

# ICICI HOME FINANCE COMPANY LIMITED

## 17TH ANNUAL REPORT AND ACCOUNTS 2015-2016

### Directors

Rajiv Sabharwal, Chairman  
 Maninder Juneja, Vice-Chairman  
 Dileep C. Choksi  
 S. Santhanakrishnan  
 CA S. Santhanakrishnan  
 Shilpa Kumar  
 Rohit Salhotra, Managing Director & CEO

Pankaj Jain  
 Chief Financial Officer

Pratap Salian  
 Company Secretary

### Auditors

S.R. Batliboi & Co. LLP  
 Chartered Accountants

### Registered & Corporate Office

ICICI Bank Towers  
 Bandra-Kurla Complex  
 Mumbai – 400 051

## directors' report

### to the members

On behalf of the Board of Directors, it is our pleasure to present the Seventeen Annual Report with the Audited Financial Statement of Accounts of ICICI Home Finance Company Limited ("the Company") for the year ended March 31, 2016.

### BUSINESS REVIEW/STATE OF THE COMPANY'S AFFAIRS

#### MARKET OVERVIEW

The mortgage market continues to grow, particularly in Tier III & IV cities, driven by primary consumption demand. This has led to increased focus by most lenders and builders on these markets. Demand and supply in these markets is also balanced leading to stable prices.

It has also been observed that demand for home equity and commercial loans against property are on the rise with borrowers seeking to leverage on such assets. Given the flat to negative growth in real estate prices and low transaction propensity, the management feels the need for higher due diligence in such segments. Also, increased activity of all banks in the housing finance domain have resulted in higher Balance Transfer (BT) cases, resulting in increased pressure on asset book growth and consequently on portfolio yield.

Going forward the management is optimistic of increased traction in real estate volumes with higher "end-user" participation, as against a significant presence of the investor segment earlier. Expectations of a good monsoon are expected to improve market sentiment and resultant volumes going forward. Additionally, notification of Real Estate Regulatory Agency (RERA) & its adoption by states would also drive market specific demand, given enhanced customer confidence.

Our Company continues to focus on the emerging markets which provide a reasonable growth opportunity. We will continue to invest in distribution and build organisational capabilities to offer mortgage related products and services in these markets.

### FINANCIAL HIGHLIGHTS

The financial performance for FY2016 is summarized in the following table:

|                   | (₹ in million) |         |
|-------------------|----------------|---------|
|                   | FY 2016        | FY 2015 |
| Total Income      | 10,713.7       | 9,877.3 |
| Profit before tax | 2,724.2        | 2,956.8 |
| Provision for tax | 925.7          | 981.1   |
| Profit after tax  | 1,798.5        | 1,975.7 |

The profit before tax for the year ended March 31, 2016 is ₹ 2,724.2 million (previous year ₹ 2,956.8 million) after general provision on standard assets and provision, write off of non performing assets of ₹ 164.6 million (previous year ₹ 62.4 million), and operating expenses of ₹ 8,012.7 million (previous year ₹ 6,941.6 million), which includes finance charges of ₹ 6,607.5 million (previous year ₹ 5,743.0 million).

The profit after tax for the year ended March 31, 2016 is ₹ 1,798.5 million (previous year ₹ 1,975.7 million). The profit available for appropriation is ₹ 1,813.7 million (previous year ₹ 2,349.5 million). The profit appropriations including the interim dividend and proposed final dividend is summarized below:

|                                                                                                    | (₹ in million) |                |
|----------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                    | FY 2016        | FY 2015        |
| Special Reserve created and maintained in terms of Section 29 C of National Housing Bank Act, 1987 | 360.0          | 396.0          |
| Dividend                                                                                           |                |                |
| - Equity Shares (Interim- including tax)                                                           | 1,423.0        | 1,469.0        |
| - Proposed final dividend on equity share capital: nil (previous year 0.85%) including tax         | -              | 95.5           |
| Utilised for Deferred Tax Liability creation                                                       | -              | 373.8          |
| Retained Earning                                                                                   | 30.7           | 15.2           |
| <b>Total</b>                                                                                       | <b>1,813.7</b> | <b>2,349.5</b> |

### DIVIDENDS

The Company has distributed interim dividend of 2.65% in June 2015, 2.74% in September 2015, 2.65% in December 2015 and 2.72% in March 2016 on fully paid up equity share capital of ₹ 10,987.5 million. The Company has paid four interim dividends (excluding dividend distribution tax) of ₹ 1,182.3 million (10.76%) in FY2016, which shall be considered as the final dividend for FY2016.

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

There are no material changes and commitments affecting the financial position of the Company from the end of the financial year 2016 and the date of the report.

### DISCLOSURES AS PER THE HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 2010 (AS AMENDED FROM TIME TO TIME)

#### PUBLIC DEPOSITS

As required by National Housing Bank, the details of public deposits unclaimed as at March 31, 2016, are given below :-

- The total number of accounts of public deposit of the housing finance company which have not been claimed by the depositors after the date on which the deposit became due for re-payment : 2,062
- The total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid : ₹ 222.5 million

The total amount of interest due on such unclaimed deposits stands at ₹ 42.1 million as at March 31, 2016.

The Company has sent reminders to the depositors and requested them to claim the same. There are no overdue deposits other than unclaimed deposits.

In addition, the Company has raised deposits worth ₹ 1,941.0 million during FY2016. The Company's Fixed Deposits have received the highest credit ratings of "MAAA" by ICRA and "CARE AAA (FD)" by CARE.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. June 26, 2015) with the Ministry of Corporate Affairs.

The matured deposits with the Company which were unclaimed for more than 7 years from the date of maturity of ₹ 1.7 million have been transferred to IEPF as required by the Companies Act, 2013.

### DISCLOSURE UNDER HOUSING FINANCE COMPANIES ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014

- The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption – Nil
- The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date of such debentures became due for redemption - Nil

### DETAILS OF DEBENTURE TRUSTEES

As per SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Debenture Trustees are as under:

- Name: IDBI Trusteeship Services Limited  
 Contact details – Asian Building, Ground Floor, 17, R, Kamani Marg, Ballard Estate, Mumbai-400-001. Tel No. 022-40807008
- Name: Axis Trustee Services Limited  
 Contact details: Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025.  
 Tel. No.: 022-24255215 Fax No.: 022-24255216

### OPERATIONAL REVIEW

We have in the course of the year achieved reasonable traction in retail mortgages and construction finance business. Supported by organic growth of 13.0% in retail mortgages business, the total loan assets of the Company grew to ₹ 87,219.6 million during the year. The Property Services and Mortgage Valuation groups have contributed 6.4% of the total operating income of the Company. The Company continues to stay committed and focused on partnering the developers and end consumers at all stages of the real estate value chain.

### ANNUAL RETURN

An extract of the annual return as required under Section 92 (3) of the Companies Act, 2013 in Form No. MGT-9 is attached as **Annexure 1**.

# directors' report



## CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The particulars of contracts or arrangement with related parties pursuant to Section 188 (1) of the Companies Act, 2013 along with the justification entering into the contracts or arrangements is given in **Annexure 2**.

## DETAILS OF BOARD MEETINGS

During the year, four Board meetings were held and attendance details of Board members are given below:

|                        | Number of Board Meetings Held | Number of Board Meetings Attended |
|------------------------|-------------------------------|-----------------------------------|
| Rajiv Sabharwal        | 4                             | 4                                 |
| Maninder Juneja        | 4                             | 4                                 |
| Rohit Salhotra         | 4                             | 4                                 |
| S. Santhanakrishnan    | 4                             | 4                                 |
| Dileep Choksi          | 4                             | 3                                 |
| CA S. Santhanakrishnan | 4                             | 4                                 |
| Shilpa Kumar           | 4                             | 3                                 |

S. Santhanakrishnan, Dileep Choksi and CA S. Santhanakrishnan are independent Directors on the Board of the Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Act and the Rules made thereunder about their status as independent directors of the Company. Independent directors are not liable to retire by rotation and terms of appointment of independent directors will be governed by the provisions of the Companies Act, 2013.

## COMMITTEES OF BOARD

The details of composition of the Committees of the Board of Directors and meetings held are as under:-

### a. Audit and Risk Management Committee

| Sl.No. | Name                | Chairman/ Members |
|--------|---------------------|-------------------|
| 1      | Dileep Choksi       | Chairman          |
| 2      | S. Santhanakrishnan | Member            |
| 3      | Maninder Juneja     | Member            |

During the year, four meetings of the Committee were held on April 21, 2015, July 24, 2015, October 20, 2015 and January 22, 2016.

### b. Nomination & Remuneration Committee

| Sl.No. | Name                | Chairman/ Members |
|--------|---------------------|-------------------|
| 1      | Dileep Choksi       | Chairman          |
| 2      | S. Santhanakrishnan | Member            |
| 3      | Maninder Juneja     | Member            |

During the year, one meeting of the Committee was held on April 21, 2015

### c. Corporate Social Responsibility Committee

| Sl.No. | Name                | Chairman/ Members |
|--------|---------------------|-------------------|
| 1      | Maninder Juneja     | Chairman          |
| 2      | Dileep Choksi       | Member            |
| 3      | S. Santhanakrishnan | Member            |

During the year, two meetings of the Committee were held on April 21, 2015 and October 20, 2015.

### d. Stakeholders Relationship Committee

| Sl.No. | Name                   | Chairman/ Members |
|--------|------------------------|-------------------|
| 1      | Maninder Juneja        | Chairman          |
| 2      | CA S. Santhanakrishnan | Member            |
| 3      | Rohit Salhotra         | Member            |

No Committee meeting held during the financial year 2016, as there were no complaints or pending grievances from the institutional lenders & bond holders of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules thereunder, S. Santhanakrishnan, Dileep Choksi and CA S. Santhanakrishnan have been appointed as independent directors for a period of 5 years. They will hold office as independent directors of the Company upto March 31, 2019, March 31, 2019 and October 15, 2019 respectively.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 Rohit Salhotra (Managing Director & Chief Executive Officer), Pankaj Jain (Chief Financial Officer) and Pratap Salian (Company Secretary) are Key Managerial Personnel of the Company.

## APPOINTMENT AND REMUNERATION POLICY FOR DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Board at its meeting held on March 31, 2015 has adopted criteria for appointment of directors. The Board while appointing a director considers the areas of expertise as required to be possessed by a director under the Companies Act, 2013 and the due diligence checks to confirm the fit and proper status. The fundamental core attributes which may be considered for the position of an executive director would be proven leadership capability, ability to successfully manage diverse stakeholder relationships and ability to devise and drive the business strategy of the Company with focus on productivity and risk management.

The Company while appointing senior management candidates consider proven skills, performance track record, relevant competencies, maturity and experience in handling core functions relevant to the role.

The wholetime directors should have sufficient tenure to enable them to deliver on the Company's long term business strategy.

Remuneration for the non-executive/independent directors includes fees for attending each meeting of Committee/Board or for any other purpose whatsoever as may be approved by the Board from time to time within the limits as provided under Companies Act, 2013.

The non-executive/independent director would be entitled to reimbursement of expenses for attending Board/Committee meetings, official visits and participation in various forums on behalf of the Company and any other expenses as may be approved by the Board.

The Company is a 100% subsidiary of ICICI Bank. Currently, all employees of the Company are on deputation from ICICI Bank and the compensation policy of the Bank to the extent applicable would be applicable to the Company.

## BOARD EVALUATION

The Company has adopted a framework for annual evaluation of the Board and individual directors as per the provisions of the Companies Act, 2013. In terms of the framework adopted by the Company the Board members evaluate the performance of the Board and individual directors, excluding the director being evaluated. The separate meeting of independent directors without the attendance of non-independent directors and the management team was held during the year as per the provisions of Schedule IV of the Companies Act, 2013.

## VIGIL MECHANISM

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

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

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all alleged or suspected improper activities. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and, in conformity with the Policy and applicable laws and regulations, the appropriate investigative process is employed.

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has partnered ICICI Foundation for Inclusive Growth to support the cause of elementary education, primary health, sustainable, livelihood and skill development. The Company has a CSR policy approved by the Board and the CSR budget & activities are overseen by the CSR Committee.

Detailed report on CSR Activities/ Initiatives is enclosed as **Annexure 3**.

## RISK MANAGEMENT:

The Company is exposed to various kinds of risks viz. credit risk, market risk and operational risk arising out of business operations which include mortgage lending, liability management etc. In order to mitigate these risks a broad risk management framework approved by the Board and under the supervision of Audit and Risk Management Committee (ARMC) of the Company is in place, with an objective to ensure that the Company has in place policies and procedures to manage the above mentioned risks. The Board of the Company exercise oversight over the risk management framework applicable to Company. The Company ensures that appropriate reporting systems are laid down to facilitate reporting pertaining to key risks to the Board of Directors/ Board Committees /the senior management.

Credit risk is managed and controlled through the existing risk analysis, measurement, monitoring and reporting systems. A detailed credit risk management framework is implemented through various policies, which include core and centralized risk evaluation process of security, rating, lending terms and conditions as appropriate to the borrower and transactions risk profile.

Market risk of the treasury investments of ICICI HFC is governed by the Investment Policy. The Investment Policy has established limits for various risk metrics, which help to control the market risk. It describes investment functions, incorporating various limits approved for investment, in line with regulations of National Housing Bank (NHB) Act, 1987 & Housing Finance Company (HFC) Directions, 2001.

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

The Operational Risk Management function identifies operational risks in various products as well as processes and monitors the operational losses incurred by the Company. The operations of the Company are periodically subjected to Internal Audit, as per the annual risk based audit plan duly approved by the Audit & Risk Management Committee, to ensure that the business operations of the Company are being undertaken as per the Board approved policies and risk management framework.

The Board is satisfied with the overall risk management framework and regular monitoring of all major risk areas within the Company.

# directors' report

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The policies approved by the Board of Directors form the governing framework for Internal Financial Control. Business activities are undertaken within these frameworks which are further detailed in process notes (PAC).

Independent support groups such as Compliance and Policy and Risk have been constituted to facilitate independent evaluation, monitoring and reporting of controls as defined in these Policy and Process notes. Additionally, there is an internal audit function whose scope and authority is defined in the Group Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit and Risk Management Committee (ARMC) of the Board. Risk based audit plan is approved by the ARMC on an annual basis. The Internal Audit function monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Key audit findings and corrective actions thereon are presented to the ARMC of the Board.

## STATUTORY AUDITOR

Pursuant to Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 shareholders of the Company at the Annual General Meeting held on June 27, 2014, has appointed M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for a period of 3 years subject to ratification of their appointment at every Annual General Meeting. The auditors have indicated their willingness to get their appointments ratified by the members. Accordingly, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to schedules is enclosed to this report.

## SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Alwyn Jay & Co, a firm of Practicing Company Secretaries has been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure 4 to this report.

## ADDITIONAL INFORMATION

The provisions of Section 134 (3) (m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to the Company. The Company used information technology extensively in its operations.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used was ₹ nil (previous year ₹ nil) and the total foreign exchange earned was ₹ nil (previous year ₹ nil).

## CHANGE OF NATURE OF BUSINESS

There have been no changes in the nature of the business of the Company during the year under review.

## SUBSIDIARIES

The Company does not have any existing subsidiary and no new subsidiaries were formed during the year under review.

## SIGNIFICANT AND MATERIAL ORDERS

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

## PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 5** and **Annexure 5A**.

## DECLARATION

No director of the Company has received commission from the Company including holding and subsidiary Company

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2016 and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

The Directors thank National Housing Bank, other statutory authorities and the bankers and lenders to the Company for their continued support to the Company.

