	207.1	207.6	209.2
Market value	207.8	209.9	185.2	203.3	191.4

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

**(Amount in ` million)**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	179,280.7	160,315.6	123,505.7	100,365.2	82,730.7
Market value of above Investments	183,559.2	166,299.0	118,134.3	100,775.4	80,683.9
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	25,586.1	15,947.1	15,598.5	9,222.7	5,406.1

3. For Investment in holding company and other related entities - Refer related party disclosure.
4. Investments made out of Catastrophe reserve is ` Nil as on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012
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.

**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**

**Schedules forming part of condensed financial statements**

**Annexure – XVIB: Restated Standalone Statement of Assets held to cover linked liabilities**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>LONG TERM INVESTMENTS</b>					
Government securities	117,536.8	119,941.9	51,241.9	45,961.5	11,925.9
(Historical value as at March 31, 2016: ₹ 115,375.0 Mn)					
(Historical value as at March 31, 2015: ₹ 117,389.9 Mn)					
(Historical value as at March 31, 2014: ₹ 51,912.5 Mn)					
(Historical value as at March 31, 2013: ₹ 45,950.0 Mn)					
(Historical value as at March 31, 2012: ₹ 12,085.3 Mn)					
<b>Other approved securities</b>	11,335.8	462.3	7,942.6	1,080.8	200.5
(Historical value as at March 31, 2016: ₹ 11,276.2 Mn)					
(Historical value as at March 31, 2015: ₹ 439.3 Mn)					
(Historical value as at March 31, 2014: ₹ 7,845.6 Mn)					
(Historical value as at March 31, 2013: ₹ 1,076.6 Mn)					
(Historical value as at March 31, 2012: ₹ 205.7 Mn)					
<b>Other approved investments</b>					
Equity shares	358,100.7	382,517.9	302,711.7	295,259.3	328,938.2
(Historical value as at March 31, 2016: ₹ 290,082.9 Mn)					
(Historical value as at March 31, 2015: ₹ 255,387.2 Mn)					
(Historical value as at March 31, 2014: ₹ 227,354.4 Mn)					
(Historical value as at March 31, 2013: ₹ 247,847.5 Mn)					
(Historical value as at March 31, 2012: ₹ 292,598.0 Mn)					
Preference shares	832.9	740.3	186.9	-	-
(Historical value as at March 31, 2016: ₹ 676.5 Mn)					
(Historical value as at March 31, 2015: ₹ 605.6 Mn)					
(Historical value as at March 31, 2014: ₹ 110.8 Mn)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ Nil)					
Debentures/Bonds	15,448.9	19,699.3	22,609.4	24,672.4	21,674.9
(Historical value as at March 31, 2016: ₹ 15,011.6 Mn)					
(Historical value as at March 31, 2015: ₹ 19,033.9 Mn)					
(Historical value as at March 31, 2014: ₹ 22,657.9 Mn)					
(Historical value as at March 31, 2013: ₹ 24,221.9 Mn)					
(Historical value as at March 31, 2012: ₹ 21,507.4 Mn)					
Fixed deposits	5,851.1	6,964.1	7,485.4	19,060.9	14,779.6
(Historical value as at March 31, 2016: ₹ 5,851.1 Mn)					
(Historical value as at March 31, 2015: ₹ 6,964.1 Mn)					
(Historical value as at March 31, 2014: ₹ 7,485.4 Mn)					
(Historical value as at March 31, 2013: ₹ 19,060.9 Mn)					
(Historical value as at March 31, 2012: ₹ 14,779.6 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Equity shares	59,336.7	20,496.5	29,933.7	33,084.7	24,670.4
(Historical value as at March 31, 2016: ₹ 57,743.5 Mn)					
(Historical value as at March 31, 2015: ₹ 17,012.0 Mn)					
(Historical value as at March 31, 2014: ₹ 35,625.9 Mn)					
(Historical value as at March 31, 2013: ₹ 38,053.8 Mn)					



Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Historical value as at March 31, 2012: ` 28,046.8 Mn)					
Debentures/Bonds	29,646.8	17,598.6	29,095.4	35,686.1	32,238.6
(Historical value as at March 31, 2016: ` 29,042.1 Mn)					
(Historical value as at March 31, 2015: ` 16,908.6 Mn)					
(Historical value as at March 31, 2014: ` 29,094.6 Mn)					
(Historical value as at March 31, 2013: ` 35,196.0 Mn)					
(Historical value as at March 31, 2012: ` 32,275.8 Mn)					
<b>Other investments</b>					
Equity shares	9,408.8	32,294.4	-	-	-
(Historical value as at March 31, 2016: ` 12,482.1 Mn)					
(Historical value as at March 31, 2015: ` 26,483.7 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
Debentures/Bonds	40.0	39.7	-	-	-
(Historical value as at March 31, 2016: ` 37.7 Mn)					
(Historical value as at March 31, 2015: ` 37.0 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Other investments</b>					
Equity shares	3,407.9	3,872.4	20,816.0	26,827.0	27,996.3
(Historical value as at March 31, 2016: ` 4,101.2 Mn)					
(Historical value as at March 31, 2015: ` 3,736.9 Mn)					
(Historical value as at March 31, 2014: ` 21,360.7 Mn)					
(Historical value as at March 31, 2013: ` 30,999.9 Mn)					
(Historical value as at March 31, 2012: ` 33,684.2 Mn)					
Debentures/Bonds	3,007.6	121.6	235.8	1,873.6	1,818.6
(Historical value as at March 31, 2016: ` 3,031.6 Mn)					
(Historical value as at March 31, 2015: ` 120.7 Mn)					
(Historical value as at March 31, 2014: ` 238.1 Mn)					
(Historical value as at March 31, 2013: ` 1,896.0 Mn)					
(Historical value as at March 31, 2012: ` 1,849.2 Mn)					
Mutual fund	2,343.2	2,199.1	-	-	-
(Historical value as at March 31, 2016: ` 2,513.3 Mn)					
(Historical value as at March 31, 2015: ` 2,292.9 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
Venture fund	-	-	-	16.3	15.9
(Historical value as at March 31, 2016: Nil)					
(Historical value as at March 31, 2015: Nil)					
(Historical value as at March 31, 2014: Nil)					
(Historical value as at March 31, 2013: ` 14.4 Mn)					
(Historical value as at March 31, 2012: ` 15.1 Mn)					
<b>SHORT TERM INVESTMENTS</b>					
Government securities	-	1,956.2	4,263.7	245.1	-
(Historical value as at March 31, 2016: Nil)					
(Historical value as at March 31, 2015: ` 1,951.7 Mn)					
(Historical value as at March 31, 2014: ` 4,219.2 Mn)					

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Historical value as at March 31, 2013: ₹ 245.1 Mn)					
(Historical value as at March 31, 2012: ₹ Nil)					
<b>Other approved securities</b>	-	-	-	-	0.1
(Historical value as at March 31, 2016: ₹ Nil)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ Nil)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ 0.1 Mn)					
<b>Other approved investments</b>					
Debentures/Bonds	4,557.3	5,576.9	4,760.9	5,236.6	5,829.6
(Historical value as at March 31, 2016: ₹ 4,546.5 Mn)					
(Historical value as at March 31, 2015: ₹ 5,521.5 Mn)					
(Historical value as at March 31, 2014: ₹ 4,741.2 Mn)					
(Historical value as at March 31, 2013: ₹ 5,099.1 Mn)					
(Historical value as at March 31, 2012: ₹ 5,869.2 Mn)					
Certificate of deposits	59,782.3	45,278.1	29,007.4	31,946.1	53,080.4
(Historical value as at March 31, 2016: ₹ 59,627.9 Mn)					
(Historical value as at March 31, 2015: ₹ 45,064.5 Mn)					
(Historical value as at March 31, 2014: ₹ 28,796.7 Mn)					
(Historical value as at March 31, 2013: ₹ 31,776.3 Mn)					
(Historical value as at March 31, 2012: ₹ 52,703.0 Mn)					
Commercial papers	7,192.5	5,559.9	12,151.2	1,649.9	1,460.9
(Historical value as at March 31, 2016: ₹ 7,107.3 Mn)					
(Historical value as at March 31, 2015: ₹ 5,502.2 Mn)					
(Historical value as at March 31, 2014: ₹ 11,890.8 Mn)					
(Historical value as at March 31, 2013: ₹ 1,603.6 Mn)					
(Historical value as at March 31, 2012: ₹ 1,450.7 Mn)					
Fixed deposits	4,566.4	28,060.8	37,642.5	22,150.1	24,701.7
(Historical value as at March 31, 2016: ₹ 4,566.4 Mn)					
(Historical value as at March 31, 2015: ₹ 28,060.8 Mn)					
(Historical value as at March 31, 2014: ₹ 37,642.5 Mn)					
(Historical value as at March 31, 2013: ₹ 22,150.1 Mn)					
(Historical value as at March 31, 2012: ₹ 24,701.7 Mn)					
Collateralized borrowing and lending obligation	749.6	6.5	913.5	75.1	855.1
(Historical value as at March 31, 2016: ₹ 749.4 Mn)					
(Historical value as at March 31, 2015: ₹ 6.5 Mn)					
(Historical value as at March 31, 2014: ₹ 912.4 Mn)					
(Historical value as at March 31, 2013: ₹ 75.0 Mn)					
(Historical value as at March 31, 2012: ₹ 854.6 Mn)					
Reverse repo	-	-	-	-	3,485.4
(Historical value as at March 31, 2016: ₹ Nil)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ Nil)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ 3,485.4 Mn)					
Mutual fund	4,782.8	5,652.4	2,888.3	3,710.2	3,484.4
(Historical value as at March 31, 2016: ₹ 4,782.8 Mn)					
(Historical value as at March 31, 2015: ₹ 5,652.4 Mn)					
(Historical value as at March 31, 2014: ₹ 2,886.5 Mn)					
(Historical value as at March 31, 2013: ₹ 3,709.2 Mn)					

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Historical value as at March 31, 2012: ₹ 3,483.2 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Debentures/Bonds	8,015.4	6,115.6	8,947.0	5,990.2	5,887.7
(Historical value as at March 31, 2016: ₹ 7,996.6 Mn)					
(Historical value as at March 31, 2015: ₹ 5,909.0 Mn)					
(Historical value as at March 31, 2014: ₹ 8,925.1 Mn)					
(Historical value as at March 31, 2013: ₹ 5,877.9 Mn)					
(Historical value as at March 31, 2012: ₹ 5,723.5 Mn)					
Certificate of deposits	11,234.1	-	-	-	475.4
(Historical value as at March 31, 2016: ₹ 11,180.9 Mn)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ Nil)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ 460.2 Mn)					
Commercial papers	16,961.1	23,707.1	15,492.9	5,378.9	3,488.0
(Historical value as at March 31, 2016: ₹ 16,646.9 Mn)					
(Historical value as at March 31, 2015: ₹ 23,375.6 Mn)					
(Historical value as at March 31, 2014: ₹ 15,045.6 Mn)					
(Historical value as at March 31, 2013: ₹ 5,268.1 Mn)					
(Historical value as at March 31, 2012: ₹ 3,380.0 Mn)					
<b>Other investments</b>					
Debentures/Bonds	90.9	-	1,129.0	-	205.4
(Historical value as at March 31, 2016: ₹ 90.7 Mn)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ 1,157.7 Mn)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ 183.6 Mn)					
Commercial papers	-	1,723.3	-	-	-
(Historical value as at March 31, 2016: ₹ Nil)					
(Historical value as at March 31, 2015: ₹ 1,720.1 Mn)					
(Historical value as at March 31, 2014: ₹ Nil)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ Nil)					
Mutual fund	7,542.2	5,463.7	2,297.2	1,803.7	1,159.7
(Historical value as at March 31, 2016: ₹ 7,542.2 Mn)					
(Historical value as at March 31, 2015: ₹ 5,463.7 Mn)					
(Historical value as at March 31, 2014: ₹ 2,295.7 Mn)					
(Historical value as at March 31, 2013: ₹ 1,803.2 Mn)					
(Historical value as at March 31, 2012: ₹ 1,159.3 Mn)					
Venture Fund	13.5	15.8	15.7	-	-
(Historical value as at March 31, 2016: ₹ 13.2 Mn)					
(Historical value as at March 31, 2015: ₹ 14.2 Mn)					
(Historical value as at March 31, 2014: ₹ 14.3 Mn)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ Nil)					
<b>Net current asset</b>	<b>11,172.6</b>	<b>11,711.0</b>	<b>11,336.2</b>	<b>13,499.8</b>	<b>9,801.0</b>
<b>Total</b>	<b>752,957.9</b>	<b>747,775.4</b>	<b>603,104.3</b>	<b>575,208.3</b>	<b>578,173.7</b>
<b>In India</b>	<b>752,957.9</b>	<b>747,775.4</b>	<b>603,104.3</b>	<b>575,208.3</b>	<b>578,173.7</b>

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Total	752,957.9	747,775.4	603,104.3	575,208.3	578,173.7

1. 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

**Annexure – XVII: Restated Standalone Statement of Loans**

(Amount in ` million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Security-wise classifications</b>					
Secured					
On mortgage of property					
(aa) In India	-	-	-	-	-
(bb) Outside India	-	-	-	-	-
On Shares, Bonds, Govt Securities, etc.	-	-	-	-	-
Loans against policies	442.7	201.1	119.1	87.5	95.7
Others	-	-	-	-	-
Unsecured	-	-	-	-	-
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>
<b>Borrower wise classification</b>					
Central and State Governments	-	-	-	-	-
Banks and Financial Institutions	-	-	-	-	-
Subsidiaries	-	-	-	-	-
Companies	-	-	-	-	-
Policyholders - Loans against policies	442.7	201.1	119.1	87.5	95.7
Others	-	-	-	-	-
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>
<b>Performance-wise classification</b>					
Loans classified as standard					
(aa) In India	442.7	201.1	119.1	87.5	95.7
(bb) Outside India	-	-	-	-	-
Non-standard loans less provisions	-	-	-	-	-
(aa) In India	-	-	-	-	-
(bb) Outside India	-	-	-	-	-
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>
<b>Maturity-wise classification</b>					
Short-term	29.3	12.0	6.5	4.0	-
Long-term	413.4	189.1	112.6	83.5	95.7
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>

**Annexure - XVIII**

**Restated Standalone Statement of Fixed Assets**

(Amount in ` million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Intangible assets</b>					
Goodwill	-	-	-	-	-
Software <sup>1</sup>	236.1	205.7	189.9	167.1	115.5
<b>Tangible assets</b>					
Freehold land	903.3	903.3	903.3	903.3	903.3
Improvements to leasehold property	340.6	364.6	272.3	305.8	443.4
Office buildings on freehold land	75.9	77.4	78.8	80.3	81.7
Furniture and fixtures	85.1	84.3	18.3	23.3	32.6
Information technology equipment	139.8	119.3	217.2	79.3	98.2
Motor vehicles	24.0	17.8	27.5	36.7	46.5
Office equipment	166.1	141.2	68.4	39.4	23.2
Communication networks	149.6	176.8	193.3	17.3	14.2
<b>Total</b>	<b>2,120.5</b>	<b>2,090.4</b>	<b>1,969.0</b>	<b>1,652.5</b>	<b>1,758.6</b>
Capital work in progress including capital advances	74.9	59.6	46.4	70.0	43.8
<b>Total</b>	<b>2,195.4</b>	<b>2,150.0</b>	<b>2,015.4</b>	<b>1,722.5</b>	<b>1,802.4</b>

1. All software are other than those generated internally.

**Annexure – XIX: Restated Standalone Statement of Cash and Bank Balances**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Cash (including cheques, drafts and stamps)</b>	1,286.3	1,363.1	1,515.5	1,689.5	1,492.2
<b>Bank Balance</b>					
(a) Deposit Account:					
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-	-	-	-
(bb) Others	-	-	-	-	-
(b) Current accounts	715.8	1,191.7	418.9	1,558.1	1,348.4
(c) Others	-	-	-	-	-
<b>Money at call and short notice</b>					
(a) With Banks	-	-	-	-	-
(b) With other Institutions	-	-	-	-	-
<b>Others</b>	-	-	-	-	-
<b>Total</b>	<b>2,002.1</b>	<b>2,554.8</b>	<b>1,934.4</b>	<b>3,247.6</b>	<b>2,840.6</b>
<b>Balances with non-scheduled banks included above</b>	<b>8.0</b>	<b>7.8</b>	<b>6.9</b>	<b>4.8</b>	<b>2.0</b>
<b>CASH AND BANK BALANCES</b>					
In India	1,981.6	2,537.9	1,918.6	3,239.9	2,831.8
Outside India	20.5	16.9	15.8	7.7	8.8
<b>Total</b>	<b>2,002.1</b>	<b>2,554.8</b>	<b>1,934.4</b>	<b>3,247.6</b>	<b>2,840.6</b>

**Annexure – XX: Restated Standalone Statement of Advances and other assets**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>ADVANCES</b>					
Reserve deposits with ceding companies	-	-	-	-	-
Application money for investments (including advance for investment property)	1,595.1	188.4	36.4	-	-
Prepayments	208.2	180.5	180.7	133.4	189.5
Advances to Directors/Officers	-	-	-	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	1,618.5	1,565.0	1,554.4	1,451.5	983.1
Advances to Employees	11.0	-	-	-	-
Deposits					
Gross	384.5	409.2	415.2	421.2	482.3
Less: Provision for doubtful deposits	(39.4)	(39.8)	(48.9)	(57.4)	(45.8)
Net	345.0	369.5	366.4	363.8	436.5
Other advances					
Gross	121.1	255.7	105.0	276.2	260.5
Less: Provision for doubtful advances	(9.7)	(9.1)	(13.5)	(25.7)	(19.5)
Net	111.4	246.6	91.5	250.5	241.0
Other receivables					
Gross	90.7	56.3	176.6	156.2	474.9
Less: Provision for doubtful receivables	(24.1)	(14.2)	(59.7)	(45.6)	(29.6)
Net	66.6	42.2	116.8	110.6	445.3
<b>Total (A)</b>	<b>3,955.8</b>	<b>2,592.2</b>	<b>2,346.2</b>	<b>2,309.8</b>	<b>2,295.4</b>
<b>OTHER ASSETS</b>					
Income accrued on investments and deposits	6,704.8	6,101.1	4,900.4	4,267.8	3,062.2
Outstanding premiums	1,489.5	1,408.3	1,624.4	1,221.3	750.1
Agents' balances					
Gross	93.4	88.6	154.6	195.4	167.1
Less: Provision for doubtful agents' balance	(74.3)	(77.2)	(140.1)	(170.9)	(151.2)
Net	19.1	11.3	14.5	24.5	15.9
Foreign agencies balances	-	-	-	-	-
Due from other entities carrying on insurance business (including reinsurers)	42.8	44.5	45.9	16.3	5.1
Due from subsidiary	5.5	4.6	29.3	8.0	6.3
Deposit with Reserve Bank of India	-	-	-	-	-
Receivable towards investments sold	491.1	1,910.1	526.0	1,860.3	420.0
Service tax unutilised credit	42.2	256.0	155.3	152.3	84.9
<b>Total (B)</b>	<b>8,795.0</b>	<b>9,735.9</b>	<b>7,295.8</b>	<b>7,550.5</b>	<b>4,344.5</b>
<b>Total (A+B)</b>	<b>12,750.8</b>	<b>12,328.1</b>	<b>9,642.0</b>	<b>9,860.3</b>	<b>6,639.9</b>
<b>Of the above:</b>					
Advances in normal course of business given to parties related to Directors, Promoters or Issuers (No loans given)	39.4	44.6	57.2	44.4	43.0



**Annexure – XXI: Restated Standalone Statement of Current Liabilities**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Agents' balances	760.7	754.4	872.6	1,026.7	377.3
Balances due to reinsurance companies	63.6	50.1	78.6	127.3	157.7
Deposits held on re-insurance ceded	-	-	-	-	-
Premium received in advance	1,076.1	1,099.9	1,277.8	1,086.4	714.8
Unallocated premium	753.9	782.4	281.3	358.3	1,559.7
Sundry creditors	70.6	88.7	144.2	191.1	278.6
Due to holding company	483.7	515.7	451.5	131.7	197.8
Claims outstanding	486.3	223.5	377.9	68.0	68.7
Due to Officers/ Directors	-	-	-	-	-
Deposits	24.1	13.2	13.2	13.2	6.0
Expenses payable	4,280.0	4,726.1	4,395.5	5,614.8	5,530.9
TDS payable	170.6	180.8	199.5	237.3	165.6
Payable towards investments purchased	195.9	1,544.6	1,012.1	2,157.6	799.4
Unclaimed amount of Policyholders	4,956.5	5,134.1	4,324.7	4,128.2	3,171.3
Payable to unit fund	3,004.5	2,618.5	2,322.4	3,188.8	3,120.9
Service tax payable	9.1	4.7	4.3	14.8	15.6
Other liabilities	1,878.3	71.0	287.6	70.9	209.8
<b>Total</b>	<b>18,213.9</b>	<b>17,807.7</b>	<b>16,043.2</b>	<b>18,415.1</b>	<b>16,374.1</b>

**Annexure – XXII: Restated Standalone Statement of Provisions**

(Amount in ₹ million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
For taxation	-	-	-	-	-
For proposed dividends	3,007.9	3,006.8	3,001.4	1,414.7	1,000.9
For dividend distribution tax	612.3	612.2	510.1	240.4	162.4
For leave encashment and gratuity	177.1	147.0	134.7	98.1	132.8
<b>Total</b>	<b>3,797.3</b>	<b>3,766.0</b>	<b>3,646.2</b>	<b>1,753.2</b>	<b>1,296.1</b>

**Annexure – XXIII: Restated Standalone Statement of Miscellaneous Expenditure****(To the extent not written off or adjusted)****(Amount in ₹ million)**

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Discount allowed in issue of shares / debentures	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

#### **Annexure XXIV: Restated Standalone Statement of Other Income**

The Company's major revenue is earned through its core business of selling insurance contracts and through income from investments earned out of Policyholders' and Shareholders' funds, which is ancillary to its core business of Insurance. "Other income" earned by the Company is not material and is less than 2% of the net profit before tax for FY 2016, FY 2015, FY 2014, FY 2013 and FY 2012. "Other Income" mainly includes income earned under normal business activities i.e. policy reinstatement fees, reversal of stale cheques outstanding for more than 3 years etc.

**Annexure - XXV: Restated Standalone Statement of Capitalisation**

(` in million)

Particulars	Pre issue as at March 31, 2016	As adjusted for issue
Shareholders' funds		
Share capital	14,323.2	
Share application money	0.8	
Reserve and surplus	36,416.4	
Credit/(debit) fair value change account	2,508.8	
Total Shareholder's Funds (Net worth) (A)	<b>53,249.2</b>	
Debt		Refer Note 1 and 2 mentioned below
Long term borrowings	-	
Short term borrowings	-	
Other borrowings (current maturity of long term borrowings)	-	
Total debt (B)	-	
Total (A+B)	<b>53,249.2</b>	
Long term debt/equity ratio	-	
Total debt equity ratio	-	

- Promoters are proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence there will not be any change in the Shareholder's funds.
- There has been increase in share capital amounting to ` 5.5 million on account of exercise of ESOP's between March 31, 2016 and as on the date of approval of restated financial statements.

Annexure - XXVI: Restated Standalone Statement of Tax Shelter

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Surplus as per Revenue Account (Net of contribution from shareholders account)	14,150.6	11,801.4	12,042.4	9,286.4	10,269.7
Interim Bonus paid	187.4	116.4	93.8	48.7	29.8
Allocation of Bonus	3,221.2	3,403.3	2,642.2	2,241.7	1,949.3
Income as per P&L account	5,638.6	4,921.0	3,569.4	4,103.1	2,176.5
<b>Surplus as restated</b>	<b>23,197.8</b>	<b>20,242.1</b>	<b>18,347.8</b>	<b>15,679.9</b>	<b>14,425.3</b>
Tax Rate	14.42%	14.16%	14.16%	13.52%	13.52%
<b>Tax thereon at above rate</b>	<b>3,345.1</b>	<b>2,866.8</b>	<b>2,598.5</b>	<b>2,119.8</b>	<b>1,950.2</b>

**Adjustments on account of Permanent Differences:**

Exemption under section10(23AAB) - Surplus in Participating Pension Business	(673.0)	(1,378.1)	(1,555.3)	(1,641.0)	(1,017.5)
Exemption under section10(23AAB) - Surplus in Linked pension Business	(3,348.5)	(5,937.3)	(7,440.6)	(9,144.0)	(9,923.2)
Exemption under Section 10(34) - Non Pension Dividend Income	(4,302.7)	(3,753.9)	(3,767.7)	(3,629.6)	(3,301.4)
Exemption under section10(15)- Interest Income on tax free bond	(236.3)	(300.3)	(262.9)	(197.6)	-
<b>Total Adjustments</b>	<b>(8,560.5)</b>	<b>(11,369.6)</b>	<b>(13,026.5)</b>	<b>(14,612.2)</b>	<b>(14,242.1)</b>
<b>Tax on Adjustments</b>	<b>(1,234.4)</b>	<b>(1,610.2)</b>	<b>(1,844.9)</b>	<b>(1,975.4)</b>	<b>(1,925.4)</b>

<b>Gross taxable profit</b>	<b>14,637.3</b>	<b>8,872.5</b>	<b>5,321.3</b>	<b>1,067.7</b>	<b>183.2</b>
Brought Forward Losses adjusted	(1,364.9)	(8,872.5)	(5,321.3)	(1,067.7)	(183.2)
<b>Taxable profit</b>	<b>13,272.4</b>	-	-	-	-
<b>Tax Liability on taxable profit</b>	<b>1,914.0</b>	-	-	-	-

**Annexure – XXVII: Restated Standalone Statement of Debtors**

(` in million)

<b>Particulars</b>	<b>At March 31, 2016</b>	<b>At March 31, 2015</b>	<b>At March 31, 2014</b>	<b>At March 31, 2013</b>	<b>At March 31, 2012</b>
Receivables outstanding for a period not exceeding six months from the date they became due for payment	496.6	1,914.7	555.3	1,868.3	426.3
Other Debts	-	-	-	-	-
<b>Total</b>	<b>496.6</b>	<b>1,914.7</b>	<b>555.3</b>	<b>1,868.3</b>	<b>426.3</b>

Of the above receivables, balance receivable from parties related to directors, promoters and issuer are stated below:

(` in million)

<b>Particulars</b>	<b>At March 31, 2016</b>	<b>At March 31, 2015</b>	<b>At March 31, 2014</b>	<b>At March 31, 2013</b>	<b>At March 31, 2012</b>
Receivable from ICICI Prudential Pension Fund Management Company Limited	5.5	4.6	29.3	8.0	6.3

**Annexure – XXVIII: Restated Standalone Statement of Dividend**

The details of dividend during the year and comparative period of previous year are as follows:

<b>Particulars</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Number of equity shares at end of year	1,432,319,348	1,431,716,991	1,429,255,687	1,428,939,249	1,428,849,124
Face value per equity share (₹)	10	10	10	10	10
Dividend:					
- Interim dividend (₹ in Million's)	9,022.0	5,361.1	7,931.5	3,429.3	3,142.8
- Final dividend (₹ in Million's)	3,007.9	3,007.1	3,001.4	1,414.0	1,000.9
Rate of dividend (%)	83.99%	58.45%	76.49%	33.89%	29.00%
Dividend distribution tax (₹ in Million's)	2,448.9	1,604.8	1,858.1	796.6	672.2



## Annexure - XXIX: Restated Standalone Statement of Related Party Transactions

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 Bank Eurasia Limited Liability Company (Effective till FY2015)
TCW/ ICICI Investments Partners Limited Liability Company (Effective till FY2013)	
Consolidated under AS-21 by holding company	ICICI Strategic Investments Fund
	I-Ven Biotech Limited
	ICICI Venture Value Fund (IVVF) (Effective till FY2013)
	ICICI Equity Fund (Effective till FY2015)
	ICICI Kinfra Limited (Effective till FY2015)
	ICICI Eco- net Internet and Technology Fund (Effective till FY2013)
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 (Effective from FY2015)
Key management personnel as per AS-18 disclosure	Sandeep Bakhshi, Managing Director and CEO
	Puneet Nanda, Executive Director
	Sandeep Batra, Executive Director (Effective from January 01, 2014)
	Judhajit Das, Chief – Human Resources
	Satyan Jambunathan, Appointed Actuary (appointed as Appointed Actuary, Effective from April 22, 2013)
	Madhivanan Balakrishnan, Executive Director (held office till June 30, 2012)
	Tarun Chugh, Chief Distribution Officer (held office till November 30, 2013)
	Avijit Chatterjee, Chief Actuary (held post of Appointed Actuary till April 21, 2013)

<b>Nature of relationship</b>	<b>Name of Related party</b>								
<b>Relatives of KMP</b>	<b>Sandeep Bakhshi</b>	<b>Sandeep Batra</b>	<b>Puneet Nanda</b>	<b>Satyan Jambunathan</b>	<b>Judhajit Das</b>	<b>Madhivanan Balakrishnan</b>	<b>Tarun Chugh</b>	<b>Avijit Chatterjee</b>	
Spouse	Mona Bakhshi	Deepa Batra	Deepti Nanda	Shanti Satyan	Isheeta Ganguly	Ranu Madhivanan	Simran Chugh	Diane Mary Chatterjee	
Parent	Swarn Bakhshi	Veena Batra	Kul Bhushan Nanda	P N Jambunathan	Shankar Das	Balakrishnan Madaswamy	Krishan Lal Chugh	Gorachand Chatterjee	
			Asha Nanda	Girija Jambunathan	Mita Das	Sornamani Balakrishnan	Vanita Chugh	Sandhya Chatterjee	
Brother/Sister	Sameer Bakhshi	Vivek Batra	Pankaj Nanda	Harish Jambunathan	Satrajit Das	Vasant Kumar	Varun Chugh	Himadri Kumar Chatterjee	
				Chitra Venkatraman		Satishwar Sendhivel		Neera Chatterjee	
Children & their spouse	Shivam Bakhshi	Arushi Batra	Rikhil Nanda	Surabhi Satyan	Adarsh Ganguly Das	Samarth Madhivanan	Manan Chugh	-	
	Esha Thakurta				Akaash Ganguly Das			Sumedha Madhivanan	Yuvan Chugh
	Ritwik Thakurta								
	Minal Bakhshi								

Name of related party	Relation	Nature of transaction	Transactions for the year ( in `million)					Amount recoverable/ (payable) ( in `million)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
ICICI Bank Limited	Holding company	Premium income	214.2	111.2	84.4	84.8	162.0	(0.7)	(6.3)	(0.5)	(1.2)	(0.5)
		Claims	(110.6)	(83.4)	(70.9)	(61.4)	(56.3)	(7.0)	-	-	-	-
		Interest income on investments	75.0	181.0	20.4	64.3	79.2	1.8	14.0	19.3	2.5	123.6
		Accretion of discount on Investments	-	-	-	-	-	-	-	-	-	-
		Recovery of expenses*	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	2.2	3.5	0.8	1.0	0.9	0.6	0.7	0.5	4.8	0.2
		- Employees' remuneration and welfare benefits	0.0	-	0.0	-	2.9	-	-	-	-	0.1
		-Agents training, recruitment & incentives	-	-	1.0	-	-	-	-	-	-	-
		-Miscellaneous Expenses	-	-	-	-	4.6	-	-	-	-	4.2
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-
		- Legal and Professional Charges	(11.8)	(10.1)	(1.2)	(0.7)	10.9	(11.6)	(11.3)	(0.1)	(0.3)	(9.5)
		- Employees' remuneration and welfare benefits	(2.9)	(5.2)	(24.5)	(8.5)	45.0	(0.1)	(0.2)	(27.5)	(9.5)	(0.1)
		- Rent, rates and taxes	(1.4)	(1.8)	(0.8)	(0.1)	0.7	(0.4)	(0.5)	(0.0)	(0.0)	(0.0)
		- Information technology cost	(174.7)	(198.2)	(216.6)	(155.8)	(149.5)	(71.4)	(52.6)	(64.4)	(51.8)	(40.6)
		Advertisement & Publicity	-	(9.9)	-	(0.2)	3.0	-	(11.1)	-	-	-
		Administration support expenses	(4,290.7)	(3,243.4)	(1,464.4)	(237.2)	732.8	(298.3)	(362.5)	(291.1)	-	-
		Commission expenses	(3,312.5)	(3,065.5)	(3,318.8)	(3,537.2)	(2,270.4)	(90.8)	(66.7)	(59.3)	(66.6)	(144.6)
		Bank charges	(43.6)	(100.7)	(93.5)	(85.7)	(73.8)	(4.2)	(5.5)	(9.0)	(7.0)	(7.0)
		Security Deposit Outstanding	-	-	-	-	-	0.1	0.1	-	-	-
		Dividend	(8,563.1)	(3,957.4)	(8,073.1)	(3,271.5)	(2,321.7)	-	-	-	-	-
		Purchase of fixed assets	-	-	(2.2)	(0.1)	-	-	-	-	-	-
		Sale of fixed assets	-	23.0	1.7	-	-	-	-	-	-	-
		Purchase of investments	(846.3)	(2,902.7)	(6,138.8)	(4,088.0)	(9,263.3)	-	-	-	-	-
		Sale of investments	2,332.7	4,118.4	2,448.4	3,056.9	1,675.4	-	-	-	-	-
Redemption of Investments	-	-	500.0	1,050.0	-	-	-	-	-	-		
Outstanding investments	-	-	-	-	-	266.0	1,580.4	1,245.4	1,492.6	4,257.0		
Cash & bank balances	-	-	-	-	-	(968.7)	789.7	(230.4)	1,895.2	349.3		
Subscription to primary market issuance	-	-	-	(1,407.1)	-	-	-	-	-	-		
Proposed dividend	-	-	-	-	-	(2,035.2)	(2,216.2)	(2,216.2)	(1,044.2)	(738.7)		
ICICI Securities Limited	Fellow subsidiary	Premium income	2.0	2.4	2.5	1.1	2.3	(0.3)	(0.3)	(0.2)	(0.7)	(0.7)
		Claims	(0.5)	-	-	-	(1.5)	-	-	-	-	-

Name of related party	Relation	Nature of transaction	Transactions for the year ( in ` 'million)					Amount recoverable/ (payable) ( in ` 'million)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
		<u>Recovery of expenses*</u>	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	-	0.1	-	-	0.0	-	-	-	-	-
		- Employees' remuneration and welfare benefits	-	-	-	-	0.3	-	-	-	-	-
		<u>Reimbursement of other expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	(0.1)	(0.0)	-	-	-	-	-	-	-	-
		Administration support expenses	(48.3)	(85.9)	(9.0)	(48.7)	-	(23.6)	(0.1)	-	-	-
		Advertisement & Publicity	(265.0)	(168.3)	(101.0)	-	-	(90.9)	-	(51.2)	-	-
		Commission expenses	(272.7)	(209.7)	(260.5)	(329.7)	(360.3)	(16.8)	(11.6)	(9.4)	(25.9)	(61.3)
		Brokerage	(11.7)	(14.0)	(11.5)	(8.3)	(16.9)	(0.2)	(1.0)	(1.0)	(0.2)	(0.0)
		Sale of investments	-	-	52.5	-	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	0.5	0.7	2.0	2.3	2.3	(0.8)	(0.7)	(0.7)	(0.4)	(0.6)
		Claims	-	(2.3)	-	-	-	-	-	-	-	-
		<u>Reimbursement of other expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Miscellaneous Expenses	-	-	-	-	(0.1)	-	-	-	-	-
		- Rent, rates and taxes	(0.0)	(0.0)	-	-	-	-	(0.0)	-	-	-
ICICI Home Finance Company Limited	Fellow subsidiary	Premium income	-	-	-	-	-	-	-	-	-	0.2
		Interest income on investments	-	4.2	63.9	125.6	134.2	-	-	37.1	40.1	41.1
		<u>Recovery of expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	0.9	-	-	0.0	0.0	1.1	-	-	-	-
		<u>Reimbursement of other expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Legal & professional charges	-	-	-	(0.4)	-	-	-	-	-	-
		- Miscellaneous Expenses	-	-	-	(0.1)	-	-	-	-	-	-
		Commission Expenses	(1.4)	(0.3)	(0.1)	-	(4.1)	(0.1)	(0.0)	(0.0)	-	(1.4)
		Brokerage	-	(0.4)	-	-	-	-	-	-	-	-
		Redemption of Investments	-	-	-	597.0	-	-	-	-	-	-
		Outstanding investments	-	-	-	-	-	-	-	499.1	746.4	1,328.1
		Sale of investments	-	500.0	250.0	-	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	Fellow subsidiary	Premium income	0.3	0.3	0.3	0.3	0.3	(0.2)	(0.0)	(0.3)	(0.2)	(0.2)
		Claims	(1.0)	-	-	-	-	-	-	-	-	-
		Interest income on investments	57.2	58.6	75.4	53.9	53.0	30.9	30.9	36.0	14.5	14.6
		Purchase of investments	(12,149.1)	(6,600.9)	(3,330.1)	(5,277.9)	(9,467.8)	-	-	-	-	-
		Sale of investments	1,596.0	2,758.3	2,064.8	5,358.1	5,886.0	-	-	-	-	-
		Subscription to primary market issuance	-	-	(250.0)	-	-	-	-	-	-	-

Name of related party	Relation	Nature of transaction	Transactions for the year ( in ` 'million)					Amount recoverable/ (payable) ( in ` 'million)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
		Outstanding investments	-	-	-	-	-	626.3	628.9	782.8	563.0	548.4
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	3.8	3.6	2.5	1.4	2.0	(0.6)	(0.6)	(0.5)	(0.3)	(0.1)
		Claims	(0.7)	(0.5)	-	-	-	-	-	-	-	-
		<u>Reimbursement of other expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Employees' remuneration and welfare benefits	(0.2)	(0.2)	-	-	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	6.0	5.4	5.1	5.1	5.7	(0.3)	(0.1)	(0.6)	(0.5)	(0.0)
		Claims	(3.0)	(3.0)	-	(2.0)	(1.0)	-	-	-	-	-
		Claims received (loss of asset)	0.4	0.4	0.6	12.0	9.7	-	-	-	-	-
		<u>Recovery of expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	-	-	-	-	0.2	-	-	-	-	0.2
		- Employees' remuneration and welfare benefits	-	-	-	-	0.2	-	-	-	-	0.2
		<u>Reimbursement of other expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	(2.4)	(3.7)	(5.8)	(7.0)	(0.9)	(0.0)	(0.3)	(0.3)	(0.2)	(0.1)
		Employees' remuneration and welfare benefits	(1.1)	-	-	-	(0.7)	-	-	-	-	-
		Premium expense	(147.9)	(192.0)	(182.9)	(151.7)	(94.5)	39.0	44.1	53.8	42.0	42.0
		Purchase of investments	(3,282.9)	(2,509.5)	-	(1,696.4)	(2,426.1)	-	-	-	-	-
		Sale of investments	2,351.9	2,691.9	676.9	887.5	713.0	-	-	-	-	-
		Security Deposit outstanding	-	-	(0.1)	-	-	0.5	0.9	1.2	1.3	1.3
ICICI Prudential Pension Funds Management Company Limited	Subsidiary	<u>Recovery of expenses*</u>	-	-	-	-	-	-	-	-	-	-
		- Communication expenses	0.1	0.1	0.1	0.1	-	0.0	0.0	0.1	0.1	-
		- Employees's remuneration and welfare benefits	16.2	18.0	21.4	4.7	3.4	4.9	4.6	21.9	5.3	3.8
		- Information technology related expenditure	0.1	0.5	1.8	1.1	1.2	0.1	0.1	2.1	1.1	1.2
		- Legal and Professional Charges	-	0.0	0.3	-	-	-	-	0.4	-	-
		- Miscellaneous Expenditure	0.0	0.0	0.0	-	-	0.0	0.0	0.0	-	-
		- Rent, rates and taxes	1.4	2.0	3.6	1.2	1.7	0.5	0.4	3.7	1.4	1.8
		- Travel, conveyance and vehicle running	0.2	0.2	1.0	0.1	0.1	0.1	0.1	1.1	0.1	0.1
		Share capital subscribed	-	-	-	(160.0)	-	-	-	-	-	-
		Share Capital	-	-	-	-	-	-	-	-	-	-

Name of related party	Relation	Nature of transaction	Transactions for the year ( in ` 'million)					Amount recoverable/ (payable) ( in ` 'million)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Prudential Corporation Holdings Limited	Substantial interest	<u>Recovery of expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Employees's remuneration and welfare benefits	-	-	7.7	6.8	-	-	-	1.5	2.6	11.9
		- Travel Cost	0.2	-	-	-	-	-	-	-	-	-
		- Information technology cost	-	-	-	-	-	-	-	-	-	2.3
		<u>Reimbursement of other expenses</u>	-	-	-	-	-	-	-	-	-	-
		- Employees's remuneration and welfare benefits	(0.0)	(2.6)	(1.9)	(1.9)	(1.8)	-	-	(1.5)	(1.7)	(1.8)
		- Agents training, recruitment and incentives	(9.3)	(24.8)	(17.0)	(25.9)	(17.5)	-	-	(13.6)	(25.9)	(17.5)
		Dividend	(3,114.6)	(1,390.4)	(2,836.5)	(1,149.4)	(815.7)	-	-	-	-	-
		Share capital	-	-	-	-	-	-	-	-	-	-
		Share premium	-	-	-	-	-	-	-	-	-	-
		Proposed Dividend	-	-	-	-	-	(778.6)	(778.6)	(778.6)	(366.9)	(259.5)
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	(186.0)	50.4	109.2	194.6	106.2	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
		Contribution to trust	(189.8)	(50.4)	(109.1)	(194.6)	(106.2)	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	7.4	7.7	8.8	9.0	8.9	-	-	-	-	-
		Contribution to trust	(7.4)	(7.7)	(8.8)	(9.0)	(8.9)	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(200.0)	(187.6)	(205.4)	(211.9)	(202.6)	(33.6)	(33.1)	(32.1)	(36.1)	(33.5)
ICICI Prudential Life Insurance Advisor Benefit Trust	Significant influence	Premium income	5.8	6.9	-	-	-	-	-	-	-	-
		Contribution to trust	(6.6)	(7.8)	-	-	-	-	-	-	-	-
Key management personnel	Key management personnel	Premium income	2.4	2.3	1.3	0.7	0.8	-	-	-	-	-
		Dividend	(3.9)	(0.5)	(0.1)	(0.0)	(0.0)	(1.0)	(0.7)	(0.1)	-	-
		Managerial remuneration	(186.6)	(220.8)	(156.6)	(136.3)	(106.6)	-	-	-	-	-
		Employee stock options	-	-	-	-	-	671.0	701.0	1,195.4	1,137.5	1,137.5

Name of related party	Relation	Nature of transaction	Transactions for the year ( in ` 'million)					Amount recoverable/ (payable) ( in ` 'million)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
		outstanding (numbers)										
		Employee stock options exercised	-	-	-	-	-	30.0	419.4	77.5	0.0	0.0
Key management personnel	Relatives of key management personnel	Premium income	0.1	0.1	0.3	0.0	0.0	-	-	-	-	-
		Benefits paid	-	-	(0.0)	-	-	-	-	-	-	-

**Details of outstanding loan given by the Parent Company to Directors/KMPs**

Particulars	As at March 31, 2016 ( ` million)	Interest rate	Nature of loan
Directors/KMPs	79.7	9.35% to 10.6 %	Home loans

**Annexure – XXX: Restated Standalone Statement of Secured and Unsecured Loans**

The Company does not have any secured or unsecured loans. It is a debt free company with no borrowings. So there are no assets which are charged as security.



**Annexure XXXI – Restated Standalone Statement of Aggregate Book value & Market value of quoted Investments**

Details of aggregate book value and market value of quoted investments for five years are as follows:

(` in million)

Asset type	As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
	Book value	Market value	Book value	Market value	Book value	Market value	Book value	Market value	Book value	Market value
Equity	392,908.2	471,056.9	321,348.1	473,693.0	301,529.2	377,300.6	331,046.6	372,271.6	361,558.7	391,244.6
Other	398,621.0	407,290.1	355,302.2	367,401.5	263,725.7	257,405.5	229,986.0	231,483.0	164,035.8	161,637.1
<b>Total</b>	<b>791,529.2</b>	<b>878,347.0</b>	<b>676,650.3</b>	<b>841,094.5</b>	<b>565,254.9</b>	<b>634,706.1</b>	<b>561,032.6</b>	<b>603,754.6</b>	<b>525,594.5</b>	<b>552,881.7</b>

## **The Board of Directors**

ICICI Prudential Life Insurance Company Limited  
ICICI PruLife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
India

Dear Sirs

We have examined the attached Restated Consolidated Summary Financial Information of ICICI Prudential Life Insurance Company Limited (the 'Company') which comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, the Restated Consolidated Summary Statement of Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Restated Consolidated Summary Statement of Profit and Loss Account (also called the "Shareholders' Account" or the Non-Technical Account"), the Restated Consolidated Statement of Receipts and Payments Account and other financial information (as described more in detail in paragraph 6 below, referred as "Other Restated Consolidated Summary Financial Information") for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 as approved by the Board of Directors of the Company on 29 June 2016, prepared by the management of the Company in terms of the requirements of Section 26 (1) (b) of the Companies Act, 2013 read with Rule 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Part (B) of Item (IX) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the 'SEBI Regulations'), the Issuance of capital by Indian Insurance Companies transacting Life Insurance Business Regulations, 2015 read with the Issuance of Capital by Life Insurance Companies Regulations 2011 – Disclosure Requirements issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI Regulations') and the Guidance Note on Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') ('Guidance Note') to the extent applicable in connection with the proposed issue of equity shares of the Company by way of an offer for sale by the selling shareholders.

The Restated Consolidated Summary Financial Information have been extracted by the Company's Management from the Company's consolidated audited financial statements for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012. The consolidated financial statements for years ended 31 March 2016, 31 March 2015 and 31 March 2012 were audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, and M/s Walker Chandiook & Co LLP, Chartered Accountants, for the purpose of the Restated Consolidated Summary Financial Information, have placed reliance on the consolidated financial statements audited by them and the financial report included for these years are based solely on the reports submitted by them. The consolidated financial statements for years ended 31 March 2014 and 31 March 2013 were audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants and M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants, for the purpose of the Restated Consolidated Summary Financial information, have placed reliance on the consolidated financial statements audited by them and the financial report included for these years are based solely on the reports submitted by them.

- 1 In accordance with the requirements of Section 26 (1) (b) of the Companies Act, 2013 read with Rule 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the IRDAI regulations and the Guidance Note, as amended from time to time, we further report that:
  - (a) The Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, examined by us, as set out in Annexure I to this report read with the summary of significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Consolidated Summary Financial Information enclosed as Annexure VI to this report. For the years ended 31 March 2016, 31 March 2015 and 31 March 2012, reliance has been placed by M/s Walker Chandiook & Co LLP, Chartered Accountants, on the financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, and for the years ended 31 March 2014 and 31 March 2013, reliance has been placed by M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants on the financial statements audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
  - (b) The Restated Consolidated Summary Statement of Revenue Account and Restated Consolidated Summary Statement of Profit and Loss Account for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 as set out in Annexure II and Annexure III to this report read with the

summary of significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Consolidated Summary Financial Statements enclosed as Annexure VI to this report. For the years ended 31 March 2016 and 31 March 2015 and 31 March 2012, reliance has been placed by M/s Walker Chandiook & Co LLP, Chartered Accountants, on the financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants and for the years ended 31 March 2014 and 31 March 2013, reliance has been placed by M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants on the financial statements audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- (c) The Restated Consolidated Summary Statement of Receipts and Payments Account for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 as set out in Annexure IV to this report read with the summary of significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Consolidated Summary Financial Statements enclosed as Annexure VI to this report. For the years ended 31 March 2016 and 31 March 2015 and 31 March 2012, reliance has been placed

by M/s Walker Chandiook & Co LLP, Chartered Accountants, on the financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants and for the years ended 31 March 2014 and 31 March 2013, reliance has been placed by M/s B S R & Co. LLP, Chartered Accountants and M/s Walker Chandiook & Co LLP, Chartered Accountants on the financial statements audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- 2 We draw attention to the fact that the Joint Auditors report on the consolidated financial statements of the Company for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 have, without qualifying the opinion, drawn attention to the following matter in the report for the respective years:

- i) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at the respective year ends has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. As required by the Insurance Regulatory and Development Authority of India ( Preparation of Financial Statements and Auditors Report of Insurance Companies ) Regulations, 2002 the consolidated audit reports draw reliance 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 on consolidated financial statements of the Company as at the respective year ends.

- 3 We draw attention to the fact that the Joint Auditors report on the consolidated financial statements of the Company for the year ended 31 March 2012 has, without qualifying the opinion, drawn attention to the following matter in the report for that year:

- i) no adjustments on account of the tax proposals applicable to insurance companies as contained in the Finance Bill 2012 have been made to the carrying value of deferred tax asset of ₹ 860,260 thousand of the Company as at March 31, 2012.

- 4 We draw attention to the fact that the Joint Auditors report on the on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, of the Company's consolidated financial statements for the year ended 31 March 2016 has, without qualifying the opinion, drawn attention to the following matter in the report for that year:

- i) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at the respective year ends has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory

Development Authority (“IRDAI” / “Authority”) and the Institute of Actuaries of India in concurrence with the Authority. The consolidated audit report and the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 report draws reliance 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 on consolidated financial statements of the Company as at that year end.

5 Based on the above, and based on the reliance placed on the consolidated financial statements audited jointly by M/s B S R & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, for the years ended 31 March 2016, 31 March 2015 and 31 March 2012 and audited jointly by M/s S. B. Billimoria & Co. LLP, Chartered Accountants and M/s S. R. Batliboi & Co. LLP, Chartered Accountants, for the years ended 31 March 2014 and 31 March 2013, we are of the opinion that the Restated Consolidated Summary Financial Information:

- i) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at 31 March 2016;
- ii) has been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and
- iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Summary Financial Information and do not contain any qualifications requiring adjustments.

6 We have also examined the following Other Restated Consolidated Summary Financial Information, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospects and the Prospectus, as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors on 29 June 2016, relating to the Company for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012:

- i. Notes on Adjustments for Restated Consolidated Summary Financial Information, included in Annexure VI;
- ii. Restated Consolidated Statement of Accounting Ratios, included in Annexure VII;
- iii. Restated Consolidated Statement on Segment Disclosure, included in Annexure VIII;
- iv. Restated Consolidated Statement of Premium income, included in Annexure IX;
- v. Restated Consolidated Statement of Commission Expenses, included in Annexure X ;
- vi. Restated Consolidated Statement of Operating Expenses related to Insurance business , included in Annexure XI;
- vii. Restated Consolidated Statement of Expenses other than those directly related to the Insurance business, included in Annexure XI A;
- viii. Restated Consolidated Statement of Benefits Paid (net), included in Annexure XII;
- ix. Restated Consolidated Statement of Share Capital, included in Annexure XIII;
- x. Restated Consolidated Statement of Pattern of Shareholding, included in Annexure XIII A;
- xi. Restated Consolidated Statement of Reserves and Surplus , included in Annexure XIV;
- xii. Restated Consolidated Statement of Borrowings , included in Annexure XV;
- xiii. Restated Consolidated Statement of Investments - Shareholders, included in Annexure XVI;
- xiv. Restated Consolidated Statement of Investments - Policyholders, included in Annexure XVI A;
- xv. Restated Consolidated Statement of Assets held to cover linked liabilities, included in Annexure XVI B;
- xvi. Restated Consolidated Statement of Loans, included in Annexure XVII;

- xvii. Restated Consolidated Statement of Fixed Assets, included in Annexure XVIII;
  - xviii. Restated Consolidated Statement of Cash and Bank Balances, included in Annexure XIX;
  - xix. Restated Consolidated Statement of Advances and other assets, included in Annexure XX;
  - xx. Restated Consolidated Statement of Current liabilities, included in Annexure XXI;
  - xxi. Restated Consolidated Statement of Provisions, included in Annexure XXII;
  - xxii. Restated Consolidated Statement of Miscellaneous expenditure, included in Annexure XXIII;
  - xxiii. Restated Consolidated Statement of Other Income, included in Annexure XXIV;
  - xxiv. Restated Consolidated Statement of Capitalisation, included in Annexure XXV;
  - xxv. Restated Consolidated Statement of Tax Shelter, included in Annexure XXVI.
  - xxvi. Restated Consolidated Statement of Debtors, included in Annexure XXVII;
  - xxvii. Restated Consolidated Statement of Dividend, included in Annexure XXVIII;
  - xxviii. Restated Consolidated Statement of Related Party Transactions, included in Annexure XXIX;
  - xxix. Restated Consolidated Statement of Secured and Unsecured Loans, included in Annexure XXX;
  - xxx. Restated Consolidated Statement of Aggregate Book Value and Market Value of Quoted Investments, included in Annexure XXXI.
- 7 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other firms of Chartered Accountants, nor should this report be construed as an opinion on any of the consolidated financial statements referred to herein.
- 8 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 9 In our opinion, the above Restated Consolidated Summary Financial Information contained in Annexure I to Annexure XXXI accompanying this report read along with the summary of significant Accounting Policies in Annexure V and Notes on Adjustments for Restated Consolidated Summary Financial Statements enclosed as Annexure VI are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, IRDAI Regulations and the Guidance note issued in this regard by the ICAI, as amended from time to time.
- 10 Our report is intended solely for use of the management and for inclusion in the Draft Red Herring Prospectus, Red Herring Prospects and the Prospectus in connection with the proposed issue of equity shares of the Company by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

For **B S R & Co. LLP**  
*(B S R & Co. (a partnership firm with registration no. BA61223), converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181), with effect from October 14, 2013)*  
 Chartered Accountants  
 ICAI Firm Registration No:  
 101248W/W-100022

For **Walker Chandiok & Co LLP**  
*(formerly Walker, Chandiok & Co )*

*Chartered Accountants*  
 ICAI Firm Registration No:  
 001076N/N50013

**Venkataramanan Vishwanath**  
*Partner*  
 Membership No: 113156  
 Place : Mumbai  
 29 June 2016

**per Khushroo B. Panthaky**  
*Partner*  
 Membership No: 42423  
 Place : Mumbai  
 29 June 2016

**Annexure - I: Restated consolidated summary statement of Assets and Liabilities**

(Amount in ` million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Sources of funds</b>					
Shareholders' funds:					
Share capital	14,323.2	14,317.2	14,292.6	14,289.4	14,288.5
Share application money	0.8	11.7	1.0	-	-
Reserve and surplus	36,402.0	34,284.7	33,663.8	33,645.1	33,639.5
Credit/[debit] fair value change account	2,508.8	4,029.0	1,860.7	477.6	207.6
Deferred tax liability	0.1	0.2	0.2	0.2	0.2
<b>Sub - total</b>	<b>53,234.9</b>	<b>52,642.8</b>	<b>49,818.3</b>	<b>48,412.3</b>	<b>48,135.8</b>
Borrowings	-	-	-	-	-
Policyholders' funds:					
Credit/[debit] fair value change account	9,712.3	11,754.7	4,794.0	2,478.0	2,203.1
Revaluation reserve - Investment property	577.1	562.1	668.9	704.5	704.5
Policy liabilities (A)+(B)+(C)	955,495.1	920,340.2	740,779.1	684,161.9	658,231.1
Non unit liabilities (mathematical reserves) (A)	202,547.9	172,587.5	138,124.9	110,276.0	83,380.0
Provision for linked liabilities (fund reserves) (B)	719,902.9	724,775.2	591,373.6	569,584.0	574,185.9
(a) Provision for linked liabilities	650,825.0	584,006.0	523,002.3	530,343.0	546,863.7
(b) Credit/[debit] fair value change account (Linked)	69,077.9	140,769.2	68,371.3	39,241.0	27,322.2
Funds for discontinued policies (C)	33,044.3	22,977.5	11,280.6	4,301.9	665.2
(a) Discontinued on account of non-payment of premium	33,027.4	22,977.5	11,285.4	4,302.7	664.9
(b) Other discontinuance	16.9	-	-	-	-
(c) Credit/[debit] fair value change account	-	-	(4.8)	(0.8)	0.3
Total linked liabilities (B)+(C)	752,947.2	747,752.7	602,654.2	573,885.9	574,851.1
<b>Sub - total</b>	<b>965,784.5</b>	<b>932,657.0</b>	<b>746,242.0</b>	<b>687,344.4</b>	<b>661,138.7</b>
Funds for Future Appropriations					
Linked	10.8	22.7	450.0	1,322.4	3,322.6
Non linked	6,606.8	5,250.7	4,517.2	3,760.1	4,282.9
<b>Sub - total</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>
<b>Total</b>	<b>1,025,637.0</b>	<b>990,573.2</b>	<b>801,027.5</b>	<b>740,839.2</b>	<b>716,880.0</b>
<b>Application of funds</b>					
Investments					
Shareholders'	62,124.0	58,552.0	53,482.9	49,178.3	34,757.5
Policyholders'	215,156.2	188,579.5	144,426.1	112,770.4	91,044.4
Asset held to cover linked liabilities	752,957.9	747,775.4	603,104.3	575,208.3	578,173.7
Loans	442.7	201.1	119.1	87.5	95.7
Fixed assets - net block	2,196.0	2,151.0	2,017.1	1,724.1	1,804.4
Deferred tax asset	0.7	1.3	15.3	118.0	875.4
Current assets					
Cash and Bank balances	2,002.3	2,554.8	1,934.4	3,247.7	2,840.7
Advances and Other assets	12,770.4	12,333.2	9,637.3	9,868.0	6,638.4

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Sub-Total (A)	14,772.7	14,888.0	11,571.7	13,115.7	9,479.1
Current liabilities	18,215.9	17,809.1	16,047.0	18,416.6	16,375.0
Provisions	3,797.3	3,766.0	3,646.2	1,753.2	1,296.1
Sub-Total (B)	22,013.2	21,575.1	19,693.2	20,169.8	17,671.1
Net Current Assets (C) = (A-B)	(7,240.5)	(6,687.1)	(8,121.5)	(7,054.1)	(8,192.0)
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	-	-	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)	-	-	5,984.2	8,806.7	18,320.9
<b>Total</b>	<b>1,025,637.0</b>	<b>990,573.2</b>	<b>801,027.5</b>	<b>740,839.2</b>	<b>716,880.0</b>
<b>Contingent liabilities</b>	<b>2,006.5</b>	<b>1,969.2</b>	<b>1,889.2</b>	<b>1,701.8</b>	<b>347.6</b>

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**Venkataramanan Vishwanath**

Partner  
Membership No. 113156

**For Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)  
Chartered Accountants  
ICAI Firm Reg. No. 001076N / N500013

**Khushroo B. Panthaky**

Partner  
Membership No. 42423

**For and on behalf of the Board of Directors**

**Chanda Kochhar**

Chairperson  
DIN: 00043617

**Sandeep Batra**

Executive Director  
DIN: 03620913

**V. Sridar**

Director  
DIN: 02241339

**Satyan Jambunathan**

Chief Financial Officer

**Sandeep Bakhshi**

Managing Director and CEO  
DIN: 00109206

**Asha Murali**

Appointed Actuary

**Vyoma Manek**

Company Secretary

Place: Mumbai  
Date: June 29, 2016

**Annexure - II: Restated consolidated Summary Statement of Revenue Account (Policyholders' Account/Technical Account)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Premiums earned (Net of service tax)</b>					
(a) Premium	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
(b) Reinsurance ceded	(1,656.9)	(1,461.7)	(1,460.0)	(1,210.0)	(937.0)
(c) Reinsurance accepted	-	-	-	-	-
<b>Sub-total</b>	<b>189,987.0</b>	<b>151,604.5</b>	<b>122,826.5</b>	<b>134,172.4</b>	<b>139,278.7</b>
<b>Income from Investments</b>					
(a) Interest, dividend & rent - Gross	38,169.0	35,402.7	31,693.2	27,992.3	22,364.0
(b) Profit on sale/redemption of investments	50,831.1	79,667.8	43,201.5	35,302.9	36,223.6
(c) (Loss) on sale/redemption of investments	(10,621.7)	(5,031.4)	(15,048.3)	(16,547.5)	(18,692.0)
(d) Transfer/gain on revaluation/change in fair value	(71,691.4)	72,402.7	29,126.4	11,980.0	(45,060.6)
(e) Accretion of discount/(amortisation of premium) (Net)	5,396.6	4,943.6	3,153.2	3,139.1	3,864.6
(f) Appropriation/expropriation adjustment account	-	-	-	-	(24.3)
<b>Sub-total</b>	<b>12,083.6</b>	<b>187,385.4</b>	<b>92,126.0</b>	<b>61,866.8</b>	<b>(1,324.7)</b>
<b>Other income</b>					
Fees and charges	177.2	146.7	56.4	36.9	62.5
Miscellaneous income	31.6	32.5	116.1	203.8	76.6
<b>Sub-total</b>	<b>208.8</b>	<b>179.2</b>	<b>172.5</b>	<b>240.7</b>	<b>139.1</b>
Contribution from the Shareholders' account	-	388.5	958.8	6,272.9	4,042.6
<b>Total (A)</b>	<b>202,279.4</b>	<b>339,557.6</b>	<b>216,083.8</b>	<b>202,552.8</b>	<b>142,135.7</b>
Commission	6,199.8	5,531.7	6,274.8	7,654.2	6,054.7
Operating expenses related to Insurance business	18,883.3	16,543.3	16,161.7	17,131.0	17,733.1
Provision for doubtful debts	7.2	(121.9)	(37.4)	53.5	(69.5)
Bad debts written off	44.2	116.7	81.8	16.7	109.5
Provisions (other than taxation)					
(a) For diminution in the value of investments (Net)	126.4	67.5	85.0	98.7	127.1
(b) Others	-	-	-	-	-
Service tax charge on linked charges	3,465.0	3,069.4	3,066.1	3,181.1	2,260.8
<b>Total (B)</b>	<b>28,725.9</b>	<b>25,206.7</b>	<b>25,632.0</b>	<b>28,135.2</b>	<b>26,215.7</b>
Benefits paid (Net)	124,060.6	122,483.5	120,739.6	132,878.8	84,552.0
Interim bonus paid	187.4	116.4	93.8	48.7	29.8
Change in valuation of policy liabilities					
(a) Policy liabilities (non-unit/mathematical reserves)(Gross)	37,023.9	37,072.1	29,319.8	28,321.3	26,493.2
(b) Amount ceded in reinsurance	(7,063.5)	(2,609.5)	(1,470.9)	(1,425.3)	(1,988.7)
(c) Amount accepted in reinsurance	-	-	-	-	-
(d) Fund reserve	(4,872.3)	133,401.6	21,789.6	(4,601.9)	(8,143.7)
(e) Funds for discontinued policies	10,066.8	11,696.9	6,978.7	3,636.7	665.1



Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Total (C)</b>	<b>159,402.9</b>	<b>302,161.0</b>	<b>177,450.6</b>	<b>158,858.3</b>	<b>101,607.7</b>
<b>Surplus/(deficit) (D) =(A)-(B)-(C)</b>	<b>14,150.6</b>	<b>12,189.9</b>	<b>13,001.2</b>	<b>15,559.3</b>	<b>14,312.3</b>
Provision for taxation					
(a) Current tax credit/(charge)	(702.9)	(497.7)	(428.2)	(225.8)	(153.5)
(b) Deferred tax credit/(charge)	(0.6)	(14.0)	(53.2)	(124.6)	(260.5)
<b>Surplus/(deficit) after tax</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
<b>Appropriations</b>					
Transfer to Shareholders' account	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
Transfer to other Reserves	-	-	-	-	-
Balance being funds for future appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Total</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
<b>Funds for future appropriation</b>					
Balance at the beginning of the year	5,273.4	4,967.2	5,082.5	7,605.5	9,748.2
Add: Current period appropriation	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
<b>Balance carried forward to Balance Sheet</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.5</b>	<b>7,605.5</b>

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**Venkataramanan Vishwanath**

Partner  
Membership No. 113156

**For Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)  
Chartered Accountants  
ICAI Firm Reg. No. 001076N / N500013

**Khushroo B. Panthaky**

Partner  
Membership No. 42423

**For and on behalf of the Board of Directors  
Chanda Kochhar**

Chairperson  
DIN: 00043617

**Sandeep Batra**

Executive Director  
DIN: 03620913

**V. Sridar**

Director  
DIN: 02241339

**Satyan Jambunathan**

Chief Financial Officer

**Vyoma Manek**

Company Secretary

**Sandeep Bakhshi**

Managing Director and CEO  
DIN: 00109206

**Asha Murali**

Appointed Actuary

Place: Mumbai  
Date: June 29, 2016

**Annexure - III: Restated consolidated Summary Statement of Profit and Loss Account (Shareholders' Account/Non-Technical Account)**

(Amount in ` million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Amounts transferred from Policyholders' account (Technical account)	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
<b>Income from investments</b>					
(a) Interest, dividend & rent - Gross	3,900.2	3,789.2	3,614.3	3,017.2	1,636.9
(b) Profit on sale/redemption of investments	2,005.1	1,436.6	1,432.3	1,065.2	559.5
(c) (Loss) on sale/redemption of investments	(196.1)	(171.8)	(1,318.7)	(162.6)	(426.5)
(d) Accretion of discount/(amortisation of premium) (Net)	309.8	342.9	142.1	253.9	428.1
Other income	0.5	6.6	102.0	4.9	5.6
<b>Total (A)</b>	<b>18,122.4</b>	<b>16,775.5</b>	<b>16,607.1</b>	<b>21,910.5</b>	<b>18,244.6</b>
Expenses other than those directly related to the insurance business	339.2	481.1	150.5	76.6	27.3
Bad debts written-off	-	-	-	-	-
Provisions (other than taxation)					
(a) For diminution in value of investments (Net)	43.9	-	263.0	-	-
(b) Provision for doubtful debts	-	-	-	-	-
Contribution to Policyholders' account (Technical account)	-	388.5	958.8	6,272.9	4,042.6
<b>Total (B)</b>	<b>383.1</b>	<b>869.6</b>	<b>1,372.3</b>	<b>6,349.5</b>	<b>4,069.9</b>
Profit before Tax	17,739.3	15,905.9	15,234.8	15,561.0	14,174.7
Provision for Taxation					
(a) Current tax credit/(charge)	(1,212.2)	497.6	428.2	225.8	153.5
(b) Deferred tax credit/(charge)	0.1	-	(49.5)	(632.7)	(471.3)
<b>Profit after Tax</b>	<b>16,527.2</b>	<b>16,403.5</b>	<b>15,613.5</b>	<b>15,154.1</b>	<b>13,856.9</b>
<b>Appropriations</b>					
(a) Balance at the beginning of the year	446.3	(10,431.0)	(11,686.8)	(19,705.1)	(27,361.9)
(b) Interim dividends paid during the year	9,022.0	5,361.1	7,931.5	3,429.3	3,142.8
(c) Proposed final dividend	3,007.9	3,006.8	3,001.4	1,414.0	1,000.9
(d) Final dividend	-	0.3	-	-	-
(e) Dividend distribution tax	2,448.9	1,604.8	1,858.1	796.6	672.2
(f) Transfer to/(from) general reserve	-	(4,446.8)	1,566.7	1,495.9	1,384.2
<b>Profit/(Loss) carried to Balance Sheet</b>	<b>2,494.7</b>	<b>446.3</b>	<b>(10,431.0)</b>	<b>(11,686.8)</b>	<b>(19,705.1)</b>
<b>Earnings per equity share:</b>					
Basic earnings per equity share `	11.54	11.47	10.93	10.61	9.70
Diluted earnings per equity share `	11.53	11.45	10.90	10.58	9.67
Nominal value per equity share `	10.00	10.00	10.00	10.00	10.00

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**Venkataramanan Vishwanath**

Partner  
Membership No. 113156

**For and on behalf of the Board of Directors  
Chanda Kochhar**

Chairperson  
DIN: 00043617

**Sandeep Batra**

Executive Director  
DIN: 03620913

Place: Mumbai  
Date: June 29, 2016

**For Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)  
Chartered Accountants  
ICAI Firm Reg. No. 001076N / N500013

**Khushroo B. Panthaky**

Partner  
Membership No. 42423

**V. Sridar**

Director  
DIN: 02241339

**Satyan Jambunathan**

Chief Financial Officer

**Vyoma Manek**

Company Secretary

**Sandeep Bakhshi**

Managing Director and CEO  
DIN: 00109206

**Asha Murali**

Appointed Actuary

**Annexure - IV: Restated consolidated Summary Statement of Receipts and Payments Account**

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers:					
Premium and other receipts	215,148.0	178,372.0	149,908.6	164,188.2	170,111.2
Tax Refund	0.4	2.8	0.6	0.6	-
<b>Cash paid towards operating activities:</b>					
Commission paid	(6,183.0)	(5,579.7)	(6,445.0)	(7,052.1)	(6,082.6)
Policy benefits paid	(124,291.9)	(123,069.5)	(121,140.1)	(132,707.8)	(86,485.6)
Other expenses	(42,446.4)	(40,750.8)	(41,966.8)	(45,987.5)	(46,541.0)
Service tax paid	(3,651.5)	(3,326.2)	(3,386.9)	(3,993.2)	(2,559.2)
Reinsurance premium ceded (net of recovery amount)	(308.8)	(420.4)	(704.6)	(456.1)	(209.4)
Advances and deposits	24.8	5.9	(4.1)	60.5	374.4
Taxes paid	(1,943.8)	-	(83.2)	(464.3)	(315.5)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>36,347.8</b>	<b>5,234.1</b>	<b>(23,821.5)</b>	<b>(26,411.7)</b>	<b>28,292.3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets	(529.8)	(568.9)	(786.9)	(345.9)	(378.3)
Sale of fixed assets	21.0	42.9	35.5	20.3	8.4
Purchase of investments	(1,047,502.6)	(900,112.5)	(956,429.6)	(985,250.9)	(884,998.2)
Loan	(241.6)	(82.0)	(31.6)	8.3	(8.8)
Sale of investments	1,004,868.2	882,342.5	986,922.4	962,981.6	837,870.8
Advance/deposit for investment property	(1,395.8)	(188.4)	(36.4)	7.3	-
Interest & rent received (net of Tax deducted at source)	36,238.1	31,517.0	28,659.6	22,412.1	13,525.2
Dividend received	6,085.5	5,945.2	6,294.0	6,239.1	6,026.9
Investments in money market instruments and in liquid mutual funds (Net)	2,899.8	(36,955.5)	(4,381.6)	9,722.3	19,968.5
Expense related to investment	(171.1)	(159.0)	(123.6)	(152.3)	(149.2)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>271.7</b>	<b>(18,218.7)</b>	<b>60,121.8</b>	<b>15,641.9</b>	<b>(8,134.7)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of share capital*	54.1	209.9	22.9	6.5	36.5
Final Dividend	(3,006.9)	(3,001.7)	(1,414.7)	(1,000.2)	(3,142.8)
Interim Dividend Paid	(9,022.0)	(5,361.1)	(7,931.5)	(3,429.3)	-
Dividend Distribution tax paid	(2,448.8)	(1,502.7)	(1,588.4)	(718.6)	(509.8)
<b>Net cash used in financing activities (C)</b>	<b>(14,423.6)</b>	<b>(9,655.6)</b>	<b>(10,911.7)</b>	<b>(5,141.6)</b>	<b>(3,616.1)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents</b>	<b>(0.8)</b>	<b>0.6</b>	<b>0.5</b>	<b>0.2</b>	<b>0.3</b>

Particulars	For the year ended				
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
<b>(net) (D)</b>					
Net increase In cash and cash equivalents (A+B+C)	22,195.1	(22,639.6)	25,389.1	(15,911.2)	16,541.8
Cash and cash equivalents at beginning of the year	18,780.4	41,420.0	16,030.9	31,942.1	15,400.3
<b>Cash and cash equivalents at end of the year</b>	<b>40,975.5</b>	<b>18,780.4</b>	<b>41,420.0</b>	<b>16,030.9</b>	<b>31,942.1</b>
<b>Note:</b>					
Cash and cash equivalents at the end of the year					
- Cash (Including cheques in hand and stamps in hand)	1,286.3	1,363.1	1,515.5	1,689.5	1,492.2
- Bank Balances and Money at call and short notice [Including bank balance for linked business of ` 4,279 thousands (` 1,287 thousands at March 31, 2015, ` 1,017,337 thousands at March 31, 2014, ` 85,794 thousands at March 31, 2013, ` 8,911 thousands at March 31, 2012)]	720.3	1,193.0	1,436.3	1,644.0	1,357.4
- Other short term liquid investment [Forming part of investments in financials]	39,937.8	16,224.3	38,698.5	12,697.8	29,092.5
- Banks having negative book balance [Forming Part of other liabilities under Annexure XXI]	(968.9)	-	(230.3)	(0.4)	-
	40,975.5	18,780.4	41,420.0	16,030.9	31,942.1
*Includes movement in share application money					

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXI) are an integral part of this statement.

