

ICICI HOME FINANCE COMPANY LIMITED

18TH ANNUAL REPORT AND ACCOUNTS 2016-2017

Directors

Anup Bagchi, Chairman
Anita Pai
Anup Kumar Saha
Dileep C. Choksi
S. Santhanakrishnan
CA S. Santhanakrishnan
Rohit Salhotra, Managing Director & CEO

Pankaj Jain
Chief Financial Officer

Pratap Salian
Company Secretary

Auditors

S.R. Batliboi & Co LLP

Registered & Corporate Office

ICICI Bank Towers
Bandra-Kurla Complex
Mumbai - 400051

directors' report

to the members

On behalf of the Board of Directors, it is our pleasure to present the Eighteenth Annual Report with the Audited Financial Statement of Accounts of ICICI Home Finance Company Limited ("the Company") for the year ended March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

The extension of benefits to middle income group under Prime Minister Awas Yojana (PMAY) will increase the propensity of targeted customers to prefer purchasing over leasing homes.

We expect the number of transactions in Economically Weaker Section (EWS), Lower Income Group (LIG) and Middle Income Group (MIG) segment from ₹ 5 Lacs to ₹ 45 Lacs homes to go up significantly and most new launches of projects will be targeted to these customers.

HNI/Investor category will be offloading their additional holdings as the income tax benefits of "Loss on House Property" have been curtailed. High end resale properties could see material price discounting after the current financial year.

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 FY2017 is summarized in the following table:

	(₹ in million)	
	FY 2017	FY 2016
Total Income	10,528.1	10,713.7
Profit before tax	2,782.7	2,724.2
Provision for tax	950.1	925.7
Profit after tax	1,832.6	1,798.5

The profit before tax for the year ended March 31, 2017 is ₹ 2,782.7 million (previous year ₹ 2,724.2 million) after general provision on standard assets and provision, write off of non performing assets of ₹ (37.1) million (previous year ₹ 164.6 million), and operating expenses of ₹ 7,771.9 million (previous year ₹ 8,012.7 million), which includes finance charges of ₹ 6,660.0 million (previous year ₹ 6,607.5 million).

The profit after tax for the year ended March 31, 2017 is ₹ 1,832.6 million (previous year ₹ 1,798.5 million). The profit available for appropriation is ₹ 1,863.3 million (previous year ₹ 1,813.7 million). The profit appropriations are summarized below:

	(₹ in million)	
	FY 2017	FY 2016
Special Reserve created and maintained in terms of Section 29 C of National Housing Bank Act, 1987	367.0	360.0
Dividend	1,282.7	1,423.0
- Equity Shares (Interim- including tax)		
- Proposed final dividend on equity share capital: Nil (previous year Nil) including tax*	—	—
Utilised for Deferred Tax Liability creation	—	—
Retained Earning	213.6	30.7
Total	1,863.3	1,813.7

DIVIDENDS

The Company has distributed interim dividend of 4.60% in December 2016 and 5.10% in March 2017 on fully paid up equity share capital of ₹ 10,987.5 million. The Company has paid two interim dividends (excluding dividend distribution tax) of ₹ 1,065.8 million (9.70%) in FY2017.

*The Company has additionally declared 1.36% (₹ 149.4 million excluding dividend distribution tax) as final dividend for the previous year ended March 31, 2017.

OPERATIONAL REVIEW

We have in the course of the year achieved nominal traction in retail mortgages due to lower ability to recruit and fill vacant positions. We have consciously been slow in new acquisitions on the Corporate Realty Finance (CRF) portfolio given the evident stress in the segment. Supported by organic growth in retail mortgages business, the total loan assets of the Company grew to ₹ 89,726.3 million as at March 31, 2017. The Property Services and Mortgage Valuation groups have contributed 4.2% 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.

RISK AND CONCERNS

While underlying demand continues to be moderate, early indications of bottoming out are visible. Though the builder community continues to see relatively low off take in some large markets, we expect the down side in transactions to be limited and to start improving during the year.

New project launches are expected to remain low, given the transition challenges to the RERA regime, which will help bring about better balance in demand and supply.

Exposure to CRF portfolio will continue to require close monitoring.

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

Directors' report



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.

PERSONNEL

All the employees of the Company are on deputation by ICICI Bank. The Company had 515 employees at the beginning of the year, however, during the year 216 employees' (who were part of the Mortgage Valuation Group) deputations have been revoked, and have been transferred to ICICI Bank.

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**.

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 2017 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, 2017, 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 : 1,667
- The total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid : ₹ 151.8 million

The total amount of interest due on such unclaimed deposits stands at ₹ 27.5 million as at March 31, 2017.

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 ₹ 1,542.3 million during FY2017. 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 24, 2016) 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 ₹ 7.8 million for FY 2017 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 become 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, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400 025.
Tel. No.: 022-62260054 Fax No.: 022-43253000

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**.

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, six 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*	6	3
Maninder Juneja*	6	2
Rohit Salhotra	6	6
S. Santhanakrishnan	6	6
Dileep Choksi	6	6
CA S. Santhanakrishnan	6	5
Shilpa Kumar**	6	3
Anita Pai***	6	1
Rakesh Jha\$	6	2
Anup Kumar Saha#	6	3
Anup Bagchi@	6	1

The Board has appointed Rakesh Jha, Anup Kumar Saha, Anita Pai and Anup Bagchi as additional directors of the Company effective October 14, 2016, October 19, 2016, November 09, 2016 and February 23, 2017 respectively.

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.

* Rajiv Sabharwal and Maninder Juneja ceased to be Director w.e.f. October 14, 2016.

** Shilpa Kumar ceased to be Director w.e.f. November 01, 2016

*** Anita Pai appointed as Director w.e.f. November 09, 2016

\$ Rakesh Jha appointed as Director and Chairman w.e.f. October 14, 2016 and ceased to be Director w.e.f. February 23, 2017.

Anup Kumar Saha appointed as Director w.e.f. October 19, 2016.

@ Anup Bagchi appointed as Director and Chairman w.e.f. February 23, 2017.

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	Anup Bagchi*	Member

*Anup Bagchi was appointed as member of the Committee effective March 15, 2017

During the year, four meetings of the Committee were held on April 26, 2016, July 21, 2016, October 21, 2016 and January 20, 2017.

b. Nomination & Remuneration Committee

Sl. No.	Name	Chairman/ Members
1	Dileep Choksi	Chairman
2	S. Santhanakrishnan	Member
3	Anup Bagchi*	Member

*Anup Bagchi was appointed as member of the Committee effective March 15, 2017

During the year, two meetings of the Committee was held on April 26, 2016 and July 21, 2016.

c. Corporate Social Responsibility Committee

Sl. No.	Name	Chairman/ Members
1	Anita Pai*	Chairperson
2	Dileep Choksi	Member
3	S. Santhanakrishnan	Member
4	CA S. Santhanakrishnan*	Member

*Anita Pai was appointed as Chairperson and CA S. Santhanakrishnan was appointed as member of the Committee effective November 11, 2016.

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During the year, two meetings of the Committee were held on April 26, 2016 and October 21, 2016.

d. Stakeholders Relationship Committee

Sl. No.	Name	Chairman/ Members
1	Anup Kumar Saha*	Chairman
2	CA S. Santhanakrishnan	Member
3	Rohit Salhotra	Member

*Anup Kumar Saha was appointed as Chairman of the Committee effective November 11, 2016.

No Committee meeting held during the financial year 2017, 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.

ICICI Bank Ltd. vide its letter dated October 14, 2016 has withdrawn the nomination of Rajiv Sabharwal (Chairman) and Maninder Juneja (Vice-Chairman) and nominated Rakesh Jha and Anup Kumar Saha. Accordingly, the Board had approved the appointment of Rakesh Jha as an Additional Director and Chairman effective October 14, 2016 and Anup Kumar Saha as an Additional Director effective October 19, 2016 and noted the cessation of Rajiv Sabharwal (Chairman) and Maninder Juneja (Vice-Chairman) effective October 14, 2016. The Board placed on record its appreciation for the services rendered by Rajiv Sabharwal (Chairman) and Maninder Juneja during their tenure as Directors of the Company.

ICICI Bank Ltd. vide its letter dated November 03, 2016 has withdrawn the nomination of Shilpa Kumar effective November 01, 2016 and nominated Anita Pai. Accordingly, the Board had approved the appointment of Anita Pai as an Additional Director effective November 09, 2016 and noted the cessation of Shilpa Kumar effective November 01, 2016. The Board placed on record its appreciation for the services rendered by Shilpa Kumar during her tenure as director of the Company.

ICICI Bank Ltd. vide its letter dated February 23, 2017 has withdrawn the nomination of Rakesh Jha (Chairman) effective close of business hours on February 22, 2017 and nominated Anup Bagchi as Chairman. Accordingly, the Board approved the appointment of Anup Bagchi as Director and Chairman effective February 23, 2017 and noted cessation of Rakesh Jha effective close of business hours on February 22, 2017. The Board placed on record its appreciation for the services rendered by Rakesh Jha during his tenure as director of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Board of directors have appointed Anup Kumar Saha, Anita Pai and Anup Bagchi as additional directors of the Company effective October 19, 2016, November 09, 2016 and February 23, 2017 respectively, as per the nomination received by the Company from ICICI Bank Limited. They will hold office of directors up to the ensuing AGM and being eligible offer themselves for re-appointment as directors of the Company.