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

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

For and on behalf of the Board  
ICICI Home Finance Company Limited

RAJIV SABHARWAL  
Chairman

Place : Mumbai  
Date : April 26, 2016

# directors' report



## Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016 OF  
ICICI HOME FINANCE COMPANY LIMITED

Datamatics Financial Services Limited Plot No. B-5, Part B Crosslane, MIDC,  
Andheri (East), Mumbai 400 093  
Tel No.: 022-66712196 Fax No.: 022-66712209

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

### I. REGISTRATION AND OTHER DETAILS:

- CIN - U65922MH1999PLC120106
- Registration Date – 28/05/1999
- Name of the Company – ICICI Home Finance Company Limited
- Category / Sub-Category of the Company – Company having Share Capital
- Address of the Registered Office and contact details  
ICICI Home Finance Company Limited, Registered office ICICI Bank Towers,  
Bandra-Kurla Complex, Mumbai 400051, India.  
Tel : 022-40093480 / 022-40093408
- Whether listed Company -- Yes
- Name, Address and contact details of Registrar & Transfer Agents (RTA),  
3i infotech Ltd, Tower #5, 3rd to 6th Floor, International infotech Park,  
Vashi, Navi Mumbai-400-703. Tel: 022-67928000

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

#### (i) Category-wise Share Holding

| Category of shareholders                                                         | No. of Shares held at the beginning of the year |            |                      |                   | No. of Shares held at the end of the year |            |                      |                   | % Change during the year |
|----------------------------------------------------------------------------------|-------------------------------------------------|------------|----------------------|-------------------|-------------------------------------------|------------|----------------------|-------------------|--------------------------|
|                                                                                  | Demat                                           | Physical   | Total                | % of Total Shares | Demat                                     | Physical   | Total                | % of Total Shares |                          |
| <b>A. Promoters</b>                                                              |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| (1) Indian                                                                       |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| (a) Individuals/HUF                                                              | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (b) Central Govt                                                                 | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (c) State Govt                                                                   | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (d) Bodies Corp.*                                                                | 700                                             | 400        | 1,100                | 0%                | 800                                       | 300        | 1,100                | 0%                | -                        |
| (e) Banks / FI                                                                   | 1,098,748,900                                   | -          | 1,098,748,900        | 100%              | 1,098,748,900                             | -          | 1,098,748,900        | 100%              | -                        |
| (i) Any Other.                                                                   |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| <b>Sub-total (A) (1):-</b>                                                       | <b>1,098,749,600</b>                            | <b>400</b> | <b>1,098,750,000</b> | <b>100%</b>       | <b>1,098,749,600</b>                      | <b>300</b> | <b>1,098,750,000</b> | <b>100%</b>       | <b>-</b>                 |
| (2) Foreign                                                                      | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (a) NRIs - Individuals                                                           | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (b) Other – Individuals                                                          | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (c) Bodies Corp.                                                                 | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (d) Banks / FI                                                                   | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (e) Any Other.                                                                   | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| <b>Sub-total (A) (2):-</b>                                                       | <b>-</b>                                        | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                                  | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>                      | <b>1,098,749,600</b>                            | <b>400</b> | <b>1,098,750,000</b> | <b>100%</b>       | <b>1,098,749,600</b>                      | <b>300</b> | <b>1,098,750,000</b> | <b>100%</b>       | <b>-</b>                 |
| <b>B. Public Shareholding</b>                                                    |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| 1. Institutions                                                                  |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| (a) Mutual Funds                                                                 | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (b) Banks / FI                                                                   | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (c) Central Govt                                                                 | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (d) State Govt(s)                                                                | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (e) Venture Capital Funds                                                        | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (f) Insurance Companies                                                          | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (g) FIs                                                                          | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (h) Foreign Venture Capital Funds                                                | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (i) Others (specify)                                                             | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| <b>Sub-total (B)(1):-</b>                                                        | <b>-</b>                                        | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                                  | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                 |
| 2. Non-Institutions                                                              |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| (a) Bodies Corp.                                                                 | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (i) Indian                                                                       | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (ii) Overseas                                                                    | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (b) Individuals                                                                  | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| (c) Others (specify)                                                             | -                                               | -          | -                    | -                 | -                                         | -          | -                    | -                 | -                        |
| <b>Sub-total (B)(2):-</b>                                                        | <b>-</b>                                        | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                                  | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                 |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>                           | <b>-</b>                                        | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                                  | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |                                                 |            |                      |                   |                                           |            |                      |                   |                          |
| <b>Grand Total (A+B+C)</b>                                                       | <b>1,098,749,600</b>                            | <b>400</b> | <b>1,098,750,000</b> | <b>100%</b>       | <b>1,098,749,700</b>                      | <b>300</b> | <b>1,098,750,000</b> | <b>100%</b>       | <b>-</b>                 |

\*Beneficial interest on the above shares are held by the Promoter, ICICI Bank Limited

**(ii) Shareholding of Promoters**

| Sl. No | Shareholder's Name                                  | Shareholding at the beginning of the year |                                  |                                                | Shareholding at the end of the year |                                  |                                                | % Change during the year |
|--------|-----------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------|----------------------------------|------------------------------------------------|--------------------------|
|        |                                                     | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares |                          |
| 1.     | ICICI Bank Limited (Holding Company & its nominees) | 1,098,748,900                             | 100%                             | -                                              | 1,098,748,900                       | 100%                             | -                                              | -                        |

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

| Sl. No | Particulars                                                                                                                                                                    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|        |                                                                                                                                                                                | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
|        | At the beginning of the year                                                                                                                                                   | 1,098,748,900                             | 100%                             | 1,098,748,900                           | 100%                             |
|        | Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -                                         | -                                | -                                       | -                                |
|        | At the end of the year                                                                                                                                                         | 1,098,748,900                             | 100%                             | 1,098,748,900                           | 100%                             |

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

| Sl. No. | For Each of the top 10 Shareholders              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding at the end of the year |                                  |
|---------|--------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
|         |                                                  | No. of Shares                             | % of total shares of the Company | No. of Shares                                  | % of total shares of the Company |
| 1       | ICICI Securities Limited*                        | 600                                       | 0.00%                            | 600                                            | 0.00%                            |
| 2       | ICICI Lombard General Insurance Company Limited* | 100                                       | 0.00%                            | 100                                            | 0.00%                            |
| 3       | ICICI Investment Management Company Limited*     | 100                                       | 0.00%                            | 100                                            | 0.00%                            |
| 4       | ICICI Trusteeship Services Limited *             | 100                                       | 0.00%                            | 100                                            | 0.00%                            |
| 5       | ICICI Venture Funds Management Company Limited*  | 100                                       | 0.00%                            | 100                                            | 0.00%                            |
| 6       | ICICI Securities Primary Dealership Limited*     | 100                                       | 0.00%                            | 100                                            | 0.00%                            |

\*Beneficial interest on the above shares are held by the Promoter, ICICI Bank Limited

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

| Sl. No. | For Each of the Directors and KMP                                                                                                                                    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                                                                                                                      | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
|         | At the beginning of the year                                                                                                                                         | -                                         | -                                | -                                       | -                                |
|         | Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -                                         | -                                | -                                       | -                                |
|         | At the end of the year                                                                                                                                               | -                                         | -                                | -                                       | -                                |

**V. INDEBTEDNESS**

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

(₹ In millions)

|                                                            | Secured Loans excluding Deposits | Unsecured Loans | Fixed Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|----------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |                |                    |
| i) Principal Amount                                        | 18,755.0                         | 42,496.9        | 2,841.1        | 64,093.0           |
| ii) Interest due but not paid                              | -                                | -               | -              | -                  |
| iii) Interest accrued but not due                          | 536.6                            | 516.4           | 341.4          | 1,394.4            |
| <b>Total (i+ii+iii)</b>                                    | <b>19,216.6</b>                  | <b>43,013.4</b> | <b>3,182.5</b> | <b>65,487.4</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |                |                    |
| • Addition                                                 | -                                | 36,889.4        | 2,345.1        | 39,234.6           |
| • Reduction                                                | (2,000.0)                        | (25,190.6)      | (2,095.5)      | (29,286.1)         |
| <b>Net Change</b>                                          | <b>(2,000.0)</b>                 | <b>11,698.9</b> | <b>249.6</b>   | <b>9,948.5</b>     |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |                |                    |
| i) Principal Amount                                        | 16,755.0                         | 54,195.8        | 3,090.7        | 74,041.5           |
| ii) Interest due but not paid                              | -                                | -               | -              | -                  |
| iii) Interest accrued but not due                          | 775.4                            | 1,016.3         | 253.4          | 2,045.1            |
| <b>Total (i+ii+iii)</b>                                    | <b>17,530.4</b>                  | <b>55,212.1</b> | <b>3,344.1</b> | <b>76,086.6</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sr. No | Particulars of Remuneration                                                                                                                                                                                                                                                                                                        | Name MD/WTD/Manager                    | Total Amount                           |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
|        |                                                                                                                                                                                                                                                                                                                                    | Rohit Salhotra                         |                                        |
| 1.     | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 :<br>(i) Salary and Allowances for Fiscal 16 *<br>(ii) Bonus Paid in Fiscal 16<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 :<br>(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 : | 6,909,000<br>1,830,180<br>567,696<br>- | 6,909,000<br>1,830,180<br>567,696<br>- |
| 2.     | Perquisite on Employee Stock Option exercised in Fiscal 2016, w.r.t Options granted upto 10 years prior to date of exercise                                                                                                                                                                                                        | 3,588,100                              | 3,588,100                              |
| 3.     | Sweat Equity                                                                                                                                                                                                                                                                                                                       | -                                      | -                                      |
| 4.     | Commission<br>- as % of profit<br>- others, specify                                                                                                                                                                                                                                                                                | -<br>-                                 | -<br>-                                 |
| 5.     | Others ( HRA)                                                                                                                                                                                                                                                                                                                      | 1,813,560                              | 1,813,560                              |
|        | <b>Total (1a(i) + a(ii) + b) + (5)</b>                                                                                                                                                                                                                                                                                             | <b>11,120,436</b>                      | <b>11,120,436</b>                      |
|        | Total Remuneration paid in Fiscal 16 (excludes Perquisites on Stock Options exercised in Fiscal 16 as mentioned in (2))                                                                                                                                                                                                            |                                        |                                        |
|        | Ceiling as per section 197 of the Companies Act, 2013                                                                                                                                                                                                                                                                              |                                        | 139,263,345                            |

\* Please note that Salary and Allowances is net of HRA exemption claimed under Sec.10(13A) of Income Tax Act, 1961, which is reported under the head 'others'.

# directors' report



## Annexure 1

### B. Remuneration to other directors:

(₹ In millions)

| Particulars of Remuneration                    | Name of Directors              |               |                     |                 |                 |              | Total Amount |
|------------------------------------------------|--------------------------------|---------------|---------------------|-----------------|-----------------|--------------|--------------|
|                                                | CA S. Santhanakrishnan         | Dileep Choksi | S. Santhanakrishnan | Maninder Juneja | Rajiv Sabharwal | Shilpa Kumar |              |
| 1. Independent Directors                       |                                |               |                     |                 |                 |              |              |
| • Fee for attending board / Committee meetings | 0.4                            | 0.4           | 0.5                 | -               | -               | -            | 1.3          |
| • Commission                                   | -                              | -             | -                   | -               | -               | -            | -            |
| • Others, please specify                       | -                              | -             | -                   | -               | -               | -            | -            |
| <b>Total (1)</b>                               | <b>0.4</b>                     | <b>0.4</b>    | <b>0.5</b>          | <b>-</b>        | <b>-</b>        | <b>-</b>     | <b>1.3</b>   |
| 2. Other Non-Executive Directors               |                                |               |                     |                 |                 |              |              |
| • Fee for attending board / committee meetings | -                              | -             | -                   | -               | -               | -            | -            |
| • Commission                                   | -                              | -             | -                   | -               | -               | -            | -            |
| • Others, please specify                       | -                              | -             | -                   | -               | -               | -            | -            |
| <b>Total (2)</b>                               | <b>-</b>                       | <b>-</b>      | <b>-</b>            | <b>-</b>        | <b>-</b>        | <b>-</b>     | <b>-</b>     |
| <b>Total = (1+2)</b>                           | <b>0.4</b>                     | <b>0.4</b>    | <b>0.5</b>          | <b>-</b>        | <b>-</b>        | <b>-</b>     | <b>1.3</b>   |
| <b>Total Managerial Remuneration</b>           | <b>0.4</b>                     | <b>0.4</b>    | <b>0.5</b>          | <b>-</b>        | <b>-</b>        | <b>-</b>     | <b>1.3</b>   |
| Overall Ceiling                                | As per the Companies Act, 2013 |               |                     |                 |                 |              |              |

### C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:

| Sl. No. |                                                                                                                             | Key Managerial Personal |                    |                  |
|---------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|------------------|
|         |                                                                                                                             | Pankaj Jain (CFO)       | Pratap Salian (CS) | Total            |
| 1       | Gross salary                                                                                                                |                         |                    |                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 :                                       |                         |                    |                  |
|         | (i) Salary and Allowances for Fiscal 16*                                                                                    | 4,932,347               | 1,552,480          | 6,484,827        |
|         | (ii) Bonus Paid in Fiscal 16                                                                                                | 1,392,732               | 184,296            | 1,577,028        |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 :                                                            | 486,389                 | 31,986             | 518,375          |
|         | (c) Profits in lieu of salary under section 17(3) of the income tax Act, 1961 :                                             | -                       | -                  | -                |
| 2       | Perquisite on Employee Stock Option exercised in Fiscal 2016, w.r.t Options granted upto 10 years prior to date of exercise | 656,250                 | -                  | 656,250          |
| 3       | Sweat Equity                                                                                                                | -                       | -                  | -                |
| 4       | Commission<br>- as % of profit<br>- others, specify                                                                         | -                       | -                  | -                |
| 5       | Others ( HRA & LTA )                                                                                                        | 863,988                 | 91,484             | 955,472          |
|         | <b>Total (1a(i) + a(ii) + b) + (5)</b>                                                                                      | <b>7,675,456</b>        | <b>1,860,246</b>   | <b>9,535,702</b> |
|         | Total Remuneration paid in Fiscal 16 (excludes Perquisites on Stock Options exercised in Fiscal 16 as mentioned in (2))     |                         |                    |                  |

\* Please note that Salary and Allowances is net of HRA and LTA exemption claimed under Sec.10(13A) and Sec. 10(5) of Income Tax Act, 1961 respectively, which is reported under the head 'others'.

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

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty /Punishment/ Compounding Fees Imposed | Authority [RD/ NCLT/COURT] | Appeal Made, if Any (Give Details) |
|-------------------------------------|------------------------------|-------------------|----------------------------------------------------------|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                          |                            |                                    |
| Penalty                             | —                            | —                 | —                                                        | —                          | —                                  |
| Punishment                          | —                            | —                 | —                                                        | —                          | —                                  |
| Compounding                         | —                            | —                 | —                                                        | —                          | —                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                          |                            |                                    |
| Penalty                             | —                            | —                 | —                                                        | —                          | —                                  |
| Punishment                          | —                            | —                 | —                                                        | —                          | —                                  |
| Compounding                         | —                            | —                 | —                                                        | —                          | —                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                          |                            |                                    |
| Penalty                             | —                            | —                 | —                                                        | —                          | —                                  |
| Punishment                          | —                            | —                 | —                                                        | —                          | —                                  |
| Compounding                         | —                            | —                 | —                                                        | —                          | —                                  |

## Annexure 2

### Related party transactions

The details of material related party transactions at arm's length principles for the year ended March 31, 2016 on an aggregate basis is given below:

| Sr. No. | Nature of Contracts/ Transactions            | Name of the Related Party | Nature of Relationship | Duration of Contracts | Salient terms of Contracts/ Transactions                         | ₹ in million |
|---------|----------------------------------------------|---------------------------|------------------------|-----------------------|------------------------------------------------------------------|--------------|
| 1       | Income towards service provider arrangements | ICICI Bank Limited        | Holding Company        | 20 years              | Verification and valuation services of the borrowers' properties | 600.7        |
| 2       | Interest expense                             | ICICI Bank Limited        | Holding Company        | -                     | Interest on borrowings availed at applicable rates               | 720.3        |

Sd/-  
ROHIT SALHOTRA  
Managing Director & CEO



### REPORT ON CSR ACTIVITIES/ INITIATIVES

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

Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Home Finance Company Ltd. The Company contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company and through the broader community. As per the CSR Policy, CSR activities could be undertaken by the Company directly or through ICICI Foundation or through any other entity. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organisations.

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

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

[http://www.icicifhc.com/pdf/CSR\\_policy\\_hfc.pdf](http://www.icicifhc.com/pdf/CSR_policy_hfc.pdf)

2. The Composition of the CSR Committee

The Companies CSR Committee comprises two independent directors, and the vice chairman of the Company, and is chaired by a non executive director. The composition of the Committee is set out below:

| 1<br>Sr.<br>No | 2<br>CSR Project/<br>Activity<br>Identified             | 3<br>Sector in which the<br>Project is Covered                                          | 4<br>Projects/Programmes<br>1. Local area/others-<br>2. Specify the state /district (Name of<br>the District/s, State/s where Project/<br>Programme was Undertaken)                                                                                                                                                                                                                                                                   | 5<br>Amount Outlay<br>(Budget) Project/<br>Programme wise | 6<br>Amount Spent on the<br>Project/ Programme<br>Sub-heads:<br>1. Direct Expenditure on<br>Project/ Programme, 2.<br>Overheads: | 7<br>Cumulative<br>Spend upto to<br>the Reporting<br>Period | 8<br>Amount Spent: Direct/<br>Through Implementing<br>Agency                                                                             |
|----------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1              | Projects of ICICI<br>Foundation for<br>Inclusive Growth | Skill development &<br>sustainable livelihoods;<br>elementary education &<br>healthcare | <ul style="list-style-type: none"> <li>22 skill training centres located in Bangalore, Bhubaneswar, Chennai, Coimbatore, Delhi, Durg, Guwahati, Hyderabad, Indore, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Mysore, Nagpur, Narsobawadi, Patna, Pune, Trichy, Vijaywada and Zirakpur.</li> <li>Elementary education projects in Rajasthan and Chhattisgarh.</li> <li>Healthcare programmes including in Baran (Rajasthan).</li> </ul> | ₹ 61.1 million                                            | ₹ 61.1 million                                                                                                                   | ₹ 125.6 million                                             | Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR. |

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

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

Sd/-  
Rohit Salhotra  
Managing Director & CEO

Sd/  
Maninder Juneja  
CSR Committee Chairman

## Annexure 4

### FORM NO. MR.3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To,  
The Members,  
ICICI Home Finance Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the ICICI Home Finance Company Limited (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance to express our opinion thereon.

Based on our verification of the Company's statutory registers, minutes, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016-

- (a) complied with the statutory provisions listed hereunder; and
- (b) It has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) National Housing Bank Act, 1987; and  
(vii) Directions, guidelines, circulars and notifications issued by the National Housing Bank.  
We have also examined compliance of the following to the extent applicable:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange, with respect to the Company's listing of Non-Convertible Debentures; and
- (iii) Legal regulations including labour law, as applicable to the Company.

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

We further report that –

- (a) the Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors;
- (b) the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- (c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and

- (d) The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

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

We further report that during the audit period no material event or action has taken place in pursuance of the above referred laws, rules, regulations, guidelines and standards except that the Shareholders of the Company have approved a private placement of Non-Convertible Debentures aggregating ₹ 22.50 billion, in accordance with the provisions of sections 42 and 71 of the Companies Act, 2013.

Place: Mumbai  
Date: April 25, 2016

ALWYN JAY & CO.,  
Company Secretaries

Office Address:  
Annex-103, Dimple Arcade  
Asha Nagar, Kandivli East  
Mumbai-400101.