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

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

**Venkataramanan Vishwanath**

Partner  
Membership No. 113156

**For and on behalf of the Board of Directors**

**Chanda Kochhar**

Chairperson  
DIN: 00043617

**For Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)  
Chartered Accountants  
ICAI Firm Reg. No. 001076N / N500013

**Khushroo B. Panthaky**

Partner  
Membership No. 42423

**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: June 29, 2016

## **Annexure V: Summary of Significant Accounting Policies and Notes to Accounts for Consolidated Financial Statements**

### **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 is a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited, was incorporated on July 20, 2000 as a Company under the Companies Act, 2013 (‘the Act’). The holding company is licensed by the Insurance Regulatory and Development Authority of India (‘IRDAI’) for carrying life insurance business in India. The license is in force as at March 31, 2016.

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 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’s 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, 2016.

### **2. Summary of significant accounting policies**

#### **2.1. Basis of preparation**

The accompanying consolidated financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The Group has prepared the consolidated financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 further amended by Companies (Accounting Standards) Amendment Rules, 2016, read together with paragraph 7 of the Companies (Accounts) Rules 2014, section 129(4) of the Companies Act, 2013 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except where differential treatment is required as per new pronouncements made by the regulatory authorities.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

#### **2.2. Use of estimates**

The Group’s management makes estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities, and disclosures relating to contingent liabilities as on the date of the consolidated financial statements. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management’s evaluation of the relevant facts and circumstances as on the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

#### **2.3. Revenue recognition**

##### **2.3.1. Premium income**

Premium for non-linked policies is recognised as income when due from policyholders. For unit linked business, premium is recognised as income when the associated units are created.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Products having regular premium paying plans with limited premium payment term and/or pre-determined policy term are treated as regular business with due classification of premium into first year and renewal. Premium income on products other than aforesaid is classified as single premium.

Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

### **2.3.2. Reinsurance premium ceded**

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

### **2.3.3. Income from investments**

Interest income on investments is recognised on accrual basis. In case of Life insurance business, amortisation of premium or accretion of discount on debt securities is recognised over the remaining term of such instruments on the basis of effective interest rate method. In case of Pension Fund Management business, amortisation of premium or accretion of discount on debt securities is recognised over the holding/maturity period on a straight-line basis.

Dividend income, in respect of other than unit linked business, is recognised when the right to receive dividend is established. Dividend income, in respect of unit linked business, is recognised on the 'ex-dividend date'.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognised as income over the period of the lending on a straight-line basis.

Lease rentals on investment property is recognised on accrual basis and include only the realised rent and does not include any notional rent, as prescribed by IRDA (Preparation of financial statements and Auditors' Report of Insurance Companies) Regulations 2002. Costs related to operating and maintenance of investment property are recognised as expense in the Revenue Account.

Profit or loss on sale/redemption of debt securities for other than unit linked business is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale. Profit or loss on sale/redemption of debt securities for unit linked business is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale/redemption of equity shares, equity 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 under "Fair Value Change Account".

### **2.3.4. Income from unit linked policies**

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the unit linked funds in accordance with terms and conditions of policies issued and are recognised when due.

### **2.3.5. Fees and charges**

In case of Life Insurance business, interest income on loans is recognised on an accrual basis. Fees and charges include policy reinstatement fee and loan processing fee which are recognised on receipt basis.

In case of Pension Fund Management business, Investment management fees are recognised on an accrual basis in accordance with the terms of contract between the subsidiary and the National Pension System Trust, established by the PFRDA.

## **2.4. Appropriation / Expropriation adjustment**

In accordance with the Unit Linked guidelines issued by the IRDA effective July 1, 2006, the Company followed the Appropriation/Expropriation methodology for calculating Net Asset Value ('NAV') until August 17, 2011. The Appropriation/Expropriation methodology provided for adjusting the NAV on account of 'Dealing costs'. The impact of such dealing costs is accounted for in the Revenue account as "Income from investments" with a

corresponding impact in “Change in valuation of policy liability”. Corresponding adjustments are also made in “Assets held to cover linked liabilities” and the “Provisions for linked liabilities” in the Balance Sheet.

As stipulated by the IRDA vide circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011, NAV is being computed without Appropriation/Expropriation adjustments in unit pricing with effect from August 18, 2011.

## **2.5. 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.

## **2.6. Employee benefits**

### **2.6.1. Short term employee benefits**

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

### **2.6.2. Long term employee benefits: Post-employment**

The holding company has both defined contribution and defined benefit plans.

#### **Defined contribution plan**

The holding company has a defined contribution scheme for Superannuation for its employees. Contributions to the Superannuation scheme are made on a monthly basis, when due, and charged to Revenue account and Profit and Loss account, as applicable. The expenses are booked on an undiscounted basis. The holding company has no further obligation beyond the monthly contribution. The scheme is managed by ICICI Prudential Life Insurance Company Limited Superannuation Scheme.

#### **Defined benefit plans**

Gratuity and Provident fund are defined benefit obligations.

**Gratuity:** The gratuity benefit payable to the employees of the holding company is as per the provisions of the Payment of Gratuity Act, 1972 or the holding company’s gratuity plan, whichever is higher. The gratuity liability of the holding company is actuarially determined at each Balance Sheet date using projected unit credit method.

The holding company contributes towards net liabilities to ICICI Prudential Life Insurance Company Limited Employees’ Group Gratuity Cum Life Insurance Scheme.

The holding company recognises the net obligation of the Scheme in Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15 (revised 2005), ‘Employee benefits’. The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognised in the Revenue account and Profit or Loss account for the period in which they emerge. Expected long-term rate-of-return on assets has been determined based on historical experience and available market information.

**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.

### **2.6.3. 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 present value of the obligation as at the Balance Sheet date.



#### **2.6.4. Employee share based payments**

The Employee Stock Option Scheme ('the Scheme') provides that eligible employees are granted options to subscribe to equity shares of the holding company which vest in a graded manner. The vested options may be exercised within a specified period.

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the holding company follows the intrinsic value method to account for its share-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period. The fair value of the shares is determined based on an external valuation report.

#### **2.7. 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.

#### **2.8. Provision for doubtful debts**

The Group regularly evaluates the probability of recovery and provides for doubtful deposits, advances and others receivables.

#### **2.9. Benefits paid**

Benefits paid comprise of policy benefits and claim settlement costs, if any.

Death and rider claims are accounted for on receipt of intimation. Survival and maturity benefits are accounted when due. Withdrawals and surrenders under non linked policies are accounted on the receipt of intimation. Withdrawals and surrenders under unit linked policies are accounted in the respective schemes when the associated units are cancelled.

#### **2.10. Actuarial liability valuation**

The actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), regulations notified by the Insurance Regulatory and Development Authority of India and Actuarial Practice Standards of the Institute of Actuaries of India.

#### **2.11. Funds for Future Appropriations (FFA)**

##### **FFA (Unit linked)**

Amounts estimated by Appointed Actuary as FFA in respect of lapsed unit linked policies, are set aside in the Balance Sheet and are not available for distribution to Shareholders until the expiry of the maximum revival period.

##### **FFA (Non-unit and Non-participating)**

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

##### **FFA (Participating)**

Based on the recommendation of Appointed Actuary unappropriated surplus is held in the Balance Sheet as Funds for Future Appropriations.

#### **2.12. Investments**

Investments are made and accounted for in accordance with the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority (Investments) Regulations, 2000 amended from time to time, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment Policy of the 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 acquisition.

Broken period interest paid/received is debited/credited to interest receivable account.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

Rights entitlements are recognised as investments on the 'ex-rights date'.

Any front end discount on investments is reduced from the cost of such investments.

### **2.12.1. 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.

### **2.12.2. 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 Group retains all the associated risks and rewards of these securities.

Mutual fund units are valued based on the previous days' net asset values.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

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

Investments in venture fund units are valued at historical cost.

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

Fixed deposits with banks are valued at cost.

The Group assesses at each Balance Sheet date whether there is any evidence of impairment of any investments. In case of impairment, the carrying value of such investment is reduced to its fair value and the impairment loss is recognised in the Revenue/Profit and Loss account after adjusting it with previously recognised revaluation reserve/Fair value change account. However, at the Balance Sheet date if there is any indication that a previously recognised impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

### **2.12.3. Valuation - Unit Linked business**

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

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL Limited ('CRISIL') on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on effective interest rate method over the remaining period to maturity of instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on effective interest rate method.

Listed equity shares, 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 Group 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.

#### **2.12.4. 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.

#### **2.12.5. Transfer of investments**

In case of Life insurance business, transfer of investments from Shareholders' fund to the Policyholders' fund to meet the deficit in the Policyholders' account is made at amortised/book cost or market price, whichever is lower. The transfer of investments between unit linked funds is done at the prevailing market price.

No transfer of investments is carried out between non-linked policyholders' funds.

#### **2.13. Loans**

Loans are stated at historical cost, subject to provision for impairment, if any.

#### **2.14. Fixed assets and Impairment**

##### **2.14.1. Tangible assets and depreciation**

Tangible assets are stated at acquisition cost less accumulated depreciation and impairment loss, if any. Cost includes the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any cost directly attributable to bring the asset to its working condition for its intended use and other incidental expenses incurred upto that date. Subsequent expenditure incurred on tangible assets is expensed out except where such expenditure results in an increase in future benefits from the existing assets beyond its previously assessed standard of performance.

The useful life of various category of assets is as below:

Asset	Useful life
Office buildings on freehold land	60
Improvement to leasehold properties	Lease period, subject to maximum of 9 years
Furniture and fixtures	10
Office equipment	5
Information technology equipment	3
Communication networks and servers	6
Motor vehicles	5

Schedule II of the Companies Act 2013 specifies the useful life of eight years for motor vehicle. As per the 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.

#### 2.14.2. Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortised over the remaining useful life of original software. Software expenses are amortised using SLM over a period of 4 years from the date of being ready to use.

#### 2.14.3. 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.

#### 2.14.4. Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

#### 2.15. Taxation

##### 2.15.1. 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.

### 2.15.2. Indirect taxes

Service tax liability on life insurance service is set-off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward for future set-off, where there is reasonable certainty of utilisation.

### 2.16. Provisions and contingencies

Provision is recognized 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.

### 2.17. 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 for Group and Retail segments put together), Non-Participating, Linked (Life, Pension, Health and Group), Health and Annuity.

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

The allocation of revenue, expenses, assets and liabilities to specific segments is done in the following manner, which is applied on a consistent basis.

- Revenue, expenses, assets and liabilities that are directly identifiable to the segment are allocated on actual basis;
- Other revenue, expenses (including depreciation and amortisation), assets and liabilities that are not directly identifiable to a segment are allocated based on the relevant drivers which includes:
  - Number of policies
  - Weighted annualised first year premium income
  - Annualised premium since inception
  - Sum assured
  - Total premium income
  - Medical cases
  - Funds under management
  - Commission
  - Total operating expenses (for assets and liabilities)
  - Use of asset (for depreciation expense)

### 2.18. Foreign exchange transactions

**Initial recognition:** Foreign currency transactions are recorded in Indian Rupees, by applying to the foreign currency amount the exchange rate between the Indian Rupee and the foreign currency at the date of the transaction.

**Conversion:** Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported

using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**Exchange differences:** Exchange differences are recognised as income or as expenses in the period in which they arise.

## 2.19. 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.

## 2.20. 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	(` in million)				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Partly-paid up investments	-	-	-	-	-
Claims, other than those under policies, not acknowledged as debts comprising of:					
- Claims made by vendors for disputed payments	0.5	0.4	0.4	0.2	2.8
- Claims for damages made by landlords (of premises taken on lease)	39.4	40.1	43.7	53.1	50.8
- Claims made by employees and advisors for disputed dues and compensation	4.1	3.3	4.1	3.0	3.7
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	-	-	-	-	4.9
Statutory demands/liabilities in dispute, not provided for*	1,537.0	1,537.0	1,537.0	1,351.6	-
Reinsurance obligations to the extent not provided for	-	-	-	-	-
Policy related claims under litigation in different consumer forums:					
- Claims for service deficiency	101.7	137.8	142.2	155.9	121.7
- Claims against repudiation	323.8	250.6	161.8	138.0	163.7
Others	-	-	-	-	-
<b>Total</b>	<b>2,006.5</b>	<b>1,969.2</b>	<b>1,889.2</b>	<b>1,701.8</b>	<b>347.6</b>

\*For FY 2015-16, FY 2014-15 and FY 2013-14, the liability amounting to ` 1,537.0 and for FY 2012-13 amounting to ` 1,350.0 is on account of objections raised by office of the Commissioner of Service tax, Mumbai (through the Service Tax audit under EA-2000) on certain positions taken by the Company

### 3.2. Actuarial method and assumptions

The actuarial liability in respect of both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, morbidity, expense and inflation and, in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The liability for the unexpired portion of the risk for the non-unit liabilities of linked business and attached riders is the greater of liability calculated using discounted cash flows and unearned premium reserves.

An unexpired risk reserve and a reserve in respect of claims incurred but not reported is held for one year renewable group term insurance.

The unit liability in respect of linked business is the value of the units standing to the credit of policyholders, using the Net Asset Value ('NAV') prevailing at the valuation date.

A brief of the assumptions used in actuarial valuation is as below:

- a) 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.
- b) 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.
- c) No allowance is made for expected lapses in the future.
- d) The bonus rates for participating business to be declared in the future is consistent with the valuation assumptions.
- e) Other assumptions used in valuation are:

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Interest rates used for valuing liabilities	4.92 – 5.53 %	4.47 – 5.39 %	4.87 – 5.77 %	4.43 – 6.26 %	4.93 – 6.02 %
Inflation rate of policy renewal expense	5.18 %	4.49 %	4.84 %	5.41 %	5.20 %
Tax Rate	14.42 %	14.42 %	14.16%	14.16%	13.84%

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. The free look cancellation assumption used for below years are:

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Free Look Cancellation Rate	2.80 %	3.70%	3.10 %	2.64 %	3.10 %

- e. Reserves for lapsed policies eligible for revivals

### 3.3. Funds for Future Appropriations ('FFA')

The balance of FFA as summarized below. These balances are not available for distribution to shareholder's. Such amount is classified under Funds for Future appropriations, in the Balance Sheet.

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Unit linked FFA	10.8	22.7	450.0	1,322.4	3,322.6
Non unit/ Non-participating FFA	1,858.9	1,715.4	1,567.4	1,999.1	3,113.7
Participating FFA	4,747.9	3,535.3	2,949.8	1,760.9	1,169.2
<b>Total</b>	<b>6,617.6</b>	<b>5,273.4</b>	<b>4,967.2</b>	<b>5,082.4</b>	<b>7,605.5</b>

### 3.4. Claims settled and remaining unpaid

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Claims settled and remaining unpaid for a period of more than six months	14.1	0.5	0.1	8.2	12.9

### 3.5. 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 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 million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	3.1	2.9	0.2	-	-	-	-	-	-
March 31, 2015	5.6	5.6	-	-	-	-	-	-	-
March 31, 2014	5.1	2.6	2.5	-	-	-	-	-	-
March 31, 2013	8.6	0.4	-	-	-	-	2.7	5.5	-
March 31, 2012	5.9	0.5	0.1	-	-	5.3	-	-	-

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

At	Total amount	Age-wise analysis (` in million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	1,714.1	241.8	319.9	151.3	465.2	69.5	238.6	34.0	193.8
March 31, 2015	2,121.4	820.2	531.9	147.2	270.2	59.6	136.7	36.9	118.7
March 31, 2014	1,710.2	738.0	335.5	208.7	227.0	51.2	42.7	13.2	93.9
March 31, 2013	1,176.1	675.3	210.5	65.5	85.9	13.3	22.3	9.6	93.7
March 31, 2012	819.5	667.7	101.6	13.8	18.4	5.8	3.6	5.4	3.2

- c. Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far:

At	Total amount	Age-wise analysis (` in million)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	67.1	61.2	5.4	0.1	0.3	-	-	0.1	-
March 31, 2015	51.6	45.7	5.6	0.1	-	0.2	-	-	-
March 31, 2014	73.4	70.4	2.5	0.3	0.1	-	-	-	0.1
March 31, 2013	94.8	75.2	16.2	1.9	1.0	0.2	0.2	-	0.1
March 31, 2012	152.4	120.7	26.4	2.8	2.0	0.1	0.1	0.1	0.2

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

At	Total amount	Age-wise analysis (` in million)							
		Outstanding period in months							



		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
March 31, 2016	6,239.1	2,427.1	1,082.9	212.2	124.4	169.8	518.2	244.4	1,460.1
March 31, 2015	4,333.9	1,281.2	170.3	282.5	611.3	312.3	154.4	230.9	1,291.0
March 31, 2014	4,658.6	1,949.1	447.7	292.7	254.8	310.6	300.4	416.2	687.1
March 31, 2013	4,047.6	946.4	580.0	496.6	475.5	626.8	350.7	238.8	332.8
March 31, 2012	4,380.8	2,027.8	874.3	626.9	359.9	194.5	58.6	46.3	192.5

- e. Cheques issued but not encashed by the policyholder / insured which are within the validity period but not yet encashed:

(` in million)

At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012	At March 31, 2016
Cheques within the validity period but not encashed by policyholder's	3,066.9	1,378.4	2,122.8	1,198.2	2,187.1

### 3.6. Direct taxes

The current tax provision is determined in accordance with the provisions of the Income Tax Act, 1961. The provision for current tax is as below:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Total Current tax charge/(credit):	1,915.1	0.1	-	-	-
- Participating Line of Business	702.9	497.7	428.2	225.8	153.5
- Other Line of Business	1,212.2	(497.6)	(428.2)	(225.8)	(153.5)

Deferred tax asset is recognised on carry forward of eligible tax losses, which can be set off against future taxable income and on timing differences arising from funds for future appropriation under linked line of business. The deferred tax position and the movement is summarised below:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
<b>Deferred Tax asset:</b>					
Opening Balance	1.3	15.3	118.0	875.4	1,607.0
Charge on account of:					
- Carry forward losses	-	-	(49.5)	(632.7)	(471.1)
- Linked Funds for Future Appropriation	(0.6)	(14.0)	(53.2)	(124.7)	(260.5)
Closing Balance	<b>0.7</b>	<b>1.3</b>	<b>15.3</b>	<b>118.0</b>	<b>875.4</b>
<b>Deferred Tax Liability:</b>					
Opening Balance	(0.2)	(0.2)	(0.2)	(0.2)	0.0
Amortisation of computer software and incorporation expenses (Charge)/credit	0.1	-	-	-	(0.2)
Closing Balance	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>

### 3.7. Operating lease commitments

The Company takes premises, motor vehicles, office equipment's, computers, servers and modular furniture on operating lease. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancellable and non-cancellable operating lease arrangements are charged to the Revenue account and the Profit and Loss account over the lease term on a straight line basis.

Summary of Lease rentals charged in Revenue and Profit and Loss account for the year is as below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Total Lease Rentals	686.0	683.6	816.4	964.0	1,361.3
Lease Rentals pertaining	223.1	207.7	299.1	343.6	411.6

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
to Non-cancellable leases					

The future minimum lease payments in respect of these non-cancellable leases at the Balance Sheet date are summarised below:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Not later than one year	31.6	201.7	217.5	300.9	320.4
Later than one year but not later than five years	113.1	-	201.7	418.6	662.2
Later than five years	-	-	-	-	-

### 3.8. Assets given on operating lease

The Company has entered into an agreement in the nature of leave and license for leasing out the investment property. This is in the nature of operating lease and lease arrangement contains provisions for renewal. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency.

The total lease payments received in respect of such lease recognized in Revenue account are summarized below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Lease payments received	52.9	53.0	53.0	40.0	28.9

### 3.9. Segmental reporting

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

For the year ended March 31, 2016

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	26,755.5	1,440.2	29,647.3	3,657.7	168.3	115,388.3	4,369.6	962.3	19,890.2	6,019.4	208,298.8
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	1,990.8	303.5	4,572.4	1,497.3	340.9	1,620.2	3,348.5	225.4	251.3	5,636.0	19,786.3
Depreciation/ Amortisation	66.6	0.3	23.5	1.0	0.3	349.4	9.5	1.0	3.7	0.5	455.8
Significant non-cash expenses*	14,990.3	(7,344.1)	21,153.5	789.1	(220.2)	51,735.4	(43,810.5)	147.8	(2,108.4)	43.9	35,376.8

For the year ended March 31, 2015

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	20,994.5	2,048.8	26,337.1	3,773.1	181.1	192,282.2	73,201.1	3,298.7	17,052.5	5,403.5	344,572.6
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	1,094.7	379.6	2,668.3	(388.5)	187.5	1,134.6	5,937.3	432.6	355.4	4,922.0	16,723.5
Depreciation/ Amortisation	63.2	0.5	21.5	1.4	0.5	284.5	16.8	1.7	6.0	1.0	397.1
Significant non-cash expenses*	11,030.3	(202.3)	20,604.9	2,909.7	(84.4)	127,743.4	9,395.5	2,307.0	5,919.2	-	179,623.3

For the year ended March 31, 2014

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	15,471.8	3,327.6	26,797.8	3,593.5	215.3	108,407.0	44,250.9	2,266.0	10,795.3	3,972.0	219,097.2

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Shareholders' account)											
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	1,403.9	517.1	597.0	(604.8)	335.0	1,751.0	7,440.6	299.7	303.0	3,558.6	15,601.1
Depreciation/ Amortisation	89.1	0.5	83.0	1.5	0.7	260.2	23.4	4.6	5.3	1.3	469.6
Significant non-cash expenses*	6,112.8	(1,680.2)	19,599.8	3,142.2	(191.1)	44,225.7	(17,805.7)	1,225.9	2,117.3	263.0	57,009.7

For the year ended March 31, 2013

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	10,943.1	4,952.4	26,245.9	3,678.0	195.2	81,335.9	49,064.8	2,096.8	17,767.8	4,178.5	200,458.4
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	573.4	498.6	(5,505.1)	(139.7)	(628.2)	4,932.7	9,144.0	165.3	245.5	4,101.7	13,388.2
Depreciation/ Amortisation	34.2	0.4	154.1	0.5	1.1	179.9	20.8	13.9	4.7	1.1	410.7
Significant non-cash expenses*	3,998.8	(302.9)	19,242.1	2,896.6	704.9	6,432.0	(14,209.6)	1,018.9	6,318.9	-	26,099.7

For the year ended March 31, 2012

(` in million)

Particulars	Segments									Shareholders	Total
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group		
Segment revenue (excluding contribution from the Shareholders' account)	9,777.3	7,024.2	15,167.4	3,157.3	214.5	51,417.6	37,708.3	1,654.8	11,971.8	2,203.6	140,296.8
Segment result - Surplus/ Deficit (net of contribution from the Shareholders' account)	123.6	93.1	(2,794.1)	(1,248.5)	225.3	3,096.4	9,923.2	36.8	814.2	2,175.9	12,445.9
Depreciation/ Amortisation	51.0	0.6	165.4	0.5	1.9	281.5	29.3	21.5	4.1	0.9	556.7
Significant non-cash expenses*	6,314.2	5,386.5	9,118.5	3,671.0	(169.2)	(7,410.7)	(5,614.5)	779.3	5,117.8	-	17,192.9

\* comprises of change in valuation of policy liabilities, provisions for diminution in the value of investments (net), pro vision for doubtful debts and bad debts written off.

### 3.10. Employee benefits

Provision for staff benefits as per AS 15 (Revised):

#### (a) Defined contribution plans

The amount recognised as an expense during the years is summarised below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Amount recognized as an expense during the year	43.2	40.1	40.7	43.1	41.6

#### (b) Defined benefit plans

##### Gratuity

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Reconciliation of benefit obligations and planned assets for the period:					
Present value of the defined benefit obligations at period end (A)	787.6	656.6	593.3	500.6	397.4

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Fair value of plan assets at period end (B)	747.8	621.0	554.8	476.3	301.9
Unrecognized Past Service Cost (C)	-	-	-	-	9.8
<b>Net asset/(liability) recognised in Balance Sheet at end of the year (B+C-A)</b>	(39.8)	(35.6)	(38.5)	(24.4)	(85.8)
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	189.8	45.3	116.9	132.9	87.5
<b>Change in defined benefit obligation:</b>					
Opening obligations at April 1	656.6	593.3	500.6	397.4	328.6
Service cost	76.9	77.2	72.0	63.1	59.2
Interest cost	52.4	53.2	40.3	34.3	26.9
Actuarial (gain)/loss	74.4	18.1	46.1	59.6	12.8
Past service costs	-	-	-	-	-
Liability assumed on transfer of employees.	-	-	6.7	-	(0.3)
Benefits paid	(72.7)	(85.2)	(72.5)	(53.7)	(29.6)
<b>Present value of the defined benefit obligations at period end (A)</b>	787.6	656.6	593.3	500.6	397.4
<b>Change in Plan Asset:</b>					
Opening plan assets, at fair value at April 1	621.0	554.8	476.3	301.9	310.3
Expected return on plan assets	44.0	41.7	37.2	23	14.7
Actuarial gain/(loss)	(30.0)	61.5	4.3	10.8	6.8
Contributions	185.6	48.2	102.8	194.3	-
Assets acquired on acquisition/(settled on divestiture)	-	-	6.7	-	(0.3)
Benefits paid	(72.7)	(85.2)	(72.5)	(53.7)	(29.6)
<b>Fair value of plan assets at period end (B)</b>	747.8	621.0	554.8	476.3	301.9
<b>Cost for the period:</b>					
Service cost	76.9	77.2	72.0	63.1	59.2
Interest cost	52.4	53.2	40.3	34.3	26.9
Expected return on plan assets	(44.0)	(41.7)	(37.2)	(23)	(14.7)
Actuarial (gain)/loss	104.5	(43.4)	41.8	48.8	5.9
Past service cost	-	-	-	9.8	10.2
Losses/(gains) on acquisition/divestiture	-	-	-	-	-
<b>Total net cost recognised as employee remuneration in Revenue / Profit and loss account</b>	189.8	45.3	116.9	132.9	87.5
<b>Investment details of plan assets:</b>					
Plan assets invested in insurer managed funds	100.0%	100.0%	100.0%	100.0%	100.0%
Fund earning rate	3.3%	16.8%	9.0%	10.0%	6.7%
Asset allocation:					
Debentures and Bonds	28.6%	19.2%	35.3%	31.5%	28.2%
Fixed deposits	1.3%	12.4%	18.7%	17.8%	20.2%

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Government securities	36.7%	40.0%	14.2%	19.5%	0.8%
Equity shares	16.6%	15.0%	15.8%	15.3%	15.0%
Money market instruments	13.2%	7.9%	11.8%	10.5%	29.4%
Others	3.6%	5.5%	4.2%	5.4%	6.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Assumptions:</b>					
Discount rate	7.65%	7.95%	8.70%	7.80%	8.25%
Salary escalation rate *					
Level 1 to 3	8.0%	5.0%	5.0%	5.0%	5.0%
Level 4 and above					
- Year 1	8.0%	8.0%	8.0%	10.0%	10.0%
- Year 2 to 3	8.0%	8.0%	8.0%	8.0%	8.0%
- Year 4 to 6	8.0%	8.0%	8.0%	7.0%	7.0%
- Year 7 onwards	8.0%	8.0%	8.0%	5.0%	5.0%
Estimated rate of return on plan assets #	7.5%	7.5%	7.5%	7.5%	7.5%
<b>Expected future contribution from employer for next year</b>	<b>80.0</b>	<b>80.0</b>	<b>120.0</b>	<b>150.0</b>	<b>150.0</b>

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

# Expected rate of return on plan assets is based on our expectation of the average long-term rate of return expected on investments of fund during the estimated term of obligations.

#### Experience adjustments on gratuity provisioning

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31,2014	Year ended March 31, 2013	Year ended March 31, 2012
Defined benefit obligation	787.6	656.6	593.3	500.6	397.4
Plan assets	747.8	621.0	554.8	476.3	301.9
Surplus/(deficit)	(39.8)	(35.6)	(38.5)	(24.4)	(95.6)
Experience adjustments					
- on plan liabilities	60.2	(5.3)	26.7	49.7	24.9
- on plan assets	(30.1)	61.5	4.3	10.8	6.8

#### Provident fund

Provident fund benefits are aimed at providing security to staff members and their dependents on retirement, disability or death. Both employee and the company contribute an equal percentage of the basic salary a part of which goes to the fund, and balance portion is contributed to the government administered pension fund. The provident fund is managed by ICICI Prudential Life Insurance Company Employees' Provident Fund Trust.

The minimum rate at which the annual interest is payable by the trust to members is prescribed by the Government. The Company has an obligation to make good the shortfall, if any, between the Government prescribed rate and actual return earned by the provident fund.

As there is net surplus in the plan, no liability needs to be provided for in the books of accounts of the Company.

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

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Discount rate for the term of the obligation	7.65%	7.95%	8.70%	7.80%	8.25%
Average historic yield on the investment portfolio	9.01%	9.00%	8.90%	8.90%	8.97%
Discount rate for the remaining term to maturity of the investment portfolio	7.95%	7.95%	8.92%	8.00%	8.55%
Expected investment return	8.71%	9.00%	8.68%	8.70%	8.67%
Guaranteed rate of return	8.75%	8.75%	8.75%	8.50%	8.25%

(c) **Other long term benefits**

**Long term incentive scheme:** Liability for the scheme is determined based on actuarial valuation which has been carried out from FY 2012-13 onwards 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, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013
Discount rate per annum	7.40%	8.00%	8.70%	7.80%

**Compensated absence:** Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Particulars	At March31, 2016	At March31, 2015	At March31, 2014	At March31, 2013	At March31, 2012
Discount rate per annum	7.65%	7.95%	8.70%	7.80%	8.25%
Salary escalation rate (per annum)					
Level 1 to 3	8.0%	5.0%	5.0%	5.0%	5.0%
Level 4 and above					
- Year 1	8.0%	8.0%	8.0%	10.0%	8.0%
- Year 2	8.0%	8.0%	8.0%	8.0%	8.0%
- Year 3	8.0%	8.0%	8.0%	8.0%	7.0%
- Year 4 to 5	8.0%	8.0%	8.0%	7.0%	7.0%
- Year 6	8.0%	8.0%	8.0%	7.0%	5.0%
- Year 7 onwards	8.0%	8.0%	8.0%	5.0%	5.0%

Leave accumulation policy of the Company is given below:

**From FY 2013-14 onwards:**

Criteria	Level 1 to 6	Level 7 & above
Employment upto 5 years	NA	60 days
Employment more than 5 years	60 days	90 days

**For FY 2011-12 and FY 2012-13:**

The company policy allows accumulation of leave of 90 days for employees who are in employment of 5 years and above with the company and 60 days with employees with lesser vintage and certain junior grades.

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”) presently has six tranches namely Founder I, 2004-05, 2005-06, 2006-07, Founder II and 2007-08. ESOS 2005 permits the grant of share options up to 3% of the issued capital of Company. The maximum number of options that can be granted to any eligible employee is

restricted to 1% of the issued capital. The exercise price was finalised by the Board Compensation and Nominations Committee in concurrence with the Board of Directors of the Company.

The scheme allowed an exercise period of “later of the tenth anniversary of the date of grant of Options or the fifth anniversary of the date of vesting of Options”. During the year ended March 31, 2015, in the interest of employees, the Company had extended the exercise period from 10 years to 13 years for the options granted namely Founder I, 2004-05, 2005-06, 2006-07 and Founder II. The Company follows intrinsic value method and hence there 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:

	Founder I	2004-05	2005-06	2006-07 Founder II	2007-08
<b>Date of Grant</b>	<b>March 28, 2005</b>	<b>April 25, 2005</b>	<b>April 26, 2006</b>	<b>April 24, 2007</b>	<b>April 25, 2008</b>
Number of options granted	2,662,500	3,782,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)	6,101,000
Maximum term of options granted	Thirteenth anniversary of the date of grant of options				Tenth anniversary of the date of grant of options
<b>Graded Vesting Period</b>					
1 <sup>st</sup> Year	50% of option granted	25% of options granted			
2 <sup>nd</sup> Year	25% of options granted				
3 <sup>rd</sup> Year	25% of options granted				
4 <sup>th</sup> Year	-	25% of options granted			
Mode of settlement	Equity				

Exercise price of all the options outstanding for Founder I (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme, Founder II and 2007-08 scheme is ` 30, ` 42, ` 70, ` 130, ` 130 and ` 400 respectively.

A summary of status of Company’s Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Outstanding at the beginning of the year	7,057,417	10,201,948	12,620,354	13,111,648	13,914,104
<b>Add:</b> Granted during the period	-	-	-	-	-
<b>Less:</b> Forfeited/lapsed during the period	(559,175)	(588,000)	(2,087,905)	(401,169)	(414,481)
<b>Less:</b> Exercised during the period	(499,067)	(2,556,531)	(330,501)	(90,125)	(387,975)
Outstanding at the end of the period	5,999,175	7,057,417	10,201,948	12,620,354	13,111,648
<b>Exercisable at the end of the year</b>	5,999,175	7,057,417	10,201,948	12,620,354	10,791,011

During the below years, the Company has recognised a compensation cost of ` nil as the intrinsic value of the options. Had the company followed fair value method, impact would have been as below

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Additional Cost on Revenue account and Profit and Loss account (in million)	Nil	22.3	Nil	2.42	34.3
Profit after tax would have been(in million)	16,527.2	16,381.20	15,613.5	15,151.7	13,822.6
Basic EPS would have been	11.54	11.46	10.93	10.60	9.68

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Diluted EPS would have been	11.53	11.44	10.90	10.57	9.65
Weighted Average Price of options exercised during the year	108.4	82.1	69.3	70.0	94.0

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, 2016		At March 31, 2015		At March 31, 2014		At March 31, 2013		At March 31, 2012	
	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)	Options outstanding	Weighted average remaining contractual life (in years)
30	21,438	2.0	28,438	3.0	129,890	1.0	107,140	2.0	126,015	3.0
42	152,175	2.1	155,175	3.1	719,635	1.1	786,938	2.1	808,275	3.1
70	832,612	3.1	1,105,927	4.1	2,187,290	2.1	2,554,492	3.1	2,615,055	4.1
130	2,445,850	4.1	2,783,002	5.1	3,747,508	3.1	4,687,691	4.1	4,854,485	5.1
400	2,547,100	2.1	2,984,875	3.1	3,417,625	4.1	4,484,093	5.1	4,707,818	6.1
<b>Total</b>	<b>5,999,175</b>	<b>3.0</b>	<b>7,057,417</b>	<b>4.0</b>	<b>10,201,948</b>	<b>3.0</b>	<b>12,620,354</b>	<b>4.1</b>	<b>13,111,648</b>	<b>5.1</b>

### 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 is as below:

Particulars	(` in million)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Foreign Exchange Loss	(1.4)	(3.3)	(3.2)	(3.1)	(0.9)

### 3.13. Earnings per share

Sr. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>I</b>	Net profit as per profit and loss account available for equity shareholders for both basic and diluted earnings per equity share of ` 10 each (in Million)	16,527.2	16,403.5	15,613.5	15,154.1	13,856.9
<b>II</b>	Weighted average number of equity shares for earnings per equity share					
(a)	For basic earnings per equity share	1,432,016,936	1,429,853,060	1,429,053,739	1,428,876,063	1,428,508,855
(b)	For diluted earnings per equity share	1,432,016,936	1,429,853,060	1,429,053,739	1,428,876,063	1,428,508,855
	Number of equity shares for basic earnings per equity share as per (II) (a)					
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	1,927,727	2,663,925	3,089,612	3,928,872	4,058,024
	Weighted number of equity shares for diluted earnings per equity share	1,433,944,663	1,432,516,985	1,432,143,351	1,432,804,935	1,432,566,879
<b>III</b>	Earnings per equity share					
	Basic (in `)	11.54	11.47	10.93	10.61	9.70
	Diluted (in `)	11.53	11.45	10.90	10.58	9.67

### 3.14. Managerial remuneration



The remuneration of the Managing Director and Executive Directors' included in employee remuneration and welfare benefits is as follows:

(` in million)

<b>FY2016</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	17.3	11.9	3.9	12.2	20.4	65.7
Puneet Nanda, Executive Director	9.7	8.1	2.1	9.8	8.8	38.5
Sandeep Batra, Executive Director	7.8	7.3	0.9	15.1	-	31.1
<b>Total</b>	<b>34.8</b>	<b>27.3</b>	<b>6.9</b>	<b>37.1</b>	<b>29.2</b>	<b>135.3</b>

(` in million)

<b>FY2015</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	15.0	10.9	3.4	9.0	27.4	65.7
Puneet Nanda, Executive Director	8.5	7.7	1.9	35.1	13.8	67.0
Sandeep Batra, Executive Director	7.0	5.3	0.8	21.6	-	34.7
<b>Total</b>	<b>30.5</b>	<b>23.9</b>	<b>6.1</b>	<b>65.7</b>	<b>41.2</b>	<b>167.4</b>

(` in million)

<b>FY2014</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	12.6	5.6	2.9	7.6	15.0	43.7
Puneet Nanda, Executive Director	7.3	4.1	1.6	7.3	12.5	32.8
Sandeep Batra, Executive Director <sup>2</sup>	1.6	-	0.2	2.3	-	4.1
Madhivanan Balakrishnan, Executive Director <sup>3</sup>	0.1	1.7	0.6	0.3	7.5	10.2
<b>Total</b>	<b>21.6</b>	<b>11.4</b>	<b>5.3</b>	<b>17.5</b>	<b>35.0</b>	<b>90.8</b>

(` in million)

<b>FY2013</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	10.9	7.3	2.4	6.9	4.0	31.5
Puneet Nanda, Executive Director	6.6	4.6	1.5	6.4	5.5	24.6
Madhivanan Balakrishnan, Executive Director <sup>3</sup>	1.7	4.6	6.5	3.0	2.5	18.3
<b>Total</b>	<b>19.2</b>	<b>16.5</b>	<b>10.4</b>	<b>16.3</b>	<b>12.0</b>	<b>74.4</b>

(` in million)

<b>FY2012</b>	<b>Basic</b>	<b>Bonus</b>	<b>Retirals</b>	<b>Allowances/ Perquisites</b>	<b>LTRS<sup>1</sup></b>	<b>Total</b>
Sandeep Bakhshi, Managing Director & CEO	8.8	4.5	1.8	5.4	-	20.5
Puneet Nanda, Executive Director	5.6	3.9	1.1	5.6	2.0	18.2
Madhivanan Balakrishnan, Executive Director <sup>3</sup>	5.6	4.1	1.1	5.4	-	16.2
<b>Total</b>	<b>20.0</b>	<b>12.5</b>	<b>4.0</b>	<b>16.4</b>	<b>2.0</b>	<b>54.9</b>

<sup>1</sup> Long Term Reward Scheme paid during the year

<sup>2</sup> Inducted effective January 1, 2014

<sup>3</sup> Held office for the period April 1 2012 to June 30, 2012

Expenses towards gratuity and leave encashment provision are determined actuarially for the Company as a whole and accordingly have not been considered in the above information.

Managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) and as approved by the IRDAI. Managerial remuneration in excess of the limits prescribed by IRDAI has been charged to the Shareholders' account.

### 3.15. Commitments

Commitments made by the company are given as below:

Particulars	( ` in million)				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Commitments made and outstanding (net of advances) for Company's Investment in Real Estate	487.1	1,711.5	1,064.0	Nil	Nil
Estimated value of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance)	91.4	129.7	117.2	180.8	61.9
Loan Commitments by the company	Nil	Nil	Nil	Nil	Nil

### 3.16. 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 for year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

### 3.17. Investments

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

### 3.18. Restructured assets

There are no assets including loans subject to re-structuring for year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

### 3.19. 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 for all the years. The historical cost and the revalued value of real estate property is summarized below:

Particulars	( ` in million)				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Value of Investment property post revaluation	2,553.5	2,528.7	854.4	890.0	890.0
Historical Cost	1,966.6	1,966.6	185.5	185.5	185.5

### 3.20. 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 is as below:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Impairment Loss recognized during the year	170.3	67.5	348.0	98.7	127.1

### 3.21. 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 as mentioned below has been deposited with NSCCL and ICCL respectively towards margin requirement for equity trade settlement.

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Fixed Deposit with NSCCL	1,050.0	1,050.2	1,050.2	1,050.1	1,050.0
Fixed Deposit with ICCL	99.0	299.0	300.1	100.0	100.0

**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)

(` in million)

Particulars	At March 31, 2016		At March 31, 2015		At March 31, 2014		At March 31, 2013		At March 31, 2012	
	Market value	Amortised cost	Market value	Amortised cost	Market value	Amortised cost	Market value	Amortised cost	Market value	Amortised cost
<b>Pledged under securities segment</b>										
Government securities	1,487.6	1,425.7	1,556.4	1,428.9	1,227.2	1,321.7	807.4	795.0	831.5	843.4
Cash	70.0	70.0	70.0	70.0	70.0	70.0	60.0	60.0	60.0	60.0
<b>Pledged under Collateralized Borrowing and Lending Obligation segment (CBLO)</b>										
Government securities	207.8	206.9	209.9	207.1	185.2	207.3	203.3	207.6	191.4	209.2
Cash	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

**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:

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
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	0.6	0.5	0.5	-	-
Fixed deposit placed with State bank of Travancore as a security towards guarantee issued by the bank on behalf of the company in	1.0	1.0	1.0	9.7	-

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
favour of PFRDA.					
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.	2.5	2.5	2.5	-	-
Bank guarantees issued					
- in favour of Sub-Divisional Judicial Magistrate, Patna with respect to a criminal case filed against a fraudulent policyholder	5.0	5.0	-	-	-
- towards purchase of postage on policy welcome kit document	2.0	-	-	-	-
- in lieu of earnest money deposit towards tender of Indian Oil Corp Refineries Trust for administration of EDLI scheme	0.1	-	-	-	-

### 3.22. 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.

(` in million)

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Value of equity shares lent by the company under SLB	1,113.9	115.1	416.8	-	-

### 3.23. Reverse Repo transactions in Government securities/Corporate Debt Securities

Disclosures pursuant to IRDAI notification ref IRDA/F&I/CIR/INV/250/12/2012 dated December 4, 2012:

(` in million)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
<b>Securities sold under repo</b>								
i. Government Securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo</b>								
i. Government Securities	1,500.0	261.2	26,999.3	4,467.3	7,698.7	2,237.1	-	261.2
ii. Corporate debt securities	-	680.0	-	680.0	-	680.0	-	-

(` in million)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding at March 31	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
<b>Securities sold under repo</b>								
i. Government Securities	-	-	-	-	-	-	-	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
<b>Securities purchased under reverse repo</b>								
iii. Government Securities	258.9	52.0	4,719.8	3,999.9	3,169.6	2,963.8	-	-
iv. Corporate debt securities	689.2	-	689.2	-	689.2	-	-	-

Regulation was notified by IRDA in FY 12-13, hence the disclosure is not applicable for FY 11-12

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

(` in million)

Particulars	Shareholder's				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Purchases where deliveries are pending	-	-	-	696.3	644.2
Sales where receipts are pending	50.7	266.2	474.5	570.8	420.0

(` in million)

Particulars	Policy Holder's				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Purchases where deliveries are pending	195.9	1,544.1	1,011.9	1,460.6	155.1
Sales where receipts are pending	387.9	1,643.9	51.6	1,289.5	-

(` in million)

Particulars	Unit Linked				
	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Purchases where deliveries are pending	2,990.0	3,732.9	1,694.2	4,245.8	2,393.1
Sales where receipts are pending	5,280.1	6,050.8	3,521.3	7,001.5	2,745.5

There are no investment contracts where sales have been made and payments are overdue at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012.

3.25. 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		FY2016	FY2015	FY 2014	FY 2013	FY 2012
Rural	- Number of policies	183,695	138,442	212,650	305,909	331,133
	- Percentage of total policies	31.6%	21.7%	27.3%	31.9%	32.2%
Social	- Gross premium underwritten for new lives (` in millions)	4.9	7.6	15.2	14.4	23.3
	- Number of policies issued (including group business)	29,755	1	1	1	1
	- Number of new lives covered	65,012	89,711	171,791	168,593	155,339
	- Percentage of total lives	3.6%	5.8%	10.2%	7.3%	5.3%
	- Number of policies (including group business)	580,685	639,137	778,911	960,178	1,029,068
Total	- Number of total lives	1,784,405	1,538,941	1,690,222	2,312,424	2,912,132

3.26. Discontinued Policy Fund

Pursuant to the IRDAI circular number IRDA/Reg/2/52/2010 dated July 1, 2010, the following details are disclosed with respect to policies discontinued either on customer request or for non-payment of premium amount within the grace period

a) Movement in funds for discontinued policies:

(` in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Opening balance of funds for discontinued policies	22,977.5	11,280.7	4,301.8	665.2	0.1
Add: Fund of policies discontinued during the year	22,041.8	17,005.5	9,850.4	3,470.2	656.0
Less: Fund of policies revived during the year	(9,332.7)	(6,687.9)	(3,472.8)	0.0	0.0

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Add: Income on investments of fund	2,378.3	1,505.9	651.8	177.9	9.7
Less: Fund management charges	(168.3)	(97.6)	(42.1)	11.4	0.6
Less: Amount refunded to policyholders during the year	(4,852.3)	(29.1)	(8.5)	0.0	0.0
Closing balance of fund for discontinued policies	33,044.3	22,977.5	11,280.7	4,301.8	665.2

b) Number of policies discontinued during the years is as below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
No. of policies discontinued during the year	117,080	118,902	114,636	90,192	30,029

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

Product Name	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
ICICI Pru Elite Wealth	16.2%	21.3%	7.9%	2.1%	-
ICICI Pru Elite Life	15.3%	22.0%	9.5%	3.1%	-
ICICI Pru Shubh Retirement	14.1%	32.2%	2.8%	-	-
ICICI Pru Wealth Builder	13.9%	24.3%	6.4%	-	-
ICICI Pru Easy Retirement	13.0%	3.0%	-	-	-
ICICI Pru SmartKid Premier	12.4%	17.8%	16.2%	14.8%	5.23%
ICICI Pru Pinnacle Super	12.2%	17.7%	21.3%	25.1%	-
ICICI Pru Guaranteed Wealth Protector	11.7%	0.1%	-	-	-
ICICI Pru LifeStage Wealth II	11.0%	20.7%	19.0%	16.7%	10.20%
ICICI Pru Wealth Builder II	8.5%	0.9%	-	-	-
ICICI Pru Elite Wealth II	8.4%	0.2%	-	-	-
ICICI Pru LifeTime Premier	7.9%	19.6%	27.3%	20.4%	20.84%
ICICI Pru Elite Life II	7.3%	0.3%	-	-	-
ICICI PruPinnacle II	4.1%	13.0%	16.2%	17.5%	14.01%
ICICI Pru Smart Life RP	0.6%	0.0%	-	-	-

d) Number and percentage of policies revived:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Number of policies revived	99,107	48,981	38,271	24,124	4,514
Number of policies discontinued	355,990	287,552	206,847	115,735	30,057
Percentage of policies revived	27.8%	17.0%	18.5%	20.84%	15.02%

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

Particulars	( in million)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Charges imposed on account of discontinued policies	297.1	276.9	274.1	208.7	43.9
Charges readjusted on account of	(96.7)	(96.3)	(90.3)	(51.6)	-

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
revival of discontinued policies					
Total	200.4	180.6	183.8	157.1	43.9

### 3.27. Disclosure on fines and penalties

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

#### For the year ended 2016

(` in million)					
Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Non-compliance observed towards outsourcing guidelines	0.5	0.5	-
2	Service Tax Authorities	NIL	-	-	-
3	Income Tax Authorities	NIL	-	-	-
4	Any other Tax Authorities	NIL	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	NIL	-	-	-
6	Registrar of Companies / National Company Law Tribunal / Company Law Board / Department of Corporate Affairs or any Authority under Companies Act, 2013	NIL	-	-	-
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation	Non-compliance under section 22(4) & under 18 (1)R & 29 (1) of Minimum Wages Act	-	-	-
		Non-compliance to Section 29, R - 24(11) of Karnataka Shops & Commercial Establishments Act	-	-	-
		Contravention of Section 381 B of the MMC Act	-	-	-
8	Competition Commission of India	NIL	-	-	-
9	Any other State / Central / Local Government / Statutory Authority		-	-	-
	Shop and Establishment Act	NIL	-	-	-
	Equal Remuneration Act	NIL	-	-	-
	Electricity Act	NIL	-	-	-
	Contract Labour (Regulation and Abolishment) Act	NIL	-	-	-
	Profession Tax Act	NIL	-	-	-
	Industrial Dispute Act	NIL	-	-	-
	Maternity Benefit Act	NIL	-	-	-
	Payment of Gratuity Act	NIL	-	-	-
	Total			0.5	0.5

#### For the Year ended 2015

(` in million)

Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority of India	NIL	-	-	-
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 or Companies Act, 1956	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	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	-	-	-
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
	Payment of Gratuity Act	-	-	-	
	Total		-	-	-

**For the Year ended 2014**

(` in million)

Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority	NIL	-	-	-
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, 1956	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	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	0.2	0.2	0.2
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-



Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
		Payment of Gratuity Act	-	-	-
	Total		0.2	0.2	0.2

**For the Year ended 2013**

( ` in million)

Sr. No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority	NIL	11.8	11.8	11.8
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, 1956	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	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	-	-	-
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
		Payment of Gratuity Act	-	-	-
	Total		11.8	11.8	11.8

**For the Year ended 2012**

( ` in million)

SI No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
1	Insurance Regulatory and Development Authority	NIL	-	-	-
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, 1956	NIL	-	-	-
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation	NIL	-	-	-

SI No.	Authority	Non-compliance / violation	Penalty awarded	Penalty paid	Penalty waived/ Reduced
8	Competition Commission of India	NIL	-	-	-
9	Any other State / Central / Local Government / Statutory Authority	Shop and Establishment Act	-	-	-
		Equal Remuneration Act	-	-	-
		Electricity Act	-	-	-
		Contract Labour (Regulation and Abolishment) Act	-	-	-
		Profession Tax Act	-	-	-
		Industrial Dispute Act	-	-	-
		Maternity Benefit Act	-	-	-
		Payment of Gratuity Act	-	-	-
	Total		-	-	-

### 3.28. Risk retained and reinsured

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

Particulars	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
Individual business					
Risk retained	51%	61%	60%	63%	70%
Risk reinsured	49%	39%	40%	37%	30%
Group business					
Risk retained	52%	52%	37%	40%	44%
Risk reinsured	48%	48%	63%	60%	56%

### 3.29. 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 for the below years. 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 provisions as below:

Particulars	(` in million)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Provision amount	135.5	55.4	47.0	27.5	27.5

### 3.30. Long term contracts

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the financial statements.

For insurance contracts, actuarial valuation of liabilities for policies in force is done by the Appointed Actuary of the Company. The assumptions used in valuation of liabilities are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI.

### 3.31. Statement showing the Consolidated Controlled Fund of ICICI Prudential Life Insurance Company Limited

(` million)

Sr. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
1	<b>Computation of Controlled fund as per the Balance Sheet</b>					
	<b>Policyholders' Fund (Life Fund)</b>					
	<b>Participating</b>					
	Individual Assurance	73,046.9	58,005.0	43,458.8	36,147.1	30,354.9
	Individual Pension	7,682.1	7,432.6	6,772.0	6,441.8	6,224.0
	Group Assurance	1,461.3	2,156.7	2,834.5	3,066.8	4,694.7
	Group Pension	1,697.8	9,371.5	10,010.8	11,977.1	12,562.9
	<b>Non-participating</b>					
	Individual Assurance	99,483.9	79,784.5	55,429.9	34,672.2	15,392.8
	Group Assurance	-	-	-	-	-
	Individual Annuity	21,186.0	20,397.0	17,486.9	14,344.7	11,448.3
	Health	321.9	542.1	631.1	822.1	117.3
	<b>Linked</b>					
	Individual Assurance	521,124.0	469,416.0	341,690.2	297,478.9	291,067.6
	Group Assurance	-	-	-	-	-
	Individual Pension	168,913.0	212,723.5	203,326.1	221,134.1	235,353.0
	Group Superannuation & Gratuity	63,286.3	65,394.7	59,475.7	57,358.5	51,039.6
	Health	7,581.3	7,433.5	5,126.0	3,901.2	2,883.7
	Funds for Future Appropriations	6,617.6	5,273.4	4,967.2	5,082.5	7,605.5
	<b>Total (A)</b>	<b>972,402.1</b>	<b>937,930.5</b>	<b>751,209.2</b>	<b>692,427.0</b>	<b>668,744.3</b>
	<b>Shareholders' Fund</b>					
	Paid up Capital*	14,324.0	14,328.9	14,293.6	14,289.4	14,288.5
	Reserves & Surplus	36,402.0	34,284.7	33,663.8	33,645.1	33,639.5
	Fair Value Change	2,508.8	4,029.0	1,860.7	477.6	207.6
	Deferred tax liability	0.1	0.2	0.2	0.2	0.2
	<b>Total (B)</b>	<b>53,234.9</b>	<b>52,642.8</b>	<b>49,818.3</b>	<b>48,412.3</b>	<b>48,135.8</b>
	Misc. expenses not written off	-	-	-	-	-
	Credit / (Debit) from P&L A/c.	-	-	(5,984.2)	(8,806.7)	(18,320.9)
	<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>(5,984.2)</b>	<b>(8,806.7)</b>	<b>(18,320.9)</b>
	<b>Total shareholders' funds (B+C)</b>	<b>53,234.9</b>	<b>52,642.8</b>	<b>43,834.1</b>	<b>39,605.6</b>	<b>29,814.9</b>
	<b>Controlled Fund (Total (A+B+C))</b>	<b>1,025,637.0</b>	<b>990,573.3</b>	<b>795,043.3</b>	<b>732,032.6</b>	<b>698,559.2</b>
2	<b>Reconciliation of the Controlled Fund from Revenue and Profit &amp; Loss Account</b>					
	<b>Opening Balance of Controlled Fund</b>	<b>990,573.3</b>	<b>795,043.3</b>	<b>732,032.6</b>	<b>698,559.2</b>	<b>674,533.6</b>
	<b>Add: Inflow</b>					
	Premium Income	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
	Less: Reinsurance ceded	(1,656.9)	(1,461.7)	(1,460.0)	(1,210.0)	(937.0)
	<b>Net Premium</b>	<b>189,987.0</b>	<b>151,604.5</b>	<b>122,826.5</b>	<b>134,172.4</b>	<b>139,278.7</b>
	Investment Income**	11,957.2	187,317.9	92,041.0	61,768.1	(1,451.8)
	Other Income	208.8	179.2	172.5	240.7	139.1
	Funds transferred from Shareholders' Accounts	-	388.5	958.8	6,272.9	4,042.6
	<b>Total Income</b>	<b>202,153.0</b>	<b>339,490.1</b>	<b>215,998.8</b>	<b>202,454.1</b>	<b>142,008.6</b>
	<b>Less: Outgo</b>					
	(i) Benefits paid (Net)	124,060.6	122,483.5	120,739.6	132,878.8	84,552.0
	(ii) Interim Bonus Paid	187.4	116.4	93.8	48.7	29.8
	(iii) Change in Valuation of Liability	35,154.9	179,561.1	56,617.2	25,930.8	17,025.9
	(iv) Commission	6,199.8	5,531.7	6,274.8	7,654.2	6,054.7

Sr. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
	(v) Operating Expenses	18,934.7	16,538.1	16,206.1	17,201.2	17,773.1
	(vi) Service tax charge on linked charges	3,465.0	3,069.4	3,066.1	3,181.1	2,260.8
	(vii) Provision for Taxation					
	(a) FBT	-	-	-	-	-
	(b) I.T.	703.5	511.7	481.4	350.4	414.0
	<b>Total Outgo</b>	<b>188,705.9</b>	<b>327,811.9</b>	<b>203,479.0</b>	<b>187,245.2</b>	<b>128,110.3</b>
	<b>Surplus of the Policyholders' Fund</b>	<b>13,447.1</b>	<b>11,678.2</b>	<b>12,519.8</b>	<b>15,208.9</b>	<b>13,898.3</b>
	<b>Less: transferred to Shareholders' Account</b>	12,102.9	11,372.0	12,635.1	17,731.9	16,041.0
	Net Flow in Policyholders' account	1,344.2	306.2	(115.3)	(2,523.0)	(2,142.7)
	Add: Net income in Shareholders' Fund	16,527.2	16,403.5	15,613.5	15,154.1	13,856.9
	<b>Net Inflow / Outflow</b>	<b>17,871.4</b>	<b>16,709.7</b>	<b>15,498.2</b>	<b>12,631.1</b>	<b>11,714.2</b>
	Add: change in valuation Liabilities	35,154.9	179,561.1	56,617.2	25,930.8	17,025.9
	Add: Increase in Paid up Capital	54.1	209.9	22.9	6.5	36.0
	Less: Dividend & dividend distribution tax	(14,478.8)	(9,973.0)	(12,791.0)	(5,639.9)	(4,815.8)
	<b>Closing balance of controlled fund as per cash flow</b>	<b>1,029,174.9</b>	<b>981,551.0</b>	<b>791,379.9</b>	<b>731,487.7</b>	<b>698,493.9</b>
	Change in fair value change & revaluation reserve account	(3,537.9)	9,022.3	3,663.4	544.9	65.3
	<b>Closing balance of controlled fund</b>	<b>1,025,637.0</b>	<b>990,573.3</b>	<b>795,043.3</b>	<b>732,032.6</b>	<b>698,559.2</b>
	<b>As Per Balance Sheet</b>	<b>1,025,637.0</b>	<b>990,573.3</b>	<b>795,043.3</b>	<b>732,032.6</b>	<b>698,559.2</b>
	Difference, if any	-	-	-	-	-
3	<b>Reconciliation with Shareholders' and Policyholders' Fund</b>					
	<b>Policyholders' Funds</b>					
3.1	<b>Policyholders' Funds - Traditional-PAR and NON-PAR</b>					
	Opening Balance of the Policyholders' Fund	182,892.6	140,524.6	109,232.8	81,964.1	58,018.7
	Add: Surplus of the Revenue Account	1,342.0	1,302.7	2,139.6	591.9	(156.8)
	Add: change in valuation Liabilities	29,217.7	34,211.4	26,871.9	26,401.9	24,178.9
	<b>Total</b>	<b>213,452.3</b>	<b>176,038.7</b>	<b>138,244.3</b>	<b>108,957.9</b>	<b>82,040.8</b>
	Change in fair value change & revaluation reserve account	(2,027.4)	6,853.9	2,280.3	274.9	(76.7)
	<b>Total</b>	<b>211,424.9</b>	<b>182,892.6</b>	<b>140,524.6</b>	<b>109,232.8</b>	<b>81,964.1</b>
	<b>As per Balance Sheet</b>	<b>211,424.9</b>	<b>182,892.6</b>	<b>140,524.6</b>	<b>109,232.8</b>	<b>81,964.1</b>
	Difference, if any	-	-	-	-	-
3.2	<b>Policyholders' Funds - Linked</b>					
	Opening Balance of the Policyholders' Fund	755,037.9	610,684.5	583,194.2	586,780.1	595,919.1
	Add: Surplus of the Revenue Account	2.2	(996.2)	(2,255.1)	(3,114.7)	(1,985.8)
	Add: change in valuation Liabilities	5,937.1	145,349.6	29,745.4	(471.2)	(7,153.2)
	<b>Total</b>	<b>760,977.2</b>	<b>755,037.9</b>	<b>610,684.5</b>	<b>583,194.2</b>	<b>586,780.1</b>
	<b>As per Balance Sheet</b>	<b>760,977.2</b>	<b>755,037.9</b>	<b>610,684.5</b>	<b>583,194.2</b>	<b>586,780.1</b>
	Difference, if any	-	-	-	-	-
3.3	<b>Shareholders' Funds</b>					
	Opening Balance of Shareholders' Fund	52,642.8	43,834.1	39,605.6	29,814.9	20,595.8
	Add: net income of Shareholders' account (P&L)	16,527.2	16,403.5	15,613.5	15,154.1	13,856.9
	Add: Infusion of Capital	54.1	209.9	22.9	6.5	36.0
	Less: Dividend & dividend distribution tax	(14,478.8)	(9,973.0)	(12,791.0)	(5,639.9)	(4,815.8)
	Closing Balance of the Shareholders' fund	54,745.3	50,474.5	42,451.0	39,335.6	29,672.9

Sr. No.	Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
	Change in fair value change	(1,510.4)	2,168.3	1,383.1	270.0	142.0
	<b>Closing Balance of the Shareholders' fund</b>	<b>53,234.9</b>	<b>52,642.8</b>	<b>43,834.1</b>	<b>39,605.6</b>	<b>29,814.9</b>
	<b>As per Balance Sheet</b>	<b>53,234.9</b>	<b>52,642.8</b>	<b>43,834.1</b>	<b>39,605.6</b>	<b>29,814.9</b>
	Difference, if any	-	-	-	-	-

\* Includes Share application money pending allotment

\*\* Includes provision for diminution in the value of investments

#### Annexure VI: Notes on Adjustments for Restated Consolidated Summary Financial Information

1. The summary of results of restatements made in the audited consolidated financial statements for the respective years and its impact on the profits of the Company is as follows:

Particulars	(` in million)				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Profit after tax as per audited consolidated financial statements</b>	16,501.5	16,343.9	15,655.9	14,958.4	13,841.3
<b>(A) Adjustments due to change in accounting policy</b>					
Impact on accretion of discount/ amortisation of premium due to change in method of amortisation from straight line method (SLM) to Effective interest rate (EIR) method (Refer note A (i))	-	99.0	(40.2)	(13.6)	(18.9)
<b>(B) Other adjustments</b>					
Adjustment for provision for litigation cases (Refer Note B (i))	25.8	(47.4)	(6.1)	-	42.5
Adjustment for deferred tax (Refer Note B(ii))	-	-	(28.0)	214.3	-
Adjustment for current tax for participating products (Refer Note B(iii))	-	7.7	44.0	(8.7)	(7.5)
<b>(C) Deferred Tax impact of adjustments in (A) and (B)</b> (Refer note C)	-	-	(11.9)	3.8	(0.5)
<b>Profit after tax as per Restated Consolidated Summary Financial Information</b>	<b>16,527.3</b>	<b>16,403.2</b>	<b>15,613.7</b>	<b>15,154.2</b>	<b>13,856.9</b>

#### A. Material Adjustments:

##### (i) Changes in Accounting Policy

During the year ended 31 March 2015, the company changed its accounting policy for amortisation of premium or accretion of discount on all debt securities including government securities and money market instruments to effective interest rate (EIR) method over the remaining period of maturity as compared to amortisation of premium or accretion of discount on straight line basis (SLM) over the remaining period of maturity, which the company consistently followed for the earlier years. Retrospective impact of this change was recorded in the consolidated audited financial statements for the year ended March 31, 2015. For the purpose of Restated Consolidated Summary Financial Information, this change in accounting policy and the consequential adjustments on account of amortisation have been appropriately adjusted in the year ended 31 March 2014, 31 March 2013 and 31 March 2012. Adjustment related to financial years prior to 31 March 2012 has been adjusted in the opening balance of the Restated Consolidated Summary Financial Information as at 1 April 2011.

#### B. Other adjustments

In the financial statements for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, certain items of income/expenses have been identified as adjustments pertaining to earlier years. These adjustments were recorded in the year in which they were identified. However, for the purpose of Restated

Consolidated Summary Financial Information, such adjustments have been appropriately recorded in the respective years to which the transactions pertain. Adjustments related to financial years prior to year ended 31 March 2012 have been adjusted against the opening balance of the Restated Consolidated Summary Statement of Profit and Loss Account as at 1 April 2011. The details of such adjustments are as under:

**(i) Adjustment for provision of litigation cases**

In the audited financial statements, the Company had created provision for probable litigation cases of earlier years in the year of receipt of court order or in the year of change in assessment of litigation cases by the Company. For the purpose of Restated Consolidated Summary Financial Information, provisions for litigation cases pertaining to earlier years accounted for during the years ended 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2012 have been adjusted in the respective financial years to which they pertain. Adjustments related to financial years prior to year ended 31 March 2012 have been adjusted against the opening balance of the Restated Consolidated Summary Statement of Profit and Loss Account as at 1 April 2011.

**(ii) Adjustments for Deferred tax**

During the year ended 31 March 2013, the company created deferred tax charge on account of unabsorbed losses resulting from the difference between the losses in the books of accounts and the losses as appearing in the income tax returns existing as on the balance sheet date. For the purpose of Restated Consolidated Summary Financial Information, the impact of such difference has been adjusted in the opening balance of the Restated Consolidated Summary Statement of Profit and Loss Account as at April 01, 2011 for the loss position existing as on that date.

Further, the interest on tax free bonds was claimed as exempt income for the first time in Assessment year 2014-2015 and revised IT return claiming exemption for Assessment year 2013-2014 was also filed. The cumulative impact of both the years was taken in deferred tax computation in the financial year ended 31 March 2015. This has been appropriately adjusted in the Restated Consolidated Summary Financial Information for years ended 31 March 2013 and 31 March 2014.

**(iii) Current tax calculation for participating products**

For the current tax computation of participating products, the dividend income exemption was considered for the first time in financial year ended 31 March 2014 providing cumulative effect for earlier years in the financial statements for that year. This impact has been adjusted to tax computation in the Restated Consolidated Summary Financial Information for the respective financial years to which they pertain. As the Company had unabsorbed losses as per Income Tax Act in those respective years, there is no current tax liability and hence change in tax computation for participating products has been offset by a corresponding impact in the Restated Consolidated Summary Statement of Profit and Loss Account for the respective years. Adjustments related to financial years prior to year ended 31 March 2012 have been adjusted against the opening balance of the Restated Consolidated Summary Statement of Profit and Loss Account as at 1 April 2011.

**C. Tax impact of adjustments**

The tax impact has been computed on adjustments made as detailed above in Note A and Note B and has been adjusted in the restated profits and losses for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 and the balance brought forward in the Restated Consolidated Summary Statement of Profit and Loss Account as at 1 April 2011.

**2. Material Regroupings**

Appropriate adjustments have been made in the Restated Consolidated Summary Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities, receipts and payments in order to bring them in line with the groupings as per the audited financial statement of the Company as at and for the period ended March 31, 2016.

**3. Reconciliation of Opening Net Worth as on April 1, 2011:**

Particulars	in million
Net worth* as at April 1, 2011 as per audited consolidated financial statements	20,849.0
Adjustments for:	
Impact on accretion of discount/ amortisation of premium due to change in method of amortisation from straight line method (SLM) to Effective interest rate (EIR) method (Refer note	(26.3)

Particulars	in million
A (i))	
Adjustment for provision for litigation cases (Refer Note B (i))	(14.8)
Adjustment for deferred tax (Refer Note B(ii))	(186.3)
Adjustment for current tax for participating products (Refer Note B(iii))	(34.4)
Deferred Tax impact of adjustments in (A) and (B) (Refer note C)	8.6
Net worth* as at April 1, 2011 as per Restated Consolidated Summary Financial Information	20,595.8

\* Includes share application money and fair value change account pertaining to shareholders

**4. Non - adjusting items:**

**Matter of emphasis in the Auditors' report which do not require any corrective adjustments in the Restated Consolidated Summary Financial Information**

For the financial year ended 31 March 2012, the consolidated auditors' report draws attention to the matter that the Company has not made adjustments on account of tax proposals introduced in Finance Bill 2012 and made applicable to insurance companies. The Company had not taken any adjustment holding the view that MAT would not be applicable to insurance companies which was clarified by Ministry of Finance in June 2012 vide circular no. 3/2012 dated 12-6-2012 and thus the company has not taken any adjustment in the Restated Consolidated Summary Financial Information.