The Company has received notices along with required deposit under Section 160 of the Companies Act, 2013 from a member, signifying his intention to propose the candidature of Anup Kumar Saha, Anita Pai and Anup Bagchi for their appointment as directors on the Board of the Company at the ensuing AGM.

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 DIRECTORS, 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.

Additionally, the independent directors of the Company are paid a profit related commission of ₹ 7,50,000 each per annum effective FY 2016. The payment would be subject to the provisions of the Companies Act, 2013 and availability of net profits at the end of each financial year.

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 Whistle blower 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 management including Chairperson of 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 right 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 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 framework on credit risk management is implemented through various policies, manuals and guidelines, which includes core and centralized risk evaluation process related to security, rating, lending terms and conditions as appropriate to the borrower and risk profile of related transactions.

Market risk of the treasury investments of ICICI HFC is governed by the Investment Policy and Risk Management 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, 2010.

Directors' report



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.

ARM'S LENGTH PRINCIPLES

The transactions between the Company and the group companies are to be undertaken on an Arm's length basis. The following broad principles shall be adhered to at the time of undertaking such transactions :

- All transactions shall have the substantive characteristics of a transaction between independent parties.
- The transactions shall be entered into in a need-based manner and shall be based on principle of impartiality.
- The pricing for specific transactions shall be at market related rates and would be benchmarked against comparable quotes for similar transactions in the market between independent parties.
- The transactions shall comply with all statutory / regulatory guidelines, internal policy norms and procedures (including appropriate documentation) applicable to such transactions, if engaged with independent parties with similar background.

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, had 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 term of appointment of M/s. S.R. Batliboi & Co. LLP, would expire at the ensuing Annual General Meeting of the Company.

As recommended by the Audit & Risk management Committee, the Board of directors in its meeting held on April 18, 2017, proposed the appointment of B S R & Co. LLP, Chartered Accountants, Firm Registration number 101248W/W-100022, as statutory auditors of the Company to hold office from the conclusion of Eighteenth AGM till the conclusion of Twenty-Third AGM of the Company.

The auditors have indicated their willingness to be appointed as statutory auditors of the Company, subject to approval of the members. You are requested to consider their appointment as statutory auditors of the Company for a period of five years, subject to ratification of their appointment at every Annual General Meeting.

Further, the report of the Statutory Auditors along with notes to accounts 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 uses 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2017 and of the profit and loss of the Company for that period;
- 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;
- The directors had prepared the annual accounts on a going concern basis;
- 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
- 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

ANUP BAGCHI

Chairman

Place : *Mumbai*

Date : *April 18, 2017*

Directors' report

Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017 OF

ICICI Home Finance Company Limited

[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 No. : 022-40093480
Fax No.: 022-40093408
- Whether listed Company - Yes
- Name, Address and contact details of Registrar & Transfer Agents (RTA),
3 infotech Ltd, Tower #5, 3rd to 6th Floor, International infotech Park, Vashi,

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 Share	Demat	Physical	Total	% of Total Share	
A. PROMOTERS									
(1) Indian									
(a) Individuals/HUF	—	—	—	—	—	—	—	—	—
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.*	800	300	1,100	0 %	900	200	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 .	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	1,098,749,700	300	1,098,750,000	100%	1,098,749,800	200	1,098,750,000	100%	—
(2) Foreign	—	—	—	—	—	—	—	—	—
(a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other....	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	1,098,749,700	300	1,098,750,000	100%	1,098,749,800	200	1,098,750,000	100%	—
B. Public Shareholding									
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)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
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)	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	—	—	—	—	—	—	—	—
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,098,749,700	300	1,098,750,000	100%	1,098,749,800	200	1,098,750,000	100%	—

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

Navi Mumbai-400703. Tel: 022-67928000

Datamatics Financial Services Limited Plot No. B-5, Part B Crosslane, MIDC, Andheri (East), Mumbai 400093

Tel No.: 022-66712196

Fax No.: 022-66712209

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are stated:

Sl. No.	Name and Description of main Products /Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Interest income on Loans	—	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	ICICI Bank Limited (Holding Company & its nominees)	L65190GJ1994PLC021012	Holding Company	100%	

Directors' report



Annexure 1

(ii) Shareholding of Promoters

Sl No	Share-holder'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 Shareholding 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 Shareholding 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 million)			
	Secured Loans excluding Deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	17,530.4	55,212.1	3,344.1	76,086.6
Change in Indebtedness during the financial year				
• Addition	—	41,117.1	570.9	41,688.0
• Reduction	(4,985.0)	(36,673.6)	(594.6)	(42,253.2)
Net Change	(4,985.0)	4,443.5	(23.7)	(565.2)
Indebtedness at the end of the financial year				
i) Principal Amount	11,770.0	58,639.3	3,067.0	73,476.3
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	595.1	1,508.0	212.7	2,316.0
Total (i+ii+iii)	12,365.1	60,147.3	3,279.7	75,792.3

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No	Particulars of Remuneration	Name MD/WTD/ Manager Rohit Salhotra	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 17 *	7,525,560	7,525,560
	(ii) Bonus Paid in Fiscal 17	—	—
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 :	497,409	497,409
	(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 2017, w.r.t Options granted upto 10 years prior to date of exercise	—	—
3	Sweat Equity	—	—
4	Commission	—	—
	- as % of profit	—	—
	- others, specify	—	—
5	Others (HRA)	1,976,760	1,976,760
	Total (1a(i) + a(ii) + b) + (5)	9,999,729	9,999,729
	Total Remuneration paid in Fiscal 17 (excludes Perquisites on Stock Options exercised in Fiscal 17 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 Section 10(13A) of Income Tax Act, 1961, which is reported under the head 'others'.

Directors' report

Annexure 1

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors*						(₹ In million)
	CA S. Santhanakrishnan	Dileep Choksi	S. Santhanakrishnan	Anup Bagchi	Anita Pai	Anup Kumar Saha	Total Amount
1. Independent Directors							
• Fee for attending board / Committee meetings	0.5	0.8	0.8	—	—	—	2.1
• Commission	0.8	0.8	0.8	—	—	—	2.4
• Others, please specify	—	—	—	—	—	—	—
Total (1)	1.3	1.6	1.6	—	—	—	4.5
2. Other Non—Executive Directors							
• Fee for attending board / committee meetings	—	—	—	—	—	—	—
• Commission	—	—	—	—	—	—	—
• Others, please specify	—	—	—	—	—	—	—
Total (2)	—	—	—	—	—	—	—
Total = (1+2)	1.3	1.6	1.6	—	—	—	4.5
Total Managerial Remuneration	1.3	1.6	1.6	—	—	—	4.5
Overall Ceiling	As per the Companies Act, 2013						

* During the year, Rajiv Sabharwal, Maninder Juneja, Rakesh Jha and Shilpa Kumar have ceased to be directors of the Company and they have not been paid any remuneration.

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

SI No	Particulars of Remuneration	Key Managerial Personnel		Total
		Pankaj Jain (CFO)	Pratap Salian (CS)	
1.	Independent Directors			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 :			
(i)	Salary and Allowances for Fiscal 17*	5,053,909	1,564,514	6,618,423
(ii)	Bonus Paid in Fiscal 17	—	138,210	138,210
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961 :	635,327	54,556	689,883
(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 2017,w.r.t Options granted upto 10 years prior to date of exercise	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
- as % of profit		—	—	—
- others, specify		—	—	—
5.	Others (HRA & LTA)	935,852	143,846	1,079,698
	Total (1a(i) + a(ii) + b) + (5)	6,625,088	1,901,126	8,526,214
	Total Remuneration paid in Fiscal 17 (excludes Perquisites on Stock Options exercised in Fiscal 17 as mentioned in (2))			

* Please note that Salary and Allowances is net of HRA and LTA exemption claimed under Section 10(13A) and Section 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)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
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, 2017 on an aggregate basis is given below:

Sl. no.	Nature of Contracts/Transactions	Name of the Related Party	Nature of Relationship	Duration of Contracts	Salient terms of Contracts/ Transactions	₹ in million
1.	Interest expense	ICICI Bank Limited	Holding Company	104 months	Interest on borrowings availed at applicable rates	557.1

ROHIT SALHOTRA
Managing Director & CEO

Directors' report



Annexure 3

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 put up on the Company website. http://www.icicifhc.com/pdf/CSR_policy_hfc.pdf

2. The Composition of the CSR Committee

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

Sl. No.	Name	Chairman/ Members
1	Anita Pai	Chairperson
2	Dileep Choksi	Member
3	S. Santhanakrishnan	Member
4	CA S. Santhanakrishnan	Member

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

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

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 2,972.2 million.

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

The prescribed CSR expenditure requirement for FY 2017 is ₹ 59.5 million.

5. Details of CSR spent during the financial year

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

Total amount spent towards CSR during FY2017 was ₹ 59.5 million.

(b) Amount unspent, if any;

Amount unspent was ₹ nil.