Sd/-  
(Ronald D'Mello; FCS 3818)  
Partner  
Certificate of Practice No.:14353

## Annexure 5

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sl. No. | Name              | Designation / Nature of Duties | Gross Remuneration (Without ESOP) Received [ ₹ ] | Qualification | Experience in years | Age in years | Date of Commencement of Employment | Last Employment held |
|---------|-------------------|--------------------------------|--------------------------------------------------|---------------|---------------------|--------------|------------------------------------|----------------------|
| 1       | 2                 | 3                              | 4                                                | 5             | 6                   | 7            | 8                                  | 9                    |
| 1       | Rohit Salhotra    | MD/CEO                         | 12,228,902                                       | PGDM, BE      | 27                  | 51           | November 21, 2006                  | ICICI Bank           |
| 2       | Pankaj Jain       | CFO                            | 8,546,151                                        | BTECH, MMS    | 21                  | 45           | October 03, 2000                   | ICICI Bank           |
| 3       | Sunir Ramchandani | JGM                            | 8,692,183                                        | BE, MBA       | 18                  | 42           | June 18, 2001                      | ICICI Bank           |

Notes:

- 1 All appointments are / were non-contractual.
- 2 Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund.
- 3 None of the above employees is related to any Director of the Company.

## Annexure 5A

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

The ratio of remuneration of the MD & CEO to the median remuneration of employees is around 20:1.

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

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary ranges from 5% to 9%.

- (iii) The percentage increase in the median remuneration of employees in the financial year;

The median remuneration of employees in the financial year has increased by 3%.

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

The number of employees on permanent rolls of the Company is 515.

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

The Company follows prudent remuneration practices and its approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance.

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

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

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

For the current financial year, the remuneration paid to the Key Managerial Personnel aggregated to approximately 1.06% of the Profit After Tax.

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

Equity shares of the Company are not listed on any stock exchange. The change in the net worth of the Company is as under:

| Particular                          | (₹ in million) |
|-------------------------------------|----------------|
| Opening net worth                   | 14,916.6       |
| Increase/(decrease) during the FY16 | 375.5          |
| Closing net worth                   | 15,292.1       |

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

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY2016 is around 10%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 5% to 9%. This increment is in line with the factors outlined in point (v) above.

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

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

|                         |        |
|-------------------------|--------|
| MD & CEO                | 0.56%  |
| Chief Financial Officer | 0.39%  |
| Company Secretary       | 0.11 % |

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

The Company's compensation policy and practices are similar to that of ICICI Bank, its parent Company. The KPIs of the MD & CEO are fixed at the start of the year. These KPIs, in addition to financial parameters, include non-financial parameters. At the end of financial year, the performance of the Company as well as performance of the MD & CEO based on his KPI (including those pertaining to compliance and risk) is evaluated, along with the performance of the Company. The variable portion of the compensation is decided based on the performance of both the Company and the Bank, as well as the individual performance of the MD & CEO.

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

Not applicable

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



# independent auditor's report

## to the members of ICICI Home Finance Company Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Home Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit/loss, and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;  
In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (b) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (d) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 and 33(a) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Place of Signature: Mumbai  
Date: April 26, 2016

per Shrawan Jalan  
Partner  
Membership Number: 102102

# annexure 1 to the auditor's report



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) In respect of deposits accepted from public, in the opinion of the management of the Company, since the Company is a housing finance company, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, are not applicable to the Company. Further, in our opinion and according to the information and explanations given to us, provisions of The Housing Finance Companies (NHB) Directions, 2010, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, wealth-tax, sales tax, professional tax, value added tax, labour welfare fund, employees' state insurance, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities though there have been delays in a few cases pertaining to, service tax, employees' state insurance, sales tax and tax deducted at source which are not serious in nature. As informed, provisions of custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, sales-tax, professional tax, value added tax, labour welfare fund, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions of, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the records of the Company, amounts of income-tax and service tax dues disputed by the Company, are as follows:

| Name of the statute  | Nature of dues                                | Amount (₹)  | Period to which the amount relates | Forum where dispute is pending                   |
|----------------------|-----------------------------------------------|-------------|------------------------------------|--------------------------------------------------|
| Income Tax Act, 1961 | Income tax demands raised against the Company | 59,909,709  | FY 2004-2005                       | Assistant Commissioner of Income Tax, Mumbai     |
|                      |                                               | 27,442,423  | FY 2007-2008                       | Assistant Commissioner of Income Tax, Mumbai     |
|                      |                                               | 58,439,648  | FY 2008-2009                       | Income Tax Appellate Tribunal, Mumbai            |
|                      |                                               | 115,206,650 | FY 2010-2011                       | Commissioner of Income Tax Appeals               |
|                      |                                               | 200,027,804 | FY 2011-2012                       | Assistant Commissioner of Income Tax, Mumbai     |
| Finance Act 1994     | Service tax demand raised against the Company | 715,590     | FY 2006-2007 to 2009-2010          | Commissioner of Central Excise (Appeals), Mumbai |

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer (including debt instruments). Monies raised by the Company by way of term loans were applied for the purpose for which the loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Place of Signature: Mumbai  
Date: April 26, 2016

Per Shrawan Jalan  
Partner  
Membership No.: 102102

# annexure 2 to the Independent auditor's report

## Annexure 2 to the Independent Auditor's Report of even date on the financial statements of ICICI Home Finance Company Limited

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

To the Members of ICICI Home Finance Company Limited

We have audited the internal financial controls over financial reporting of ICICI Home Finance Company ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of fi-

ancial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

#### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### EXPLANATORY PARAGRAPH

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of ICICI Home Finance Company Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 26, 2016 expressed an unqualified opinion thereon.

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

Place of Signature: Mumbai  
Date: April 26, 2016

per Shrawan Jalan  
Partner  
Membership Number: 102102

# balance sheet

# statement of profit and loss

as on March 31, 2016

for the year ended March 31, 2016

|                                                                                |            | March 31, 2016 |          | (₹ in millions)<br>March 31, 2015 |                                                                                |            | March 31, 2016  |  | (₹ in millions)<br>March 31, 2015 |
|--------------------------------------------------------------------------------|------------|----------------|----------|-----------------------------------|--------------------------------------------------------------------------------|------------|-----------------|--|-----------------------------------|
| Particulars                                                                    | Note       |                |          |                                   | Particulars                                                                    | Note       |                 |  |                                   |
| <b>I EQUITY AND LIABILITIES</b>                                                |            |                |          |                                   | <b>I Revenue from operations</b>                                               | <b>19</b>  | <b>10,665.3</b> |  | <b>9,841.4</b>                    |
| (1) Shareholders' funds:                                                       |            |                |          |                                   | <b>II Other income</b>                                                         | <b>20</b>  | <b>48.4</b>     |  | <b>35.9</b>                       |
| (a) Share capital                                                              | 3          | 10,987.5       |          | 10,987.5                          | <b>III Total revenue(I+II)</b>                                                 |            | <b>10,713.7</b> |  | <b>9,877.3</b>                    |
| (b) Reserves and surplus                                                       | 4          | 4,304.6        |          | 3,929.1                           |                                                                                |            |                 |  |                                   |
|                                                                                |            |                | 15,292.1 | 14,916.6                          | <b>IV Expenses:</b>                                                            |            |                 |  |                                   |
| (2) Non-current liabilities                                                    |            |                |          |                                   | Finance cost                                                                   | 21         | 6,607.5         |  | 5,743.0                           |
| (a) Long term borrowings                                                       | 5          | 49,016.5       |          | 39,707.3                          | Employee benefit expense                                                       | 22         | 426.0           |  | 387.6                             |
| (b) Deferred tax liabilities (Net)                                             | 13         | 389.5          |          | 262.8                             | Depreciation and amortization expense                                          | 11         | 29.3            |  | 22.4                              |
| (c) Other long term liabilities                                                | 6          | 82.5           |          | 51.9                              | Establishment and other expenses                                               | 23         | 785.3           |  | 726.2                             |
| (d) Long term provisions                                                       | 7          | 1,388.7        |          | 1,509.4                           | Provision / write offs (net)                                                   | 24         | 164.6           |  | 62.4                              |
|                                                                                |            |                | 50,877.2 | 41,531.4                          |                                                                                |            | <b>8,012.7</b>  |  | <b>6,941.6</b>                    |
| (3) Current liabilities                                                        |            |                |          |                                   | Less : Expenses recovered                                                      | 23         | 23.2            |  | 21.1                              |
| (a) Short term borrowings                                                      | 8          | 8,272.6        |          | 7,783.2                           |                                                                                |            | <b>7,989.5</b>  |  | <b>6,920.5</b>                    |
| (b) Trade payables                                                             | 9          | 230.4          |          | 192.2                             | <b>V Profit before exceptional and extraordinary items and Tax(III-IV)</b>     |            | <b>2,724.2</b>  |  | <b>2,956.8</b>                    |
| (c) Other current liabilities                                                  | 10         | 19,080.6       |          | 18,299.3                          | <b>VI Exceptional items</b>                                                    |            |                 |  |                                   |
| (d) Short term provisions                                                      | 7          | 131.1          |          | 268.6                             | <b>VII Profit before extraordinary items and tax(V-VI)</b>                     |            | <b>2,724.2</b>  |  | <b>2,956.8</b>                    |
|                                                                                |            |                | 27,714.7 | 26,543.3                          | <b>VIII Extraordinary items</b>                                                |            |                 |  |                                   |
|                                                                                |            |                | 93,884.0 | 82,991.3                          | <b>IX Profit before tax(VII-VIII)</b>                                          |            | <b>2,724.2</b>  |  | <b>2,956.8</b>                    |
| <b>II ASSETS</b>                                                               |            |                |          |                                   | <b>X Tax expense:</b>                                                          |            |                 |  |                                   |
| (1) Non-current assets                                                         |            |                |          |                                   | Current tax                                                                    |            | 799.0           |  | 911.0                             |
| (a) Fixed assets                                                               | 11         |                |          |                                   | Deferred tax                                                                   |            | 126.7           |  | 70.1                              |
| (i) Tangible assets                                                            |            | 575.4          |          | 583.5                             | <b>XI Profit for the year from continuing operations (IX-X)</b>                |            | <b>1,798.5</b>  |  | <b>1,975.7</b>                    |
| (ii) Intangible assets                                                         |            | 4.4            |          | 2.4                               | <b>XII Earnings per equity share:</b>                                          | <b>25</b>  |                 |  |                                   |
| (iii) Capital work in progress                                                 |            | 1.7            |          | 11.0                              | (1) Basic ( ₹ )                                                                |            | 1.64            |  | 1.80                              |
|                                                                                |            |                | 581.5    | 596.9                             | (2) Diluted ( ₹ )                                                              |            | 1.64            |  | 1.80                              |
| (b) Non-current investments                                                    | 12         | 1,799.8        |          | 1,984.3                           | <b>Summary of significant accounting policies</b>                              | <b>2.1</b> |                 |  |                                   |
| (c) Long term loans and advances                                               | 14         | 77,236.2       |          | 68,896.6                          | <b>The accompanying notes are an integral part of the financial statements</b> |            |                 |  |                                   |
| (d) Other non-current assets                                                   | 16         | —              |          | 205.3                             |                                                                                |            |                 |  |                                   |
|                                                                                |            |                | 79,036.0 | 71,086.2                          |                                                                                |            |                 |  |                                   |
| (2) Current assets                                                             |            |                |          |                                   |                                                                                |            |                 |  |                                   |
| (a) Trade receivables                                                          | 15         | 120.3          |          | 103.0                             |                                                                                |            |                 |  |                                   |
| (b) Cash and bank balances                                                     | 17         | 3,077.7        |          | 2,052.6                           |                                                                                |            |                 |  |                                   |
| (c) Short term loans & advances                                                | 14         | 10,424.9       |          | 8,562.1                           |                                                                                |            |                 |  |                                   |
| (d) Other current assets                                                       | 16         | 643.6          |          | 590.5                             |                                                                                |            |                 |  |                                   |
|                                                                                |            |                | 14,266.5 | 11,308.2                          |                                                                                |            |                 |  |                                   |
|                                                                                |            |                | 93,884.0 | 82,991.3                          |                                                                                |            |                 |  |                                   |
| <b>Summary of significant accounting policies</b>                              | <b>2.1</b> |                |          |                                   |                                                                                |            |                 |  |                                   |
| <b>The accompanying notes are an integral part of the financial statements</b> |            |                |          |                                   |                                                                                |            |                 |  |                                   |

As per our report of even date

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

per SHRAWAN JALAN  
Partner  
Membership No.:102102

Place: Mumbai  
Dated: April 26, 2016

For and on behalf of the Board

RAJIV SABHARWAL  
Chairman

MANINDER JUNEJA  
Vice Chairman

PRATAP SALIAN  
Company Secretary

ROHIT SALHOTRA  
Managing Director & CEO

PANKAJ JAIN  
Chief Financial Officer

# cash flow statement

for the year ended March 31, 2016

| Particulars                                                                                                                                                                                                 | March 31, 2016   | (₹ in millions)<br>March 31, 2015 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------|
| <b>A Cash flow from operating activities :</b>                                                                                                                                                              |                  |                                   |
| <b>Profit before taxation and exceptional items</b>                                                                                                                                                         | <b>2,724.2</b>   | <b>2,956.8</b>                    |
| Adjustments for:                                                                                                                                                                                            |                  |                                   |
| Depreciation / amortisation (net of write back)                                                                                                                                                             | 29.3             | 22.4                              |
| Amortisation of premium on investments                                                                                                                                                                      | 4.5              | 4.2                               |
| Provision for gratuity and other staff benefits                                                                                                                                                             | 2.1              | (3.4)                             |
| Provision / ( write back ) against standard assets                                                                                                                                                          | 52.8             | 53.2                              |
| Loss/(Gain) on sale of fixed assets/written off                                                                                                                                                             | (0.3)            | 0.3                               |
| Provision for contingencies and others                                                                                                                                                                      | 111.8            | 9.2                               |
| Profit on sale of government securities                                                                                                                                                                     | (1.9)            | (7.4)                             |
| Interest received on investments                                                                                                                                                                            | (127.4)          | (168.3)                           |
| Dividend income                                                                                                                                                                                             | (84.2)           | (83.2)                            |
| Profit on sale of mutual fund units                                                                                                                                                                         | (27.7)           | (36.0)                            |
| <b>Operating profit before working capital changes</b>                                                                                                                                                      | <b>2,683.2</b>   | <b>2,747.8</b>                    |
| Adjustments for increase or decrease in :                                                                                                                                                                   |                  |                                   |
| Trade receivables                                                                                                                                                                                           | (17.3)           | (2.4)                             |
| Other receivables                                                                                                                                                                                           | (49.5)           | (61.0)                            |
| Trade payables                                                                                                                                                                                              | 38.2             | (44.9)                            |
| Other liabilities                                                                                                                                                                                           | 225.5            | (43.5)                            |
| Provisions                                                                                                                                                                                                  | (263.1)          | (19.4)                            |
| Loans given (net movement)                                                                                                                                                                                  | (10,145.2)       | (10,598.4)                        |
| <b>Cash generated from Operations</b>                                                                                                                                                                       | <b>(7,528.2)</b> | <b>(8,021.8)</b>                  |
| Income taxes paid                                                                                                                                                                                           | (854.5)          | (999.5)                           |
| <b>Net cash from operating activities - A</b>                                                                                                                                                               | <b>(8,382.7)</b> | <b>(9,021.3)</b>                  |
| <b>B Cash Flow from investing activities :</b>                                                                                                                                                              |                  |                                   |
| Purchase of fixed assets (including capital work in progress)                                                                                                                                               | (14.0)           | (14.1)                            |
| Proceeds from sale of fixed assets                                                                                                                                                                          | 0.4              | —                                 |
| Purchase of investments                                                                                                                                                                                     | (447.0)          | (915.1)                           |
| Proceeds from sale of investments                                                                                                                                                                           | 627.0            | 1,034.5                           |
| Profit on sale of government securities                                                                                                                                                                     | 1.9              | 7.4                               |
| Net proceeds from sale of mutual fund units                                                                                                                                                                 | 27.7             | 36.0                              |
| Dividend income                                                                                                                                                                                             | 84.2             | 83.2                              |
| Interest received on investments                                                                                                                                                                            | 127.4            | 168.3                             |
| Fixed deposits placed with the banks                                                                                                                                                                        | 380.0            | —                                 |
| <b>Net cash from investing activities - B</b>                                                                                                                                                               | <b>787.6</b>     | <b>400.2</b>                      |
| <b>C Cash flow from financing activities :</b>                                                                                                                                                              |                  |                                   |
| Dividend and dividend distribution tax paid                                                                                                                                                                 | (1,584.8)        | (1,833.4)                         |
| Proceeds from borrowings (net)                                                                                                                                                                              | 10,385.0         | 10,763.4                          |
| <b>Net cash used in financing activities - C</b>                                                                                                                                                            | <b>8,800.2</b>   | <b>8,930.0</b>                    |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                                                                                                                                                    | <b>1,205.1</b>   | <b>308.9</b>                      |
| <b>Cash and cash equivalents as at beginning</b>                                                                                                                                                            | <b>1,672.6</b>   | <b>1,363.7</b>                    |
| <b>Cash and Cash equivalents as at end</b>                                                                                                                                                                  | <b>2,877.7</b>   | <b>1,672.6</b>                    |
| <b>Notes :</b>                                                                                                                                                                                              |                  |                                   |
| 1. Cash and cash equivalents consists of :                                                                                                                                                                  |                  |                                   |
| A. Bank balances                                                                                                                                                                                            |                  |                                   |
| 1) Current accounts (including bank deposits with original maturity less than 3 months)                                                                                                                     | 131.8            | 75.3                              |
| 2) Book overdraft                                                                                                                                                                                           | (194.5)          | (10.5)                            |
| B. Investments in mutual fund units                                                                                                                                                                         | 1,750.2          | 1,107.8                           |
| C. Investment redemption receivable                                                                                                                                                                         | 1,190.2          | 500.0                             |
| 2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on " Cash Flow Statements " issued by the Institute of Chartered Accountants of India. | 2,877.7          | 1,672.6                           |

As per our report of even date

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

per SHRAWAN JALAN  
Partner  
Membership No.:102102

Place: Mumbai  
Dated: April 26, 2016

For and on behalf of the Board

RAJIV SABHARWAL  
Chairman

MANINDER JUNEJA  
Vice Chairman

PRATAP SALIAN  
Company Secretary

ROHIT SALHOTRA  
Managing Director & CEO

PANKAJ JAIN  
Chief Financial Officer

### NOTES FORMING PART OF ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

#### 1. Corporate Information

ICICI Home Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in providing financial assistance for specified interest & maturity to person/ persons for the purpose to acquire, construct, erect, improve, extend, alter, repair, renovate, develop any house, flats or buildings or any form of real estate or any part or portion thereof. The Company is also providing financial assistance to any person for specified purpose against the security of any immovable property. The Company is also engaged in providing advisory, consultancy, broking in property service, sourcing and servicing home loans.