**Annexure VII Restated consolidated Statement of Accounting Ratios**

Sr No.	Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
1	New business premium income growth (segment-wise)					
	Participating Life	12.4%	2.1%	188.7%	-31.6%	-32.1%
	Participating Pension	-103.2%	-1150.0%	-100.0%	-74.7%	-49.5%
	Non-Participating	143.0%	-78.1%	-62.9%	31.1%	153.7%
	Annuities Non-Participating	-15.1%	-3.6%	-10.2%	8.2%	173.1%
	Health	152.4%	-96.2%	-59.7%	-32.3%	-74.3%
	Linked Life	7.9%	81.6%	21.8%	-4.5%	-37.9%
	Linked Pension	-10.0%	-2.6%	70.0%	62.6%	-98.5%
	Linked Health	-114.6%	-98.1%	-58.6%	-17.7%	7.3%
	Linked Group	262.6%	482.8%	-92.3%	117.0%	-53.5%
2	Net retention ratio (Net premium divided by gross premium)	99.1%	99.0%	98.8%	99.1%	99.3%
3	Ratio of expenses of management (Expenses of management including commission divided by the total gross direct premium)	13.1%	14.4%	18.1%	18.3%	17.0%
4	Commission Ratio (Gross commission paid to Gross premium)	3.2%	3.6%	5.0%	5.7%	4.3%
5	Ratio of policyholders liabilities to shareholders funds	1826.6%	1781.7%	1713.8%	1748.3%	2243.0%
6	Growth rate of shareholders fund	1.1%	20.1%	10.7%	32.8%	44.8%
7	Ratio of surplus to policyholders liability					
	Participating Life	1.7%	1.0%	2.0%	0.9%	-0.1%
	Participating Pension	2.7%	2.1%	2.9%	2.6%	0.5%
	Non-Participating	4.5%	3.3%	1.1%	-15.9%	-18.2%
	Annuities Non-Participating	7.1%	-1.9%	-3.5%	-1.0%	-10.9%
	Health	105.9%	34.6%	53.1%	-76.4%	192.1%
	Linked Life	0.3%	0.2%	0.5%	1.6%	1.0%
	Linked Pension	2.0%	2.8%	3.6%	4.1%	4.2%
	Linked Health	3.0%	5.8%	5.8%	4.2%	1.3%
	Linked Group	0.4%	0.5%	0.5%	0.4%	1.6%
8	Change in networth ( ` in Million)	592.6	8808.2	4228.9	9790.4	9219.0
9	Profit after tax / Total income	7.9%	4.8%	7.1%	7.6%	9.9%
10	(Total Real Estate + Loans) / Cash & invested assets	0.4%	0.4%	0.2%	0.3%	0.3%
11	Total Investment / (Capital + Surplus)	1935.3%	1889.9%	1827.4%	1861.3%	2361.2%
12	Total Affiliated Investment / (Capital+Surplus)	1.7%	4.2%	5.8%	7.1%	20.6%
13	Investment Yield (Gross and Net)					
	<b>A. Without unrealised gains</b>					
	- Shareholders' Fund	10.6%	10.1%	7.2%	10.0%	7.6%
	- Policyholders' Fund					
	- Non Linked					
	Par	8.7%	9.4%	8.5%	9.4%	8.1%



Sr No.	Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	Non Par	8.1%	8.0%	8.1%	9.0%	8.4%
	- Linked					
	Non Par	9.1%	17.6%	8.3%	5.7%	5.2%
	<b>B. With unrealised gains</b>					
	- Shareholders' Fund	5.8%	18.5%	8.3%	11.5%	8.2%
	- Policyholders' Fund					
	- Non Linked					
	Par	5.7%	20.5%	5.7%	12.2%	6.0%
	Non Par	5.8%	20.5%	5.0%	11.8%	7.2%
	- Linked					
	Non Par	-2.1%	28.1%	12.9%	7.6%	-3.1%
14	Conservation Ratio					
	Participating Life	88.3%	84.0%	78.7%	78.5%	54.0%
	Participating Pension	92.8%	24.3%	51.1%	37.9%	26.7%
	Non Participating	96.1%	90.2%	83.1%	76.1%	72.5%
	Annuities Non Participating	NA	NA	NA	NA	NA
	Health	90.6%	89.2%	85.2%	82.7%	70.0%
	Linked Life	82.7%	85.9%	75.1%	67.4%	65.4%
	Linked Pension	73.5%	68.3%	48.7%	64.2%	64.3%
	Linked Health	85.2%	83.7%	85.3%	86.2%	87.9%
	Linked Group	98.5%	80.1%	36.2%	54.4%	40.0%
15	Persistency Ratio*					
	13th Month	82.4%	79.0%	71.5%	71.9%	77.2%
	25th Month	71.2%	65.9%	68.4%	74.8%	54.1%
	37th Month	61.6%	64.3%	57.3%	26.5%	28.9%
	49th Month	62.2%	54.4%	20.3%	19.4%	17.7%
	61th Month	46.0%	14.5%	12.7%	11.9%	14.6%
16	NPA Ratio					
	- Gross NPA Ratio	NIL	NIL	NIL	NIL	NIL
	- Net NPA Ratio	NIL	NIL	NIL	NIL	NIL
17	Solvency Ratio	320.0%	336.5%	369.4%	393.2%	369.8%
18	Basic EPS (in `) **	11.54	11.47	10.93	10.61	9.70
19	Diluted EPS (in `) **	11.53	11.45	10.90	10.58	9.67
20	Return on Net worth **	31.2%	34.0%	37.4%	43.7%	55.0%
21	Net Asset Value Per share (in `) **	37.2	36.8	30.7	27.7	20.9

\* The ratio is computed based on the original premiums issued. Calculations are in accordance with the IRDA circular IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014"

\*\* The Ratio have been computed as below

$$\text{Earnings per Share (in `)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Weighted average Number of equity shares}}$$

$$\text{Diluted Earnings per Share (in `)} = \frac{\text{Restated Profit after tax attributable to equity shareholders for the year/period}}{\text{Weighted average dilutive Number of equity shares}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated profit after tax attributable to equity shareholders for the year/period}}{\text{Average of Restated Net worth at the beginning and end of the year/period}}$$

$$\text{Net Assets Value per Share (in `)} = \frac{\text{Restated Net Worth at the end of the year/period}}{\text{Total number of equity shares outstanding at the end of the year/period}}$$

## Annexure - VIII: Restated Consolidated Statement on Segment Disclosure

(Amount in ` Million)

S.no	Particulars	For the year ended				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>1</b>	<b>Segment Income:</b>					
	Segment A - Par life					
	Net Premium	21,396.8	16,394.2	12,182.0	7,804.6	7,279.3
	Income from investments	5,212.5	4,480.4	3,191.9	3,040.4	2,354.8
	Other income	80.1	64.9	39.2	39.6	47.4
	Segment B - Par pension					
	Net Premium	357.5	385.2	1,585.7	3,100.9	5,756.1
	Income from investments	1,081.3	1,662.2	1,697.6	1,838.6	1,234.1
	Other income	1.1	1.4	38.5	0.9	2.6
	Segment C - Non Par					
	Net Premium	23,148.3	21,529.4	23,684.3	24,447.3	14,415.3
	Income from investments	6,335.5	4,706.0	3,041.8	1,688.4	722.9
	Other income	103.5	89.2	51.2	82.1	29.2
	Segment D - Annuity Non Par					
	Net Premium	1,867.5	2,199.4	2,281.3	2,540.8	2,347.7
	Income from investments	1,790.2	1,573.6	1,312.0	1,136.1	809.3
	Other income	0.1	0.1	0.2	1.1	0.2
	Segment E - Health					
	Net Premium	116.2	129.8	147.1	171.8	188.7
	Income from investments	51.9	50.9	67.9	22.6	24.7
	Other income	0.2	0.4	0.3	0.9	1.1
	Segment F - Linked Life					
	Net Premium	117,741.4	92,162.1	62,362.3	54,972.0	57,386.7
	Income from investments	(2,375.2)	100,099.5	46,010.1	26,264.3	(6,017.3)
	Other income	22.1	20.5	34.5	99.4	48.2
	Segment G - Linked Pension					
	Net Premium	7,952.2	10,137.1	13,997.4	27,327.1	42,154.7
	Income from investments	(3,583.8)	63,062.0	30,247.4	21,729.2	(4,453.8)
	Other income	1.2	2.1	6.1	8.4	7.5
	Segment H - Linked Health					
	Net Premium	1,106.9	1,353.8	1,656.0	1,805.5	1,659.7
	Income from investments	(144.7)	1,944.7	608.2	285.8	(7.2)
	Other income	0.1	0.2	1.7	5.5	2.3
	Segment I - Linked Group					
	Net Premium	16,300.2	7,313.5	4,930.4	12,002.4	8,090.5
	Income from investments	3,589.6	9,738.6	5,864.1	5,762.7	3,880.7
	Other income	0.4	0.4	0.8	2.8	0.6
	Shareholders					
	Income from investments	5,975.0	5,396.9	3,607.0	4,173.7	2,198.0
	Other income	0.5	6.6	102.0	4.9	5.6
<b>2</b>	<b>Segment Surplus/Deficit(Net of Transfer from shareholders account):</b>					
	Segment A - Par life	1,990.8	1,094.7	1,403.9	573.4	123.6
	Segment B - Par pension	303.5	379.6	517.1	498.6	93.1

S.no	Particulars	For the year ended				
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	Segment C - Non Par	4,572.4	2,668.3	597.0	(5,505.1)	(2,794.1)
	Segment D - Annuity Non Par	1,497.3	(388.5)	(604.8)	(139.7)	(1,248.5)
	Segment E - Health	340.9	187.5	335.0	(628.2)	225.3
	Segment F - Linked Life	1,620.5	1,134.5	1,750.9	4,932.6	3,096.1
	Segment G - Linked Pension	3,348.5	5,937.3	7,440.6	9,144.0	9,923.2
	Segment H - Linked Health	225.4	432.6	299.7	165.3	36.8
	Segment I - Linked Group	251.3	355.4	303.0	245.5	814.2
	Shareholders	5,636.4	4,922.4	3,558.5	4,102.0	2,176.3
<b>3</b>	<b>Segment Assets:</b>					
	Segment A - Par life	77,485.4	62,188.6	48,003.4	40,136.8	35,752.6
	Segment B - Par pension	11,150.6	18,312.5	18,022.5	19,256.9	19,253.2
	Segment C - Non Par	101,281.0	81,452.4	56,380.8	34,672.2	15,392.8
	Segment D - Annuity Non Par	21,186.0	20,397.0	17,486.9	14,344.7	11,448.3
	Segment E - Health	321.9	542.1	631.1	822.1	117.3
	Segment F - Linked Life	521,128.9	469,425.2	342,082.8	298,742.6	294,106.4
	Segment G - Linked Pension	168,927.3	212,736.9	203,943.1	223,122.7	238,750.3
	Segment H - Linked Health	7,634.7	7,481.0	5,182.9	3,970.4	2,883.7
	Segment I - Linked Group	63,286.3	65,394.7	59,475.7	57,358.5	51,039.6
	Shareholders	53,234.9	52,642.8	43,834.1	39,605.6	29,814.9
<b>4</b>	<b>Segment Policy Liabilities:</b>					
1	Segment A - Par life	77,485.4	62,188.6	48,003.4	40,136.8	35,752.6
2	Segment B - Par pension	11,150.6	18,312.5	18,022.5	19,256.9	19,253.2
3	Segment C - Non Par	101,281.0	81,452.4	56,380.8	34,672.2	15,392.8
4	Segment D - Annuity Non Par	21,186.0	20,397.0	17,486.9	14,344.7	11,448.3
5	Segment E - Health	321.9	542.1	631.1	822.1	117.3
6	Segment F - Linked Life	521,128.9	469,425.2	342,082.8	298,742.6	294,106.4
7	Segment G - Linked Pension	168,927.3	212,736.9	203,943.1	223,122.7	238,750.3
8	Segment H - Linked Health	7,634.7	7,481.0	5,182.9	3,970.4	2,883.7
9	Segment I - Linked Group	63,286.3	65,394.7	59,475.7	57,358.5	51,039.6
10	Shareholders	53,234.9	52,642.8	43,834.1	39,605.6	29,814.9

**Annexure IX: Restated consolidated Statement of Premium income**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
First year premiums	49,243.8	45,731.7	32,851.7	41,841.3	36,449.2
Renewal premiums	123,986.4	99,744.9	86,690.6	87,296.2	95,804.8
Single premiums	18,413.7	7,589.6	4,744.2	6,244.9	7,961.7
<b>Total Premium</b>	<b>191,643.9</b>	<b>153,066.2</b>	<b>124,286.5</b>	<b>135,382.4</b>	<b>140,215.7</b>
<b>Premium Income from business written:</b>					
In India	191,643.9	153,066.2	124,286.5	135,382.4	140,215.7
Outside India	-	-	-	-	-
<b>Total Premium</b>	<b>191,643.9</b>	<b>153,066.2</b>	<b>124,286.5</b>	<b>135,382.4</b>	<b>140,215.7</b>

Annexure X: Restated consolidated Statement of Commission Expenses

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Commission</b>					
Direct – First year premiums	3,744.1	3,541.3	4,697.2	6,304.6	4,814.0
– Renewal premiums	2,402.3	1,973.3	1,561.6	1,339.6	1,202.9
– Single premiums	53.4	17.1	16.0	10.0	37.8
<b>Total</b>	<b>6,199.8</b>	<b>5,531.7</b>	<b>6,274.8</b>	<b>7,654.2</b>	<b>6,054.7</b>
Add: Commission on re-insurance accepted	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-
<b>Net Commission</b>	<b>6,199.8</b>	<b>5,531.7</b>	<b>6,274.8</b>	<b>7,654.2</b>	<b>6,054.7</b>
<b>Break-up of the commission by distribution network</b>					
Individual agents	1,630.1	1,474.3	1,891.8	2,770.2	2,674.0
Corporate agents	4,181.7	3,682.4	3,857.2	4,043.8	2,724.9
Brokers	388.0	375.0	525.8	840.2	656.8
Referral	-	-	-	-	(1.0)
<b>Total Commission</b>	<b>6,199.8</b>	<b>5,531.7</b>	<b>6,274.8</b>	<b>7,654.2</b>	<b>6,054.7</b>

**Annexure XI: Restated consolidated Statement of Operating Expenses related to Insurance business**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Employees' remuneration and welfare benefits	7,350.1	6,832.5	7,126.7	7,691.4	7,638.9
Travel, conveyance and vehicle running expenses	401.8	346.1	339.8	375.4	285.3
Agents training, recruitment and incentives	1,080.1	973.7	650.9	1,668.5	2,022.2
Rents, rates and taxes	962.6	888.6	963.1	1,130.8	1,299.5
Repairs	329.2	284.2	284.5	308.7	302.8
Printing and stationery	41.6	75.6	80.4	136.2	51.5
Communication expenses	596.1	639.5	607.9	672.9	581.7
Legal and professional charges	433.2	441.9	564.0	391.4	426.9
Medical fees	81.9	23.6	19.6	34.9	104.2
Auditors' fees, expenses etc.:					
(a) as auditor	13.4	11.8	11.9	10.6	13.9
(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)	-	-	0.2	0.2	-
Advertisement and publicity	964.4	578.6	1,160.4	1,372.3	1,263.8
Interest and bank charges	119.0	168.4	147.7	136.0	158.0
<b>Others</b>					
Administration support expenses	4,527.9	3,443.7	2,272.0	999.7	1,326.6
Business conferences and meetings	441.7	548.3	368.3	547.8	383.8
Information technology cost	491.5	391.3	364.7	321.6	313.2
Office running expenses	247.5	261.6	325.8	319.6	417.6
Data entry related expenses	126.4	126.3	166.5	220.8	251.7
Miscellaneous expenses	181.5	117.3	183.7	88.8	150.1
Depreciation	455.3	396.0	468.2	409.6	555.8
Service tax expenses	38.1	(5.7)	55.4	293.8	185.6
<b>Total</b>	<b>18,883.3</b>	<b>16,543.3</b>	<b>16,161.7</b>	<b>17,131.0</b>	<b>17,733.1</b>

**Annexure XIA: Restated consolidated Statement of Expenses other than those directly related to the Insurance business**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Employees' remuneration and welfare benefits	118.9	158.5	89.3	35.4	14.4
Travel, conveyance and vehicle running expenses	0.3	0.3	1.4	-	0.1
Rent, rates and taxes	1.5	2.4	4.3	0.4	-
Printing and stationery	-	-	-	-	-
Communication expenses	0.1	-	0.7	-	0.1
Legal and professional charges	2.0	1.8	1.8	10.2	7.6
Interest and bank charges	0.6	1.0	0.9	1.6	1.8
Information technology cost	1.3	1.5	1.6	1.0	0.9
CSR expenses	199.1	310.6	-	-	-
Others	14.9	4.0	49.2	26.9	1.5
Depreciation	0.5	1.0	1.3	1.1	0.9
<b>Total</b>	<b>339.2</b>	<b>481.1</b>	<b>150.5</b>	<b>76.6</b>	<b>27.3</b>

**Annexure XII: Restated consolidated Statement of Benefits Paid (net)**

(Amount in ₹ million)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Insurance claims</b>					
Claims by death	4,765.8	4,045.8	3,660.5	3,197.5	2,667.4
Claims by maturity	4,907.4	3,150.6	2,034.3	1,439.1	950.6
Annuities/Pension payment	1,270.9	1,126.6	952.4	799.5	658.0
Other benefits					
- Surrender/Withdrawal	112,067.3	113,096.6	113,065.8	126,926.5	79,763.1
- Survival	1,463.3	1,380.4	1,166.1	651.7	554.1
- Rider	90.9	92.3	93.2	91.6	101.4
- Health	735.8	659.5	601.0	568.4	475.2
- Interest on unclaimed amounts	92.2	-	-	-	-
<b>Sub Total (A)</b>	<b>125,393.6</b>	<b>123,551.8</b>	<b>121,573.3</b>	<b>133,674.3</b>	<b>85,169.8</b>
<b>(Amount ceded in reinsurance)</b>					
Claims by death	(994.6)	(765.3)	(543.1)	(528.2)	(386.4)
Claims by maturity	-	-	-	-	-
Annuities/Pension payment	-	-	-	-	-
Other benefits					
- Surrender/Withdrawal	-	-	-	-	-
- Survival	-	-	-	-	-
- Rider	-	-	-	-	-
- Health	(338.4)	(303.0)	(290.6)	(267.3)	(231.4)
<b>Sub Total (B)</b>	<b>(1,333.0)</b>	<b>(1,068.3)</b>	<b>(833.7)</b>	<b>(795.5)</b>	<b>(617.8)</b>
Amount accepted in reinsurance					
Claims by death	-	-	-	-	-
Claims by maturity	-	-	-	-	-
Annuities/Pension payment	-	-	-	-	-
Other benefits	-	-	-	-	-
<b>Sub Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B) + (C)</b>	<b>124,060.6</b>	<b>122,483.5</b>	<b>120,739.6</b>	<b>132,878.8</b>	<b>84,552.0</b>
<b>Benefits paid to claimants:</b>					
In India	125,393.6	123,551.8	121,573.3	133,674.3	85,169.8
Outside India	-	-	-	-	-
<b>Total</b>	<b>125,393.6</b>	<b>123,551.8</b>	<b>121,573.3</b>	<b>133,674.3</b>	<b>85,169.8</b>



**Annexure XIII: Restated consolidated Statement of Share Capital**

(Amount in ` million)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Authorised capital</b>					
1,500,000,000 Equity shares of ` 10/- each	15,000.0	15,000.0	15,000.0	15,000.0	15,000.0
<b>Issued, subscribed and called-up capital</b>					
1,432,319,348 Equity shares of ` 10/- each fully paid up (Previous years: March 31, 2015: 1,431,716,991 Equity shares, March 31, 2014: 1,429,255,687 Equity shares, March 31, 2013: 1,428,939,249 Equity shares, March 31, 2012: 1,428,849,124 Equity shares)	14,323.2	14,317.2	14,292.6	14,289.4	14,288.5
<b>Total</b>	<b>14,323.2</b>	<b>14,317.2</b>	<b>14,292.6</b>	<b>14,289.4</b>	<b>14,288.5</b>

Out of the total equity share capital, 969,157,662 equity shares (March 31, 2015 - 1,055,310,907 equity shares, March 31, 2014 - 1,055,310,907 equity shares, March 31, 2013 - 1,055,310,907 equity shares, March 31, 2012 - 1,055,310,907 equity shares) of ` 10 each are held by the holding company, ICICI Bank Limited.

**Annexure XIII A: Restated consolidated Statement of Pattern of Shareholding**

[As certified by the Management]

Shareholder	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Promoters					
Indian (ICICI Bank Limited)	969,157,662	1,055,310,907	1,055,310,907	1,055,310,907	1,055,310,907
Foreign (Prudential Corporation Holdings Limited)	370,784,884	370,784,884	370,784,884	370,784,884	370,784,884
Others	92,376,802	5,621,200	3,159,896	2,843,458	2,753,333
<b>Total</b>	<b>1,432,319,348</b>	<b>1,431,716,991</b>	<b>1,429,255,687</b>	<b>1,428,939,249</b>	<b>1,428,849,124</b>

**Annexure XIV: Restated consolidated Statement of Reserves and Surplus**

(Amount in ` millions)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Capital reserves	-	-	-	-	-
Capital redemption reserve	-	-	-	-	-
Share premium	33,897.4	33,838.4	33,663.8	33,645.1	33,639.5
Revaluation reserve	9.9	-	-	-	-
General reserve					
Opening balance	-	4,446.8	2,880.1	1,384.2	-
Add: Transfer from/(to) Profit and Loss <sup>1</sup>	-	(4,446.8)	1,566.7	1,495.9	1,384.2
Closing balance	-	-	4,446.8	2,880.1	1,384.2
Less: Debit balance in Profit and Loss Account	-	-	(4,446.8)	(2,880.1)	(1,384.2)
Less: Amount utilized for buy-back	-	-	-	-	-
Catastrophe reserve	-	-	-	-	-
Other reserves	-	-	-	-	-
Balance of profit in Profit and Loss Account	2,494.7	446.3	-	-	-
<b>Total</b>	<b>36,402.0</b>	<b>34,284.7</b>	<b>33,663.8</b>	<b>33,645.1</b>	<b>33,639.5</b>

1. Credit balance of General reserve has been adjusted against Debit balance in Profit and Loss Account

**Annexure XV: Restated consolidated Statement of Borrowings****(Amount in ` millions)**

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Debentures/Bonds	-	-	-	-	-
Banks	-	-	-	-	-
Financial Institutions	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

**Annexure XVI: Restated consolidated Statement of Investments- Shareholders**

(Amount in ` millions)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>LONG TERM INVESTMENT</b>					
<b>Government securities</b>	24,864.4	22,149.5	12,475.2	13,207.9	2,653.1
(Market value at March 31, 2016: ` 25,546.7 Mn)					
(Market value at March 31, 2015: ` 23,505.6 Mn)					
(Market value at March 31, 2014: ` 12,136.1 Mn)					
(Market value at March 31, 2013: ` 13,265.6 Mn)					
(Market value at March 31, 2012: ` 2,607.9 Mn)					
<b>Other approved securities</b>	3,646.7	649.9	1,702.7	2,203.8	1,205.2
(Market value at March 31, 2016: ` 3,713.7 Mn)					
(Market value at March 31, 2015: ` 700.4 Mn)					
(Market value at March 31, 2014: ` 1,721.8 Mn)					
(Market value at March 31, 2013: ` 2,210.7 Mn)					
(Market value at March 31, 2012: ` 1,178.1 Mn)					
<b>Other approved investments</b>					
<b>Equity shares</b>	7,545.8	8,740.1	7,840.1	6,699.2	4,131.5
(Historical value at March 31, 2016: ` 5,192.6 Mn)					
(Historical value at March 31, 2015: ` 4,999.8 Mn)					
(Historical value at March 31, 2014: ` 5,998.8 Mn)					
(Historical value at March 31, 2013: ` 6,230.7 Mn)					
(Historic value at March 31, 2012: ` 3,932.2 Mn)					
<b>Preference shares</b>	301.7	286.6	-	-	-
(Market value at March 31, 2016: ` 331.3 Mn)					
(Market value at March 31, 2015: ` 294.5 Mn)					
(Market value at March 31, 2014: ` Nil)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` Nil)					
<b>Debentures/Bonds</b>	2,823.1	3,956.1	4,352.1	4,328.0	3,342.9
(Market value at March 31, 2016: ` 2,924.7 Mn)					
(Market value at March 31, 2015: ` 4,093.6 Mn)					
(Market value at March 31,					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
2014: ₹ 4,343 Mn)					
(Market value at March 31, 2013: ₹ 4,409.9 Mn)					
(Market value at March 31, 2012: ₹ 3,372.9 Mn)					
CCIL deposit	70.0	70.0	70.0	60.0	60.0
(Market value at March 31, 2016: ₹ 70 Mn)					
(Market value at March 31, 2015: ₹ 70 Mn)					
(Market value at March 31, 2014: ₹ 70 Mn)					
(Market value at March 31, 2013: ₹ 60 Mn)					
(Market value at March 31, 2012: ₹ 60 Mn)					
Fixed deposits	878.8	1,207.3	1,141.2	3,162.8	1,736.0
(Market value at March 31, 2016: ₹ 878.8 Mn)					
(Market value at March 31, 2015: ₹ 1207.3 Mn)					
(Market value at March 31, 2014: ₹ 1141.2 Mn)					
(Market value at March 31, 2013: ₹ 3162.8 Mn)					
(Market value at March 31, 2012: ₹ 1736 Mn)					
Property	713.5	703.6	-	-	-
(Historical value at March 31, 2016: ₹ 703.6 Mn)					
(Historical value at March 31, 2015: ₹ 703.6 Mn)					
(Historical value at March 31, 2014: ₹ Nil)					
(Historical value at March 31, 2013: ₹ Nil)					
(Historical value at March 31, 2012: ₹ Nil)					
<b>Investments in infrastructure / housing sector</b>					
<b>Other approved Investments</b>					
Debentures/Bonds	6,381.1	8,520.3	7,895.5	8,613.9	5,024.4
(Market value at March 31, 2016: ₹ 6,683.6 Mn)					
(Market value at March 31, 2015: ₹ 8,870.9 Mn)					
(Market value at March 31, 2014: ₹ 7,751.8 Mn)					
(Market value at March 31, 2013: ₹ 8,730.4 Mn)					
(Market value at March 31, 2012: ₹ 5,025.8 Mn)					
Equity shares	1,367.5	339.2	306.5	444.3	226.1
(Historical value at March 31,					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
2016: ₹ 1,174.2 Mn)					
(Historical value at March 31, 2015: ₹ 271.7 Mn)					
(Historical value at March 31, 2014: ₹ 328 Mn)					
(Historical value at March 31, 2013: ₹ 450.2 Mn)					
(Historic value at March 31, 2012: ₹ 220.1 Mn)					
<b>Other investments</b>					
Debentures/Bonds	-	100.0	-	-	-
(Market value at March 31, 2016: ₹ Nil)					
(Market value at March 31, 2015: ₹ 108.4 Mn)					
(Market value at March 31, 2014: ₹ Nil)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ Nil)					
Equity shares	189.1	887.9	-	-	-
(Historical value at March 31, 2016: ₹ 226.9 Mn)					
(Historical value at March 31, 2015: ₹ 666.7 Mn)					
(Historical value at March 31, 2014: ₹ Nil)					
(Historical value at March 31, 2013: ₹ Nil)					
(Historical value at March 31, 2012: ₹ Nil)					
<b>Other investments</b>					
Debentures/Bonds	1,371.0	1,400.0	1,000.0	612.8	362.9
(Market value at March 31, 2016: ₹ 1,427.3 Mn)					
(Market value at March 31, 2015: ₹ 1,500.2 Mn)					
(Market value at March 31, 2014: ₹ 1,051.6 Mn)					
(Market value at March 31, 2013: ₹ 655.6 Mn)					
(Market value at March 31, 2012: ₹ 373.4 Mn)					
Equity shares	21.7	21.7	687.2	568.3	217.7
(Historical value at March 31, 2016: ₹ 21.7 Mn)					
(Historical value at March 31, 2015: ₹ 21.7 Mn)					
(Historical value at March 31, 2014: ₹ 647.1 Mn)					
(Historical value at March 31, 2013: ₹ 553.4 Mn)					
(Historic value at March 31, 2012: ₹ 215.5 Mn)					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>SHORT TERM INVESTMENT</b>					
<b>Government securities</b>	-	2.9	1,844.6	575.2	2,620.0
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` 2.9 Mn)					
(Market value at March 31, 2014: ` 1,844.4 Mn)					
(Market value at March 31, 2013: ` 575.2 Mn)					
(Market value at March 31, 2012: ` 2,618 Mn)					
<b>Other approved securities</b>	-	1.7	0.5	-	699.5
(Market value at March 31, 2016: ` Nil)					
(Market value at March 31, 2015: ` 1.7 Mn)					
(Market value at March 31, 2014: ` 0.5 Mn)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` 694.5 Mn)					
<b>Other approved investments</b>					
<b>Debentures/Bonds</b>	917.9	922.1	449.7	470.3	848.1
(Market value at March 31, 2016: ` 924.5 Mn)					
(Market value at March 31, 2015: ` 937.5 Mn)					
(Market value at March 31, 2014: ` 447.5 Mn)					
(Market value at March 31, 2013: ` 471.2 Mn)					
(Market value at March 31, 2012: ` 853.6 Mn)					
<b>Fixed deposits</b>	1,659.2	2,568.9	5,186.0	3,601.2	3,856.2
(Market value at March 31, 2016: ` 1,659.2 Mn)					
(Market value at March 31, 2015: ` 2,568.9 Mn)					
(Market value at March 31, 2014: ` 5,186 Mn)					
(Market value at March 31, 2013: ` 3,601.2 Mn)					
(Market value at March 31, 2012: ` 3,856.2 Mn)					
<b>Certificate of deposits</b>	3,379.2	2,617.1	4,863.3	3,782.8	3,417.7
(Market value at March 31, 2016: ` 3,379.2 Mn)					
(Market value at March 31, 2015: ` 2,617.1 Mn)					
(Market value at March 31,					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
2014: ₹ 4,863.5 Mn)					
(Market value at March 31, 2013: ₹ 3,783.2 Mn)					
(Market value at March 31, 2012: ₹ 3,418.4 Mn)					
Commercial Papers	-	-	1,197.4	-	95.9
(Market value at March 31, 2016: ₹ Nil)					
(Market value at March 31, 2015: ₹ Nil)					
(Market value at March 31, 2014: ₹ 1,197.4 Mn)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ 96.0 Mn)					
Collateralized borrowing and lending obligation	-	-	80.2	-	1,002.0
(Market value at March 31, 2016: ₹ Nil)					
(Market value at March 31, 2015: ₹ Nil)					
(Market value at March 31, 2014: ₹ 80.2 Mn)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ 1,002.0 Mn)					
Reverse Repo	-	-	-	-	231.8
(Market value at March 31, 2016: ₹ Nil)					
(Market value at March 31, 2015: ₹ Nil)					
(Market value at March 31, 2014: ₹ Nil)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ 231.8 Mn)					
Mutual fund	-	417.8	-	0.3	641.0
(Historical value at March 31, 2016: ₹ Nil)					
(Historical value at March 31, 2015: ₹ 417.8 Mn)					
(Historical value at March 31, 2014: ₹ Nil)					
(Historical value at March 31, 2013: ₹ 0.3 Mn)					
(Historical value at March 31, 2012: ₹ 640.8 Mn)					
Mutual fund investment of subsidiaries	-	-	39.5	12.1	13.0
(Market value at March 31, 2016: ₹ Nil)					
(Market value at March 31, 2015: ₹ Nil)					



Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(Market value at March 31, 2014: ₹ 43 Mn)					
(Market value at March 31, 2013: ₹ 12.3 Mn)					
(Market value at March 31, 2012: ₹ 13 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved Investments</b>					
Debentures/Bonds	1,569.5	2,143.2	840.1	835.4	1,702.1
(Market value at March 31, 2016: ₹ 1579.9 Mn)					
(Market value at March 31, 2015: ₹ 2218.3 Mn)					
(Market value at March 31, 2014: ₹ 839.3 Mn)					
(Market value at March 31, 2013: ₹ 836.5 Mn)					
(Market value at March 31, 2012: ₹ 1695.4 Mn)					
Commercial papers	3,225.7	838.1	-	-	670.4
(Market value at March 31, 2016: ₹ 3225.7 Mn)					
(Market value at March 31, 2015: ₹ 838.1 Mn)					
(Market value at March 31, 2014: ₹ Nil)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ 670.7 Mn)					
Certificate of deposits	701.7	-	-	-	-
(Market value at March 31, 2016: ₹ 701.7 Mn)					
(Market value at March 31, 2015: ₹ 838.1 Mn)					
(Market value at March 31, 2014: ₹ Nil)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ Nil)					
<b>Other investments</b>					
Debentures/Bonds	250.0	-	14.3	-	-
(Market value at March 31, 2016: ₹ 255.6 Mn)					
(Market value at March 31, 2015: ₹ Nil)					
(Market value at March 31, 2014: ₹ 14.2 Mn)					
(Market value at March 31, 2013: ₹ Nil)					
(Market value at March 31, 2012: ₹ Nil)					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Mutual fund	245.9	-	1,496.8	-	-
(Historical value at March 31, 2016: ` 245.9 Mn)					
(Historical value at March 31, 2015: ` Nil)					
(Historical value at March 31, 2014: ` 1496 Mn)					
(Historical value at March 31, 2013: ` Nil)					
(Historical value at March 31, 2012: ` Nil)					
Mutual fund investment of subsidiaries	0.5	8.0	-	-	-
(Market value at March 31, 2016: ` 0.5 Mn)					
(Market value at March 31, 2015: ` 8.4 Mn)					
(Market value at March 31, 2014: ` Nil)					
(Market value at March 31, 2013: ` Nil)					
(Market value at March 31, 2012: ` Nil)					
<b>Total</b>	<b>62,124.0</b>	<b>58,552.0</b>	<b>53,482.9</b>	<b>49,178.3</b>	<b>34,757.5</b>
In India	62,124.0	58,552.0	53,482.9	49,178.3	34,757.5
<b>Total</b>	<b>62,124.0</b>	<b>58,552.0</b>	<b>53,482.9</b>	<b>49,178.3</b>	<b>34,757.5</b>

1. Includes securities under Section 7 of Insurance Act, 1938 as below:

(Amount in ` millions)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Book value	-	111.0	102.3	104.6	209.4
Market value	-	106.1	102.2	104.3	208.0

2. Includes government securities deposited with Clearing Corporation of India Limited (CCIL) as below:

(Amount in ` millions)

For Settlement Guarantee Fund (SGF) deposit	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Book value	927.4	953.1	-	-	-
Market value	968.3	1,037.6	-	-	-

3. Includes fixed deposit deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited towards margin requirement for equity trade settlement

(Amount in ` millions)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>a. National Securities Clearing Corporation Limited</b>					
Book value	1,050.0	1,050.2	1,050.2	1,050.1	1,050.0
Market value	1,050.0	1,050.2	1,050.2	1,050.1	1,050.0

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>b. Indian Clearing Corporation Limited</b>					
Book value	99.0	299.0	300.1	100.0	100.0
Market value	99.0	299.0	300.1	100.0	100.0

4. Includes Fixed deposit deposited with:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>a. State Bank of Travancore as a security towards guarantee issued by the bank on behalf of the ICICI Prudential Pension Funds Management Company Limited in favour of PFRDA</b>					
Book value	1.0	1.0	1.0	9.7	-
Market value	1.0	1.0	1.0	9.7	-
<b>b. National Securities Clearing Corporation Limited towards margin requirement for equity trade settlement of Scheme E Tier I and II of ICICI Prudential Pension Funds Management Company Limited issued of in favour of National Securities Clearing Corporation Limited.</b>					
Book value	2.5	2.5	2.5	-	-
Market value	2.5	2.5	2.5	-	-

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

(Amount in ` millions)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	52,040.0	47,433.7	43,113.0	42,887.9	29,528.2
Market value of above Investments	53,302.0	49,535.3	42,688.7	42,463.6	29,490.8
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary and investment in property (at Historical cost)	7,835.3	7,359.4	8,818.8	8,739.8	5,131.6

6. For Investment in holding company and other related entities - Refer related party disclosure.
7. Investments made out of Catastrophe reserve is ` Nil as on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012
8. 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.

**Annexure XVIIA: Restated consolidated Statement of Investments- Policyholders**

(Amount in ` millions)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>LONG TERM INVESTMENT</b>					
<b>Government securities<sup>1</sup></b>	123,073.4	103,055.2	65,360.2	42,288.1	31,976.4
(Market value as at March 31, 2016: ` 126,223.8 Mn)					
(Market value as at March 31, 2015: ` 107,523.3 Mn)					
(Market value as at March 31, 2014: ` 61,316.5 Mn)					
(Market value as at March 31, 2013: ` 42,172.0 Mn)					
(Market value as at March 31, 2012: ` 30,417.1 Mn)					
<b>Other approved securities</b>	9,761.0	7,194.7	10,655.8	15,458.7	11,707.2
(Market value as at March 31, 2016: ` 9,952.1 Mn)					
(Market value as at March 31, 2015: ` 7,466.6 Mn)					
(Market value as at March 31, 2014: ` 10,229.7 Mn)					
(Market value as at March 31, 2013: ` 15,640.5 Mn)					
(Market value as at March 31, 2012: ` 11,371.8 Mn)					
<b>Other approved investments</b>					
<b>Equity shares</b>	28,517.9	22,489.3	12,595.5	7,799.7	4,647.5
(Historical value as at March 31, 2016: ` 19,490.9 Mn)					
(Historical value as at March 31, 2015: ` 11,397.3 Mn)					
(Historical value as at March 31, 2014: ` 7,883.3 Mn)					
(Historical value as at March 31, 2013: ` 5,295.1 Mn)					
(Historical value as at March 31, 2012: ` 2,529.1 Mn)					
<b>Preference shares</b>	93.8	87.3	9.3	-	-
(Market value as at March 31, 2016: ` 110.3 Mn)					
(Market value as at March 31, 2015: ` 98.0 Mn)					
(Market value as at March 31, 2014: ` 18.5 Mn)					
(Market value as at March 31, 2013: ` Nil)					
(Market value as at March 31, 2012: ` Nil)					
<b>Debentures/Bonds</b>	7,217.1	12,366.0	13,521.6	9,551.9	5,658.0
(Market value as at March 31, 2016: ` 7,453.4 Mn)					
(Market value as at March 31, 2015: ` 12,725.5 Mn)					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(Market value as at March 31, 2014: ₹ 13,219.5 Mn)					
(Market value as at March 31, 2013: ₹ 9,693.5 Mn)					
(Market value as at March 31, 2012: ₹ 5,620.4 Mn)					
<b>Property</b>	1,840.0	1,825.0	854.4	890.0	890.0
(Historical value as at March 31, 2016: ₹ 1,263.0 Mn)					
(Historical value as at March 31, 2015: ₹ 1,263.0 Mn)					
(Historical value as at March 31, 2014: ₹ 185.5 Mn)					
(Historical value as at March 31, 2013: ₹ 185.5 Mn)					
(Historical value as at March 31, 2012: ₹ 185.5 Mn)					
<b>CCIL deposit</b>	0.1	0.1	0.1	0.1	0.1
(Market value as at March 31, 2016: ₹ 0.1 Mn)					
(Market value as at March 31, 2015: ₹ 0.1 Mn)					
(Market value as at March 31, 2014: ₹ 0.1 Mn)					
(Market value as at March 31, 2013: ₹ 0.1 Mn)					
(Market value as at March 31, 2012: ₹ 0.1 Mn)					
<b>Fixed deposits</b>	1,820.0	1,892.0	2,131.5	3,540.1	4,027.0
(Market value as at March 31, 2016: ₹ 1,820.0 Mn)					
(Market value as at March 31, 2015: ₹ 1,892.0 Mn)					
(Market value as at March 31, 2014: ₹ 2,131.5 Mn)					
(Market value as at March 31, 2013: ₹ 3,540.1 Mn)					
(Market value as at March 31, 2012: ₹ 4,027.0 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
<b>Equity shares</b>	3,384.8	1,316.1	1,838.7	972.7	115.7
(Historical value as at March 31, 2016: ₹ 2,763.7 Mn)					
(Historical value as at March 31, 2015: ₹ 1,028.2 Mn)					
(Historical value as at March 31, 2014: ₹ 1,896.2 Mn)					
(Historical value as at March 31, 2013: ₹ 1,054.4 Mn)					
(Historical value as at March 31, 2012: ₹ 123.8 Mn)					
<b>Debentures/Bonds</b>	24,840.8	24,889.6	19,499.1	18,293.0	14,835.0
(Market value as at March 31, 2016: ₹ 25,518.3 Mn)					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(Market value as at March 31, 2015: ₹ 25,709.1 Mn)					
(Market value as at March 31, 2014: ₹ 19,055.1 Mn)					
(Market value as at March 31, 2013: ₹ 18,485.7 Mn)					
(Market value as at March 31, 2012: ₹ 14,728.5 Mn)					
<b>Other investments</b>					
Equity shares	292.6	702.2	-	-	-
(Historical value as at March 31, 2016: ₹ 253.6 Mn)					
(Historical value as at March 31, 2015: ₹ 356.0 Mn)					
(Historical value as at March 31, 2014: ₹ Nil)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ Nil)					
Debentures/Bonds	210.0	210.0	-	-	-
(Market value as at March 31, 2016: ₹ 207.8 Mn)					
(Market value as at March 31, 2015: ₹ 206.9 Mn)					
(Market value as at March 31, 2014: ₹ Nil)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ Nil)					
<b>Other investments</b>					
Equity shares	130.8	37.2	593.1	637.9	316.1
(Historical value as at March 31, 2016: ₹ 105.6 Mn)					
(Historical value as at March 31, 2015: ₹ 8.5 Mn)					
(Historical value as at March 31, 2014: ₹ 456.6 Mn)					
(Historical value as at March 31, 2013: ₹ 583.4 Mn)					
(Historical value as at March 31, 2012: ₹ 223.9 Mn)					
Debentures/Bonds	2,001.1	138.7	387.8	127.4	171.0
(Market value as at March 31, 2016: ₹ 1,981.8 Mn)					
(Market value as at March 31, 2015: ₹ 138.1 Mn)					
(Market value as at March 31, 2014: ₹ 365.0 Mn)					
(Market value as at March 31, 2013: ₹ 127.4 Mn)					
(Market value as at March 31, 2012: ₹ 171.0 Mn)					
Venture fund	146.8	216.0	-	580.4	641.3

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
(Market value as at March 31, 2016: ₹ 156.9 Mn)					
(Market value as at March 31, 2015: ₹ 226.0 Mn)					
(Market value as at March 31, 2014: ₹ Nil)					
(Market value as at March 31, 2013: ₹ 590.8 Mn)					
(Market value as at March 31, 2012: ₹ 645.8 Mn)					
<b>SHORT TERM INVESTMENT</b>					
<b>Government securities</b>	20.5	499.1	1,003.0	1,983.6	1,013.6
(Market value as at March 31, 2016: ₹ 20.7 Mn)					
(Market value as at March 31, 2015: ₹ 499.1 Mn)					
(Market value as at March 31, 2014: ₹ 1,003.0 Mn)					
(Market value as at March 31, 2013: ₹ 1,983.6 Mn)					
(Market value as at March 31, 2012: ₹ 1,010.7 Mn)					
<b>Other approved securities</b>	22.1	0.4	369.2	-	100.0
(Market value as at March 31, 2016: ₹ 22.2 Mn)					
(Market value as at March 31, 2015: ₹ 0.4 Mn)					
(Market value as at March 31, 2014: ₹ 366.7 Mn)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ 99.5 Mn)					
<b>Other approved investments</b>					
<b>Debentures/Bonds</b>	2,047.1	460.4	607.8	630.2	635.0
(Market value as at March 31, 2016: ₹ 2,059.9 Mn)					
(Market value as at March 31, 2015: ₹ 474.6 Mn)					
(Market value as at March 31, 2014: ₹ 605.7 Mn)					
(Market value as at March 31, 2013: ₹ 629.9 Mn)					
(Market value as at March 31, 2012: ₹ 629.9 Mn)					
<b>Fixed deposits</b>	198.0	300.0	1,086.2	4,056.5	4,500.4
(Market value as at March 31, 2016: ₹ 198.0 Mn)					
(Market value as at March 31, 2015: ₹ 300.0 Mn)					
(Market value as at March 31, 2014: ₹ 1,086.2 Mn)					
(Market value as at March 31, 2013: ₹ 4,056.5 Mn)					
(Market value as at March 31,					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
2012: ₹ 4,500.4 Mn)					
Certificate of deposits	3,384.7	3,364.1	4,964.5	756.8	3,454.4
(Market value as at March 31, 2016: ₹ 3,384.7 Mn)					
(Market value as at March 31, 2015: ₹ 3,364.1 Mn)					
(Market value as at March 31, 2014: ₹ 4,964.5 Mn)					
(Market value as at March 31, 2013: ₹ 756.8 Mn)					
(Market value as at March 31, 2012: ₹ 3,454.4 Mn)					
Reverse repo	-	261.2	-	-	-
(Market value as at March 31, 2016: ₹ Nil)					
(Market value as at March 31, 2015: ₹ 261.2 Mn)					
(Market value as at March 31, 2014: ₹ Nil)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ Nil)					
Commercial Papers	-	-	-	-	143.9
(Market value as at March 31, 2016: ₹ Nil)					
(Market value as at March 31, 2015: ₹ Nil)					
(Market value as at March 31, 2014: ₹ Nil)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ 143.9 Mn)					
Collateralized borrowing and lending obligation	-	1,990.5	5.9	1,924.2	2,200.2
(Market value as at March 31, 2016: ₹ Nil)					
(Market value as at March 31, 2015: ₹ 1,990.5 Mn)					
(Market value as at March 31, 2014: ₹ 5.9 Mn)					
(Market value as at March 31, 2013: ₹ 1,924.2 Mn)					
(Market value as at March 31, 2012: ₹ 2,200.2 Mn)					
Mutual fund	1,051.5	1,894.1	2,090.9	2,104.8	2,344.5
(Historical value as at March 31, 2016: ₹ 1,051.5 Mn)					
(Historical value as at March 31, 2015: ₹ 1,894.1 Mn)					
(Historical value as at March 31, 2014: ₹ 2,089.8 Mn)					
(Historical value as at March 31, 2013: ₹ 2,104.3 Mn)					
(Historical value as at March					



Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
31, 2012: ₹ 2,343.7 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Debentures/Bonds	1,428.2	1,605.6	2,310.9	585.3	1,550.5
(Market value as at March 31, 2016: ₹ 1,433.6 Mn)					
(Market value as at March 31, 2015: ₹ 1,629.6 Mn)					
(Market value as at March 31, 2014: ₹ 2,306.0 Mn)					
(Market value as at March 31, 2013: ₹ 585.4 Mn)					
(Market value as at March 31, 2012: ₹ 1,546.3 Mn)					
Certificate of deposits	187.1	-	-	-	-
(Market value as at March 31, 2016: ₹ 187.1 Mn)					
(Market value as at March 31, 2015: ₹ Nil)					
(Market value as at March 31, 2014: ₹ Nil)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ Nil)					
Commercial papers	2,703.6	1,704.2	922.0	589.0	116.6
(Market value as at March 31, 2016: ₹ 2,703.6 Mn)					
(Market value as at March 31, 2015: ₹ 1,704.2 Mn)					
(Market value as at March 31, 2014: ₹ 922.0 Mn)					
(Market value as at March 31, 2013: ₹ 589.0 Mn)					
(Market value as at March 31, 2012: ₹ 116.6 Mn)					
<b>Other investments</b>					
Debentures/Bonds	50.8	-	-	-	-
(Market value as at March 31, 2016: ₹ 48.6 Mn)					
(Market value as at March 31, 2015: ₹ Nil)					
(Market value as at March 31, 2014: ₹ Nil)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ Nil)					
Venture fund	74.7	80.5	529.8	-	-
(Market value as at March 31, 2016: ₹ 76.3 Mn)					
(Market value as at March 31, 2015: ₹ 89.7 Mn)					
(Market value as at March 31,					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
2014: ₹ 538.0 Mn)					
(Market value as at March 31, 2013: ₹ Nil)					
(Market value as at March 31, 2012: ₹ Nil)					
Mutual fund	657.7	-	3,088.8	-	-
(Historical value as at March 31, 2016: ₹ 657.7 Mn)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ 3,087.0 Mn)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ Nil)					
<b>Total</b>	<b>215,156.2</b>	<b>188,579.5</b>	<b>144,426.1</b>	<b>112,770.4</b>	<b>91,044.4</b>
In India	215,156.2	188,579.5	144,426.1	112,770.4	91,044.4
<b>Total</b>	<b>215,156.2</b>	<b>188,579.5</b>	<b>144,426.1</b>	<b>112,770.4</b>	<b>91,044.4</b>

1. Government securities deposited with Clearing Corporation of India Limited (CCIL) as below

(Amount in ₹ millions)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>a. For Settlement Guarantee Fund (SGF) deposit</b>					
Book value	498.4	475.8	1,322.1	794.9	842.3
Market value	519.2	518.8	1,227.2	807.4	831.5
<b>b. For trades in Collateralized borrowing and lending obligation segment</b>					
Book value	206.9	207.1	207.1	207.6	209.2
Market value	207.8	209.9	185.2	203.3	191.4

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

(Amount in ₹ millions)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Aggregate amount of Company's investments other than equity securities, mutual fund, investments in subsidiary, investment in property and derivative instruments	179,280.7	160,315.6	123,505.7	100,365.2	82,730.7
Market value of above Investments	183,559.2	166,299.0	118,134.3	100,775.4	80,683.9
Aggregate amount of Company's investments in Mutual Fund, Equity and investments in subsidiary	25,586.1	15,947.1	15,598.5	9,222.7	5,406.1

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
and investment in property (at Historical cost)					

3. For Investment in holding company and other related entities - Refer related party disclosure.
4. Investments made out of Catastrophe reserve is ` Nil as on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012
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.

**Annexure XVIB: Restated consolidated Statement of Assets held to cover linked liabilities**

(Amount in ` millions)

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<b><u>LONG TERM INVESTMENTS</u></b>					
<b>Government securities</b>	117,536.8	119,941.9	51,241.9	45,961.5	11,925.9
(Historical value as at March 31, 2016: ` 115,375.0 Mn)					
(Historical value as at March 31, 2015: ` 117,389.9 Mn)					
(Historical value as at March 31, 2014: ` 51,912.5 Mn)					
(Historical value as at March 31, 2013: ` 45,950.0 Mn)					
(Historical value as at March 31, 2012: ` 12,085.3 Mn)					
<b>Other approved securities</b>	11,335.8	462.3	7,942.6	1,080.8	200.5
(Historical value as at March 31, 2016: ` 11,276.2 Mn)					
(Historical value as at March 31, 2015: ` 439.3 Mn)					
(Historical value as at March 31, 2014: ` 7,845.6 Mn)					
(Historical value as at March 31, 2013: ` 1,076.6 Mn)					
(Historical value as at March 31, 2012: ` 205.7 Mn)					
<b>Other approved investments</b>					
<b>Equity shares</b>	358,100.7	382,517.9	302,711.7	295,259.3	328,938.2
(Historical value as at March 31, 2016: ` 290,082.9 Mn)					
(Historical value as at March 31, 2015: ` 255,387.2 Mn)					
(Historical value as at March 31, 2014: ` 227,354.4 Mn)					
(Historical value as at March 31, 2013: ` 247,847.5 Mn)					
(Historical value as at March 31, 2012: ` 292,598.0 Mn)					
<b>Preference shares</b>	832.9	740.3	186.9	-	-
(Historical value as at March 31, 2016: ` 676.5 Mn)					
(Historical value as at March 31, 2015: ` 605.6 Mn)					
(Historical value as at March 31, 2014: ` 110.8 Mn)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Debentures/Bonds</b>	15,448.9	19,699.3	22,609.4	24,672.4	21,674.9
(Historical value as at March 31, 2016: ` 15,011.6 Mn)					

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
(Historical value as at March 31, 2015: ` 19,033.9 Mn)					
(Historical value as at March 31, 2014: ` 22,657.9 Mn)					
(Historical value as at March 31, 2013: ` 24,221.9 Mn)					
(Historical value as at March 31, 2012: ` 21,507.4 Mn)					
<b>Fixed deposits</b>	5,851.1	6,964.1	7,485.4	19,060.9	14,779.6
(Historical value as at March 31, 2016: ` 5,851.1 Mn)					
(Historical value as at March 31, 2015: ` 6,964.1 Mn)					
(Historical value as at March 31, 2014: ` 7,485.4 Mn)					
(Historical value as at March 31, 2013: ` 19,060.9 Mn)					
(Historical value as at March 31, 2012: ` 14,779.6 Mn)					
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
<b>Equity shares</b>	59,336.7	20,496.5	29,933.7	33,084.7	24,670.4
(Historical value as at March 31, 2016: ` 57,743.5 Mn)					
(Historical value as at March 31, 2015: ` 17,012.0 Mn)					
(Historical value as at March 31, 2014: ` 35,625.9 Mn)					
(Historical value as at March 31, 2013: ` 38,053.8 Mn)					
(Historical value as at March 31, 2012: ` 28,046.8 Mn)					
<b>Debentures/Bonds</b>	29,646.8	17,598.6	29,095.4	35,686.1	32,238.6
(Historical value as at March 31, 2016: ` 29,042.1 Mn)					
(Historical value as at March 31, 2015: ` 16,908.6 Mn)					
(Historical value as at March 31, 2014: ` 29,094.6 Mn)					
(Historical value as at March 31, 2013: ` 35,196.0 Mn)					
(Historical value as at March 31, 2012: ` 32,275.8 Mn)					
<b>Other investments</b>					
<b>Equity shares</b>	9,408.8	32,294.4	-	-	-
(Historical value as at March 31, 2016: ` 12,482.1 Mn)					
(Historical value as at March 31, 2015: ` 26,483.7 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
(Historical value as at March 31, 2012: ` Nil)					
Debentures/Bonds	40.0	39.7	-	-	-
(Historical value as at March 31, 2016: ` 37.7 Mn)					
(Historical value as at March 31, 2015: ` 37.0 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Other investments</b>					
Equity shares	3,407.9	3,872.4	20,816.0	26,827.0	27,996.3
(Historical value as at March 31, 2016: ` 4,101.2 Mn)					
(Historical value as at March 31, 2015: ` 3,736.9 Mn)					
(Historical value as at March 31, 2014: ` 21,360.7 Mn)					
(Historical value as at March 31, 2013: ` 30,999.9 Mn)					
(Historical value as at March 31, 2012: ` 33,684.2 Mn)					
Debentures/Bonds	3,007.6	121.6	235.8	1,873.6	1,818.6
(Historical value as at March 31, 2016: ` 3,031.6 Mn)					
(Historical value as at March 31, 2015: ` 120.7 Mn)					
(Historical value as at March 31, 2014: ` 238.1 Mn)					
(Historical value as at March 31, 2013: ` 1,896.0 Mn)					
(Historical value as at March 31, 2012: ` 1,849.2 Mn)					
Mutual fund	2,343.2	2,199.1	-	-	-
(Historical value as at March 31, 2016: ` 2,513.3 Mn)					
(Historical value as at March 31, 2015: ` 2,292.9 Mn)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
Venture fund	-	-	-	16.3	15.9
(Historical value as at March 31, 2016: Nil)					
(Historical value as at March 31, 2015: Nil)					
(Historical value as at March 31, 2014: Nil)					
(Historical value as at March 31, 2012: Nil)					

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
31, 2013: ` 14.4 Mn)					
(Historical value as at March 31, 2012: ` 15.1 Mn)					
<b><u>SHORT TERM INVESTMENTS</u></b>					
Government securities	-	1,956.2	4,263.7	245.1	-
(Historical value as at March 31, 2016: Nil)					
(Historical value as at March 31, 2015: ` 1,951.7 Mn)					
(Historical value as at March 31, 2014: ` 4,219.2 Mn)					
(Historical value as at March 31, 2013: ` 245.1 Mn)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Other approved securities</b>	-	-	-	-	0.1
(Historical value as at March 31, 2016: ` Nil)					
(Historical value as at March 31, 2015: ` Nil)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` 0.1 Mn)					
<b>Other approved investments</b>					
Debentures/Bonds	4,557.3	5,576.9	4,760.9	5,236.6	5,829.6
(Historical value as at March 31, 2016: ` 4,546.5 Mn)					
(Historical value as at March 31, 2015: ` 5,521.5 Mn)					
(Historical value as at March 31, 2014: ` 4,741.2 Mn)					
(Historical value as at March 31, 2013: ` 5,099.1 Mn)					
(Historical value as at March 31, 2012: ` 5,869.2 Mn)					
Certificate of deposits	59,782.3	45,278.1	29,007.4	31,946.1	53,080.4
(Historical value as at March 31, 2016: ` 59,627.9 Mn)					
(Historical value as at March 31, 2015: ` 45,064.5 Mn)					
(Historical value as at March 31, 2014: ` 28,796.7 Mn)					
(Historical value as at March 31, 2013: ` 31,776.3 Mn)					
(Historical value as at March 31, 2012: ` 52,703.0 Mn)					
Commercial papers	7,192.5	5,559.9	12,151.2	1,649.9	1,460.9
(Historical value as at March 31, 2016: ` 7,107.3 Mn)					

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(Historical value as at March 31, 2015: ` 5,502.2 Mn)					
(Historical value as at March 31, 2014: ` 11,890.8 Mn)					
(Historical value as at March 31, 2013: ` 1,603.6 Mn)					
(Historical value as at March 31, 2012: ` 1,450.7 Mn)					
<b>Fixed deposits</b>	4,566.4	28,060.8	37,642.5	22,150.1	24,701.7
(Historical value as at March 31, 2016: ` 4,566.4 Mn)					
(Historical value as at March 31, 2015: ` 28,060.8 Mn)					
(Historical value as at March 31, 2014: ` 37,642.5 Mn)					
(Historical value as at March 31, 2013: ` 22,150.1 Mn)					
(Historical value as at March 31, 2012: ` 24,701.7 Mn)					
<b>Collateralized borrowing and lending obligation</b>	749.6	6.5	913.5	75.1	855.1
(Historical value as at March 31, 2016: ` 749.4 Mn)					
(Historical value as at March 31, 2015: ` 6.5 Mn)					
(Historical value as at March 31, 2014: ` 912.4 Mn)					
(Historical value as at March 31, 2013: ` 75.0 Mn)					
(Historical value as at March 31, 2012: ` 854.6 Mn)					
<b>Reverse repo</b>	-	-	-	-	3,485.4
(Historical value as at March 31, 2016: ` Nil)					
(Historical value as at March 31, 2015: ` Nil)					
(Historical value as at March 31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` 3,485.4 Mn)					
<b>Mutual fund</b>	4,782.8	5,652.4	2,888.3	3,710.2	3,484.4
(Historical value as at March 31, 2016: ` 4,782.8 Mn)					
(Historical value as at March 31, 2015: ` 5,652.4 Mn)					
(Historical value as at March 31, 2014: ` 2,886.5 Mn)					
(Historical value as at March 31, 2013: ` 3,709.2 Mn)					
(Historical value as at March 31, 2012: ` 3,483.2 Mn)					



Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Investments in infrastructure/housing sector</b>					
<b>Other approved investments</b>					
Debentures/Bonds	8,015.4	6,115.6	8,947.0	5,990.2	5,887.7
(Historical value as at March 31, 2016: ₹ 7,996.6 Mn)					
(Historical value as at March 31, 2015: ₹ 5,909.0 Mn)					
(Historical value as at March 31, 2014: ₹ 8,925.1 Mn)					
(Historical value as at March 31, 2013: ₹ 5,877.9 Mn)					
(Historical value as at March 31, 2012: ₹ 5,723.5 Mn)					
Certificate of deposits	11,234.1	-	-	-	475.4
(Historical value as at March 31, 2016: ₹ 11,180.9 Mn)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ Nil)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ 460.2 Mn)					
Commercial papers	16,961.1	23,707.1	15,492.9	5,378.9	3,488.0
(Historical value as at March 31, 2016: ₹ 16,646.9 Mn)					
(Historical value as at March 31, 2015: ₹ 23,375.6 Mn)					
(Historical value as at March 31, 2014: ₹ 15,045.6 Mn)					
(Historical value as at March 31, 2013: ₹ 5,268.1 Mn)					
(Historical value as at March 31, 2012: ₹ 3,380.0 Mn)					
<b>Other investments</b>					
Debentures/Bonds	90.9	-	1,129.0	-	205.4
(Historical value as at March 31, 2016: ₹ 90.7 Mn)					
(Historical value as at March 31, 2015: ₹ Nil)					
(Historical value as at March 31, 2014: ₹ 1,157.7 Mn)					
(Historical value as at March 31, 2013: ₹ Nil)					
(Historical value as at March 31, 2012: ₹ 183.6 Mn)					
Commercial papers	-	1,723.3	-	-	-
(Historical value as at March 31, 2016: ₹ Nil)					
(Historical value as at March 31, 2015: ₹ 1,720.1 Mn)					
(Historical value as at March 31, 2012: ₹ Nil)					

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
31, 2014: ` Nil)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Mutual fund</b>	7,542.2	5,463.7	2,297.2	1,803.7	1,159.7
(Historical value as at March 31, 2016: ` 7,542.2 Mn)					
(Historical value as at March 31, 2015: ` 5,463.7 Mn)					
(Historical value as at March 31, 2014: ` 2,295.7 Mn)					
(Historical value as at March 31, 2013: ` 1,803.2 Mn)					
(Historical value as at March 31, 2012: ` 1,159.3 Mn)					
<b>Venture Fund</b>	13.5	15.8	15.7	-	-
(Historical value as at March 31, 2016: ` 13.2 Mn)					
(Historical value as at March 31, 2015: ` 14.2 Mn)					
(Historical value as at March 31, 2014: ` 14.3 Mn)					
(Historical value as at March 31, 2013: ` Nil)					
(Historical value as at March 31, 2012: ` Nil)					
<b>Net current asset</b>	11,172.6	11,711.0	11,336.2	13,499.8	9,801.0
<b>Total</b>	<b>752,957.9</b>	<b>747,775.4</b>	<b>603,104.3</b>	<b>575,208.3</b>	<b>578,173.7</b>
<b>In India</b>	752,957.9	747,775.4	603,104.3	575,208.3	578,173.7
<b>Total</b>	<b>752,957.9</b>	<b>747,775.4</b>	<b>603,104.3</b>	<b>575,208.3</b>	<b>578,173.7</b>

- 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

Annexure XVII: Restated consolidated Statement of Loans

(Amount in ₹ millions)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Security-wise classifications</b>					
Secured	-	-	-	-	-
On mortgage of property					
(aa) In India	-	-	-	-	-
(bb) Outside India	-	-	-	-	-
On Shares, Bonds, Govt Securities, etc.	-	-	-	-	-
Loans against policies	442.7	201.1	119.1	87.5	95.7
Others	-	-	-	-	-
Unsecured	-	-	-	-	-
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>
<b>Borrower wise classification</b>					
Central and State Governments	-	-	-	-	-
Banks and Financial Institutions	-	-	-	-	-
Subsidiaries	-	-	-	-	-
Companies	-	-	-	-	-
Policyholders - Loans against policies	442.7	201.1	119.1	87.5	95.7
Others	-	-	-	-	-
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>
<b>Performance-wise classification</b>					
Loans classified as standard					
(aa) In India	442.7	201.1	119.1	87.5	95.7
(bb) Outside India	-	-	-	-	-
Non-standard loans less provisions					
(aa) In India	-	-	-	-	-
(bb) Outside India	-	-	-	-	-
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>
<b>Maturity-wise classification</b>					
Short-term	29.3	12.0	6.5	4.0	-
Long-term	413.4	189.1	112.6	83.5	95.7
<b>Total</b>	<b>442.7</b>	<b>201.1</b>	<b>119.1</b>	<b>87.5</b>	<b>95.7</b>

**Annexure XVIII: Restated consolidated Statement of Fixed Assets**

(Amount in ₹ millions)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Intangible assets</b>					
Goodwill	-	-	-	-	-
Software <sup>1</sup>	236.6	206.5	191.4	168.4	117.5
<b>Tangible assets</b>					
Freehold land	903.3	903.3	903.3	903.3	903.3
Improvements to leasehold property	340.6	364.6	272.3	305.8	443.4
Office buildings on freehold land	75.9	77.4	78.8	80.3	81.7
Furniture and fixtures	85.1	84.3	18.3	23.3	32.6
Information technology equipment	139.8	119.3	217.2	79.3	98.2
Motor vehicles	24.0	17.8	27.5	36.7	46.5
Office equipment	166.2	141.4	68.6	39.7	23.2
Communication networks	149.6	176.8	193.3	17.3	14.2
<b>Total</b>	<b>2,121.1</b>	<b>2,091.4</b>	<b>1,970.7</b>	<b>1,654.1</b>	<b>1,760.6</b>
Capital work in progress including capital advances	74.9	59.6	46.4	70.0	43.8
<b>Total</b>	<b>2,196.0</b>	<b>2,151.0</b>	<b>2,017.1</b>	<b>1,724.1</b>	<b>1,804.4</b>

1. All software are other than those generated internally.

**Annexure - XIX: Restated consolidated Statement of Cash and Bank Balances**

(Amount in ₹ millions)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Cash (including cheques, drafts and stamps)</b>	1,286.3	1,363.1	1,515.5	1,689.5	1,492.2
<b>Bank Balance</b>					
(a) Deposit Account:					
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-	-	-	-
(bb) Others	-	-	-	-	-
(b) Current accounts	716.0	1,191.7	418.9	1,558.2	1,348.5
(c) Others	-	-	-	-	-
<b>Money at call and short notice</b>					
(a) With Banks	-	-	-	-	-
(b) With other Institutions	-	-	-	-	-
<b>Others</b>	-	-	-	-	-
<b>Total</b>	<b>2,002.3</b>	<b>2,554.8</b>	<b>1,934.4</b>	<b>3,247.7</b>	<b>2,840.7</b>
<b>Balances with non-scheduled banks included above</b>	<b>8.0</b>	<b>7.8</b>	<b>6.9</b>	<b>4.8</b>	<b>2.0</b>
<b>CASH AND BANK BALANCES</b>					
In India	1,981.8	2,537.9	1,918.6	3,240.0	2,831.9
Outside India	20.5	16.9	15.8	7.7	8.8
<b>Total</b>	<b>2,002.3</b>	<b>2,554.8</b>	<b>1,934.4</b>	<b>3,247.7</b>	<b>2,840.7</b>

**Annexure XX: Restated consolidated Statement of Advances and other assets**

(Amount in ` millions)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>ADVANCES</b>					
Reserve deposits with ceding companies	-	-	-	-	-
Application money for investments (including advance for investment property)	1,595.1	188.4	36.4	-	-
Prepayments	208.3	180.6	180.7	133.5	189.6
Advances to Directors/Officers	-	-	-	-	-
Advance tax paid and taxes deducted at source(Net of provision for taxation)	1,618.6	1,566.3	1,557.1	1,452.3	984.5
Advances to Employees	11.0	-	-	-	-
Deposits					
Gross	384.5	409.2	415.2	421.2	482.3
Less: Provision for doubtful deposits	(39.4)	(39.8)	(48.9)	(57.4)	(45.8)
Net	345.0	369.5	366.4	363.8	436.5
Other advances					
Gross	121.1	255.7	105.0	276.2	260.5
Less: Provision for doubtful advances	(9.7)	(9.1)	(13.5)	(25.7)	(19.5)
Net	111.4	246.6	91.5	250.5	241.0
Other receivables					
Gross	90.8	56.4	177.7	156.3	474.9
Less: Provision for doubtful receivables	(24.1)	(14.2)	(59.7)	(45.6)	(29.6)
Net	66.7	42.3	117.9	110.7	445.3
<b>Total (A)</b>	<b>3,956.1</b>	<b>2,593.7</b>	<b>2,350.0</b>	<b>2,310.8</b>	<b>2,296.9</b>
<b>OTHER ASSETS</b>					
Income accrued on investments and deposits	6,729.6	6,109.3	4,920.9	4,282.4	3,065.5
Outstanding premiums	1,489.5	1,408.3	1,624.4	1,221.3	750.1
Agents' balances					
Gross	93.4	88.6	154.6	195.4	167.1
Less:Provision for doubtful agents' balance	(74.3)	(77.2)	(140.1)	(170.9)	(151.2)
Net	19.1	11.3	14.5	24.5	15.9
Foreign agencies balances	-	-	-	-	-
Due from other entities carrying on insurance business (including reinsurers)	42.8	44.5	45.9	16.3	5.1
Deposit with Reserve Bank of India	-	-	-	-	-
Receivable towards investments sold	491.1	1,910.1	526.0	1,860.3	420.0
Service tax un-utilised credit	42.2	256.0	155.6	152.4	84.9
<b>Total (B)</b>	<b>8,814.3</b>	<b>9,739.5</b>	<b>7,287.3</b>	<b>7,557.2</b>	<b>4,341.5</b>
<b>Total (A+B)</b>	<b>12,770.4</b>	<b>12,333.2</b>	<b>9,637.3</b>	<b>9,868.0</b>	<b>6,638.4</b>
<b>Of the above:</b>					
Advances in normal course of business given to parties related to Directors,Promoters or Issuers (No loans given)	39.4	44.6	57.2	44.4	43.0

**Annexure XXI: Restated consolidated Statement of Current Liabilities**

(Amount in ₹ millions)

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Agents' balances	760.7	754.4	872.6	1,026.7	377.3
Balances due to reinsurance companies	63.6	50.1	78.6	127.3	157.7
Deposits held on re-insurance ceded	-	-	-	-	-
Premium received in advance	1,076.1	1,099.9	1,277.8	1,086.4	714.8
Unallocated premium	753.9	782.4	281.3	358.3	1,559.7
Sundry creditors	70.9	89.0	144.8	192.1	278.6
Due to holding company	483.7	515.7	451.5	131.7	197.8
Claims outstanding	486.3	223.5	377.9	68.0	68.7
Due to Officers/ Directors	-	-	-	-	-
Deposits	24.1	13.2	13.2	13.2	6.0
Expenses payable	4,281.6	4,726.7	4,396.1	5,615.3	5,530.9
TDS payable	170.7	181.3	202.1	237.3	166.2
Payable towards investments purchased	195.9	1,544.6	1,012.1	2,157.6	799.4
Unclaimed amount of Policyholders	4,956.5	5,134.1	4,324.7	4,128.2	3,171.3
Payable to unit fund	3,004.5	2,618.5	2,322.4	3,188.8	3,120.9
Service tax payable	9.1	4.7	4.3	14.8	15.6
Other liabilities	1,878.3	71.0	287.6	70.9	210.1
<b>Total</b>	<b>18,215.9</b>	<b>17,809.1</b>	<b>16,047.0</b>	<b>18,416.6</b>	<b>16,375.0</b>

**Annexure XXII: Restated consolidated Statement of Provisions**

(Amount in ₹ millions)

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
For taxation	-	-	-	-	-
For proposed dividends	3,007.9	3,006.8	3,001.4	1,414.7	1,000.9
For dividend distribution tax	612.3	612.2	510.1	240.4	162.4
For leave encashment and gratuity	177.1	147.0	134.7	98.1	132.8
<b>Total</b>	<b>3,797.3</b>	<b>3,766.0</b>	<b>3,646.2</b>	<b>1,753.2</b>	<b>1,296.1</b>



**Annexure XXIII: Restated consolidated Statement of Miscellaneous Expenditure****(To the extent not written off or adjusted)****(Amount in ₹ millions)**

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
Discount allowed in issue of shares / debentures	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

#### **Annexure – XXIV: Restated Consolidated Statement of Other Income**

The Company's major revenue is earned through its core business of selling insurance contracts and through income from investments earned out of Policyholders' and Shareholders' funds, which is ancillary to its core business of Insurance. "Other income" earned by the Company is not material and is less than 2% of the net profit before tax for FY 2016, FY 2015, FY 2014, FY 2013 and FY 2012. "Other Income" mainly includes income earned under normal business activities i.e. policy reinstatement fees, reversal of stale cheques outstanding for more than 3 years etc.