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

1	2	3	4	5	6	7	8
Sl. No	CSR Project/ Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1. Local area/others- 2. Specify the state /district (Name of the District/s, State/s where Project/ Programme was Undertaken	Amount Outlay (Budget) Project/ Programme wise	Amount Spent on the Project/ Programme Sub-heads: 1. Direct Expenditure on Project/ Programme, 2. Overheads:	Cumulative Spend upto the Reporting Period	Amount Spent: Direct/ Through Implementing Agency
1	Projects of ICICI Foundation for Inclusive Growth	Promoting education, employment enhancing vocational skills and livelihood enhancement projects.	24 skill training centres located in Bengaluru, Bhubaneswar, Chennai, Coimbatore, Delhi, Durg, Guwahati, Hyderabad, Indore, Jaipur, Kochi, Kolkata, Lucknow, Mohali, Mumbai, Mysore, Nagpur, Narsobawadi, Patna, Pune, Trichy, Vadodara, Vijaywada and Zirakpur. - Vocational training in locally relevant skills at more than 150 villages across the country. - Elementary education projects in Rajasthan and Chhattisgarh.	₹ 59.5 million	₹ 59.5 million	₹ 185.1 million	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the sectors highlighted under Column 3.

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/-
Anita Pai
CSR Committee Chairman

Annexure 4

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To
The Members,
ICICI 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 conducts and statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's statutory registers, books, papers, minute books, 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, 2017 complied

with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required 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 31st March, 2017, according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till May 14, 2015 and thereafter The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Directors' report

Annexure 4

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;
 - 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; (Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review);
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review.
- (vi) Other specific business/industry related laws applicable to the Company - The Company has complied with the provisions of the National Housing Bank Act, 1987 and notifications, and other directions pertaining to Housing Finance Companies issued by the National Housing Bank. Further, the Company has complied with the IRDA (Registration of Corporate Agents) Regulations, 2015 issued by the Insurance Regulatory Development Authority and the applicable general laws, rules, regulations and guidelines.

We have also examined compliance of the following to the extent applicable:

- (a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and
- (b) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, with respect to the Company's listing of Non-Convertible Debentures.

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 and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.
- (e) 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. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following specific events /actions having major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.:

1. Allotment of 2,300 Unsecured Redeemable Senior Bonds in the nature of Debentures of value aggregating to ₹1.15 billion on Private Placement basis on 20th June, 2016.
2. Allotment of 1,000 Unsecured Non-Convertible Redeemable Senior Bonds in the nature of Debentures of value aggregating to ₹ 500 million on Private Placement basis on 21st July, 2016.
3. Allotment of 2,500 Unsecured Non-convertible Redeemable Senior Bonds in the nature of Debentures of value aggregating to ₹ 1.25 billion on Private Placement basis on 27th July, 2016.
4. Allotment of 5,500 Unsecured Redeemable Senior Bonds in the nature of Debentures of value aggregating to ₹ 2.75 billion, on Private Placement basis on 16th August, 2016.
5. Allotment of 5,200 Unsecured Redeemable Senior Bonds in the nature of Debentures of value aggregating to ₹ 2.60 billion, on Private Placement basis on 23rd February, 2017.
6. Allotment of 2,000 Unsecured Redeemable Senior Bonds in the nature of Debentures of value aggregating to ₹ 1.00 billion, on Private Placement basis on 14th March, 2017.
7. The Company has obtained approval from the members at the Extra Ordinary General Meeting to fix the payment of profit related commission to Non-Executive Directors of the Company pursuant to the provisions of Section 149(9) and 197 of the Companies Act, 2013.

Place : *Mumbai*
Date : *14th April, 2017*

ALWYN JAY & CO.
Company Secretaries

Office Address
Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East),
Mumbai 400101.

Sd/-
[Vijay Sonone FCS.7301]
(Partner)
[Certificate of Practice No.7991]

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	10,874,855	PGDM, BE	28	52	November 21, 2006	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 15:1.

- (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 11%.

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

The number of permanent employees on rolls of the Company is 287 as at March 31, 2017.

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

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY2017 is around 10%, while the average increase in the remuneration of the Key Managerial Personnel is in the range of 5% to 9%.

- (vi) 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, 2017, 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, 2017, its profit, 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;

- (b) 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;
- (c) 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;
- (d) 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;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) 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;
- (g) 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 31 and 32(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;
 - iv. As per books of accounts of the Company and as represented by the management, in the ordinary course of business loan customers of the Company had directly deposited cash as part of their loan repayments in the collection accounts of the Company through various bank branches of its banks during the period November 08, 2016 to December 30, 2016, the denomination wise details of which are currently not available with the Company. Such amounts were accounted against the customer's regular loan obligations and are not included in disclosures on Specified Bank Notes, refer Note 28 to the financial statements. Our procedures for reporting on disclosures on Specified Bank Notes in accordance with the books of account of the Company were limited to our enquiries and relying on the management representation regarding the holding and nature of cash transactions. Hence, our report is solely based on the management representation for such information related to the holdings and dealings in Specified Bank Notes as included in Note 28 to the financial statements.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: April 18, 2017

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 3(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, service tax, labour welfare fund, employees' state insurance, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. 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 2004-05	Assessing Officer, Mumbai
		27,442,423	FY 2007-08	Income Tax Appellate Tribunal, Mumbai
		13,684,001	FY 2008-09	Income Tax Appellate Tribunal, Mumbai
		114,806,650	FY 2010-11	Commissioner of Income Tax Appeals
		200,427,804	FY 2011-12	Assistant Commissioner of Income Tax, Mumbai
Finance Act 1994	Service tax demand raised against the Company	715,590	FY 2006-07 to 2010-11	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/E300005

per Shrawan Jalan
Place of Signature: Mumbai
Date: April 18, 2017

Partner
Membership Number: 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")

We have audited the internal financial controls over financial reporting of ICICI Home Finance Company Limited ("the Company") as of March 31, 2017 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: April 18, 2017

balance sheet

statement of profit and loss

as on March 31, 2017

for the year ended March 31, 2017

Particulars	Note	March 31, 2017	(₹ in million) March 31, 2016	Particulars	Note	March 31, 2017	(₹ in million) March 31, 2016
EQUITY AND LIABILITIES				I Revenue from operations	18	10,486.8	10,665.3
(1) Shareholders' funds:				II Other income	19	41.3	48.4
(a) Share capital	3	10,987.5	10,987.5	III Total revenue (I+II)		10,528.1	10,713.7
(b) Reserves and surplus	4	5,084.2	4,304.6				
		16,071.7	15,292.1	IV Expenses:			
(2) Non-current liabilities				Finance cost	20	6,660.0	6,607.5
(a) Long term borrowings	5	48,171.3	49,016.5	Employee benefit expense	21	351.1	426.0
(b) Deferred tax liabilities (Net)	13	511.7	389.5	Depreciation and amortization expense	11	23.3	29.3
(c) Other long term liabilities	6	106.5	82.5	Establishment and other expenses	22	774.6	785.3
(d) Long term provisions	7	1,348.6	1,388.7	Provision / write offs (net)	23	(37.1)	164.6
		50,138.1	50,877.2			7,771.9	8,012.7
(3) Current liabilities				Less : Expenses recovered	22	26.5	23.2
(a) Short term borrowings	8	9,704.5	8,272.6			7,745.4	7,989.5
(b) Trade payables	9	87.4	230.4	V Profit before exceptional and extraordinary items and Tax (III-IV)		2,782.7	2,724.2
(c) Other current liabilities	10	18,170.6	19,080.6				
(d) Short term provisions	7	101.7	131.1	VI Exceptional items		—	—
		28,064.2	27,714.7				
		94,274.0	93,884.0	VII Profit before extraordinary items and tax (V-VI)		2,782.7	2,724.2
II ASSETS				VIII Extraordinary items		—	—
(1) Non-current assets				IX Profit before tax (VII-VIII)		2,782.7	2,724.2
(a) Fixed assets	11			X Tax expense:			
(i) Tangible assets		798.9	575.4	Current tax		828.0	799.0
(ii) Intangible assets		1.1	4.4	Deferred tax		122.1	126.7
(iii) Capital work in progress		0.1	1.7				
		800.1	581.5	XI Profit for the year from continuing operations (IX-X)		1,832.6	1,798.5
(b) Non-current investments	12	809.7	1,799.8	XII Earnings per equity share:	24	1.67	1.64
(c) Long term loans and advances	14	81,278.0	77,236.2	(1) Basic (₹)		1.67	1.64
		82,087.7	79,036.0	(2) Diluted (₹)		1.67	1.64
(2) Current assets				Summary of significant accounting policies	2.1		
(a) Current investments	12	250.6	—	The accompanying notes are an integral part of the financial statements			
(b) Trade receivables	15	4.1	120.3				
(c) Cash and bank balances	17	1,596.4	3,077.7				
(d) Short term loans & advances	14	8,903.4	10,424.9				
(e) Other current assets	16	631.7	643.6				
		11,386.2	14,266.5				
		94,274.0	93,884.0				
Summary of significant accounting policies	2.1						
The accompanying notes are an integral part of the financial statements							

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Firm Registration No.: 301003E/ E300005
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.: 102102