#### 2. Basis of Preparation

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

#### 2.1 Significant Accounting Policies

##### a) Presentation and disclosure of Financial Statement

The Company prepare its financial statements as per Schedule III under the Companies Act 2013 applicable for preparation and presentation of financial statements. The term 'Operating cycle' is defined as the time between the acquisition of assets for processing and their realization in cash or cash equivalents. In the Company, normal operating cycle cannot be identified hence it is assumed to have duration of 12 months as per Schedule III notified under Companies Act 2013.

##### b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### c) Revenue Recognition

###### Income from loan

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest. Interest income on EMI/Pre-EMI cases on housing loan is accounted for on accrual basis as per NHB guidelines. Loan origination income i.e. processing fees and other charges collected upfront, are recognised on origination of the loan. Interest on non-performing assets and charges for delayed payments and additional interest income on delayed EMI/Pre-EMI and cheque bouncing, if any, which are accounted for on receipt basis as per the guidelines issued by the NHB.

###### Income from Investment

Interest on Government Securities and Bank deposits are recognised on accrual basis. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

###### Fees Income

Property Service Fees are recognised to the extent of invoice raised on the customer, when right to receive payment is established. Mortgage Valuation Fees are recognised on accrual basis.

##### d) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realisable value, category-wise.

Long-term investments are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of the securities acquired is amortised over the remaining period to maturity on a constant yield basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

##### e) Provisions / write-offs on Loans and Other Credit Facilities

i) Loans and other credit facilities are classified as per the National Housing Bank (NHB) guidelines, into performing and non-performing assets. Further non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on criteria stipulated by NHB guidelines. Additional provisions are made against specific non-performing assets over and above stated in NHB guidelines, if in the opinion of the management, increased provisions are necessary.

ii) The Company maintains general provisions to cover potential credit losses, which are inherent in any loan portfolio but not identified in accordance with NHB Guidelines. For standard assets, additional general provisions are determined having regard to overall portfolio quality, asset growth, economic conditions and other risk factors.

##### f) Fixed Assets

Tangible Fixed assets and Intangible assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of an fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### g) Depreciation and Amortisation

Depreciation and amortisation on assets is charged on Straight Line Method based on economic useful life as limits specified in Part 'C' to Schedule II of the Companies Act, 2013. During the financial year 2015 Company has aligned the depreciation rate as per Company Act, 2013. Impact of such changes is not material and adjusted against the Statement of Profit & Loss Account.

| Particulars                        | Useful life as per Schedule II | Depreciation rate |
|------------------------------------|--------------------------------|-------------------|
| Office Buildings on Freehold Land  | 60 Years                       | 1.67%             |
| Improvements to Leasehold Property | 3 Years                        | 33.33%            |
| Furniture and Fixtures             | 10 Years                       | 10.00%            |
| Office Equipments                  | 5 Years                        | 20.00%            |
| Computers                          | 3 Years                        | 33.33%            |
| Software                           | 4 Years                        | 25.00%            |
| Capital WIP                        | Nil                            | Nil               |

Items costing upto ₹ 5,000/- are depreciated fully over the period of 12 months from the date of purchase.

#### h) Retirement and Other Employee Benefits

i) The Company is statutorily required to maintain a provident fund as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Company contributes an equal amount for eligible employees. The Company makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The Company makes balance contributions to a fund administered by trustees. The funds are invested according to the rules prescribed by the Government of India.

ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of each quarter end. Current and Non-Current obligation have been bifurcated as per actuarial valuation.

iii) The Company provides for leave encashment benefits, which is a defined benefit obligation, based on actuarial valuation conducted by an independent actuary. Current and Non-Current obligation have been bifurcated as per actuarial valuation.

iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.

v) Actuarial gains/losses are immediately taken to Profit and Loss account and are not deferred.

#### i) Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the expected amount to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liability is recognized for all taxable timing difference and Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

#### j) Transfer and Servicing of Financial Assets

The Company transfers loans to bankruptcy remote Special Purpose Vehicles through securitisation transactions. The transferred loans are derecognised from the books of the Company and gains / losses are recorded, only if the Company surrenders the rights to benefits specified in the loan contract. Credit provisions and servicing obligations are debited separately to the Profit and Loss account. Retained beneficial interest in the loan is measured by allocating the carrying values of the loans between the assets sold and retained interest, based on the relative fair value measured at the date of securitisation. The carrying value of the retained beneficial interest is estimated at each reporting period end based on the forecasted cash flows from the assets securitised after adjusting for projected delinquencies, prepayments, etc. The resultant gains/ losses, if any are recorded in to the Profit and Loss account.



### k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### l) Accounting for Swaps

The Company enters into derivative contracts such as interest rate swaps to hedge balance sheet assets and liabilities. The impact of such derivative instruments are correlated with the movements of the underlying assets and liabilities and accounted pursuant to the principles of hedge accounting whereby interest differential received/paid is adjusted from/to interest expenses. The related amount receivable from and payable to the swap counter parties is included in the Other Assets or Other Liabilities in the Balance Sheet.

### m) Impairment

- The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

### n) Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed.

### o) Leases

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

### p) Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with bank. Cash equivalents includes liquid investments in mutual fund units of short term debt instruments that are readily convertible into cash at its NAV and subject to an insignificant risk of changes in value.

### q) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss Account.

The difference between the discounted amount mobilized and redemption value of Commercial Papers/ Zero Coupon Bond/ NCD is apportioned on time basis over the life of instrument and charged as interest expense in the Statement of Profit and Loss Account.

## 3. Share Capital

| ₹ in millions                                                                          |                         |                         |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                            | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Authorised shares</b>                                                               |                         |                         |
| 2,385,000,000 Equity shares of ₹ 10 each<br>(March 2015 - 2,385,000,000)               | 23,850.0                | 23,850.0                |
| 15,000,000 Preference shares of ₹ 10 each<br>(March 2015 - 15,000,000)                 | 150.0                   | 150.0                   |
| <b>Total authorized shares</b>                                                         | <b>24,000.0</b>         | <b>24,000.0</b>         |
| <b>Issued, subscribed and paid up shares</b>                                           |                         |                         |
| 1,098,750,000 Equity shares of ₹ 10 each fully<br>paid up (March 2015 - 1,098,750,000) | 10,987.5                | 10,987.5                |
| <b>Total Issued, subscribed and paid up shares</b>                                     | <b>10,987.5</b>         | <b>10,987.5</b>         |

- Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

## Equity Shares

| Particulars                        | As at March 31, 2016 |            | As at March 31, 2015 |            |
|------------------------------------|----------------------|------------|----------------------|------------|
|                                    | No.                  | ₹ millions | No.                  | ₹ millions |
| At the beginning of the year       | 1,098,750,000        | 10,987.5   | 1,098,750,000        | 10,987.5   |
| Issued during the period           | —                    | —          | —                    | —          |
| Outstanding at the end of the year | 1,098,750,000        | 10,987.5   | 1,098,750,000        | 10,987.5   |

### Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended March 31, 2016, the amount of per share dividend recognized as distribution to equity shareholder is ₹ 1.076 (excluding dividend distribution tax) (March 31, 2015 - ₹ 1.315).

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

### Preference Shares

| Particulars                        | As at March 31, 2016 |            | As at March 31, 2015 |            |
|------------------------------------|----------------------|------------|----------------------|------------|
|                                    | No.                  | ₹ millions | No.                  | ₹ millions |
| At the beginning of the year       | —                    | —          | —                    | —          |
| Issued during the period           | —                    | —          | —                    | —          |
| Outstanding at the end of the year | —                    | —          | —                    | —          |

## (ii) Details of shareholders holding more than 5% shares in the Company

| Particulars                                         | As at<br>March 31, 2016 |            |                        | As at<br>March 31, 2015 |            |                        |
|-----------------------------------------------------|-------------------------|------------|------------------------|-------------------------|------------|------------------------|
|                                                     | No.                     | ₹ millions | % holding in the class | No.                     | ₹ millions | % holding in the class |
| Equity shares of ₹10 each fully paid                |                         |            |                        |                         |            |                        |
| ICICI Bank Limited (Holding Company & its nominees) | 1,098,750,000           | 10,987.5   | 100.0%                 | 1,098,750,000           | 10,987.5   | 100.0%                 |

## 4. Reserves and surplus

| ₹ in millions                                                                                                                                                      |                         |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                        | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>(i) General reserve</b>                                                                                                                                         |                         |                         |
| As per last balance sheet                                                                                                                                          | 249.3                   | 579.4                   |
| Add : Transferred from statement of profit and loss                                                                                                                | —                       | —                       |
| Less : Utilised for DTL creation (Refer note (b) below)                                                                                                            | —                       | (330.1)                 |
| <b>Closing balance</b>                                                                                                                                             | <b>249.3</b>            | <b>249.3</b>            |
| <b>(ii) Statutory Reserve</b><br>(As per Section 29C of National Housing Bank Act, 1987) (refer note (a) below)                                                    |                         |                         |
| Opening Balance                                                                                                                                                    | 3,664.6                 | 3,268.6                 |
| Additional during the year                                                                                                                                         | 360.0                   | 396.0                   |
| Appropriation during the year                                                                                                                                      | —                       | —                       |
| <b>Closing balance</b>                                                                                                                                             | <b>4,024.6</b>          | <b>3,664.6</b>          |
| <b>(iii) Surplus in the statement of profit and loss</b>                                                                                                           |                         |                         |
| Opening balance                                                                                                                                                    | 15.2                    | 373.8                   |
| Add : Net profit for the year                                                                                                                                      | 1,798.5                 | 1,975.7                 |
| Less : Proposed dividend ( ₹ Nil per equity share, March 2015 - ₹ 0.085 per equity share) (including dividend distribution tax ₹ Nil, March 2015 - ₹ 16.2 million) | —                       | (95.5)                  |
| Less : Interim dividend including dividend distribution tax                                                                                                        | (1,423.0)               | (1,469.0)               |
| Less : Transfer to Statutory Reserve                                                                                                                               | (360.0)                 | (396.0)                 |
| Less : Transfer to General Reserve                                                                                                                                 | —                       | —                       |
| Less : Utilised for DTL creation (Refer note (b) below)                                                                                                            | —                       | (373.8)                 |
| <b>Closing balance</b>                                                                                                                                             | <b>30.7</b>             | <b>15.2</b>             |
| <b>Total Reserves &amp; Surplus</b>                                                                                                                                | <b>4,304.6</b>          | <b>3,929.1</b>          |

### (a) Details of Statutory Reserves

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (₹ in millions)         |                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Balance at the beginning of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                         |
| a) Statutory Reserve u/s 29C of National Housing Bank, Act 1987                                                                                                                                                                                                                                                                                                                                                                                                | 3,664.6                 | 3,268.6                 |
| b) Amount of Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987                                                                                                                                                                                                                                                                                           | —                       | —                       |
| <b>c) Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>3,664.6</b>          | <b>3,268.6</b>          |
| <b>Addition / Appropriation / Withdrawal during the year</b>                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987                                                                                                                                                                                                                                                                                                                                                                                                        | 360.0                   | 396.0                   |
| b) Amount of Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987                                                                                                                                                                                                                                                                                           | —                       | —                       |
| Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987                                                                                                                                                                                                                                                                                                                                                                           | —                       | —                       |
| b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provisions u/s 29C of the NHB Act, 1987                                                                                                                                                                                                                                                                              | —                       | —                       |
| <b>Balance at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987                                                                                                                                                                                                                                                                                                                                                                                            | 4,024.6                 | 3,664.6                 |
| b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987                                                                                                                                                                                                                                                                                            | —                       | —                       |
| <b>c) Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>4,024.6</b>          | <b>3,664.6</b>          |
| <b>Note :</b> (a) The Special Reserve created as per Section 29C of the NHB Act, 1987, qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfers.                                                                                                                                                                                                           |                         |                         |
| (b) During the previous year ended March 31, 2015, pursuant to NHB Circular 'Circular No. 62/2014' dated May 27, 2014, and as a matter of prudence the Company had created Deferred Tax Liability (DTL) on Special Reserve created as per Section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961, amounting ₹ 703.9 million on such Special Reserve as at March 31, 2014 has been adjusted from Reserves and Surplus. |                         |                         |

### 5. Long-Term Borrowings

| Particulars                                                             | (₹ in millions)            |                            |                            |                            |
|-------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                         | Non - Current portion      |                            | Current Maturities         |                            |
|                                                                         | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>[A] Secured</b>                                                      |                            |                            |                            |                            |
| a) Non-Convertible Debentures / Bonds (Refer note i below)              | 10,280.0                   | 13,590.0                   | 3,310.0                    | —                          |
| b) Zero Coupon Debentures / Bonds (Refer note ii below)                 | 1,490.0                    | 3,165.0                    | 1,675.0                    | 2,000.0                    |
| Add: Premium accrued on redemption (net of unamortized discount)        | 153.4                      | 53.0                       | 193.1                      | 56.9                       |
|                                                                         | 11,923.4                   | 16,808.0                   | 5,178.1                    | 2,056.9                    |
| <b>Total[A]</b>                                                         | <b>11,923.4</b>            | <b>16,808.0</b>            | <b>5,178.1</b>             | <b>2,056.9</b>             |
| Amount disclosed under head "other current liabilities" (refer Note 10) | —                          | —                          | (5,178.1)                  | (2,056.9)                  |
| <b>Net Amount</b>                                                       | <b>11,923.4</b>            | <b>16,808.0</b>            | <b>—</b>                   | <b>—</b>                   |
| <b>[B] Unsecured</b>                                                    |                            |                            |                            |                            |
| <b>(a) Debenture / Bonds (refer note iii below)</b>                     |                            |                            |                            |                            |
| • Debentures / Bond - private placement                                 | 8,440.0                    | 2,640.0                    | 1,650.0                    | 510.0                      |
| • Debenture / Bond – subordinate debt private placement                 | 2,573.0                    | 2,573.0                    | —                          | —                          |
| • Debenture / Bonds - ZCB                                               | 4,960.0                    | 850.0                      | 3,100.0                    | 2,300.0                    |
| Add: Premium accrued on redemption (net of unamortized discount)        | 210.5                      | 157.4                      | 381.0                      | 263.4                      |
|                                                                         | 5,170.5                    | 1,007.4                    | 3,481.0                    | 2,563.4                    |
|                                                                         | 16,183.5                   | 6,220.4                    | 5,131.0                    | 3,073.4                    |
| <b>(b) Term loans (refer note iii below)</b>                            |                            |                            |                            |                            |
| Loans from banks                                                        | 14,813.0                   | 9,634.4                    | 4,564.7                    | 8,742.0                    |
|                                                                         | 14,813.0                   | 9,634.4                    | 4,564.7                    | 8,742.0                    |

### (c) Deposits (refer note iv below)

|                                                   |         |         |         |         |
|---------------------------------------------------|---------|---------|---------|---------|
| Fixed deposits including unclaimed fixed deposits | 1,624.6 | 1,196.5 | 1,163.6 | 1,581.6 |
|                                                   | 1,624.6 | 1,196.5 | 1,163.6 | 1,581.6 |

### (d) Loans and advances from related parties (refer note v below)

|                                                                      |                 |                 |                 |                 |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Loans from holding company – other loans                             | 4,472.0         | 5,848.0         | 1,376.0         | 1,376.0         |
|                                                                      | 4,472.0         | 5,848.0         | 1,376.0         | 1,376.0         |
| <b>Total[B=a+b+c+d]</b>                                              | <b>37,093.1</b> | <b>22,899.3</b> | <b>12,235.3</b> | <b>14,773.0</b> |
| Amount disclosed under head "other current liabilities"(ref Note 10) | —               | —               | (12,235.3)      | (14,773.0)      |
| <b>Net amount</b>                                                    | <b>37,093.1</b> | <b>22,899.3</b> | <b>—</b>        | <b>—</b>        |
| <b>Total = [A] + [B]</b>                                             | <b>49,016.5</b> | <b>39,707.3</b> | <b>—</b>        | <b>—</b>        |

i. The Non convertible debentures (NCD) / Bonds are issued with fixed coupon rate and redeemable at par. The NCD / Bonds to the extent of ₹ 8,800.0 million (March 2015 - ₹ 8,800.0 million) are secured by charge on the immovable property and negative lien on the assets of the Company. The NCD / Bonds to the extent of ₹ 4,790.0 million (March 2015 - ₹ 4,790.0) are secured by a pari passu charge on immovable property and hypothecation of loan receivable for upto 1.05 times the value of the NCD / Bonds outstanding.