**Annexure – XXV: Restated Consolidated Statement of Capitalisation**

(` in millions)

Particulars	Pre issue as at March 31, 2016	As adjusted for issue
<b>Shareholders' funds</b>		Refer Note 1 and 2 mentioned below
Share capital	14,323.2	
Share application money	0.8	
Reserve and surplus	36,402.0	
Credit/(debit) fair value change account	2,508.8	
<b>Total Shareholder's funds (Net worth) (A)</b>	<b>53,234.8</b>	
<b>Debt</b>		
Long term borrowings	-	
Short term borrowings	-	
Other borrowings (current maturity of long term borrowings)	-	
<b>Total debt (B)</b>	<b>-</b>	
<b>Total (A+B)</b>	<b>53,234.8</b>	
<b>Long term debt/equity ratio</b>	<b>-</b>	
<b>Total debt equity ratio</b>	<b>-</b>	

- Promoters are proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence there will not be any change in the Shareholder's funds.
- There has been increase in share capital amounting to ` 5.5 millions on account of exercise of ESOP's between March 31, 2016 and as on the date of approval of restated financial statements.

Annexure – XXVI: Restated Consolidated statement of Tax Shelter

(` in millions)

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Surplus as per Revenue Account (Net of contribution from shareholders account)	14,150.6	11,801.4	12,042.4	9,286.4	10,269.7
Interim Bonus paid	187.4	116.4	93.8	48.7	29.8
Allocation of Bonus	3,221.2	3,403.3	2,642.2	2,241.7	1,949.3
Income as per P&L account	5,636.4	4,922.4	3,558.5	4,102.0	2,176.3
<b>Surplus as restated</b>	<b>23,195.6</b>	<b>20,243.5</b>	<b>18,336.9</b>	<b>15,678.8</b>	<b>14,425.1</b>
Tax Rate	14.42%	14.16%	14.15%	13.52%	13.52%
<b>Tax thereon at above rate</b>	<b>3,344.4</b>	<b>2,867.2</b>	<b>2,595.1</b>	<b>2,119.5</b>	<b>1,950.1</b>

**Adjustments on account of Permanent Differences:**

Exemption under section10(23AAB) - Surplus in Participating Pension Business	(673.0)	(1,378.1)	(1,555.3)	(1,641.0)	(1,017.5)
Exemption under section10(23AAB) - Surplus in Linked pension Business	(3,348.5)	(5,937.3)	(7,440.6)	(9,144.0)	(9,923.2)
Exemption under Section 10(34) - Non Pension Dividend Income	(4,302.7)	(3,753.9)	(3,767.7)	(3,629.6)	(3,301.4)
Exemption under section10(15)- Interest Income on tax free bond	(236.3)	(300.3)	(262.9)	(197.6)	-
Expenses disallowed	2.5	-	-	-	-
Any other amount allowable as deduction	-	-	(0.3)	(0.3)	(0.3)
Other Exempt income included in profit	(0.1)	-	-	-	-
<b>Total Permanent Differences</b>	<b>(8,558.1)</b>	<b>(11,369.6)</b>	<b>(13,026.8)</b>	<b>(14,612.5)</b>	<b>(14,242.4)</b>

**Adjustments on account of Temporary Differences:**

Difference between book and tax depreciation	0.2	0.3	-	0.2	(0.5)
<b>Total Temporary Differences</b>	<b>0.2</b>	<b>0.3</b>	<b>-</b>	<b>0.2</b>	<b>(0.5)</b>
<b>Total Adjustments</b>	<b>(8,557.9)</b>	<b>(11,369.3)</b>	<b>(13,026.8)</b>	<b>(14,612.3)</b>	<b>(14,242.9)</b>
<b>Tax on Adjustments</b>	<b>(1,233.6)</b>	<b>(1,610.1)</b>	<b>(1,845.0)</b>	<b>(1,975.4)</b>	<b>(1,925.6)</b>
<b>Gross taxable profit</b>	<b>14,637.7</b>	<b>8,874.2</b>	<b>5,310.1</b>	<b>1,066.5</b>	<b>182.2</b>
Brought Forward Losses adjusted	(1,364.9)	(8,873.0)	(5,321.3)	(1,067.7)	(183.2)
<b>Taxable profit</b>	<b>13,272.8</b>	<b>1.2</b>	<b>(11.2)</b>	<b>(1.2)</b>	<b>(1.0)</b>
<b>Tax Liability on taxable profit</b>	<b>1,915.1</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure – XXVII: Restated Consolidated Statement of Debtors**

(₹ in millions)

<b>Particulars</b>	<b>At March 31, 2016</b>	<b>At March 31, 2015</b>	<b>At March 31, 2014</b>	<b>At March 31, 2013</b>	<b>At March 31, 2012</b>
Receivables outstanding for a period not exceeding six months from the date they became due for payment	491.2	1910.2	526.9	1860.4	420.0
Other Debts	-	-	-	-	-
<b>Total</b>	<b>491.2</b>	<b>1910.2</b>	<b>526.9</b>	<b>1860.4</b>	<b>420.0</b>

Of the above receivables, there are no balances recoverable from parties related to directors, promoters or issuer.

**Annexure – XXVIII: Restated Consolidated Statement of Dividend**

The detailed summary of dividend for the year and comparative previous years is as below:

<b>Particulars</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>	<b>Year Ended March 31, 2012</b>
Number of equity shares at end of year	1,432,319,348	1,431,716,991	1,429,255,687	1,428,939,249	1,428,849,124
Face value per equity share (₹)	10	10	10	10	10
Dividend:					
-Interim dividend (₹ in Millions)	9,022.0	5,361.1	7,931.5	3,429.3	3,142.8
-Final dividend (₹ in Millions)	3,007.9	3,007.1	3,001.4	1,414.0	1,000.9
Rate of dividend (%)	83.99%	58.45%	76.49%	33.89%	29.00%
Dividend distribution tax (₹ in Millions)	2,448.9	1,604.8	1,858.1	796.6	672.2

**Annexure – XXIX: Restated Consolidated Statement of Related Party Transactions**

**1. Related parties and nature of relationship:**

<b>Nature of relationship</b>	<b>Name of the related party</b>
<b>Holding company</b>	ICICI Bank Limited
<b>Substantial interest</b>	Prudential Corporation Holdings Limited
<b>Fellow subsidiaries and entities jointly controlled by holding company</b>	ICICI Securities Limited
	ICICI Securities Inc.
	ICICI Securities Holding Inc.
	ICICI Venture Funds Management Company Limited
	ICICI Home Finance Company Limited
	ICICI Trusteeship Services Limited
	ICICI Securities Primary Dealership Limited
	ICICI Investment Management Company Limited
	ICICI International Limited
	ICICI Bank UK PLC.
	ICICI Bank Canada
	ICICI Lombard General Insurance Company Limited
	ICICI Prudential Asset Management Company Limited
	ICICI Prudential Trust Limited
ICICI Bank Eurasia Limited Liability Company (Effective till FY2015)	
TCW/ ICICI Investments Partners Limited Liability Company (Effective till FY2013)	
<b>Consolidated under AS-21 by holding company</b>	ICICI Strategic Investments Fund
	I-Ven Biotech Limited
	ICICI Venture Value Fund (IVVF) (Effective till FY2013)
	ICICI Equity Fund (Effective till FY2015)
	ICICI Kinfra Limited (Effective till FY2015)
	ICICI Eco- net Internet and Technology Fund (Effective till FY2013)
<b>Significant influence</b>	ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme
	ICICI Prudential Life Insurance Company Limited Employees' Provident Fund
	ICICI Prudential Life Insurance Company Limited Superannuation Scheme
	ICICI Prudential Life insurance Advisors Benefit trust (Effective from FY2015)
<b>Key management personnel as per AS-18 disclosure</b>	Sandeep Bakhshi, Managing Director and CEO
	Puneet Nanda, Executive Director
	Sandeep Batra, Executive Director (Effective from January 01, 2014)
	Judhajit Das, Chief – Human Resources
	Satyan Jambunathan, Appointed Actuary (appointed as Appointed Actuary, Effective from April 22, 2013)
	Madhivanan Balakrishnan, Executive Director (held office till June 30, 2012)
	Tarun Chugh, Chief Distribution Officer (held office till November 30, 2013)
	Avijit Chatterjee, Chief Actuary (held post of Appointed Actuary till April 21, 2013)

<b>Nature of relationship</b>	<b>Name of Related party</b>							
	<b>Relatives of KMP</b>	<b>Sandeep Bakhshi</b>	<b>Sandeep Batra</b>	<b>Puneet Nanda</b>	<b>Satyan Jambunathan</b>	<b>Judhajit Das</b>	<b>Madhivanan Balakrishnan</b>	<b>Tarun Chugh</b>
Spouse	Mona Bakhshi	Deepa Batra	Deepti Nanda	Shanti Satyan	Isheeta Ganguly	Ranu Madhivanan	Simran Chugh	Diane Mary Chatterjee
Parent	Swarn Bakhshi	Veena Batra	Kul Bhushan Nanda	P N Jambunathan	Shankar Das	Balakrishnan Madaswamy	Krishan Lal Chugh	Gorachand Chatterjee
			Asha Nanda	Girija Jambunathan	Mita Das	Sornamani Balakrishnan	Vanita Chugh	Sandhya Chatterjee
Brother/Sister	Sameer Bakhshi	Vivek Batra	Pankaj Nanda	Harish Jambunathan	Satrajit Das	Vasant Kumar	Varun Chugh	Himadri Kumar Chatterjee

Nature of relationship	Name of Related party							
	Relatives of KMP	Sandeep Bakhshi	Sandeep Batra	Puneet Nanda	Satyan Jambunathan	Judhajit Das	Madhivanan Balakrishnan	Tarun Chugh
				Chitra Venkatraman		Satishwar Sendhivel		Neera Chatterjee
Children & their spouse	Shivam Bakhshi	Arushi Batra	Rikhil Nanda	Surabhi Satyan	Adarsh Ganguly Das	Samarth Madhivanan	Manan Chugh	-
	Esha Thakurta	Pranav Batra	Rishita Nanda		Akaash Ganguly Das	Sumedha Madhivanan	Yuvan Chugh	
	Ritwik Thakurta							
	Minal Bakhshi							

2. Transactions with related parties are as follows:

Name of related party	Relation	Nature of transaction	Transactions for the year (in ` 'millions)					Amount recoverable/ (payable) (in ` 'millions)					
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012	
ICICI Bank Limited	Holding company	Premium income	214.2	111.2	84.4	84.8	162.0	(0.7)	(6.3)	(0.5)	(1.2)	(0.5)	
		Claims	(110.6)	(83.4)	(70.9)	(61.4)	(56.3)	(7.0)	-	-	-	-	
		Interest income on investments	75.0	181.0	20.4	64.3	79.2	1.8	14.0	19.3	2.5	123.6	
		Accretion of discount on Investments	-	-	-	-	-	-	-	-	-	-	-
		Recovery of expenses*	-	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	2.2	3.5	0.8	1.0	0.9	0.6	0.7	0.5	4.8	0.2	
		- Employees' remuneration and welfare benefits	0.0	-	0.0	-	2.9	-	-	-	-	0.1	
		-Agents training, recruitment & incentives	-	-	1.0	-	-	-	-	-	-	-	
		-Miscellaneous Expenses	-	-	-	-	4.6	-	-	-	-	4.2	
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-	
		- Legal and Professional Charges	(11.8)	(10.1)	(1.2)	(0.7)	10.9	(11.6)	(11.3)	(0.1)	(0.3)	(9.5)	
		- Employees' remuneration and welfare benefits	(2.9)	(5.2)	(24.5)	(8.5)	45.0	(0.1)	(0.2)	(27.5)	(9.5)	(0.1)	
		- Rent, rates and taxes	(1.4)	(1.8)	(0.8)	(0.1)	0.7	(0.4)	(0.5)	(0.0)	(0.0)	(0.0)	
		- Information technology cost	(174.7)	(198.2)	(216.6)	(155.8)	(149.5)	(71.4)	(52.6)	(64.4)	(51.8)	(40.6)	
		Advertisement & Publicity	-	(9.9)	-	(0.2)	3.0	-	(11.1)	-	-	-	
		Administration support expenses	(4,290.7)	(3,243.4)	(1,464.4)	(237.2)	732.8	(298.3)	(362.5)	(291.1)	-	-	
		Commission expenses	(3,312.5)	(3,065.5)	(3,318.8)	(3,537.2)	(2,270.4)	(90.8)	(66.7)	(59.3)	(66.6)	(144.6)	
		Bank charges	(43.6)	(100.7)	(93.5)	(85.7)	(73.8)	(4.2)	(5.5)	(9.0)	(7.0)	(7.0)	
		Security Deposit Outstanding	-	-	-	-	-	0.1	0.1	-	-	-	
		Dividend	(8,563.1)	(3,957.4)	(8,073.1)	(3,271.5)	(2,321.7)	-	-	-	-	-	
Purchase of fixed assets	-	-	(2.2)	(0.1)	-	-	-	-	-	-			
Sale of fixed assets	-	23.0	1.7	-	-	-	-	-	-	-			
Purchase of investments	(846.3)	(2,902.7)	(6,138.8)	(4,088.0)	(9,263.3)	-	-	-	-	-			



Name of related party	Relation	Nature of transaction	Transactions for the year (in ` millions)					Amount recoverable/ (payable) (in ` millions)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
		Sale of investments	2,332.7	4,118.4	2,448.4	3,056.9	1,675.4	-	-	-	-	-
		Redemption of Investments	-	-	500.0	1,050.0	-	-	-	-	-	-
		Outstanding investments	-	-	-	-	-	266.0	1,580.4	1,245.4	1,492.6	4,257.0
		Cash & bank balances	-	-	-	-	-	(968.7)	789.7	(230.4)	1,895.2	349.3
		Subscription to primary market issuance	-	-	-	(1,407.1)	-	-	-	-	-	-
		Proposed dividend	-	-	-	-	-	(2,035.2)	(2,216.2)	(2,216.2)	(1,044.2)	(738.7)
ICICI Securities Limited	Fellow subsidiary	Premium income	2.0	2.4	2.5	1.1	2.3	(0.3)	(0.3)	(0.2)	(0.7)	(0.7)
		Claims	(0.5)	-	-	-	-	(1.5)	-	-	-	-
		Recovery of expenses*	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	-	0.1	-	-	-	0.0	-	-	-	-
		- Employees' remuneration and welfare benefits	-	-	-	-	-	0.3	-	-	-	-
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	(0.1)	(0.0)	-	-	-	-	-	-	-	-
		Administration support expenses	(48.3)	(85.9)	(9.0)	(48.7)	-	(23.6)	(0.1)	-	-	-
		Advertisement & Publicity	(265.0)	(168.3)	(101.0)	-	-	(90.9)	-	(51.2)	-	-
		Commission expenses	(272.7)	(209.7)	(260.5)	(329.7)	(360.3)	(16.8)	(11.6)	(9.4)	(25.9)	(61.3)
		Brokerage	(11.7)	(14.0)	(11.5)	(8.3)	(16.9)	(0.2)	(1.0)	(1.0)	(0.2)	(0.0)
		Sale of investments	-	-	52.5	-	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	Fellow subsidiary	Premium income	0.5	0.7	2.0	2.3	2.3	(0.8)	(0.7)	(0.7)	(0.4)	(0.6)
		Claims	-	(2.3)	-	-	-	-	-	-	-	-
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-
		- Miscellaneous Expenses	-	-	-	-	(0.1)	-	-	-	-	-
		- Rent, rates and taxes	(0.0)	(0.0)	-	-	-	-	(0.0)	-	-	-
ICICI Home Finance Company Limited	Fellow subsidiary	Premium income	-	-	-	-	-	-	-	-	-	0.2
		Interest income on investments	-	4.2	63.9	125.6	134.2	-	-	37.1	40.1	41.1
		Recovery of expenses	-	-	-	-	-	-	-	-	-	-
		- Rent, rates and taxes	0.9	-	-	0.0	0.0	1.1	-	-	-	-
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-
		- Legal & professional charges	-	-	-	(0.4)	-	-	-	-	-	-
		- Miscellaneous Expenses	-	-	-	(0.1)	-	-	-	-	-	-
		Commission Expenses	(1.4)	(0.3)	(0.1)	-	(4.1)	(0.1)	(0.0)	(0.0)	-	(1.4)
		Brokerage	-	(0.4)	-	-	-	-	-	-	-	-
		Redemption of Investments	-	-	-	597.0	-	-	-	-	-	-
		Outstanding investments	-	-	-	-	-	-	-	499.1	746.4	1,328.1
Sale of investments	-	500.0	250.0	-	-	-	-	-	-	-		
ICICI Securities	Fellow subsidiary	Premium income	0.3	0.3	0.3	0.3	0.3	(0.2)	(0.0)	(0.3)	(0.2)	(0.2)
		Claims	(1.0)	-	-	-	-	-	-	-	-	-

Name of related party	Relation	Nature of transaction	Transactions for the year (in ` millions)					Amount recoverable/ (payable) (in ` millions)					
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012	
Primary Dealership Limited		Interest income on investments	57.2	58.6	75.4	53.9	53.0	30.9	30.9	36.0	14.5	14.6	
		Purchase of investments	(12,149.1)	(6,600.9)	(3,330.1)	(5,277.9)	(9,467.8)	-	-	-	-	-	
		Sale of investments	1,596.0	2,758.3	2,064.8	5,358.1	5,886.0	-	-	-	-	-	
		Subscription to primary market issuance	-	-	(250.0)	-	-	-	-	-	-	-	-
		Outstanding investments	-	-	-	-	-	626.3	628.9	782.8	563.0	548.4	
ICICI Prudential Asset Management Company Limited	Fellow subsidiary	Premium income	3.8	3.6	2.5	1.4	2.0	(0.6)	(0.6)	(0.5)	(0.3)	(0.1)	
		Claims	(0.7)	(0.5)	-	-	-	-	-	-	-	-	
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-	
		- Employees' remuneration and welfare benefits	(0.2)	(0.2)	-	-	-	-	-	-	-	-	
ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Premium income	6.0	5.4	5.1	5.1	5.7	(0.3)	(0.1)	(0.6)	(0.5)	(0.0)	
		Claims	(3.0)	(3.0)	-	(2.0)	(1.0)	-	-	-	-	-	
		Claims received (loss of asset)	0.4	0.4	0.6	12.0	9.7	-	-	-	-	-	
		Recovery of expenses	-	-	-	-	-	-	-	-	-	-	
		- Rent, rates and taxes	-	-	-	-	0.2	-	-	-	-	0.2	
		- Employees' remuneration and welfare benefits	-	-	-	-	0.2	-	-	-	-	0.2	
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-	
		- Rent, rates and taxes	(2.4)	(3.7)	(5.8)	(7.0)	(0.9)	(0.0)	(0.3)	(0.3)	(0.2)	(0.1)	
		Employees' remuneration and welfare benefits	(1.1)	-	-	-	(0.7)	-	-	-	-	-	
		Premium expense	(147.9)	(192.0)	(182.9)	(151.7)	(94.5)	39.0	44.1	53.8	42.0	42.0	
		Purchase of investments	(3,282.9)	(2,509.5)	-	(1,696.4)	(2,426.1)	-	-	-	-	-	
		Sale of investments	2,351.9	2,691.9	676.9	887.5	713.0	-	-	-	-	-	
		Security Deposit outstanding	-	-	(0.1)	-	-	0.5	0.9	1.2	1.3	1.3	
Prudential Corporation Holdings Limited	Substantial interest	Recovery of expenses	-	-	-	-	-	-	-	-	-	-	
		- Employees' remuneration and welfare benefits	-	-	7.7	6.8	-	-	-	1.5	2.6	11.9	
		- Travel Cost	0.2	-	-	-	-	-	-	-	-	-	
		- Information technology cost	-	-	-	-	-	-	-	-	-	2.3	
		Reimbursement of other expenses	-	-	-	-	-	-	-	-	-	-	
		- Employees' remuneration and welfare benefits	(0.0)	(2.6)	(1.9)	(1.9)	(1.8)	-	-	(1.5)	(1.7)	(1.8)	
		- Agents training, recruitment and incentives	(9.3)	(24.8)	(17.0)	(25.9)	(17.5)	-	-	(13.6)	(25.9)	(17.5)	
		Dividend	(3,114.6)	(1,390.4)	(2,836.5)	(1,149.4)	(815.7)	-	-	-	-	-	
		Share capital	-	-	-	-	-	-	-	-	-	-	
		Share premium	-	-	-	-	-	-	-	-	-	-	
Proposed	-	-	-	-	-	(778.6)	(778.6)	(778.6)	(366.9)	(259.5)			

Name of related party	Relation	Nature of transaction	Transactions for the year (in ` millions)					Amount recoverable/ (payable) (in ` millions)				
			FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	At March 31, 2016	At March 31, 2015	At March 31, 2014	At March 31, 2013	At March 31, 2012
		Dividend										
ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme	Significant influence	Premium income	(186.0)	50.4	109.2	194.6	106.2	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
		Contribution to trust	(189.8)	(50.4)	(109.1)	(194.6)	(106.2)	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited Superannuation Scheme	Significant influence	Premium income	7.4	7.7	8.8	9.0	8.9	-	-	-	-	-
		Contribution to trust	(7.4)	(7.7)	(8.8)	(9.0)	(8.9)	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited Employees' Provident Fund	Significant influence	Contribution to trust	(200.0)	(187.6)	(205.4)	(211.9)	(202.6)	(33.6)	(33.1)	(32.1)	(36.1)	(33.5)
ICICI Prudential Life Insurance Advisor Benefit Trust	Significant influence	Premium income	5.8	6.9	-	-	-	-	-	-	-	-
		Contribution to trust	(6.6)	(7.8)	-	-	-	-	-	-	-	-
Key management personnel	Key management personnel	Premium income	2.4	2.3	1.3	0.7	0.8	-	-	-	-	-
		Dividend	(3.9)	(0.5)	(0.1)	(0.0)	(0.0)	(1.0)	(0.7)	(0.1)	-	-
		Managerial remuneration	(186.6)	(220.8)	(156.6)	(136.3)	(106.6)	-	-	-	-	-
		Employee stock options outstanding (numbers)	-	-	-	-	-	671.0	701.0	1,195.4	1,137.5	1,137.5
		Employee stock options exercised	-	-	-	-	-	30.0	419.4	77.5	0.0	0.0
Key management personnel	Relatives of key management personnel	Premium income	0.1	0.1	0.3	0.0	0.0	-	-	-	-	-
		Benefits paid	-	-	(0.0)	-	-	-	-	-	-	-

#### Details of outstanding loan given by the Parent Company to Directors/KMPs

Particulars	As at March 31, 2016 (` million)	Interest rate	Nature of loan
Directors/KMPs	79.7	9.35% to 10.6 %	Home loans

**Annexure – XXX: Restated Consolidated Statement of Secured and Unsecured Loans**

The Company does not have any secured or unsecured loans. It is a debt free company with no borrowings. So there are no assets which are charged as security.

**Annexure – XXXI: Restated Consolidated Aggregate Book value & Market value of quoted Investments**

Details of aggregate book value and market value of quoted investments for five years are as follows:

(` in million)

Asset type	As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
	Book value	Market value	Book value	Market value	Book value	Market value	Book value	Market value	Book value	Market value
Equity	392,908.2	471,057.0	321,348.1	473,693.1	301,529.1	377,300.6	331,046.6	372,271.6	361,558.8	391,244.5
Other	398,671.0	407,342.4	355,352.2	367,454.1	263,725.7	257,405.5	229,986.0	231,483.0	164,035.8	161,637.1
<b>Total</b>	<b>791,579.2</b>	<b>878,399.4</b>	<b>676,700.3</b>	<b>841,147.2</b>	<b>565,254.8</b>	<b>634,706.1</b>	<b>561,032.6</b>	<b>603,754.6</b>	<b>525,594.6</b>	<b>552,881.6</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the discussion and analysis of the Company's financial condition and results of operations set forth below in conjunction with the restated consolidated and standalone financial statements of our Company set forth in "Financial Information" on page 213, which have been prepared in accordance with Indian GAAP. Our financial statements differ significantly from those of non-insurance companies. See "Risk Factors—Risks Relating to the Indian Insurance Industry—Our financial statements and the presentation of our performance metrics differ significantly from those of non-insurance companies and may be difficult to understand or interpret." on page 45.*

*The financial data relating to us set forth below have been prepared on a consolidated basis in accordance with Indian GAAP, except for the discussion of TWRP, RWRP, APE, VNB, EV, EVOP and ROEV. These discussions are not part of the Company's financial statements and are unaudited. The discussion of VNB, EV, EVOP and ROEV should be read in conjunction with the context and assumptions set out in the Milliman Advisors LLP report dated July 12, 2016 included in this DRHP on page 430.*

*The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 20 and 21, respectively.*

### Overview

We were the largest private sector life insurer in India by total premium in fiscal 2016 and assets under management at March 31, 2016. We are a joint venture between ICICI Bank Limited, India's largest private sector bank in terms of total assets with an asset base of ₹ 7.2 trillion at March 31, 2016, and Prudential Corporation Holdings Limited, a part of the Prudential Group, an international financial services group with GBP 509 billion in assets under management at December 31, 2015. We were one of the first private sector life insurance companies in India and commenced operations in fiscal 2001. We offer our customers a range of life insurance, health insurance and pension products and services. Every fiscal year since fiscal 2002, we have consistently generated the most new business premiums on a retail weighted received premium basis among all private sector life insurers in India.

A customer-centric culture that spans all aspects of our business is a key element of our strategy. We offer a range of products to cater to the specific needs of customers in different life stages, enabling them to meet their long-term savings and protection needs. We offer our customers access to our products and services through an extensive multi-channel sales network across India, including through the branches of our bank partners, individual agents, corporate agents, our employees, our offices and our website. As of March 31, 2016, we had 121,016 individual agents. As of July 12, 2016, our bank partners had over 4,500 branches. We believe we are at the forefront of leveraging technology in the Indian life insurance sector, with our focus on digitisation and transformation of sales, customer on-boarding and internal processes. We believe that our focus on technology has enriched customer experience and enhanced the productivity of our employees and distributors.

### Key Factors Affecting our Results of Operations

The results of our operations and our financial condition are also significantly affected by a number of factors, many of which may be beyond our control, including:

- Macroeconomic conditions in India;
- Fluctuations in market interest rates;
- Fluctuations in equity markets;
- Regulatory environment;
- Our product mix and growth of new business;
- Our claims experience;
- Our persistency experience;
- Competition;
- Our expense management; and

- Multi-channel distribution.

### ***Macroeconomic conditions in India***

Our business and profitability are affected by general economic and demographic conditions in India. India's economic growth trends, household savings rate, consumer attitudes towards financial savings and demographic profile are some of the key factors affecting the performance of its life insurance industry. If the economic or demographic conditions in India deteriorate or are not in line with our expectations, or the impact on our business is different from what we expect, our financial condition and results of operations may be materially and adversely affected. In addition, if there is any change in inflation in India, the demand for our products and our investment income might be affected, thereby affecting our results of operations.

See "Risk Factors—Risks relating to our business—Adverse financial market and economic conditions in India and globally would have a material adverse effect on our business, financial condition, results of operations and prospects" on page 29.

Changes in consumer confidence in the life insurance sector in general and us in particular may also affect our revenues. Declining consumer confidence tends to cause both a decrease in new policy sales and an increase in policy surrenders, thereby adversely affecting our results of operations.

### ***Fluctuations in Market Interest Rates***

The profitability of many of our products and our investment returns are highly sensitive to interest rate fluctuations, and changes in interest rates could affect our investment returns, financial condition and results of operations. We are affected by fluctuations in market interest rates as a substantial portion of our investment portfolio is held in debt securities, particularly fixed income government securities. In general, the investment risk in respect of investments held to back unit linked contracts is borne by policyholders of such products, whereas the investment risk associated with investments backing other products or shareholders' funds is either shared between our policyholders and us or completely borne by us. Interest rate risk generally originates from movements of interest rates and the mismatches between the durations of assets and liabilities.

Our products with guaranteed benefits carry the risk that interest income from the financial assets backing the liabilities are insufficient to fund the guaranteed benefits payable as interest rates fall. A substantial portion of the assets in the participating fund consist of fixed income securities, whose returns are affected by fluctuations in market interest rates. Since holders of our participating life insurance policies are credited with a portion of the investment returns earned by the invested assets, bonuses credit to their policies may be lower. Lower bonuses may lead to decreased new business sales or increased surrenders from these policies.

In addition, our insurance contracts' liabilities tend to have a longer duration than our investment assets, which may result in the re-investment returns of our maturing investments being lower than the average guaranteed pricing rate for our insurance policies in a declining interest rate environment.

Rising interest rates reduce fair value of investments and generate unrealised losses, which could adversely affect our shareholders' equity and results of operations. Rising interest rates could also lead to higher levels of surrenders and withdrawals of existing policies as policyholders seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments to policyholders requiring the sale of our debt securities at a time when the prices of those assets are adversely affected by the increase in market interest rates, potentially resulting in realised investment losses. These would impact our financial conditions and results of our operations.

See "Risk Factors—Risks relating to our business—Changes in market interest rates could have a material adverse effect on our business and profitability" on page 25.

### ***Fluctuations in Equity Markets***

Fluctuations in equity markets may affect our investment returns, our financial condition and results of our operations. In general, the investment risk in respect of investments held to back unit linked contracts is borne by policyholders of such products, whereas the investment risk associated with investments backing other products or shareholders' funds is either shared between our policyholders and us or completely borne by us.

Sales of unit-linked products typically decrease in periods of protracted or steep declines in equity markets and increase in periods of rising equity markets. In particular, customers may be reluctant to commit to new unit linked policies in times of uncertainty or market volatility, although some customers with regular premium paying policies may choose to maintain their payments of regular premiums as markets decline, following a strategy of rupee cost averaging. In addition, lower investment returns for our unit-linked assets would also reduce the asset management and other fees we earn. Surrenders and withdrawals may increase at times of declining equity markets as customers shift to other products, although some customers may continue to hold on to the investments for future gains. Surrenders and withdrawals may increase with rising equity markets because customers may exit their policies to realise their gains.

A decline in the equity markets reduces our investment income and also reduces the fair value of investments held towards non linked policyholder funds and shareholders' funds, which could adversely affect results of our operations. Lower equity returns could also lead to higher levels of surrenders of existing non-linked policies as policyholders seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments to policyholders requiring the sale of our equity investments at a time when the prices of those assets are adversely affected by market movements, potentially resulting in realised investment losses. These would impact our financial conditions and results of our operations.

### ***Regulatory Environment***

Our business operations are highly regulated. Regulations cover a variety of aspects which impact our business, including product design, capital requirements, new product approvals, investment guidelines and distribution guidelines.

Changes in regulation can have a significant impact on our revenues, expenses and profitability. We may incur significant costs to comply with, and our prospects may be adversely affected by, the applicable laws, rules and regulations, which may reduce our profitability as well as affect our future growth. In addition, pursuant to the insurance laws, rules and regulations, we are restricted to a specified range of investment activities. These restrictions may limit our ability to diversify investment risks and improve returns on our investment portfolio, thereby affecting our results of operations.

For example, in 2010, IRDAI overhauled the regulations affecting ULIPs, which caused a decline in the sales of ULIPs and caused a life insurance sector-wide decrease in new business premiums. Any such further regulatory changes in the future could affect our results of operations.

We are required by IRDAI regulations to maintain our solvency above the regulatory control limit, which at March 31, 2016 was 150.0%. While our solvency ratio at March 31, 2016 was robust at 320.0%, if we fail for any reason to meet the relevant solvency ratio requirements, IRDAI may impose a range of regulatory sanctions, depending on the degree of the deficiency.

Furthermore, if the tax regime or the application of the tax regime to us or our customers changes, or the outcome of our tax litigations is adverse, our tax liabilities could also change materially.

See "Risk Factors—Risks Relating to India—Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance" on page 48.

### ***Our Product Mix and Growth of New Business***

We design and distribute a broad range of unit-linked, participating, non-participating and pure protection products. Our ability to design and distribute appropriate products to our target customer segments through our multiple distribution channels on a timely basis, affects our performance. Since our capital requirements, pricing assumptions, level of mathematical reserves, profitability and the patterns of profits vary from product to product, changes in the product mix for new business may impact the results of our operation.

We are reliant on certain products to maintain our growth, improve our profitability and increase our value of new business. If we fail to continue to grow our ULIP business or manage to increase the proportion of our pure protection business in our overall new business, are unable to manage such growth profitably or are unable to maintain our overall levels of growth while growing these lines of business, our market position, profitability and value of new business may be adversely affected.

Typically, profit, if any, from life insurance contracts emerges over the life of the contract and we usually incur losses in the initial period after a policy is written. Any significant growth in new business will cause us to incur significant losses, thus affecting our results of operations.

See "Risk Factors—Risks related to our business—Our business, financial condition, results of operations and prospects may be materially and adversely affected if our product mix changes or if we are not able to maintain our market position or sustain our growth" on page 21.

### ***Our Claims Experience***

Our reported financial results are affected by our claims experience, which may vary from the assumptions that we make both when we design and price our products and when we calculate our contractual liabilities. Claims experience varies over time and from one type of product to another, and may be impacted by specific events and changes in macroeconomic conditions, population demographics, mortality, morbidity and other factors.

See "Risk Factors—Risks relating to our business—Differences between our actual benefits and claim payments and those assumptions and estimates used in the pricing of, and setting reserves for, our products could have a material adverse effect on our business, financial condition, results of operations and prospects" on page 30.



### ***Our Persistency Experience***

Our reported financial results are affected by our persistency and surrender experience, which may vary from the assumptions that we make both when we design and price our products and when we calculate our insurance contract liabilities. Maintaining a high level of persistency is important to our results of operations, as a large block of in-force policies provides us with regular revenues in the form of renewal premiums. In addition, our ability to convert first year premiums into renewal premiums – thereby increasing the number of in-force policies – is an important factor affecting our financial condition and results of operations, as well as the long-term growth of our revenues and profitability. Persistency and surrender experience varies over time and from one type of product to another, and may be affected by events such as changes in macroeconomic conditions, changes in consumer sentiment or policyholder behaviour, relative competitiveness of our products, claims experience, investment performance of our funds and other factors.

See “Risk Factors—Risks relating to our business—Significant deviations from our assumptions regarding future persistency, coupled with concentrated policy surrenders, could have a material adverse effect on our business, financial condition, results of operations and prospects” on page 26.

### ***Competition***

Our competitors include insurance companies, mutual fund companies, and banks. Indian life insurance companies operate in a highly competitive space with 23 private sector companies and LIC. The recent change in regulations permitting foreign shareholding of up to 49.0% in insurance companies may lead to new entrants, better capitalisation of existing competitors and generally increase the level of competition. Competition may negatively affect our business by reducing our market share, decreasing our value of new business, increasing our policy acquisition costs, increasing our operating expenses and causing a reduction of our customer base. Mergers and acquisitions involving our competitors may create entities that have higher market share, greater resources and larger distribution networks than us, thereby impacting our market positioning, business and financial performance.

See “Risk Factors—Risks relating to the Indian insurance business—If we cannot effectively respond to increasing competition in the Indian insurance industry, our profitability and market share could be materially and adversely affected” on page 46.

### ***Our Expense Management***

Our reported financial results are affected by our level of expenses, which may vary from the assumptions that we make, both when we design and price our products and when we calculate our insurance contract liabilities. Expenses may be impacted by specific events and changes in macroeconomic conditions including inflation, changes in regulations, competition, distribution costs, employee costs and other factors. Given the cap on charges on unit-linked products, the ability to absorb expenses in the pricing of our various products differs across products. Hence any shift in product mix could impact our expense ratios and hence our financial condition and results of operations. Finally, any slowdown in the scale of our new business premium and renewals, can also impact our expense ratios.

See “Risk Factors—Risks Relating to our Business—Higher expenses than expected could have a material adverse effect on our business, financial condition and results of operations” on page 26.

### ***Multi-channel distribution***

We are reliant on our multi-channel distribution and any disruption will have a significant impact on our financial condition and the results of our operation. Some key changes which could impact us include:

- Any termination of, or any adverse change to, our relationships with or performance of key distribution partners, including with ICICI Bank and Standard Chartered Bank, may have a material adverse effect on our business, financial condition, results of operations and prospects.
- Some of our relationships with our financial institution distributors are non-exclusive and the level of sales of our products through these channels depends on the competitiveness of our products relative to those of our competitors.
- Our ability to maintain or increase our business from the agency channel depends on our ability to attract and retain high performing agents. The agency channel growth is impacted by the number, training and experience of the agents selling our products and their ability to establish and maintain customer relationships.
- Our ability to compete in direct sales including online sales depends, among other factors, on our ability to retain employees and leverage data analytics, and our marketing spends relative to competitors.
- Our growth depends on our ability to develop new distribution partnerships as well as our ability to increase business with our current partners.

See “Risk Factors—Risks relating to our business—Any termination of, or any adverse change to, our relationships with or performance of our bancassurance partners, including with ICICI Bank and Standard Chartered Bank, may have a material adverse effect on our business, financial condition, results of operations and prospects” and “Risk Factors—Risks relating to our business—Any termination of, or any adverse change to, our ability to attract or retain distributors, both institutional and retail, and key sales employees, could have a material adverse effect on our business, financial condition, results of operations and prospects” on pages 21 and 28, respectively.

### Key Performance Indicators

In evaluating our business, we consider and use non-GAAP financial measures and key performance indicators that are presented below, as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures and key performance indicators is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with Indian GAAP. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance and formulate business plans.

These non-GAAP financial measures are not defined under Indian GAAP, are not presented in accordance with Indian GAAP, and are unaudited. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Further, these non-GAAP financial measures and key performance indicators may differ from the similar information used by other companies, including peer companies, and therefore their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to profit before tax, surplus before tax, net earned premiums, gross earned premiums or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or results of operations.

The following table sets forth certain key performance indicators for the periods indicated therein.

	For the year ended March 31,		
	2014(1)	2015	2016
	(` in billions, except percentages)		
RWRP	32.53	45.96	49.68
APE	34.45	47.44	51.70
13 <sup>th</sup> month persistency	71.5%	79.0%	82.4%
49 <sup>th</sup> month persistency	20.3%	54.4%	62.2%
Cost to TWRP	18.9%	15.4%	14.6%
Solvency Ratio <sup>(2)</sup>	369.4%	336.5%	320.0%
VNB <sup>(3)</sup>	—	2.70	4.12
VNB margin (%) <sup>(3)</sup>	—	5.7%	8.0%
EV <sup>(2)(3)</sup>	—	137.21(4)	139.39
EVOP <sup>(3)</sup>	—	18.12	21.22
ROEV <sup>(3)</sup>	—	15.4%	15.3%

(1) VNB and EV data for 2014 is not available.

(2) As measured at March 31 of respective years.

(3) Data for the year ended and at March 31, 2016 is from the report of the Independent Actuary included in this Draft Red Herring Prospectus. Data for the year ended and at March 31, 2015 is as reported by the Company for that period

(4) The EV as at March 31, 2015 in the report of the Independent Actuary included in this Draft Red Herring Prospectus was ` 138.22 billion.

#### Retail Weighted Received Premium (“RWRP”)

RWRP is the sum of first year premiums on regular premium policies and 10% of single premiums received by the Company from retail customers during any given period. RWRP does not include renewal premium. We use this metric for sales performance measurement and the tracking of our market share due to the retail focus of our business.

Our RWRP increased from ` 32.53 billion in fiscal 2014 to ` 45.96 billion in fiscal 2015, an increase of 41.3%. This increase was primarily driven by an increase in new business premium received across all channels.

Our RWRP increased from ` 45.96 billion in fiscal 2015 to ` 49.68 billion in fiscal 2016, an increase of 8.1%. This increase was primarily driven by an increase in our new business premiums received across all channels.

#### Annualised Premium Equivalent (“APE”)

APE is the sum of annualised first year premiums on regular premium policies, and 10% of single premiums, written by the Company during any period from both our retail and group customers. For the purposes of the APE calculation, we consider all premiums received in our group business as single premiums. APE does not include renewal premium.

Our APE increased from ₹ 34.45 billion in fiscal 2014 to ₹ 47.44 billion in fiscal 2015, an increase of 37.7%. This increase was primarily driven by an increase in new business premium received across all channels.

Our APE increased from ₹ 47.44 billion in fiscal 2015 to ₹ 51.70 billion in fiscal 2016, an increase of 9.0%. This increase was primarily driven by an increase in our new business premiums received across all channels.

#### *Persistence*

Persistence is the ratio of premium of policies remaining in force to the premium of all policies issued. Persistence is calculated with respect to policies issued in a fixed period prior to the period of measurement. Maintaining a high level of persistence is important to our results of operations, as a large block of in-force policies provides us with regular revenues in the form of renewal premiums. We believe that the 13th month persistence is an important metric to measure the quality of our sales because it is the first time that we can assess if payments are made beyond the first year for regular premium products. Additionally, we believe that 49th persistence is also important as it helps us assess the number of ULIP customers who have paid all their premiums, since a majority of our ULIPs have a premium paying term of five years. See the section entitled "Our Business" on page 133.

Our 13th month persistence increased from 71.5% for fiscal 2014 to 79.0% for fiscal 2015. Our 49th month persistence also increased from 20.3% for fiscal 2014 to 54.4% for fiscal 2015.

Our 13th month persistence increased from 79.0% for fiscal 2015 to 82.4% for fiscal 2016. Our 49th month persistence also increased from 54.4% for fiscal 2015 to 62.2% for fiscal 2016.

We believe that the inclusion of persistence as a key performance metric and rewards based on persistence for different levels of our sales and operational teams, and distributors has contributed to the improvement in these metrics.

#### *Cost to Total Weighted Received Premium ("TWRP")*

TWRP, which includes the premiums received on both retail and group products, is the sum of first year and renewal premiums on regular premium policies and 10% of single premiums received by the Company during any given period. We believe that the ratio of the costs (all expenses including commission) to TWRP (cost to TWRP) is a measure of our overall cost efficiency.

Our cost to TWRP decreased from 18.9% in fiscal 2014 to 15.4% in fiscal 2015. This decrease was primarily due to our costs remaining relatively unchanged from ₹ 22.63 billion in fiscal 2014 to ₹ 22.55 billion in fiscal 2015, while TWRP increased from ₹ 120.02 billion to ₹ 146.24 billion, an increase of 21.8%, in the same period due to growth in new business and renewals.

Our cost to TWRP decreased from 15.4% in fiscal 2015 to 14.6% in fiscal 2016. This decrease was primarily due to a slower growth in our costs as compared to TWRP, which increased due to growth in new business and renewals. Our costs increased from ₹ 22.55 billion in fiscal 2015 to ₹ 25.47 billion in fiscal 2016, an increase of 12.9%, while TWRP increased from ₹ 146.24 billion to ₹ 175.07 billion, an increase of 19.7%, in the same period.

#### *Solvency Ratio*

The solvency ratio is a regulatory measure of capital adequacy, calculated by dividing available solvency margin by required solvency margin, each as calculated in accordance with the guidelines of IRDAI. IRDAI has set a solvency ratio control limit of 150.0%.

Our solvency ratio decreased from 369.4% in fiscal 2014 to 336.5% in fiscal 2015, primarily due to a growth in premium income requiring additional capital and a dividend of ₹ 8.37 billion (excluding dividend distribution tax) paid to shareholders.

Our solvency ratio decreased from 336.5% in fiscal 2015 to 320.0% in fiscal 2016, primarily due to a growth in premium income requiring additional capital and a dividend of ₹ 12.03 billion (excluding dividend distribution tax) paid to shareholders.

#### *Value of New Business ("VNB")*

VNB is the present value of expected future earnings from new policies written during any given period. We believe that VNB is an important metric that reflects the additional value to shareholders expected to be generated through the activity of writing new policies during any given period. While VNB for any period reflects actual acquisition costs incurred during that period, we also internally review VNB at target acquisition cost levels that we seek to achieve, and the sensitivity of VNB to

a reduction in acquisition costs.

VNB margin is the ratio of VNB to APE for any given period and is a measure of the expected profitability of new business.

Our VNB increased from ₹ 2.70 billion in fiscal 2015 to ₹ 4.12 billion in fiscal 2016, an increase of 52.6%. This increase was primarily due to the improvement in persistency and an increase in sales of our pure protection products, which typically tend to be more profitable. During the same period, our VNB margin also increased from 5.7% to 8.0%. According to the report of the Independent Actuary included in this Draft Red Herring Prospectus, if our acquisition costs were reduced by 30%, our VNB would have been ₹ 7.10 billion, or 13.7% of APE for fiscal 2016.

#### *Embedded Value (“EV”)*

EV is a measure of the present value of shareholders’ interests in the earnings distributable from the assets of the business after an allowance for the aggregate risks in the business. Our EV is derived from multiple assumptions on the future performance on parameters impacting earnings, including, among others, persistency, mortality, morbidity and external factors such as interest rates and equity market performance.

Embedded Value Operating Profit (“EVOP”) is a measure of the increase in the EV during any given period due to matters that can be influenced by management. It excludes changes in the EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs. Return on Embedded Value (“RoEV”) is the ratio of EVOP for any given period to the EV at the beginning of that period.

The EV results as set out in the Independent Actuary’s report shows that our EV increased from ₹ 138.22 billion at March 31, 2015 to ₹ 139.39 billion at March 31, 2016. This increase was due to an EVOP of ₹ 21.22 billion, offset by a ₹ 5.64 billion impact of economic assumption changes and investment variance, and ₹ 14.41 billion in dividends and associated taxes.

The EVOP of ₹ 21.22 billion for fiscal 2016, representing an RoEV of 15.3%, was mainly due to:

- the expected income from investment of our net worth and the impact of discounting the future cash flows for a lesser period on account of moving from March 31, 2015 to March 31, 2016 amounting to ₹ 12.58 billion;
- a VNB of ₹ 4.12 billion; and
- a positive operating variance of ₹ 4.51 billion, reflecting a better experience vis-à-vis assumptions on most key parameters including persistency, mortality and morbidity.

The economic assumption changes and investment variance is a negative ₹ 5.64 billion and reflects the impact of underlying interest rate changes and movements in equity and debt markets being different than expected. During fiscal 2016, our Company paid dividends and associated taxes of ₹ 14.41 billion.

For additional information, please refer to the Embedded Value Report on page 430.

Based on our internal estimates, we had reported an EV of ₹ 137.21 billion at March 31, 2015. The difference between such figure and the EV of ₹ 138.22 billion as re-computed in the report of the Independent Actuary is primarily due to an impact of ₹ 1.77 billion due to a change in persistency assumptions and ₹ 0.45 billion due to changes in other assumptions, partially offset by an impact of ₹ 1.20 billion due to a change in CRNHR methodology.

#### **Recent Developments in Accounting Standards**

Recent developments in accounting standards include:

- The Ministry of Corporate Affairs through a notification dated March 30, 2016 has issued Companies (Accounting Standard) Amendment Rules, 2016 applicable for accounting periods commencing on or after March 30, 2016. Accordingly, our financial statements for the period commencing from April 1, 2016 may not be fully comparable to our historical financial statements.

This is an indicative analysis of significant line items only and is provided for convenience only. It is not intended to be an exhaustive list. Investors should seek specific advice from their advisors in relation to the impact on account of amendment of the accounting standards rules.

Key changes include:

- Dividend declared after balance sheet would be a non-adjusting event and would be accounted in the period in which it is approved.

- Interest expenses are recognised over the credit period if the payment is deferred beyond the normal credit period for an item of property, plant or equipment.
- The depreciation method applied to an asset should be reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method should be changed to reflect the changed pattern. Such a change should be accounted for as a change in an accounting estimate in accordance with AS 5.

The MCA has notified the MCA IndAS Rules and has also issued a press release dated January 18, 2016 outlining a roadmap for implementation of IndAS converged with IFRS. Thereafter, MCA has issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 (“**Amendment Rules**”) applicable for accounting periods commencing on or after March 30, 2016. Such Amendment Rules state that insurance companies shall apply such Ind AS as may be notified by the IRDAI. IRDAI has issued a circular, dated March 1, 2016, with respect to the implementation of IndAS stating that insurers shall follow the IndAS as notified under the MCA IndAS Rules, subject to any guideline or direction issued by the IRDAI in this regard. IRDAI has further stated in this circular that insurance companies are required to prepare Ind AS based financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018. We are also required to be in preparedness to submit pro forma Ind AS financial statements to the IRDAI from the quarter ended December 31, 2016.

### **Critical Accounting Policies and Estimates**

The preparation of our consolidated financial information requires selecting accounting policies and making estimates and assumptions that affect items reported in the consolidated Revenue account, consolidated Profit and loss account, consolidated Balance sheet, consolidated Receipts and Payments account and other primary statements and notes to the consolidated financial information. The determination of these accounting policies is fundamental to our results of operations and financial condition, and requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations or cash flows. For more information regarding our significant accounting policies, see “Financial Statements—Annexure V: Summary of Accounting Policies and Notes to Accounts for Consolidated Financial Statements — Note 2” on page 320.

Certain accounting estimates are particularly sensitive because of their significance to the financial information and because of the possibility that future events affecting the estimates may differ significantly from management’s current judgements. For more information regarding the summary of critical accounting estimates and judgements, see “Financial Statements—Annexure V: Summary of Accounting Policies and Notes to Accounts for Consolidated Financial Statements —Note 2.2” on page 320.

### ***Revenue Recognition***

#### ***Premium Income***

We recognise premium for non-linked policies when due from policyholders. For our unit-linked business, we recognise premium as income when the associated units are created.

We recognise premium on lapsed policies as income when such policies are reinstated.

Products having regular premium paying plans with limited premium payment terms and/or pre-determined policy terms are treated as regular business with due classification of premium into first year and renewal. Premium income on other products 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.

#### ***Reinsurance premium ceded***

We account for reinsurance premium ceded in accordance with the terms and conditions of the relevant agreements with the reinsurer. We net off profit commission on reinsurance ceded from premium ceded on reinsurance.

#### ***Income from Investments***

We recognise interest income on investments on an accrual basis. We recognise amortisation of premium or accretion of discount on debt securities over the remaining term of such instruments using the effective interest rate method.

We recognise dividend income for asset held to cover unit linked liabilities on the “ex-dividend date”. For Asset held to cover

other than unit linked liabilities, we recognise dividend income when right to receive dividend is established.

We recognise lease rentals on investment property on an accrual basis. We recognise costs related to the operations and maintenance of investment property as expenses in the Revenue Account.

We recognise fees received on lending of equity shares under Securities Lending and Borrowing scheme (“**SLB**”) as income over the period of the lending on a straight-line basis.

Profit or loss on sale/redemption of debt securities for our lines of business that are not unit linked 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 our 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 ETFs 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 our lines of business that are not unit linked, the profit or loss includes the accumulated changes in the fair value previously recognised under “Fair Value Change Account”.

#### *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 the terms and conditions of policies issued, and we recognize them when they are due.

#### *Acquisition Cost*

Acquisition costs including commission 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.

#### *Employee benefits*

##### *Short-term Employee Benefits*

All employee benefits payable within twelve months of an employee’s rendering the associated service are classified as short-term employee benefits. We recognise benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits in the period in which the employee renders the related service. All short-term employee benefits are accounted for on an undiscounted basis.

##### *Long-term Employee Benefits: Post-Employment*

We have both defined contribution and defined benefit plans.

##### *Defined Contribution Plan*

We have a defined contribution scheme for superannuation, a retirement funds arrangement, for our employees. Contributions to the superannuation scheme are made on a monthly basis, when due, and are charged to the Revenue account and to the Profit and Loss account, as applicable. The expenses are booked on an undiscounted basis. We have no further obligation beyond the monthly contribution. The scheme is managed by the ICICI Prudential Life Insurance Company Limited Superannuation Scheme.

##### *Defined Benefit Plans*

As per Indian law, company is mandated to provide gratuity and a provident fund benefits to employees.

*Gratuity.* The gratuity benefit payable to our employees is in accordance with the Payment of Gratuity Act, 1972 or our gratuity plan, whichever provides a higher gratuity. Our gratuity liability is actuarially determined at each balance sheet date using the projected unit credit method. We contribute towards net liabilities to ICICI Prudential Life Insurance Company Limited Employees’ Group Gratuity Cum Life Insurance Scheme.

We recognise the net obligation of the Gratuity Scheme in our balance sheet as an asset or liability. The discount rate used for estimation of liability is based on the yield of government securities. We recognise any gain or loss arising from changes in the actuarial assumptions or experience adjustments in the Revenue account and Profit or Loss account for the period in which it is incurred. Expected long-term rate-of-return on assets has been determined based on historical experience and available market information.

*Provident fund.* Our defined benefit obligation toward interest rate guarantees on the exempt provident fund is actuarially

determined and measured in accordance with the guidance issued by the Institute of Actuaries of India.

#### *Other Long-term Employee Benefits*

Other long-term employee benefits include accumulated compensated absences which are entitled to be carried forward for future use and encashment, 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. Our liability toward accumulated compensated absences at the close of the year and long-term retention incentive are determined actuarially and are recognised as a liability at the present value of the obligation as of the balance sheet date.

#### *Employee Share-based Payments*

The Employee Stock Option Scheme provides that eligible employees are granted options to subscribe to the Equity Shares, which vest in a graded manner. The vested options may then be exercised within a specified period.

We follow the intrinsic value method to account for our share based employee compensation plans. Compensation costs are measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and are amortised over the vesting period. The fair value of the shares is determined based on an external valuation report.

#### *Benefits paid*

Benefits paid comprise 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 for on the receipt of intimation. Withdrawals and surrenders under unit-linked policies are accounted for in the respective schemes when the associated units are cancelled.

#### *Actuarial Liability Valuation*

Our Appointed Actuary calculates the actuarial liabilities according to accepted actuarial practice in the industry, requirements of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), regulations notified by the Insurance Regulatory and Development Authority of India and the Actuarial Practice Standards of the Institute of Actuaries of India.

#### *Funds for Future Appropriations (FFA)*

##### *FFA (Unit-linked)*

Amounts determined by the Appointed Actuary to belong to FFA with respect to lapsed unit-linked policies are set aside in the balance sheet and are not available for distribution to shareholders until the expiry of their maximum revival period.

##### *FFA (Non-unit and non-participating)*

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

##### *FFA (Participating)*

Based on the recommendation of the Appointed Actuary unappropriated surplus is held in the Balance Sheet as Funds for Future Appropriations.

#### *Investments*

Investments are recorded at cost on the date of purchase, which includes brokerage fees and taxes, if any, but excludes interest accrued as of the date of acquisition.

##### *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 the effective interest rate method.

Listed equity shares at the Balance Sheet date are stated at fair value, which is the last quoted closing price on an appropriate

stock exchange.

Mutual fund units are valued based on the previous day's net asset values.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

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

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.

#### *Valuation - Unit-Linked business*

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

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL on a daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity up to 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on the effective interest rate method over the remaining period to maturity of the instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on the 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 an appropriate stock exchange.

Mutual fund units are valued based on previous day's Net Asset Value.

We recognise unrealised gains and losses in the Revenue account.

Fixed deposits with banks are valued at cost.

#### *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 cost/book value or market price, whichever is lower. The transfer of investments between unit-linked funds is done at the prevailing market price.

No transfer of investments is carried out between non-linked policyholders' funds.

#### ***Fixed assets and Impairment***

##### *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 bringing the asset to its working condition for its intended use and other incidental expenses incurred up to that date. Subsequent expenditures incurred on tangible assets are expensed except where such expenditures result in an increase in future benefits from the existing assets beyond their previously assessed standard of performance.

Depreciation is provided using the straight-line method ("SLM") prorated from the date of being ready to use, up to the date of sale, based on estimated useful life for each class of asset.



### *Intangibles*

Intangible assets comprising software are stated at cost less amortisation. Significant expenditures on improvements to software are capitalised when it is probable that such expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and when such expenditures can be measured and attributed to the asset reliably. Subsequent expenditures are amortised over the remaining useful life of the original software. Software expenses are amortised using SLM over a period of four years from the date of being ready to use.

### **Taxation**

#### *Direct taxes*

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.

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 asset is 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 assets 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.

Participating policies are entitled to a share in the surplus generated of the business segment. To ensure appropriate calculations of the surplus and policy liabilities, we calculate tax to the participating lines of business. Accordingly, tax charge on surplus arising from the participating lines of business is disclosed separately in the Revenue account. The current tax at company level less the tax pertaining to participating line of business is the tax charged to shareholders account.

#### *Indirect taxes*

Service tax liability on life insurance service is set off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward for future set-off, where there is reasonable certainty of utilisation.

### **Basis of presentation of financial statements**

We present our financial statements in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report for Insurance Companies) Regulations, 2002. Our financial statements comprise a Revenue account (Policyholders' account), Profit and loss account (Shareholders' account), Balance sheet, and Receipts and payments 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.

## Consolidated Results of Operations

Year Ended March 31, 2016 Compared to Year Ended March 31, 2015

### Income statements

Revenue account (Policyholders' account)	For the year ended March 31,	
	2015	2016
	(` in billions)	
<b>Income:</b>		
Gross premium (net of service tax)	153.07	191.64
Reinsurance ceded	(1.46)	(1.66)
<b>Net earned premiums</b>	<b>151.60</b>	<b>189.99</b>
Income from investments	187.39	12.08
Other income	0.18	0.21
Contribution from the Shareholders' account	0.39	–
<b>Total Income</b>	<b>339.56</b>	<b>202.28</b>
<b>Expenses:</b>		
Commissions	5.53	6.20
Operating expenses relating to insurance business(1)	16.54	18.93
Provisions (other than taxation)	0.07	0.13
Service tax charge on linked charges	3.07	3.47
Benefits paid (net) and interim bonus paid	122.60	124.25
Change in valuation of policy liabilities	179.56	35.15
<b>Total Expenses</b>	<b>327.37</b>	<b>188.13</b>
<b>Surplus/(deficit) before Tax</b>	<b>12.19</b>	<b>14.15</b>
Provision for taxation	(0.51)	(0.70)
<b>Surplus/(deficit) after tax</b>	<b>11.68</b>	<b>13.45</b>
Transfer to Shareholders' account	11.37	12.10
Balance being funds for future appropriations	0.31	1.34

(1) Including provision for doubtful debt and bad debts written off.

Profit and loss account (Shareholders' account)	For the year ended March 31,	
	2015	2016
	(` in billions)	
Amounts transferred from Policyholders' account	11.37	12.10
Investment and other income(1)	5.40	5.98
Expenses other than those directly related to the insurance business	0.48	0.34
Contribution to Policyholders' account	0.39	–
<b>Profit before Tax</b>	<b>15.91</b>	<b>17.74</b>
Provision for Taxation	0.50	(1.21)
<b>Profit after Tax</b>	<b>16.40</b>	<b>16.53</b>

(1) Netted for any impairment in investments which is shown as Provisions (other than taxation) in our Profit and loss account.

### Net earned premiums (Revenue account)

Net earned premiums are gross premium earned, net of service tax and reinsurance ceded.

Net earned premiums increased from ` 151.60 billion in fiscal 2015 to ` 189.99 billion in fiscal 2016, an increase of 25.3%. This increase was primarily due to an increase in gross premium, partially offset by an increase in reinsurance ceded.

Gross premium (net of service tax) increased from ` 153.07 billion in fiscal 2015 to ` 191.64 billion in fiscal 2016, an increase of 25.2%. This increase was primarily due to an increase in premiums in our par life, linked life and linked group segments.

Our segmental gross premium (net of service tax) is shown in the table below.

Segments	For the year ended March 31,					
	2015			2016		
	First year premiums	Renewal premiums	Single premiums	First year premiums	Renewal premiums	Single premiums
	( ` in billions)					
Par Life	6.16	10.24	-	6.92	14.48	-
Par Pension	-	0.39	-	-	0.36	-
Non Par	0.72	20.96	0.59	1.16	20.84	2.03
Annuity Non Par	-	-	2.20	-	-	1.87
Health	-	0.17	-	-	0.15	-
Linked Life	38.30	53.07	1.15	40.74	75.60	1.82
Linked Pension	0.51	9.37	0.26	0.43	7.26	0.26
Linked Health	-	1.67	-	-	1.42	-
Linked Group	0.04	3.89	3.39	-	3.87	12.44
<b>Total</b>	<b>45.73</b>	<b>99.74</b>	<b>7.59</b>	<b>49.24</b>	<b>123.99</b>	<b>18.41</b>

Reinsurance ceded increased from ` 1.46 billion in fiscal 2015 to ` 1.66 billion in fiscal 2016, an increase of 13.7%. This increase was primarily due to an increase in reinsurance of our pure protection products.

*Income from investments (Revenue account)*

Particulars	For the year ended March 31,	
	2015	2016
	( ` in billions)	
Interest, dividend and rent – gross .....	35.40	38.17
Profit on sale/redemption of investments.....	79.67	50.83
(Loss) on sale/redemption of investments .....	(5.03)	(10.62)
Accretion of discount/(amortisation of premium) (net) .....	4.94	5.40
Transfer/gain on revaluation/change in fair value .....	72.40	(71.69)
<b>Income from investments .....</b>	<b>187.39</b>	<b>12.08</b>

Income from investments decreased from ` 187.39 billion in fiscal 2015 to ` 12.08 billion in fiscal 2016. This decrease was primarily due to a decrease in investment income of our unit-linked portfolio from a gain of ` 174.14 billion in fiscal 2015 to a loss of ` 3.43 billion in fiscal 2016. The investment income of our unit-linked portfolio declined on account of adverse equity and debt market movements, which resulted in a decrease of the change in fair value from a gain of ` 72.40 billion in fiscal 2015 to a loss of ` 71.69 billion in fiscal 2016. This decrease in investment income on our unit-linked portfolio is directly offset by a corresponding impact on the change in valuation of policy liabilities. The investment income of portfolios other than our unit-linked portfolio increased from ` 13.25 billion in fiscal 2015 to ` 15.51 billion in fiscal 2016 due to an increase in interest income.

*Other income (Revenue account)*

Other income includes fees and charges and other miscellaneous income.

Other income increased from ` 0.18 billion in fiscal 2015 to ` 0.21 billion in fiscal 2016, an increase of 16.7%.

*Contribution from the Shareholders' account*

Contribution from the Shareholders' account represents the funding from the Profit and loss account (Shareholders' account) to various lines of business in case of a deficit in any line of business.

Contributions from the Shareholders' account decreased from ` 0.39 billion in fiscal 2015 to nil in fiscal 2016 as there was no deficit in any line of business in fiscal 2016.

*Commission (Revenue account)*

Commissions represent commissions paid to our distributors. These largely relate to retail products.

Commissions increased from ` 5.53 billion in fiscal 2015 to ` 6.20 billion in fiscal 2016, an increase of 12.1%. This increase was primarily due to an increase in retail premium income.

*Operating expenses relating to insurance business (Revenue account)*

Operating expenses relating to insurance business include provisions for doubtful debts and bad debts written off.

Operating expenses related to insurance business increased from ` 16.54 billion in fiscal 2015 to ` 18.93 billion in fiscal 2016, an increase of 14.5%. This increase was primarily due to an increase in marketing and business development expenses, employee costs and other expenses, which were due to the growth of our business. The marketing and business development expenses increased from ` 5.54 billion to ` 7.01 billion, the employee costs increased from ` 6.83 billion to ` 7.35 billion and other expenses, which include rent, communication expenses and information technology cost, increased from ` 4.16 billion to ` 4.57 billion during the same period.

*Service tax charge on linked charges (Revenue account)*

Service tax charge on linked charges represents the service tax payable on the charges collected on our unit linked products, and is collected from policyholders.

Service tax charge on linked charges increased from ` 3.07 billion in fiscal 2015 to ` 3.47 billion in fiscal 2016, an increase of 13.0%. This increase was primarily due to an increase in the rate of service tax in fiscal 2016.

*Benefits paid (net) and interim bonus paid (Revenue account)*

Benefits paid (net) and interim bonus paid consists of the net benefits paid to all our policyholders and the interim bonus paid on our participating products.

Benefits paid (net) and interim bonus paid increased from ` 122.60 billion in fiscal 2015 to ` 124.25 billion in fiscal 2016, an increase of 1.3%. This increase was primarily due to an increase in maturity proceeds paid to the policyholders from ` 3.15 billion to ` 4.91 billion and an increase of death benefits paid as per policy terms and conditions from ` 4.05 billion to ` 4.77 billion from fiscal 2015 to fiscal 2016, partially offset by a decrease in surrender pay-outs from ` 113.10 billion to ` 112.07 billion in the same period.

*Change in valuation of policy liabilities (Revenue account)*

	For the year ended March 31,	
	2015	2016
	(` in billions)	
Policy liabilities (non-unit/mathematical reserves)(Gross)	37.07	37.02
Amount ceded in reinsurance	(2.61)	(7.06)
Fund reserve	133.40	(4.87)
Funds for discontinued policies	11.70	10.07
<b>Total change in valuation of policy liabilities</b>	<b>179.56</b>	<b>35.15</b>

Change in valuation of policy liabilities represents the change in our policy liabilities, net of the amount ceded in reinsurance and changes in our fund reserves and funds for discontinued policies.

Change in valuation of policy liability decreased from ` 179.56 billion in fiscal 2015 to ` 35.15 billion in fiscal 2016, a decrease of 80.4%. This decrease was primarily due to a ` 4.87 billion decrease in fund reserves in fiscal 2016 compared to an increase of ` 133.40 billion in fiscal 2015, and an increase in credit for amount ceded in reinsurance. The movement in fund reserves is primarily due to a direct offset in liabilities due to a decrease in investment income on our unit-linked portfolio. The increase in the credit for amount ceded in reinsurance is primarily due to an increase in reinsurance of our pure protection products.

*Surplus (Revenue account)*

As a result of the above, surplus before tax increased from ` 12.19 billion in fiscal 2015 to ` 14.15 billion in fiscal 2016, an increase of 16.1%. This increase can be attributed to an increase in surpluses in our non-par, annuity non-par and par life segments, partially offset by a decrease in surplus in our linked pension segment.

Our segmental surplus is shown in the table below.

Segment results	For the year ended March 31,	
	2015	2016
	(` in billions)	
Par life.....	1.09	1.99
Par pension .....	0.38	0.30
Non par .....	2.67	4.57

Segment results	For the year ended March 31,	
	2015	2016
	(` in billions)	
Annuity non par .....	(0.39)	1.50
Health.....	0.19	0.34
Linked life.....	1.13	1.62
Linked pension.....	5.94	3.35
Linked health .....	0.43	0.23
Linked group.....	0.36	0.25
<b>Total Segmental surplus (Net of Contribution from Shareholders' account)</b>	<b>11.80</b>	<b>14.15</b>
Add: Contribution from Shareholders' account	0.39	0.00
<b>Surplus before tax.....</b>	<b>12.19</b>	<b>14.15</b>

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 ` 3.62 billion in fiscal 2015 to ` 5.03 billion in fiscal 2016 for par life and decreased from ` 1.38 billion to ` 0.67 billion in the same period for par pension.

Provision for taxation includes provisions for current and deferred taxes. Provision for taxation increased from ` 0.51 billion in fiscal 2015 to ` 0.70 billion in fiscal 2016, an increase of 37.3%. This increase was primarily due to an increase in surplus (grossed up for bonus) from the par life segment.

Surplus after tax increased from ` 11.68 billion in fiscal 2015 to ` 13.45 billion in fiscal 2016, an increase of 15.2%.

#### *Transfer to Shareholders' account*

Transfer to Shareholders' account represents the amount transferred from the Revenue account (Policyholders' account) to the Profit and loss account (Shareholders' account) based on the recommendation of the Appointed Actuary.

Transfer to Shareholders' account increased from ` 11.37 billion in fiscal 2015 to ` 12.10 billion in fiscal 2016, an increase of 6.4%. The remaining surplus after tax was retained in the Revenue account as funds for future appropriations.

#### *Investment and other income (Profit and loss account)*

Investment and other income includes income from investments of our shareholders' assets, netted for any impairment.

Investment and other income increased from ` 5.40 billion in fiscal 2015 to ` 5.98 billion in fiscal 2016, an increase of 10.7%. This increase was primarily due to a higher realisation of profits in our portfolio.

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

Expenses other than those directly related to the insurance business decreased from ` 0.48 billion in fiscal 2015 to ` 0.34 billion in fiscal 2016, primarily due to a decrease in the expense for corporate social responsibility activities under applicable law.

#### *Profit (Profit and loss account)*

As a result of the above, profit before tax increased from ` 15.91 billion in fiscal 2015 to ` 17.74 billion in fiscal 2016, an increase of 11.5%.

Provision for taxation includes provisions for both current and deferred taxes. Provision for taxation increased from a credit of ` 0.50 billion in fiscal 2015 to a charge of ` 1.21 billion in fiscal 2016. This change was primarily due to the change in our current tax liabilities from nil in fiscal 2015 to ` 1.91 billion in fiscal 2016, offset by an increase in the provision for taxation in the Revenue account.

Profit after tax increased from ` 16.40 billion in fiscal 2015 to ` 16.53 billion in fiscal 2016, an increase of 0.8%.

### **Year Ended March 31, 2015 Compared to Year Ended March 31, 2014**

#### *Income statements*

Revenue account (Policyholders' account)	For the year ended March 31,	
	2014	2015
	(` in billions)	
<b>Income:</b>		

Revenue account (Policyholders' account)	For the year ended March 31,	
	2014	2015
	(` in billions)	
Gross premium (net of service tax) .....	124.29	153.07
Reinsurance ceded .....	(1.46)	(1.46)
<b>Net earned premiums</b> .....	<b>122.83</b>	<b>151.60</b>
Income from investments.....	92.13	187.39
Other income .....	0.17	0.18
Contribution from the Shareholders' account .....	0.96	0.39
<b>Total Income</b> .....	<b>216.08</b>	<b>339.56</b>
<b>Expenses:</b>		
Commissions .....	6.27	5.53
Operating expenses relating to insurance business(1) .....	16.20	16.54
Provisions (other than taxation) .....	0.08	0.07
Service tax charge on linked charges.....	3.07	3.07
Benefits paid (net) and interim bonus paid .....	120.83	122.60
Change in valuation of policy liabilities .....	56.62	179.56
<b>Total Expenses</b> .....	<b>203.08</b>	<b>327.37</b>
<b>Surplus/(deficit) before Tax</b> .....	<b>13.00</b>	<b>12.19</b>
Provision for taxation .....	(0.48)	(0.51)
<b>Surplus/(deficit) after tax</b> .....	<b>12.52</b>	<b>11.68</b>
Transfer to Shareholders' account .....	12.64	11.37
Balance being funds for future appropriations.....	(0.12)	0.31

(1) Including provision for doubtful debt and bad debts written.

Profit and loss account (Shareholders' account)	For the year ended March 31,	
	2014	2015
	(` in billions)	
Amounts transferred from Policyholders' account .....	12.64	11.37
Investment and other income(1) .....	3.71	5.40
Expenses other than those directly related to the insurance business .....	0.15	0.48
Contribution to Policyholders' account .....	0.96	0.39
<b>Profit before Tax</b> .....	<b>15.23</b>	<b>15.91</b>
Provision for Taxation .....	0.38	0.50
<b>Profit after Tax</b> .....	<b>15.61</b>	<b>16.40</b>

(1) Netted for any impairment in investments which is shown as Provisions (other than taxation) in our Profit and loss account.

#### Net earned premiums (Revenue account)

Net earned premiums increased from ` 122.83 billion in fiscal 2014 to ` 151.60 billion in fiscal 2015, an increase of 23.4%. This increase was primarily due to an increase in gross premium.