Place: Mumbai
Dated: April 18, 2017

For and on behalf of the Board

ANUP BAGCHI
Chairman

ROHIT SALHOTRA
Managing Director & CEO

PANKAJ JAIN
Chief Financial Officer

PRATAP SALIAN
Company Secretary

cash flow statement

for the year ended March 31, 2017

Particulars	(₹ in million)	
	March 31, 2017	March 31, 2016
A Cash flow from operating activities :		
Profit before taxation and exceptional items	2,782.7	2,724.2
Adjustments for:		
Depreciation/amortisation (net of write back)	23.3	29.3
Amortisation of premium on investments	4.6	4.5
Provision for gratuity and other staff benefits	(13.3)	2.1
Provision/(write back) against standard assets	(29.7)	52.8
Loss/(Gain) on sale of fixed assets/written off	-	(0.3)
Provision for contingencies and others	(7.4)	111.8
(Profit)/Loss on sale of government securities and long term investments	(1.1)	(1.9)
Interest received on investments	(63.5)	(127.4)
Loss on revaluation of fixed assets	0.3	-
Dividend income	(92.6)	(84.2)
Profit on sale of mutual fund units	(24.7)	(27.7)
Operating profit before working capital changes	2,578.6	2,683.2
Adjustments for increase or decrease in :		
Trade receivables	116.2	(17.3)
Other assets	(0.3)	(49.5)
Trade payables	(142.9)	38.2
Other liabilities	(80.1)	225.5
Provisions	(18.9)	(263.1)
Loans given (net movement)	(2,506.7)	(10,145.2)
Cash generated from Operations	(54.1)	(7,528.2)
Income taxes paid	(760.9)	(854.5)
Net cash from operating activities - A	(815.0)	(8,382.7)
B Cash Flow from investing activities :		
Purchase of fixed assets (including movement in capital work in progress)	(12.5)	(14.0)
Proceeds from sale of fixed assets	—	0.4
Purchase of investments	(5.8)	(447.0)
Proceeds from sale of investments	740.8	627.0
Profit on sale of government securities and long term investments	1.1	1.9
Net proceeds from sale of mutual fund units	24.7	27.7
Dividend income	92.6	84.2
Interest received on investments	63.5	127.4
Fixed deposits matured	200.0	380.0
Net cash from investing activities - B	1,104.4	787.6
C Cash flow from financing activities :		
Dividend and dividend distribution tax paid	(1,282.8)	(1,584.8)
Proceeds from borrowings (net)	(287.9)	10,385.0
Net cash used in financing activities - C	(1,570.7)	8,800.2
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,281.3)	1,205.1
Cash and cash equivalents as at beginning	2,877.7	1,672.6
Cash and Cash equivalents as at end	1,596.4	2,877.7
Notes :		
1. Cash and cash equivalents consists of :		
A. Bank balances		
1) Current accounts(including bank deposits with original maturity less than 3 months)	405.4	131.8
2) Book overdraft	(19.0)	(194.5)
B. Investments in mutual fund units	420.0	1,750.2
C. Investment redemption receivable	790.0	1,190.2
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.	1,596.4	2,877.7

As per our report of even date

For S. R. BATLIBOI & CO. LLP
Firm Registration No.: 301003E/ E300005
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.:102102

Place: Mumbai
Dated: April 18, 2017

For and on behalf of the Board

ANUP BAGCHI
Chairman

PRATAP SALIAN
Company Secretary

ROHIT SALHOTRA
Managing Director & CEO

PANKAJ JAIN
Chief Financial Officer

forming part of the accounts

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 adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in Note 2(r) below.

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.

Fee Income

Fee income is recognised in accordance with principles laid down in accounting standard 9 'Revenue Recognition'. 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

Property, Plant and Equipment (PPE), other than premises, are carried at cost less accumulated depreciation and impairment, if any. Freehold Land and Office Buildings are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of PPE on a straight-line basis.

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 had aligned the depreciation rate as per the Companies Act, 2013.

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 is into the business of home loans and sanctions loans primarily at a floating rate of interest. The company borrows funds from the market through Commercial Papers, Debentures/Bonds and Fixed Deposits that are at a fixed rate of interest and Term Loans that are at a fixed/floating rate of interest. The floating rate asset book and fixed rate liability book expose the balance sheet of the company to interest rate risk. In order to offset / mitigate the interest rate risk that the company is exposed to, the Company enters into derivative contracts such as interest rate swaps to hedge balance sheet liabilities which are structured such that they bear an opposite and offsetting impact with the underlying balance sheet items. The impact of such derivative instruments are correlated with the movements of the underlying liabilities. Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting based on Guidance Note on Accounting for Derivative Contracts issued by ICAI. Interest differential on swaps 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.

Reporting on derivatives forms an integral part of the management information system. The use of derivatives for hedging purposes is governed by the derivatives policy approved by Asset Liability Management Committee (ALCO). The Company identifies the hedged item (asset or liability) at the inception of the hedge itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter. Hedging is primarily undertaken to offset the fluctuations in the fair value of a hedged item and hence effectiveness of any hedge is determined by comparing the fluctuation in the fair value of the hedged item with that of the hedging instrument used.

m) Impairment

i) 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.

ii) 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 non occurrence 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.

r) Accounting for proposed dividend

As per the requirements of AS 4 (pre-revised), the Company used to create a liability for dividend proposed / declared after the balance sheet date if dividend related to periods covered by the financial statements, however as per AS 4 (Revised), the company cannot create a liability for such dividend proposed / declared after the balance sheet date. Accordingly, it has impact of ₹ 179.9 million where surplus in the statement of profit and loss account would have been lower by ₹ 179.9 million and current provision would have been higher by ₹ 179.9 million (including dividend distribution tax of ₹ 30.4 million). Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes. (Refer Note 3(ii))

3. Share Capital

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Authorized shares		
2,385,000,000 Equity shares of ₹ 10 each (March 2016 - 2,385,000,000)	23,850.0	23,850.0
15,000,000 Preference shares of ₹ 10 each (March 2016 - 15,000,000)	150.0	150.0
Total authorized shares	24,000.0	24,000.0
Issued, subscribed and paid up shares		
1,098,750,000 Equity shares of ₹ 10 each fully paid up (March 2016 - 1,098,750,000)	10,987.5	10,987.5
Total Issued, subscribed and paid up shares	10,987.5	10,987.5

forming part of the accounts

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year. Equity Shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	No.	(₹ million)	No.	(₹ million)
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 year ended March 31, 2017, the amount of per share dividend (excluding proposed final dividend) recognized as distribution to equity shareholder was ₹ 0.970 (excluding dividend distribution tax) (March 31, 2016 - ₹ 1.076). The Company has additionally declared ₹ 0.136 per share as final dividend for the year ended March 31, 2017 (March 2016 - ₹ Nil)

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, 2017		As at March 31, 2016	
	No.	(₹ million)	No.	(₹ million)
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 March 31, 2017		As at March 31, 2016		
	No.	% holding in the class	No.	(₹ million)	% holding in the class
Equity shares of ₹10 each fully paid					
ICICI Bank Limited (Holding Company & its nominees)	1,098,750,000	100.0%	1,098,750,000	10,987.5	100.0%

4. Reserves and surplus

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
(i) General reserve		
As per last balance sheet	249.3	249.3
Add : Transferred from statement of profit and loss	—	—
Add : Transferred from Revaluation Reserve (As per Para 44 of AS 10)*	0.0	—
Less : Utilised for DTL creation (Refer note (b) below)	—	—
Closing balance	249.3	249.3
(ii) Statutory Reserve		
(As per Section 29C of National Housing Bank Act, 1987) (refer note (a) below)		
Opening Balance	4,024.6	3,664.6
Additions during the year	367.0	360.0
Appropriation during the year	—	—
Closing balance	4,391.6	4,024.6
(iii) Revaluation Reserve		
Opening Balance	—	—
Additions during the year	229.7	—
Less : Transfer to General Reserve (As per Para 44 of AS 10)*	(0.0)	—
Appropriation during the year	—	—
Closing balance	229.7	—
(iv) Surplus in the statement of profit and loss		
Opening balance	30.7	15.2
Add : Net profit for the year	1,832.6	1,798.5
Less : Interim dividend including dividend distribution tax	(1,282.7)	(1,423.0)
Less : Transfer to Statutory Reserve	(367.0)	(360.0)
Less : Transfer to General Reserve	—	—
Closing balance	213.6	30.7
Total Reserves & Surplus	5,084.2	4,304.6

*Amount transferred from Revaluation Reserve to General Reserve is less than ₹ 0.1 million.

Continued

(a) Details of Statutory Reserves

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of 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	—	—
c) Total	4,024.6	3,664.6
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	367.0	360.0
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	—	—
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	4,391.6	4,024.6
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	—	—
c) Total	4,391.6	4,024.6

Note : (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.