The details of secured NCD / bonds are as under:

| Description                        | Date of<br>Allotment | Date of<br>Redemption | Rate of<br>Interest | (₹ in millions)            |                            |
|------------------------------------|----------------------|-----------------------|---------------------|----------------------------|----------------------------|
|                                    |                      |                       |                     | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>Non Current:</b>                |                      |                       |                     |                            |                            |
| <b>a)</b>                          |                      |                       |                     |                            |                            |
| 4,000 NCD's of ₹ 1,000,000 each    | November 25, 2009    | November 25, 2019     | 9.29%               | 4,000.0                    | 4,000.0                    |
| 3,000 NCD's of ₹ 1,000,000 each    | March 18, 2009       | March 18, 2019        | 10.75%              | 3,000.0                    | 3,000.0                    |
| 1,800 NCD's of ₹ 1,000,000 each    | September 23, 2008   | September 23, 2018    | 11.35%              | 1,800.0                    | 1,800.0                    |
| <b>Total (a)</b>                   |                      |                       |                     | <b>8,800.0</b>             | <b>8,800.0</b>             |
| <b>b)</b>                          |                      |                       |                     |                            |                            |
| 1,000 NCD's of ₹ 500,000 each      | November 13, 2014    | November 15, 2017     | 8.80%               | 500.0                      | 500.0                      |
| 1,600 NCD's of ₹ 500,000 each      | October 31, 2014     | October 30, 2017      | 9.05%               | 800.0                      | 800.0                      |
| 360 NCD's of ₹ 500,000 each        | October 31, 2014     | October 3, 2017       | 9.05%               | 180.0                      | 180.0                      |
| 1,500 NCD's of ₹ 500,000 each      | November 13, 2014    | March 13, 2017        | 8.80%               | —                          | 750.0                      |
| 920 NCD's of ₹ 500,000 each        | December 30, 2014    | December 30, 2016     | 9.00%               | —                          | 460.0                      |
| 3,500 NCD's of ₹ 500,000 each      | October 10, 2014     | October 10, 2016      | 9.35%               | —                          | 1,750.0                    |
| 500 NCD's of ₹ 500,000 each        | October 10, 2014     | September 23, 2016    | 9.35%               | —                          | 250.0                      |
| 200 NCD's of ₹ 500,000 each        | February 27, 2015    | February 27, 2017     | 8.70%               | —                          | 100.0                      |
| <b>Total (b)</b>                   |                      |                       |                     | <b>1,480.0</b>             | <b>4,790.0</b>             |
| <b>Total (a+b)</b>                 |                      |                       |                     | <b>10,280.0</b>            | <b>13,590.0</b>            |
| <b>Current:</b>                    |                      |                       |                     |                            |                            |
| <b>c)</b>                          |                      |                       |                     |                            |                            |
| 500 NCD's of ₹ 500,000 each        | October 10, 2014     | September 23, 2016    | 9.35%               | 250.0                      | —                          |
| 920 NCD's of ₹ 500,000 each        | December 30, 2014    | December 30, 2016     | 9.00%               | 460.0                      | —                          |
| 3,500 NCD's of ₹ 500,000 each      | October 10, 2014     | October 10, 2016      | 9.35%               | 1,750.0                    | —                          |
| 1,500 NCD's of ₹ 500,000 each      | November 13, 2014    | March 13, 2017        | 8.80%               | 750.0                      | —                          |
| 200 NCD's of ₹ 500,000 each        | February 27, 2015    | February 27, 2017     | 8.70%               | 100.0                      | —                          |
| <b>Total (c)</b>                   |                      |                       |                     | <b>3,310.0</b>             | <b>—</b>                   |
| <b>Total (Non Current+Current)</b> |                      |                       |                     | <b>13,590.0</b>            | <b>13,590.0</b>            |

ii. Zero Coupon Bonds (ZCB): These bonds are issued at par and redeemable at premium. The ZCB are secured by way of a pari passu charge on immovable property and hypothecation of loan receivable for upto 1.05 times the value of the bonds outstanding.

## forming part of the accounts

Continued

The details of secured ZCB are as under:

| (₹ in millions)                                                  |                   |                    |                         |                      |                      |
|------------------------------------------------------------------|-------------------|--------------------|-------------------------|----------------------|----------------------|
| Description                                                      | Date of Allotment | Date of Redemption | Rate of Interest (XIRR) | As at March 31, 2016 | As at March 31, 2015 |
| <b>Non Current:</b>                                              |                   |                    |                         |                      |                      |
| 1,000 ZCB of ₹ 500,000 each                                      | November 13, 2014 | November 14, 2016  | 8.80%                   | —                    | 500.0                |
| 1,000 ZCB of ₹ 500,000 each                                      | December 30, 2014 | July 4, 2016       | 8.90%                   | —                    | 500.0                |
| 800 ZCB of ₹ 500,000 each                                        | December 30, 2014 | April 4, 2016      | 8.90%                   | —                    | 400.0                |
| 550 ZCB of ₹ 500,000 each                                        | February 27, 2015 | February 16, 2017  | 8.70%                   | —                    | 275.0                |
| 400 ZCB of ₹ 500,000 each                                        | February 27, 2015 | April 18, 2017     | 8.70%                   | 200.0                | 200.0                |
| 1,000 ZCB of ₹ 500,000 each                                      | February 27, 2015 | February 26, 2018  | 8.68%                   | 500.0                | 500.0                |
| 1,580 ZCB of ₹ 500,000 each                                      | February 27, 2015 | March 5, 2018      | 8.68%                   | 790.0                | 790.0                |
| <b>Total</b>                                                     |                   |                    |                         | <b>1,490.0</b>       | <b>3,165.0</b>       |
| Add: Premium accrued on redemption (net of unamortized discount) |                   |                    |                         | 153.4                | 53.0                 |
| <b>Total (a)</b>                                                 |                   |                    |                         | <b>1,643.4</b>       | <b>3,218.0</b>       |
| <b>Current:</b>                                                  |                   |                    |                         |                      |                      |
| 3,000 ZCB of ₹ 500,000 each                                      | December 4, 2014  | March 21, 2016     | 8.70%                   | —                    | 1,500.0              |
| 1,000 ZCB of ₹ 500,000 each                                      | December 4, 2014  | February 19, 2016  | 8.70%                   | —                    | 500.0                |
| 800 ZCB of ₹ 500,000 each                                        | December 30, 2014 | April 4, 2016      | 8.90%                   | 400.0                | —                    |
| 1,000 ZCB of ₹ 500,000 each                                      | December 30, 2014 | July 4, 2016       | 8.90%                   | 500.0                | —                    |
| 1,000 ZCB of ₹ 500,000 each                                      | November 13, 2014 | November 14, 2016  | 8.80%                   | 500.0                | —                    |
| 550 ZCB of ₹ 500,000 each                                        | February 27, 2015 | February 16, 2017  | 8.70%                   | 275.0                | —                    |
| <b>Total</b>                                                     |                   |                    |                         | <b>1,675.0</b>       | <b>2,000.0</b>       |
| Add: Premium accrued on redemption (net of unamortized discount) |                   |                    |                         | 193.1                | 56.9                 |
| <b>Total (b)</b>                                                 |                   |                    |                         | <b>1,868.1</b>       | <b>2,056.9</b>       |
| <b>Total (a+b)</b>                                               |                   |                    |                         | <b>3,511.5</b>       | <b>5,274.9</b>       |

iii. Terms of redemption of unsecured bonds/debentures and for repayment terms of term loans are as under:

| (₹ in millions)                                             |                               |                             |                     |                               |
|-------------------------------------------------------------|-------------------------------|-----------------------------|---------------------|-------------------------------|
| Maturities -                                                | 1-3 years                     | 3-5 years                   | 5 years and above   | Total                         |
| <b>Rates of Interest</b>                                    |                               |                             |                     |                               |
| <b>(a) Unsecured bonds/debenture</b>                        |                               |                             |                     |                               |
| 8.00% to 9.50%                                              | 11,108.1<br>(500.0)           | 2,502.4<br>(990.0)          | —<br>(—)            | 13,610.5<br>(1,490.0)         |
| 9.51% to 11.00%                                             | 503.0<br>(2,157.4)            | 2,070.0<br>(2,573.0)        | —<br>(—)            | 2,573.0<br>(4,730.4)          |
| <b>Total (a)</b>                                            | <b>11,611.1</b><br>(2,657.4)  | <b>4,572.4</b><br>(3,563.0) | <b>—</b><br>(—)     | <b>16,183.5</b><br>(6,220.4)  |
| <b>(b) Term loans (including loan from holding company)</b> |                               |                             |                     |                               |
| 8.00% to 9.50%                                              | 3,948.0<br>(52.8)             | 192.7<br>(26.0)             | 339.0<br>(—)        | 4,479.7<br>(78.8)             |
| 9.51% to 11.00%                                             | 14,705.3<br>(11,807.6)        | 100.0<br>(3,596.0)          | —<br>(—)            | 14,805.3<br>(15,403.6)        |
| <b>Total (b)</b>                                            | <b>18,653.3</b><br>(11,860.4) | <b>292.7</b><br>(3,622.0)   | <b>339.0</b><br>(—) | <b>19,285.0</b><br>(15,482.4) |

\*Figures in bracket pertain to March 31, 2015

- iv. Fixed deposits include deposits from corporates ₹ 519.9 million (March 2015 - ₹ 492.5 million) and deposits from public ₹ 2,268.3 million (March 2015 - ₹ 2,285.6 million) and carry rate of interest in the range of 6.50% to 11.50% p.a. and having a tenure of 13.00 to 84.00 months from the date of acceptance of deposits. Fixed deposits includes unclaimed fixed deposits from corporates ₹ 2.0 million (March 2015 - ₹ 3.5 million) and deposits from public includes ₹ 222.5 million (March 2015 - ₹ 223.9 million). Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2015 - ₹ Nil). Floating charge has been created on Government Securities (for statutory liquidity ratio (SLR) purpose) as per NHB Directions.
- v. Loans from related parties carry rate of interest of 9.60% p.a. and tenure of 104.00 months from the date of issue.
- vi. The funds raised by the Company are primarily utilised for core business purposes i.e. mortgage retail finance and construction finance in addition to repayment to existing lenders of the Company.

## 6. Other Long Term Liabilities

| (₹ in millions)                            |                      |                      |
|--------------------------------------------|----------------------|----------------------|
| Particulars                                | As at March 31, 2016 | As at March 31, 2015 |
| <b>(a) Trade payables</b>                  |                      |                      |
| <b>(b) Others</b>                          |                      |                      |
| Interest accrued but not due on borrowings | —                    | —                    |
| — cumulative fixed deposits                | 82.5                 | 51.9                 |
| <b>Total(b)</b>                            | <b>82.5</b>          | <b>51.9</b>          |
| <b>Total(a+b)</b>                          | <b>82.5</b>          | <b>51.9</b>          |

## 7. Provisions

| (₹ in millions)                                                   |                      |                      |                      |                      |
|-------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars                                                       | Long Term            |                      | Short Term           |                      |
|                                                                   | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| <b>(a) Provision for employee benefits</b>                        |                      |                      |                      |                      |
| Provision for Gratuity (refer note 22(i) - Balance Sheet)         | 2.8                  | 3.2                  | —                    | —                    |
| Provision for leave encashment (refer note 22(i) - Balance Sheet) | 10.7                 | 10.1                 | 5.4                  | 4.8                  |
| Provision for bonus                                               | —                    | —                    | 42.1                 | 40.8                 |
| <b>Total (a)</b>                                                  | <b>13.5</b>          | <b>13.3</b>          | <b>47.5</b>          | <b>45.6</b>          |
| <b>(b) Others</b>                                                 |                      |                      |                      |                      |
| Provision for contingencies (Refer Note 7(i) below)               | —                    | 160.0                | —                    | —                    |
| Provision against standard assets                                 | 424.3                | 393.9                | 83.6                 | 61.1                 |
| Provision for sub standard assets-Housing loans                   | 25.2                 | 17.0                 | —                    | —                    |
| Provision for sub standard assets-Other loans                     | 39.9                 | 55.8                 | —                    | —                    |
| Provision for doubtful assets-Housing loans                       | 18.4                 | 22.4                 | —                    | —                    |
| Provision for doubtful assets-Other loans                         | 94.0                 | 71.4                 | —                    | —                    |
| Provision for loss assets-Housing loans                           | 229.4                | 277.9                | —                    | —                    |
| Provision for loss assets-Other loans                             | 487.5                | 445.3                | —                    | —                    |
| Provision for others                                              | 51.2                 | 49.2                 | —                    | —                    |
| Provision for proposed dividend                                   | —                    | —                    | —                    | 79.4                 |
| Provision for dividend distribution tax                           | —                    | —                    | —                    | 82.5                 |
| Provision for 1% subsidy on EMI                                   | 5.3                  | 3.2                  | —                    | —                    |
| <b>Total (b)</b>                                                  | <b>1,375.2</b>       | <b>1,496.1</b>       | <b>83.6</b>          | <b>223.0</b>         |
| <b>Total(a+b)</b>                                                 | <b>1,388.7</b>       | <b>1,509.4</b>       | <b>131.1</b>         | <b>268.6</b>         |

(i) Disclosure of provision for contingencies:

| (₹ in millions)                                                                             |                      |                      |
|---------------------------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                                                 | As at March 31, 2016 | As at March 31, 2015 |
| <b>(a) Servicing expenses provision on loans securitized</b>                                |                      |                      |
| Opening balance                                                                             | 2.4                  | 2.4                  |
| Utilisations / (write back)                                                                 | (2.4)                | —                    |
| <b>Closing balance</b>                                                                      | <b>—</b>             | <b>2.4</b>           |
| <b>(b) Provision for delinquencies, prepayment and conversion risk on loans securitized</b> |                      |                      |
| Opening balance                                                                             | 157.6                | 157.6                |
| Utilisations / (write back)                                                                 | (157.6)              | —                    |
| <b>Closing balance</b>                                                                      | <b>—</b>             | <b>157.6</b>         |
| <b>Total(a+b)</b>                                                                           | <b>—</b>             | <b>160.0</b>         |

Provision for servicing expenses of loans securitised is done upfront by the Company. At each Balance Sheet date, the Company assesses the servicing liability of securitised pool and differential amounts are written back or provided for in the books of account. The provision of the delinquencies and conversion risk as well as provision for prepayment risk on the loan portfolio sold by the Company is also made upfront and reduced from the gross capital gains on the securitisation transaction. At each Balance Sheet date, the Company assesses the delinquencies, prepayment and conversion risk of securitised pool and differential amounts are written back / provided in the books of account.

## 8. Short Term Borrowing

| (₹ in millions)                            |                      |                      |
|--------------------------------------------|----------------------|----------------------|
| Particulars                                | As at March 31, 2016 | As at March 31, 2015 |
| <b>Unsecured</b>                           |                      |                      |
| (a) Fixed deposit                          | 302.5                | 63.0                 |
| (b) Commercial paper                       | 7,250.0              | 6,750.0              |
| Less : Unamortised interest                | (277.0)              | (303.4)              |
|                                            | <b>6,973.0</b>       | <b>6,446.6</b>       |
| (c) Bank Overdraft*                        | —                    | —                    |
| (d) Loans from holding company (Overdraft) | 997.1                | 1,273.6              |
| <b>Total(a+b+c+d)</b>                      | <b>8,272.6</b>       | <b>7,783.2</b>       |

\*Amount of bank overdraft is less than ₹ 0.1 million.

- (i) Fixed deposits includes deposits from corporates ₹ 230.0 million (March 2015 - ₹ Nil million) and deposits from public ₹ 72.5 million (March 2015 - ₹ 63.0 million) and carries interest in the range of 7.90% to 9.35%p.a. with tenure of 12 months from the date of acceptance of deposits. Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2015- ₹ Nil).
- (ii) Commercial paper carries interest in the range of 8.10% to 9.10% p.a. and tenure of 90 to 365 days repayable in bullet payment.