Gross premium (net of service tax) increased from ` 124.29 billion in fiscal 2014 to ` 153.07 billion in fiscal 2015, an increase of 23.2%. This increase was primarily due to an increase in premium income in our linked life segment.

Our segmental gross premium (net of service tax) is shown in the table below.

Segments	For the year ended March 31,					
	2014			2015		
	First year premiums	Renewal premiums	Single premiums	First year premiums	Renewal premiums	Single premiums
(` in billions)						
Par Life	6.03	6.15	-	6.16	10.24	-
Par Pension	-	1.59	-	-	0.39	-
Non-Par	4.81	18.44	1.19	0.72	20.96	0.59

Segments	For the year ended March 31,					
	2014			2015		
	First year premiums	Renewal premiums	Single premiums	First year premiums	Renewal premiums	Single premiums
	(` in billions)					
Annuity Non-Par	-	-	2.28	-	-	2.20
Health	-	0.18	-	-	0.17	-
Linked Life	20.79	40.97	0.93	38.30	53.07	1.15
Linked Pension	0.52	13.21	0.27	0.51	9.37	0.26
Linked Health	0.19	1.80	-	-	1.67	-
Linked Group	0.51	4.34	0.08	0.04	3.89	3.39
<b>Total</b>	<b>32.85</b>	<b>86.69</b>	<b>4.74</b>	<b>45.73</b>	<b>99.74</b>	<b>7.59</b>

Reinsurance ceded was ` 1.46 billion in each of fiscal 2014 and 2015.

*Income from investments (Revenue account)*

Particulars	For the year ended March 31,	
	2014	2015
	(` in billions)	
Interest, dividend and rent – gross	31.69	35.40
Profit on sale/redemption of investments	43.20	79.67
(Loss) on sale/redemption of investments	(15.05)	(5.03)
Accretion of discount/(amortisation of premium) (net)	3.15	4.94
Transfer/gain on revaluation/change in fair value	29.13	72.40
<b>Income from investments</b>	<b>92.13</b>	<b>187.39</b>

Income from investments increased from ` 92.13 billion in fiscal 2014 to ` 187.39 billion in fiscal 2015. This increase was primarily due to an increase in investment income of our unit-linked portfolio from ` 81.96 billion in fiscal 2014 to ` 174.14 billion in fiscal 2015. The investment income of our unit-linked portfolio increased on account of favourable equity and debt market movements, which resulted in an increase of change in fair value from ` 29.13 billion in fiscal 2014 to ` 72.40 billion in fiscal 2015 and an increase in net profit from the sale/redemption of investments from ` 27.8 billion to ` 73.6 billion in the same period. This increase in investment income on our unit-linked portfolio is directly offset by a corresponding impact on the change in valuation of policy liabilities. The investment income of portfolios other than our unit-linked portfolio increased from ` 10.17 billion in 2014 to ` 13.25 billion in fiscal 2015 due to an increase in interest income.

*Contribution from the Shareholders' account*

Contributions from the Shareholders' account decreased from ` 0.96 billion in fiscal 2014 to ` 0.39 billion in fiscal 2015 due to lower deficits in certain lines of business in fiscal 2015 as compared to fiscal 2014.

*Commission (Revenue account)*

Commissions decreased from ` 6.27 billion in fiscal 2014 to ` 5.53 billion in fiscal 2015, a decrease 11.8%. This decrease was primarily due a decrease in new business commission from ` 4.71 billion in fiscal 2014 to ` 3.56 billion in fiscal 2015. This was due to an increase in the proportional sales of linked insurance products, which carry lower commissions, from 66% of retail new business premium in fiscal 2014 to 83% in fiscal 2015.

*Operating expenses relating to insurance business (Revenue account)*

Operating expenses related to insurance business include provisions for doubtful debts and bad debts written off.

Operating expenses related to insurance business increased from ` 16.20 billion in fiscal 2014 to ` 16.54 billion in fiscal 2015, an increase of 2.1%. This increase was primarily due to an increase in marketing and business development expenses, partially offset by a decrease in employee costs and other expenses. The marketing and business development expenses increased from ` 4.45 billion to ` 5.54 billion, the employee costs decreased from ` 7.12 billion to ` 6.83 billion and other expenses decreased from ` 4.62 billion to ` 4.16 billion during the same period.

*Service tax charge on linked charges (Revenue account)*

Service tax charge on linked charges was ` 3.07 billion in each of fiscal 2014 and 2015.

*Benefits paid (net) and interim bonus paid (Revenue account)*

Benefits paid (net) and interim bonus paid increased from ` 120.83 billion in fiscal 2014 to ` 122.60 billion in fiscal 2015, an increase of 1.5%. This increase was primarily due to an increase in maturity proceeds paid to the policyholders from ` 2.03 billion to ` 3.15 billion and an increase of death benefits paid as per policy terms and conditions from ` 3.66 billion to ` 4.05 billion from fiscal 2014 to fiscal 2015.

*Change in valuation of policy liabilities (Revenue account)*

	For the year ended March 31,	
	2014	2015
	(` in billions)	
Policy liabilities (non-unit/mathematical reserves)(Gross)	29.32	37.07
Amount ceded in reinsurance	(1.47)	(2.61)
Fund reserve	21.79	133.40
Funds for discontinued policies	6.97	11.70
<b>Total change in valuation of policy liabilities</b>	<b>56.62</b>	<b>179.56</b>

Change in valuation of policy liability increased from ` 56.62 billion in fiscal 2014 to ` 179.56 billion in fiscal 2015. This increase was primarily due to an increase of ` 133.40 billion in fund reserves in fiscal 2015 compared to ` 21.79 billion in fiscal 2014 and an increase in funds for discontinued policies. The movement in fund reserves is primarily due to a direct offset in liabilities of an increase in investment income on our unit-linked portfolio. The increase in funds for discontinued policies was due to higher discontinuance of policies in fiscal 2015 compared to fiscal 2014, as well as market related movements.

*Surplus (Revenue account)*

As a result of the above, surplus before tax decreased from ` 13.00 billion in fiscal 2014 to ` 12.19 billion in fiscal 2015, a decrease of 6.2%. This decrease can be attributed to decreases in surpluses in our linked pension, linked life and par life segments, partially offset by an increase in surplus in our non par segment.

Our segmental surplus is shown in the table below.

Segment results	For the year ended March 31,	
	2014	2015
	(` in billions)	
Par life	1.40	1.09
Par pension	0.52	0.38
Non-par	0.60	2.67
Annuity non-par	(0.60)	(0.39)
Health	0.34	0.19
Linked life	1.75	1.13
Linked pension	7.44	5.94
Linked health	0.30	0.43
Linked group	0.30	0.36
<b>Total Segmental surplus (Net of Contribution from Shareholders' account)</b>	<b>12.04</b>	<b>11.80</b>
Add: Contribution from Shareholders' account	0.96	0.39
<b>Surplus before tax</b>	<b>13.00</b>	<b>12.19</b>

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 ` 3.10 billion in fiscal 2014 to ` 3.62 billion in fiscal 2015 for par life and decreased from ` 1.56 billion to ` 1.38 billion in the same period for par pension.

Provision for taxation increased from ` 0.48 billion in fiscal 2014 to ` 0.51 billion in fiscal 2015, an increase of 6.3%. This increase was primarily due to an increase in surplus (grossed up for bonus) from the par life segment.

Surplus after tax decreased from ` 12.52 billion in fiscal 2014 to ` 11.68 billion in fiscal 2015, a decrease of 6.7%.

*Transfer to Shareholders' account*

Transfer to Shareholders' account decreased from ` 12.64 billion in fiscal 2014 to ` 11.37 billion in fiscal 2015, a decrease of 10.0%. The remaining surplus after tax was retained in the Revenue account as funds for future appropriations.



### *Investment and other income (Profit and loss account)*

Investment and other income increased from ` 3.71 billion in fiscal 2014 to ` 5.40 billion in fiscal 2015, an increase of 45.6%. This increase was primarily due to a lower realisation of losses in our investment portfolio.

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

Expenses other than those directly related to the insurance business increased from ` 0.15 billion in fiscal 2014 to ` 0.48 billion in fiscal 2015. This increase was primarily due an increase in corporate social responsibility expenses.

### *Profit (Profit and loss account)*

As a result of the above, profit before tax increased from ` 15.23 billion in fiscal 2014 to ` 15.91 billion in fiscal 2015, an increase of 4.5%.

Provision for taxation was a credit in the Profit and loss account of ` 0.38 billion and ` 0.50 billion in fiscal 2014 and 2015, respectively. The tax charge in shareholders account is arrived at by deducting the tax charged to the participating line of business from the overall current tax charge of the Company. The current tax for the Company, calculated in accordance with the Income tax Act, 1961, was nil in both fiscal 2014 and 2015. As per the accounting policy of the Company, a tax of ` 0.38 billion in fiscal year 2014 and ` 0.50 billion for fiscal 2015 was charged to participating line of business.

Profit after tax increased from ` 15.61 billion in fiscal 2014 to ` 16.40 billion in fiscal 2015, an increase of 5.1%.

## **Financial Position**

The following table sets forth, at the dates indicated, our summary balance sheet, which is based on our consolidated financial statements set forth in Financial Information—Financial Statements:

<b>Balance sheet</b>	<b>As at March 31,</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>( ` in billions)</b>		
Shareholders' funds	49.82	52.64	53.23
Policyholders' funds:			
Fair value change account and Revaluation reserve – Investment property	5.46	12.32	10.29
Non unit liabilities (mathematical reserves)	138.12	172.59	202.55
Provision for linked liabilities (fund reserves)	591.37	724.78	719.90
Funds for discontinued policies	11.28	22.98	33.04
Funds for Future Appropriations	4.97	5.27	6.62
<b>Total Liabilities</b>	<b>751.21</b>	<b>937.93</b>	<b>972.40</b>
<b>Total Equity and Liabilities</b>	<b>801.03</b>	<b>990.57</b>	<b>1,025.64</b>
<b>Application of funds</b>			
Shareholders' investments	53.48	58.55	62.12
Policyholders' investments	144.43	188.58	215.16
Assets held to cover linked liabilities	603.10	747.78	752.96
Net Current Assets	(8.12)	(6.69)	(7.24)
Debit Balance in Profit and Loss Account (Shareholders' account)	5.98	–	–
Other assets	2.15	2.35	2.64
<b>Total Assets</b>	<b>801.03</b>	<b>990.57</b>	<b>1,025.64</b>
Contingent liabilities	1.89	1.97	2.01

Total assets increased from ` 990.57 billion at March 31, 2015 to ` 1,025.64 billion at March 31, 2016, an increase of 3.5%. This increase was primarily due to an increase in investments in our policyholders' accounts. Total assets increased from ` 801.03 billion at March 31, 2014 to ` 990.57 billion at March 31, 2015. This increase was primarily due to an increase in the investments held in our shareholders' and policyholders' accounts and an increase in assets held to cover linked liabilities.

Total liabilities increased from ` 937.93 billion at March 31, 2015 to ` 972.40 billion at March 31, 2016, an increase of 3.7%. This increase was primarily due to increases in non-unit liabilities and funds for discontinued policies, partially offset by a decrease in provision for linked liabilities. Total liabilities increased from ` 751.21 billion at March 31, 2014 to ` 937.93 billion at March 31, 2015, an increase of 24.9%. This increase was primarily due to increases in the policy liabilities and fair

value change account.

## Liquidity and Capital Resources

We manage our liquidity and capital resources on a consolidated basis. The following table sets forth, for the periods indicated, a summary of our cash flows:

Receipts and payments account	For the year ended March 31,		
	2014	2015	2016
	(` in billions)		
Net cash generated from/(used in) operating activities	(23.82)	5.23	36.35
Net cash generated from/(used in) investing activities	60.12	(18.22)	0.27
Net cash generated from/(used in) financing activities	(10.91)	(9.66)	(14.42)

### *Cash flows from operating activities*

Net cash flows generated from/(used in) operating activities increased from ` 5.23 billion in fiscal 2015 to ` 36.35 billion in fiscal 2016. This increase was primarily due to an increase in premium and other receipts.

Net cash flows generated from/(used in) operating activities increased from ` (23.82) billion in fiscal 2014 to ` 5.23 billion in fiscal 2015. This increase was primarily due to an increase in premium and other receipts.

### *Cash flows from investing activities*

Net cash flows generated from/(used in) investing activities increased from ` (18.22) billion in fiscal 2015 to ` 0.27 billion in fiscal 2016. This increase was primarily due to an increase in interest and rent received and a decrease in net investment in money market instruments and liquid mutual funds, partially offset by an increase in net purchase of investments.

Net cash flows generated from/(used in) investing activities decreased from ` 60.12 billion in fiscal 2014 to ` (18.22) billion in fiscal 2015. This decrease was primarily due to a decrease in net sale of investments and an increase in net investment in money market instruments and liquid mutual funds, partially offset by an increase in interest and rent received.

### *Cash flows from financing activities*

Net cash flows generated from/(used in) financing activities increased from ` (9.66) billion in fiscal 2015 to ` (14.42) billion in fiscal 2016. This increase was primarily due to an increase in dividends paid (including dividend distribution tax) from ` 9.87 billion in fiscal 2015 to ` 14.48 billion in fiscal 2016.

Net cash flows generated from/(used in) financing activities decreased from ` (10.91) billion in fiscal 2014 to ` (9.66) billion in fiscal 2015. This decrease was primarily due to a decrease in dividends paid (including dividend distribution tax) from ` 10.93 billion in fiscal 2014 to ` 9.87 billion in fiscal 2015.

## Seasonality

We are subject to seasonal fluctuations in results of operations and cash flow. Insurance volumes typically increase significantly in the last quarter of each fiscal year, which coincides with the end of the tax year in India, due to customers availing themselves of income tax advantages that life insurance products offer. For the same reason, we typically experience slower sequential revenue growth in the first quarter of each fiscal year.

## Significant Developments after March 31, 2016

According to our Directors, other than as disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstances since March 31, 2016 which materially and adversely affect or are likely to affect the trading of our Company's Equity Shares, our profitability, the value of its assets, or our ability to pay our liabilities within the next twelve months.

## Material Contractual Obligations

As of March 31, 2016, we did not have any material contractual obligations or commercial commitments, including long-term debt, rental commitments, operating lease commitments, purchase obligations or other capital commitments, other than contractual obligations under insurance and investment contracts we enter into in our ordinary course of business and other than those as set forth in the notes to the audited financial statements set forth in "Financial Information—Financial Statements" and summarised as below:

- We had operating lease obligations relating to our leasing arrangements for network equipment amounting to ` 0.14 billion.

- We had capital commitment relating to investment in real estate and fixed assets amounting to ₹ 0.58 billion.

### **Off-Balance Sheet Arrangements**

The Company has given bank guarantees, primarily based on the directive from the courts and regulatory authorities, amounting to ₹ 8.6 million.

### **Contingent Liabilities**

From time to time we may be contingently liable with respect to litigation and claims that arise in the normal course of operations as reported in the “Notes to financial statements”.

As of March 31, 2016, we have made provisions of ₹ 135.5 million in relation to litigations where our management believes that a financial outflow is probable.

### **ICICI Prudential Pension Funds Management Company Limited**

Our Company has a wholly owned subsidiary, ICICI Prudential Pension Funds Management Company Limited (“**PFM**”). PFM is licenced by the Pension Funds Regulatory and Development Authority as a pension fund manager for the National Pension System.

As at March 31, 2014, 2015 and 2016, PFM had ₹ 1.77 billion, ₹ 3.69 billion and ₹ 7.01 billion in assets under management, respectively, representing a CAGR of 99.0%.

PFM registered a loss of ₹ 3.1 million in the year ended March 31, 2016 compared to profit of ₹ 1.0 million in the year ended March 31, 2015 and a loss of ₹ 10.7 million in the year ended March 31, 2014.

### **Indebtedness**

As of March 31, 2016, we had no indebtedness.

### **Known Trends or Uncertainties**

Our business has been impacted, and we expect will continue to be impacted, by the trends identified above in “—Key Factors Affecting our Results of Operations” on page 408 and the uncertainties described in “Risk Factors” on page 21.

### **Unusual or Infrequent Events or Transactions**

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no events or transactions relating to our Company which, in our judgement, would be considered unusual or infrequent.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

See “Risk Factors—Risks Related to our Business—Any adverse effect on the equity markets in India could have a material adverse effect on our business, financial condition and results of operations” and “Risk Factors—Risks Related to our Business—Changes in market interest rates could have a material adverse effect on our business and profitability” on pages 24 and 25, respectively.

**SECTION VI: EMBEDDED VALUE REPORT**

Milliman Client Report



**ICICI Prudential Life Insurance Company Limited**

Report on Indian Embedded Value as at 31 March 2016

Prepared for:

**ICICI Prudential Life Insurance Company Limited**

Prepared by:

**Richard Holloway FIAI**

Partner

12 July 2016

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## Section 1 - Introduction

### 1.1. Background

- 1.1.1. The Institute of Actuaries of India (“IAI”) has issued Actuarial Practice Standard 10, Version 1.02 (“APS10”) which sets out various requirements governing the determination and disclosure of the Indian Embedded Value (“IEV”) as defined in the practice standard, to be disclosed by life insurance companies in connection with an initial public offering (“IPO”) of securities issued by those companies.
- 1.1.2. Pursuant to the engagement letter dated 9 May 2016, Milliman Advisors LLP (‘Milliman’, ‘we’, ‘us’, ‘our’) has been engaged by ICICI Prudential Life Insurance Company Limited (‘ICICI Prudential’, ‘you’, ‘your’, ‘the Company’) to prepare this report (“Report”) for disclosure purposes in connection with the planned IPO. The methodology, assumptions, the Results and the disclosures set out in this Report comply with the requirements of APS10.
- 1.1.3. This Report sets out the components of economic value of the Company comprising the IEV as at the valuation date, 31 March 2016; the value of one year of new business (“VNB”) for new business sold during the year ending 31 March 2016; an analysis of the movement of IEV from 31 March 2015 to 31 March 2016; and various sensitivity results on the IEV as at 31 March 2016 and sensitivity results on the VNB for business sold during the year ending 31 March 2016 (together referred to as the “Results”).
- 1.1.4. The opinions expressed in this Report are those of the signatory to this Report, I, Richard Holloway (‘I’, ‘me’, ‘my’), hold a Certificate of Practice (“CoP”) from the IAI. I have had the benefit of internal peer review from Mr. Nick Dumbreck, who is a Fellow of the Institute and Faculty of Actuaries, in the United Kingdom. I have also worked alongside Mr. Sanket Kawatkar, who is a Fellow of the Institute of Actuaries of India.
- 1.1.5. When considering the requirements of APS10, I have not taken account of paragraph 2.3 of the same, requiring an independent peer review from a ‘Reviewing Actuary’, as this clause has become redundant following the introduction of the IRDAI (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015, dated 17 December 2015. This new regulation requires an Embedded Value Report prepared by one Independent Actuary (i.e. the ‘Reporting Actuary’) but does not require a report by a ‘Reviewing Actuary’. Compliance with APS10 has therefore been assessed disregarding the requirement for a ‘Reviewing Actuary’.
- 1.1.6. Except where it is otherwise stated, the figures quoted in this Report are as at the applicable valuation dates of 31 March 2015 or 31 March 2016, and make no allowance for any developments after 31 March 2016. The various amounts specified are expressed in Indian Rupees (“INR”).

### 1.2. Scope and distribution

- 1.2.1. ICICI Prudential may publicly disclose the final version of this Report in its entirety in connection with the IPO. Any excerpts from this Report require Milliman’s prior review and consent.
- 1.2.2. This Report should be read in its entirety, including the reliances and limitations set out in Section 6, as individual Sections, if considered in isolation, may be misleading.

### 1.3. Structure of the Report

- 1.3.1. The various Sections of this Report are set out as follows:
- **Section 2: Indian Embedded Value Results** – sets out the Results.
  - **Section 3: Formal opinion and statements** – provides the formal opinion in respect of the Results and the various statements as specified in APS10.
  - **Section 4: Methodology** – provides details of the methodology adopted in the derivation of the Results.
  - **Section 5: Assumptions** – describes the assumptions made in deriving the Results.
  - **Section 6: Reliances and limitations** – sets out the reliances and limitations applicable to our work and to this Report.
  - **Appendix A** – sets out the historical persistency experience and the assumed discontinuance rates.

## 1.4. Abbreviations used in the Report

1.4.1. The main abbreviations used in this Report are summarised below:

- ANW – adjusted net worth
- CRNHR – cost of residual non-hedgeable risks
- FC – frictional cost of capital
- FS – free surplus
- IAI – Institute of Actuaries of India
- IEV – Indian Embedded Value
- INR – Indian Rupees
- IRDAI – Insurance Regulatory and Development Authority of India
- NAV – Net Asset Value
- PVNBP – present value of new business premium
- RC – required capital
- TVFOG – time value of financial options and guarantees
- ULIP – unit-linked insurance plan
- VIF – value of in-force business
- VNB – value of new business

## Section 2 - Indian Embedded Value Results

### 2.1. Background

2.1.1. The shareholding pattern of ICICI Prudential as at 31 March 2016 is as follows:

Entity	Shareholding percentage
ICICI Bank Limited	67.7%
Prudential Corporation Holdings Limited	25.9%
Others	6.5%
<b>Total</b>	<b>100.0%</b>

*Figures may not add up due to rounding*

2.1.2. The Company writes its business through a variety of distribution channels, including tied agents, bancassurance, third party corporate agents, brokers and direct (including on-line) channels.

2.1.3. The Company commenced operations in the year 2000.

### 2.2. Overview

2.2.1. The Results are derived in respect of the Company and all the subsidiary undertakings of the Company.

2.2.2. The IEV of ICICI Prudential consists of the Adjusted Net Worth (“ANW”) and value of in-force business (“VIF”). VIF is a measure of the value of the shareholders’ interests in the covered business of the Company (where ‘covered business’ is as defined in Section 2.2.5 below). The VIF represents 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. The allowance for risk is calibrated to match the market price for risk where reliably observable.

2.2.3. The VNB represents the additional value to shareholders created through the activity of writing new covered business for the period ending on the applicable valuation date.

- 2.2.4. The IEV only reflects in-force business as at the valuation date. In particular, the value of future new business (i.e. new business that may be written after the applicable valuation date) is excluded from the IEV.
- 2.2.5. For the Results, covered business refers to all business that has been written by ICICI Prudential, including the life assurance and pensions business, accident and health insurance business and group business.
- 2.2.6. The business written by ICICI Prudential Pension Funds Management Company Ltd., a subsidiary of ICICI Prudential, which writes pensions fund management business, is not included as covered business. The value of ICICI Prudential Pension Funds Management Company Ltd. is reflected in the ANW (at INR258.7 million as at 31 March 2015 and INR255.6 million as at 31 March 2016) based on the value at which it is carried in the audited financial statements of the Company.

## 2.3. Results

### Indian Embedded Value (IEV)

- 2.3.1. The IEVs of ICICI Prudential as at 31 March 2015 and 31 March 2016 are set out in the table below:

Components of IEV	As at 31 March 2015	As at 31 March 2016
Free surplus (FS) (A)	36,070	35,283
Required capital (RC) (B)	18,258	19,852
<b>Adjusted net worth (ANW) (C = A + B)</b>	<b>54,328</b>	<b>55,136</b>
Present value of future profits (PVFP) (D)	87,922	88,724
Time value of financial options and guarantees (TVFOG) (E)	(306)	(385)
Cost of residual non-hedgeable risks (CRNHR) (F)	(2,231)	(2,452)
Frictional cost of required capital (FC) (G)	(1,490)	(1,633)
<b>Value of in-force business (VIF) (H = D + E + F + G)</b>	<b>83,895</b>	<b>84,255</b>
<b>Indian embedded value (IEV) (I = C + H)</b>	<b>138,224</b>	<b>139,390</b>

Amounts in INR million; Figures may not add up due to rounding  
A reconciliation of the adjusted net worth to the audited financial statements is given in Section 4.4.7.

### Value of new business (VNB) and other performance measures

- 2.3.2. The VNB as at 31 March 2016, in respect of the new business sold during the year ending 31 March 2016 is set out in the table below:

Components of VNB	Amount
VNB before TVFOG, CRNHR, FC (A)	5,027
TVFOG in respect of new business (B)	(107)
CRNHR in respect of new business (C)	(552)
FC in respect of new business (D)	(244)
<b>Value of new business (VNB) (E = A + B + C + D)</b>	<b>4,123</b>

Amounts in INR million; Figures may not add up due to rounding

- 2.3.3. The VNB margin in respect of the new business sold during the year ending 31 March 2016 is derived as follows:

Derivation of VNB margin	Amount or % as appropriate
VNB	4,123
Annualised new business premium (APE) for the year ending 31 March 2016	51,702
<b>VNB margin (=VNB / APE)</b>	<b>8.0%</b>

Amounts in INR million; Figures may not add up due to rounding

Notes:

- (1) APE is calculated as 100% of annualised premium for regular and limited premium plans and 10% of single premium
- (2) Group term insurance and group funds management business are treated as single premium

2.3.4. The Present Value of New Business Premium (“PVNBP”) at the point of sale of the new business is INR192,450 million.

#### Analysis of movement of IEV

2.3.5. The analysis of movement of IEV from 31 March 2015 to 31 March 2016 is set out in the table below:

Components	FS	RC	VIF	IEV
<b>Opening IEV as at 31 March 2015</b>	<b>36,070</b>	<b>18,258</b>	<b>83,895</b>	<b>138,224</b>
Opening adjustments	Nil	Nil	Nil	Nil
<b>Update statutory valuation assumptions and service tax rates to the assumptions as at 31 March 2016</b>	17	(36)	39	20
<b>Expected return on existing business</b>				
At reference rate	2,651	1,342	6,383	10,375
At expected excess ‘real world’ return over reference rates	413	209	1,585	2,207
<b>Transfers from VIF and RC to FS</b>	22,336	(2,237)	(20,099)	-
<b>VNB added during the period</b>	(12,773)	2,939	13,957	4,123
<b>Variance in operating experience</b>				
Persistency rates	(770)	669	2,113	2,012
Mortality / morbidity rates	692	21	75	788
Expenses	597	0	(3)	594
Others	1,166	(161)	90	1,095
<b>IEV operating earnings</b>	<b>14,329</b>	<b>2,747</b>	<b>4,140</b>	<b>21,216</b>
<b>Change in economic assumptions</b>	-	-	524	524
<b>Economic variances</b>				
Investment return	(701)	(1,153)	(4,305)	(6,159)
<b>Other non-operating variance</b>	Nil	Nil	Nil	Nil
<b>IEV total earnings</b>	<b>13,627</b>	<b>1,594</b>	<b>359</b>	<b>15,581</b>
<b>Capital contributions / (dividends paid out)</b>	(14,414)	-	-	(14,414)
<b>Closing adjustments</b>	Nil	Nil	Nil	Nil
<b>Closing IEV as at 31 March 2016</b>	<b>35,283</b>	<b>19,852</b>	<b>84,255</b>	<b>139,390</b>

Amounts in INR million; Figures may not add up due to rounding

#### Sensitivity analysis

2.3.6. The sensitivity analysis in respect of IEV as at 31 March 2016 is set out in the table below:

No.	Scenario	ANW	VIF	IEV	% change in IEV as compared to the base results
	<b>Base results</b>	55,136	84,255	139,390	
<b>1</b>	<b>Reference rates and assets</b>				
1a	An increase of 100 bps in the reference rates	53,835	82,116	135,952	(2.5%)
1b	A decrease of 100 bps in the reference rates	56,339	86,727	143,066	2.6%
1c	An increase of 200 bps in the reference rates	52,478	80,258	132,735	(4.8%)
1d	A decrease of 200 bps in the reference rates	57,403	89,597	147,000	5.5%
1e	Equity values decrease by 10%	54,136	82,141	136,277	(2.2%)
1f	Equity values decrease by 20%	53,121	80,037	133,158	(4.5%)
1g	Implied swaption volatilities increase by 25% <sup>(1)</sup>	Not applicable	Not applicable	Not applicable	Not applicable
1h	Implied equity volatilities increase by 25% <sup>(1)</sup>	54,200	84,997	139,197	(0.1%)
<b>2</b>	<b>Expenses</b>				
2a	10% increase in maintenance expenses	53,652	84,146	137,798	(1.1%)
2b	10% decrease in maintenance expenses	56,518	84,464	140,981	1.1%
2c	10% increase in acquisition expenses	55,136	84,255	139,390	Nil
2d	10% decrease in acquisition expenses	55,136	84,255	139,390	Nil
2e	30% increase in acquisition expenses	55,136	84,255	139,390	Nil
2f	30% decrease in acquisition expenses	55,136	84,255	139,390	Nil
<b>3</b>	<b>Policy / premium discontinuance rates and partial withdrawal rates (proportionate)</b>				



No.	Scenario	ANW	VIF	IEV	% change in IEV as compared to the base results
3a	10% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	55,139	82,661	137,800	(1.1%)
3b	10% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	55,127	86,004	141,131	1.2%
3c	50% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	55,126	78,218	133,345	(4.3%)
3d	50% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	55,024	94,849	149,873	7.5%
<b>4</b>	<b>Policy / premium discontinuance rates and partial withdrawal rates (shape change)</b>				
4a	Mass lapsation <sup>(2)</sup> of 25% of policies at the end of the surrender penalty period for unit-linked insurance plans	55,136	85,952	141,088	1.2%
4b	Mass lapsation <sup>(2)</sup> of 50% of policies at the end of the surrender penalty period for unit-linked insurance plans	55,136	83,084	138,219	(0.8%)
4c	50% increase (multiplicative) in the policy / premium discontinuance rate and partial withdrawal rate for the period after the end of any surrender penalty period <sup>(3)</sup>	55,057	78,368	133,425	(4.3%)
4d	50% decrease (multiplicative) in the policy / premium discontinuance rate and partial withdrawal rate for the period after the end of any surrender penalty period <sup>(3)</sup>	55,245	94,117	149,362	7.2%
4e	An absolute increase of 5% in the non-zero policy lapse <sup>(4)</sup> rates	55,136	81,607	136,743	(1.9%)
4f	An absolute decrease of 5% in the non-zero policy lapse <sup>(4)</sup> rates (subject to the resulting rates being floored at zero)	55,136	86,597	141,733	1.7%
<b>5</b>	<b>Insurance risks</b>				
5a	An increase of 5% (multiplicative) in the mortality / morbidity rates	54,501	84,294	138,795	(0.4%)
5b	A decrease of 5% (multiplicative) in the mortality / morbidity rates	55,685	84,299	139,984	0.4%
<b>6</b>	<b>Required capital</b>				
6a	Required capital based on solvency capital <sup>(5)</sup>	Not applicable	Not applicable	Not applicable	Not applicable
<b>7</b>	<b>Taxation</b>				
7a	Assumed tax rate increased to 34.61% (i.e. 30% plus surcharge and education cess)	55,136	63,473	118,608	(14.9%)

Amounts in INR million; Figures may not add up due to rounding

Notes:

- (1) The stochastic asset model uses equity volatilities but does not use implied swaption volatilities.
- (2) Mass lapse rate assumptions (25% or 50%) are reflected by replacing the relevant assumptions made in the base scenario and not as an addition to the assumptions made in the base scenario.
- (3) Applicable for ULIPs.
- (4) A policy lapse is defined as premium discontinuance, after which a policy will be subject to forcible foreclosure at the end of a revival period, as specified in the policy terms and conditions.

(5) The RC in the base scenario is based on solvency capital as calculated in accordance with Section 4.4.8, and therefore this sensitivity is not applicable.

2.3.7. The sensitivity analysis in respect of VNB for the year ending 31 March 2016 is set out in the table below:

No.	Scenario	VNB	% change in VNB as compared to the base results
	<b>Base results</b>	4,123	
<b>1</b>	<b>Reference rates and assets</b>		
1a	An increase of 100 bps in the reference rates	3,887	(5.7%)
1b	A decrease of 100 bps in the reference rates	4,358	5.7%
1c	An increase of 200 bps in the reference rates	3,651	(11.5%)
1d	A decrease of 200 bps in the reference rates	4,592	11.4%
1e	Equity values decrease by 10%	4,038	(2.1%)
1f	Equity values decrease by 20%	3,949	(4.2%)
1g	Implied swaption volatilities increase by 25% <sup>(1)</sup>	Not applicable	Not applicable
1h	Implied equity volatilities increase by 25% <sup>(1)</sup>	4,077	(1.1%)
<b>2</b>	<b>Expenses</b>		
2a	10% increase in maintenance expenses	3,860	(6.4%)
2b	10% decrease in maintenance expenses	4,386	6.4%
2c	10% increase in acquisition expenses	3,124	(24.2%)
2d	10% decrease in acquisition expenses	5,122	24.2%
2e	30% increase in acquisition expenses	1,137	(72.4%)
2f	30% decrease in acquisition expenses	7,102	72.3%
<b>3</b>	<b>Policy / premium discontinuance rates and partial withdrawal rates (proportionate)</b>		
3a	10% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	3,616	(12.3%)
3b	10% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	4,649	12.7%
3c	50% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	1,779	(56.9%)
3d	50% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	6,936	68.2%
<b>4</b>	<b>Policy / premium discontinuance rates and partial withdrawal rates (shape change)</b>		
4a	Mass lapsation <sup>(2)</sup> of 25% of policies at the end of the surrender penalty period for unit-linked insurance plans	4,384	6.3%
4b	Mass lapsation <sup>(2)</sup> of 50% of policies at the end of the surrender penalty period for unit-linked insurance plans	3,941	(4.4%)
4c	50% increase (multiplicative) in the policy / premium discontinuance rate and partial withdrawal rate for the period after the end of any surrender penalty period <sup>(3)</sup>	3,717	(9.8%)
4d	50% decrease (multiplicative) in the policy / premium discontinuance rate and partial withdrawal rate for the period after the end of any surrender penalty period <sup>(3)</sup>	4,471	8.4%
4e	An absolute increase of 5% in the non-zero policy lapse <sup>(4)</sup> rates	2,534	(38.5%)
4f	An absolute decrease of 5% in the non-zero policy lapse <sup>(4)</sup> rates (subject to the resulting rates being floored at zero)	5,761	39.7%
<b>5</b>	<b>Insurance risks</b>		
5a	An increase of 5% (multiplicative) in the mortality / morbidity rates	3,991	(3.2%)
5b	A decrease of 5% (multiplicative) in the mortality / morbidity rates	4,255	3.2%
<b>6</b>	<b>Required capital</b>		
6a	Required capital based on solvency capital <sup>(5)</sup>	Not applicable	Not applicable
<b>7</b>	<b>Taxation</b>		
7a	Assumed tax rate increased to 34.61% (i.e. 30% plus surcharge and education cess)	2,715	(34.2%)

Amounts in INR million; Figures may not add up due to rounding

Notes:

- (1) *The stochastic asset model uses equity volatilities but does not use implied swaption volatilities.*
- (2) *Mass lapse rate assumptions (25% or 50%) are reflected by replacing the relevant assumptions made in the base scenario and not as an addition to the assumptions made in the base scenario.*
- (3) *Applicable for ULIPs.*
- (4) *A policy lapse is defined as premium discontinuance, after which a policy will be subject to forcible foreclosure at the end of a revival period, as specified in the policy terms and conditions.*
- (5) *The RC in the base scenario is based on solvency capital as calculated in accordance in Section 4.4.8, and therefore this sensitivity is not applicable.*

2.3.8. The Company has exhausted its historical income tax credits. Hence, no further adjustment is made to allow for any deferred tax asset in the VNB projection model in respect of any delay between the incurring of initial expenses and relieving these against future profits, for all VNB scenarios.

### **Section 3 - Formal opinion and statements**

#### **3.1. Overview**

3.1.1. In this Section, I set out the various formal statements required under APS10 as well as the formal opinion in respect of the Results.

#### **3.2. Statement of materiality**

3.2.1. The Company has instructed that the Results should be fully compliant with the requirements of APS10. If the Results deviate from the requirements of APS10, the Results should not be materially different from those that would be derived if the requirements of APS10 were to be adopted in their entirety.

3.2.2. In accordance with paragraph 2.6 of APS10, on 26 April 2016, the Board of Directors of the Company passed a resolution specifying that the criterion for materiality is that the IEV included in this Report should be within 2% of IEV at an aggregate level, should the IEV be derived based on the requirements of APS10 in their entirety. Based on the work carried out, it is estimated that the IEV included in this Report deviated from the requirements of APS10 by less than 0.5%.

3.2.3. I note that the Results are based on the requirements of APS10 in all material respects.

#### **3.3. Statements regarding signatory**

3.3.1. I am a Fellow of the IAI and have the necessary experience to sign this Report. I am in possession of a Certificate of Practice from the IAI.

3.3.2. In preparing this Report I have had the benefit of technical expertise from the staff of Milliman Inc. and its network companies, including that from Mr. Sanket Kawatkar, who worked alongside me, and Mr. Nick Dumbreck, who provided internal peer review support to me.

#### **3.4. Statements regarding conflict of interest and independence**

3.4.1. I am a partner in Milliman Advisors LLP. I am signing this Report as a Fellow of the IAI.

3.4.2. In accordance with paragraph 3.4 of APS10, I have carefully considered my existing association with the Company, and have concluded that I do not have any conflict of interest in signing this Report.

#### **3.5. Statement regarding valuation on a going concern basis**

3.5.1. In developing the Results, I have assumed the continuation of the current management team of the Company, and the Results are consistent with the operating record of that management.

#### **3.6. Non-actuarial advice**

3.6.1. In the course of this assignment and producing this Report, Milliman has not rendered any non-actuarial advice to the Company.

### 3.7. Statement of compliance with APS10

3.7.1. I have complied fully with the requirements of APS10 when producing the Results and this Report.

### 3.8. Policy data

3.8.1. The Company has commissioned M/s. Deloitte Touche Tohmatsu India Limited Liability Partnership (“DTTILLP”) to review the policy data for in-force business used in the IEV calculation as at 31 March 2015 and 31 March 2016 in accordance with the terms of the engagement letter dated 17 December 2015 between DTTILLP and the Company.

3.8.2. We have seen the final report dated 18 June 2016 issued by DTTILLP to the Company setting out their observations, and the comments provided by the Company.

3.8.3. We have reviewed the work performed by DTTILLP, their observations, and the Company’s comments in the aforesaid final report. In addition, we have also reviewed other data checks performed by the Company and reviewed the consistency of the policy data used in calculating the Results against that used for the statutory valuation of liabilities.

3.8.4. We have also received a management representation letter from the Company stating that the data provided to us is complete and accurate.

3.8.5. Based on the foregoing, together with other checks conducted by ourselves we have formed the view that appropriate checks have been applied to the policy data used for the development of the Results.

### 3.9. Formal opinion

3.9.1. Based on the work carried out and subject to the detailed reliances and limitations set out in this Report, I am of the opinion that:

- the methodology used to develop the Results is reasonable;
- the assumptions used to develop the Results have largely been developed using the Company’s operating experience and are reasonable;
- the Results have been prepared materially in accordance with the methodology and assumptions described in this Report; and
- the Results have been prepared in accordance with the requirements of APS10 and within the materiality limit set by the Company.

## Section 4 - Methodology

### 4.1. Overview

4.1.1. This Section sets out the significant aspects of the methodology used in the preparation of the Results.

4.1.2. ICICI Prudential writes the following main lines of life insurance business:

- **Unit-linked insurance plans:** premiums, net of any charges, are credited to segregated ‘unit funds’ at the prevailing unit price, with the balance invested in the non-participating fund. The investment income earned on assets held within the unit funds, is credited to the respective unit funds and reflected through a change in the unit price. Any applicable charges are deducted from the unit funds through a reduction in the number of units. The benefits paid under these plans are a combination of amounts from the accumulated unit funds and the non-participating fund. All expenses are deducted from the non-participating fund. Any surplus arising in the non-participating fund is transferred to the shareholders’ account following the annual statutory valuation.
- **Participating insurance plans:** premiums are credited to, and benefits and expenses debited from, two segregated funds (the ‘participating life fund’ and the ‘participating pension fund’). If a surplus is available in these participating funds, policyholder benefits may be enhanced through the declaration of a bonus. Any deficit in the participating funds is borne fully by the shareholders. A maximum of one-ninth of the cost of any bonus declared to policyholders may be transferred from the participating funds to the shareholders’ account. If, following the annual statutory valuation, there is a surplus remaining after transfers to the shareholders’ account, such surplus is transferred to the Funds for Future Appropriation (“FFA”), and is available to fund bonuses (and associated shareholder transfers) in subsequent valuations.

- **Traditional non-linked insurance plans:** premiums are credited to, and benefits and expenses debited from, the non-participating fund. The benefits paid / structure of the benefits paid and premiums due are fixed at the inception of the contract. If there is a surplus in the non-participating fund, it is transferred to the shareholders' account following the annual statutory valuation.

4.1.3. The Company also writes other minor lines of business such as universal life (or variable insurance products), group protection and savings products, annuities and health insurance products.

#### **4.2. Reliance on policy data and other information**

4.2.1. We have relied on the policy data and other information provided by the Company as outlined in Section 6.1.5. As noted in Section 3.8, we have also reviewed the various checks applied on the policy data used in the calculation of the Results.

#### **4.3. Model checking and reliance**

4.3.1. The Results were prepared using the actuarial models developed by ICICI Prudential.

4.3.2. The scope of our engagement with the Company requires Milliman to independently check the actuarial models used to develop the Results for plans that represent a significant and material proportion of the in-force and new business portfolio.

4.3.3. Milliman has performed the following independent checks on the actuarial models used in the preparation of the Results:

- **IEV and VNB under base scenario:** independent checking at an aggregate level, of product models and out of model adjustments representing approximately 92% of the VIF and 94% of the VNB;
- **Analysis of movement of IEV:** independent reconciliation of the analysis of movement cash flows for sample model points and out of model adjustments, for products representing approximately 85% of the VIF; and
- **IEV and VNB sensitivities:** independent checking of the IEV and VNB sensitivity results at an aggregate level for each of the sensitivities, for ten in-force products and ten new business products, and overall reasonableness checks on the IEV and VNB results for the entire in-force and new business portfolios.

4.3.4. The checks referred to in 4.3.3 were performed on a selection of products from the main product categories of the Company, covering a large variety of product features. We have not performed checks on all product models of the Company.

4.3.5. Our focus has been on performing checks for the most significant product lines. Our checks have focused on a sufficient range of products to give ourselves confidence that the models used in the preparation of the Results have been developed in accordance with the methodology and assumptions set out in Section 4 and Section 5 of this Report. No errors or issues identified in our checking process, which have a material impact on the Results, remain unresolved at the time of preparation of this Report.

#### **4.4. IEV and VNB**

##### **Definition of IEV**

4.4.1. The IEV set out in this Report consists of the following components:

- Adjusted net worth ("ANW"), consisting of:
  - Free surplus ("FS") allocated to the covered business;
  - Required capital ("RC"); and
- Value of in-force covered business ("VIF").

##### **FS**

4.4.2. The FS is the market value of any assets allocated to, but not required to support, the in-force covered business as at the valuation date.

4.4.3. The FS has been determined as the adjusted net worth of the Company, less the RC as defined below. The adjusted net worth of the Company is calculated as the net shareholders' funds as shown in the audited financial statements, adjusted so as to revalue to market value:

- those assets, and
- those liabilities that are dependent on asset values,

which are not at market value in the audited financial statements.

4.4.4. The Company has no subordinated or contingent debt.

4.4.5. The Funds for Future Appropriation ("FFA"), which comprise all funds which have not been explicitly allocated either to policyholders or to shareholders at the valuation date, are reported as policyholder funds. There are separate FFAs for unit-linked and for non-linked (participating and non-participating) business. The shareholders have a 10% interest in the non-linked FFA accrued in respect of participating business. The unit-linked FFA represents amounts that will accrue to shareholders in respect of policies that have lapsed, unless the policyholder pays the missing premiums. Similarly, the FFA for non-linked non-participating products represents amounts that will accrue to shareholders in respect of policies that are within six months of foreclosure. The values of the shareholders' interests in the FFA are included in the VIF, at their market value, and therefore do not form part of the ANW.

4.4.6. The audited Indian GAAP balance sheets of the Company as at 31 March 2015 and 31 March 2016 are summarized in the table below:

#### Audited Indian GAAP Balance sheet

	As at 31 March 2015	As at 31 March 2016
<b>SOURCES OF FUNDS</b>		
<i>Shareholders' fund</i>		
Share Capital	14,317	14,323
Share application money	12	1
Reserves and Surplus <sup>(1)</sup>	34,320	36,415
Credit/(Debit) Fair Value Change Account	4,029	2,509
<b>Sub-total</b>	<b>52,678</b>	<b>53,248</b>
<i>Policyholders' funds</i>		
Credit/(Debit) Fair Value Change Account (Net) and Revaluation Reserve - Investment property	12,317	10,289
Policy liabilities (non-unit)	172,588	202,548
Provisions for unit-linked liabilities	724,775	719,903
Funds for discontinued policies	22,977	33,044
Funds for future appropriation (FFA)	5,275	6,619
<b>Sub-total</b>	<b>937,932</b>	<b>972,404</b>
<b>TOTAL</b>	<b>990,610</b>	<b>1,025,651</b>
<b>APPLICATION OF FUNDS</b>		
<i>Investments</i>		
Shareholders'	58,568	62,157
Policyholders'	188,580	215,156
Assets held to cover unit-linked liabilities	747,775	752,958
<i>Fixed assets</i>	2,150	2,195
<i>Net current assets</i>	(6,665)	(7,258)
<i>Other assets (loans and deferred tax assets)</i>	202	443
<b>TOTAL</b>	<b>990,610</b>	<b>1,025,651</b>

Notes:

(1) The Reserves and Surplus includes "Revaluation Reserve" in respect of investment property of INR9.9 million as at 31 March 2016.

Amounts in INR million; Figures may not add up due to rounding

4.4.7. A reconciliation of the ANW against the audited Indian GAAP balance sheet is set out in the table below:

**Reconciliation between ANW and audited Indian GAAP balance sheet**

<b>Balance sheet</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2016</b>
<b><i>From audited Indian GAAP balance sheet</i></b>		
Total shareholders' funds (excluding share application money) (A)	52,667	53,247
Credit/(Debit) Fair Value Change Account in Shareholders' Fund and Revaluation Reserve - Investment property (B)	4,029	2,519
<b><i>Net worth (C=A-B)</i></b>	<b>48,638</b>	<b>50,728</b>
<b><i>Adjustments</i></b>		
Mark to market of assets and liabilities that are dependent on asset values, net of tax (D)	5,691	4,407
<b>Adjusted net worth (ANW) (E=C+D)</b>	<b>54,328</b>	<b>55,136</b>

*Amounts in INR million; Figures may not add up due to rounding*

**RC**

- 4.4.8. RC is the value of assets attributed to the covered business over and above that which is required to back the liabilities for covered business, the distribution of which to shareholders is restricted.
- 4.4.9. The level of RC is set equal to the amount required to be held to meet supervisory requirements or otherwise encumbered by supervisory or legal restrictions that prevent its distribution. The amount of RC is presented from the shareholders' perspective and is net of funding sources other than shareholder resources (i.e. the FFA).
- 4.4.10. As per existing regulations, the IRDAI requires all life insurance companies to maintain a minimum required capital ("MRC" or "solvency capital") of 150% of the required solvency margin. The RC as at the valuation date, has, therefore been set equal to the MRC less the FFA. In projecting the RC, the Company has allowed for funding the MRC from the FFA for each fund separately, utilising the FFA that resides in, or emerges in, the specific fund.

**VIF**

4.4.11. The VIF consists of the following components:

- the present value of future profits ("PVFP"); adjusted for
- the time value of financial options and guarantees ("TVFOG");
- the frictional costs of required capital ("FC"); and
- the cost of residual non-hedgeable risks ("CRNHR").

**PVFP**

- 4.4.12. The PVFP is the present value of projected distributable profits to shareholders arising from the in-force covered business, determined by projecting the post taxation shareholder cash flows from the in-force covered business and the assets backing the associated liabilities. The distributable profits also include the release to shareholders of the amounts from the FFA.
- 4.4.13. For products with reviewable rates and charges, the projection of future cash flows assumes that the rates and charges as at the valuation date remain unchanged.
- 4.4.14. The projection of future distributable profits arising from the covered business is carried out using 'best estimate' non-economic assumptions and market consistent economic assumptions. A so-called 'certainty-equivalent' approach is adopted in setting the assumptions. There is further discussion of the assumptions in Section 5 of this Report.
- 4.4.15. Distributable profits are determined by reference to liabilities determined in accordance with the Indian statutory requirements for life insurance companies and relevant professional guidance issued by the IAI.

4.4.16. The Company holds ‘global reserves’ calculated outside of its actuarial models as at the valuation date. Wherever appropriate, the shareholders’ interest in the assets backing such global reserves is calculated by assuming a suitable release pattern of such reserves.

#### **TVFOG**

4.4.17. The TVFOG reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business. The intrinsic value of such options and guarantees is reflected in the PVFP.

4.4.18. APS10 requires that a stochastic approach is used to determine the TVFOG using methods and assumptions consistent with the underlying embedded value and that all projected cash flows are valued using economic assumptions such that they are valued in line with the price of similar cash flows that are traded in the capital markets.

4.4.19. In accordance with APS10, the TVFOG has been considered for all non-linked and unit-linked products for the purpose of deriving the Results.

4.4.20. We describe below the main type of investment guarantees in the Company’s portfolio:

- **Unit linked business:** this includes various guarantees offered on maturity value including sum of total premiums paid; a multiple of total premiums paid; a return based on investment performance; highest NAV guarantee (offered on the ‘Pinnacle’ family of products) and a guaranteed return on the first premium paid (offered on ‘Return Guaranteed Funds’). For group products, investment guarantees are also offered on death or on retirement of members. For products written under the IRDAI (Linked Insurance Products) Regulations, 2013, the Company is subject to an implicit guarantee which requires the Company to add non-negative unit additions to the policyholders’ unit fund if it does not meet the reduction in yield requirements.
- **Non-participating savings products:** this mainly consists of the maturity guarantees provided in the Guaranteed Savings Insurance Plan, in which the sum assured along with defined regular additions and a maturity addition are guaranteed at maturity.
- **Participating business:** the sum assured and any accrued bonuses are guaranteed on death and maturity.

4.4.21. Based on the analysis performed by the Company, it was determined that the TVFOG in respect of participating products, the Return Guaranteed Funds and the Pinnacle family of products would be small and has therefore been ignored.

4.4.22. Where a TVFOG is calculated, stochastic methods are used. The economic assumptions underlying the stochastic model used are described in Section 5 of this Report.

4.4.23. With the exception of the participating business and certain unit-linked business referred to in Section 4.4.21 (where regard is had to the management actions available to the Company when concluding that the TVFOG would be small) no other management actions are material for the assessment of the TVFOG.

4.4.24. No allowance was made for dynamic policyholder behaviour for the different scenarios. This simplification is considered to have an immaterial impact on the evaluation of the TVFOG.

#### **FC**

4.4.25. The VIF includes an allowance for the FC of RC for the covered business. These FCs represent investment management expenses and taxation costs associated with holding the RC.

#### **CRNHR**

4.4.26. The CRNHR is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the PVFP. In particular, the CRNHR makes allowance for:

- asymmetries in the impact of the risks on shareholder value; and
- risks that are not allowed for in the TVFOG or the PVFP (e.g. operational risk).

4.4.27. As required under paragraph 6.15 of APS10, we have also considered whether an additional allowance is required for uncertainty in the ‘best estimate’ of shareholder cash flows resulting from non-hedgeable risks (both symmetric and asymmetric). A significant number of ‘best estimate’ parameters (including mortality, morbidity,



lapses/surrenders, premium discontinuance and expenses) used to determine the VIF have been derived from credible experience. The impact of any residual uncertainty in the 'best estimate' parameters on shareholder cash flows is expected to be broadly symmetrical. Therefore, no provision is made in the calculation of CRNHR in respect of such uncertainty. Also, any allowance required for these symmetric non-financial risks is expected to be small.

- 4.4.28. The only material risks identified which are not taken account of in the calculation of PVFP or TVFOG, are operational risk, catastrophe mortality/morbidity risk and mass lapsation risk. The majority of the theoretical CRNHR is, therefore, an allowance for these risks.
- 4.4.29. The CRNHR has been determined for the Results using a cost of capital approach. The CRNHR is the present value of a notional cost of capital charge levied on the projected capital in respect of the residual non-hedgeable risks.
- 4.4.30. The Company has determined the cost of capital charge to be 4% per annum. The projection of capital in respect of the residual non-hedgeable risks is determined as follows:
- As required under paragraph 6.18 of APS10, the capital required as at the valuation date in respect of each residual non-hedgeable risk was determined using an economic capital model developed by the Company based on the method and parameters set out in the Commission Delegated Regulation (EU) 2015/35 issued on 10 October 2014 by European Commission.
  - The quantum of capital for each risk factor was determined by considering the impact on the market value surplus (i.e. the excess of the market value of assets over the market value of liabilities) of applying a shock intended to be a reasonable estimate of the 99.5<sup>th</sup> percentile for that risk over a one year time horizon.
  - The model evaluates capital in respect of operational, mass lapse and mortality and morbidity catastrophe stresses.
  - The aggregate capital required in respect of the residual non-hedgeable risks as at the valuation date was determined after allowing for diversification using a correlation matrix, which reflected the views of the Company's management regarding the diversification benefits. Allowance was made for diversification benefits among the non-hedgeable risks, other than the operational risk. No allowance was made for diversification benefits between hedgeable risks and non-hedgeable risks.
  - The capital required in respect of non-hedgeable risks was projected to run off over the remaining life of the in-force portfolio, in line with suitable drivers of the capital requirement for each risk. These drivers were chosen having regard to the nature of the particular risks.
- 4.4.31. For the calculation of VNB, the CRNHR is estimated by deducting the CRNHR as at 31 March 2016 in respect of the business that was in-force as at 31 March 2015, from the CRNHR as at 31 March 2016 in respect of the total business in-force at that time.

#### **New business and renewals**

- 4.4.32. The VIF includes the value of expected renewal premiums on the in-force business, including any foreseeable variations in the level of renewal premiums, but excludes any value relating to future new business (i.e. the new business that may be written after the applicable valuation date).
- 4.4.33. The VNB reflects the additional value to shareholders created through the activity of writing new business over the stated period ending on the valuation date, and includes the value of expected renewal premiums on that new business.
- 4.4.34. New business is defined as that arising from the sale of new contracts during the reporting period. New business includes increases to existing contracts, where these are not anticipated in the VIF.
- 4.4.35. The new business comprises both individual and group policies sold during the reporting period, including the expected renewal premiums and expected future contractual alterations to those contracts. It also includes the non-contractual single premium payments received during the reporting period.
- 4.4.36. There are no contractual renewal premiums on group business (including group protection business). All incremental premiums paid on group business are, therefore, treated as new business. Renewal premiums on individual business are contractual, and are, therefore, included as part of the VIF and not treated as new business.
- 4.4.37. The VNB is defined as the additional value to shareholders as at the valuation date, created by the new policies written in the relevant reporting period. It is calculated in the same way as the VIF, with appropriate allowance for changes in the ANW during the reporting period.

- 4.4.38. The VNB set out in this Report is determined as at 31 March 2016, and is based on the non-economic assumptions applicable at the end of the reporting period (i.e. as at the valuation date). The economic assumptions are based on:
- *From the point of sale up to 31 March 2016* –the reference rates as at 31 March 2015; and
  - *After 31 March 2016* - the reference rates as at 31 March 2016.
- 4.4.39. The VNB takes into account acquisition commissions and acquisition expenses at the unit cost level incurred in the full year to 31 March 2016.
- 4.4.40. Along with the VNB results set out in this Report, “VNB Margin” is also tabulated. This is derived as VNB divided by new business annualised premium equivalent (“APE”), where APE is the annualised new business premium (100% of regular premium and limited premium policies and 10% of single premium), that is received during the period ending the valuation date. The annualised new business premium is calculated as:
- Instalment premium, multiplied by the frequency of premium payment (i.e. 1 for annual and single, 2 for semi-annual, 4 for quarterly and 12 for monthly).
- 4.4.41. The PVNBP is calculated as at the point of sale based on the economic and non-economic assumptions used in the calculation of VNB.

#### 4.5. Analysis of movement of IEV

4.5.1. The various components of the analysis of movement of IEV are derived as follows:

Components	Description
<b>Opening IEV as at 31 March 2015</b>	As per the approach described earlier
<b>Opening adjustments</b>	Nil, as no opening adjustments
<b>Update of statutory valuation assumptions and service tax rates to the assumptions as at 31 March 2016</b>	Reserving assumptions in the opening IEV updated to those adopted in the closing IEV and service tax rates updated to those that are applicable w.e.f. FY2015-16.
<b>VNB added during the period</b>	As per the approach described earlier
<b>Expected return on existing business</b>	Calculated as: <ol style="list-style-type: none"> <li>(1) Unwind of VIF at the opening reference rates;</li> <li>(2) Expected investment income on ANW at opening reference rate; and</li> <li>(3) Expected excess 'real world' investment return over the opening reference rate on VIF and ANW.</li> </ol>
<b>Transfers from VIF and RC to FS</b>	Calculated as: <ol style="list-style-type: none"> <li>(1) Profits / losses that are expected to be generated from the opening VIF during the first projection year that would be transferred to FS; and</li> <li>(2) Release of RC expected from the opening VIF in the first projection year.</li> </ol>
<b>Change in operating assumptions</b>	Nil, as the projection assumptions used in the opening IEV and the closing IEV are the same
<b>Change in economic assumptions</b>	Calculated as: <ol style="list-style-type: none"> <li>(1) Change due to the update of the reference rate yield curve assumed from opening IEV to closing IEV</li> <li>(2) Change due to the updated inflation assumption from opening IEV to closing IEV</li> </ol>
<b>Variance in operating experience</b>	<ol style="list-style-type: none"> <li>(1) These are analysed at a policy level, by considering the actual change in the policy status from the opening IEV to the closing IEV dates.</li> <li>(2) The calculation is carried out in the following order:               <ol style="list-style-type: none"> <li>a. Policy / premium discontinuance rates, partial withdrawal rates and policy revival rates (i.e. the difference between the actual and expected experience in the opening IEV and VNB for new business written during the FY2015-16)</li> <li>b. Mortality / morbidity rates (i.e. the difference between the actual and the expected experience in the opening IEV and VNB for new business written during the FY2015-16)</li> <li>c. Expenses (i.e. the difference between the actual and the expected experience in the opening IEV and VNB for new business written during the FY2015-16)</li> </ol> </li> <li>(3) A parameter is left at the assumed level until the variance from the parameter</li> </ol>

Components	Description
	is analysed, after which, it is left at the 'actual' level.  (4) At the aggregate level, the 'actual' cash flows during the year are compared against the audited revenue account of the Company for the year ending 31 March 2016 for consistency and differences are allocated as operating variances in different parameters as set out above. Any remaining difference is recognized as a balancing item and shown under 'others'.
<b>Economic variances</b>	
<b>Investment return</b>	The difference between the actual investment return and the expected 'real world' rates for existing business as at 31 March 2015 and the closing and opening reference rates for new business written during FY2015-16.
<b>Other non-operating variance</b>	Nil, as there are no such non-operating variances
<b>Capital contributions / (dividends paid out)</b>	Actual capital infusions / dividends paid out to the shareholders, including the dividend distribution tax incurred during the period
<b>Closing adjustments</b>	Nil, as no closing adjustments

#### 4.6. Sensitivity results

- 4.6.1. The various sensitivity analyses carried out are listed under Sections 2.3 earlier in the Report.
- 4.6.2. Sensitivity analyses are carried out for one parameter at a time and do not include changes in other parameters not explicitly mentioned as part of the sensitivity.

### Section 5 - Assumptions

#### 5.1. Overview

- 5.1.1. This Section provides a detailed description of how each of the assumptions used in the calculation of the Results is derived.
- 5.1.2. The economic assumptions are chosen so as to be internally consistent and are determined, so far as possible, with the intention that projected cash flows are valued in line with the prices of similar cash flows that are traded on the capital markets in India as at the valuation date.
- 5.1.3. Paragraph 7.1 of APS10 requires that the assessment of appropriate assumptions for future experience should have regard to past, current and expected future experience and to any other relevant data.
- 5.1.4. The environment in which ICICI Prudential operates is dynamic and has been changing rapidly. Although the Company has significant operating experience covering mortality and lapses for many product classes that has been used to derive the 'best estimate' assumptions for such classes, there is a shortage of relevant experience data and hence uncertainty regarding future experience for other risk factors. As specified in paragraph 7.3 of APS10, consideration has also been given to the general experience of non-economic assumptions within the Indian life insurance industry where relevant and the assumptions set are reasonable and not inconsistent with our understanding of the wider industry experience.
- 5.1.5. As required under paragraphs 6.14 and 7.1 of APS10, the projection assumptions are set to be 'best estimate' assumptions (where 'best estimate' is set having regard to recent past experience and allowing for expected future changes in experience for each parameter) and have been determined on a going concern basis, assuming the continuation of the economic and legal environment currently in place in India.

#### 5.2. Mortality and morbidity

- 5.2.1. The best estimate mortality and morbidity assumptions, specific to different product types, are set based on the Company's own recent experience up to 31 October 2015.

- 5.2.2. Allowance is made for future improvements in policyholder longevity for annuities.
- 5.2.3. The assumed mortality rates are based on the following standard mortality tables for each age and gender and adjusted for the Company's own experience for each product class:
- Indian Assured Lives Mortality (2006-08) (IALM06-08) Ultimate for non-annuity products; and
  - LIC (a) (1996-98) Ultimate for annuity products.
- 5.2.4. The assumed morbidity rates are based on reinsurance risk premium rates for each age and gender and adjusted for the Company's own experience for each product class.

### 5.3. Policy / premium discontinuance rates, partial withdrawal rates and revival rates

- 5.3.1. The best estimate policy / premium discontinuance assumptions, the partial withdrawal rates and the revival rates, specific to different product types and duration in-force, are set based on the Company's own experience up to 31 December 2015. These are summarised in Appendix A of this Report.
- 5.3.2. As required under APS10, the historical persistency rates over the past three years ending 31 March 2016 are set out in Appendix A of this Report.

### 5.4. Commission and expenses

- 5.4.1. The expense assumptions are based on an analysis of the Company's actual expenses for the year ending 31 March 2016. These expenses were analysed between those relating to the acquisition of new business, the renewal and maintenance of business and investment expenses. There were no unallocated expenses in the expense analysis used to derive the unit costs.
- 5.4.2. The IEV makes an allowance for investment expenses and all future renewal and other maintenance expenses required to manage the in-force business.
- 5.4.3. No productivity gains / cost efficiencies have been anticipated after the valuation date in setting the expense assumption.
- 5.4.4. The commission rates under different products are based on the actual commission payable (if any) to the distributors.
- 5.4.5. As required in Appendix A of APS10, the actual expense levels (excluding commissions) over the past three years ending 31 March 2016 are set out in the table below:

Category	FY2013-14	FY2014-15	FY2015-16
<b>Expenses reflected in IEV and VNB (A)</b>			
Acquisition	11,919	12,505	14,532
Maintenance	4,194	4,021	4,313
<b>Sub-total</b>	<b>16,113</b>	<b>16,526</b>	<b>18,845</b>
<b>Service tax (B)</b>	<b>56</b>	<b>(6)</b>	<b>38</b>
<b>Total expenses as per Schedule 3 of the audited financial statements (C = A + B)</b>	<b>16,169</b>	<b>16,520</b>	<b>18,883</b>

*Amounts in INR million; Figures may not add up due to rounding*

### 5.5. Inflation

- 5.5.1. In order to determine the expense inflation assumption, consideration was given to an appropriate spread between price inflation and the reference rate (defined below) based on an examination of historical data, and then to an appropriate spread between price inflation and the Company's internal expense inflation.
- 5.5.2. Based on this analysis, in the calculation of the VIF and VNB (including the sensitivity analysis), the long-term rate of annual expense inflation was set as the arithmetic average of the forward rates in the ten years following the valuation dates less 239 basis points (i.e. 2.39%).
- 5.5.3. The assumed expense inflation rate is 5.6% p.a. and 5.7% p.a. for the valuations as at 31 March 2015 and 31 March 2016 respectively for the base scenario.

## 5.6. Policyholder bonuses

5.6.1. In accordance with the Company's established bonus policy, policyholder reversionary bonuses are set having regard to, amongst other things:

- the appropriate level of equity between different groups and different generations of policyholders,
- the actual investment returns achieved on assets backing the participating business,
- the bonus earning capacity of the policies given the assumed investment returns, and
- the projected guaranteed benefits and non-guaranteed benefits.

5.6.2. In determining the Results, future bonuses on participating business have been projected in a manner consistent with this bonus policy; the projected future investment returns assumed to be earned on the assets deemed to back the policies; and relevant statutes and regulations.

## 5.7. Reinsurance

5.7.1. The cost (and benefit) of reinsurance is allowed for in the Results. Reinsurance cash flows are modelled explicitly at the policy level for certain protection oriented insurance products and some unit-linked products, where the reinsurance treaties are expected to have a significant impact on the resulting cash flows. For other classes of business, the associated aggregate reinsurance premiums net of claims have been examined and no value has been placed on the future net reinsurance cash flows on grounds of immateriality.

## 5.8. Asset values

5.8.1. The IEV results are based on the market value of assets as at the applicable valuation date. No smoothing is applied to the market values.

## 5.9. Reference rates

5.9.1. The reference rate is a proxy for a risk free rate appropriate to the currency, term and liquidity of the liability cash flows.

5.9.2. The reference rates were derived from the prices of Indian government securities using data supplied by the Clearing Corporation of India Limited ("CCIL"). CCIL derives the yields using a Nelson-Siegel-Svensson ("NSS") curve fitting process applied to market data. A flat adjustment of +7bps was made to the reference rates in order to ensure that the resulting yield curve replicates the market value of the government securities held by the Company as at 31 March 2016. No such adjustment was deemed necessary to derive the reference rate yield curve as at 31 March 2015. The maximum outstanding duration for government securities is 30 years; however, the yield curve provided by CCIL is extrapolated to 40 years using the NSS approach.

5.9.3. For the non-participating annuity liabilities, the same reference rate yield curve was used as for other business. In principle, the reference rates could have been modified to include an illiquidity premium, reflecting the ability of the Company to match the illiquid annuity liability cash flows with appropriate long-dated securities bearing an illiquidity premium. The impact of this assumption is not material in the context of the Results. The non-participating annuity liability reserves amounted to approximately INR20.40 billion as at 31 March 2015 and INR21.19 billion as at 31 March 2016.

5.9.4. The reference rates assumed are set out in the table below:

Tenor (years)	Reference rates (one year forward rates)	
	31 March 2015	31 March 2016
1	7.91%	7.24%
5	7.98%	8.22%
10	7.98%	8.34%
15	7.98%	8.40%
20	7.98%	8.46%
25	7.98%	8.50%
30	7.98%	8.52%

## **5.10. Investment returns and discount rates**

- 5.10.1. The PVFP is calculated assuming that assets earn, before taxation and investment management expenses, the reference rates assumed, and by discounting all cash flows using the reference rates assumed which are gross of taxation and investment management expenses.
- 5.10.2. In the analysis of movement of IEV, the assumed 'real world' investment returns for the year ending 31 March 2016 are set based on the actual allocations to various asset classes and the expected returns on these asset classes.

## **5.11. Stochastic asset model**

- 5.11.1. A stochastic model has been used to evaluate the TVFOG for those products where the TVFOG is other than immaterial.
- 5.11.2. All relevant material asset classes were covered by the stochastic model. In particular:
- The stochastic interest rate model applied is a G2++ model, which replicates the input yield curve and whose remaining parameters were chosen to reflect best estimate interest rate volatility over the longer-term, noting that there is no relevant market data against which to calibrate long-term interest rate volatility parameters. The Company calibration assumes a volatility of the short rate process of 1.60% and a volatility of the short rate mean reversion level of 1.25%.
  - The TVFOG is calculated using an implied equity volatility assumption used by the Company based on an analysis of historical data and market data for short-term traded options. It may be noted that there is no relevant market data against which to calibrate long-term equity volatility parameters. The implied volatility assumption used is 30%.
  - The correlation parameter between the equity prices and the interest rates is set based on market data at each valuation date, using historical market data of the preceding five years. For equity prices, the monthly Bombay Stock Exchange ("BSE") 100 Index is used and for interest rate prices, government security indices are used.

## **5.12. Taxation**

- 5.12.1. In determining the IEV, allowance has been made for future taxation costs expected to be incurred by the Company. This includes both corporate taxation and service taxes.
- 5.12.2. The Company has exhausted its historical tax losses as at the valuation date and hence no value is placed on the same.
- 5.12.3. The rate of income tax applied to surplus emerging from life assurance business is set equal to 12.5% (increased by the tax surcharge of 12.0% and the education cess of 3.0%). The resulting effective tax rate is 14.42%. The rate of taxation applied to surplus emerging from pension business is zero.
- 5.12.4. Service tax is allowed for at the following rates for the respective valuation dates:
- 31 March 2015: 14.0% throughout
  - 31 March 2016: 14.5% until 31 May 2016 and 15.0% thereafter.
- 5.12.5. The Company charges service tax on premiums from non-linked products and charges under ULIPs. The Company also receives credit for service tax included in the expenses incurred.
- 5.12.6. The ANW includes a service tax asset of approximately INR260.7 million and INR48.1 million as at 31 March 2015 and 31 March 2016 respectively, taken from the audited financial statements of the Company. The allowance for service taxation is reflected in the projection models as follows:
- for traditional business, the future renewal premiums modelled are net of service tax;
  - for unit-linked business, the service tax on various charges is deducted from the unit fund and is assumed as an immediate outgo;
  - the expense loadings are based on net of service tax expenses of the Company; and
  - the distributor commission modelled is net of service tax, wherever the Company charges it to the distributor.

### **5.13. Statutory reserving**

- 5.13.1. The projections have been prepared assuming the application and continuation of the valuation basis as selected by the Appointed Actuary of the Company as at 31 March 2016, which complies with regulations and professional guidance applicable for statutory valuations of liabilities. The description of the methodology and assumptions used to calculate the actuarial reserves can be obtained from the Company's public disclosures required by IRDAI.
- 5.13.2. Under the various sensitivity results included, the reserves are re-calculated using the assumptions as applicable for the given sensitivity.