(c) There has been no draw down from reserves during the year ended March 31, 2017 (March 2016 - ₹ Nil)

5. Long-Term Borrowings

Particulars	(₹ in million)			
	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
[A] Secured				
a) Non-Convertible Debentures / Bonds (Refer note i below)	8,800.0	10,280.0	1,480.0	3,310.0
b) Zero Coupon Debentures / Bonds (Refer note ii below)	—	1,490.0	1,490.0	1,675.0
Add: Premium accrued on redemption (net of unamortized discount)	—	153.4	293.7	193.1
	8,800.0	11,923.4	3,263.7	5,178.1
Total [A]	8,800.0	11,923.4	3,263.7	5,178.1
Amount disclosed under head "other current liabilities" (refer Note 10)	—	—	(3,263.7)	(5,178.1)
Net Amount	8,800.0	11,923.4	—	—
[B] Unsecured				
(a) Debenture / Bonds (refer note iii below)				
• Debentures / Bond - private placement	13,990.0	8,440.0	3,200.0	1,650.0
• Debenture / Bond – subordinate debt private placement	2,573.0	2,573.0	—	—
• Debenture / Bonds - ZCB	4,760.0	4,960.0	700.0	3,100.0
Add: Premium accrued on redemption (net of unamortized discount)	595.1	210.5	112.8	381.0
	5,355.1	5,170.5	812.8	3,481.0
	21,918.1	16,183.5	4,012.8	5,131.0

(b) Term loans (refer note iii below)				
Loans from banks	12,356.0	14,813.0	7,038.9	4,564.7
	12,356.0	14,813.0	7,038.9	4,564.7
(c) Deposits (refer note iv below)				
Fixed deposits including unclaimed fixed deposits	2,001.2	1,624.6	779.9	1,163.6
	2,001.2	1,624.6	779.9	1,163.6
(d) Loans and advances from related parties (refer note v below)				
Loans from holding company – other loans	3,096.0	4,472.0	1,376.0	1,376.0
	3,096.0	4,472.0	1,376.0	1,376.0
Total [B=a+b+c+d]	39,371.3	37,093.1	13,207.6	12,235.3
Amount disclosed under head "other current liabilities" (ref Note 10)	—	—	(13,207.6)	(12,235.3)
Net amount	39,371.3	37,093.1	—	—
Total = [A] + [B]	48,171.3	49,016.5	—	—

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 2016 - ₹ 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 ₹ 3,263.7 million (March 2016 - ₹ 8,301.5) 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:

(₹ in million)					
Description	Date of Allotment	Date of Redemption	Rate of Interest	As at March 31, 2017	As at March 31, 2016
Non Current:					
a)					
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
Total (a)				8,800.0	8,800.0
b)					
1,000 NCD's of ₹ 500,000 each	November 13, 2014	November 15, 2017	8.80%	—	500.0
1,600 NCD's of ₹ 500,000 each	October 31, 2014	October 30, 2017	9.05%	—	800.0
360 NCD's of ₹ 500,000 each	October 31, 2014	October 3, 2017	9.05%	—	180.0
Total (b)				—	1,480.0
Total (a+b)				8,800.0	10,280.0
Current:					
c)					
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
1,000 NCD's of ₹ 500,000 each	November 13, 2014	November 15, 2017	8.80%	500.0	—
1,600 NCD's of ₹ 500,000 each	October 31, 2014	October 30, 2017	9.05%	800.0	—
360 NCD's of ₹ 500,000 each	October 31, 2014	October 3, 2017	9.05%	180.0	—
Total (c)				1,480.0	3,310.0
Total (Non Current+Current)				10,280.0	13,590.0

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.

The details of secured ZCB are as under:

(₹ in million)					
Description	Date of Allotment	Date of Redemption	Rate of Interest (XIRR)	As at March 31, 2017	As at March 31, 2016
Non Current:					
400 ZCB of ₹ 500,000 each	February 27, 2015	April 18, 2017	8.70%	—	200.0
1,000 ZCB of ₹ 500,000 each	February 27, 2015	February 26, 2018	8.68%	—	500.0
1,580 ZCB of ₹ 500,000 each	February 27, 2015	March 5, 2018	8.68%	—	790.0
Total				—	1,490.0
Add: Premium accrued on redemption (net of unamortized discount)					
				—	153.4
Total (a)				—	1,643.4
Current:					
800 ZCBs of ₹ 500,000 each	December 30, 2014	April 4, 2016	8.90%	—	400.0
1,000 ZCBs of ₹ 500,000 each	December 30, 2014	July 4, 2016	8.90%	—	500.0
1,000 ZCBs of ₹ 500,000 each	November 13, 2014	November 14, 2016	8.80%	—	500.0
550 ZCBs of ₹ 500,000 each	February 27, 2015	February 16, 2017	8.70%	—	275.0
400 ZCBs of ₹ 500,000 each	February 27, 2015	April 18, 2017	8.70%	200.0	—
1,000 ZCBs of ₹ 500,000 each	February 27, 2015	February 26, 2018	8.68%	500.0	—
	February 27, 2015	March 5, 2018	8.68%	790.0	—
Total				1,490.0	1,675.0
Add: Premium accrued on redemption (net of unamortized discount)					
				293.7	193.1
Total (b)				1,783.7	1,868.1
Total (a+b)				1,783.7	3,511.5

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

(₹ in million)					
Maturities -	0-1 years	1-3 years	3-5 years	5 years and above	Total
Rates of Interest					
(a) Unsecured bonds/debenture					
6.50% to 7.99%	—	3,600.0	—	—	3,600.0
8.00% to 9.50%	4,012.8 (2,872.8)	14,745.1 (11,108.1)	1000.0 (2502.4)	— (—)	19,757.9 (16,483.3)
9.51% to 11.00%	— (2,258.2)	2,573.0 (503.0)	— (2,070.0)	— (—)	2,573.0 (4,831.2)
Total (a)	4,012.8 (5,131.0)	20,918.1 (11,611.1)	1,000.0 (4,572.4)	— (—)	25,930.9 (21,314.5)
(b) Term loans (including loan from holding company)					
6.50% to 7.99%	33.9	67.8	67.8	305.1	474.6
8.00% to 9.50%	7,631.0 (2,398.0)	10,341.4 (3,948.0)	3619.9 (192.7)	300.0 (339.0)	21,892.3 (6,877.7)
9.51% to 11.00%	750.0 (3,542.7)	750.0 (14,705.3)	— (100.0)	— (—)	1,500.0 (18,348.0)
Total (b)	8,414.9 (5,940.7)	11,159.2 (18,653.3)	3,687.7 (292.7)	605.1 (339.0)	23,866.9 (25,225.7)

*Figures in bracket pertain to March 31, 2016

iv. Rating assigned by Credit Rating Agencies and migration of rating during the year

CARE

- Senior Bonds and Subordinated Bonds - CARE AAA

- Fixed Deposit - CARE AAA (FD)

ICRA

- Long Term Senior Bonds, Subordinated Bonds and Long Term Fund based facilities - ICRA AAA

- Fixed Deposit - MAAA

- Short Term Debt (including Commercial Paper) - ICRA A1+

Note 1 : In addition to the debt instrument wise specific credit ratings, the Company has been assigned the Issuer Rating of "Irr AAA" by ICRA for its general creditworthiness and which is not specific to any particular debt instrument.

Note 2: There has been no migration of rating during the year, however CARE has withdrawn its CARE AAA (FD) (SO) rating vide letter dated February 16, 2017.

forming part of the accounts

- v. Fixed deposits include deposits from corporates ₹ 325.8 million (March 2016 - ₹ 519.9 million) and deposits from public ₹ 2,455.3 million (March 2016 - ₹ 2,268.3 million) and carry rate of interest in the range of 7.05% to 9.85% p.a. and having a tenure of 15.00 to 84.00 months from the date of acceptance of deposits. Fixed deposits includes unclaimed fixed deposits from corporates ₹ 5.3 million (March 2016 - ₹ 2.0 million) and deposits from public includes ₹ 151.8 million (March 2016 - ₹ 222.5 million). Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2016 - ₹ Nil). Floating charge has been created on Government Securities (for statutory liquidity ratio (SLR) purpose) as per NHB Directions.
- vi. Concentration of Public Deposits

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Total Deposits of twenty largest depositors	1,282.0	1,085.9
Percentage of Deposits of twenty largest depositors to Total Deposits	39.9%	38.1%

- vii. Loans from related parties carry rate of interest of 8.25% p.a. and tenure of 104 months from the date of issue.
- viii. 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

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
(a) Trade payables	—	—
(b) Others	106.5	82.5
Interest accrued but not due on borrowings – cumulative fixed deposits	—	—
Total(b)	106.5	82.5
Total(a+b)	106.5	82.5

7. Provisions

Particulars	(₹ in million)			
	Long Term		Short Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits				
Provision for Gratuity (refer note 21(i) - Balance Sheet)	1.2	2.8	—	—
Provision for leave encashment (refer note 21(i) - Balance Sheet)	9.1	10.7	3.9	5.4
Provision for bonus	—	—	33.5	42.1
Total (a)	10.3	13.5	37.4	47.5
(b) Others				
Provision for contingencies (Refer Note 7(i) below)	—	—	—	—
Provision against standard assets	413.8	424.3	64.3	83.6
Provision for sub standard assets-Housing loans	41.1	25.2	—	—
Provision for sub standard assets-Other loans	42.0	39.9	—	—
Provision for doubtful assets-Housing loans	47.0	18.4	—	—
Provision for doubtful assets-Other loans	109.7	94.0	—	—
Provision for loss assets-Housing loans	240.5	229.4	—	—
Provision for loss assets-Other loans	411.2	487.5	—	—
Provision for others	28.0	51.2	—	—
Provision for proposed dividend	—	—	—	—
Provision for dividend distribution tax	—	—	—	—
Provision for 1% subsidy on EMI	5.0	5.3	—	—
Total (b)	1,338.3	1,375.2	64.3	83.6
Total(a+b)	1,348.6	1,388.7	101.7	131.1

(i) Disclosure of provision for contingencies:

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
(a) Servicing expenses provision on loans securitized	—	2.4
Opening balance	—	(2.4)
Utilisations / (write back)	—	—
Closing balance	—	—
(b) Provision for delinquencies, prepayment and conversion risk on loans securitized		
Opening balance	—	157.6
Utilisations / (write back)	—	(157.6)
Closing balance	—	—
Total(a+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

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Unsecured		
(a) Fixed deposit	285.8	302.5
(b) Commercial paper	7,250.0	7,250.0
Less : Unamortised interest	(130.8)	(277.0)
	7,119.2	6,973.0
(c) Bank Overdraft	500.0	—
(d) Loans from holding company (Overdraft)	1,799.5	997.1
Total (a+b+c+d)	9,704.5	8,272.6

(i) Fixed deposits includes deposits from corporates ₹ 22.6 million (March 2016 - ₹ 230.0 million) and deposits from public ₹ 263.2 million (March 2016 - ₹ 72.5 million) and carries interest in the range of 7.05% to 8.45% 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 2016 - ₹ Nil).