## 9. Trade Payables

| (₹ in millions)                                                                   |                      |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                                       | As at March 31, 2016 | As at March 31, 2015 |
| <b>Trade payables</b>                                                             |                      |                      |
| (a) Total outstanding dues of Micro and Small Enterprises (Refer Note 9(i) below) | 1.2                  | 3.2                  |
| (b) Total outstanding dues to creditors other than Micro and Small Enterprises    | 229.2                | 189.0                |
| <b>Total(a+b)</b>                                                                 | <b>230.4</b>         | <b>192.2</b>         |

(i) Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

| Particulars                                                                                                                                                                                                                                                                                                                  | (₹ in millions)         |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                                                                                                                                                                              | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| The principal amount and the interest due thereon (Interest- March 31, 2016 ₹ Nil, March 31, 2015 ₹ Nil) remaining unpaid to any supplier as at the end of each accounting year                                                                                                                                              | 1.2                     | 3.2                     |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                                                                              | —                       | —                       |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.                                                                | —                       | —                       |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and                                                                                                                                                                                                                                  | —                       | —                       |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | —                       | —                       |

11. Fixed Assets

| Particulars                        | Gross Block             |             |            |                         | Depreciation / Amortisation |                |                            |                         | Net Block               |                         |  |
|------------------------------------|-------------------------|-------------|------------|-------------------------|-----------------------------|----------------|----------------------------|-------------------------|-------------------------|-------------------------|--|
|                                    | As At<br>April 01, 2015 | Additions   | Deductions | As At<br>March 31, 2016 | As At<br>April 01, 2015     | For the period | Adjustments/<br>deductions | As At<br>March 31, 2016 | As At<br>March 31, 2016 | As At<br>March 31, 2015 |  |
|                                    |                         |             |            |                         |                             |                |                            |                         |                         |                         |  |
| <b>(i) Tangible assets:</b>        |                         |             |            |                         |                             |                |                            |                         |                         |                         |  |
| Free Hold Land                     | 0.7                     | —           | —          | 0.7                     | —                           | —              | —                          | —                       | 0.7                     | 0.7                     |  |
| Office building                    | 623.3                   | —           | —          | 623.3                   | 54.0                        | 10.4           | —                          | 64.4                    | 558.9                   | 569.3                   |  |
| Improvement to lease hold property | 0.9                     | 0.9         | —          | 1.8                     | 0.9                         | 0.3            | —                          | 1.2                     | 0.6                     | —                       |  |
| Computers                          | 20.7                    | 6.4         | —          | 27.1                    | 11.9                        | 6.8            | —                          | 18.7                    | 8.4                     | 8.8                     |  |
| Office equipments                  | 5.7                     | 3.3         | —          | 9.0                     | 1.3                         | 1.2            | —                          | 2.5                     | 6.5                     | 4.4                     |  |
| Furniture & fixtures               | 0.9                     | 0.3         | 0.4        | 0.8                     | 0.6                         | 0.2            | 0.3                        | 0.5                     | 0.3                     | 0.3                     |  |
| <b>Total</b>                       | <b>652.2</b>            | <b>10.9</b> | <b>0.4</b> | <b>662.7</b>            | <b>68.7</b>                 | <b>18.9</b>    | <b>0.3</b>                 | <b>87.3</b>             | <b>575.4</b>            | <b>583.5</b>            |  |
| Previous year (March 31, 2015)     | 645.3                   | 13.7        | 6.8        | 652.2                   | 55.6                        | 19.6           | 6.5                        | 68.7                    | 583.5                   |                         |  |
| <b>(ii) Intangible assets:</b>     |                         |             |            |                         |                             |                |                            |                         |                         |                         |  |
| Software                           | 25.8                    | 12.4        | —          | 38.2                    | 23.4                        | 10.4           | —                          | 33.8                    | 4.4                     | 2.4                     |  |
| <b>Total</b>                       | <b>25.8</b>             | <b>12.4</b> | <b>—</b>   | <b>38.2</b>             | <b>23.4</b>                 | <b>10.4</b>    | <b>—</b>                   | <b>33.8</b>             | <b>4.4</b>              | <b>2.4</b>              |  |
| Previous year (March 31, 2015)     | 23.6                    | 2.2         | —          | 25.8                    | 20.6                        | 2.8            | —                          | 23.4                    | 2.4                     |                         |  |

- The Company has Capital work in progress of ₹ 1.7 million (March 2015 - ₹ 11.0 million).
- A negative charge on the Gross block of office building amounting to ₹ 23.8 million (March 2015 - ₹ 23.8 million) and pari passu charge on Free Hold land has been created on secured bonds.

12. Non-Current Investments

| Particulars                                                                                                                              | (₹ in millions)            |                            |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                                                                          | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>Non-trade investments(valued at cost unless otherwise stated)</b>                                                                     |                            |                            |
| <b>Investments in government securities - (Quoted)</b>                                                                                   |                            |                            |
| Government securities (Face value - ₹ 1,083,990,000 , March 2015 - ₹ 1,263,990,000)*                                                     | 1,090.4                    | 1,274.9                    |
|                                                                                                                                          | 1,090.4                    | 1,274.9                    |
| <b>Investments in equity shares - (Unquoted)</b>                                                                                         |                            |                            |
| 7,340,000 (March 2015 - 7,340,000) Equity shares of Asset Reconstruction Company (India) Limited of face value - ₹ 10 each fully paid-up | 513.8                      | 513.8                      |
| 3,000,000 (March 2015 - 3,000,000) Equity shares of India Infra Debt Limited of ₹ 10 each fully paid-up                                  | 30.0                       | 30.0                       |
|                                                                                                                                          | 543.8                      | 543.8                      |
| <b>Other investments - (Unquoted)</b>                                                                                                    |                            |                            |
| 16,556.38 (March 2015 - 16,556.38) units of Emerging India Fund of face value ₹ 10,000 each at par                                       | 165.6                      | 165.6                      |
|                                                                                                                                          | 165.6                      | 165.6                      |
| <b>Total</b>                                                                                                                             | <b>1,799.8</b>             | <b>1,984.3</b>             |
| Aggregate amount of quoted investments                                                                                                   | 1,090.4                    | 1,274.9                    |
| Market value of quoted investments                                                                                                       | 1,076.3                    | 1,242.7                    |
| Aggregate amount of unquoted investments                                                                                                 | 709.4                      | 709.4                      |

\* Floating charge has been created on Government Securities (for statutory liquidity ratio (SLR) purpose) and includes securities, which are in excess of the minimum SLR requirement as per NHB Directions.

The Company has not received any claims against interest outstanding due to any vendors registered under Micro Small and Medium Enterprise Development Act, 2006.

10. Other Current Liabilities

| Particulars                                                                         | (₹ in millions)         |                         |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                     | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>(a) Current maturities of long term debt (ref note no. 5)</b>                    |                         |                         |
| Secured                                                                             | 5,178.1                 | 2,056.9                 |
| Unsecured                                                                           | 12,010.8                | 14,545.6                |
|                                                                                     | 17,188.9                | 16,602.5                |
| <b>(b) Interest accrued but not due on borrowings</b>                               | <b>1,281.0</b>          | <b>1,110.7</b>          |
| <b>(c) Unclaimed matured deposits and interest accrued thereon (ref note no. 5)</b> | <b>267.1</b>            | <b>283.5</b>            |
| <b>(d) Other payable</b>                                                            |                         |                         |
| (i) Statutory dues                                                                  | 12.1                    | 27.1                    |
| (ii) Other liabilities                                                              | 331.5                   | 275.5                   |
|                                                                                     | 343.6                   | 302.6                   |
| <b>Total(a + b + c + d)</b>                                                         | <b>19,080.6</b>         | <b>18,299.3</b>         |

(₹ in millions)

The management assesses that there is no indication of impairment of Company's investments. Provision for diminution in value of investment is ₹ Nil (March 2015 - ₹ Nil).

13. Deferred Tax (net)

The composition of deferred tax assets and liabilities into major items is given below:

| Particulars                                                                                                                                                                                             | (₹ in millions)            |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                                                                                                                                         | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>(i) Deferred tax assets on account of</b>                                                                                                                                                            |                            |                            |
| Provision for NPAs and Standard assets                                                                                                                                                                  | 485.3                      | 465.4                      |
| Retirement benefits                                                                                                                                                                                     | 3.5                        | 3.9                        |
| Others                                                                                                                                                                                                  | 58.8                       | 124.5                      |
|                                                                                                                                                                                                         | 547.6                      | 593.8                      |
| <b>(ii) Deferred tax liability on account of</b>                                                                                                                                                        |                            |                            |
| Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961 (includes ₹ 703.9 millions created as per NHB circular refer note 4 (b)) | (856.6)                    | (784.3)                    |
| Depreciation                                                                                                                                                                                            | (80.5)                     | (72.3)                     |
|                                                                                                                                                                                                         | (937.1)                    | (856.6)                    |
| <b>Net deferred tax Asset / (Liability)</b>                                                                                                                                                             | <b>(389.5)</b>             | <b>(262.8)</b>             |

### 14. Loans and Advances

| Particulars                                                                     | (₹ in millions)            |                            |                            |                            |
|---------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                                 | Long term                  |                            | Short term                 |                            |
|                                                                                 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>a. Security Deposits</b>                                                     |                            |                            |                            |                            |
| Unsecured, considered good                                                      | 4.7                        | 7.8                        | —                          | —                          |
| Doubtful                                                                        | 14.4                       | 14.0                       | —                          | —                          |
| Less: Provisions for doubtful deposits                                          | (14.4)                     | (14.0)                     | —                          | —                          |
|                                                                                 | 4.7                        | 7.8                        | —                          | —                          |
| <b>b. Loans &amp; other credit facilities</b>                                   |                            |                            |                            |                            |
| Housing Loans                                                                   | 47,355.9                   | 42,238.5                   | 5,734.1                    | 4,339.8                    |
| Loan against property, Corporate realty finance and other loans                 | 29,448.2                   | 26,278.4                   | 4,681.4                    | 4,217.7                    |
|                                                                                 | 76,804.1                   | 68,516.9                   | 10,415.5                   | 8,557.5                    |
| Secured, considered good Doubtful (Non performing assets as per NHB guidelines) | 75,388.4                   | 67,100.6                   | 10,415.5                   | 8,557.5                    |
|                                                                                 | 1,415.7                    | 1,416.3                    | —                          | —                          |
|                                                                                 | 76,804.1                   | 68,516.9                   | 10,415.5                   | 8,557.5                    |
| <b>c. Advance tax (net of provision for taxation)</b>                           | 427.4                      | 371.9                      | —                          | —                          |
| <b>d. Others</b>                                                                | —                          | —                          | 9.4                        | 4.6                        |
| <b>Total :- (a+b+c+d)</b>                                                       | <b>77,236.2</b>            | <b>68,896.6</b>            | <b>10,424.9</b>            | <b>8,562.1</b>             |

(i) Classification of loans and other credit facilities :

| Particulars              | (₹ in millions) |              |              |              |                 |
|--------------------------|-----------------|--------------|--------------|--------------|-----------------|
|                          | Standard        | Sub Standard | Doubtful     | Loss         | Total           |
| <b>Loans Outstanding</b> |                 |              |              |              |                 |
| Housing loans            | 52,652.8        | 167.8        | 40.0         | 229.4        | 53,090.0        |
|                          | (46,137.4)      | (113.1)      | (49.9)       | (277.9)      | (46,578.3)      |
| Other loans              | 33,151.1        | 266.1        | 224.9        | 487.5        | 34,129.6        |
|                          | (29,520.6)      | (372.0)      | (158.2)      | (445.3)      | (30,496.1)      |
| <b>Total</b>             | <b>85,803.9</b> | <b>433.9</b> | <b>264.9</b> | <b>716.9</b> | <b>87,219.6</b> |
|                          | (75,658.0)      | (485.1)      | (208.1)      | (723.2)      | (77,074.4)      |
| Housing loans            | 281.3           | 25.2         | 18.4         | 229.4        | 554.3           |
|                          | (252.9)         | (17.0)       | (22.4)       | (277.9)      | (570.2)         |
| Other loans              | 226.6           | 39.9         | 94.0         | 487.5        | 848.0           |
|                          | (202.1)         | (55.8)       | (71.4)       | (445.3)      | (774.6)         |
| <b>Total</b>             | <b>507.9</b>    | <b>65.1</b>  | <b>112.4</b> | <b>716.9</b> | <b>1,402.3</b>  |
|                          | (455.0)         | (72.8)       | (93.8)       | (723.2)      | (1,344.8)       |

\*Figures in bracket pertain to March 31, 2015

- (i) All registered housing finance companies are required to carry provision of 0.40%, 0.75% and 1.00% of the total outstanding amount of loans which are standard assets in respect of housing and other loans, commercial real estates residential loans and commercial real estate other loans respectively vide circular no. NHB(ND)/DRS/Pol.no.45/2011-2012 issued dated January 19, 2012 and NHB circular no HFC.DIR9/CMD/2013 dated September 06, 2013. Further, all registered housing finance companies are required to carry a provision of 2.00% of the total outstanding loans which are standard assets in respect of housing loans at special rates i.e limited period fixed rate loans vide circular no. NHB(ND)/DRS/Pol.no 47/2010-2011 issued dated December 24, 2010. Accordingly the Company carried a provision ₹ 507.9 million (March 31, 2015 - ₹ 455.0 million) towards standard loans as per the prudential norms of National Housing Bank.
- (ii) Loans given by the Company are secured by the underlying property or fixed deposit.
- (iii) Loan and other credit facilities include loan of ₹ Nil (March 2015 - ₹ Nil) which is secured by way of capital market exposure.
- (iv) Loans and other credit facilities include subordinated interest of ₹ Nil (March 2015 - ₹ 156.0 million) in the underlying trust property of mortgage backed securities.
- (v) Security deposit includes deposit of ₹ Nil (March 2015 - ₹ 3.2 million) with MBS trust created in favour of IDBI Trusteeship Services Limited.

### 15. Trade Receivable

| Particulars                                                       | (₹ in millions)            |                            |                            |                            |
|-------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                   | Non - Current portion      |                            | Current Portion            |                            |
|                                                                   | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>Other receivable</b>                                           |                            |                            |                            |                            |
| Trade Receivables-Unsecured, considered good less then six months | —                          | —                          | 120.3                      | 103.0                      |
| Less: Provisions for doubtful trade receivables                   | —                          | —                          | —                          | —                          |
| <b>Total</b>                                                      | <b>—</b>                   | <b>—</b>                   | <b>120.3</b>               | <b>103.0</b>               |

Trade receivable includes ₹ 112.4 millions (March 2015 ₹ 100.8 millions) from related parties.

### 16. Other Assets

| Particulars                                                       | (₹ in millions)            |                            |                            |                            |
|-------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                   | Non - Current portion      |                            | Current Portion            |                            |
|                                                                   | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| (i) Advances recoverable                                          |                            |                            |                            |                            |
| Unsecured, considered good                                        | —                          | —                          | 11.2                       | 16.5                       |
| Doubtful                                                          | 4.5                        | 4.7                        | —                          | —                          |
| Less: Provisions for doubtful advances                            | (4.5)                      | (4.7)                      | —                          | —                          |
|                                                                   | —                          | —                          | 11.2                       | 16.5                       |
| (iii) Interest accrued on Loans                                   | —                          | —                          | 583.5                      | 523.3                      |
| (iii) Accrued interest- fixed Deposits                            | —                          | 5.3                        | 22.6                       | 18.7                       |
| (iv) Accrued interest- fixed deposits placed with ICICI Bank      | —                          | —                          | —                          | 0.6                        |
| (v) Accrued interest - GOI securities - INV                       | —                          | —                          | 19.6                       | 24.7                       |
| (vi) Bank deposits with original maturity for more than 12 months | —                          | 200.0                      | —                          | —                          |
| (vii) Others                                                      | —                          | —                          | 6.7                        | 6.7                        |
| <b>Total</b>                                                      | <b>—</b>                   | <b>205.3</b>               | <b>643.6</b>               | <b>590.5</b>               |

### 17. Cash and Bank Balances

| Particulars                                                     | (₹ in millions)            |                            |                            |                            |
|-----------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                 | Non - Current portion      |                            | Current portion            |                            |
|                                                                 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>A. Cash &amp; cash equivalents</b>                           |                            |                            |                            |                            |
| a. Investments in mutual funds (Liquid Plan)                    | —                          | —                          | 1,750.2                    | 1,107.8                    |
| b. Investments redemption receivable                            | —                          | —                          | 1,190.2                    | 500.0                      |
| c. Balances with banks                                          | —                          | —                          | 131.8                      | 75.3                       |
| d. Book overdraft                                               | —                          | —                          | (194.5)                    | (10.5)                     |
| <b>Total (A)</b>                                                | <b>—</b>                   | <b>—</b>                   | <b>2,877.7</b>             | <b>1,672.6</b>             |
| <b>B. Other bank balances</b>                                   |                            |                            |                            |                            |
| a. Bank deposits with original maturity for more than 12 months | —                          | 200.0                      | 200.0                      | 300.0                      |
| b. Margin money deposits*                                       | —                          | —                          | —                          | 80.0                       |
| <b>Total (B)</b>                                                | <b>—</b>                   | <b>200.0</b>               | <b>200.0</b>               | <b>380.0</b>               |
| Amount disclosed under other assets (ref note 16)               | —                          | (200.0)                    | —                          | —                          |
| <b>Total (A) + (B)</b>                                          | <b>—</b>                   | <b>—</b>                   | <b>3,077.7</b>             | <b>2,052.6</b>             |

\*Margin money deposit is lien marked in favour IDBI Trusteeship Services Limited.

### 18. Current Investments

| Particulars                                                                           | (₹ in millions)         |                         |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                       | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Investment in Mutual Funds – Liquid investments</b>                                | <b>1,750.2</b>          | <b>1,107.8</b>          |
| Market value of Mutual Fund of ₹ 1,752.3 millions (₹ 1,109.2 millions March 31, 2015) |                         |                         |
| Amount disclosed under head "Cash & Cash equivalent" (ref Note 17 A(a))               | (1,750.2)               | (1,107.8)               |
| <b>Total</b>                                                                          | <b>—</b>                | <b>—</b>                |
| Aggregate amount of quoted investments                                                | —                       | —                       |
| Market value of quoted investments                                                    | —                       | —                       |

Provision for diminution in value of Investment is ₹ Nil (March 2015 - ₹ Nil).