## **Section 6 - Reliances and limitations**

### **6.1. Reliances**

- 6.1.1. As set out in our engagement letter dated 9 May 2016, the scope of our work includes the following:
- to review the IEV as at 31 March 2016; the analysis of movement of IEV over the past one year; the VNB; and the various sensitivity analyses as required by APS10;
  - to review compliance with the relevant IEV principles, identify gaps in compliance and advise on achieving full compliance, with the opportunity for any remedial steps before production of the formal report for disclosure;
  - to review the projection assumptions and their suitability for IEV;
  - to conduct independent checking of ICICI Prudential's actuarial models for plans that represent a significant and material proportion of the in-force and new business portfolio;
  - to draft this Report; and
  - to prepare 'internal documentation' for ICICI Prudential summarizing the work carried out as part of this review.
- 6.1.2. This Report has been prepared solely for use by the management of ICICI Prudential for inclusion in the formal disclosures required as part of the IPO process. It should not be relied upon for any other purpose.
- 6.1.3. The Report is intended to provide certain actuarial information and analyses that would assist a qualified actuary, technically competent in the area of actuarial appraisals, to develop an estimate of the components of economic value as described earlier in this Report. In order to fully comprehend the Report, any user of the Report should be advised by an actuary with a substantial level of expertise in areas relevant to this analysis to appreciate the significance of the underlying assumptions and the impact of those assumptions on the various Results. The Report must be considered in its entirety as individual Sections, if considered in isolation, may be misleading.
- 6.1.4. In carrying out our work and producing this Report, we have relied on information supplied by the management and staff of ICICI Prudential. Reliance was placed on, but not limited to, the general accuracy of all the information provided to us.
- 6.1.5. In particular we have relied on:
- the policy data covering in-force and new business policies;
  - details of product features, policy terms and conditions including surrender and cash value bases as set out in the 'File and Use' documents approved by the IRDAI for each of the products;
  - information on reinsurance arrangements and terms and conditions as set out in the reinsurance treaties of the Company;
  - experience investigations relating to current and historical operating experience of the Company;
  - information on expense analyses performed by the Company;
  - audited financial statements for the years ending 31 March 2015 and 31 March 2016;
  - the Valuation Report (dated 23 April 2016) on the statutory liability valuation of the Company for financial year ending 31 March 2016, as submitted to the Board of Directors;



- asset valuations (book and market value) in respect of assets as set out in the audited financial statements as at 31 March 2015 and 31 March 2016, and the market value adjustments as provided to us by the Company;
- information on the Company's practices in determining bonus rates including the Bonus Recommendation Report for Financial Year 2015-16 submitted to the Board of Directors;
- the Company's internal economic model used for the purpose of calculation of CRNHR only; and
- the Company's economic scenarios used in the determination of the TVFOG, although we have reviewed the results of the statistical tests applied to the economic scenarios and believe they are appropriate for the purposes of paragraph 6.3 of APS10.

6.1.6. We have obtained a management representation letter from ICICI Prudential, stating that, to the best of ICICI Prudential's knowledge, the data and information provided to us is accurate and complete and that there are no material inaccuracies and omissions therein.

6.1.7. The Report is based on the data available to Milliman up to 12 July 2016 and takes no account of the data, information and clarifications received after that date. Milliman is under no obligation to update or correct inaccuracies which may become apparent in the Report as a consequence of this.

## **6.2. Limitations**

6.2.1. Unless explicitly stated, we have performed no audit or independent verification of the information furnished to us. To the extent that there are any material errors in the information provided to us, the Results may be affected as well.

6.2.2. An IEV disclosure necessarily requires assumptions to be made about future operating experience and for these to be reflected in the determination of the components of the IEV. Paragraph 7.8 of APS10 explicitly contemplates the provision of additional disclosures showing the effect of alternative expense levels. For the purposes of SEBI's listing rules, none of the Results are intended to represent forward-looking statements.

6.2.3. An actuarial assessment of the components of value of a life insurance company will not necessarily be consistent with the value of a life insurance company or a portfolio in the open market and should not be interpreted in that manner. Rather, it is derived from a projection of future earnings and, therefore, reflects the value of the earnings potential of a block of in-force or new business under a specific set of assumptions. The value of any business enterprise is a matter of informed judgment. Different parties will arrive at different values depending upon their outlook, their assessment of the future operating assumptions, and upon the opportunities they see for the Company for the future. Judgements as to the contents of this Report should be made only after studying the Report in its entirety, together with the rest of the Draft Red Herring Prospectus ('DRHP') or Red Herring Prospectus ('RHP'), as a review of a single section or sections on an isolated basis may not provide sufficient information to draw appropriate conclusions. Milliman does not authorise or cause the issue of the DRHP or RHP and takes no responsibility for its contents other than this Report.

6.2.4. The Results shown in this Report are based on a series of assumptions as to the future operating experience. It should be recognised that actual Results will differ from those shown in the Report, on account of changes in the operating and economic environment and natural variations in experience. To the extent actual experience is different from the assumptions underlying this Report, the future projected profits from which the Results are derived will also differ. This Report includes various sensitivity results to illustrate how vulnerable the various results are to changes in assumptions for the key risks. The Results shown are presented at the valuation dates stated in this Report and no warranty is given by Milliman that future experience after these valuation dates will be in line with the assumptions made.

6.2.5. The projections and values presented in this Report have been determined on a "going concern" basis, and assume a stable economic, legal and regulatory environment going forward. The reader of this Report should be aware that any change in the general operating environment would add a high degree of uncertainty to the Results.

6.2.6. Unless explicitly stated, the Results do not consider any external (including regulatory) developments after the valuation date of 31 March 2016.

6.2.7. None of the values or projections set out in this Report include any allowance for withholding or other taxes (such as dividend distribution tax) that may apply to the payment of future shareholder dividends or on remittances out of India.

6.2.8. The allowance for taxation reflected in the Results is based on the approach commonly adopted in the market. It may be noted that neither Milliman nor its employees are experts in taxation matters. Given this, we do not make any representation on the appropriateness or otherwise of the approach adopted in allowing for taxation in the Results.

- 6.2.9. In the Results, no allowance is made for any claims against ICICI Prudential other than those made by policyholders under the normal terms of life insurance business and reflected in the Company's audited financial statements.
- 6.2.10. In the preparation of this Report, we had access to other advisors of ICICI Prudential in connection with the IPO and have discussed this Report with them. We have also reviewed the relevant accompanying statements made by the Board of Directors of ICICI Prudential and information provided to the Securities and Exchange Board of India in the DRHP and RHP.

### **6.3. Distribution**

- 6.3.1. ICICI Prudential may publicly disclose the final version of this Report in its entirety. Milliman does not intend to create a legal duty to any third party recipient of its work.

## Appendix A: Persistency experience and discontinuance rates

A 1 As required under APS10, the historical persistency rates over the past three years ending 31 March 2016 are set out below:

Persistency Ratio *	FY 2013-14	FY 2014-15	FY 2015-16
13th Month	71.5%	79.0%	82.4%
25th Month	68.4%	65.9%	71.2%
37th Month	57.3%	64.3%	61.6%
49th Month	20.3%	54.4%	62.2%
61st Month	12.7%	14.5%	46.0%

Source: Public disclosure

\* as prescribed by IRDAI

A 2 The assumed policy / premium discontinuance rates and partial withdrawal rates used in the calculation of the Results for the top three products (by contribution to VIF and VNB as set out in this Report) are set out in the table below:

Lapse / surrender rates	1	2	3	4	5	6	7	8+
<b>Top three products by contribution to VIF</b>								
Guaranteed Saving Insurance Plan <sup>1</sup>	0.0% / 25.0%	25.0% / 10.0%	7.5%	1.0%	1.0%	1.0%	1.0%	1.0%
Wealth Builder II <sup>1</sup>	0.0% / 20.0%	20.0% / 10.0%	10.0%	10.0%	10.0%	40.0%	30.0%	30.0%
Elite life II <sup>1</sup>	0.0% / 20.0%	20.0% / 10.0%	10.0%	10.0%	10.0%	40.0%	30.0%	30.0%
<b>Top three products by contribution to VNB</b>								
IProtect Smart <sup>1</sup>	0.0% / 10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Loan Protect Plus (SP)	0.0%	7.5%	7.5%	7.5%	5.0%	5.0%	2.5%	1.0%
Savings Suraksha <sup>1</sup> (AP<=18,000,PPT<10 years) <sup>2</sup> Lapse rates <sup>3</sup>	0.0% / 55.0%	37.5% / 22.5%	NA	NA	NA	NA	NA	NA
Savings Suraksha <sup>1</sup> (AP>18,000,PPT<10 years) <sup>2</sup> Lapse rates <sup>3</sup>	0.0% / 20.0%	20.0% / 12.5%	NA	NA	NA	NA	NA	NA
Savings Suraksha <sup>1</sup> (AP<=18,000,PPT>=10 years) <sup>2</sup> Lapse rates <sup>3</sup>	0.0% / 55.0%	37.5% / 22.5%	10.0% / 12.5%	NA	NA	NA	NA	NA
Savings Suraksha <sup>1</sup> (AP>18,000,PPT>=10 years) <sup>2</sup> Lapse rates <sup>3</sup>	0.0% / 20.0%	20.0% / 12.5%	7.5%	NA	NA	NA	NA	NA
Savings Suraksha Surrender Rates <sup>3</sup>	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Notes:

- (1) The assumptions are shown as X/Y, where X represents the assumptions for policies with annual premium payment frequency and Y represents the assumption for policies with all other premium payment frequencies
- (2) AP= Annual Premium, PPT= Premium Payment Term
- (3) Lapse rates are used until the policy acquires surrender value and surrender rates are used thereafter.

Paid-up rates	1	2	3	4	5	6	7	8+
<b>Top three products by contribution to VIF</b>								
Guaranteed Saving Insurance Plan	0.0%	0.0%	0.0%	10.0%	7.5%	5.0%	2.0%	2.0%
Wealth Builder II	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Elite life II	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Top three products by contribution to VNB</b>								
IProtect Smart	NA	NA	NA	NA	NA	NA	NA	NA
Loan Protect Plus	NA	NA	NA	NA	NA	NA	NA	NA

<b>Paid-up rates</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8+</b>
Savings Suraksha <sup>1</sup> (AP≤18,000,PPT<10 years) <sup>2</sup>	NA	NA	10.0% / 12.5%	12.5%	10.0%	7.5%	5.0%	5.0%
Savings Suraksha <sup>1</sup> (AP>18,000,PPT<10 years) <sup>2</sup>	NA	NA	7.5%	7.5%	5.0%	5.0%	2.5%	2.5%
Savings Suraksha <sup>1</sup> (AP≤18,000,PPT≥10 years) <sup>2</sup>	NA	NA	NA	12.5%	10.0%	7.5%	5.0%	5.0%
Savings Suraksha <sup>1</sup> (AP>18,000,PPT≥10 years) <sup>2</sup>	NA	NA	NA	7.5%	5.0%	5.0%	2.5%	2.5%

Notes:

(1) The assumptions are shown as X/Y, where X represents the assumptions for policies with annual premium payment frequency and Y represents the assumption for policies with all other premium payment frequencies

(2) AP= Annual Premium, PPT= Premium Payment Term

The partial withdrawal rates applicable for the unit linked products included in the top three products (by contribution to VIF and VNB) are set to 0%.

A 3 The assumed policy revival rates vary by the following factors:

- the type of product;
- the number of months for which the policyholder paid the premiums;
- the frequency of premium payment;
- the duration in months since lapse; and
- a 'band' defined as a combination of APE and the number of months for which the policyholder paid the premiums.

A 4 The assumed policy revival rates used in the calculation of the Results for the top three products (by contribution to VIF and VNB) are set out in the table below:

<b>Product</b>	<b>Revival rate % across lapse durations in months</b>							
	<b>&lt;4</b>	<b>&lt;=6</b>	<b>&lt;=9</b>	<b>&lt;=12</b>	<b>&lt;=15</b>	<b>&lt;=18</b>	<b>&lt;=21</b>	<b>&gt;21</b>
Unit-linked plans (issued after September 2010)	12%-71%	4%-44%	2%-27%	1%-17%	1%-10%	0%-6%	0%-4%	0%-1%
Conventional products – revival from lapsed policies	14%-83%	3%-52%	1%-35%	1%-25%	0%-18%	0%-14%	0%-11%	0%-3%
Conventional products – revival from paid-up policies	63%-95%	3%-84%	17%-73%	8%-62%	0%-55%	0%-47%	4%-41%	1%-27%

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings relating to our Company, Subsidiary, our Promoters, Group Companies (other than ICICI Bank and PCHL) and our Directors are described in this section.

#### **Disclosure of litigation involving our Company and our Subsidiary:**

Except as disclosed below there are no (i) criminal proceedings involving our Company and our Subsidiary, (ii) actions taken by regulatory or statutory authorities involving our Company and our Subsidiary (pending actions or any actions taken in the past five years), (iii) other matters involving our Company and our Subsidiary which are identified as material in terms of the materiality policy (as disclosed herein below), (iv) matters involving our Company and our Subsidiary, whose outcome could have material adverse effect on the position of our Company, (v) matters initiated against our Company for economic offences, (vi) awards given by the Insurance Ombudsman against our Company during the last three years, (vii) acts of material frauds committed against our Company in the last five years (including action taken by our Company, if so), (viii) default and non-payment of statutory dues by our Company, (ix) inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years against our Company and our Subsidiary, (x) complaints filed by policyholders during the last five years involving our Company, (xi) matters involving our Company and our Subsidiary pertaining to violations of securities law, and (xii) all matters filed against our Company and our Subsidiary which are in nature of winding up petition.

Given the nature and extent of operations of our Company and our Subsidiary, the outstanding litigation involving our Company and/or our Subsidiary which exceed an amount which is less than 1% of the total consolidated turnover (Gross premium and other income) and 5% of the profit after tax as per the Restated Financial Statements of our Company, on a consolidated basis, as of and for the Fiscal 2016 would be considered material for our Company. The total consolidated turnover and the consolidated profit after tax of our Company as per the Restated Financial Statements, on a consolidated basis, as of and for the Fiscal 2016, was ` 191,853.2 million and ` 16,527.2 million, respectively. Accordingly, we have disclosed all outstanding litigation involving our Company and/or our Subsidiary where (i) the aggregate amount involved exceeds ` 826.4 million (being an amount which is less than 1% of the total consolidated net total income and 5% of the consolidated profit after tax of our Company as per the Restated Financial Statements of our Company, on a consolidated basis, as of and for the Fiscal 2016) individually, (ii) the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ` 826.4 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

Our Board has also approved that dues owed by our Company to the small scale undertakings and other creditors exceeding 5% of the total dues owed to the small scale undertakings and other creditors would be considered as material dues for our Company and accordingly, we have disclosed consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ` 35.8 million (being approximately 5% of total dues owed by our Company to the small scale undertakings and other creditors as of March 31, 2016).

For details of the manner of disclosure of litigation relating to our Promoters, see "Outstanding Litigation and Material Developments – Litigation involving our Promoters" on page 462. Further, for details of the manner of disclosure of litigation relating to our Group Companies, see "Outstanding Litigation and Material Developments – Litigation involving our Group Companies" on page 472. For details of the manner of disclosure of litigation relating to our Directors, see "Outstanding Litigation and Material Developments – Litigation involving our Directors" on page 474. For details of the litigation in relation to direct and indirect taxes involving our Company, Subsidiary, our Directors, our Promoters and Group Companies, see "Outstanding Litigation and Material Developments – Tax proceedings" on page 479.

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

###### *Criminal matters*

1. 29 first information reports ("FIRs") and 14 criminal complaints have been filed against our Company and our Company's officials at various police stations in India in relation to alleged mis-selling of insurance policies and misappropriation of funds by our advisors or insurance agents. These FIRs and criminal complaints are made for offences alleged under Sections 34, 120B, 406, 420, 467 and 471 of the IPC in relation to, *inter alia*, criminal breach of trust, cheating and dishonestly inducing delivery of property, criminal conspiracy, forgery of valuable security and documents and fraud against customers of our Company. At certain instances complainants have approached courts of the appropriate forum seeking directions to the police under Section 156(3) of the CrPC to register an FIR. Additionally, at certain instances our Company has approached courts of appropriate forums for dismissal of the criminal complaints filed against our Company and our employees. In one of the aforementioned cases, in addition to filing a criminal complaint before the regional police station, the complainant has also filed a petition before the Chief Judicial Magistrate, Alipore against our Company and its officials in relation to alleged mis-selling of insurance policy.
2. Radha Datta (the "**Complainant**") has filed a criminal complaint before the court of Chief Judicial Magistrate, Hooghly against two managers of our Company. for offences alleged under Sections 34, 406, 418, 420 and 506 of the IPC in relation to cheating and dishonestly inducing delivery of property, criminal breach of trust and criminal intimidation in relation to foreclosure of the Complainant's insurance policy, due to alleged non-payment of premium amount by the Complainant. Our Company has filed an application for discharge of the accused under Section 245(2) of the CrPC before the Chief Judicial Magistrate, Hooghly. The matter is currently pending.
3. Susmita Dutta (the "**Complainant**") has filed a complaint before the Chief Judicial Magistrate, Chinsurah, Hooghly (requesting the court to treat the complaint as an FIR), against certain officials and an agent of our

Company (the “**Accused**”), for offences alleged under Sections 34, 120B, 201, 464, 418 and 420 of the IPC in relation to the alleged mis-selling of insurance policies by committing fraud, forgery and cheating. The Complainant’s original complaint was dismissed for non prosecution, the Complainant filed the present revision petition, however our Company is awaiting a court issued order to this effect. The Complainant has also filed a complaint before the Judicial Magistrate, Hooghly against two managers and an agent of our Company in relation to the foreclosure of the Complainant’s insurance policy. Our Company has filed an application under Section 245(2) of the CrPC seeking discharge of the accused and dismissal of allegations against the manager.

4. Munni Devi (the “**Complainant**”) has filed a complaint pursuant to which an FIR has been registered against our Company and its officers under Sections 420, 467, 468 , 384, 409, 406, 120B 504, and 506 of the IPC in relation **wrongful** repudiation of an insurance claim made by the Complainant upon death of the insured. Our Company filed a writ petition before the Allahabad High Court seeking to quash the FIR and the Allahabad High Court has granted a stay on the arrest of the accused. Additionally, the Complainant had filed a complaint before the Insurance Ombudsman, Uttar Pradesh & Uttarakhand, Lucknow in the same matter, where the award was granted in Company’s favour due to suppression of material facts by the insured in his insurance policy application. The matter is currently pending.
5. Afaq Ahmad Qadiri (the “**Complainant**”) has filed an FIR at the Karan Nagar, police station, Srinagar, Jammu and Kashmir, against our Company for offences under Section 420 of the Jammu and Kashmir **State Ranbir** Penal Code, 1989, alleging that his insurance policy “*Pinnacle Super*” was fraudulently converted into “*ICICI Pru Guaranteed Savings Insurance Plan*”. The matter is currently pending.
6. Ashok Hemrajanani (the “**Complainant**”) has filed an FIR at the Kirti Nagar police station, West Delhi against an employee of our Company and certain persons representing themselves as collection agents of a collection centre of our Company (the “**Accused**”) for offences alleged under Sections 406 and 120B of IPC in relation to, *inter alia*, fraud, forgery, cheating, breach of trust and misappropriation of funds collected from the Complainant towards creation of fixed deposits and for payment of premium towards an insurance policy committed by the Accused in connivance with each other. The matter is currently pending.
7. Sarwan Singh Rehal (the “**Complainant**”) has filed an FIR at the Panchkula police station, Chandigarh against our Company for offences alleged under Sections 420, 467, 468, 471 of the IPC in relation to cheating and fabricating documents and misappropriation of funds due to certain issue in the medical report in relation to his insurance policy. Our Company and the Complainant have entered into a memorandum of understanding (“**MOU**”) whereby the Complainant has agreed to withdraw all criminal complaints against our Company and its representatives in lieu of a full and final settlement amount. A final closure report in the matter has been filed by the Panchkula police station before the relevant Chief Judicial Magistrate Court. The matter is currently pending.
8. Sangita Madhukarrao Ulabhaje (the “**Complainant**”) has filed a criminal writ petition before the Supreme Court under Article 32 of the Constitution of India against Chanda D. Kochhar, our Company (through Sandeep Bakhshi), certain employees of our Company and others in relation to, *inter alia*, the alleged (i) failure to transfer her insurance advisor code to a different manager; (ii) creation of a client ID instead of an advisor or business partner code; (iii) non-payment of appropriate commission and discrepancies in her commissions; and (iv) non-renewal of her IRDAI license prior to its expiry. Additionally, the Complainant has alleged that officials of our Company have pressured her to resign, while restricting her entry in one of our branch offices. The Complainant has prayed for, *inter alia*, quashing of all matters instituted by our Company against her in various forums and to conduct CBI investigation upon employees of our Company impleaded via the writ petition. Separately, our Company had filed a writ petition and other complaints against the Complainant in relation to her alleged acts of repeatedly making harassing phone calls and sending derogatory, defamatory and threatening messages to senior officials of our Company. The Supreme Court has, pursuant to an order, granted an interim stay on (i) further proceedings in the matter filed by our Company before the Chief Metropolitan Magistrate, Mumbai in relation to complaint under various provisions of the Information Technology Act 2000, and the IPC; and (ii) the ongoing investigation being undertaken pursuant to an order passed by the Bombay High Court at Nagpur in a writ petition filed by us against the Complainant. The matter is currently pending.
9. Pankaj Kumar an ex-employee of our Company (the “**Complainant**”) has filed a criminal complaint against our Company (through Chanda D. Kochhar), and certain employees of our Company before the Chief Magistrate Court, Giridih, for offences alleged under Sections 34, 120B, 420, 406, 477 and 506 of the IPC, in relation to, *inter alia*, criminal breach of trust, cheating, mischief, criminal conspiracy and forgery for purpose of cheating. The Complainant has alleged that our Company has wrongfully terminated him from employment while withholding ` 80,000 of his entitled salary. The Complainant has alleged that one of the accused demanded a bribe of ` 50,000 when the complainant approached our Company for payment of his salary entitlement. Additionally, in relation to the alleged wrongful termination, the Complainant has also lodged a complaint with the Assistant Labour Cooperative Commissioner, Giridih which, pursuant to an award passed by such Assistant Labour Cooperative Commissioner was directed to be taken to a higher court since the Complainant did not fall

within the purview of “labourer”. Further, a closure report has been filed by the police, however, our Company is awaiting a court order to that effect and the matter is currently pending.

10. Laxminarayan, a customer of our Company (the “**Complainant**”) has filed a criminal complaint before the Chief Judicial Magistrate, Badwani, against our employees in relation to offences committed under Sections 120B, 420, 467 and 471 of the IPC, namely, criminal breach of trust, cheating, criminal conspiracy and forgery for an alleged mis-utilisation of ₹ 20,000 while issuing the “*Life State Pension Policy*” instead of “*Lifetime Gold Policy*” to the Complainant to cause loss to the Complainant and had allegedly fabricated the signature of the Complainant on the relevant documents. The matter is currently pending.
11. Gulzar Habib, a customer of our Company, (the “**Complainant**”) has filed a criminal complaint before the First Class Judicial Magistrate, Shahajahapur, against two employees of our Company, for offences under sections 120B, 406, 417, 420, 504 and 506 of the IPC, in relation to, *inter alia*, criminal breach of trust, cheating, mischief, criminal conspiracy for mis-selling by an agent of our Company. The complainant has prayed for the court to take cognizance of the complaint and pass an appropriate order. The First Class Judicial Magistrate, Shahajahapur has taken cognizance of the complaint under Section 417 of the IPC. The Complainant challenged the order of the First Class Judicial Magistrate, Shahajahapur before the Additional District Judge, Shahajahapur, which has upheld the order of the First Class Judicial Magistrate, Shahajahapur. The matter is currently pending.
12. A customer of our Company, Madan Ram (the “**Complainant**”) filed a criminal complaint against a branch manager of our Company for alleged misappropriation of money and false inducement to buy insurance policy. The criminal complaint has been filed before the Judicial Magistrate First Class, Bokaro in relation to sections 34, 406 and 420 of the IPC, *inter alia*, in relation to cheating and mischief. The branch manager has subsequently filed a petition under section 482 of CrPC before the High Court of Jharkhand at Ranchi for quashing of the criminal complaint and all proceedings and investigations therein. The matter is currently pending.
13. Shraddha Gupta (the “**Complainant**”) has filed a criminal complaint before the Judicial Magistrate First Class (“**JMFC**”), Belapur, Navi Mumbai against Mukesh Pandey (“**Accused no.1**”), Chanda D. Kochhar, Sandeep Bakhshi, Judajit Das, Kalpana Sampat and Poonam Bharadwaj (“**Accused no. 2 to 5**”, and collectively the “**Accused**”) under Sections 354, 509, 294, 107, 120B read with Sections 34 and 354-A of the IPC in relation to the alleged sexual harassment by Accused no.1 of the Complainant and Accused no. 2 to 5 have been alleged with abetment of the sexual harassment offence by destroying evidence, failure to follow our Company’s code of conduct and other policies or take any action against Accused no.1. The JMFC has passed an order instructing the police to investigate the matter under the provisions of the IPC and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Pursuant to this order, the Complainant filed an FIR against our Company. Accused no. 2 to 5 have filed a writ petition before the Bombay High Court pleading, amongst others, quashing of the FIR and stay on the operation of the order passed by the JMFC. Subsequently, the Bombay High Court has passed an order granting ad-interim relief directing that no coercive action must be taken against the Accused no. 2 to 5. The matter is currently pending.
14. Vivek Vardhan (the “**Complainant**”) has filed a criminal complaint before the Chief Judicial Magistrate, Patna against Chanda D. Kochhar, Rajiv Sabharwal, N.S. Kannan, K. Ramkumar, V.V. Balaji and the chairman of the IRDAI (collectively the “**Accused**”) under Sections 406, 420, 409, 120B of the IPC in relation to cancellation of the insurance policy issued to the Complainant due to alleged non-payment of premium amount by the Complainant without giving any notice to the Complainant. Subsequently, the Accused filed a criminal writ petition before the Patna High Court seeking quashing of the aforesaid criminal complaint. While the matter is currently pending the Patna High Court has granted a stay order on the proceedings.

#### *Actions by regulatory / statutory authorities*

1. IRDAI issued a show cause notice dated July 23, 2015 to our Company in relation to violation of the guidelines on outsourcing of activities dated February 1, 2011 issued by IRDAI (“**Guidelines**”). Our Company has submitted a response dated August 13, 2015 to IRDAI in this regard. IRDAI in an order dated October 9, 2015 observed violation of the Guidelines by our Company for entering into an outsourcing agreement with a vendor M/s Astute Corporate Services Private Limited (“**Astute**”) for the activity of “Cheque Pickup and Banking” when the vendor was not meeting the eligibility criteria specified in the guidelines. While our Company stated that it permitted Astute to collect only cheques and had terminated the agreement after the IRDAI observations, IRDAI cautioned our Company for the violation of the Guidelines and further directed our Company to review all the existing outsourcing agreements to ensure adherence to the Guidelines and confirm compliance. IRDAI further observed that our Company made payments over and above the consideration agreed in the outsourcing agreement by directly paying the staff of the service provider by the way of gift cards. IRDAI imposed penalty of ₹ 0.50 million for violating the provisions of the Guidelines. IRDAI further directed our Company to discontinue the practice of directly paying the employees of the outsourced entities when there is no contractual relationship underlying such payments. IRDAI also observed that our Company had wrongly classified

payments under the activity “Call Center – Inbound and Outbound activity” and “Postage and Courier” which led to wrong reporting of transactions as outsourcing activities and violation of Clauses 9.5 and 9.6 (ii) of the Guidelines for which IRDAI warned our Company against wrong classification and wrong reporting and advised our Company to ensure correct reporting in future. Our Company submitted an “Action Taken Report” in relation to compliance with such order and confirmed compliance with the Guidelines on April 12, 2016.

2. IRDAI carried out inspection on our Company between November 29, 2010 and December 3, 2010 and thereafter, issued a show cause notice dated January 5, 2012 (“**Notice**”) to our Company **stating** that our Company has not complied with certain provisions of the Insurance Act and certain regulations, guidelines and circulars issued by IRDAI. Subsequently, based on the response filed by our Company and a personal hearing given by the Chairman, IRDAI, the final order was passed by IRDAI on May 24, 2012 whereby it passed the following directions:
  - **Penalties:** IRDAI imposed penalty of an aggregate amount of ₹ 11.80 million on our Company on account of, *inter alia*, (i) certain payments made to the corporate agents in violation of the Insurance Act, the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002, as amended (“**Corporate Agent Regulations**”) and the Corporate Agency Guidelines, 2005, (ii) creating multiple code numbers for a single corporate agent without necessary verifications; having limited number of specified person/ qualified person compared to large number of locations thereby making significant sourcing of business through unlicensed persons and therefore failing in its duty to regulate its corporate agents, in violation of the Insurance Act and Corporate Agent Regulations, (iii) remunerating the referral partners in violation of the circular dated February 14, 2003 issued by IRDAI (“**Circular 1**”), which only permitted referrals by banks and no other entities, (iv) floating contests for referral partners and incurring expenses on such entities in violation of the Circular 1 and circular dated February 7, 2008 issued by IRDAI, (v) certain payments made to brokers in violation of the Insurance Act and the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002, as amended, and (vi) payments made to master policyholders in violation of the IRDAI’s Guidelines on **Group Insurance Policies** dated July 14, 2005 (“**Group Guidelines**”).
  - **Warnings:** IRDAI issued warning to our Company to desist from practices which are against the interests of the policyholders including processing of improper and incomplete answers in proposal forms and using illegible rubber stamps without validation of the authorised signatory, each in violation of the Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002, as amended.
  - **Advices:** IRDAI advised our Company to, *inter alia*, (i) realign its investments in compliance with the Insurance Regulatory and Development Authority (Investment) (Fourth Amendment) Regulations, 2008, (ii) strictly administer the reinsurance cover continuously and duly report about the same to IRDAI, (iii) strictly abide by Regulation 8 of the Insurance Regulatory and Development Authority (Protection of Policyholders’ Interests) Regulations, 2002, as amended, (iv) strictly follow the provisions of the circular on Anti Money Laundering/Counter Financing of Terrorism, 2010 regarding KYC checks of third party assignments, (v) ensure that deficiencies such as unit linked policies being surrendered within lock-in period in violation of the Guidelines for Unit Linked Life Insurance Products dated December 21, 2005, are plugged through regular system audit, (vi) strictly abide by the Regulation 6(1) of Insurance Regulatory and Development Authority (Sharing of Database for Distribution of Insurance Products) Regulations, 2010, as amended, (vii) strictly abide by the clause 7 of the Group Guidelines, (viii) desist from the practice of collecting premiums in a single lump sum by third parties (which in turn collect premiums from policy holders) unless a proper agreement is established for collection of premiums, and (ix) undertake all measures so as to ensure that the provisions of Regulation 5 and Regulation 8 of the Insurance Regulatory and Development Authority (Protection of Policyholders’ Interests) Regulations, 2002, as amended, are complied without any deviation with respect to the rural policies.
3. IRDAI based on its examination of the outsourcing report for the half year ended March 31, 2014 submitted by our Company sought clarifications from our Company *vide* its email dated September 5, 2014 and December 17, 2014. IRDAI in its letter dated July 24, 2015 observed violation of Clause 8.5 of the Guidelines after our Company submitted *vide* its email dated April 22, 2015 that 167 consultants reported in the outsourcing report were associated as agents with other life insurance companies. Our Company submitted that arrangements with all 167 consultants were terminated since January 15, 2014 and no payments have been made to them since that date. IRDAI cautioned our Company to ensure strict compliance with the Guidelines. IRDAI observed that our Company had not made disclosures under Clause 7.1 of the Corporate Governance Guidelines in the notes to accounts forming part of the annual accounts in relation to the work assigned to the auditor’s associates for providing skilled personnel for the purpose of actuarial audit and therefore advised our Company to make all disclosures as required under the Corporate Governance Guidelines and ensure strict compliance with the same.
4. IRDAI in its letter dated May 15, 2015 observed that our Company had changed the plan of the policyholder, Sunil Mishra from “Life Stage RP” to “Life Stage Pension” solely on the basis of oral complaint of Sunil



Mishra without following the standard procedure of obtaining a fresh proposal or specific consent/ request for plan change which is in violation of regulation 4(1) of IRDAI (Protection of Policyholders Interest) Regulations 2002. IRDAI cautioned our Company for not handling of the grievance in the manner required and also for violation of regulatory provisions in respect of change of plan without any written consent/ request for grant of insurance cover to the policyholder. IRDAI further advised our Company to ensure compliance with all regulatory provisions notified from time to time in the matter of protection of policyholder's interests.

5. The IRDAI *vide* its cautionary letter dated February 20, 2015 issued a in relation to (i) non incorporation of a clause on “*Guaranteed Additions*” in the policy documents issued by our Company which was subsequently corrected in policy documents issued from February, 2002; (ii) non- initiation of prompt and corrective actions for informing policyholders about the existence of such clause where it had been missed out; and (iii) the breach of regulatory provisions of IRDAI (Protection of Policyholders Interest) Regulations, 2002. Our Company was advised to ensure compliance with all regulations as prescribed by the IRDAI. Additionally, our Company was advised to comply with all regulatory provisions and incorporate procedures to initiate corrective measures in the event that it notices any discrepancy. Further, our Company was directed to inform all the affected policyholders.
6. IRDAI *vide* its letter dated July 25, 2013 warned our Company regarding inadequacies and discrepancies in actuarial reports, abstracts, appointed actuary annual report and other valuation related reports pertaining to the financial year ended March 31, 2012. Such discrepancies related to valuation such as reinsurance premium, mathematical reserves, business figures, etc. not being appropriately captured in the statements. IRDAI further directed our Company to have more effective systems and controls on valuation process and valuation returns and place an action taken report on this letter along with its recommendations before IRDAI within fifteen days.
7. Insurance companies are required to adhere to the Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000 and Master circular on Insurance Advertisements 2015 and any other guidelines issued from time to time. These regulations require advertisements to be filed with IRDAI within seven days of its release. IRDAI sometimes seeks clarification from our Company on advertisements or directs our Company to make modifications or withdraw advertisements so filed in our Company's ordinary course of business, which are in violation of the Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000, Master Circular on Advertisements, 2015 and any other guidelines and circulars issued by IRDAI in this regard.
8. IRDAI issued a show-cause notice dated September 25, 2013 in relation to the procedures followed by our Company to ensure compliance with the anti-money laundering guidelines and our Company replied to IRDAI *vide* its letter dated October 7, 2013. IRDAI in its final order dated January 20, 2014 (i) directed us to strengthen our internal control measures and systems to ensure adherence to the anti-money laundering guidelines and to closely monitor our branches in this regard, as also observed by our Company's Internal Audit Department (ii) advised us to put in place systems to comply with the training requirements of our staff and employees as envisaged under the said anti-money laundering guidelines, and (iii) cautioned us to sensitise our employees, agents and corporate agents to follow the provisions of the anti-money laundering guidelines.
9. The Inspector, Minimum Wages, Calcutta has filed a complaint dated January 30, 2012, against our Company before the Chief Metropolitan Magistrate, Kolkata in relation to alleged violation of sections 18 and 19 of the Minimum Wages Act, 1948 and provisions of the West Bengal Minimum Wages Rules, 1951, by failing to submit the annual return for a particular year, failure to exhibit the notice and failure to produce the prescribed register and records maintainable under the Minimum Wages Act, on demand. The court of Chief Metropolitan Magistrate, Kolkata has served a summons notice on the accused, where the matter is currently pending.
10. Our Company has received a notice from the Ministry of Labour through Regional Labour Commissioner, Jaipur serving upon us a summons notice issued by the upper civil court of Jaipur in relation to a complaint filed by LEO (Central) alleging violation of Sections 23 and 24 of the Contract Labour (Regulation and Abolition) Act, 1970. Further, a complainant has been filed before the Metropolitan Magistrate, Kolkata against the managing director of our Company (the “**Defendant**”) alleging violation under sections 23 and 24 of the Contract Labour Act. The court of Metropolitan Magistrate, Kolkata has served a summons notice on the Defendant, where the matters are currently pending.
11. The Shops and Establishments department of the Municipal Corporation of Greater Mumbai has, in its inspection of our Company on December 3, 2013, allegedly found breach of section 8 of Bombay Shops and Establishments Act, 1948 (the “**BSE Act**”) and rule 20(1) and 20(5) of the rules made under the BSE Act and has filed a complaint before the Metropolitan Magistrate Court, Dadar, against Sandeep Bakhshi, our Managing Director and Chief Executive Officer and another employee, for allegedly failing to notify the inspector of change in number of employees, to maintain the employment register and to maintain a leave book in the format prescribed under the BSE Act. The court of Mumbai metropolitan magistrate conducted the hearing on March 1, 2014 wherein the matter is currently pending.

12. The court of Chief Judicial Magistrate, Panipat has issued a notice to appear to a manager of our Company in relation to alleged violations under the Payment of Bonus Act, 1965. The matter is currently pending.

*Other matters:*

*Awards given by the Insurance Ombudsman against our Company during the last three years*

1. 61 complaints have been filed against our Company under the Redressal of Public Grievances Rules, 1998, before Ombudsman of various jurisdictions, in relation to “*mised selling*” of various insurance policies by the agents, consultants and employees of our Company. In relation to these complaints the Ombudsman has, amongst other things, passed awards against our Company ordering cancellation of such policies while awarding refund of the entire premium, at variable or no interest;
2. 48 complaints have been filed against our Company under the Redressal of Public Grievances Rules, 1998, before Ombudsman of various jurisdictions, in relation to rejection of request by customers for surrender, cancellation and refund of the premium deposited under policies issued by our Company. Pursuant to these complaints, the Ombudsman has, amongst other things, passed awards against our Company ordering entire and part refund of the premium amounts claimed by the complainants;
3. 14 complaints have been filed against our Company under the Redressal of Public Grievances Rules, 1998, before Ombudsman of various jurisdictions, in relation to repudiation of claims raised and denial of maturity claims raised in relation to the policies issued by our Company. Pursuant to these complaints, the Ombudsman has, amongst other things, passed awards against our Company ordering acceptance (at times part acceptance) of the claims raised by the complainants.

*Acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company*

1. A policy applicant (the "**Applicant**") applied for and obtained a home loan with ICICI bank while applying for a zero death benefit pension policy with our Company (the "**Policy**"). Within one year of issuance of the Policy the Applicant died, pursuant to which, the family members of the Applicant, requested for settlement of the outstanding loan against the Policy. While processing the request our Company noted that the Policy had been surrendered for issuance of a term policy, pursuant to which, our Company would not be liable to settle the outstanding loan. However, pursuant to an investigation at the request of the family members of the Applicant, our Company realised that an employee without authorisation of the Applicant, fraudulently initiated the surrender of the Policy. Subsequently, our Company terminated the employee from service while settling the claim of the Applicant.
2. A customer of our Company (the "**Complainant**") has alleged premium misappropriation in relation to two of his policies, which were foreclosed. The Complainant has alleged that four cheques were presented to an employee of our Company (the "**Accused**") towards payment of his renewal premium. The Accused deposited the cheques collected by the Complainant in his bank account. Pursuant to which the Complainant filed a complaint, our Company initiated the investigation process, subsequent to which, the Accused accepted the alleged misappropriation and reimbursed the Complainant, our Company terminated the Accused from its services.
3. Our Company received from two complaints from lessors of our branch premises in relation to non receipt of outstanding rent/deposits due to the possible misappropriation by a consultant associated with our Company (the "**Accused**"). Upon conducting an internal investigation our Company concluded that the Accused by opening fake bank accounts in the name of the lessors at Jalna, Maharashtra, initiated payments in those accounts by tampering with the branch lease agreements and forging signatures of authorised employees. On further investigation our Company identified that the fraud was perpetrated against a total of nine vendors of our Company. Our Company subsequently has filed a criminal complaint with the police, pursuant to which an FIR has been registered against the accused, further, our Company has taken steps to correct the internal process followed.
4. Our Company received a complaint in relation to fraudulent surrender of a policy by an employee of our Company (the "**Accused**") on foreclosed policies by paying the residual premiums and initiating surrenders in such policies. Upon investigation our Company realised that multiple customers were impacted by such acts of the Accused. Subsequently, our Company filed a criminal complaint with the police, pursuant to which an FIR has been registered against the Accused, further, our Company has taken steps to correct the internal process followed.
5. Our Company received two complaints in relation to alleged surrender of insurance policy complaints with out due authorisation by the policy holder. Upon conducting an internal investigation, our Company realised that an ex-employee of our Company had orchestrated a fraudulent surrender of insurance policies, while redirecting the sum accruing from surrender of such policies to a third party bank account. Our Company recovered and

reimbursed the amount misappropriated, pursuant to which customer the complaint was withdrawn. Our Company has filed a complaint pursuant to which an FIR was registered against the ex-employee.

6. A customer of our Company (the "**Complainant**") complained that renewal premiums which were paid via an employee of our Company (the "**Accused**"), were not applied to the policies held by the Complainant. Upon investigation it was noted that the Accused, issued fake premium receipts in lieu of the amount collected from the Complainant and subsequently, misappropriated. Our Company and the Complainant have filed criminal complaints at police stations of the appropriate jurisdictions.
7. Our Company issued an insurance policy, pursuant to which a death claim was raised in a short span of the policy issuance due to the death of the insured. Subsequently, our Company issued instructions for settlement of the claim. Due to the suspicion raised from the bank manager of the bank which had received instructions for such settlement, it was noted that the claim raised was a fraudulent claim which was perpetrated by an employee of our Company, who initiated the claim process without knowledge of the policy holder. Our Company has filed a criminal complaint.
8. For details of frauds against our Company please see "Outstanding Litigation and Material Developments – Litigation by our Company" on page 460.

#### *Default and non-payment of statutory dues etc. by our Company*

There have been no instances of defaults or non-payment of statutory dues by our Company.

#### *Inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years*

Our Company received a letter from the RoC in relation to a complaint from one of our policyholders addressed to the RoC and alleges mis-selling of insurance policy. Subsequently, the RoC passed an order directing our Company to produce all relevant documents, failing which the RoC shall initiate penal action (the "**Order**"). Our Company has responded to the aforementioned letter and the Order. Our Company has requested the RoC to withdraw the Order as the complaint was not made by a shareholder of our Company but on the basis, of the complainant's relationship as a customer of our Company.

#### *The policyholder complaints during the last five years*

During the last five financial years, our Company has received a total of 84,320 complaints from policyholders in relation to mis-selling, surrender of policies, spurious calls from persons claiming to be agents/employees of our Company etc., of which, our Company accepted 30,030 complaints, partially accepted 7,205 complaints and rejected 46,949 complaints, of the complaints accepted by our Company, 124 complaints were pending for less than 15 days and 12 complaints were pending for more than 15 days.

## **B. Litigation by our Company**

#### *Criminal matters*

1. Our Company has filed a criminal complaint against Praveen Yadav, Ankur Goyal and Pradeep Yadav (the "**Accused**") at the Economic Offences Wing, New Delhi in relation to certain complaints received from customers against spurious calls from persons who had been attempting to cheat customers by representing themselves as officials and employees of our Company and the IRDAI. The police after investigation has registered an FIR and filed a charge sheet before the court of the Additional Chief Metropolitan Magistrate, Tis Hazari, Delhi for offences, under Sections 419, 420, 500, 511 of the IPC and Sections 66 and 66A, of the Information Technology Act, 2000 in relation to alleged defamation, fraud, cheating, impersonation and unauthorised access to access to records of our Company. The matter is currently pending.
2. An employee on behalf of our Company has filed a criminal complaint before the Additional Chief Judicial Magistrate, Asansol under Section 156(3) of the CrPC praying for the court to direct the police to initiate investigation against Sheo Nath Ram (the "**Accused**") under Sections 120B, 380, 420, 467 and 468 of the IPC in relation to theft, criminal conspiracy, cheating, fraud and forgery. The Accused is alleged to have misappropriated a cheque for ₹148,580.39 issued towards surrender of an insurance policy from one of our Company's offices. A notice for appearance has been issued to our Company's representative. The matter is currently pending before the Additional Chief Judicial Magistrate Asansol. The matter is currently pending.
3. Our Company has filed over 35 FIRs at various police stations in India under, *inter alia*, Sections 34, 120B, 406, 415, 420, 425 and 467 of the IPC in relation to criminal breach of trust, cheating, mischief, criminal conspiracy and forgery for purpose of cheating. At certain instances we have had to approach courts of the appropriate forum seeking directions to the police under Section 156(3) of the CrPC to register FIRs Additionally, at two

instances the accused have approached courts of the appropriate forum seeking granting of anticipatory bail. The matters are currently pending.

4. Our Company has made two complaints at the Mumbai Police cyber cell and the Additional Commissioner of Police (Greater Mumbai). The complaints pertain to Sections 500 and 503 of the IPC and Sections 66A and 71 of the Information Technology Act, 2000 for certain alleged defamatory statements made to IRDAI and media and certain offensive messages on online social network, by certain individuals, amounting to defamation, criminal intimidation, sending offensive messages through communication service, misrepresentation. The matters are currently pending.
5. Our Company has filed three complaints under section 138 of the Negotiable Instruments Act, 1881. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 2.98 million.
6. Our Company has filed a criminal complaint against Ishan Deshmukh *alias* Prasad Vasantrao Kulkarni who was a licensed agent of our Company (the “**Accused**”) under Sections 34, 417, 420, 465, 468 and 471 of the IPC in relation to cheating, fraud and forgery before Commissioner of Police. The Accused and his wife had allegedly forged letters and application forms in the name of certain policyholders seeking modification of the insurance policies instead of cancellation of insurance policies as requested by the policyholders. The police after investigation registered an FIR dated August 31, 2009. The Accused applied for anticipatory bail before the Additional Sessions Judge Pune, which was granted, however, the state sought cancellation of the order granting anticipatory bail before the Bombay High Court. Subsequently, the Bombay High Court modified the order and granted bail until filing of the chargesheet, pursuant to which the Accused was directed to approach the court seized of the matter for regular bail. Our Company by way of a special leave petition approached the Supreme Court in relation to certain observations made by the Bombay High Court while granting anticipatory bail to the Accused. The Supreme Court has dismissed the special leave petition. Thereafter, the police filed a charge sheet dated August 24, 2010 before the Judicial Magistrate First Class Pune, pursuant to which the Accused approached the Additional Sessions Judge, Pune seeking bail, which was rejected. The Accused approached the Bombay High Court against the order of the Additional Sessions Judge, Pune. Our Company filed a criminal application for intervention on grounds that the Accused could not apply for bail if he had not been taken into custody and that he should approach the court seized of the matter as per its directions. The Bombay High Court had directed the Accused to approach the Judicial Magistrate First Class Pune for any further relief with regards to bail. The matter is currently pending.

## II. **Litigation involving our Promoters**

### ***Disclosure of litigation involving our Promoters:***

#### ***Litigation involving PCHL***

*In the financial year ending December 31, 2014, the total income and the profit after tax of PCHL, as per its audited financial statements, were ₹479.0 million and ₹178.6 million, respectively. Given the nature and extent of operations of PCHL, all outstanding litigation involving PCHL which exceed the amount which is less than 1% of the total income and 5% of the profit after tax of PCHL, as per its latest audited consolidated financial statements available would be considered material for our Company, accordingly, the materiality threshold for PCHL is ₹4.8 million. Accordingly, except as disclosed below, there is no outstanding litigation involving PCHL (i) where the aggregate amount involved exceeds ₹4.8 million; (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ₹4.8 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.*

*In addition to the above, and except as disclosed below there are no (i) outstanding criminal proceeding involving PCHL; (ii) outstanding action by statutory or regulatory authorities involving PCHL; (iii) outstanding litigation involving PCHL that relate to taxation matters; (iv) outstanding litigation/disputes involving PCHL that relate to securities related offences; (v) litigation or legal action pending or taken, or any direction issued upon conclusion of such litigation or legal action, by any Ministry or Department of the Government or a statutory authority during the five years preceding the year of issue of this Draft Red Herring Prospectus; and (vi) outstanding litigation involving PCHL, whose outcome could have material adverse effect on the position of our Company.*

#### ***Litigation involving ICICI Bank***

*ICICI Bank is involved in various litigations (civil, criminal, regulatory or otherwise) in India and in the other jurisdictions in which ICICI Bank operates, including on account of ICICI Bank seeking to recover its dues from its borrowers or because its customers make claims against ICICI Bank. Additionally, in certain instances, present and former employees of ICICI Bank have instituted legal and other proceedings against it alleging irregularities. The majority of these cases arise in the normal course of business and ICICI Bank believes, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on ICICI Bank's financial performance or its shareholders' equity.*

*In the Fiscal 2016, the total income and the profit after tax of ICICI Bank, as per its audited consolidated financial statements, was ₹ 1,013,958.46 million and ₹ 101,799.60 million, respectively. Given the nature and extent of operations of ICICI Bank, all outstanding litigation involving ICICI Bank which exceed the amount which is lesser of 1% of the total income and 5% of the profit after tax of ICICI Bank, as per its*

latest audited consolidated financial statements available would be considered material for our Company, accordingly, a materiality threshold of is ` 5,100 million has been taken for identification of material outstanding litigation involving ICICI Bank. Accordingly, except as disclosed below, there are no outstanding litigation involving ICICI Bank (i) where the aggregate amount involved exceeds ` 5,100 million; (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ` 5,100 million; and (iii) which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

In addition to the above, for ICICI Bank except as disclosed below there are no (i) outstanding criminal proceeding against ICICI Bank which also involve its current directors, where cognizance has been taken by a court; (ii) action by statutory or regulatory authorities (pending actions or any actions taken in the past five years); (iii) outstanding litigation involving taxation matters, where an assessment order has been passed by the tax authorities; (iv) outstanding litigation/disputes involving securities related offences; (v) litigation or legal action pending or taken, or any direction issued upon conclusion of such litigation or legal action, by any Ministry or Department of the Government or a statutory authority during the five years preceding the year of issue of this Draft Red Herring Prospectus; or (vi) outstanding litigation involving ICICI Bank, whose outcome could have material adverse effect on the position of our Company.

## **Litigation against ICICI Bank**

### *Criminal matters*

1. Dinbandhu Dash filed a criminal complaint, before the SDJM, Balasore against inter alia Ms. Chanda Kochhar, MD & CEO and five employees of the Bank wherein Summons have been issued to all the accused persons under sections 419/420/506/120B of the Indian Penal Code. It has been alleged by the complainant that a criminal complaint bearing No. ICC 709 of 2009 was filed by him before the SDJM, Balasore against five Managers of ICICI Bank whose names were not specifically mentioned in the complaint. The complainant alleges that ICICI Bank closed his current account in October 2010 instead of closing the same in September 2007, December 2008 and February 2009 despite request made by the complainant for closure of the same vide letters allegedly received by the Bank. The complainant alleges that he was not aware of the name and particulars of the Managers of the Bank involved in closing the account in 2005 due to which upon getting to know through internet that Ms. Chanda Kochhar is the Managing Director of ICICI Bank Ltd., he issued a letter to the MD seeking details of the said Managers. The complainant alleges that despite having issued several letters to the MD, the names of the Managers involved was deliberately not disclosed which amounts to adoption of fraudulent means to cheat the complainant from legitimate claim and compensation. Further, the complainant alleges that two unidentified Managers of the Bank verbally threatened him of murder if he does not withdraw the aforesaid complaint of 2009. A witness has also submitted his statement as evidence in this respect. The complainant has also sought compensation of ` 50,00,000 each from accused No. 1 to 5 and ` 10,00,000 from accused No. 6. Lower court record has been called for by the High Court.
2. Mukesh Chand Vs MD Chanda Kochhar 1999/2013-The gist of the complaint is that the son of the complainant completed the course of software engineer from N.I.I.T. and he has applied/sent his resume to various companies through internet services. That the accused No. 2, 3 and 4, contacted to his son through internet and he was selected for the Job of accountant in a Hotel based at London there after he was given appointment letter for the same Job and asked him to join the same at the earliest. As the son of the complainant asked the details of the expenses to be incurred for getting the visa for the said Job. He was provided the details of expenses and asked to deposit the an amount of ` 52,500 in the account of Shruti Travels bearing no. 641905050329 and in the name of Sudha Singh bearing account no. 628801534123. There after the son of the complainant asked the person for further process regarding the issuance of Visa and he got the reply on mail and he was asked to deposit the ` 10,500 in the account of Mr. Liladhar M Pujari bearing account no. 000401644165 and ` 42,000 in the account of Sharma enterprises bearing no. 004105500129 and the son of the complainant got deposited the same accordingly. After that when the son of the complainant did not get the visa he send the mail to the concerned person/company. After that he got the reply that for some documentation he has to deposited for an amount of ` 112700 in the account of Shekawat Enterprises bearing account no. 031505500243 and the amount was deposited on August 30, 2010 and after depositing the same amount, when the visa was not received by the complainant's son then he got suspicious about the process. That on September 7, 2010 the complainant along with his son visited the British High Commission at Delhi, then it came to the knowledge of the complainant that the ICICI Bank official acted in collusion with a person running the racket for cheating the people for last 4 years as alleged by the complainant in his complaint filed before the court. Thereafter the complainant asked the details of the under the provision of R.T.I. Act from the ICICI bank in respect of the account holders but the same was not provided by the bank. Thereafter the complainant made complaint to various senior concerned officials of the govt. of India and the matter was inquired. The ICICI Bank further told the complainant that all the account in question has been seized by the Bank and he was asked to lodge the complaint in respect of the matter and the Bank will cooperate in the investigation of the matter. Thereafter the complaint file the application u/s 156(3) and FIR bearing no. 168/11 was lodge U/s 406/420/506 of IPC but no action was taken under the said FIR and there after the present complainant filed before the court. The magistrate court after recording the statement has summoned the MD Smt Chanda Kochhar vide its order dated December 7, 2013. ICICI Bank has challenged this summoning order in Criminal Revision before Allahabad High Court vide criminal revision no 500 of 2014. High Court vide its order dated February 24, 2014 has stayed the proceedings against CEO.

3. Ejaz Hasan Khan filed a criminal complaint before the ACJM-I, Bareilly against inter alia Ms. Chanda Kochhar to get FIR registered for commission of offences under Sections 420/ 406/ 323/ 504/ and 506 of Indian Penal Code. The complainant availed a home loan of ` 12 lacs for tenure of 120 months from ICICI Bank which was transferred from Canara Bank. Later on, the complainant denied to take the loan and demanded back his PDCs. In the meantime, EMI's got collected from May 01, 2004 onwards amounting to 76,643. When the Loan was denied by the complainant reverse entry of the disbursed cheque was done by the Bank, however, EMI's through PDC's continued to be collected and a refund pay order amounting to ` 76, 643/ vide cheque no. 197057 was sent to the complainant on November 8, 2004 which is still unpaid. We also tried to resolve the matter amicably and explained him that the fault was not only at our end. The refund order was sent to him who is still unpaid. On realisation that the refund was not encashed, pay order was prepared and offered to him along with requisite interest & compensation amount which he refused to accept. Refund pay order amounting to ` 76643 /- and an interest & compensation pay order amounting ` 46000/- was sent to him which was received by the complainant and as per POD details of courier but has not been paid by the complainant. The police have filed the closure report. Whereas the complainant has filed an application to object the closure report and the same is pending for consideration. Next date of hearing is June 29, 2016 for further proceeding.
4. Shripad Krishnaji Sovani an ex-employee of erstwhile Sangli Bank has filed criminal complaint for seeking pension. Bank has preferred a writ petition before High Court, Mumbai wherein stay has been granted. Next date of hearing is Aug 28, 2016 For Notice
5. Balasaheb Mahipati Patil an ex-employee of erstwhile Sangli Bank has filed criminal complaint contesting the pension calculation. Bank has preferred a writ petition before High Court, Mumbai wherein stay has been granted. Next date of hearing is Aug 30, 2016 For Notice
6. Dilip Shrikrishna Thakar an ex-employee of erstwhile Sangli Bank had resigned from the services of Bank in 1999, he passed away in 2001. The instant criminal complaint has been filed by wife of late Mr Thakar, Ms Shobha Dilip Thakar claiming pension and family pension. Bank has preferred a writ petition before High Court, Mumbai wherein stay has been granted. Next date of hearing is Aug 29, 2016 for hearing and stay is continued till that date.
7. Vasant Krishna Patil an ex-employee of erstwhile Sangli Bank has filed criminal complaint for seeking pension. Bank has preferred a writ petition before High Court, Mumbai wherein stay has been granted. Next date of hearing is July 11, 2016 Stay from High Court.
8. Rajendra Bongale an ex-employee of erstwhile Sangli Bank has filed criminal complaint for seeking pension. Bank has preferred a writ petition before High Court, Karnataka (Dharwad bench) wherein stay has been granted. Last date of hearing was May 23, 2016 For Investigation. Now case awaiting for next hearing date.
9. Syed Mustafa Zafar filed a criminal complaint (No. 45/2011) against inter alia Ms. Chanda Kochhar before the Additional Chief Judicial Magistrate (ACJM), Lucknow alleging commission of offence under Section 193 of the Indian Penal Code. The instant complaint has been filed pursuant to the order passed by the Magistrate on February 23, 2011 in Case No. 4826/2007 under Section 138 of Negotiable Instrument Act filed by the bank for dishonour of cheque. The complainant alleged that the Bank filed false case against him as the payment of the dishonoured cheque was made by him within 2 days from the receipt of Legal notice for dishonour of cheque. The Magistrate dismissed the case for dishonour of cheque and registered the instant complaint for offence under Section 193 of the Indian Penal Code and after conducting inquiry held that Chief Executive Officer of the bank is the responsible person. The Bank prayed before the Magistrate to conduct trial of the complaint u/s 138 since we have not received the payment of dishonoured cheque however the Magistrate did not allow our prayer. The said complaint was withdrawn by the Bank as a conciliatory measure since the complainant had regularised the payments of his EMI. ICICI Bank filed quashing application (No. 2256 of 2010) before the High Court Bench, Lucknow and the order passed by the Magistrate has been stayed by the High Court. Matter is undated as High Court has summoned the lower court records. Matter is pending for cause list for listing.
10. Imran Ahmad had filed case no. 626/2014 under section 156(3) in the court of Chief Judicial Magistrate Lucknow against Chanda Kochhar CEO ICICI Bank and other. The complainant stated that he availed Credit card no. 4375511709723006 from the respondent bank. The complainant alleges that on May 28, 2014 at 21.52, 21.53 and 22.01 p.m he received alert on his mobile no. 9839065781 that ` 79026.66 transaction done on his card at Turkey, merchant based at Turkey. That the complainant informed the said incident at bank's toll free number and on the next day he informed the same incident to the bank in writing. Then the complainant informed the said matter to DIG dated May 29, 2014 and then the same was referred to CO Cyber Crime Cell Hazratganj Lucknow. Then the complainant request the bank to waive off the said transaction of ` 79026.66 done at turkey but the bank official insisted to deposit the said amount. Then approached magistrate court with

the prayer to take cognizance in the matter and direct police Hazratganj Lucknow to lodge FIR of the complainant.

11. Om Prakash Gurudayal Berlia 8th Esplanade Addl CMM Court, The complaint is with regards to a Credit Card No. 5176531700031108 which was issued by ICICI Bank to the Complainant in the name of his wife Smt. Anjali Om Prakash Berlia. However the complainant has denied making any request or receiving the said Credit Card. The case has been filed against 1 ICICI Bank Ltd, 2 Chanda Kochhar, MD & CEO, 3 K.Ram Kumar, MD, 4 Rajiv Sabharwal, Executive Director, 5 N.S.Kannan, Executive Director, 6 K.Rajkumar, Executive Director, 7 Anuradha M, Employee, 8 Sadanand Lad, Officer, 9 Naresh Shetty, Collection Officer, 10 Mukesh Gupta, Collection Officer, 11 Sharad Purohit, Collection Manager, 12 Sushil Bhatt, Recovery Officer, 13 Vinod Pawar, Area Manager, Risk Containment. On October 11, 2014 ICICI Bank's advocate was present in Esplanade court for purpose of observing the above mentioned matter. As both parties were not present the court has adjourned this matter to December 28, 2015 for hearing. Now next date of hearing is Aug 11, 2016.
12. Ghanjith Sharma, has filed appeal vide criminal revision petition no. 2 of 2014 against 01. Mr.Ravi Kumar Komuroju, 02. K Manjunath, 03. S. Mani, 04. Shami Abdul and 05. Ms. Chanda Kochhar, The Chairman and Managing Director, ICICI Bank Limited before the VIII Fast Track Court, City Civil & Session Judge, Bangalore. The Complainant/Petitioner has availed a Home Loan for ₹42,50,000 from ICICI Bank Limited, Bangalore vide LAN LBBNG00001357523 on June 3, 2006 and agreed to repay the same in 327 monthly instalments of ₹43971. The customer has been fully repaid as on July 10, 2009. The Complainant/Petitioner had filed a private complaint against Managing Director and other officials of bank on August 1, 2013 before the Magistrate on the ground that he has been fraudulently and intentionally deprived by MD of M/s Manjunatha Developer to avail Home Loan from ICICI Bank and purchased a plot in 2006. Based on representation of developer, he entered in to agreement to avail the home loan of ₹42,50,000 in June 2006. According to the complainant, the entire transaction was tainted with serious legal infirmities and turned out to be fake, as he did not get the plot. At the very first instance, the disbursement amount from respondent bank was not received by the complainant but was disbursed in favour of developer. The Hon'ble IV ACMM on December 7, 2013 dismissed the petition at the PCR stage. The matter is now fixed for hearing on July 19, 2016.

For additional litigation, see "Outstanding Litigation and Material Developments – Litigation against our Directors – Criminal Litigation against Chanda D. Kochhar" (No. 6) on page 474.

#### *Actions by regulatory / statutory authorities*

1. SEBI has vide letter dated May 20, 2015, issued an administrative warning to the Bank, as a Depository Participant (DP), for the following observation post the inspection conducted for the period April 2012 to June 2013. In all account opening forms, the date of execution of power of attorney (POA) was prior to date of account opening/date of activation of account in the DP system. The Bank has intimated SEBI that the necessary changes have been effected in PoA in such a manner that the effective date of PoA will be the date of account opening or the date of PoA execution, whichever is later.
2. Pursuant to inspection conducted for the period April 2010 to March 2012, SEBI has vide letter dated February 18, 2013, issued an administrative warning to the Bank as a registered Depository Participant (DP) to have an exclusive designated email ID for receiving complaints pertaining to its DP operations. The same (headdematservices@icicibank.com) has been created and status has been intimated to SEBI vide letter dated August 28, 2013.
3. SEBI had issued a show cause notice under SEBI (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995 for delay of 81 days in filing disclosures under the SEBI (Prohibition of Insider Trading) Regulations 1992, for change in shareholding exceeding 2% in a listed Company, when prior shareholding exceeded 5%. This was in respect of Bank's holding in Jord Engineers India Ltd which was largely unlisted, and trading in the scrip was suspended, though the Company was listed. The Bank filed consent terms and paid ₹ 1 lac to SEBI pursuant to the consent order passed in May 2012. The Bank has put in place systems and controls to file necessary disclosures irrespective of the listing status of its securities.
4. SEBI had carried out certain inspections of Bank's books and records with respect to debenture trustee activity on August 04, 2014 and September 19, 2014. The Bank had submitted its comments on the SEBI search report. Subsequently, we had received letter from SEBI dated October 19, 2015 highlighting certain discrepancies. SEBI had pointed out that there was a (i) delay in transfer of issues to other debenture trustee after the regulation 13A (b) of the DT Regulations came into effect from August 08, 2000; (ii) no issuance of press release and non-dissemination of the events of default on the Bank's website; (iii) failure to obtain quarterly reports from other issuer companies; (iv) non-dissemination of designated investor grievance email-id on DT's website and that (v) the Bank had not furnished correct data in the periodical report for the half year ending from March 2012 to SEBI. SEBI had advised the Bank to be careful in future and improve its compliance standards to avoid

recurrence of such instances, failing which, action may be initiated in accordance with SEBI Act and rules/regulations thereunder. The Bank took note of the same.

5. During SEBI inspection of books of accounts of Depository Participant activities of bank, observations on certain shortcomings were made by SEBI, in its inspection report dated March 15, 2010. The Bank had submitted reply/comments informing about the steps taken to improve system and procedures. SEBI vide letter dated June 17, 2010 advised not to repeat the irregularities and ensure compliance with SEBI Depositories Act 1996, Rules and Regulations. Also SEBI advised to place the findings of inspection, corrective steps taken by the bank and the final communication by SEBI before the Board. The same was reported and noted at the Audit committee meeting of the bank held on July 30, 2010.
6. SEBI had carried out certain inspections of Bank's books and records with respect to debenture trustee activity on August 04, 2014 and September 19, 2014. The Bank had submitted its comments on the SEBI search report. Subsequently, we had received letter from SEBI dated October 19, 2015 highlighting certain discrepancies. SEBI had pointed out that there was a (i) delay in transfer of issues to other debenture trustee after the regulation 13A (b) of the DT Regulations came into effect from August 08, 2000; (ii) non issuance of press release and non-dissemination of the events of default on the Bank's website; (iii) failure to obtain quarterly reports from other issuer companies; (iv) non-dissemination of designated investor grievance email-id on DT's website and that (v) the Bank had not furnished correct data in the periodical report for the half year ending from March 2012 to SEBI. SEBI had advised the Bank to be careful in future and improve its compliance standards to avoid recurrence of such instances, failing which, action may be initiated in accordance with SEBI Act and rules/regulations thereunder. The Bank took note of the same.
7. Five criminal complaints (9419/S/2002 to 9423/S/2002) were filed against us before the 39th Court of Presidency Metropolitan Magistrate (MM) at Mumbai by the Municipal Corporation of Greater Mumbai (BMC) for violation of Section 471 of the BMC Act read with Section 328-A thereof on grounds of non-payment of licence fees for the illuminated signboards at our ATM centres. We filed a writ petition (2377 of 2002) in the Bombay High Court challenging the applicability of the provisions of Sections 328 & 328-A of the BMC Act in respect of the ATM centres but it was dismissed and so we filed a special leave petition (24215 of 2002) (SLP) in the Supreme Court. The Supreme Court granted a stay against all prosecutions and proceedings by BMC in this regard. On August 4, 2005 the Supreme Court passed an order with a finding that putting of the ATM Board by the bank does not fall under the category of sky sign under Section 328, liberty has been given to BMC to consider whether the said issue falls under the category of advertisement under Section 328-A, and issued fresh notice before the hearing. The Bank submitted a copy of the Supreme Court order to the Metropolitan Magistrate and has prayed for the dismissal of the complaints and an order is awaited. The Criminal Cases bearing Nos. 20029419/S/2002 to 20029423/S/2002 are pending for hearing in the 39th Court at Vile Parle, on the respective dismissal applications filed on behalf of the Accused impleaded in the matters; in view of the order passed by the Hon'ble Supreme Court. The dismissal applications were rejected by the Court and an order was passed on the said Applications filed by the accused. The bank's Advocate has applied for certified copies of the said orders for recording plea of the accused. The Bank had preferred writ petitions for quashing the complaints before the High Court of Mumbai. On the January 24, 2012 the Honourable High Court on the Bank's application for urgent reliefs has stayed further proceedings in the five Criminal Complaints filed and which are pending before the Metropolitan Magistrate Court at Vile Parle. On June 28, 2012. Honourable High Court issued an order quashing the said proceedings against the Bank. Learned Magistrate was pleased to close the above proceedings as per the order dated June 28, 2012 passed by the Hon'ble Bombay High Court.(closed)
8. The BMC had filed two complaints (88/M/2003 and 89/M/2003) before the 27th Court of Presidency Metropolitan Magistrate at Mumbai against the Bank for violation of Section 47 J of the BMC Act read with Section 328-A thereof on grounds of non-payment of licence fees for the illuminated signboards at our ATM centres. We filed a writ petition in the Bombay High Court challenging the applicability of the provisions of Sections 328 & 328-A of the BMC Act in respect of the ATM centres but it was dismissed and so we filed a special leave petition (SLP) in the Supreme Court The Supreme Court granted a stay against all prosecutions and proceedings by BMC in this regard. On August 4,2005 the Supreme Court passed an order with a finding that putting of the ATM Board by the bank does not fail under the category of sky sign under Section 328, liberty has been given to BMC to consider whether the said issue foils under the category of advertisement under Section 328-A, and issued fresh notice before the hearing.. The bank has submitted a copy of the Supreme Court order to the Magistrate and prayed for the dismissal of the complaints. The Criminal Case Nos. 200388/M/2003 and 200389/M/2003 are pending before the 42nd Court at Mulund and will be shortly transferred to the Shindewadi Court at Dadar So, no date is yet to be fixed in view of the said cases being transferred to Shindewadi Court at Dadar. (Matter to be transferred to Shindewadi Court, Dadar).
9. Seven Criminal complaints (2347/SS/2003, 2349/SS/2003, 2412/SS/2003 to 2416/SS/2003) were filed against ICICI Bank ("**Bank**") and its Directors/Chairman/Employees ("**Bank Officers**") before the 16th Metropolitan Magistrate's Court at Ballard Pier alleging commission of certain offences (relating to engagement of security personnel) under Clause 39 and Clause 26 (2) of the Private Security Guards (Regulation of Employment and



Welfare) Scheme, 1981 (“Scheme”) read with Section 3 (3) of Maharashtra Private Security Guard (Regulations of Employment and Welfare) Act, 1981 (“Act”). The Court registered the Complaints and issued summons to the Bank and the Bank Officers. The Bank took various measures for recalling the process order issued by the Magistrate and quashing of the complaints depending upon the changes in circumstances and the applicable laws. However, finally, the High Court disposed off the writ petition on December 13, 2005 granting liberty to the Bank to file a revision application under Section 397 of the Cr.P. C before the Sessions Court. As the Revision Applications preferred by the Bank/Bank Officers were dismissed by the Court, our Bank filed writ petitions in July 2009 before the High Court of Mumbai for setting aside the orders passed by the Sessions Court. The writ petitions were disposed off on May 3, 2010 with the direction to delete the name of the Bank Officers from the Complaint and decide the complaint against the Bank on merits. Subsequently, on the bank’s application, the Magistrate Court deleted the names of the Bank Officers in accordance with the order of the High Court. Four out of the seven cases against the Bank (2347/SS/2003, 2349/SS/2003, 2415/SS/2003 and 2416/SS/2003) were withdrawn by the Complainant for want of prosecution. Case number No.2412, 2413 and 2414 were posted for leading evidence on behalf of the Bank. On July 31, 2012 the bank submitted that it will not be leading any evidence. On April 30, 2013, BMC has submitted their written arguments, which shall be replied by the Bank on next date. The case is now posted for final hearing on May 23, 2013. Cases disposed of on March 06, 2014.