(ii) Commercial paper carries interest in the range of 6.50% to 7.21% p.a. and tenure of 61 to 365 days repayable in bullet payment.

9. Trade payables

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
(a) Total outstanding dues of Micro and Small Enterprises (Refer Note 9(i) below)	0.2	1.2
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	87.2	229.2
Total (a+b)	87.4	230.4

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

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
The principal amount and the interest due thereon (Interest- March 31, 2017 ₹ Nil, March 31, 2016 ₹ Nil) remaining unpaid to any supplier as at the end of each accounting year	0.2	1.2

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

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 million)	
	As at March 31, 2017	As at March 31, 2016
(a) Current maturities of long term debt (ref note no. 5)		
Secured	3,263.7	5,178.1
Unsecured	13,050.6	12,010.8
	16,314.3	17,188.9
(b) Interest accrued but not due on borrowings	1,310.1	1,281.0
(c) Unclaimed matured deposits and interest accrued thereon (ref note no. 5)	185.7	267.1
(d) Other payable		
(i) Provision for tax (Net of advance tax)	68.6	—
(ii) Statutory dues	2.3	12.1
(iii) Other liabilities	289.6	331.5
	360.5	343.6
Total(a+b+c+d)	18,170.6	19,080.6

11. Fixed Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2016	Additions / Revaluation Surplus	Deductions / Revaluation Deficit	As at March 31, 2017	As at April 01, 2016	For the Period	Adjustments / deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
(i) Tangible assets:										
Free Hold Land	0.7	—	0.3	0.4	—	—	—	—	0.4	0.7
Office building	623.3	229.7	—	853.0	64.4	10.4	—	74.8	778.2	558.9
Improvement to lease hold property	1.8	0.9	—	2.7	1.2	0.7	—	1.9	0.8	0.6
Computers	27.1	1.5	0.5	28.1	18.7	5.9	0.5	24.1	4.0	8.4
Office equipments	9.0	8.5	0.2	17.3	2.5	2.5	0.2	4.8	12.5	6.5
Furniture & fixtures	0.8	3.2	—	4.0	0.5	0.5	—	1.0	3.0	0.3
Total	662.7	243.8	1.0	905.5	87.3	20.0	0.7	106.6	798.9	575.4
Previous year (March 31, 2016)	652.2	10.9	0.4	662.7	68.7	18.9	0.3	87.3	575.4	
(ii) Intangible assets:										
Software	38.2	—	—	38.2	33.8	3.3	—	37.1	1.1	4.4
Total	38.2	—	—	38.2	33.8	3.3	—	37.1	1.1	4.4
Previous year (March 31, 2016)	25.8	12.4	—	38.2	23.4	10.4	—	33.8	4.4	

- The Company has Capital work in progress of ₹ 0.1 million (March 2016 - ₹ 1.7 million).
- A negative charge on the Gross block of office building amounting to ₹ 23.8 million (March 2016 - ₹ 23.8 million) and pari passu charge on Free Hold land has been created on secured bonds.
- The Company follows the revaluation model as per AS 10 – Property, Plant and Equipment for its Free Hold Land & Office Building. The Company has revalued its Free Hold Land & Office Building at March 31, 2017. The revalued amount of the Free Hold Land & Office Building was ₹ 0.4 million and ₹ 778.1 million respectively as compared to the historical cost less accumulated depreciation of ₹ 0.7 million and ₹ 548.8 million respectively on the date of revaluation, and accordingly revaluation surplus on Office Building of ₹ 229.7 million is credited to Revaluation Reserve and deficit of ₹ 0.3 million on Free Hold Land is charged to Profit & Loss. The valuation was carried out by external valuers using methods applicable to the valuation of premises such as direct comparison method.

12. Investments

Particulars	(₹ in million)			
	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Non-trade investments (valued at cost unless otherwise stated)				
Investment in government securities - (Quoted)				
Government Securities (Face value - ₹ 500,000,000, March 2016 - ₹ 1,083,990,000)*	259.4	1,090.4	250.6	—
	259.4	1,090.4	250.6	—
Investment in equity shares - (Unquoted)				
7,340,000 (March 2016 - 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 2016 - 3,000,000) Equity shares of India Infra Debt Limited of face value - ₹ 10 each fully paid-up	30.0	30.0	—	—
	543.8	543.8	—	—
Investment in Mutual Funds - Liquid Investments (Market value of Mutual Fund ₹ 420.2 million (March 2016 - ₹ 1,752.3 million))	—	—	420.0	1,750.2
Amount disclosed under head "Cash & Cash equivalents" (Refer Note 17 A(a))	—	—	(420.0)	(1,750.2)
	—	—	—	—
Other Investments - (Unquoted)				
649.24 (March 2016 - 16,556.38) units of Emerging India Fund of face value ₹ 10,000 each at par	6.5	165.6	—	—
	6.5	165.6	—	—
Total	809.7	1,799.8	250.6	—
Aggregate amount of quoted investments	259.4	1,090.4	250.6	—
Market value of quoted investments	262.2	1,076.3	251.3	—
Aggregate amount of unquoted investments	550.3	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 management assesses that there is no indication of impairment of Company's investments. Provision for diminution in value of Investment is ₹ Nil (March 2016 - ₹ Nil).

The details of Mutual fund are as under :

Particulars	(₹ in million)			
	No. of Units		Amount as at	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
ICICI Pru Money Market Fund - Direct - Growth	889,050.499	—	200.0	—
Birla Sun Life Cash Plus Direct Plan - Growth	842,306.449	2,056,944.450	220.0	500.0
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
Reliance Liquid Fund - Cash Plan - DIRECT Growth	—	204,741.267	—	500.0
ICICI Prudential Liquid Direct Plan Growth	—	1,339,828.231	—	300.2
Total	1,731,356.948	4,922,231.939	420.0	1,750.2

Additional disclosure as per NHB Notification-No.-NHB.HFC.CG-DIR.1-MD&CEO-2016 dated February 9, 2017 is as under:

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Value of Investments		
(i) Gross value of Investments	1,480.3	3,550.1
(a) In India (includes Investment in Mutual Funds ₹ 420 million (March 2016 - ₹ 1,750 million) (Refer Note 17))	1,480.3	3,550.1
(b) Outside India	—	—
(ii) Provisions for Depreciation		
(a) In India	—	—
(b) Outside India	—	—
(iii) Net value of Investments	1,480.3	3,550.1
(a) In India	1,480.3	3,550.1
(b) Outside India	—	—
Movement of provisions held towards depreciation on investments		
(i) Opening balance	—	—
(ii) Add: Provisions made during the year	—	0.5
(iii) Less: Write-off / Written-back of excess provisions during the year	—	0.5
(iv) Closing balance	—	—

forming part of the accounts

13. Deferred tax (net)

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

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
(i) Deferred tax assets on account of		
Provision for NPAs and Standard assets	474.0	485.3
Retirement benefits	4.5	3.5
Others	37.6	58.8
	516.1	547.6
(ii) Deferred tax liability on account of		
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 (refer note 4 (b))	(940.7)	(856.6)
Depreciation	(87.1)	(80.5)
	(1,027.8)	(937.1)
Net deferred tax Asset / (Liability)	(511.7)	(389.5)

14. Loans and advances

Particulars	(₹ in million)			
	Long Term		Short Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
a. Security Deposits				
Unsecured, considered good	4.7	4.7	—	—
Doubtful	0.6	14.4	—	—
Less: Provisions for doubtful deposits	(0.6)	(14.4)	—	—
	4.7	4.7	—	—
b. Loans & other credit facilities				
Housing Loans	48,694.3	47,355.9	6,036.0	5,734.1
Loan against property, Corporate realty finance and other loans	32,150.1	29,448.2	2,845.9	4,681.4
	80,844.4	76,804.1	8,881.9	10,415.5
Secured, considered good	79,291.1	75,388.4	8,881.9	10,415.5
Doubtful (Non performing assets as per NHB guidelines)	1,553.3	1,415.7	—	—
	80,844.4	76,804.1	8,881.9	10,415.5
c. Advance tax (net of provision for taxation)	428.9	427.4	—	—
d. Others	—	—	21.5	9.4
Total :- (a+b+c+d)	81,278.0	77,236.2	8,903.4	10,424.9