The details of Mutual fund are as under :

| Particulars                                                     | (₹ in millions)            |                            |                            |                            |
|-----------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                 | No. of Units               |                            | Amount as at               |                            |
|                                                                 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| Axis Liquid Fund Direct Plan - Growth                           | —                          | 32,333.394                 | —                          | 50.1                       |
| Birla Sun Life Cash Plus Direct Plan - Growth                   | 2,056,944.450              | 1,207,542.490              | 500.0                      | 270.5                      |
| HDFC Liquid Fund Direct Plan - Growth                           | —                          | 4,199,164.248              | —                          | 115.8                      |
| HSBC Cash Fund Direct Plan - Growth                             | —                          | 71,759.300                 | —                          | 100.0                      |
| ICICI Pru Money Market Direct Plan - Growth                     | —                          | 1,142,741.108              | —                          | 221.0                      |
| Birla Sun Life Floating Rate Fund Short Term Plan Direct Growth | 1,240,156.256              | —                          | 250.0                      | —                          |
| Kotak Floater Short Term Direct Plan - Growth                   | 80,561.735                 | —                          | 200.0                      | —                          |
| SBI Premier Liquid Fund Direct Plan - Growth                    | —                          | 113,766.160                | —                          | 250.0                      |
| UTI Money Market Fund Institutional Direct Plan - Growth        | —                          | 64,049.242                 | —                          | 100.4                      |
| Reliance Liquid Fund - Cash Plan - DIRECT Growth                | 204,741.267                | —                          | 500.0                      | —                          |
| ICICI Prudential Liquid Direct Plan Growth                      | 1,339,828.231              | —                          | 300.2                      | —                          |
| <b>Total</b>                                                    | <b>4,922,231.939</b>       | <b>6,831,355.942</b>       | <b>1,750.2</b>             | <b>1,107.8</b>             |



### 19. Revenue From Operations

| Particulars                                                                                                                                 | (₹ in millions)              |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                                                             | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| Interest income on loans                                                                                                                    | 9,549.3                      | 8,599.9                      |
| <b>Other operating income</b>                                                                                                               |                              |                              |
| Fee income (refer note (a))                                                                                                                 | 882.1                        | 946.7                        |
| Other interest income received<br>(Includes ₹ 1.2 million (March 2015 ₹ 2.2 million) in respect of investments held as current investments) | 127.4                        | 168.2                        |
| Profit on sale of liquid mutual fund units on current investment                                                                            | 27.7                         | 36.0                         |
| Profit on sale of GOI securities (Includes ₹ 1.3 million (March 2015 ₹ 7.3 million) in respect of investments held as current investments)  | 1.9                          | 7.4                          |
| Dividend income on current investment                                                                                                       | 76.9                         | 83.2                         |
| <b>Total</b>                                                                                                                                | <b>10,665.3</b>              | <b>9,841.4</b>               |

**Note:** (a) Pursuant to NHB Circular 'NHB (ND)/DRS/Policy Circular No. 71/2014-15 dated April 22, 2015, fee income includes ₹ 22.7 million (March 2015 ₹ 26.2 million) towards insurance agency business.

### 20. Other Income

| Particulars                               | (₹ in millions)              |                              |
|-------------------------------------------|------------------------------|------------------------------|
|                                           | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| Dividend income-long term (Equity Shares) | 7.3                          | —                            |
| Rent income                               | 37.0                         | 35.7                         |
| Miscellaneous income                      | 4.1                          | 0.2                          |
| <b>Total</b>                              | <b>48.4</b>                  | <b>35.9</b>                  |

### 21. Finance Cost

| Particulars                     | (₹ in millions)              |                              |
|---------------------------------|------------------------------|------------------------------|
|                                 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| <b>(a) Interest expense on:</b> |                              |                              |
| Loans from banks                | 2,661.5                      | 2,600.1                      |
| Commercial paper                | 522.9                        | 501.8                        |
| Fixed deposits                  | 257.0                        | 313.0                        |
| Bonds                           | 3,105.7                      | 2,286.2                      |
|                                 | 6,547.1                      | 5,701.1                      |
| <b>(b) Other charges</b>        |                              |                              |
| Brokerage on fixed deposits     | 10.2                         | 4.3                          |
| Bank charges                    | 1.0                          | 0.5                          |
| Other financial charges         | 49.2                         | 37.1                         |
|                                 | 60.4                         | 41.9                         |
| <b>Total (a+b)</b>              | <b>6,607.5</b>               | <b>5,743.0</b>               |

(i) Interest expense (net) includes ₹ 48.7 million (March 2015 - ₹ 87.5 million) under Loans from banks being interest expenses / (income) booked on the Interest Rate Swaps (IRS). The notional principal of hedge IRS is ₹ 5,500.0 million (March 2015 - ₹ 5,500.0 million). During the year, the Company has entered into Interest Rate Swap (IRS) transactions amounting to ₹ Nil (March 2015 - ₹ Nil).

### 22. Employee Benefit Expenses

| Particulars                               | (₹ in millions)              |                              |
|-------------------------------------------|------------------------------|------------------------------|
|                                           | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| Salaries, wages and bonus                 | 395.6                        | 359.4                        |
| Contribution to gratuity fund             | 4.1                          | 9.1                          |
| Contribution to provident and other funds | 17.2                         | 16.6                         |
| Staff welfare expenses                    | 9.1                          | 2.5                          |
| <b>Total</b>                              | <b>426.0</b>                 | <b>387.6</b>                 |

(i) The Company has been providing for gratuity and leave encashment based on actuarial valuation as per the Accounting Standard on Accounting for Retirement Benefits (AS-15 revised) issued by ICAI. Accordingly the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method and Projected Accrued Benefit Method respectively.

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has also provided leave encashment benefits to the employees. These benefits are unfunded.

The following tables summarises the components of net benefit expense recognised in the statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans (based on February 29, 2016 employees detail).

#### Profit and Loss account:

##### Net employee benefit expense (Recognised in Employee Cost):

| Particulars                                           | (₹ in millions)              |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| Current service cost                                  | 6.4                          | 4.8                          |
| Interest on defined benefit obligation                | 3.4                          | 2.7                          |
| Expected return on plan assets                        | (2.7)                        | (2.5)                        |
| Net actuarial (gains) / losses recognised in the year | (3.4)                        | 4.2                          |
| Effect of the limit in Para 59(b)                     | —                            | (0.1)                        |
| <b>Net employee benefit expenses</b>                  | <b>3.7</b>                   | <b>9.1</b>                   |
| Actual return on plan assets                          | 5.1                          | 3.8                          |

#### Balance Sheet:

##### Details of provision for gratuity and leave encashment:

| Particulars                         | Gratuity<br>(₹ millions) |                         | Leave Encashment<br>(₹ millions) |                         |
|-------------------------------------|--------------------------|-------------------------|----------------------------------|-------------------------|
|                                     | As at<br>March 31, 2016  | As at<br>March 31, 2015 | As at<br>March 31, 2016          | As at<br>March 31, 2015 |
|                                     | March 31, 2016           | March 31, 2015          | March 31, 2016                   | March 31, 2015          |
| Present value of funded obligations | 43.8                     | 39.4                    | 16.1*                            | 14.9*                   |
| Fair value of plan assets           | (41.0)                   | (36.2)                  | —                                | —                       |
| Net liability / (asset)             | 2.8                      | 3.2                     | 16.1                             | 14.9                    |
| Liability / (Asset)                 | 2.8                      | 3.2                     | 16.1                             | 14.9                    |

\* Includes short term leave encashment provision of ₹ 5.4 million (March 2015 - ₹ 4.8 million)

##### Changes in the present value of the defined benefit obligation are as follows:

| Particulars                               | (₹ in millions)              |                              |
|-------------------------------------------|------------------------------|------------------------------|
|                                           | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| Opening defined benefit obligation        | 39.4                         | 27.4                         |
| Interest cost                             | 3.4                          | 2.7                          |
| Current service cost                      | 6.4                          | 4.8                          |
| Benefits paid                             | (4.5)                        | (0.9)                        |
| Actuarial (gains) / losses on obligation  | (0.9)                        | 5.4                          |
| <b>Closing defined benefit obligation</b> | <b>43.8</b>                  | <b>39.4</b>                  |

##### Changes in the fair value of plan assets are as follows:

| Particulars                                | (₹ in millions)              |                              |
|--------------------------------------------|------------------------------|------------------------------|
|                                            | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| Opening fair value of plan assets          | 36.2                         | 33.4                         |
| Expected return on plan assets             | 2.8                          | 2.5                          |
| Contributions by employer                  | 4.1                          | —                            |
| Benefits paid                              | (4.5)                        | (0.9)                        |
| Actuarial gains / (losses)                 | 2.4                          | 1.2                          |
| <b>Closing fair value of plan assets</b>   | <b>41.0</b>                  | <b>36.2</b>                  |
| Expected employer's contribution next year | —                            | —                            |

##### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars                            | (%)                     |                         |
|----------------------------------------|-------------------------|-------------------------|
|                                        | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| Investments with insurer managed funds | 100%                    | 100%                    |

##### The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| Particulars                       | Gratuity (%)            |                         | Leave Encashment (%)    |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| Discount rate                     | 7.85%                   | 7.90%                   | 7.85%                   | 7.90%                   |
| Expected rate of return on assets | 8.00%                   | 8.00%                   | —                       | —                       |
| Increase in compensation cost     | 7.00%                   | 7.00%                   | 7.00%                   | 7.00%                   |

#### Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at March 22, 2016 for the estimated term of the obligations.



## forming part of the accounts

Continued

### Expected rate of return on Plan Assets:

This is based on Actuary expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

### Salary Escalation Rate:

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

### Retirement Age:

The employees of the Company are assumed to retire at the age of 58 years.

### Leaving Service:

Rates of leaving service at specimen ages are as shown below:

| Age (Years)  | Rate |
|--------------|------|
| 21 - 24      | 38%  |
| 25 - 29      | 28%  |
| 30 - 34      | 16%  |
| 35 - 44      | 12%  |
| 45 and above | 8%   |

### Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

### EXPERIENCE ADJUSTMENTS

| Gratuity (₹ in millions)                   |                            |                            |                            |                            |                            |
|--------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars                                | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 |
| Defined benefit obligation                 | 43.8                       | 39.4                       | 27.4                       | 24.4                       | 21.2                       |
| Plan assets                                | 41.0                       | 36.2                       | 33.4                       | 33.8                       | 32.8                       |
| <b>Surplus / (deficit)</b>                 | <b>(2.8)</b>               | <b>(3.2)</b>               | <b>6.0</b>                 | <b>9.4</b>                 | <b>11.6</b>                |
| Experience adjustments on plan liabilities | (1.2)                      | 2.0                        | 0.9                        | (3.5)                      | 1.2                        |
| Experience adjustments on plan assets      | 2.4                        | 1.2                        | (0.8)                      | (2.2)                      | 0.2                        |

| Leave Encashment (₹ in millions)           |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|
| Particulars                                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| Defined benefit obligation*                | 16.1                    | 14.9                    |
| Experience adjustments on plan liabilities | Not determined          | Not determined          |

\* Includes short term leave encashment provision of ₹ 5.4 million (March 2015 - ₹ 4.8 million)

### 23. Establishment and Other Expenses

| Particulars                                    | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|------------------------------------------------|------------------------------|------------------------------|
| Advertisement and sales promotion              | 16.9                         | 14.9                         |
| Customer acquisition cost                      | 167.6                        | 143.8                        |
| Professional and legal charges                 | 266.0                        | 268.5                        |
| Rent                                           | 29.5                         | 27.2                         |
| Communication                                  | 6.9                          | 6.2                          |
| Traveling and conveyance                       | 30.4                         | 34.3                         |
| Loss on sale of fixed assets / written off     | —                            | 0.3                          |
| Printing and stationery                        | 5.6                          | 5.1                          |
| Audit fees (Refer note 23(ii) below)           | 6.3                          | 5.9                          |
| Insurance                                      | 10.1                         | 9.0                          |
| Electricity                                    | 13.5                         | 9.5                          |
| Rates & taxes                                  | 56.2                         | 52.9                         |
| Repairs and maintenance – Building             | 11.9                         | 7.2                          |
| Repairs and maintenance – IT Software & Others | 81.0                         | 60.0                         |
| Office expenses                                | 8.8                          | 8.9                          |
| Directors sitting fees                         | 1.4                          | 1.5                          |
| CSR expenditures*                              | 61.1                         | 64.5                         |
| Computer consumable                            | 1.2                          | 1.1                          |
| Miscellaneous expenses                         | 10.9                         | 5.4                          |
| <b>Total</b>                                   | <b>785.3</b>                 | <b>726.2</b>                 |

\*The Company has partnered ICICI Foundation for Inclusive Growth to support the cause of elementary education, primary health, sustainable livelihood and skill development.

### (i) Auditor's remuneration (excluding service tax):

| Particulars                     | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|---------------------------------|------------------------------|------------------------------|
| Statutory audit fees            | 3.1                          | 3.1                          |
| Tax audit fees                  | 0.4                          | 0.3                          |
| Certification and other charges | 2.8                          | 2.5                          |
| <b>Total</b>                    | <b>6.3</b>                   | <b>5.9</b>                   |

### (ii) The Company has recovered the following common expenses (as per the sharing arrangement) from the holding company:

| Particulars                      | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------|------------------------------|------------------------------|
| Rent & electricity               | 10.9                         | 11.2                         |
| Printing and stationery          | —                            | (0.1)                        |
| Rates and taxes                  | 3.2                          | 4.4                          |
| Repairs and maintenance – others | 3.1                          | 2.1                          |
| Miscellaneous expenses           | 6.0                          | 3.5                          |
| <b>Total</b>                     | <b>23.2</b>                  | <b>21.1</b>                  |
| Service tax                      | 3.2                          | 2.6                          |
| <b>Total</b>                     | <b>26.4</b>                  | <b>23.7</b>                  |

Expense recovery from the holding company is recognised as per the sharing arrangement.

### 24. Provision / write offs (net)

| Particulars                                                                 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| Provision / write offs (net) against non-performing assets                  | 106.4                        | 33.2                         |
| Provision / write back (net) against standard assets                        | 52.8                         | 53.2                         |
| Provision / write offs (net) of loan assets, contingencies and other assets | 5.4                          | (24.0)                       |
| <b>Total</b>                                                                | <b>164.6</b>                 | <b>62.4</b>                  |

### 25. Earnings Per Share

The computation of earning per share is given below:

| Particulars                                                                                        | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Basic</b>                                                                                       |                              |                              |
| Weighted average number of equity shares outstanding during the period ended March 31, 2016 (Nos.) | 1,098,750,000                | 1,098,750,000                |
| Net profit (net of preference dividend and the dividend tax)                                       | 1,798.5                      | 1,975.7                      |
| Basic earnings per share (₹)                                                                       | 1.64                         | 1.80                         |
| <b>Diluted</b>                                                                                     |                              |                              |
| Diluted number of equity shares (Nos.)                                                             | 1,098,750,000                | 1,098,750,000                |
| Net profit                                                                                         | 1,798.5                      | 1,975.7                      |
| Diluted earnings per share (₹)                                                                     | 1.64                         | 1.80                         |
| Face value of equity shares (₹)                                                                    | 10                           | 10                           |

### 26. Segment Information

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses / flats to individuals, corporate bodies, builders, co-operative housing societies and provides housing business related services i.e. property advisory & research services and Legal & technical valuation services and also Company has its operations within India. There being only one 'business segment' and 'geographical segment', the segment information is not provided.

### 27. Related Party Disclosure

Names of related parties and related party relationship as per Accounting Standard – AS 18.

| Sr. No.                                              | Name of the Related Party                                 | Nature of Relationship           |
|------------------------------------------------------|-----------------------------------------------------------|----------------------------------|
| 1                                                    | ICICI Bank Limited                                        | Holding Company                  |
| 2                                                    | ICICI Securities Limited                                  | Fellow Subsidiary/ Fellow Entity |
| 3                                                    | ICICI Securities Primary Dealership Limited               | - do -                           |
| 4                                                    | ICICI Prudential Life Insurance Company Limited           | - do -                           |
| 5                                                    | ICICI Lombard General Insurance Company Limited           | - do -                           |
| 6                                                    | ICICI Securities Inc.                                     | - do -                           |
| 7                                                    | ICICI Securities Holdings Inc.                            | - do -                           |
| 8                                                    | ICICI Venture Funds Management Company Limited            | - do -                           |
| 9                                                    | ICICI Trusteeship Services Limited                        | - do -                           |
| 10                                                   | ICICI Investment Management Company Limited               | - do -                           |
| 11                                                   | ICICI International Limited                               | - do -                           |
| 12                                                   | ICICI Bank UK PLC                                         | - do -                           |
| 13                                                   | ICICI Bank Canada                                         | - do -                           |
| 14                                                   | ICICI Equity Fund                                         | - do -                           |
| 15                                                   | ICICI Strategic Investments Fund                          | - do -                           |
| 16                                                   | ICICI Prudential Asset Management Company Limited         | - do -                           |
| 17                                                   | ICICI Prudential Trust Limited                            | - do -                           |
| 18                                                   | ICICI Prudential Pension Funds Management Company Limited | - do -                           |
| 19                                                   | I-Ven Biotech Limited                                     | - do -                           |
| 20                                                   | Rohit Salhotra, Managing Director and CEO                 | Key Management Personnel         |
| Key managerial Personnel as per Companies Act, 2013. |                                                           |                                  |
| 1                                                    | Pankaj Jain, Chief Financial Officer                      | Key Management Personnel         |
| 2                                                    | Pratap Salian, Company Secretary                          | Key Management Personnel         |