10. RBI had conducted a scrutiny in respect of two customers at ICICI Banks Dehradun Road, Roorkee and Vivekananda Road, Kolkata branch during 2009. Subsequently, in April 2010, RBI sought an explanation on the “*know your customer*” and “*anti money laundering*” aspects related to the scrutiny. ICICI Bank responded to RBI on April 28, 2010, giving a point-wise reply highlighting that it had acted in compliance with the extant RBI guidelines in respect of the same. ICICI Bank did not receive any further communication on this matter from RBI till date.
11. ICICI Bank received a show cause notice from RBI dated January 6, 2011 for violation of Section 11 (3) of the Foreign Exchange Management Act, 1999 pertaining to operations of *Vostro* accounts of banks based in Nepal and Bhutan. The RBI sent a notice pursuant to ICICI Bank’s letters dated October 26, 2009 and December 16, 2009. RBI sought explanations from ICICI Bank through a notice to which ICICI Bank has responded to on January 25, 2011, requesting condonation the matters relating to operations of the *Vostro* accounts of the banks based in Nepal and Bhutan, as discrepancies were detected by ICICI Bank and was promptly brought to the notice of RBI. ICICI Bank has also requested RBI to grant a personal hearing to explain and clarify its position, pursuant to which a personal hearing with the Chief General Manager of RBI was held on February 25, 2011. There has been no further response received from RBI on this matter.
12. RBI recently initiated an inspection on the KYC/AML aspects across various banks. RBI has sought explanation on certain matters to which ICICI Bank has responded. ICICI Bank awaits the outcome of the same. The matter is currently pending.
13. In fiscal 2011, RBI imposed a penalty of ` 0.5 million on ICICI Bank in connection with *Know Your Customer* guidelines issued by RBI.
14. In fiscal 2011, RBI issued an order under section 11(3) of Foreign Exchange Management Act, 1999 directing ICICI Bank to pay a penalty of ₹ 10,000 for violation of the regulations issued under the Foreign Exchange Management Act, 1999. ICICI Bank has paid the penalty to RBI.
15. In February 2012, RBI imposed a penalty of ` 10,000 under section 11(3) of Foreign Exchange Management Act, 1999 with regard to delay in reporting a foreign direct investment transaction. ICICI Bank has paid the penalty to RBI.
16. In April 2011, RBI has imposed a penalty of ` 1.5 million on ICICI Bank towards non-compliance of certain instructions issued by RBI in respect of derivative business.
17. ICICI Bank received a communication for violation of guidelines issued under Foreign Exchange Management Act, 1999, in respect of funding of compulsory convertible preference shares into Indian companies from overseas branches / subsidiaries. ICICI Bank assured RBI of the corrective measures being undertaken. No penalty was imposed.
18. In May 2012, the RBI imposed a penalty of ` 0.07 million on ICICI Bank in connection with an operational error regarding the sale of government securities on behalf of a customer.
19. In October 2012, the RBI imposed a penalty of ` 3.0 million on ICICI Bank for non-compliance with the *Know Your Customer* directions issued by the RBI.

20. In June 2013, the RBI imposed a penalty of ₹ 10.0 million on ICICI Bank, along with penalties on other banks in India, pursuant to its investigation following a sting operation by a news website on branches of Indian banks and insurance companies.
21. In July 2014, the RBI imposed a penalty on 12 Indian banks including ICICI Bank following its scrutiny of loan and current accounts of one corporate borrower with these banks. The penalty imposed on ICICI Bank was ₹ 4.0 million.
22. In December 2014, the RBI imposed penalties on two Indian banks, including ICICI Bank, for non-compliance with the *Know Your Customer/Anti Money Laundering* directions and guidelines issued by the RBI in respect of fraudulent opening of fictitious accounts with certain banks. The penalty imposed on ICICI Bank was ₹ 5.0 million.
23. In February 2015, a penalty of ₹ 1.4 million was imposed on ICICI Bank by the Financial Intelligence Unit, India. ICICI Bank has filed an appeal against the penalty, which was imposed for failure in reporting of the attempted suspicious transactions pertaining to media sting incidents.
24. Nagpur Municipal Corporation (“NMC”) issued a show cause notice dated November 20, 2009, asking as to why the 10 times penalty should not be levied for non-payment of octroi tax on import of 119.5 kg gold coins imported by ICICI Bank. NMC raised a demand of ₹ 11.11 million towards octroi tax and ten times penalty. ICICI Bank through its reply enclosed a sum of ₹ 1.11 towards octroi tax and informed NMC that the bank on *suo moto* basis approached the corporation and that there is no deliberate intention to evade the octroi duty. The Additional Deputy Municipal Commissioner of NMC rejected the arguments of ICICI Bank. Subsequently, ICICI Bank, filed a writ petition before the High Court of Bombay at Nagpur, pursuant to which the order of the NMC was stayed, through an interim order. As the matter will be taken up for hearing on disposal of a similar matter pending before the Supreme Court of India, the matter is currently pending.
25. Pune Municipal Corporation (“PMC”) issued a demand notice for payment of octroi of ₹ 12.76 million along with ten times penalty amounting to ₹ 140.34 million. ICICI Bank filed its reply requesting PMC for a waiver of the penalty. However, the request was not accepted by PMC. ICICI Bank made payment of octroi duty amounting to ₹ 12.76 million and simultaneously approached the Commissioner of PMC for an appeal. ICICI Bank has filed a suit before the Civil Court at Pune which has granted an order to maintain *status quo* against PMC which has been adjourned till date. PMC filed a criminal complaint against ICICI Bank, and its senior management before the Judicial Magistrate First Class Pune (“JMFC”). JMFC has exempted the senior management of ICICI Bank from first personal appearance and directed them to file respective bail bonds. ICICI Bank has filed a writ petition before the High Court of Bombay, seeking to quash the criminal complaint and to set aside the order passed by JMFC. The High Court of Bombay has exempted, the presence of the Directors of ICICI Bank before the Trial Court, until further order, while also granting a stay on the proceedings initiated by the PMC against ICICI Bank and its senior management. The matter is currently pending.
26. ICICI Bank used to import gold bars / coins from abroad to sell in various denominations. ICICI Bank used to pay the Octroi tax at Brihan-Mumbai Municipal Corporation for the entire stock at the time of import. From Mumbai these Gold bars were sent to various branches including Nashik as per the sales requirement. Nashik Municipal Corporation (“NMC”) issued a notice and directed ICICI Bank to produce the receipts of the octroi duty paid on the import of gold coins in Nashik during the period April 1, 2008 to May 31, 2009. ICICI Bank through its letter provided details while seeking further directions on final computation of the tax liability, if any. NMC issued a demand notice, whereby demanding a sum ₹ 0.95 million for the octroi duty payable and ₹ 9.45 million towards ten times penalty. NMC in its notice further intimated ICICI Bank of its intention to take action under Section 128(5) of the BMC Act, 1949 for seizure and confiscation of the goods. ICICI Bank has paid the amount as demanded by NMC under protest and approached the Civil Judge, Senior Division, Nashik to direct NMC to refund a sum of ₹ 10.40 million to ICICI Bank along with future interest as indicated. The Civil Judge, Senior Division, Nashik directed NMC to refund a sum of ₹ 9.45 million along with a stipulated interest from the date of the suit till its realisation within six months from the date of the order while declaring the notices issued by NMC as illegal. NMC filed an appeal before the High Court at Bombay challenging the order, the matter is currently pending.
27. Erstwhile Bank of Madura had granted lease finance to M/s. ORJ Electronic Oxides Ltd (the “Borrower”) for import of capital goods from USA. Upon investigations by the Customs department, it was detected that machinery manufactured in India were exported and then re-imported in same container with higher value. As ICICI Bank under the aforesaid lease finance was the importer, a customs duty and penalty was imposed under the Customs Act, 1962 on ICICI Bank and the Borrower. Issues of mis-declaration of value and violation of the Customs Act, 1962 resulted in a demand of ₹ 128.6 million and penalty of ₹ 50 million. On appeal the penalty was reduced to ₹ 1.00 million. The matter was re-adjudicated and duty was re-worked to ₹ 3.06 million. ICICI

Bank has filed an appeal before the Madras High Court on the aforesaid duty and penalty imposed. The matter is currently pending.

28. Excise Duty Proceedings: Borrowers like Bannari Amman Sugars Ltd., Triveni Engineering Co. Ltd. and Balarampur Chini Mills Ltd., have been alleged to have evaded excise duty in respect of equipment purchased under an ADB /World Bank Scheme funded by ICICI Bank. Penalty was imposed in respect of these machinery purchases ranging from ₹ 0.19 million to ₹ 25.8 million. Presently stay has been obtained on the penalty imposed and the appeals are pending before CESTAT, New Delhi.
29. Customs Duty Proceedings: Penalties were imposed on ICICI Bank for alleged customs duty evasion by its borrowers Jaypee Cement Ltd., Balarampur Chini Mills Ltd., Rashtriya Chemicals & Fertilizers Ltd., Madras Aluminium Co. Ltd., Jindal Steel and Power Ltd., in respect of equipment imported under ADB line of credit and funded by ICICI Bank. The penalty imposed range from ₹ 1.00 million to ₹ 20.00 million. Appeals have been filed before various forum. The matters are currently pending.
30. Customs Duty on Gold Coins: In 2008, ICICI Bank has been alleged to have imported gold coins for a Borrower M/s. Gold Quest International Private Ltd., under a wrong classification and hence differential customs duty of ₹ 252.8 million and penalty of ₹ 25.0 million has been imposed. An appeal has been preferred before the CESTAT, Chennai and a stay order has been passed on the aforesaid demand. The matter is currently pending.

*Economic Offences:*

1. Directorate of Revenue Intelligence: In 2007, ICICI Bank and two of its employees have been issued a show cause notice for facilitating the transfer of a BMW car imported under EPCG scheme despite knowing such transfers were prohibited. Response has been filed and personal hearing attended on behalf of ICICI Bank. The matter is currently pending.

*Other matters:*

*Matters involving an amount above ₹ 5,100 million or any other outstanding litigation involving ICICI Bank whose outcome could have a material and adverse effect on our Company's consolidated results of operations or financial position*

1. In lieu of the loans obtained by Tulip Telecom Limited (the "**Borrower**") from ICICI Bank, Deutsche Trustee Company Limited and other creditors wherein guarantees were provided by H.S. Bedi, D.S. Bedi, Sukhmani Bedi and Maninder Bedi (collectively, the "**Personal Guarantors**"), Cedar Infonet Private Limited, Firepro Wireless and Technologies Private Limited, Sharad Enterprises Private Limited, Iron Traders Private Limited and Sukhmani Financial Advisors Private Limited (collectively, the "**Corporate Guarantors**"), the Borrower had mortgaged residential properties at Delhi, Gurgaon and commercial properties at Delhi and Mumbai in favour of ICICI Bank along with the other creditors. In relation to the residential property at Delhi, R. S. Bedi, who is part owner of the property, has filed a writ petition before the High Court of Delhi. In respect of the residential property at Gurgaon, the District Magistrate, Gurgaon had passed an order. With respect to the commercial properties mentioned above, Deutsche Trustee Company Limited has filed a winding up petition before the Delhi High Court (the "**High Court**") against the Borrower claiming such property. The High Court has appointed an official liquidator who has taken control of the property. In this regard, ICICI Bank has filed an original application against the Borrower and the guarantors before the Debt Recovery Tribunal. ICICI Bank has also filed winding up petitions before the High Court against the Corporate Guarantors. The High Court *vide* its order has restrained the Corporate Guarantors from wasting, damaging, alienating, selling, removing, encumbering, disposing or removing any property and assets except in the usual course of business, payment of salaries to workers and statutory dues. The matters are currently pending before the Debt Recovery Tribunal and the High Court.
2. The promoters and promoter group entities of Kingfisher Airlines Limited ("**Petitioners**") have filed a suit before the Bombay High Court ("**High Court**") against 19 lenders including ICICI Bank who had provided credit facilities to Kingfisher Airlines Limited. In the said suit, the Petitioners have prayed before the High Court to (i) declare the guarantees provided to the lenders under the said credit facilities as void, (ii) restrain the lenders from invoking the corporate and personal guarantees of the Petitioners, including the pledge of shares, (iii) claim damages of ₹ 32 billion from the lenders towards sums invested by the promoter group entities in Kingfisher Airlines Limited While ICICI Bank had assigned its rights under the loan to a third party in June 2012 and thereby ceased to be a lender to Kingfisher Airlines Limited, the cause of action for the suit arose subsequent to that date and the securities mentioned in the suit were not securities held by ICICI Bank even when it was a lender to the company. ICICI Bank has filed a written statement in the suit. The matter is pending before the High Court.

3. In lieu of the facilities availed by Punj Llyod Ltd (“**Borrower**”) from ICICI Bank where the Borrower has defaulted, pursuant to which, Original Application against the company and its personal guarantor (Mr. Atul Punj) has been filed before the Debt recovery Tribunal (DRT 1), Delhi on the 6<sup>th</sup> of July 2016 for a total amount of 5,606.13 million and pursuant to the first hearing on July, 13, 2016, certain reliefs have been granted against the guarantor.
4. In relation to the loan borrowed by Shalini Properties from ICICI Bank under the SBLC facility, ICICI Bank initiated proceedings before the DRT, Kolkata against Wealthsea, Pawan Ruia (guarantor) and other obligors of the facility. The DRT, Kolkata *vide* its interim orders directed (i) restraining any alienation of residential property of Ruia group situated at New Delhi valuing about ` 1 billion, (ii) restrained Pawan Ruia from leaving the country without the prior permission of the DRT (however, this direction was subsequently vacated upon appeal. We have filed an appeal against this vacation order in the Calcutta High Court and the matter is pending). The borrower group had filed an application alleging that the guarantee executed by Pawan Ruia cannot be invoked as per the foreign exchange regulations. DRT and Debt Recovery and Appellate Tribunal (“**DRAT**”) dismissed this application and passed favourable orders in favour of ICICI Bank. Shalini Properties has also filed an application before DRT requesting for dismissal of application filed by ICICI Bank for recovery of dues. This matter is currently pending.
5. Physical possession of property known as ‘Dunlop House’ in Mumbai was taken by the authorised officer of security trustee acting on behalf of ICICI Bank on February 10, 2015. While further steps were being taken for auction and sale of the said property, certain creditors of Dunlop India Limited filed application before the Supreme Court, *inter alia* praying for restraining ICICI Bank from conducting auction or sale of the property. The Supreme Court passed an order in May 2015 directing maintenance of status quo. The Supreme Court *vide* its order dated February 12, 2016 allowed ICICI Bank to auction the mortgaged properties in Mumbai and Chennai on the condition that ICICI Bank give a bank guarantee of ` 5.20 billion in favour of the Supreme Court. In the event that the sale consideration received by ICICI Bank through auction is in excess of ` 5.20 billion, ICICI Bank shall be liable to furnish bank guarantee for such excess amount. In compliance of the above order, ICICI Bank issued such bank guarantee. Auctions are yet to be concluded for the Mumbai property and symbolic possession has been taken by the authorised officer of security trustee for the Chennai property.
6. In lieu of the loans obtained by DSC Limited (the “**Borrower**”) from ICICI Bank, Oriental Bank of Commerce (“**OBC**”) and other creditors wherein guarantees were provided by M.S. Narula, V.S. Narula, H.S. Narula and N.S. Narula (collectively, the “**Personal Guarantors**”) and Elsingham Holdings (Mauritius) Limited, Select Promoter Private Limited, DSC Engineering Private Limited (collectively, the “**Corporate Guarantors**”), the Borrower had mortgaged residential properties at Delhi, Gurgaon and commercial properties at Delhi and Mumbai in favour of ICICI Bank along with the other creditors. We filed an application under section 14 of the SARFAESI Act, wherein the Chief Metropolitan Magistrate (“**CMM**”) *vide* order dated December 16, 2016 appointed a receiver. Select Promoter Private Limited, DSC Engineering Private Limited and DSCL have filed an application under section 17 of the SARFAESI Act before the DRT-II, Delhi for the purpose of staying the said order of the CMM. These parties have also filed a review application, The DRT *vide* its order granted a conditional stay on taking physical possession of the mortgaged property, with a direction to these parties to make payment of ` 550 million in three months to ICICI Bank and these parties were also required to get buyers within 60 days and deposit 25% of the amount. DSCL has moved an application for clarification of the order wherein they have sought more time to pay money to ICICI Bank. DSCL moved another application before DRT for extension of time for making the balance payments. The said application was disposed-off by DRT, however a stay of 10 days was granted. Aggrieved by the order, DSCL and others preferred an appeal before DRAT. Meanwhile, the tenant of the property filed a writ petition before the Delhi High Court. ICICI Bank also filed an application before the CMM for revalidation of its order for appointment of receiver for taking physical possession. During proceedings before the CMM, DSC submitted a “settlement/assignment offer. The CMM directed DSCL to deposit ` 100 million with CMM within a week’s time, Against this order, we filed a writ petition in the Delhi High Court (“**High Court**”) challenging the order on the ground that CMM had exceeded its jurisdiction by directing DSCL to deposit ` 100 million. The High Court *vide* its orders disposed off the writ petitions in favour of ICICI Bank and gave an opportunity to DSCL to settle the matter with ICICI Bank and OBC within a time period of 60 days, however if no settlement is agreed upon, the High Court has granted 90 days in total to DSCL to vacate the premises. The Court has also directed to file an undertaking that they shall withdraw all the proceedings for appointment of receiver and taking physical possession of the property filed before various courts/tribunals and such undertaking has been filed. In respect of the commercial property, original application has been filed by the ICICI Bank before the DRT and it has received interim orders restraining alienation of assets, prior permission to be obtained before travelling abroad for Personal Guarantors, disclosure of various details pertaining to assets/bank accounts, etc. DSCL and DSC Engineering Private Limited (“**DEPL**”) have diluted their shareholdings buy issuing fresh equity shares in clear violation of the non-disposal arrangements. ICICI Bank has filed a suit for declaration and permanent injunction before the Delhi High Court. The High Court passed an interim order restraining DSCL, DEPL and DHPL from acting upon any transfer of shares to a new allottee and/or from issuing any fresh shares till the next date of hearing. With regard

to the foreign currency term loan of US\$ 135 million sanctioned by ICICI Bank UK PLC and ICICI Bank Bahrain Branch to one of the group companies of DSCL, namely, Elsingham DSC Mauritius Private Limited (“EDMPL”), ICICI Bank is in the process of initiating legal action in UK against EDMPL and its guarantors. The matters are currently pending.

### **Litigation or legal action pending or taken by any ministry or government department or statutory authority against ICICI Bank during the last five years**

Except as disclosed in “Outstanding Litigation and Material Developments – Litigation involving Promoters – Litigation against ICICI Bank - Actions by regulatory / statutory authorities” on page 465, there are no litigation or legal action pending or taken by any ministry or government department or statutory authority against ICICI Bank during the last five years.

### **III. Litigation involving our Group Companies (other than ICICI Bank and PCHL)**

**Disclosure of litigation involving our Group Companies:** *Our Group Companies operate in diverse sectors in India and overseas. Our Board has approved that given the nature and extent of operations of our Group Companies, the outstanding litigation involving our Group Companies which exceed the amount less than 1% of the total income and 5% of the profit after tax of our Promoter, which is the parent company of the respective Group Company, as per the latest audited consolidated financial statements available, would be considered material for our Company. Accordingly, we have disclosed all material outstanding litigation involving our Group Companies where (i) all the outstanding litigation involving our Group Companies where the aggregate amount involved in an individual litigation exceeds ₹ 5,100 million in case of Group Companies whose parent company is ICICI Bank, have been disclosed in this section; (ii) all the outstanding litigation where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ₹ 5,100 million in case of Group Companies whose parent company is ICICI Bank; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.*

*On basis of the above, except as disclosed below for our Group Companies there are no (i) outstanding litigation above the materiality threshold or any other outstanding litigation involving such Group Company whose outcome could have a material and adverse effect on our Company’s consolidated results of operations or financial position; (ii) outstanding criminal proceeding; (iii) outstanding action by statutory or regulatory authorities; (iv) outstanding litigation involving taxation matters; (v) outstanding litigation/disputes involving securities related offences; or (vi) pending proceedings initiated for economic offences.*

#### **1. Litigation involving I-Sec**

*Actions by regulatory / statutory authorities*

I-Sec, along with five other book running lead managers to the IPO of Credit Analysis and Research Limited (“CARE”), received adjudication order from SEBI dated November 28, 2014 alleging violation (on the part of book running lead managers) of Clause 1 of Form C of Schedule VI of the Regulation 8(2)(b), Regulation 57(1), Regulations 57(2)(a)(ii) and Regulation 64(1) of SEBI Regulations and Regulation 13 of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 read with Clauses 1, 4, 6, 7 and 20 of Code of Conduct for Merchant Bankers, prescribed therein. In terms of the order passed by SEBI, the book running lead managers were jointly and severally liable to pay the penalty amount of ₹ 10.00 million. An appeal was filed by the book running lead managers on January 14, 2015 before Securities Appellate Tribunal against the said order. The matter is currently pending with SAT.

#### **2. Litigation involving ICICI Venture Funds Management Company Limited (“ICICI Venture”)**

*Criminal matters*

1. R. Subramanian, Managing Director of Subhiksha (one of the portfolio companies of a fund managed by ICICI Venture) has filed Criminal Complaints against ICICI Venture and the Nominee Directors appointed by the fund viz. Ms. Renuka Ramnath and Mr. Rajeev Bakshi on the Board of Subhiksha under Section 629 of the Companies Act, 1956 alleging *inter alia* that false statements have been made in the Affidavit filed by ICICI Venture in the Merger Petition (for a scheme of amalgamation of Blue Green Constructions & Investments Limited with Subhiksha, which was dismissed by the Madras High Court) and before various authorities including Registrar of Companies, Commissioner of Provident Fund, Chief Commissioner for Income Tax and others. Quashing petitions before the Madras High Court were filed. The Madras High Court has disposed off the petitions by quashing the proceedings before the Trial Court and remitted the cases back to Trial Court for enquiry under Section 202 of Cr. P.C. and to decide the issue of locus standi of Mr. R. Subramanian. Fresh Quashing Petitions were filed before the Hon’ble Madras High Court. Interim stay of Trial Court proceedings has been granted and the Petitions are pending for hearing and final disposal.
2. R. Subramanian, Managing Director of Subhiksha has filed a Criminal Complaint under Section 500 of the Indian Penal Code against ICICI Venture, Ms. Renuka Ramnath and Mr. Rajeev Bakshi alleging that defamatory statements have been made by them to various authorities including Commissioner of Provident Fund, Chief Commissioner for Income Tax and others. Quashing petitions before the Madras

High Court have been filed and the Madras High Court has ordered an interim stay of the Trial Court proceedings. The said petitions are pending hearing and final disposal.

*Other matters:*

*Matters involving an amount above ` 5,100 million or any other outstanding litigation involving ICICI Venture whose outcome could have a material and adverse effect on our Company's consolidated results of operations or financial position*

Certain investors of a real estate investment fund registered in Mauritius and managed by ICICI Venture Funds Management Company Limited, a wholly owned subsidiary of ICICI Bank, have filed a petition in the Supreme Court of Mauritius against ICICI Venture Funds Management Company, the trustee and administrators of the fund and ICICI Bank alleging mis-selling and mismanagement of the Fund, and have claimed damages of US\$ 103.6 million. All the respondents to the petition, including the Bank and its subsidiary, have denied and rebutted the allegations and countered the petition, which is pending for hearing.

### **3. Litigation involving ICICI Lombard General Insurance Company Limited (“ICICI Lombard”)**

#### **Litigation against ICICI Lombard**

*Criminal matters*

1. Two criminal complaints have been filed against employees of ICICI Lombard before police stations of appropriate jurisdictions, under Sections 420 of the IPC in relation to fraud and misrepresentation. The complaints are currently pending.
2. One of the customers of ICICI Lombard (the “**Complainant**”) has filed criminal complaint before the court of Judicial First Class Magistrate at Ongle, Andhra Pradesh, alleging that an agent of ICICI Lombard has misappropriated the premium paid by the Complainant for issuance of a policy in the name of the Complainant. The complaint is currently pending.
3. Shraddha Clinic, Rajpipla, Narmada (the “**Complainant**”) has filed a criminal complaint pursuant to which the police has registered an FIR against seven individuals including the MD and CEO of ICICI Lombard. The Complaint was filed for non payment of dues and the alleged erroneous de-empanelment of the Complainant. The State Grievance Redressal Committee upheld the decision for de-empanelment of the Complainant. ICICI Lombard has filed a special Criminal Application before the High Court of Gujarat at Ahmadabad for quashing the FIR.
4. Six criminal complaints have been filed against various employees of ICICI Lombard before courts of appropriate jurisdiction, under Sections 418 and 420 of the IPC in relation to cheating and forgery of documents by employees of ICICI Lombard.
5. Laxminarayana M K (the “**Complainant**”) has filed a criminal complaint for repudiation of his claim. Consequently, the police has registered an FIR against the MD and CEO along with one other employee of ICICI Lombard. Subsequently, ICICI Lombard, has filed a petition before the High Court of Karnataka at Bengaluru praying for a stay on the investigations and actions initiated pursuant to the FIR.
6. A preliminary enquiry has been registered by CBI Jaipur branch against unknown public servants of Ministry of Textile, New Delhi and others for alleged enrollment of ineligible khadi workers while implementation of Rajiv Gandhi Shilpi Swasthya Bima Yojna (RGSSBY) Scheme in the State of Rajasthan. ICICI Lombard has duly provided all the documents required by CBI and till date not received any further information or requirement from CBI.
7. A preliminary enquiry has been registered by CBI Jaipur branch against unknown public servants of Government of India and others for alleged irregularities during implementation of WBCIS in Rabi 2009-10 for non-loanee farmers in the State of Rajasthan. ICICI Lombard has duly provided all the documents required by CBI and till date not received any further information or requirement from CBI.

*Actions by regulatory / statutory authorities (past actions)*

1. The IRDAI issued a show cause notice with respect to the large risk policy issued to Indian Oil Corporation Limited (“**IOCL**”) for the financial year 2007- 2008. The IRDAI sought an explanation for (1) quotation made to IOCL without securing written indication of terms from international re-insurers; (2) for the purpose of re-insurance, the risk was not ceded as per the quotation received from the overseas re-insurers; and (3) the method of reinsurance placement being different from what was

envisaged as part of the understanding with the Indian re-insurer. ICICI Lombard filed a reply to the IRDAI. However, the IRDAI imposed a penalty of ₹ 500,000.

2. Pursuant to an investigation undertaken a show cause notice was issued by the IRDA on June 13, 2007, identifying certain documentary deficiencies with respect to the cases inspected. ICICI Lombard, along with its reply furnished documents identified in the show cause notice. However, IRDAI imposed a penalty for non compliance. ICICI Lombard has paid the penalty of ₹ 500,000.
3. The IRDAI issued a show cause notice for permitting the maximum specified discount on the premium amount, in sale of Pravasi Bhartiya Bima Yojna without applying sub-parameters stipulated for granting such discounts. ICICI Lombard filed a reply with the IRDAI. Subsequently, the IRDAI imposed a penalty of ₹ 500,000 for not submitting the modified rating schedule with the IRDAI, before allowing such a discount on the premium payable. ICICI Lombard has paid the penalty under protest, while making a representation before the IRDAI to review the penalty imposed.
4. The IRDAI has issued a show cause notice to ICICI Lombard regarding non-compliance of the guidelines prescribed for registering 'Maruti Insurance and Logistics Services Limited' as its corporate agent. In response to the show cause notice, ICICI Lombard has filed a reply. Subsequent to which, a personal hearing was granted. After perusal of written representations made by ICICI Lombard and the personal hearing, the IRDAI passed an order on June 7, 2011 levying a penalty of ₹ 500,000, ICICI Lombard has paid the penalty levied.
5. The IRDAI, has penalised ICICI Lombard to the tune of ₹ five million for violation of File and Use guidelines pertaining to 'Critical Care' and marketing of three products through two airline operators and granting additional discount in a policy without approval of the IRDAI, violation of the IRDA (Licensing of Corporate Agents) Regulations by booking business after the expiry of the corporate agency license of one of the corporate agents appointed by ICICI Lombard, violation of the Corporate Governance guidelines with regard to the Contractors Works and Plant Floater insurance policy and with regard to reimbursement of infrastructure cost on motor O.D. premium to unlicensed entities.
6. The IRDAI has penalised ICICI Lombard to the tune of ₹ one million for failure to collect beneficiary share of premium before granting insurance coverage, non-filing of modified policy draft of "Janata Personal Accident Policy" with the IRDAI whereby violating the interest of the policyholders.
7. IRDAI, vide its order bearing reference no. IRDA/NL/ORD/MPL/277/12/2011 had constituted the declined risk pool (the "DR Pool") for 'act only' commercial vehicle third party insurance policies, with effect from April 1, 2012 (the "Order"). The Order prescribed minimum obligation of premium to be underwritten by the insurers. The minimum obligation to be fulfilled by every insurer in any given year is determined as a percentage of the total 'act only' commercial vehicle third party insurance premium of the industry. The said percentage is arrived by addition of fifty percent of market share of the insurer and fifty percent of the share of the insurer in the total motor premium of the industry for that year. In accordance with the Order, the DR Pool is to be extinguished at the end of every underwriting year on a clean cut basis. Insurers not fulfilling the minimum obligation would have to accept risks from the DR Pool in proportion of their respective shortfall. IRDAI, for the underwriting year 2012-13, has issued a letter bearing reference no. IRDA/NL/MTP/ORD/PNL/06/2013-14 dated September 11, 2013 imposing a penalty of ₹ 0.5 million for non-fulfilment of the minimum obligation by our Company. Given the fact that similar penalties have been imposed by IRDAI on all general insurers having a shortfall of more than 25% of the minimum obligation, General Insurance Council had filed a representation with IRDAI for reconsideration of its decision of imposing penalties on the insurers. IRDAI, consequent to receipt of the representation from the General Insurance Council and upon examination of the grounds stated therein, has issued a letter dated September 25, 2013 reiterating its view and has further advised the insurers to remit the penalty to IRDAI by October 07, 2013.

#### **4. Litigation involving ICICI Securities Primary Dealership Limited ("I-SEC-PD")**

##### **Litigation against I-SEC-PD**

##### *Actions by regulatory / statutory authorities*

1. Due to an inadvertent error in the securities balance update process there was a shortfall in I-Sec-PD delivery obligation against a repo trade in June 2012 and December 2012 leading to SGL bounce. RBI had levied a penalty of ₹ 500,000 each on I-Sec PD in both these instances.

2. SEBI has, vide its letter dated May 6, 2016, issued an administrative warning to I-Sec-PD for certain observations pertaining to merchant banking activities. These have since been complied with by I-Sec-PD.

#### **5. Litigation involving ICICI Bank Canada (“ICICI Canada”)**

*Actions by regulatory / statutory authorities (past actions)*

The Office of Superintendent of Financial Institutions at Canada (OSFI) had imposed penalties on ICICI Bank Canada of CAD 18,250 (INR 0.7 million) under its Late and Erroneous Filing Penalty (LEFP) framework in relation to late submission of certain corporate and financial returns.

#### **6. Litigation involving ICICI Prudential Asset Management Company Limited**

ICICI Prudential Asset Management Company Limited has filed a petition against three companies on account of non-payment of dues towards ICICI Prudential Asset Management Company Limited, where ICICI Prudential Asset Management Company Limited had made investments on behalf of the clients under its portfolio management services activity.

#### **7. Litigation against ICICI Prudential Asset Management Company Limited**

1. In the ordinary course of business, several investors have sent legal notices to ICICI Prudential Asset Management Company Limited. In addition, several investors have filed cases in various consumer forums across India claiming deficiency in services or erroneous processing of transactions. As on June 14, 2016, there were 14 consumer forum cases with monetary claims of less than ₹ 8.5 million. None of these cases are material and/or its outcome likely to have any impact on the financial performance of ICICI Prudential Asset Management Company Limited.
2. ICICI Prudential Asset Management Company Limited is contesting claims of an ex-employee of one of the contractors in the Labour Court, Karkardooma, Delhi wherein the said ex-employee has alleged that he was in employment with ICICI Prudential Asset Management Company Limited.

*Actions by regulatory / statutory authorities*

For further details, see “Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated” on page 477.

### **IV. Litigation involving our Directors**

#### ***Disclosure of litigation involving our Directors:***

*Except as disclosed below there are no (i) criminal litigation, (ii) actions taken by regulatory or statutory authorities against our Directors, (iii) outstanding litigation involving taxation matters; and (iv) matters pertaining to violation of securities laws involving our Directors.*

*Our Board has determined that all outstanding litigation against our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company, would be considered as material for our Company.*

#### ***Litigation against our Directors***

##### **Litigation against Chanda D. Kochhar**

*Criminal matters*

1. Bharat Bhogilal Patel (the “**Complainant**”) has filed a criminal complaint alleging infringement of his intellectual property rights. The Complainant has claimed that he has invented and patented necessary technology and equipment for laser marking and engraving process on metals and non-metals which are used on gift articles and certain items in the Banking Industry. The Magistrate ordered a police investigation who has filed a final report stating neither true nor false and that this is a civil matter. The matter is currently pending.
2. Chand Mohammad, a borrower (the “**Complainant**”) has filed a criminal complaint alleging wrongful repossession of a commercial vehicle on failure to repay the loan instalments. The original complaint filed with the Magistrate has been dismissed and the borrower has preferred an appeal before the Sessions Court, stay secured by filing revision in High Court, Indore. The matter is currently pending.



3. Kalpana Singh a borrower who has availed loans on credit card, personal loans and home loans (the “**Complainant**”) has filed a criminal complaint alleging harassment by recovery agents. The complaint is yet to be heard and is a counter to prevent recovery of the loan. ICICI Bank has filed recovery suits for ` 4.75 million against Kalpana Singh and the court has directed the Complainant not to create any third party rights in her property. The matter is currently pending.
4. Chander Pal Singh (the “**Complainant**”) has filed a criminal complaint alleging that even after repaying his loan and issue of a no-objection certificate by ICICI Bank, the blank cheques given as security was sent for collection. ICICI Bank has amicably settled the matter with the Complainant. The investigation has been completed and police need to file the final closure report in court for closure of the case. The matter is currently pending.
5. Rakesh Kumar Singh, a borrower who has availed a personal loan (the “**Complainant**”) has filed a criminal complaint alleging that without disbursing the whole loan, the monthly instalments were deducted from his salary account. The Magistrate has directed the Police to investigate the matter as the Complainant alleged that the marketing agent misled him. Meanwhile the Complainant dishonoured a cheque for ` 0.85 million for which ICICI Bank has preferred a complaint under Section 138 under the Negotiable Instruments Act. In addition a recovery suit has been filed before Debt Recovery Tribunal, Pune, in which Recovery Certificate has been issued. The matter is currently pending.
6. Office Nine to Nine a DSA of ICICI Bank (the “**Complainant**”) has filed a police complaint alleging that dues of ` 2.74 million has not been paid. The fact is that DSA was terminated due to fraudulent acts. The Police dismissed the complaint stating the matter is of a civil nature. The DSA then filed a complaint to the Magistrate who directed the Police to investigate and submit the report. Upon this ICICI Bank has filed a quashing petition before the High Court and the investigation has been stayed.
7. Krishna Kumar Brijpuriya (the “**Complainant**”) a three in one account holder has filed a case before alleging that the opposite party has illegally gained profits at the expense of the complainant by selling the shares at a lower price. The complaint was dismissed against which he preferred a revision in the Session’s Court. The said revision has also been dismissed so, the Complainant has preferred this quashing before the High Court of Madhya Pradesh at Jabalpur. The matter is currently pending.
8. Ganga Charan Yadav, a home loan borrower (the “**Complainant**”) has filed a criminal complaint in relation to SARFAESI action taken by ARCIL. The court has dismissed the complaint, against which the Complainant has filed an appeal. The matter is currently pending.
9. Rajesh Kumar Nigam (the “**Complainant**”) has filed an application against the senior management including Chanda D. Kochhar under Section 340 of Criminal Procedure Code alleging that all the persons have forged the documents filed by them in the civil suit filed by Rajesh against ICICI Bank. The Complainant has prayed before the Court, that the Court should refer the complaint to the concerned Magistrate and the case should be registered against all the person under sections 120 B, 193, 196, 420, 467, 468 and 471 of IPC. The matter is currently pending.
10. Harbans Lal Gupta (the “**Complainant**”) has filed a criminal complaint against Kalpana Morparia, (then JMD), ICICI Bank alleging misuse of Section 138 of the Negotiable Instrument Act. The Complainant has alleged that he was falsely implicated by ICICI Bank to get him convicted and such unwarranted litigation has resulted in loss of his reputation. The matter is currently pending.
11. Urmila Devi, a vehicle loan customer has filed a criminal complaint against the Managing Director, ICICI Bank. The customer had defaulted on repayment and so the vehicle was repossessed. In a complaint the customer alleges that the value of vehicle was more than the amount outstanding to ICICI Bank and thereby demanding the excess money to be remitted. The matter is currently pending.
12. Nem Singh (the “**Complainant**”) has filed a complaint alleging the higher rate of interest and fraudulent adjustment of major portion of the repayment amount towards the interest portion. The complaint was filed in DCDRF, Delhi and was dismissed so the Complainant has preferred an appeal before the State Commission. In the meantime SARFAESI proceedings have been initiated against the borrower. The matter is currently pending.
13. Apart from the criminal litigation matters mentioned herein above there are four police complaints pending against Chanda D. Kochhar, which are currently at various stages of investigation.
14. For additional litigation against Chanda D. Kochhar, see “Litigation against our Company – Criminal matters” and “Litigation against ICICI Bank - Criminal matters” on pages 455 and 463, respectively.

*Actions by regulatory / statutory authorities*

For further details, see “Litigation against ICICI Bank - Actions by regulatory/statutory authorities” and “Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated” on pages 465 and 477.

### **Litigation against Sandeep Bakhshi**

#### *Criminal matters*

1. Mamta Sirohi (the “**Complainant**”) has filed a criminal complaint before the Chief Judicial Magistrate, Ghazibad, Uttar Pradesh against Gayathri Nathan, our Company through Sandeep Bakhshi and the branch manager, Karkadoma Delhi office of our Company (collectively the “**Accused**”), under Sections 420, 467, 468, 471 of the IPC in relation to repudiation of the Complainant’s husband’s (the “**Insured**”) life insurance policy due to non-disclosure of material fact in the insured proposal/policy forms by the Insured alleging signature forgery and originally repudiated death claim. Our Company has filed a criminal writ petition before the Allahabad High Court praying for an order for quashing of the criminal complaint. The matter is currently pending.
2. For additional litigation against Sandeep Bakhshi, see “Litigation against our Company – Criminal Litigation against our Company” on page 455.

#### *Actions by regulatory / statutory authorities*

For additional litigation against Sandeep Bakhshi, see “Litigation against our Company – Actions by regulatory/statutory authorities against our Company” on page 457.

### **Litigation against Vinod Kumar Dhall**

#### *Actions by regulatory / statutory authorities*

For further details, see “Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated” on page 477.

### **Litigation against M.S. Ramachandran**

#### *Criminal matters*

1. In 2003 Mahendra Gaur filed a criminal case before the Addl. Chief Judicial Magistrate Court, Jaipur alleging therein the delays on the part of the Corporation in settling and paying his pending dues including the dividends. In the said case, he has alleged that a criminal conspiracy was hatched by the then Chairman, Directors and other officials of the Corporation to dismiss him from the services just because he had become a 'whistle blower' in respect of a matter involving alleged malpractices in the sale of 2-T Oil in Jaipur. He had, however, suppressed that facts relating to the misconduct that resulted in his dismissal in the said case. The 16 respondents, inter alia, included the then ex- Chairman, M.S. Ramachandran the then Director (HR) and other Senior Management Personnel of the Corporation. In 2007 the Supreme Court granted exemption from personal appearance to the respondents and further liberty was given to file discharge application before the trial court. In 2012 oral evidence of Sh. Mahendra Gaur was recorded and thereafter case has been listed several times including last date March 19, 2015 when cross -examination stage was closed due to his repeated requests of adjournments and non-appearance. Challenging the said order M. Gaur has filed Criminal Writ before High Court of Rajasthan at Jaipur challenging closure of his cross-examination. IOC has also filed Criminal Writ in the Name of S.J. Dubey one of the Co-accused and at present posted as GM (CS), UPSO-I, before same court for seeking direction to the lower court to dispose the case in time bound manner. Both cases are pending for hearing.

For additional litigation, see “Outstanding Litigation and Material Developments – Litigation against ICICI Bank – Criminal Litigation against ICICI Bank”, see “Outstanding Litigation and Material Developments – Litigation against Marti G. Subrahmanyam - Criminal matters” and see “Outstanding Litigation and Material Developments – Litigation against our directors–Criminal Litigation against Chanda D. Kochhar” starting on pages 463, 477 and 474.

### **Litigation against Rama Bijapurkar**

#### *Actions by regulatory / statutory authorities*

For additional litigation, see “Outstanding Litigation and Material Developments – Action initiated by SEBI against

the entities operating in the Securities Market with which Directors are associated” on page 477.

### **Litigation against V. Sridar**

#### *Criminal matters*

For criminal litigation against V.Sridar, see “Outstanding Litigation and Material Developments – Litigation against ICICI Bank – Criminal Litigation against ICICI Bank” on page 463, “Outstanding Litigation and Material Developments – Litigation against Marti G. Subrahmanyam - Criminal matters” on page 477.

#### *Actions by regulatory / statutory authorities*

1. Show Cause Notice under Foreign Exchange Management, Act 1999: ICICI Bank (“**Bank**”) had sanctioned External Commercial Borrowing (ECB) facility to a customer engaged in retail sector on February 5, 2004 from its Singapore Branch. An ECB is permitted only for the industrial and infrastructure sector. RBI issued a show cause notice to the Bank. It was clarified to RBI the Bank's understanding that ECB was prohibited only for real estate sector. RBI has advised the Bank to ensure compliance both in letter and spirit.
2. ICICI Bank Limited Hong Kong Branch: The Securities and Futures Commission of Hong Kong (“**SFC**”), Hong Kong had charged the Bank with carrying on the business of dealing in securities in Hong Kong without having a license to do so. Pursuant to the charges preferred vide issue of summons on March 30, 2007 and the submissions of SFC and the Bank, the Eastern Magistrate's Court, Hong Kong, on April 10, 2007, fined the Bank a sum of HKD 40,000 (Rs. 0.2 million) and required the Bank to reimburse investigation costs to SFC.
3. KYC and AML norms: A penalty of Rs. 0.5 million was imposed under Section 47A(1)(b) of the Banking Regulation Act, 1949 by RBI during the year ended March 31, 2006 citing contravention of RBI instructions relating to opening of accounts, monitoring of transactions for adherence to Know Your Customer/Anti Money Laundering norms, and non-adherence to normal banking practices.
4. Reporting of ADR: ICICI Bank has been warned in 2007-08 by RBI for delayed reporting of GDR/ADR issues within 30 days under FEMA Regulations.

For Actions by regulatory/statutory authorities against V.Sridar, “Outstanding Litigation and Material Developments – Litigation against ICICI Bank – Actions by regulatory/statutory authorities against ICICI Bank”, “Outstanding Litigation and Material Developments – Actions by regulatory/statutory authorities involving ICICI Bank Canada”, “Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated” on pages 465, 474 and 477.

### **Litigation against Marti G. Subrahmanyam**

#### *Criminal matters*

Shadab Ismail Khan had filed a private criminal case against the Board of Directors of ICICI Bank Limited before the JMFC Nagpur for unauthorised deduction of an amount from his home loan account towards payment of dues to ICICI Lombard General Insurance Company Ltd. u/s 379, 409, 420, 468, 471 r/w 34 of IPC. The Honourable Court had dismissed the complaint. Against the above said order, the complainant had filed a criminal revision petition.

### **Litigation against N.S. Kannan**

#### *Criminal matters*

For litigation against N.S. Kannan, see “Litigation against our Directors– Criminal matters against Chanda D. Kochhar” on page 474.

#### *Actions by regulatory / statutory authorities*

For litigation against N.S. Kanan, see “Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated” on page 477.

### **Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated**

1. I-Sec (in which Chanda D. Kochhar and Vinod Kumar Dhall are directors), along with five other book running lead managers to the IPO of Credit Analysis and Research Limited received adjudication order from SEBI dated November 28, 2014 alleging violation of the SEBI Regulations and the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. For further details, see “Outstanding Litigation and Material

Developments – Litigation involving Group Companies – Litigation involving I-Sec – Litigation against I-Sec - Actions by regulatory / statutory authorities” on page 471.

2. RBL Bank Limited, in which Rama Bijapurkar is an independent director, had received a show cause notice from SEBI dated November 6, 2015 with regard to issuance of equity shares which were not in compliance with the then applicable laws relating to public offering of securities. RBL Bank Limited had submitted an application for settlement of the matter under the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations 2014 and SEBI has settled the matter, through a settlement order dated May 30, 2016.
3. ICICI Bank (in which Chanda D. Kochhar, V. Sridar and N.S. Kannan are directors) received a letter dated May 20, 2015, by SEBI whereby SEBI issued an administrative warning to ICICI Bank, as a Depository Participant (“DP”), for the following observation post the inspection conducted for the period April 2012 to June 2013. In all account opening forms, the date of execution of Power of Attorney (“PoA”) was prior to date of account opening/date of activation of account in the DP system. ICICI Bank has intimated SEBI that the necessary changes have been effected in PoA in such a manner that the effective date of PoA will be the date of account opening or the date of PoA execution, whichever is later.
4. ICICI Bank (in which Chanda D. Kochhar, V. Sridar and N.S. Kannan are directors), received a letter dated February 18, 2013 from SEBI (pursuant to inspection conducted for the period April 2010 to March 2012) whereby SEBI has issued an administrative warning to ICICI Bank as a DP to have an exclusive designated email address for receiving complaints pertaining to its DP operations. Such e-mail address (headdematservices@icicibank.com) has been created and status has been intimated to SEBI *vide* letter dated August 28, 2013.
5. ICICI Bank (in which Chanda D. Kochhar, V. Sridar and N.S. Kannan are directors) received a show cause notice from SEBI under Securities and Exchange Board of India (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995 for delay of 81 days in filing disclosures under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, for change in shareholding exceeding 2% in a listed company, when prior shareholding exceeded 5%. This was in respect of ICICI Bank’s holding in Jord Engineers India Limited which was largely unlisted, and trading in the scrip was suspended, though the company was listed. ICICI Bank filed consent terms and paid ` 0.1 million to SEBI pursuant to the consent order passed in May 2012. ICICI Bank has put in place systems and controls to file necessary disclosures irrespective of the listing status of its securities.
6. ICICI Limited (which became ICICI Bank later on) was subject to a SEBI inspection pursuant to which SEBI issued an inspection report, in relation to debenture trading operations, dated July 24, 1998 and observed certain shortcomings. Erstwhile ICICI Limited initiated suitable action based on the SEBI report and submitted a detailed reply to SEBI on August 6, 1998. Subsequently, it received a notice dated February 12, 2007 from SEBI requesting it to provide certain details. It furnished all the details required by SEBI on March 2, 2007. SEBI again inspected its books and records maintained in our capacity as debenture trustee during September 2007 to October 2007. It thereafter received an inspection report on September 10, 2008 and had submitted a detailed reply to them on October 15, 2008. However *vide* letter dated June 22, 2010, SEBI had pointed out that, certain observations made by SEBI in their inspection report dated September 10, 2008 were not fully rectified or partially rectified and had advised us to take appropriate corrective steps to rectify the discrepancies. SEBI also advised it to bring all the relevant communication regarding the inspection, further observations made by SEBI and corrective steps taken to rectify the discrepancies to the knowledge of board of directors of ICICI Bank. ICICI Bank has written to SEBI setting out the corrective steps taken to address each discrepancy by its letter dated July 19, 2010 and duly informed the audit committee and board of directors of the ICICI Bank on July 30, 2010 and July 31, 2010 respectively.
7. ICICI Bank (in which Chanda D. Kochhar, V. Sridar and N.S. Kannan are directors) received inspection report dated March 15, 2010 from SEBI based on inspection of books of accounts of DP activities of ICICI Bank. ICICI Bank had submitted reply/comments informing about the steps taken to improve system and procedures. SEBI *vide* letter dated June 17, 2010 advised not to repeat the irregularities and ensure compliance with Depositories Act 1996 read with rules and regulations made thereunder. SEBI advised to place the findings of inspection, corrective steps taken by ICICI Bank and the final communication by SEBI before the board of directors of ICICI Bank. The same was reported and noted at the audit committee meeting of the ICICI Bank held on July 30, 2010.
8. ICICI Prudential Asset Management Company Limited (in which Chanda D. Kochhar and N.S. Kannan are directors) received a letter dated December 20, 2013, advising it to strengthen its systems and have proper checks and balances for ensuring that the borrowings made by the schemes and exposure of the debt schemes to a particular sector are in accordance with the regulatory threshold specified in the extant SEBI regulations/circulars.

9. ICICI Prudential Asset Management Company Limited (in which Chanda D. Kochhar and N.S. Kannan are directors) received a letter dated March 26, 2014 from SEBI, whereby SEBI advised it to strengthen its systems for ensuring that no investor holds more than SEBI-prescribed maximum threshold of the scheme's quarterly average net assets for two or more continuous quarters, and to report the exceptions, if any to SEBI.
10. ICICI Prudential Asset Management Company Limited (in which Chanda D. Kochhar and N.S. Kannan are directors) received a letter dated April 23, 2014 from SEBI, whereby SEBI advised it to strengthen its systems to ensure that the funds of the schemes deployed in short-term deposits adhere to the regulatory limits specified in the extant SEBI regulations/circulars.
11. ICICI Prudential Asset Management Company Limited (in which Chanda D. Kochhar and N.S. Kannan are directors) received a letter dated January 29, 2016 from SEBI whereby SEBI advised it to strengthen its systems to ensure the reporting of over the counter transactions within the stipulated time.
12. SEBI had undertaken an inspection of ICICI Venture and two funds managed by ICICI Venture under Regulation 25 of the SEBI (Venture Capital Funds) Regulations, 1996 between December 2014 and May 2015. ICICI Venture and the funds have provided their response to the inspection findings.

#### **Tax Proceedings:**

We have disclosed claims relating to direct and indirect taxes involving our Company, Subsidiary, our Promoters, Group Companies and Directors, in a consolidated manner giving details of the number of cases and total amount involved in such claims:

<b>Nature of case</b>	<b>Number of cases</b>	<b>Amount involved (in ` million)</b>
<b><i>Company</i></b>		
Direct Tax	9	10,214.50
Indirect Tax	26	10,720.30
<b><i>Subsidiary</i></b>		
Direct Tax	1	0.05
Indirect Tax	-	-
<b><i>Promoters</i></b>		
Direct Tax	11	32,873.96
Indirect Tax	6	6,862.62
<b><i>Group Companies</i></b>		
Direct Tax	48	5,641.85
Indirect Tax	31	3,993.57
<b><i>Directors</i></b>		
Direct Tax	-	-
Indirect Tax	-	-

#### **V. Small scale undertakings or any other creditors**

Company, in its ordinary course of business, has outstanding dues aggregating to ` 716.5 million as of March 31, 2016. Company owes the following amounts, whereby material dues to creditors are identified as each creditor exceeding ` 35.8 million (*being 5% of total dues*).

<b>Particulars</b>	<b>Number of Cases</b>	<b>(` in millions)</b>
Dues to small scale undertakings	-	-
Material dues to creditors	2	679.5
Other dues to creditors	790	37.0
<b>Total</b>	<b>792</b>	<b>716.5</b>

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at <https://www.iciciprulife.com/content/dam/icicipru/Files/Creditors.pdf>. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

#### **VI. Material Developments**

For details of material developments since last balance sheet date, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 408.

## GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of material approvals obtained by our Company and our Subsidiary. The indicative approvals set out below are obtained by our Company and our Subsidiary, as applicable (other than the Offer and incorporation related approvals), for the purposes of undertaking their business. In view of these approvals, our Company and our Subsidiary can undertake this Offer and current business activities. We have disclosed below pending approvals which have been applied for by our Company and our Subsidiary and approvals that are required but not obtained.*

### **Approval for the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 483.

### **Incorporation Details of our Company and our Subsidiary**

1. Certificate of incorporation dated July 20, 2000 issued by the RoC to our Company.
2. Certificate for commencement of business dated October 16, 2000 issued by the RoC to our Company.
3. Certificate of incorporation dated April 22, 2009 issued by the RoC to our Subsidiary.
4. Certificate of commencement of business dated April 28, 2009 issued by the RoC to our Subsidiary.
5. In-principle approval dated April 21, 2009 issued by the IRDAI to our Company for setting up a wholly owned subsidiary to undertake pension fund management activity.

### **Business Related Approvals of our Company and our Subsidiary**

Our Company and our Subsidiary require various approvals for us to carry on our businesses in India. The approvals that we require include the following:

#### **(a) Regulatory approvals**

1. Certificate of registration to undertake life insurance business in India, dated November 24, 2000, issued by IRDAI;
2. Letter of appointment dated July 23, 2014, issued to our Company by PFRDA appointing it as sponsor and authorising it to establish a pension fund. Subsequently, our Company received a letter dated June 24, 2016 from PFRDA extending its appointment, and granting a transitory registration to our Subsidiary as pension fund manager, until a fresh selection process of appointing a sponsor and granting registration to pension fund manager is initiated under the Pension Fund Regulatory and Development Authority (Pension Funds) Regulations, 2015.

#### **(b) Product related approvals of our Company**

The details of the approvals received from IRDAI for the products currently offered by us are provided below:

1. Approval to modify ‘Non-Linked Insurance Product – Anmol Bachat – Micro Insurance Product’ bearing unique identification number (“UIN”) – 105N139V01 dated July 14, 2016.
2. Approval to launch ‘New Non-Linked Product – ICICI Pru Future Perfect’ UIN– 105N153V01 dated June 29, 2016.
3. Approval to modify ‘ICICI Pru Life Sarv Jana Suraksha’ bearing UIN– 105N081V02 and assignment of a new UIN – 105N081V03 dated March 21, 2016.
4. Approval to launch ‘New Non-Linked Product – ICICI Pru iProtect Smart’ bearing UIN – 105N151V01 dated December 2, 2015.
5. Approval to launch ‘ICICI Pru Loan Protect Plus’ bearing UIN – 105N150V01 dated August 10, 2015.
6. Approval to launch ‘New Non-Linked Product – ICICI Pru Life Raksha’ bearing UIN – 105N149V01 dated June 10, 2015.
7. Approval to launch ‘New Non-Linked Product – ICICI Pru Group Suraksha Plus’ bearing UIN – 105N147V01 dated June 2, 2015.

8. Approval to launch 'ICICI Pru Group Insurance Scheme for Pradhan Mantri Jeevan Jyoti Bima Yojana' bearing UIN – 105G146V01 dated May 12, 2015.
9. Approval to launch 'New Linked Product – ICICI Pru Smart Life' bearing UIN – 105L145V01 dated February 11, 2015.
10. Approval to launch 'New Non-Linked Product – ICICI Pru Assured Savings Insurance Plan' bearing UIN – 105N144V01 dated October 31, 2014.
11. Approval to launch 'New Linked Product – ICICI Pru Guaranteed Wealth Protector' bearing UIN – 105L143V01 dated February 17, 2014.
12. Approval to launch 'New Non-Linked Product – ICICI Pru Loan Protect' bearing UIN – 105N142V01 dated January 2, 2014.
13. Approval to modify 'ICICI Pru iProtect' bearing UIN – 105N110V01 and assignment of a new UIN 105N110V02 dated September 12, 2013.
14. Approval to launch 'New Linked Product – ICICI Pru Wealth Builder II' bearing UIN 105L139V01 dated December 24, 2013.
15. Approval to launch 'New Linked Product – ICICI Pru Elite Wealth II bearing UIN – 105L140V01 dated December 24, 2013.
16. Approval to launch 'New Linked Product – ICICI Pru Elite Life II' bearing UIN – 105L141V01 dated December 24, 2013.
17. Approval to modify 'New Linked Product – ICICI Pru Easy Retirement SP' bearing UIN – 105L138V01 and assignment of new UIN 105L138V02 dated May 31, 2016.
18. Approval to launch 'New Non-Linked Micro-Insurance Product – ICICI Pru Anmol Bachat' bearing UIN – 105N139V01 dated December 11, 2013.
19. Approval to launch 'New Non-Linked Product – ICICI Pru iCare II' bearing UIN – 105N140V01 dated December 11, 2013.
20. Approval to modify 'ICICI Pru Group Term Plus' bearing UIN – 105N119V01 and assignment of a new UIN – 105N119V02 dated September 11, 2013. The terms of this product were further modified and the product was assigned a new UIN 105N119V03, through IRDAI's letter dated January 6, 2016.
21. Approval to launch 'New Linked Product – ICICI Pru Group Unit Linked Superannuation' bearing UIN – 105L136V01 dated September 11, 2013.
22. Approval to launch 'New Linked Product – ICICI Pru Group Unit Linked Employee Benefit Plan' bearing UIN – 105L137V01 dated September 11, 2013.
23. Approval to launch 'New Non-Linked Product – ICICI Pru Savings Suraksha' bearing UIN – 105N135V01 dated July 29, 2013.
24. Approval to launch 'New Non-Linked Product – ICICI Pru Cash Advantage' bearing UIN – 105N132V01 dated July 15, 2013.
25. Approval to launch 'New Non-Linked Product – ICICI Pru Group Superannuation Suraksha' bearing UIN – 105N134V01 dated July 1, 2013.
26. Approval to launch 'New Linked Product – ICICI Pru Easy Retirement' bearing UIN – 105L133V01 and assignment of new UIN 105L133V02 dated May 31, 2016.
27. Approval to launch 'ICICI Pru Shubh Retirement SP' bearing UIN – 105L131V01 dated March 8, 2013.
28. Approval to launch 'New Non-Linked Product – ICICI Pru Group Loan Secure' bearing UIN 105N152V01 dated April 26, 2016.
29. Approval to launch 'New Linked Rider – ICICI Pru Unit Linked Accidental Death Rider' bearing UIN 105A025V01 dated June 10, 2015.

30. Approval to launch 'New Non-Linked Product – ICICI Pru Group Suraksha Plus Superannuation' bearing UIN 105N148V01 dated June 2, 2015.
31. Approval to modify 'Linked Product - ICICI Pru Income Benefit Rider' bearing UIN 105A020V01 and assignment of a new UIN bearing 105A020V02 dated September 30, 2013.
32. Approval to launch 'New Non Linked Group Product – ICICI Pru Group Superannuation Suraksha' bearing UIN 105N089V01 dated March 31, 2009.
33. Approval to launch 'ICICI Pru immediate annuity – tied annuity' dated April 11, 2002. The terms of this product were further modified and the product was assigned a new UIN 105N009V07 (previous 105N009V06), through the IRDAI's letter dated May 31, 2016.

(c) **Branch related approvals of our Company**

Our Company has 519 offices all over India, which have been approved by the IRDAI.

(d) **Other Approvals**

1. Registration certificate bearing ref number JP(R)/10/2009, issued by the Office of the Registering Officer & Regional Labour Commissioner (C), Jaipur, dated April 20, 2009, to our Company, under the Contract Labour (Regulation and Abolition) Act, 1970.
2. Shops and Establishments certificate issued under relevant laws of the state where our Company and our Subsidiary is established.
3. Our Company and our Subsidiary have obtained various tax related registrations and approvals including those relating to permanent account number, tax deduction account number, service tax registration number and tax payer identification number. Our Company also maintains registration for VAT and central sales tax in the states wherever applicable, as per applicable state laws.

(e) **Pending Applications**

1. Application dated June 8, 2016 made by our Company to the IRDAI for permitting our Company to renew its licenses for representative offices based in Dubai and Bahrain;
2. Application dated April 1, 2016 filed with IRDAI on April 5, 2016, by our Company for launch of 'Non – Linked ICICI Pru Single Pay Guaranteed Return Plan'; and
3. Application(s) made by our Company for renewing registration certificates under relevant laws of the Shops and Establishment Acts under various states for 71 of its branches.

**Trademarks**

As on the date of this Draft Red Herring Prospectus, our Company has registered and holds 60 registrations in respect of trademarks under various classes including classes 9, 16, 35, 36, 41, granted by the Registrar of Trademarks under the Trademarks Act, 1999.

Our Company has also filed 37 applications for registration in various classes of trademarks out of which two trademark applications have been opposed. Our Company has also made one application for renewal of an existing trademark which expired on June 26, 2016.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board of Directors and our Shareholders have approved the Offer pursuant to the resolutions dated April 26, 2016 and June 24, 2016, respectively.

ICICI Bank has approved its participation in the Offer pursuant to a resolution passed by its board of directors dated April 29, 2016 read with letter dated May 11, 2016 issued by ICICI Bank.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold by it in the Offer for Sale for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus and the Equity Shares proposed to be offered and sold by it are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholder has also confirmed that it is the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

Our Company received the approval dated July 14, 2016 from IRDAI to undertake a public offer in accordance with the provisions of the SEBI Regulations, under the provisions of the IRDAI Issuance of Capital Regulations. This approval is subject to the following conditions: (i) ICICI Bank to divest 12.66% of its shareholding in our Company; (ii) maximum subscription that may be allotted to any class of foreign investors shall be in accordance with (a) the Foreign Investment Rules, (b) Guidelines on 'Indian owned and controlled', and (c) any other statutory / regulatory stipulations prescribed by any other regulator in this regard; (iii) the Equity Shares, subject to any prior directions on lock-in period issued by IRDAI, shall not be divested; (iv) the disclosure in the offer document shall be compliance with the Schedule I of IRDAI Issuance of Capital Regulations (over and above the disclosure requirements prescribed by SEBI); (v) the Articles shall be amended so as to explicitly state that no transfer beyond the limits specified in Section 6A of the Insurance Act shall be registered without prior approval of IRDAI; and (vi) our Company is required to ensure compliance with Insurance Act and other applicable circulars, directions and regulations issued therein including IRDA (Protection of Policyholders Interests) Regulations, 2002.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, our Promoter Group, our Group Companies, the directors of the Promoters and the Selling Shareholder have not been prohibited or debarred from accessing or operating in capital markets for any reasons by SEBI or any other authorities.

The companies, with which our Promoters or Directors are or were associated as promoter, directors or persons in control have not been prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

Other than Chanda D. Kochhar, Vinod Kumar Dhall and Rama Bijapurakar, none of our Directors are associated with the securities market. For further details in relation to action taken by SEBI against the entities operating in the securities market with which these Directors are associated, see "Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated" on page 477.

### Prohibition with respect to Wilful Defaulters

Neither our Company, nor our Promoters, Directors, Group Companies, or the Selling Shareholder have been identified as Wilful Defaulters.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI Regulations as explained below:

- Our Company has had net tangible assets of at least ` 30 million in each of the preceding three full years (of 12 months each). As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of net tangible assets being monetary assets, is not applicable;
- Our Company has a minimum average pre-tax operating profit of ` 150 million calculated on a restated consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ` 10 million in each of the preceding three full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to

exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March 31, 2016; and

- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, as restated, net worth and net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31 are set forth below:

*(In ` million, unless otherwise stated)*

Particulars	Fiscal ended March 31, 2016		Fiscal ended March 31, 2015		Fiscal ended March 31, 2014		Fiscal ended March 31, 2013		Fiscal ended March 31, 2012	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net tangible assets	1,025,415	1,025,400	990,379	990,367	794,866	794,852	731,867	731,864	698,444	698,442
Pre-tax Operating Profit	17,741	17,739	15,904	15,906	15,246	15,235	15,562	15,561	14,175	14,175
Net Worth	53,249	53,235	52,654	52,643	43,846	43,834	39,607	39,605	29,815	29,815

Notes:

- "Net tangible assets" mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.
- 'Pre – tax Operating Profits' means operating profit as restated for change in accounting policy.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application monies shall be refunded forthwith.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, DSP MERRILL LYNCH LIMITED AND ICICI SECURITIES LIMITED AND THE BOOK RUNNING LEAD MANAGERS, CLSA INDIA PRIVATE LIMITED, DEUTSCHE EQUITIES INDIA PRIVATE LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, IIFL HOLDINGS LIMITED, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR FOR THE EQUITY SHARES OFFERED BY THEM BY WAY OF THE OFFER FOR SALE, THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGER AND BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGER AND BOOK RUNNING LEAD MANAGER HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 15, 2016 WHICH READS AS FOLLOWS:**

**WE, THE GLOBAL CO-ORDINATORS AND THE BOOK RUNNING LEAD MANAGER AND THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION**

LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (“SEBI REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER’S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH AND NOTED FOR COMPLIANCE.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY. NOT APPLICABLE.

AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN

**TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE.**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**
11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS: COMPLIED WITH**
  - (A) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
  - (B) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**
13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE**
14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. COMPLIED WITH**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH**
16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR. COMPLIED WITH**
17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE ACCOUNTING STANDARD 18 AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**
18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1)(A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI REGULATIONS (IF APPLICABLE) - NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up, at any point of time, with the GCBRLMs and the BRLMs any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholder from any liabilities to the extent of the statements made by it in respect of the Equity Shares offered by the Selling Shareholder, as part of the Offer for Sale, under Section 34 or Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

#### **Caution - Disclaimer from our Company, the Selling Shareholder, the GCBRLMs and the BRLMs**

Our Company, our Directors, our Promoter, the Selling Shareholder, the GCBRLMs and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including on our Company's website [www.icicprulife.com](http://www.icicprulife.com) or the respective websites of our Promoters, Promoter Group or Group Companies, would be doing so at his or her own risk.

The Selling Shareholder, its directors, affiliates (other than our Company), associates and officers accept/ undertake no responsibility for any statements made other than those made in relation to the Selling Shareholder and to the Equity Shares offered by the Selling Shareholder, by way of the Offer for Sale.

The GCBRLMs and BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder, the GCBRLMs and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Our existing customers and corporate agents include affiliates of certain GCBRLMs and BRLMs. Further, I-Sec, one of our affiliates is also one of the GCBRLMs appointed only for undertaking marketing activities for the Offer. Each of the GCBRLMs and the BRLMs and their respective associates and affiliates, in its capacity as principal or agent, is and may in the future be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, research, securities issuance, trading (customer and proprietary) and brokerage). Certain of the GCBRLMs and the BRLMs and/or their respective associates and affiliates has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or any third parties in the ordinary course of their commercial banking and investment banking activities, for which they have received, and may in the future receive, compensation. In addition, in the ordinary course of their commercial banking and investment banking activities, the GCBRLMs and the BRLMs, and their respective associates and affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company, the Selling Shareholder and/or any of their respective group companies, affiliates or associates or any third parties. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Price information of past issues handled by the GCBRLMs and the BRLMs

A. DSPML

Table 1: Price information of past issues handled

Serial Number	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	% Change in closing price, (% change in closing benchmark) - 30th calendar day from listing <sup>(2) (3) (4)</sup>	% Change in closing price, (% change in closing benchmark) - 90th calendar day from listing <sup>(2) (3) (5)</sup>	% Change in closing price, (% change in closing benchmark) - 180th calendar day from listing <sup>(2) (3) (6)</sup>
1.	Inox Wind Limited <sup>(1)</sup>	10,205.27	325.00	April 9, 2015	400.00	+28.54% [-6.68%]	+42.42% [-3.05%]	+11.20% [-7.51%]

Source: www.nseindia.com

Notes:

1. In Inox Wind Limited, price for retail individual bidders and eligible employees was ₹ 310.00 per equity share.
2. Benchmark index is CNX Nifty.
3. In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered.
4. 30th listing day has been taken as listing date plus 29 calendar days.
5. 90th listing day has been taken as listing date plus 89 calendar days.
6. 180th listing day has been taken as listing date plus 179 calendar days.

Table 2: Summary statement of disclosure

Financial Year	Total number of IPOs <sup>(1)</sup>	Total amount of funds raised (₹ Mn.)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	1	10,205.27	-	-	-	-	1	-	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Based on the day of listing

**B. I-Sec**

**Table 1: Price information of past issues handled**

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Wonderla Holidays Limited	1,812.50	125.00	09-May-14	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]
2	Shemaroo Entertainment Limited	1,200.00	170.00 <sup>(1)</sup>	01-Oct-14	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]
3	VRL Logistics Limited	4,678.78	205.00	30-Apr-15	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
4	PNC Infratech Limited	4,884.41	378.00	26-May-15	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%, [-5.88%]
5	Manpasand Beverages Limited	4,000.00	320.00	09-Jul-15	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%, [-6.45%]
6	Sadbhav Infrastructure Project Limited	4,916.57	103.00	16-Sep-15	111.00	-2.28%, [+3.55%]	-5.63, [-3.15]	-14.56%, [-4.56%]
7	Teamlease Services Limited	4,236.77	850.00	12-Feb-16	860.00	+15.34%, [+7.99%]	+5.38, [+12.43]	-
8	Quick Heal Technologies Limited	4,512.53	321.00	18-Feb-16	305.00	-31.56%, [+5.74%]	-20.05%, [+9.72%]	-
9	Equitas Holdings Limited	21,766.85	110.00	21-Apr-16	145.10	+34.95%, [-1.63%]	-	-
10	Thyrocare Technologies Limited	4,792.14	446.00	09-May-16	665.00	+36.85%, [+5.09%]	-	-
11	Ujjivan Financial Services Limited	8,824.96	210.00	10-May-16	231.90	+72.38%, [+4.88%]	-	-
12	Quess Corp Limited	4,000.00	317.00	12-Jul-16	500.00	-	-	-

(1) Discount of ₹ 17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹ 170.00 per equity share

**Notes:**

- All data sourced from [www.nseindia.com](http://www.nseindia.com)
- Benchmark index considered is NIFTY
- 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the next trading day

**Table 2: Summary statement of disclosure**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%

2016-17	4	39,383.95	-	-	-	1	2	-	-	-	-	-	-	-
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	1	2	1	-
2014-15	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1

**C. CLSA**

CLSA has not handled any initial public offerings of equity shares in the current financial year and two financial years preceding the current financial year.

**D. Deutsche**

**Table 1: Price information of past issues handled**

Serial Number	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Adlabs Entertainment Limited	37,459.00	180.00	April 6, 2015	167.95	-27% [-6%]	-18% [-1%]	-42% [-8%]

*Source:* www.nseindia.com, bseindia.com

**Notes:**

1. Excluding any employee/retail discount and anchor investor issue price;
2. Benchmark index being the index of the designated stock exchange

**Table 2: Summary statement of disclosure**

Financial Year	Total number of IPOs	Total amount of funds raised (₹ Mn.)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	1	37,459.00	-	1	-	-	-	-	1	-	-	-	-	-



E. Edelweiss

Table 1: Price information of past issues handled

Serial Number	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar day from listing
1.	Thyrocare Technologies Limited	4792.10	446.00	May 09, 2016	665.00	36.85% [5.09%]	Not applicable	Not applicable
2.	Equitas Holdings Limited	21,766.90	110.00	April 21, 2016	145.10	34.64% [-2.05%]	Not applicable	Not applicable
3.	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.3%; [1.45%]	-19.98% [4.65%]	Not applicable
4.	Alkem Laboratories Limited <sup>@</sup>	13,477.60	1,050.00	December 23, 2015	1,380.00	30.34%; [-7.49%]	28.60% [-2.06%]	31.91% [4.74%]
5.	Coffee Day Enterprises Limited	11,500.00	328.00	November 2, 2015	317.00	-21.42%; [-1.19%]	-20.76%; [-6.15%]	-20.98%; [-2.50%]
6.	Prabhat Dairy Limited <sup>^</sup>	3,561.90	115.00	September 21, 2015	113.00	11.78% ; [3.57%]	30.83% [-1.79%]	-5.48%; [-4.67%]
7.	Sadbhav Infrastructure Project Limited	4916.60	103.00	September 16, 2015	111.00	-2.28%, [3.55%]	-5.63%; [-3.15%]	-14.56%; [-4.56%]
8.	Navkar Corporation Limited	6000.00	155.00	September 9, 2015	152.00	0.97%, [3.97%]	26.00%; [-0.68%]	6.29%; [-4.26%]
9.	Inox Wind Limited <sup>*</sup>	10,205.30	325.00	April 9, 2015	400.00	28.54%, [-6.68%]	42.42%, [-3.05%]	11.20%, [-7.51%]
10.	Monte Carlo Fashions Limited	3504.30	645.00	December 19, 2014	584.00	-26.20%, [3.96%]	-23.57%, [5.60%]	-20.88%, [-2.16%]

Source: www.nseindia.com

<sup>@</sup> Alkem Laboratories Limited - Discount of ₹ 100 per equity share offered to eligible employees. All calculations are based on offer price of ₹ 1,050.00 per equity share.