Additional disclosure as per NHB Notification-No.-NHB.HFC.CG-DIR-1-MD&CEO-2016 dated February 9, 2017 is as under:

i) Break up of Loan & Advances and Provisions thereon

Particulars	(₹ in million)			
	Housing		Non-Housing	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Standard Assets				
a) Total Outstanding Amount	54,446.5	52,994.4	34,320.3	33,392.9
b) Provisions made	266.5	281.3	211.6	226.6
Sub-Standard Assets				
a) Total Outstanding Amount	273.8	167.8	280.1	266.1
b) Provisions made	41.1	25.2	42.0	39.9
Doubtful Assets – Category-I				
a) Total Outstanding Amount	95.3	27.5	93.1	174.6
b) Provisions made	31.3	10.2	29.3	67.0
Doubtful Assets – Category-II				
a) Total Outstanding Amount	24.3	12.5	135.0	50.3
b) Provisions made	15.7	8.2	80.4	27.0
Doubtful Assets – Category-III				
a) Total Outstanding Amount	—	—	—	—
b) Provisions made	—	—	—	—
Loss Assets				
a) Total Outstanding Amount	240.5	229.4	411.2	487.5
b) Provisions made	240.5	229.4	411.2	487.5
TOTAL				
a) Total Outstanding Amount*	55,080.4	53,431.6	35,239.7	34,371.5
b) Provisions made	595.1	554.3	774.5	848.0

*The total outstanding amount above includes interest accrued but not due on loans amounting to ₹ 593.8 million (March 2016 - ₹ 583.5 million) (Refer Note 16 - Other Assets)

ii) Concentration of Loans & Advances

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Total Loans & Advances to twenty largest borrowers	12,855.9	15,589.8
Percentage of Loans & Advances of twenty largest borrowers to total advances	14.2%	17.8%

iii) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Total Exposure to twenty largest borrowers / customers	13,365.3	16,398.5
Percentage of Exposures of twenty largest borrowers / customers to total exposure on borrowers / customers	14.3%	18.0%

iv) Concentration of NPAs

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
Total exposure to top ten NPA accounts	239.1	240.2

v) Sector-wise NPAs

Sector	(₹ in million)	
	Percentage of NPAs to Total Advances in that sector as at March 31, 2017	Percentage of NPAs to Total Advances in that sector as at March 31, 2016
A. Housing Loans:		
1. Individuals	1.3%	0.9%
2. Builders/Project Loans	0.0%	0.0%
3. Corporates	5.5%	5.5%
4. Others	0.0%	0.0%
B. Non-Housing Loans:		
1. Individuals	3.1%	3.8%
2. Builders/Project Loans	0.0%	0.0%
3. Corporates	3.1%	3.3%
4. Others	0.0%	0.0%

vi) Movement of NPAs

Particulars	(₹ in million)	
	As at March 31, 2017	As at March 31, 2016
(I) Net NPAs to Net Advances (%)	0.74%	0.60%
(II) Movement of NPAs (Gross)		
a) Opening balance	1,415.7	1,416.4
b) Additions during the year	512.5	385.1
c) Reductions during the year	(374.9)	(385.8)
d) Closing balance	1,553.3	1,415.7
(III) Movement of Net NPAs		
a) Opening balance	521.3	526.6
b) Additions during the year	435.5	310.9
c) Reductions during the year	(294.9)	(316.2)
d) Closing balance	661.9	521.3
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	894.4	889.8
b) Provisions made during the year	77.0	74.3
c) Write-off/write-back of excess provisions	(80.0)	(69.7)
d) Closing balance	891.4	894.4

Notes :

- 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 ₹ 478.1 million (March 31, 2016 – ₹ 507.9 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 2016 - ₹ Nil) which is secured by way of capital market exposure.
- (iv) The Company has not sponsored any SPVs during the current and previous year, and there is no outstanding amount of securitised assets as a result of any such sponsorships.
- (v) The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year.
- (vi) The Company has not entered into any Assignment transactions in the current and previous year.
- (vii) The Company has not purchased / sold non-performing financial assets in the current and previous year.
- (viii) There is no financing during the current year and previous year of the parent company's products
- (ix) The Company has not exceeded the Single Borrower Limit and Group Borrower Limit as set by NHB.

15. Trade receivable

Particulars	(₹ in million)			
	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Other receivable				
Trade Receivables-Unsecured, considered good less than six months	—	—	4.1	120.3
Less: Provisions for doubtful trade receivables	—	—	—	—
Total	—	—	4.1	120.3

Trade receivable includes ₹ 3.0 million (March 2016 ₹ 112.4 million) from related parties.

16. Other assets

Particulars	(₹ in million)			
	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(i) Advances recoverable				
Unsecured, considered good	—	—	8.5	11.2
Doubtful	0.1	4.5	—	—
Less: Provisions for doubtful advances	(0.1)	(4.5)	—	—
	—	—	8.5	11.2
(ii) Interest accrued on Loans	—	—	593.8	583.5
(iii) Accrued interest- Fixed Deposits	—	—	—	22.6
(iv) Accrued interest - GOI securities - INV	—	—	12.3	19.6
(v) Others	—	—	17.1	6.7
Total	—	—	631.7	643.6

17. Cash and bank balances

Particulars	(₹ in million)			
	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
A. Cash & cash equivalents				
a. Investments in mutual funds (Liquid Plan) (Refer Note 12)	—	—	420.0	1,750.2
b. Investments redemption receivable	—	—	790.0	1,190.2
c. Balances with banks	—	—	405.4	131.8
d. Book overdraft	—	—	(19.0)	(194.5)
Total (A)	—	—	1,596.4	2,877.7
B. Other bank balances				
a. Bank deposits with original maturity for more than 12 months	—	—	—	200.0
Total (B)	—	—	—	200.0
Total (A) + (B)	—	—	1,596.4	3,077.7

18. Revenue from operations

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on loans	9,686.4	9,549.3
Other operating income		
Fee income (refer note (a))	618.5	882.1
Other interest income received (Includes ₹ 0.8 million (March 2016 ₹ 1.2 million) in respect of investments held as current investments)	63.5	127.4
Profit on sale of liquid mutual fund units on current investment	24.7	27.7
Profit on sale of GOI securities (Includes ₹ Nil (March 2016 ₹ 1.3 million) in respect of investments held as current investments)	1.1	1.9
Dividend income on current investment	92.6	76.9
Total	10,486.8	10,665.3

Note (a) Pursuant to NHB Circular 'NHB (ND)/DRS/Policy Circular No. 71/2014-15 dated April 22, 2015, fee income includes ₹ 24.2 million (March 2016 ₹ 22.7 million) towards insurance agency business.

19. Other income

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Dividend income-long term (Equity Shares)	—	7.3
Rent income	40.5	37.0
Miscellaneous income	0.8	4.1
Total	41.3	48.4

20. Finance Cost

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest expense on:		
Loans from banks	2,377.2	2,661.5
Commercial paper	475.4	522.9
Fixed Deposits	261.7	257.0
Bonds	3,493.5	3,105.7
	6,607.8	6,547.1
(b) Other charges		
Brokerage on fixed deposits	13.1	10.2
Bank charges	1.0	1.0
Other financial charges	38.1	49.2
	52.2	60.4
Total (a + b)	6,660.0	6,607.5

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(i) Interest expense (net) includes ₹ (4.1) million (March 2016 - ₹ 48.7 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 2016 - ₹ 5,500.0 million). During the year, the Company has entered into Interest Rate Swap (IRS) transactions amounting to ₹ Nil (March 2016 - ₹ Nil).

Interest Rate Swap (IRS)

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
(i) The notional principal of swap agreements	5,500.0	5,500.0
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	—	—
(iii) Collateral required by the HFC upon entering into swaps	—	—
(iv) Concentration of credit risk arising from the swap \$	—	—
(v) The fair value of the swap book #	74.7	(66.5)

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps (Refer Note 2(ii))
 \$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.
 # If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.

Currency Derivatives

The Company does not have any Currency Derivatives in the current and previous year.

Forward Rate Agreement (FRA)

The Company has not entered into any Forward Rate Agreement in the current and previous year.

Exchange Traded Interest Rate (IR) Derivative

The Company does not have any Exchange Traded Interest Rate Derivatives in the current and previous year.

Disclosures on Risk Exposure in Derivatives (Quantitative Disclosure)

Interest Rate Derivatives

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
(i) Derivatives (Notional Principal Amount)	5,500.0	—
(ii) Marked to Market Positions [1]	—	—
(a) Assets (+)	74.7	—
(b) Liability (-)	(43.5)	—
(iii) Credit Exposure [2]	—	—
(iv) Unhedged Exposures	—	—

Note : Refer Note 2(ii) for Qualitative Disclosure on Risk Exposure in Interest Rate Derivatives

21. Employee benefit expenses

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	323.7	395.6
Contribution to gratuity fund	5.2	4.1
Contribution to provident and other funds	14.7	17.2
Staff welfare expenses	7.5	9.1
Total	351.1	426.0

(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 summaries 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 28, 2017 employees detail).