The following are the details of transactions with related parties: (₹ in millions)

| Particulars                                                                       | Holding Company | Fellow Subsidiary / Associate Company | Key Management Personnel | Total      |
|-----------------------------------------------------------------------------------|-----------------|---------------------------------------|--------------------------|------------|
| <b>ASSETS</b>                                                                     |                 |                                       |                          |            |
| Asset Purchased                                                                   | 11.9            | —                                     | —                        | 11.9       |
|                                                                                   | (—)             | (—)                                   | (—)                      | (—)        |
| Fee receivable                                                                    | 127.8           | 0.7                                   | —                        | 128.5      |
|                                                                                   | (99.1)          | (1.7)                                 | (—)                      | (100.8)    |
| Other receivable                                                                  | 9.4             | —                                     | —                        | 9.4        |
|                                                                                   | (31.7)          | (—)                                   | (—)                      | (31.7)     |
| <b>LIABILITIES</b>                                                                |                 |                                       |                          |            |
| Equity share capital                                                              | 10,987.5        | —                                     | —                        | 10,987.5   |
|                                                                                   | (10,987.5)      | (—)                                   | (—)                      | (10,987.5) |
| Loan from holding company                                                         | 5,848.0         | —                                     | —                        | 5,848.0    |
|                                                                                   | (7,224.0)       | (—)                                   | (—)                      | (7,224.0)  |
| Fee Payable                                                                       | 7.2             | 7.5                                   | —                        | 14.7       |
|                                                                                   | (27.0)          | (21.2)                                | (—)                      | (48.2)     |
| Book overdraft                                                                    | 1,059.9         | —                                     | —                        | 1,059.9    |
| (Including bank balance as per books and interest outstanding on Fixed Deposit)   | (1,128.4)       | (—)                                   | (—)                      | (1,128.4)  |
| Amount payable (including on account of expenses)                                 | 113.6           | 2.6                                   | —                        | 116.2      |
|                                                                                   | (151.8)         | (0.6)                                 | (—)                      | (152.4)    |
| Proposed equity dividend                                                          | —               | —                                     | —                        | —          |
|                                                                                   | (79.4)          | (—)                                   | (—)                      | (79.4)     |
| <b>INCOME</b>                                                                     |                 |                                       |                          |            |
| Valuation fee                                                                     | 600.7           | —                                     | —                        | 600.7      |
|                                                                                   | (613.5)         | (—)                                   | (—)                      | (613.5)    |
| Other Fee income                                                                  | —               | 22.7                                  | —                        | 22.7       |
|                                                                                   | (—)             | (26.6)                                | (—)                      | (26.6)     |
| Interest on fixed deposit                                                         | 2.8             | —                                     | —                        | 2.8        |
|                                                                                   | (7.5)           | (—)                                   | (—)                      | (7.5)      |
| Servicing fee                                                                     | 0.2             | —                                     | —                        | 0.2        |
|                                                                                   | (0.3)           | (—)                                   | (—)                      | (0.3)      |
| Rent received                                                                     | 37.0            | —                                     | —                        | 37.0       |
|                                                                                   | (35.7)          | (—)                                   | (—)                      | (35.7)     |
| Expense recovery                                                                  | 23.2            | —                                     | —                        | 23.2       |
|                                                                                   | (21.1)          | (—)                                   | (—)                      | (21.1)     |
| <b>EXPENDITURE</b>                                                                |                 |                                       |                          |            |
| Interest & other finance expenses                                                 | 771.3           | 4.1                                   | —                        | 775.4      |
|                                                                                   | (1,030.3)       | (7.7)                                 | (—)                      | (1,038.0)  |
| DMA Commission                                                                    | 19.1            | 0.1                                   | —                        | 19.2       |
|                                                                                   | (18.6)          | (0.2)                                 | (—)                      | (18.8)     |
| Collection cost                                                                   | 150.9           | —                                     | —                        | 150.9      |
|                                                                                   | (155.0)         | (—)                                   | (—)                      | (155.0)    |
| Travel Cost                                                                       | 29.3            | —                                     | —                        | 29.3       |
|                                                                                   | (33.9)          | (—)                                   | (—)                      | (33.9)     |
| IT Cost                                                                           | 85.9            | —                                     | —                        | 85.9       |
|                                                                                   | (65.0)          | (—)                                   | (—)                      | (65.0)     |
| Fee Expenses                                                                      | 47.0            | 31.8                                  | —                        | 78.8       |
|                                                                                   | (90.9)          | (37.2)                                | (—)                      | (128.1)    |
| Remuneration to KMP (Including additional related parties as Companies Act, 2013) | —               | —                                     | 26.1                     | 26.1       |
|                                                                                   | (—)             | (—)                                   | (23.8)                   | (23.8)     |
| Insurance premium                                                                 | —               | 10.1                                  | —                        | 10.1       |
|                                                                                   | (—)             | (8.4)                                 | (—)                      | (8.4)      |
| Rent paid                                                                         | 4.6             | 16.6                                  | —                        | 21.2       |
|                                                                                   | (14.6)          | (12.8)                                | (—)                      | (27.4)     |
| Servicing fee                                                                     | 7.8             | —                                     | —                        | 7.8        |
|                                                                                   | (9.8)           | (—)                                   | (—)                      | (9.8)      |
| Miscellaneous                                                                     | 54.3            | 0.2                                   | —                        | 54.5       |
|                                                                                   | (53.1)          | (0.3)                                 | (—)                      | (53.4)     |
| <b>OTHERS</b>                                                                     |                 |                                       |                          |            |
| SWAP (Notional Principal)                                                         | 5,500.0         | —                                     | —                        | 5,500.0    |
|                                                                                   | (5,500.0)       | (—)                                   | (—)                      | (5,500.0)  |
| Letter of comfort (utilized)                                                      | 12,486.1        | —                                     | —                        | 12,486.1   |
|                                                                                   | (12,748.0)      | (—)                                   | (—)                      | (12,748.0) |
| Bond payment made during the period                                               | —               | —                                     | —                        | —          |
|                                                                                   | (—)             | (500.0)                               | (—)                      | (500.0)    |
| Bank loan taken earlier and repaid during the period                              | 1,376.0         | —                                     | —                        | 1,376.0    |
|                                                                                   | (2,635.0)       | (—)                                   | (—)                      | (2,635.0)  |
| Purchased of Bond                                                                 | —               | —                                     | —                        | —          |
|                                                                                   | (—)             | (101.9)                               | (—)                      | (101.9)    |
| Sale of Bond                                                                      | —               | 250.0                                 | —                        | 250.0      |
|                                                                                   | (—)             | (49.9)                                | (—)                      | (49.9)     |
| Equity dividend                                                                   | 1,182.3         | —                                     | —                        | 1,182.3    |
|                                                                                   | (1,318.8)       | (—)                                   | (—)                      | (1,318.8)  |

\*Figures in bracket pertain to March 31, 2015

Related party transaction which are in excess of 10% of the total related party transactions of similar nature are as follows:

(₹ in millions)

| Particulars                                                                                    | Name of the Related Party                       | As at March 31, 2016 | As at March 31, 2015 |
|------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                                                  |                                                 |                      |                      |
| Asset Purchased                                                                                | ICICI Bank Limited                              | 11.9                 | —                    |
| Fee receivable                                                                                 | ICICI Bank Limited                              | 127.8                | 99.1                 |
| Other receivable                                                                               | ICICI Bank Limited                              | 9.4                  | 31.7                 |
| <b>LIABILITIES</b>                                                                             |                                                 |                      |                      |
| Equity share capital                                                                           | ICICI Bank Limited                              | 10,987.5             | 10,987.5             |
| Proposed final equity dividend                                                                 | ICICI Bank Limited                              | —                    | 79.4                 |
| Loan from holding company                                                                      | ICICI Bank Limited                              | 5,848.0              | 7,224.0              |
| Book overdraft (Including bank balance as per books and interest outstanding on Fixed Deposit) | ICICI Bank Limited                              | 1,059.9              | 1,128.4              |
|                                                                                                | ICICI Bank Limited                              | 7.2                  | 27.0                 |
| Fee Payable                                                                                    | ICICI Securities Limited                        | 7.5                  | 21.2                 |
| Amount payable (including on account of expenses)                                              | ICICI Bank Limited                              | 113.6                | 151.8                |
| <b>INCOME</b>                                                                                  |                                                 |                      |                      |
| Valuation fee                                                                                  | ICICI Bank Limited                              | 600.7                | 613.5                |
| Other Fee income                                                                               | ICICI Lombard General Insurance Company Limited | 21.2                 | 26.2                 |
|                                                                                                | ICICI Bank Limited                              | 2.8                  | 7.5                  |
| Interest on fixed deposit                                                                      | ICICI Bank Limited                              | 37.0                 | 35.7                 |
| Expense recovery                                                                               | ICICI Bank Limited                              | 23.2                 | 21.1                 |
| Servicing fee                                                                                  | ICICI Bank Limited                              | 0.2                  | 0.3                  |
| <b>EXPENDITURE</b>                                                                             |                                                 |                      |                      |
| Interest & other finance expenses                                                              | ICICI Bank Limited                              | 771.3                | 1,030.3              |
| DMA Commission                                                                                 | ICICI Bank Limited                              | 19.1                 | 18.6                 |
| Fee Expenses                                                                                   | ICICI Bank Limited                              | 47.0                 | 90.9                 |
|                                                                                                | ICICI Securities Limited                        | 31.8                 | 37.2                 |
| Insurance premium                                                                              | ICICI Lombard General Insurance Company Limited | 10.1                 | 8.4                  |
| Rent paid                                                                                      | ICICI Bank Limited                              | 4.6                  | 14.6                 |
|                                                                                                | ICICI Lombard General Insurance Company Limited | 15.7                 | 12.8                 |
| Servicing fee                                                                                  | ICICI Bank Limited                              | 7.8                  | 9.8                  |
| Collection Cost                                                                                | ICICI Bank Limited                              | 150.9                | 155.0                |
| Travel Cost                                                                                    | ICICI Bank Limited                              | 29.3                 | 33.9                 |
| IT Cost                                                                                        | ICICI Bank Limited                              | 85.9                 | 65.0                 |
| Remuneration                                                                                   | Rohit Salhotra                                  | 15.2                 | 11.1                 |
| Miscellaneous                                                                                  | ICICI Bank Limited                              | 54.3                 | 53.1                 |
| <b>OTHERS</b>                                                                                  |                                                 |                      |                      |
| SWAP (Notional Principal)                                                                      | ICICI Bank Limited                              | 5,500.0              | 5,500.0              |
| Letter of comfort (utilized)                                                                   | ICICI Bank Limited                              | 12,486.1             | 12,748.0             |
| Bond payment made during the period                                                            | ICICI Prudential Life Insurance Company Limited | —                    | 500.0                |
| Bank loan taken earlier and repaid during the period                                           | ICICI Bank Limited                              | 1,376.0              | 2,635.0              |
| Purchased of Bond                                                                              | ICICI Securities Primary Dealership limited     | —                    | 101.9                |
| Sale of Bond                                                                                   | ICICI Securities Primary Dealership limited     | 250.0                | 49.9                 |
| Equity dividend                                                                                | ICICI Bank Limited                              | 1,182.3              | 1,318.8              |

28. The disclosure as per NHB circular no. NHB/ND/DRS/Pol-No. 35/2010-2011 dated October 11, 2010 is as under:

(i) Capital to Risk Assets Ratio (CRAR)

| Sr. No. | Items                    | Year ended March 31, 2016 | Year ended March 31, 2015 |
|---------|--------------------------|---------------------------|---------------------------|
| 1)      | CRAR %                   | 26.06%                    | 27.01%                    |
| 2)      | CRAR - Tier I capital %  | 23.11%                    | 23.25%                    |
| 3)      | CRAR - Tier II capital % | 2.95%                     | 3.76%                     |

During the FY 2016, the Company has provided ₹ 62.4 million towards non-performing loans due to change in computation method from days past dues to seasoning period of default of loan amount. Accordingly, Net Owned Fund decreased by ₹ 62.4 million from ₹ 15,350.1 million to ₹ 15,287.7 million and Capital Risk Assets ratio decreased by 0.07% from 26.13% to 26.06%.

(ii) Exposure to Real estate sector

| Particulars                                                                                                                                                                                                                                                                                                                                                | (₹ in millions)              |                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                                                                                                                                                                                                                                                                            | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| <b>a) Direct exposure</b>                                                                                                                                                                                                                                                                                                                                  |                              |                              |
| i) Residential mortgages                                                                                                                                                                                                                                                                                                                                   | 61,798.2                     | 53,914.9                     |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.<br>(Individual Housing Loans up to ₹ 15 Lakhs –March'16 - ₹ 14,679.3 million, March'15 - ₹ 11,929.4 million)                                                                                                                     |                              |                              |
| ii) Commercial real estate                                                                                                                                                                                                                                                                                                                                 | 25,420.1                     | 23,114.4                     |
| Lending fully secured by mortgages on commercial real estates (office buildings, retail space multipurpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc). Exposure would also include non-fund based (NFB) limits. |                              |                              |
| iii) Investments in mortgage backed securities (MBS) & other securitised exposures                                                                                                                                                                                                                                                                         | —                            | —                            |
| a) Residential                                                                                                                                                                                                                                                                                                                                             | —                            | —                            |
| b) Commercial real estate                                                                                                                                                                                                                                                                                                                                  | 1.3                          | 45.1                         |
| iv) Others ( These contains exposures not covered above)                                                                                                                                                                                                                                                                                                   |                              |                              |
| <b>b) Indirect exposure</b>                                                                                                                                                                                                                                                                                                                                |                              |                              |
| Fund based & non fund based exposures on National Housing Bank (NHB) & Housing Finance Companies (HFC's)                                                                                                                                                                                                                                                   | —                            | —                            |

(iii) Asset Liability Management

| Maturity pattern of certain types of items of Assets & Liabilities* |                                       |                                |                                      |                                    |                               |                              |                               |                               |                                |                  | (₹ in millions) |
|---------------------------------------------------------------------|---------------------------------------|--------------------------------|--------------------------------------|------------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------|-----------------|
|                                                                     | 1 Day to<br>30-31 Days<br>(one month) | Over 1<br>month to 2<br>months | Over 2<br>months<br>upto 3<br>months | Over 3<br>months<br>to 6<br>months | Over 6<br>months to<br>1 Year | Over 1 Year<br>to<br>3 Years | Over 3<br>Years to<br>5 Years | Over 5<br>Years to<br>7 Years | Over 7<br>Years to<br>10 Years | Over 10<br>Years | Total           |
| <b>Liabilities</b>                                                  |                                       |                                |                                      |                                    |                               |                              |                               |                               |                                |                  |                 |
| Borrowings from banks                                               | 1,047.0                               | 111.1                          | 1,022.2                              | 826.2                              | 3,931.3                       | 18,653.3                     | 292.8                         | 67.8                          | 101.7                          | 169.4            | 26,222.8        |
| Market borrowings (including<br>CP & Bonds)                         | 1,193.6                               | 2,474.3                        | 500.0                                | 4,035.8                            | 9,078.4                       | 19,534.5                     | 8,572.4                       | —                             | —                              | —                | 45,389.0        |
| Fixed deposit                                                       | 91.9                                  | 75.6                           | 176.8                                | 409.7                              | 487.6                         | 1,299.6                      | 325.0                         | —                             | —                              | —                | 2,866.2         |
|                                                                     | <b>2,332.5</b>                        | <b>2,661.0</b>                 | <b>1,699.0</b>                       | <b>5,271.7</b>                     | <b>13,497.3</b>               | <b>39,487.4</b>              | <b>9,190.2</b>                | <b>67.8</b>                   | <b>101.7</b>                   | <b>169.4</b>     | <b>74,478.0</b> |
| <b>Assets</b>                                                       |                                       |                                |                                      |                                    |                               |                              |                               |                               |                                |                  |                 |
| Advances                                                            | 1,895.9                               | 1,971.9                        | 1,832.8                              | 7,286.4                            | 15,721.2                      | 19,150.9                     | 13,957.3                      | 10,796.9                      | 8,039.7                        | 6,566.6          | 87,219.6        |
| Investments                                                         | 2,398.8                               | —                              | —                                    | —                                  | —                             | 441.8                        | 165.6                         | —                             | —                              | 543.8            | 3,550.0         |
| Fixed deposit                                                       | 200.0                                 | —                              | —                                    | —                                  | —                             | —                            | —                             | —                             | —                              | —                | 200.0           |
|                                                                     | <b>4,494.7</b>                        | <b>1,971.9</b>                 | <b>1,832.8</b>                       | <b>7,286.4</b>                     | <b>15,721.2</b>               | <b>19,592.7</b>              | <b>14,122.9</b>               | <b>10,796.9</b>               | <b>8,039.7</b>                 | <b>7,110.4</b>   | <b>90,969.6</b> |

29. Impairment of assets: As per management Accounting Standard (AS 28) would not apply to financial assets such as loans and advances as the same have been covered by provisions in accordance with guidelines on prudential norms issued by NHB. Further, the management assesses that there is no indication of impairment of Company's fixed assets and investments.
30. The Company has paid an amount of ₹ Nil as penalty to NHB (FY 2014-15 ₹ 5,000 relating to operational aspects of fixed deposits).
31. The Company has ₹ Nil foreign currency exposures as at March 31, 2016 (March 2015 - ₹ Nil).
32. The Company has income tax matters pending assessment for various years of ₹ 6,972.0 million (March 2015 - ₹ 6,173.0 million). The Company has paid advance tax (net of such provision) of ₹ 427.4 million (March 2015 - ₹ 371.9 million) (refer note no 14(c)). Further, in case of pending legal matters, the Company has additional provision of ₹ 6.3 million (March 2015 - ₹ 7.3 million).
33. **Contingent liabilities and commitments not provided for:**
- (a) **Contingent liabilities**  
The Company is involved in various litigations, the outcome of which are possible and probable as March 31, 2016. In respect of obligations which are possible, the contingent liabilities are as follows:
- (i) Income tax matters in appeal - ₹ 461.0 million (March 2015 - ₹ 517.1 million)
- (ii) Service tax matters in appeal - ₹ 0.7 million (March 2015 - ₹ 0.7 million)
- (iii) The contingent liability on account of claims filed against the company not acknowledged as debt is ₹ 9.3 million (March 2015 - ₹ 8.7 million).
- As per management, the company has good chances of winning the cases accordingly no provision for any liability has been made in the financial statement
- (b) **Commitments**
- (i) Estimated amount of contracts remaining to be executed on capital account - ₹ 8.5 million (March 2015 - ₹ 8.5 million) (Net of advances - ₹ 6.9 million, March 2015 - ₹ 8.1 million)
- (ii) Commitment towards investment in Emerging India Fund ₹ 80.9 million (March 2015 - ₹ 80.9 million)
- (iii) Commitment towards part disbursement and non-disbursed sanctions amount to ₹ 2,346.8 million (March 2015 - ₹ 3,167.8 million) and ₹ 1,147.7 million (March 2015 - ₹ 2,683.6 million) respectively.
34. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For and on behalf of the Board

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

per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Place: Mumbai  
Dated: April 26, 2016

RAJIV SABHARWAL  
Chairman

MANINDER JUNEJA  
Vice Chairman

PRATAP SALIAN  
Company Secretary

ROHIT SALHOTRA  
Managing Director & CEO

PANKAJ JAIN  
Chief Financial Officer