<sup>\*</sup>Inox Wind Ltd - Discount of ₹ 15 per equity share offered to retail investors and eligible employees. All calculations are based on issue price of ₹ 325.00 per equity share.

<sup>^</sup> Prabhat Dairy Ltd - Discount of ` 5 per equity share offered to retail investors. All calculations are based on issue price of ` 115.00 per equity share.

**Notes:**

1. Based on date of listing.
2. % of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
3. Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
4. The Nifty 50 index is considered as the Benchmark Index
5. Not applicable. – Period not completed.
6. Disclosure in Table-1 restricted to 10 issues.

**Table 2: Summary statement of disclosure**

Financial Year	Total number of IPOs	Total amount of funds raised ( ` Mn.)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017 <sup>^</sup>	2	26,559.00	-	-	-	-	2	-	-	-	-	-	-	-
2015-2016	7	56,157.80	-	-	3	-	2	2	-	-	3	-	1	2
2014- 2015	3	8835.40	-	1	-	2	-	-	-	-	1	2	-	-

<sup>^</sup> *The information is as on the date of the document*

**Notes:**

1. Based on date of listing.
2. Wherever 30<sup>th</sup> and 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
3. The Nifty 50 index is considered as the Benchmark Index

For the financial year 2016-17 – none of the issues completed 180 days

For the financial year 2015-16 – 180 days period completed for 6 issues

For the financial year 2014-15 total 3 issues were completed. However, disclosure under Table-1 is restricted to 10 issues.

**F. HSBC**

**Table 1: Price information of past issues handled**

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	VRL Logistics Limited	4,679.00	205.00	30-Apr-15	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
2	Equitas Holdings Limited	21,766.85	110.00	21-Apr-16	145.10	+34.63%, [-2.05%]	Not applicable	Not applicable

Notes:

- All above data is of NSE (Website [www.nseindia.com](http://www.nseindia.com))
- Benchmark Index considered above in all the cases was NIFTY
- 30th, 90th, 180th trading day from listing day have been taken as listing day plus 29, 89 and 179 calendar days. Wherever 30th, 90th, 180th trading day is a holiday, we have considered the closing data of the next trading date / day

**Table 2: Summary statement of disclosure**

Financial year	Total no. of IPOs	Total funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2014-15	1	4,679.00	-	-	-	1	-	-	-	-	-	1	-	-
2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016-17	1	21,766.85	-	-	-	-	1	-	-	-	-	-	-	-

Notes:

- All above data is of NSE (website [www.nseindia.com](http://www.nseindia.com))
- Benchmark Index considered above in all the cases was NIFTY
- 30th, 90th, 180th trading day from listing day have been taken as listing day plus 29, 89 and 179 calendar days. Wherever 30th, 90th, 180th trading day is a holiday, we have considered the closing data of the next trading date / day

**G. IIFL**

**Table 1: Price information of past issues handled**

Serial Number	Issue Name	Issue Size ( million)	Issue Price ( )	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.2%, [+2.4%]	+31.5%, [-2.2%]	+58.6%, [-6.9%]
2.	Power Mech Projects Limited	2,732.16	640.00	August 26, 2015	600.00	-9.4%, [-0.2%]	-2.8%, [-0.6%]	-10.6%, [-8.2%]
3.	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	165.00	-15.0%, [+0.6%]	-20.8%, [+3.3%]	NA
4.	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.9%, [+3.3%]	-17.4%, [+7.0%]	NA
5.	Ujjivan Financial Services Limited	8,824.96	210.00	May 10, 2016	231.90	+74.1%, [+4.3%]	NA	NA
6.	Qess Corp Limited	4,000.00	317.00	July 12, 2016	500.00	NA	NA	NA

Source: [www.nseindia.com](http://www.nseindia.com)

Notes:

1. Benchmark Index taken as CNX NIFTY.
2. Price on NSE is considered for all of the above calculations.
3. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
4. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date.
5. Not applicable – Period not completed.

**Table 2: Summary statement of disclosure**

Financial Year	Total number of IPOs	Total amount of funds raised ( ₹ million)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	2	12,824.96	-	-	-	1	-	-	-	-	-	-	-	-
2015-2016	4	17,330.46	-	-	3	-	-	1	-	-	1	1	-	-
2014-2015	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

1. Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.
2. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

**H. JM Financial****Table 1: Price information of past issues handled**

Sr. No.	Issue Name	Issue Size ( ₹ in Mn.)	Issue Price ( ₹ )	Listing Date	Opening Price on Listing Date ( ₹ ) <sup>(2)</sup>	+/- % change in closing price <sup>(3)</sup> , [+/- % change in closing benchmark] <sup>(4)</sup> - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price <sup>(3)</sup> , [+/- % change in closing benchmark] <sup>(4)</sup> - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price <sup>(3)</sup> , [+/- % change in closing benchmark] <sup>(4)</sup> - 180 <sup>th</sup> calendar days from listing
1	Parag Milk Foods Limited	7,505.40	215 <sup>(1)</sup>	May 19, 2016	217.50	+17.07% [+4.97%]	NA	NA
2	Thyrocare Technologies Limited	4,792.10	446	May 9, 2016	665.00	+36.85% [+5.09%]	NA	NA
3	S H Kelkar and Company Limited	5,081.70	180	November 16, 2015	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97% [+0.11%]

Source: [www.nseindia.com](http://www.nseindia.com); for price information and prospectus/ basis of allotment for issue details

**Notes:**

1. Issue Price for Anchor Investors was ₹ 227 per Equity Share and a discount of ₹ 12 per Equity Share had been offered to Eligible Employees and Retail Individual Bidders
2. Opening Price information as disclosed on the website of NSE

3. Change in closing price over the issue/offer price as disclosed on. NSE
4. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50
5. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
6. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.

**Table 2: Summary statement of disclosure**

Financial Year	Total no. of IPOs	Total amount of funds raised (in Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	2	12,297.50	-	-	-	-	1	1	-	-	-	-	-	-
2015-2016	1	5,081.70	-	-	-	-	-	1	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

**I. SBICAP**

**Table 1: Price information of past issues handled**

Serial Number	Issue Name	Issue Size (Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	585.00	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]
2.	Navkar Corporation Limited	6,000.00	155.00	September 9, 2015	152.00	+0.71% [+4.38%]	+25.81% [-0.74%]	+6.13% [-4.12%]
3.	Prabhat Dairy Limited	3,561.88	115.00	September 21, 2015	115.00	+11.78% [+3.57%]	+30.83% [-1.79%]	-5.48% [-4.67%]
4.	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	163.10	-14.68% [+1.53%]	-9.26% [+5.77%]	NA

Serial Number	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
5.	Infibeam Incorporation Limited	4,500.00	432.00	April 4, 2016	458.00	+13.54% [-0.67%]	+61.31% [+7.40%]	NA

Source: www.nseindia.com, www.bseindia.com

(1) Issue price for employees was ₹ 156.00

**Notes:**

- The 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day computation includes the listing day.
- If either of the 30<sup>th</sup>, 90<sup>th</sup> or 180<sup>th</sup> calendar days is a trading holiday, the next trading day is considered for the computation.
- We have taken the Issue price to calculate the % change in closing price as on 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day.
- We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day. The designated exchange for the issue has been considered for the price, benchmark index and other details.

**Table 2: Summary statement of disclosure**

Financial Year	Total number of IPOs	Total amount of funds raised (₹ Mn.)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	18,163.78	-	-	1	-	-	3	-	-	1	-	-	1
2014-15	1	3,504.30	-	1	-	-	-	-	-	-	1	-	-	-

**Notes:**

- The 30<sup>th</sup> and 180<sup>th</sup> calendar day computation includes the listing day.
- If the 30<sup>th</sup> and 180<sup>th</sup> calendar day is a trading holiday, the next trading day is considered for the computation.

**J. UBS**

**Table 1: Price information of past issues handled**

Serial Number	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar day from listing
1.	InterGlobe Aviation Limited	30,085.00	765.00	November 10, 2015	855.80	+30.70% [(-)1.29%]	+7.76% [(-)5.09%]	+40.84% [+1.06%]

Source: www.nseindia.com

**Notes:**

1. Nifty is considered as the benchmark index.
2. 180<sup>th</sup> day for InterGlobe Aviation is not a trading day, closing price of 181<sup>st</sup> day considered for calculations

**Table 2: Summary statement of disclosure**

Financial Year	Total number of IPOs	Total amount of funds raised (₹ Mn.)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016	1	30,085.00	-	-	-	-	1	-	-	-	-	-	1	-



## Track record of past issues handled by the GCBRLMs and BRLMs

For details regarding the track record of the GCBRLMs and BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the GCBRLMs and BRLMs, as set out in the table below:

Serial Number	Name of the GCBRLMs and BRLMs	Website
1.	DSPML	<a href="http://www.dspml.com">www.dspml.com</a>
2.	I-Sec	<a href="http://www.icicisecurities.com">http://www.icicisecurities.com</a>
3.	CLSA	<a href="http://www.india.clsa.com">www.india.clsa.com</a>
4.	Deutsche	<a href="http://www.db.com/India">www.db.com/India</a>
5.	Edelweiss	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
6.	HSBC	<a href="http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking">http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking</a>
7.	IIFL	<a href="http://www.iiflcap.com">www.iiflcap.com</a>
8.	JM Financial	<a href="http://www.jmfl.com">www.jmfl.com</a>
9.	SBICAP	<a href="http://www.sbicaps.com">http://www.sbicaps.com</a>
10.	UBS	<a href="http://www.ubs.com/indianoffers">www.ubs.com/indianoffers</a>

### Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institution). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act “Rule 144A”) in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws or such jurisdiction.**

### Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

## **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

## **Disclaimer Clause of IRDAI**

Insurance Regulatory and Development Authority of India does not undertake any responsibility for the financial soundness of our Company or for the correctness of any of the statements made or opinions expressed in this connection.

## **Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot number C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002.

## **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder shall forthwith repay, without interest, all moneys received from the Bidders / Applicants in pursuance of the Red Herring Prospectus / the Prospectus. If such money is not repaid within the prescribed time after our Company and the Selling Shareholder become liable to repay it, then our Company and every Director of our Company who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest, as disclosed in the Red Herring Prospectus or the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date. Further, the Selling Shareholder confirm that they shall provide assistance to our Company, the GCBRLMs and BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

The Selling Shareholder confirms that it shall reimburse our Company for any interest payments made by our Company on behalf of the Selling Shareholder in this regard.

## **Consents**

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, Bankers to our Company, Bankers to the Offer, the GCBRLMs, the BRLMs, the Syndicate Members and the Registrar to the Offer to act in their respective capacities, have been obtained / will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI Regulations, our Joint Auditors, BSR & Co. LLP and Walker Chandiok & Co LLP, Chartered Accountants have given their written consent to the inclusion of their examination reports dated June 29, 2016 on standalone Restated Financial Statements and consolidated Restated Financial Statements and the statement of tax benefits dated July 15, 2016 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

## **Experts**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Joint Auditors namely, BSR & Co. LLP and Walker Chandiook & Co LLP to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the Joint Auditors dated June 29, 2016 on the Restated Financial Statements, and the statement of tax benefits dated July 15, 2016 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. As the Equity Shares in the Offer will not be registered under the U.S. Securities Act, any references to the term “expert” herein and the Joint Auditors’ consent to be named as “expert” with respect to the Offer are not in the context of a U.S. registered offering of securities.

Our Company has obtained an embedded value report dated July 12, 2016 from Milliman Advisors LLP, prepared by Richard Holloway, an Independent Actuary, in accordance with the IRDAI Issuance of Capital Regulations. Our Company has received written consent from Richard Holloway, partner, Milliman Advisors LLP to include his name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the embedded value report dated July 12, 2016 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Offer Expenses**

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see “Objects of the Offer” on page 106.

The Offer related expenses will be paid by the Selling Shareholder.

### **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated July 15, 2016 with the GCBRLMs and BRLMs and the Syndicate Agreement. For further details of Offer expenses, see “Objects of the Offer” on page 106.

### **Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see “Objects of the Offer” on page 106.

### **Fees Payable to the Registrar to the Offer**

The fees payable by our Company and the Selling Shareholder to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated July 14, 2016 entered into, between our Company, the Selling Shareholder and the Registrar to the Offer, a copy of which will be available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post.

### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in the section “Capital Structure” on page 90, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Commission and Brokerage paid on previous issues**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company’s inception.

### **Capital issue during the previous three years by listed Group Companies and Subsidiary of our Company**

None of our Group Companies (except ICICI Bank) nor our Subsidiary has its equity shares listed on any stock exchange. Further, ICICI Bank has not issued any capital during the preceding three years.

## **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies and associates of our Company**

Other than as disclosed in “Capital Structure”, on page 90, our Company has not undertaken any previous public or rights issue. None of our Group Companies or our Subsidiary have undertaken any public or rights issue of their equity shares in the last ten years preceding the date of this Draft Red Herring Prospectus.

## **Outstanding Debentures or Bonds**

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Draft Red Herring Prospectus.

## **Outstanding Preference Shares or other convertible instruments issued by our Company**

Other than employee stock options issued under the existing ESOS Scheme, our Company does not have any outstanding preference shares or other convertible instruments as on date of this Draft Red Herring Prospectus.

## **Partly Paid-up Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

## **Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

## **Redressal of Investor Grievances**

The agreement between the Registrar to the Offer, our Company and the Selling Shareholder dated July 14, 2016 provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders’ Relationship Committee comprising (i) Vinod Kumar Dhall (*Chairman*), (ii) Sandeep Bakhshi and (iii) Sandeep Batra. For details, see “Our Management - Committees of the Board - Stakeholders’ Relationship Committee” on page 192.

Our Company has also appointed Vyoma Manek, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

### **Vyoma Manek**

ICICI PruLife Towers  
1089, Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Tel: (91 22) 4039 1400  
Fax: (91 22) 2437 6956  
E-mail: investor@icicprulife.com

**Investor grievance mechanism and investor complaints for the listed companies (whose equity shares are listed on stock exchanges) under the same management within the meaning of section 370 (1B) of the Companies Act, 1956**

ICICI Bank, one of our Promoters, has arrangements and mechanisms in place for redressal of investor grievances. As on date of this Draft Red Herring Prospectus, there are no investor complaints pending with respect to ICICI Bank.

**Changes in joint auditors**

Except as described below, there has been no change in our Joint Auditors for the last three years:

<b>Name of Auditors</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>	<b>Reason for change</b>
Walker Chandiook & Co. LLP	June 24, 2016	At the next Annual General Meeting	New appointment
S.B. Billimoria & Co.	June 18, 2012	June 23, 2014	Statutory rotation of auditors
BSR & Co. LLP	June 23, 2014	At the next Annual General Meeting	New appointment
S.R. Batliboi & Co.	July 19, 2011	June 24, 2016	Statutory rotation of auditors

**Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years.

**Revaluation of Assets**

Except as disclosed in "Financial Statements" beginning on page 213, there has been no revaluation of assets by our Company.

## SECTION VIII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being Offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Insurance Act, the IRDA Act and the rules and regulations made thereunder including the IRDAI Issuance of Capital Regulations, the SEBI Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by SEBI, the Government, the FIPB, the Stock Exchanges, the RBI, RoC, the IRDAI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the IRDAI, the Government, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer.

#### Offer for Sale

All expenses with respect to the Offer will be borne by the Selling Shareholder. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed by the Selling Shareholder to our Company.

#### Ranking of the Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Insurance Act, the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights to receive dividend. The Allottees, upon Allotment, of the Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of the Articles of Association” beginning on page 552.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and the Articles of Association and provisions of the Listing Regulations. For further details in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on pages 211 and 552, respectively.

#### Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 per Equity Share and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] and the Price Band is ₹ [●] - ₹ [●]. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder in consultation with the GCBRLMs and BRLMs and will be advertised in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites.

At any given point of time there shall be only one denomination of Equity Shares.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any IRDAI or RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Regulations and the Memorandum of Association and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 552.

#### **Option to Receive Securities in Dematerialised Form**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated [●], 2016 between NSDL, our Company and the Registrar to the Offer; and
- Tripartite agreement dated [●], 2016 entered into between CDSL, our Company and the Registrar to the Offer.

As on date of this Draft Red Herring Prospectus, the Company has entered into tripartite agreement with the existing share transfer agent and the NSDL and CDSL. The existing share transfer agent is currently in the process of shifting the database and electronic connectivity to Karvy Computershare Private Limited.

#### **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

#### **Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidders require changing of their nomination, they are requested to inform their respective depository participant.

#### **Period of operation of subscription list**

See “Offer Structure – Bid/Offer Programme” from page 510.

## **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI Regulations. However, if our Company does not make the minimum Allotment specified under terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company and the Selling Shareholder shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder shall pay interest prescribed under the applicable law.

Further, our Company and the Selling Shareholder shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

## **Arrangement for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

## **Restrictions on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Offer Equity Share capital of our Company, the minimum promoters' contribution and the Anchor Investor lock-in of Equity Shares as detailed in "Capital Structure" from pages 90 and except as provided in the Insurance Act, the IRDAI Transfer of Equity Shares Regulations and the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "Risk Factors" and "Main Provisions of the Articles of Association" beginning on page 552.

The Insurance Act prohibits any transfer of Equity Shares in the event the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, unless a prior approval has been obtained by the insurer from the IRDAI, in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder, in the event the total paid up capital held by such Bidder is likely to exceed 5% of the paid up capital of our Company after the transfer.

Additionally, IRDAI on June 15, 2016 has issued draft Guidelines for Listed Indian Insurance Companies, 2016. These draft guidelines are proposed to be applicable to insurers who are in the process of getting their shares listed on the stock exchanges in relation to the transfer or proposed transfer of shares. The draft guidelines, inter alia, propose self-certification of fit and proper criteria by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid up equity share capital of the insurer, which shall be considered as a deemed approval of the IRDAI. However, if the person proposing to acquire equity shares is likely to result in (i) the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, increasing to 5% or more of the paid up equity share capital of the insurer or the total voting rights of the insurer, or (ii) the aggregate holding of such person along with the persons acting in concert, increasing to in excess of 10%, each such acquisition would require prior approval of the IRDAI. In the event these guidelines are notified in its current form prior to the Offer, the investors intending to acquire Equity Shares amounting to 1% or more, upto 5%, of the paid up equity share capital of our Company in the Offer would be required to comply with the self-certification criteria set out in the Red Herring Prospectus. Additionally, investors intending to acquire in the Offer such that (i) the aggregate holding of such investor, his relatives, associate enterprises and persons acting in concert, would increase to 5% or more of the paid up Equity Share capital of our Company or the total voting rights of our Company, or (ii) the aggregate holding of the investor along with the persons acting in concert, increasing to in excess of 10% of the paid up Equity Share capital of our Company or the total voting rights of our Company, each such acquisition would require prior approval of the IRDAI.



## OFFER STRUCTURE

Public Offer of up to 181,341,058 Equity Shares for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million by way of the Offer of Sale by the Selling Shareholder. The Offer includes a reservation of up to 18,134,105 Equity Shares for subscription by the ICICI Bank Shareholders under the ICICI Bank Shareholders Reservation Portion for cash at a price of ₹ [●] per Equity Share, aggregating ₹ [●] million. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company and the Net Offer shall constitute [●]% of our post-Offer paid-up Equity Share capital.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Investors	Retail Individual Bidders	ICICI Bank Shareholders Reservation Portion
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	Not more than 81,603,476 Equity Shares	Not less than 24,481,043 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 57,122,434 Equity Shares or Offer less allocation to QIB Bidders and Non Institutional Investors shall be available for allocation	Up to 18,134,105 Equity Shares
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the Net Offer  However at least 5% of the QIB Portion net of the Anchor Investor Portion (“ <b>Net QIB Portion</b> ”) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 35% of the Net Offer or Net Offer less allocation to QIB Bidders and Non Institutional Investors shall be available for allocation	Up to 10% of the Offer size
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): At least 1,632,070 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only and 34,454,801 Equity Shares shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as above.  Up to 48,962,085 Equity Shares may be allocated on a discretionary basis	Proportionate	Proportionate, subject to minimum Bid Lot. For details see, “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs” on page 540.	Proportionate

Particulars	QIBs <sup>(1)</sup>	Non Institutional Investors	Retail Individual Bidders	ICICI Bank Shareholders Reservation Portion
	to Anchor Investors			
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share			
Trading Lot	One Equity Share			
Who can apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million and pension fund with minimum corpus of ₹250 million in accordance with applicable law and National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, societies and trusts, Category III Foreign Portfolio Investors, sub-accounts of FIIs which are foreign corporate or foreign individuals	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Individuals and HUFs who are equity shareholders of ICICI Bank, (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines)

Particulars	QIBs <sup>(1)</sup>	Non Institutional Investors	Retail Individual Bidders	ICICI Bank Shareholders Reservation Portion
	India			
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form. <sup>(4)</sup>			

- (1) *Our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see “Offer Procedure” beginning on page 512.*
- (2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR. The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.*
- (3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Further, a Bidder Bidding in the ICICI Bank Shareholders Reservation Portion (subject to the Payment Amount being up to ₹ 200,000) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. To clarify, an ICICI Bank Shareholder Bidding in the ICICI Bank Shareholders Reservation Portion above ₹ 200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*
- (4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, see “Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment” from page 540. The unsubscribed portion if any, in the ICICI Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the ICICI Bank Shareholders Reservation Portion.*

Under-subscription, if any, in any category (including ICICI Bank Shareholders Reservation Portion) except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholder in consultation with the GCBRLMs and BRLMs and the Designated Stock Exchange.

**The Insurance Act prohibits any transfer of Equity Shares in the event the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, unless a prior approval has been obtained by the insurer from the IRDAI, in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder, in the event the total paid up capital held by such Bidder is likely to exceed 5% of the paid up capital of our Company after the transfer.**

Additionally, IRDAI on June 15, 2016 has issued draft Guidelines for Listed Indian Insurance Companies, 2016. These draft guidelines are proposed to be applicable to insurers who are in the process of getting their shares listed on the stock exchanges in relation to the transfer or proposed transfer of shares. The draft guidelines, inter alia, propose self-certification of fit and proper criteria by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid up equity share capital of the insurer, which shall be considered as a deemed approval of the IRDAI. However, if the person proposing to acquire equity shares is likely to result in (i) the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, increasing to 5% or more of the paid up equity share capital of the insurer or the total voting rights of the insurer, or (ii) the aggregate holding of such person along with the persons acting in concert, increasing to in excess of 10%, each such acquisition would require prior approval of the IRDAI. In the event these guidelines are notified in its current form prior to the Offer, the investors intending to acquire Equity Shares amounting to 1% or more, upto 5%, of the paid up equity share capital of our Company in the Offer would be required to comply with the self-certification criteria set out in the Red

**Herring Prospectus. Additionally, investors intending to acquire in the Offer such that (i) the aggregate holding of such investor, his relatives, associate enterprises and persons acting in concert, would increase to 5% or more of the paid up Equity Share capital of our Company or the total voting rights of our Company, or (ii) the aggregate holding of the investor along with the persons acting in concert, increasing to in excess of 10% of the paid up Equity Share capital of our Company or the total voting rights of our Company, each such acquisition would require prior approval of the IRDAI.**

### **Withdrawal of the Offer**

Our Company and the Selling Shareholder, in consultation with the GCBRLMs and BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The GCBRLMs and BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Bid/Offer Programme**

<b>BID/OFFER OPENS ON</b>	[●] <sup>(1)</sup>
<b>BID/OFFER CLOSES ON</b>	[●] <sup>(2)</sup>

<sup>(1)</sup> *Our Company and the Selling Shareholder, may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI Regulations.*

<sup>(2)</sup> *Our Company and the Selling Shareholder may, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.*

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholder or the GCBRLMs or the BRLMs.**

**While our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholder, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company, the GCBRLMs and BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.**

**Bids (other than Bids from Anchor Investors):**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time)
<b>Bid/Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs, Non-Institutional Investors and ICICI Bank Shareholders bidding under the ICICI Bank Shareholders Reservation Portion, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the GCBRLMs and the BRLMs to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public/bank holiday). Our Company, the Selling Shareholder and the members of Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the Registrar to the Offer shall ask for rectified data.

Our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a press release, and also by indicating the change on the websites of the GCBRLMs and the BRLMs and at the terminals of the Syndicate Members.**

## OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges, GCBRLMs and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholder, the GCBRLMs and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

### PART A

#### Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder, in consultation with the GCBRLMs and BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. The Insurance Act prohibits any transfer of Equity Shares in the event the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, unless a prior approval has been obtained by the insurer from the IRDAI, in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder, in the event the total paid up capital held by such Bidder is likely to exceed 5% of the paid up capital of our Company after the transfer.

Under-subscription, if any, in any category (including ICICI Bank Shareholders Reservation Portion), except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the GCBRLMs and BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the ICICI Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such undersubscription shall be permitted from the ICICI Bank Shareholders Reservation Portion.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and the Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the GCBRLMs and the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals Bidding under the QIB Category), FPI or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
ICICI Bank Shareholders Bidding under the ICICI Bank Shareholders Reservation Portion on a non-repatriation basis	Pink
ICICI Bank Shareholders Bidding under the ICICI Bank Shareholders Reservation Portion on a repatriation basis	Pink
Anchor Investors	White

\* Excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB or any Escrow Collection Bank.

**Participation by Promoters, Promoter Group, GCBRLMs and BRLMs, Syndicate Members and persons related to them.**

The GCBRLMs, BRLMs and Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the GCBRLMs, the BRLMs and the Syndicate Members may Bid for Equity Shares in the Net Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the GCBRLMs, BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The GCBRLMs, BRLMs and any persons related to the GCBRLMs or BRLMs (other than Mutual Funds sponsored by entities related to the GCBRLMs or BRLMs) and our Promoters, Promoter Group and any persons related to our Promoters and Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in

colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

### **Bids by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations and circulars issued in this regard, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the foreign portfolio investor is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the foreign portfolio investor.

### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3 of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.



**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10\*% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies

with investment assets of ` 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ` 500,000 million or more but less than ` 2,500,000 million.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ` 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ` 250 million (subject to applicable law) and pension funds with a minimum corpus of ` 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form, as the case may be. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

#### **Bids by ICICI Bank Shareholders**

Bids under the ICICI Bank Shareholders Reservation Portion shall be subject to the following:

- Only ICICI Bank Shareholders (i.e. Individuals and HUFs who are equity shareholders of ICICI Bank (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus) would be eligible to apply in this Offer under the ICICI Bank Shareholders Reservation Portion.
- The sole/ First Bidder shall be an ICICI Bank Shareholder.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Bids by ICICI Bank Shareholders in ICICI Bank Shareholders Reservation Portion (subject to the Bid Amount being up to ` 200,000) and in the Net Offer portion shall not be treated as multiple Bids. To clarify, an ICICI Bank Shareholder bidding in the ICICI Bank Shareholders Reservation Portion above ` 200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details, see “Offer Procedure – Multiple Bids” on page 529.
- If the aggregate demand in this category is less than or equal to 18,134,105 Equity Shares at or above the Offer Price, full allocation shall be made to the ICICI Bank Shareholders to the extent of their demand.
- Under-subscription, if any, in any category including the ICICI Bank Shareholders Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Selling Shareholder, the GCBRLMs, the BRLMs and the Designated Stock Exchange.

If the aggregate demand in this category is greater than 18,134,105 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “Offer Procedure - Basis of Allotment” on page 540.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the GCBRLMs and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft**

## **Red Herring Prospectus.**

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and PAN mentioned in their Bid cum Application Form and

entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database;

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid; and
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cheques, demand drafts, by cash, money order, by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs, Non-Institutional Investors and ICICI Bank Shareholders under the ICICI Bank Shareholders Reservation Portion (subject to the Bid Amount being above ₹ 200,000))
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
8. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
9. Do not submit Bid for an amount more than funds available in your ASBA Account;
10. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
11. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
12. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
13. Do not submit more than five Bid cum Application Forms per ASBA Account;
14. Anchor Investors should not bid through the ASBA process; and
15. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Payment into Escrow Account for Anchor Investors**

Our Company and the Selling Shareholder in consultation with the GCBRLMs and BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident investors: “[●]”
- (b) In case of Non-Resident investors: “[●]”

**Pre- Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the

RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●], each with wide circulation.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholder and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

*“Any person who:*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- intimation of the credit of securities/refund orders to Eligible NRIs shall be despatched within specified time;
- other than Equity Shares issued pursuant to the exercise of options granted under any employee stock option scheme of the Company, no further Issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.

## **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes that:

- it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least [●] Working Day prior to the Bid/Offer Opening Date;
- the Equity Shares offered by it in the Offer have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI;
- it shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- it shall take all steps and provide all assistance to our Company, the GCBRLMs and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Equity Shares offered for sale by it in the Offer. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
- it shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Bidders within the time specified under applicable law; and
- it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

## **Utilisation of Offer Proceeds**

The Selling Shareholder along with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the issuer and the issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may see “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (“SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue

Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

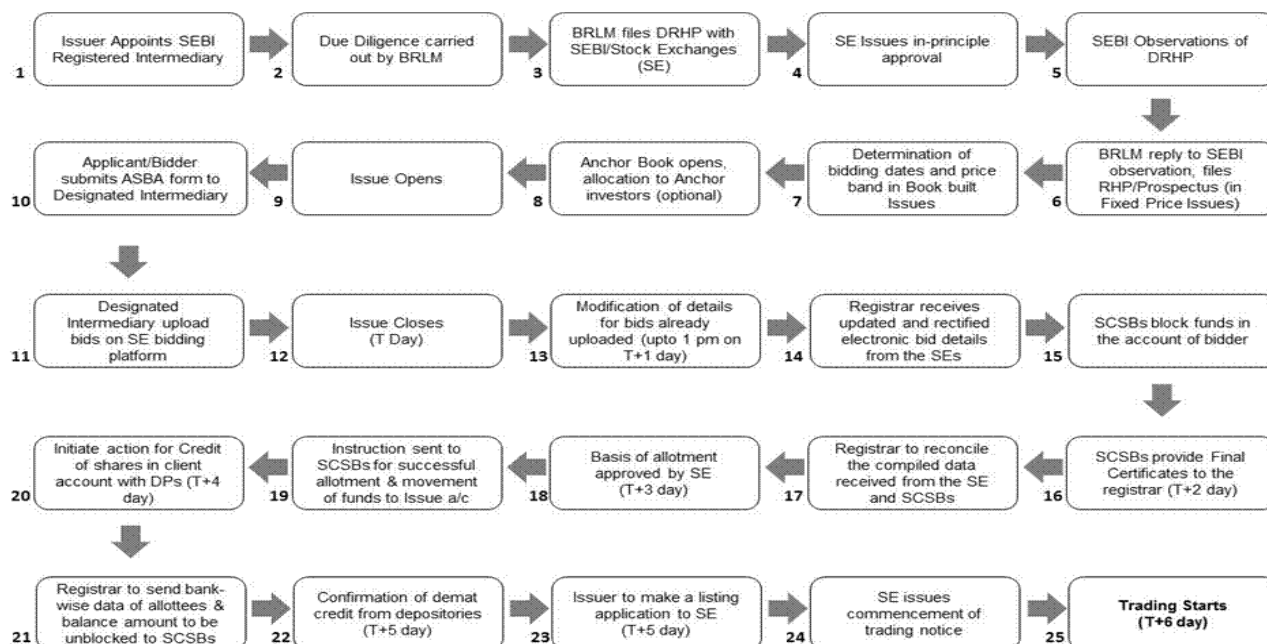
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7: Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE



***Each Bidder/Applicant should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“**NII**s”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NII category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### **SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue:** Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/Applicants may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants are reproduced below:

# Application Form – For Residents

<p style="text-align: center;"><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED – INITIAL PUBLIC ISSUE – R</b></p> <p>Address : _____ Contact Details: _____ CIN No _____</p>	<p><b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b></p>																											
<p>LOGO</p> <p style="text-align: center;">TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p><b>BOOK BUILT ISSUE</b></p> <p>ISIN : _____</p>	<p>Bid cum Application Form No. _____</p>																											
<p><b>SYNDICATE MEMBER'S STAMP &amp; CODE</b></p>	<p><b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b></p>	<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p> <p>Mr. / Ms. _____</p> <p>Address _____</p> <p>Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>																											
<p><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b></p>	<p><b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b></p>	<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p> <p>_____</p>																											
<p><b>BANK BRANCH SERIAL NO.</b></p>	<p><b>SCSB SERIAL NO.</b></p>																												
<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>    <input type="checkbox"/> NSDL    <input type="checkbox"/> CDSL</p> <p>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</p>		<p><b>6. INVESTOR STATUS</b></p> <p><input type="checkbox"/> Individual(s) - IND</p> <p><input type="checkbox"/> Hindu Undivided Family* - HUF</p> <p><input type="checkbox"/> Bodies Corporate - CO</p> <p><input type="checkbox"/> Banks &amp; Financial Institutions - FI</p> <p><input type="checkbox"/> Mutual Funds - MF</p> <p><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)</p> <p><input type="checkbox"/> National Investment Fund - NIF</p> <p><input type="checkbox"/> Insurance Funds - IF</p> <p><input type="checkbox"/> Insurance Companies - IC</p> <p><input type="checkbox"/> Venture Capital Funds - VCF</p> <p><input type="checkbox"/> Alternative Investment Funds - AIF</p> <p><input type="checkbox"/> Others (Please specify) - OTH</p> <p><small>* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)</small></p>																											
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>			Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																								
		Bid Price	Retail Discount	Net Price																									
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>																								
(OR) Option 2					<input type="checkbox"/>																								
(OR) Option 3					<input type="checkbox"/>																								
<p><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non-Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>																													
<p><b>7. PAYMENT DETAILS</b>    <b>PAYMENT OPTION : FULL PAYMENT</b>    <input type="checkbox"/>    <b>PART PAYMENT</b>    <input type="checkbox"/></p> <p>Amount paid (₹ in figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name &amp; Branch _____</p> <p><small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONSENT THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small></p>																													
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## Application Form – For Non – Residents

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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details: _____ CIN No _____	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>
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<b>LOGO</b> TO, <b>THE BOARD OF DIRECTORS</b> XYZ LIMITED	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>BOOK BUILT ISSUE</b></td></tr> <tr><td style="text-align: center;">ISIN : _____</td></tr> </table>	<b>BOOK BUILT ISSUE</b>	ISIN : _____	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
<b>BOOK BUILT ISSUE</b>				
ISIN : _____				

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr./Ms. _____
		Address _____
		_____ Email _____
		Tel. No (with STD code) / Mobile _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>
		_____

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>																																	
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)																																	
	<input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual																																	
	<input type="checkbox"/> FIIA FII Sub-account Corporate/Individual																																	
	<input type="checkbox"/> FVCI Foreign Venture Capital Investor																																	
	<input type="checkbox"/> FPI Foreign Portfolio Investors																																	
	<input type="checkbox"/> OTH Others (Please Specify) _____																																	
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b>																																	
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Amount paid (₹ in figures) _____ (₹ in words) _____	

<b>ASBA</b>	Bank A/c No. _____
Bank Name & Branch	_____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) _____ 2) _____ 3) _____ Date : _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
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<b>LOGO</b>	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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DPID / CLID	_____	PAN of Sole / First Bidder
Amount paid (₹ in figures)	_____	Bank & Branch

ASBA Bank A/c No. _____	Stamp & Signature of SCSB Branch
Received from Mr./Ms. _____	
Telephone / Mobile _____	Email _____

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#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

#### 4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders/Applicants may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ` 10,000 to ` 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/Applicants may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 Maximum and Minimum Bid Size

- (c) The Bidder/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/Applicant does not exceed ` 200,000.
- (d) In case the Bid Amount exceeds ` 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.

- (e) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (f) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (g) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (h) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (i) A Bid cannot be submitted for more than the Issue size.
- (j) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (k) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/Applicants may refer to (Section 5.6 (e)).

#### 4.1.4.2 Multiple Bids

- (a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.  
  
Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders/Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category. To clarify, an ICICI Bank Shareholder Bidding in the ICICI Bank Shareholders Reservation Portion above ₹ 200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids.

- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS**

- (a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicant are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicant should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/Applicant. In case of Bidders/Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### 4.1.7.1 **Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, direct credit or NEFT.



- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

#### 4.1.7.2 Payment instructions for ASBA Bidders/Applicants:

- (a) Bidders/Applicants may submit the ASBA Form either
  - i. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- (b) Bidders/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders/Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders/Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders/Applicants should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders/Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.
- (h) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public

Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

#### 4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders/Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.
- (c) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

#### 4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.



## **BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### **4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

### **4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of Basis of Allotment.

### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

## **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST**

## **BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.
- (b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### 4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

##### 4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

##### 4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM**

#### 4.4.1 **Bidders may submit completed Bid cum application form/Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

### **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### 5.1 **SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centres during the Bid/Issue Period.

## **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediary,
  - ii. the Bids uploaded by the Designated Intermediary, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);
- b. Bids by OCBs;
- c. Bids by any entity forming part of the Promoter Group;
- d. In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- e. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;
- f. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- g. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- h. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j. Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- k. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- l. Bids at Cut-off Price by NIIs and QIBs;
- m. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;
- n. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o. Submission of more than five ASBA Forms as through a single ASBA Account;
- p. Bids for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;
- q. Multiple Bids as defined in this GID and the RHP/Prospectus;
- r. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- s. Where no confirmation is received from SCSB for blocking of funds;
- t. Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;
- u. Bids submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Escrow Collection Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- v. Bids not uploaded on the terminals of the Stock Exchanges;
- w. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form; and



- x. Bids not uploaded in the Stock Exchanges bidding system.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders/Applicants should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders/Applicants can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

- (e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT UNDER THE ICICI BANK SHAREHOLDERS RESERVATION PORTION**

Bids received from ICICI Bank Shareholders under the ICICI Bank Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful ICICI Bank Shareholders may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the ICICI Bank Shareholders Reservation Portion at or above the Offer Price, full Allotment may be made to ICICI Bank Shareholders to the extent of their demand. In case the aggregate demand in this category is greater than the ICICI Bank Shareholder Reservation Portion at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the ICICI Bank Shareholder Reservation Portion.

## 7.4 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## 7.5 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders/Applicants may be categorised according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder/Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

## 7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ` 5 lakhs but which may extend to ` 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ` 50,000 but which may extend to ` 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### **8.3 MODE OF REFUND**

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (b) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (c) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any**, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.

<b>Term</b>	<b>Description</b>
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue/Escrow Collection Bank(s)/Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date

<b>Term</b>	<b>Description</b>
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres/	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of a month and public holidays)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidders'/Applicants' address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>



<b>Term</b>	<b>Description</b>
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Members of the Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made

<b>Term</b>	<b>Description</b>
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Locations	Bidding centres where the syndicate shall accept ASBA Forms from Bidders/Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA

<b>Term</b>	<b>Description</b>
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form

<b>Term</b>	<b>Description</b>
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ` 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ` 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI. Foreign investment in the insurance sector is also regulated by the Insurance Act, the IRDA Act and the rules and regulations made thereunder and such laws are implemented by the IRDAI.

The Government has from time to time has made policy pronouncements on FDI through circulars, clarifications, press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular number D/o IPP F. No. 5(1)/2016-FC-1 Dated June 7, 2016 (“**FDI Policy**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases, circulars and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The FDI policy incorporates the changes made in the past year, including liberalisation of sectors such as construction, defence, broadcasting, Single Brand Retail Trading and LLPs. Additionally, pursuant to the FDI Policy, the sectoral cap for foreign investment in an insurance company is 49%. Further, the FDI Policy allows foreign investment (including by FPIs) of up to 49% under the automatic route subject to verification by the IRDAI.

The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until an updated circular is issued by the DIPP.

Further, the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000, provides for calculation of shareholding of foreign investors in an insurer to be the aggregate of the quantum of paid up equity share capital held by the foreign investors (including foreign venture capital investors) in the insurer and the proportion of the paid up equity share capital held or controlled by such foreign investor(s) either by itself or through its subsidiary companies in the Indian promoter(s) or Indian investor(s) of the insurer, unless the Indian promoter or investor is a banking company other than foreign bank (or a branch of a foreign bank functioning in India) or a public financial institution.

Additionally, the Foreign Investment Rules also permit total foreign investment up to 49% of the paid up equity capital of Indian insurance companies, under the automatic route while ensuring that its ownership and control remains at all times in the hands of resident Indian entities as determined by Department of Financial Services, Government of India and the IRDAI. On March 30, 2016, the FEMA Regulations were also amended to reflect this change.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and the RBI.

**The above information is given for the benefit of the Bidders / Applicants. Our Company, the Selling Shareholder, the GCBRLMs and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders / Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

*The Articles of Association of our Company comprises of two parts. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. Part B shall automatically terminate and cease to have any force and effect and shall be deemed to fall away immediately from the commencement of listing and trading of Equity Shares of our Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of our Company without any further action by our Company or by the Shareholders of our Company.*

### Part A

#### Share Capital

##### Definitions

“*Special Resolution*” shall have the meaning ascribed to it in Section 114 of the Act provided however that the votes cast in favour of the resolution, whether on show of hands or electronically or on a poll, as the case may be, by Members who, being entitled so to do, vote in person or proxy or by postal ballot, are required to be more than 80% of the votes cast by Members entitled and voting. Every resolution requiring approval of Members by way of a special resolution under the Act shall be approved by the majority stated above.

Article 5 provides that “the Authorised Share Capital of the Company shall be as specified in the Memorandum of Association of the Company, with the power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being, subject to and in accordance with the provisions of these Articles and the Insurance Act, into several classes and to attach thereto respectively such preferential, cumulative, convertible, guarantee, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with these Articles and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may for the time being be permitted by these Articles or the legislative provisions for time being in force in that behalf (including the Insurance Act).”

Article 7 provides that “the Company may issue equity shares with voting rights and/or with differential rights, as to dividend, voting or otherwise and preference shares in accordance with the provisions of these Articles and the Insurance Act.”

Article 16 provides that “the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may (a) issue, allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 54 of the Act, save that references to “Special Resolution” therein shall be as defined in these Articles) and at such times as they may from time to time think fit and proper and (b) with the sanction of the Company in the General Meeting, may give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and (c) may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that the option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.”

##### Increase, reduction, alteration of capital and buy back of shares

Article 79 provides that “the Company may from time to time increase its capital by issuing new shares pursuant to the approval of the Members through a Special Resolution. Notwithstanding anything contained in the Act or under any other provision of these Articles, neither the Company nor any of the Directors shall at any time issue any share in the capital of the Company or any security, option, or instrument (including without limitation, any employee stock option) that is convertible into shares, whether at or without the option of the holder of the security, unless the issuance or allotment of that share or security is made pursuant to or under the authority of a Special Resolution.”

Article 81 provides that “

- a) the new shares (resulting from an increase of capital aforesaid) may be issued or disposed of by the Company pursuant to the approval of the Members by a Special Resolution, in accordance with the following provisions:-
  - (i) Such new shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date:

- a) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
  - b) the offer aforesaid shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (a) above shall contain a statement of this right;
  - c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to shareholders and the Company.
- (ii) To employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be specified under the Act.
  - (iii) To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified under the Act.
- b) Nothing in sub-clause (c) of sub-Article (a) above shall be deemed:-
    - (i) to extend the time within which the offer should be accepted; or
    - (ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
  - c) Nothing in these Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company:
    - (i) to convert such debentures or loans into shares in the Company; or
    - (ii) to subscribe to shares in the Company

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of directors and otherwise, provided that these debentures and other securities shall be issued only with the consent of the Company through a Special Resolution.”

Article 83 provides that “The Company may from time to time by Special Resolution, in such manner specified under the Act, as prescribed in these Articles and subject to such consents as may be required under any other law for the time being in force, reduce in any manner: (1) its share capital (2) any capital redemption reserve account; or (3) any securities premium account.”

Article 84 provides that “The Company may, in accordance with the provisions of the Act and these Articles, in at the General Meeting by ordinary resolution, alter the condition of its Memorandum and these Articles as follows:-

- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- b) Sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf;
- c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.”

Article 85 provides that “The Directors may in their absolute discretion refuse applications for the sub-division of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such sub-division is required to be made to comply applicable law or with a statutory provision or an order of a competent court of law. Notwithstanding anything contained in these Articles but subject to the provisions of Section 68 to 70 and any other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities provided that where the Company proposes to purchase its own shares or other specified securities from its existing shareholders or security holders on a basis which is not proportionate to such existing shareholders' or security holders' holdings of shares or securities, this must, in addition to any other requirements or approvals prescribed

under applicable law, be approved by Special Resolution.”

### **Payment of commission and brokerage**

Article 27 provides that “Subject to Section 40 of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or other securities of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or other securities of the Company but so that if the commission in respect of the shares, debentures or other securities shall be paid or payable out of the proceeds of the issue or the profits of the Company or both, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed the rates prescribed by the Act. The commission may be paid or satisfied in cash or in shares, debentures or other securities of the Company or partly in one and partly in the other. The Company shall not pay any commission to any underwriter on securities which are not offered to public for subscription.”

### **Calls**

Article 33 provides that “The Board may, from time to time, make such calls as they think fit upon the Members in respect of all monies unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Board. A call may be made payable by installments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 34 provides that “a call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.”

Article 38 provides that “If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holder for the time being or the allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest on the same at such rate as the Board shall fix from time to time from the day appointed for the payment thereof to the date of actual payment, but the Board may, in its absolute discretion, waive payment of such interest wholly or in part. A call may be revoked or postponed at the discretion of the Board. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 40 provides that “The Board may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies due upon the shares held by him beyond the sums actually called up, and upon the monies so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate as the Member paying such sum in advance and the Board agree upon, and the Board may at any time repay the amount so advanced upon giving to such Member one month’s notice in writing. The Member making such advance, shall not however be entitled to any voting rights in respect of the money so advanced by him until the same would not for such payment become presently payable.”

Article 41 provides that “No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any person, together with interest and expenses, if any.”

Article 42 provides that “On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member, in respect of whose shares the moneys are sought to be recovered, is entered in the Register as a Member/as one of the Members at or any subsequent date on which the moneys sought to be recovered are alleged to have become due on the shares, and the resolution making the call is duly recorded in the minute book, and the notice of such call was duly given to the Member, holder or joint holder or his legal representatives sued in pursuance of these Articles. It shall not be necessary to prove the appointment of Directors who made such call, nor that the quorum of Directors was present at the Board at which any such call was made nor that the meeting at which any such call was made had been duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.”

### **Forfeiture, surrender or lien**

Article 43 provides that “If any Member fails to pay the whole or any part of any call or installment or any money due in respect of any share(s) either paid, by way of principal or interest on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the share(s) by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.”



Article 44 provides that “The notice shall name a day not being less than 14 (fourteen) days from the date of the notice and the place or places on and at which such call or installment or such part or other monies as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the share(s) in respect of which the call was made or installment is payable will be liable to be forfeited.”

Article 45 provides that “If the requisition of any such notice as aforesaid is not complied with, any of the share(s) in respect of which such notice been given, may at any time thereafter before payment of all calls or installments, interest and expenses or the money due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share(s) and not actually paid before the forfeiture.”

Article 39 provides that “Neither a judgement nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.”

Article 46 provides that “When any share(s) shall have been so forfeited an entry of the forfeiture with the date thereof shall be made in the Register.”

Article 47 provides that “Any share(s) so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.”

Article 50 provides that “Any Member whose share(s) has/have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other owing upon or in respect of such shares at the time of the forfeiture together with further interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so. Liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.”

Article 51 provides that “A certificate in writing under the hand of any Director or the secretary or such other person as may be authorised, from time to time that the call in respect of the share(s) was made and that the forfeiture of the share(s) was made, by a resolution of the Board to that effect shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.”

Article 55 provides that “The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien on every share for all moneys that remain called or payable at a fixed time in respect of such shares and remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of non-payment of calls. Any such lien shall extend to all dividends payable and bonuses declared from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s lien, if any, on such shares. The Board may at any time declare any shares to be exempt, wholly or partially from the provisions of this Article.”

Article 56 provides that “For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until notice in writing of the intention to sell shall have been served on such Member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment of the sum presently payable for 14 (fourteen) days after such notice.”

Article 57 provides that “The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and the residue (if any) paid to the Member or the person (if any) entitled by transmission to the shares so sold. Provided that the amount so paid to such Member or person shall not exceed the amount received by the Company from such Member or person towards such shares.

Upon any such sale after forfeiture or for enforcing a lien in purported exercise of powers the Board shall cause the purchaser’s name to be entered in the Register in respect of the shares sold and shall issue to the purchaser a certificate in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase -money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.”

### **Transfer and Transmission**

Article 60 provides that “The Company shall not register a transfer of shares in or debentures of the Company, unless in

accordance with the provisions of Section 56 of the Act, these Articles and subject to the provisions of the Insurance Act and other applicable laws and the approval of IRDAI or such other authorities as may be prescribed by the Insurance Act or other applicable law, a proper instrument of transfer duly stamped, dated and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company within 60 (sixty) days from the date of execution, along with the certificate relating to the securities, or if no such certificate is in existence (including in respect of shares which are dematerialised), along with the letter of allotment of the securities. Provided that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit. Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.”

Article 65 provides that “The Board may, subject to the right of appeal conferred by the Act and subject to the provisions of the Act, the listing agreements entered into with the stock exchanges, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other applicable law, decline to register:

- (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (ii) any transfer of shares on which the Company has a lien; or
- (iii) any transfer of shares where any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the shares out of the name of the transferor; or
- (iv) any transfer of shares where the transferor objects to the transfer provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction.

Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

Without prejudice to the foregoing provisions and without limiting in any manner the generality of the above provisions, the Directors may, at their absolute and uncontrolled discretion, refuse to register the transfer of any shares or other securities of the Company being shares or securities issued by the Company in accordance with the Insurance Act, or if the Directors are satisfied that as a result of the proposed transfer of any shares or securities or block of shares or securities of the Company, a change in the composition of the Board of Directors or change in the controlling interest of the Company is likely to take place and that such change would be prejudicial to the interest of the Company or to the public interest. For the purpose of this Article, the Directors shall be entitled, inter alia, to rely upon this Article to form their own opinion as to whether such registration of transfer of any of its shares or other securities should be refused or not.

In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless:

- (a) the instrument of transfer is duly executed and is in the form as prescribed under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

The instrument of transfer shall be in writing and all provisions of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. A common form of transfer shall be used in case of transfer of shares, subject to the provisions of the Act”

Article 66 provides that “If the Company refuses to register the transfer of shares, it shall within one month from the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.”

Article 69 provides that “The executors or administrators of a deceased Member or holder of a succession certificate or other legal representative in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors, administrators or holders unless such executors or administrators shall have first obtained probate or letters of administration or such holder is the holder of a succession certificate or other legal representation as the case may be, from a court of competent jurisdiction. Provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of probate or letters of administration or succession certificate or other legal representation and register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member as a Member”

Article 70 provides that “Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may, upon such

evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent Member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency. This Article is in these Articles referred to as “the Transmission Clause.”

### **Borrowing Powers**

Article 90 provides that “Subject to the relevant provisions of the Act and Insurance Act, the Board of Directors may from time to time, by a resolution passed at a meeting of the Board accept deposits, or borrow monies from Members, either in advance of calls or otherwise or accept deposits from the public and may generally raise or borrow and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or by any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.”

Article 92 provides that “debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.”

Article 93 provides that “Subject to the provisions of the said Act, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or at par and with any special privileges as to redemption, surrender, drawing, allotment of shares, appointment of directors or otherwise.”

### **Conversion of shares into stock**

Article 75 provides that “Subject to the provisions of the Act, the Company may, by ordinary resolution:-

- a) convert all or any of its fully paid-up shares into stock; and
- b) reconvert any stock into fully paid-up shares of any denomination.”

Article 76 provides that “The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.”

### **Votes of members**

Article 121 provides that “Subject to any rights or restrictions for the time being attached to any class or classes of shares:

- a) on a show of hands, every Member present in person shall have one vote; and
- b) on a poll, the voting rights of Members shall be as provided in Section 47 of the Companies Act, 2013 and Section 6A of the Insurance Act.”

Article 126 provides that “Votes may be given either personally or by attorney by proxy or in the case of a body corporate also by a representative duly authorised as aforesaid. A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 and shall vote only once.”

Article 127 provides that “Every instrument of proxy whether for a specified meeting or otherwise shall be in writing under the hand of the appointer or his attorney authorised in writing or if such appointer is a body corporate, under its common seal or the hand of an officer or an attorney duly authorised by it. The instrument appointing a proxy shall be in the form as prescribed in the Act.”

Article 88(f) provides that “in the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register. Several executors or administrators of a deceased Member in whose (deceased Member's) sole name any share stands shall for the purpose of this Article be deemed joint holders”

Article 116 provides that “In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.”

### **Directors**

Article 134 provides that “until otherwise determined by a General Meeting, the number of Directors shall not be less than 6

(six) or more than 15 (fifteen). Subject to the provisions of Sections 149 and 152 of the Act and these Articles, the Company may by special resolution, from time to time, increase or reduce the number of Directors.”

Article 139 provides that “The fees payable to a Director for attending a meeting of the Board or committee thereof shall be decided by the Board of Directors, from time to time, within the limits as may be prescribed by the Act or the Central Government.”

Article 142 provides that “The Board of Directors shall have power at any time and from time to time to appoint, subject to the provisions of these Articles, any person (other than a person who fails to get appointed as director in general meeting) as an additional director who shall hold office only up to the date of the next Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held whichever is earlier. The said Director shall then be entitled for re-election. Provided that the election of the Director can also be approved by the Members through postal ballot prior to the date of the Annual General Meeting (till which date the appointment of the additional director is valid) in accordance with the provisions of the Act.”

Article 137(a) provides that “The Board of Directors may appoint a person not being a person holding any alternate directorship for any other Director in the Company, to act as an alternate director for a Director (hereinafter in this Article called “the original director”), at his suggestion or otherwise, during his absence for a period of not less than three months from India. Provided no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.”

### **Proceedings of the Board**

Article 161 provides “Any Director may at any time and the secretary, or such other officer of the Company as may be authorised by the Directors shall upon the requisition of a Director convene a meeting of the Board.”

### **Dividends**

Article 199 provides that “The Company may pay dividends in proportion to amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.”

Article 200 provides that “Subject to the provisions of these Articles no larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. Subject to the provisions of Section 123 of the Act and these Articles, no dividend shall be payable except out of the profits of the year or any other undistributed profits. Subject to the provisions of these Articles, no dividend shall be paid unless the losses and depreciation carried over from past years has been set off against the profits of the Company in the year it proposes to declare a dividend. The declaration of the Directors in accordance with the provisions of these Articles as to the amount of the net profits of the Company shall be conclusive.”

Article 209 provides that “No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company. Provided further that any dividend payable in cash may be paid in cheque or warrant or in any electronic mode to the Member entitled to the payment of the dividend.”

### **Capitalisation of profits**

Article 210 provides that “Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the reserve or reserve fund or any other fund of the Company or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised:

- (a) by the issue and distribution as fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company; or
- (b) by crediting shares of the Company which may have been issued to and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Such issue and distribution under (a) above and such payment to the credit of unpaid share capital under (b) above shall comply with these Articles, be made to, among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (a) or payment under (b) above shall be made on the footing that such Members become entitled thereto as capital.”

## **Winding up**

Article 217 provides that “for winding up of the Company, the provisions contained in the Act and the Insurance Act will apply in addition to any other applicable provisions.”

Article 218 provides that “If the Company shall be wound up and the assets for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.”

## **Indemnity and responsibility**

Article 222 provides that:

- (a) Subject to the provisions of the Act every Director, officer (whether Managing Director, manager, secretary or other officer) or employee or any person employed by the Company as Auditor shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, officer, other employee, or Auditor may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, officer, other employee or Auditor or in any way in the discharge of his duties.
- (b) Subject as aforesaid every Director, officer, other employee, or Auditor of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged in connection with any application under the provisions of the Act in which relief is granted to him by the court.

## **Part B**

### **Transfer of Shares**

Article 227 provides that “The provisions of Article 60 shall be subject to the following:

- (i) except as specifically permitted by the Joint Venture Agreement, ICICI and Prudential will not during the pendency of the Memorandum of Understanding, without the consent of the other, directly or indirectly, offer, sell, assign, transfer, grant a participation in, pledge or otherwise dispose of (a “Transfer”) any of its Shares to any Person;
- (ii) ICICI and Prudential will not:
  - (a) grant to any Person, any proxy or enter into or agree to be bound by any voting trust with respect to any of their Shares;
  - (b) enter into any agreement or arrangement of any kind with any Person with respect to such Shares in case such arrangement is inconsistent with the provisions of the Joint Venture Agreement, including, but not limited to agreements or arrangements with respect to the acquisition, disposition or voting of such Shares; or
  - (c) act for any reason, as a Member of a group or in concert with any other Person(s) in connection with the acquisition, disposition or voting of such Shares in any manner which is inconsistent with the provisions of the Joint Venture Agreement.
- (iii) ICICI or Prudential, as the case may be, may at any time Transfer any of its Shares to its respective Permitted Transferee provided that such Permitted Transferee agrees in writing to be bound by the terms of the Joint Venture Agreement and that such Transfer shall not relieve ICICI or Prudential, as the case may be, of any of its obligations hereunder. Irrespective of anything contained to the contrary, the Permitted Transferee shall perform the obligation contained in the Joint Venture Agreement. If the Permitted Transferee ceases to be an Affiliate of ICICI or Prudential (“the Party”) the Party will forthwith cause the Affiliate to first transfer the Shares held by it to the concerned Party or to a Permitted Transferee of the concerned Party.”

### **No issue with dilutive effect**

Article 228 provides that “Notwithstanding anything contained in these Articles, no issue of shares, instruments convertible into shares, equity linked securities or other securities that may have any dilutive effect on ICICI’s or Prudential’s respective

shareholdings (including pursuant to the Employee Share Option Scheme 2005 other than issues arising out of options already granted as at 29 October 2015) shall be made by the Company without the prior written consent of both ICICI and Prudential.”

### **Rights Shares**

Article 229 provides that “ICICI and Prudential shall be entitled to fully subscribe to their respective entitlements in all rights issues of Shares and equity linked securities that may be made by the Company from time to time (which shall be in accordance with these Articles, including in particular Article 228). In the event ICICI and / or Prudential decide to renounce the whole or any part of their rights entitlement to the Shares and equity linked securities, the same shall be done only in favour of their Affiliate provided that such Affiliate agrees in writing to be bound by the terms of these Articles. In the event ICICI does not subscribe to its rights entitlement, the same shall be subscribed by Prudential, subject to the applicable provisions of law and in the event Prudential does not subscribe to its rights entitlement, the same shall be subscribed by ICICI subject to the provisions of the Act. If however, the ICICI or Prudential, as the case may be, is prevented by law from increasing its stake in the Company, it may procure subscription of such rights entitlement by a third Person, subject to such third Person not being an Unapproved Party”

### **Chairman of General Meeting**

Article 230 provides that “The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, then the Directors present at the meeting shall elect one of the ICICI Directors to be Chairman of the meeting; and failing which, the Members present shall choose one of the Directors to take the Chair and if no Directors present takes the Chair, the Members present shall choose one of their number to be the Chairman of the meeting. If a poll is demanded it shall be taken forthwith in accordance with the provisions of the Act. The Chairman elected on a show of hands shall continue to be the Chairman of the Meeting until some other person is elected as Chairman as a result of such poll and such person shall be the Chairman for the rest of the meeting.”

### **Nominee Directors**

Article 231 provides that “ICICI and Prudential have the right to nominate Directors (“Nominee Directors”) in proportion to its shareholding. Provided that the number of Nominee Directors of ICICI shall at all times be atleast one more than the aggregate of:

- (i) the number of Nominee Directors of Prudential, and
- (ii) the number of Directors, if any, nominated by any other foreign shareholder of the Company
  - (a) Further, (i) no other Shareholder shall have any right to appoint Directors except with the prior written consent of ICICI and Prudential; and (ii) ICICI and Prudential shall together appoint at all times during the subsistence of the Joint Venture Agreement, more than 25 % of the total number of Directors on the Board of Directors.
  - (b) ICICI and Prudential or their Affiliates shall vote directly or through proxies all their Shares to elect the Nominee Directors.”

### **Non-rotational and rotational Directors**

Article 232 provides that “One third of the total number of Directors shall be non rotational Directors and one of such non-rotational Directors shall be appointed by Prudential and the balance of such the non-rotational Directors shall be appointed by ICICI (hereinafter referred to as “ICICI Directors”). The balance of the Directors shall be persons whose period of office is liable to determination by rotation and subject to the provisions of the Act shall be appointed by the Company in General Meeting Provided that such balance rotational Directors, together with the non-rotational Directors, as appointed by the Company in General Meeting and nominated/appointed by ICICI and Prudential or their Affiliates, shall be in proportion to their shareholding.

Provided further, in case of appointment of Directors by the Company in General Meeting, ICICI and Prudential or their Affiliates, shall, during the subsistence of the Memorandum of Understanding vote directly or through proxies all their Shares to elect such person as may be proposed by ICICI or Prudential to be a candidate for the office of a Director.

Provided further that one of the Nominee Directors nominated by Prudential shall be a non rotational Director and the balance of the non rotational Directors shall be from amongst those nominated by ICICI.

For the purposes of these Articles, “ICICI Directors” shall mean such persons as have been proposed by ICICI for candidature for the office of a Director and appointed to the Board in accordance with the Act an these Articles (including rotational and non-rotational directors) and the “Prudential Directors” shall mean such persons as have been proposed by

Prudential for candidature for the office of a Director and appointed to the Board in accordance with the Act and these Articles (including rotational and non-rotational directors).

Article 233 provides that “ICICI and Prudential shall have the power to remove directors nominated by them from office, with or without cause, and in the event of a vacancy arising in such office by death, disability, resignation, removal or otherwise, to appoint another or others in the place(s) falling vacant. The Board of Directors of the Company shall have no power to remove from office any ICICI Directors or Prudential Directors. ”

#### **Appointment of Nominee Director**

Article 234 provides that “ICICI and Prudential shall be represented on the Company’s Board Nomination and Remuneration Committee by atleast one Nominee Director each. The Company shall ensure that the nomination of ICICI Directors by ICICI and their retirement shall be in accordance with the provisions of the Act.”

#### **Removal of Directors**

Article 235 provides that “The Company, may subject to the provisions of Section 169 of the Act, by Ordinary Resolution remove a Director, (not being an ICICI Director or Prudential Director) before the expiry of his period of office.”

#### **Managing Director**

Article 236 provides that “ICICI shall have the power to nominate a Managing Director.”

#### **Quorum and its competence to exercise powers**

Article 237 provides that “Notwithstanding anything contained to the contrary in these Articles, no quorum for a meeting of the Board shall be constituted and no such meeting shall proceed to transact any business unless atleast two Nominee Directors of ICICI and one Nominee Director of Prudential are present at such meeting, except where for a particular meeting the said requirement of a quorum is waived in writing by the ICICI Nominee Directors and/or Prudential Nominee Directors, as the case may be.

Provided further that, if any other foreign shareholder of the Company has a right to nominate Directors, the quorum shall require the number of Nominee Directors of ICICI to exceed the aggregate number of Directors nominated by Prudential and all foreign shareholders by atleast one.

Notwithstanding anything contained to the contrary in these Articles, resolutions on Shareholder Approval Matters and Fundamental Matters are subject to the resolution of the Board passed with the positive vote of atleast one Nominee Director each of ICICI and Prudential, present at the Board meeting or signatures of one Nominee Director each of ICICI and Prudential, if by circular resolution. For the purpose of this Article it is clarified that at any Board meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board, subject to sub-article (c) above, whether in a meeting of the Board or by circular resolution or otherwise, shall require the affirmative vote of a majority of the Directors in accordance with the provisions of the Companies Act.”

#### **Directors may appoint committee**

Article 238 provides that “There shall be at least one ICICI Director and one Prudential Director on all committees. Provided that ICICI and Prudential respectively may waive this requirement in writing.”

#### **Non Executive chairman**

Article 239 provides that “The Non-Executive Chairman shall be nominated by ICICI from amongst the ICICI Directors. Unless otherwise indicated by ICICI, the Chairman of the Board of Directors of ICICI shall be the Non-Executive Chairman. All meetings of the Directors shall be presided over by the Non Executive Chairman. If at any meeting the Non Executive Chairman is not present within fifteen minutes of the time appointed for holding the same, the Directors present shall choose one of the ICICI Directors to be Non Executive Chairman of the Meeting.”

#### **Secrecy Clause**

Article 240 provides that “Each of ICICI and Prudential Directors (and their duly authorised representatives) shall have the right to inspect the books of the Company at any time.”

#### **General Authority to follow the Act in absence of any specific provision**

Article 241 provides that “Wherever in the Act it has been provided that any company shall have any right, privilege or authority or that any company cannot carry out any transaction unless it is so authorised by its Articles, then and in that case this Article hereby authorises and empowers this Company to have such right, privilege or authority and to carry out such

transaction as have been permitted by the provisions of the Act and the applicable provisions of the Act without there being any other specific Article in that behalf herein provided, provided that the exercise of any such right, privilege or authority or ability to carry out such transaction will be subject to any approval requirements under applicable law or as contained in the Joint Venture Agreement. Notwithstanding the above, no action shall be permitted to be undertaken by the Company if the same is in violation of, or inconsistent with, the Joint Venture Agreement or any other provision under these Articles in letter or spirit.”

**Overriding effect**

Article 242 provides that “If, during the subsistence of the Joint Venture Agreement, there shall be any conflict between the provisions of the Joint Venture Agreement and the provisions of these Articles then, during such period, the provisions of the Joint Venture Agreement shall prevail over all the other regulations contained in these Articles and, in the event of such conflict, the Shareholders shall procure at the request of any of the Shareholders such modification to these Articles as shall be necessary to cure such conflict.”



## SECTION X: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Offer Closing Date.

#### A. Material Contracts for the Offer

1. Offer Agreement dated July 15, 2016 among our Company, the Selling Shareholder, the GCBRLMs and the BRLMs.
2. Registrar Agreement dated July 14, 2016 among our Company, the Selling Shareholder and the Registrar to the Offer.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholder, the Registrar to the Offer, the GCBRLMs, the BRLMs, the Syndicate Members and the Bankers to the Offer.
4. Share Escrow Agreement dated [●] among the Selling Shareholder, the GCBRLMs, the BRLMs, our Company and the Escrow Agent.
5. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the GCBRLMs, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] among our Company, the Selling Shareholder and the Underwriters.

#### B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated July 20, 2000.
3. Certificate for commencement of business dated October 16, 2000.
4. Certificate of registration to undertake life insurance business in India, dated November 24, 2000.
5. Resolution of our Board and Shareholders, dated April 26, 2016 and June 24, 2016, respectively, in relation to the Offer.
6. Resolution of the board of directors of ICICI Bank dated April 29, 2016 approving the Offer.
7. The approval dated July 14, 2016 from IRDAI to undertake a public offer in accordance with the provisions of the SEBI Regulations, under the provisions of the IRDAI Issuance of Capital Regulations.
8. Copies of the annual reports of our Company for the Fiscals 2016, 2015, 2014, 2013 and 2012.
9. The examination reports of the Joint Auditors dated June 29, 2016 in relation to our Company's standalone Restated Financial Statements and consolidated Restated Financial Statements, included in this Draft Red Herring Prospectus.
10. The Statement of Tax Benefits dated July 15, 2016 from the BSR & Co. LLP.
11. Consent of the Directors, the GCBRLMs, the BRLMs, Indian Legal Counsel to our Company, Indian Legal Counsel to the GCBRLMs and the BRLMs, International Legal Counsel to the GCBRLMs and the BRLMs, Registrar to the Offer, Bankers to our Company, Bankers to the Offer, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
12. Consent letter dated July 15, 2016 from the Joint Auditors, for inclusion of their names as experts herein.
13. Consent letter dated July 14, 2016 from Richard Holloway, partner, Milliman Advisors LLP, Independent Actuary, for inclusion of his name as an expert herein.

14. Certificate dated June 28, 2016 from Satyan Jambunathan, the then appointed actuary of our Company in relation to actuarial report and abstract for the Fiscal 2016, under the Insurance Act and the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016.
15. The Existing Joint Venture Agreement and the New Joint Venture Agreement.
16. The share purchase agreement dated November 19, 2015 between and among ICICI Bank, Compassvale Investments Pte. Ltd. and our Company.
17. The share purchase agreement dated November 27, 2015 between and among ICICI Bank, M/s Hasham Traders and our Company.
18. Due Diligence Certificate dated July 15, 2016 addressed to SEBI from the GCBRLMs and the BRLMs.
19. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
20. Tripartite agreement dated [●], 2016 entered into between our Company, NSDL and the Registrar to the Offer.
21. Tripartite agreement dated [●], 2016 entered into between our Company, CDSL and the Registrar to the Offer.
22. Statement showing allotment of Equity Shares allotted pursuant to exercise of employee stock options under the ESOS Scheme aggregated on a quarterly basis.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance with the provisions contained in the Companies Act and other relevant statutes and regulations.

## DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself in connection with the Offer, and the Equity Shares offered by it in the Offer, are true and correct.

**Signed by the Selling Shareholder**

For **ICICI Bank Limited**

Date: July 15, 2016

Place: \_\_\_\_\_

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, and IRDAI, established under Section 3 of the Insurance Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or the Insurance Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

\_\_\_\_\_

**Chanda D. Kochhar**

Chairperson (Nominee Director of ICICI Bank)

\_\_\_\_\_

**N. S. Kannan**

Nominee Director of ICICI Bank

\_\_\_\_\_

**Adrian O'Connor**

Nominee Director of PCHL

\_\_\_\_\_

**Marti G. Subrahmanyam**

Independent Director

\_\_\_\_\_

**Rama Bijapurkar**

Independent Director

\_\_\_\_\_

**Vinod Kumar Dhall**

Independent Director

\_\_\_\_\_

**V. Sridar**

Independent Director

\_\_\_\_\_

**M.S. Ramachandran**

Additional (Independent) Director

\_\_\_\_\_

**Dilip Karnik**

Additional (Independent) Director

\_\_\_\_\_

**Sandeep Bakhshi**

Chief Executive Officer and Managing Director

\_\_\_\_\_

**Puneet Nanda**

Executive Director and Chief Marketing Officer

\_\_\_\_\_

**Sandeep Batra**

Executive Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

\_\_\_\_\_

**Satyan Jambunathan**

(Chief Financial Officer)

Date: July 15, 2016

Place: \_\_\_\_\_