Profit and loss account:

Net employee benefit expense (recognised in employee cost):

Particulars	(₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	6.6	6.4
Interest on defined benefit obligation	3.8	3.4
Expected return on plan assets	(3.1)	(2.7)
Net actuarial (gains) / losses recognised in the year	(2.3)	(3.4)
Effect of the limit in Para 59(b)	—	—
Net employee benefit expenses	5.0	3.7
Actual return on plan assets	3.0	5.1

Balance sheet:

Details of provision for gratuity and leave encashment:

Particulars	Gratuity (₹ million)		Leave Encashment (₹ million)	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Present value of funded obligations	40.9	43.8	13.0*	16.1*
Fair value of plan assets	(39.7)	(41.0)	—	—
Amt not recognised as an Asset (Limit in Para 59 (b))	—	—	—	—
Net liability / (asset)	1.2	2.8	13.0	16.1
Less: Unrecognised past service cost	—	—	—	—
Liability / (Asset)	1.2	2.8	13.0	16.1

* Includes short term leave encashment provision of ₹ 3.8 million (March 2016 - ₹ 5.4 million)

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

Particulars	(₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Opening defined benefit obligation	43.8	39.4
Interest cost	3.7	3.4
Current service cost	6.5	6.4
Benefits paid	(2.8)	(4.5)
Actuarial (gains) / losses on obligation	(2.3)	(0.9)
Liabilities assumed on acquisition / (Settled on divestiture)	(8.0)	—
Closing defined benefit obligation	40.9	43.8

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

Particulars	(₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	41.0	36.2
Expected return on plan assets	3.0	2.8
Contributions by employer	6.6	4.1
Benefits paid	(2.8)	(4.5)
Actuarial gains / (losses)	(0.1)	2.4
Assets acquired on acquisition / (Distributed on divestiture)	(8.0)	—
Closing fair value of plan assets	39.7	41.0
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 March 31, 2017	As at March 31, 2016
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 March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Discount rate	6.75%	7.85%	6.75%	7.85%
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 31, 2017 for the estimated term of the obligations.

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)	Rates
21 - 24	35%
25 - 29	27%
30 - 34	16%
35 - 44	12%
45 - 57	8%

Disability:

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

EXPERIENCE ADJUSTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	40.9	43.8	39.4	27.4	24.4
Plan assets	39.7	41.0	36.2	33.4	33.8
Surplus / (deficit)	(1.2)	(2.8)	(3.2)	6.0	9.4
Experience adjustments on plan liabilities	(5.5)	(1.2)	2.0	0.9	(3.5)
Experience adjustments on plan assets	(0.0)	2.4	1.2	(0.8)	(2.2)

Particulars	as at March 31, 2017	as at March 31, 2016
Defined benefit obligation*	13.0	16.1
Experience adjustments on plan liabilities	Not determined	Not determined

* Includes short term leave encashment provision of ₹ 3.8 million (March 2016 - ₹ 5.4 million)

22. Establishment and other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Advertisement and sales promotion	5.7	16.9
Customer acquisition cost	152.8	167.6
Professional and legal charges	305.8	266.0
Rent	24.3	29.5
Communication	4.6	6.9
Traveling and conveyance	25.7	30.4
Loss on sale of fixed assets / written off	0.0	—
Printing and stationery	5.2	5.6
Audit fees (Refer note 22(i) below)	6.8	6.3
Insurance	11.2	10.1
Electricity	12.8	13.5
Rates & taxes	54.5	56.2
Repairs and maintenance – Building	16.3	11.9
Repairs and maintenance – IT Software & Others	64.1	81.0
Office expenses	9.8	8.8
Directors sitting fees	2.1	1.4
CSR expenditures*	59.5	61.1
Directors commission	2.3	—
Computer consumable	1.1	1.2
Loss on revaluation of fixed assets	0.3	—
Miscellaneous expenses	9.7	10.9
Total	774.6	785.3

*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 March 31, 2017	Year ended March 31, 2016
Statutory audit fees	3.5	3.1
Tax audit fees	0.4	0.4
Certification and other charges	2.9	2.8
Total	6.8	6.3

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rent & electricity	11.5	10.9
Rates and taxes	3.8	3.2
Repairs and maintenance – others	6.0	3.1
Miscellaneous expenses	5.2	6.0
	26.5	23.2
Service tax	4.0	3.2
Total	30.5	26.4

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

23. Provision / write offs (net)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
1. Provisions for depreciation on Investment	—	—
2. Provision towards NPA	(2.9)	106.4
3. Provision for Standard Assets	(29.7)	52.8
-HL to Individuals	15.8	24.9
-HL to Others	(0.0)	(0.3)
-Teaser Loans	(11.0)	(6.0)
-CRE-RH Loans	(19.7)	9.8
-CRE - Other Loans	(30.5)	15.0
-Other Loans	15.7	9.3
4. Other Provisions	(4.5)	5.4
Total*	(37.1)	164.6
-Provision made towards Income Tax**	828.0	799.0

*Refer item IV of Statement of Profit & Loss (Provision / write offs - Net)

**Refer item X of Statement of Profit & Loss (Tax expenses - Current tax)

forming part of the accounts

24. Earnings per share

The computation of earning per share is given below:

Particulars	(₹ in million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Basic		
Weighted average number of equity shares outstanding during the period ended March 31, 2017 (Nos.)	1,098,750,000	1,098,750,000
Net profit (net of preference dividend and the dividend tax)	1,832.6	1,798.5
Basic earnings per share (₹)	1.67	1.64
Diluted		
Diluted number of equity shares (Nos.)	1,098,750,000	1,098,750,000
Net profit	1,832.6	1,798.5
Diluted earnings per share (₹)	1.67	1.64
Face value of equity shares (₹)	10	10

25. 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.

26. 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

The following are the details of transactions with related parties:

Particulars	(₹ in million)			
	Holding Company	Fellow Subsidiary / Associate Company	Key Management Personnel	Total
ASSETS				
Asset Purchased	(11.9)	(—)	(—)	(11.9)
Fee receivable	1.4	1.7	(—)	3.1
	(127.8)	(0.7)	(—)	(128.5)
Other receivable	26.4	—	—	26.4
	(9.4)	(—)	(—)	(9.4)
LIABILITIES				
Equity share capital	10,987.5	—	—	10,987.5
	(10,987.5)	(—)	(—)	(10,987.5)
Loan from holding company	4,472.0	—	—	4,472.0
	(5,848.0)	(—)	(—)	(5,848.0)
Fee Payable	6.9	5.9	—	12.8
	(7.2)	(7.5)	(—)	(14.7)
Bonds	—	1,000.0	—	1,000.0
	(—)	(—)	(—)	(—)
Bank overdraft	266.6	—	—	266.6
	(—)	(—)	(—)	(—)
Book overdraft	1,149.3	—	—	1,149.3
(Including bank balance as per books and interest outstanding on Fixed Deposit)	(1,059.9)	(—)	(—)	(1,059.9)
Accrued interest on bond	—	3.7	—	3.7
	(—)	(—)	(—)	(—)
Amount payable (including on account of expenses)	27.3	5.9	—	33.2
	(113.6)	(2.6)	(—)	(116.2)

Particulars	(₹ in million)			
	Holding Company	Fellow Subsidiary / Associate Company	Key Management Personnel	Total
INCOME				
Valuation fee	343.6	—	—	343.6
	(600.7)	(—)	(—)	(600.7)
PSG Fee	3.4	—	—	3.4
	(—)	(—)	(—)	(—)
Other Fee income	—	24.2	—	24.2
	(—)	(22.7)	(—)	(22.7)
Interest on fixed deposit	0.8	—	—	0.8
	(2.8)	(—)	(—)	(2.8)
Servicing fee	0.1	—	—	0.1
	(0.2)	(—)	(—)	(0.2)
Rent received	40.5	—	—	40.5
	(37.0)	(—)	(—)	(37.0)
Expense recovery	26.5	—	—	26.5
	(23.2)	(—)	(—)	(23.2)
EXPENDITURE				
Interest & other finance expenses	556.3	8.8	—	565.1
	(771.3)	(4.1)	(—)	(775.4)
DMA Commission	13.0	0.1	—	13.1
	(19.1)	(0.1)	(—)	(19.2)
Collection cost	178.3	—	—	178.3
	(150.9)	(—)	(—)	(150.9)
Travel Cost	25.1	—	—	25.1
	(29.3)	(—)	(—)	(29.3)
IT Cost	68.1	—	—	68.1
	(85.9)	(—)	(—)	(85.9)
Fee Expenses	24.1	23.0	—	47.1
	(47.0)	(31.8)	(—)	(78.8)
Remuneration to KMP	—	—	10.5	10.5
	(—)	(—)	(15.2)	(15.2)
Insurance premium	—	11.3	—	11.3
	(—)	(10.1)	(—)	(10.1)
Rent paid	4.2	18.6	—	22.8
	(4.6)	(16.6)	(—)	(21.2)
Servicing fee	6.2	—	—	6.2
	(7.8)	(—)	(—)	(7.8)
Miscellaneous	72.9	0.3	—	73.2
	(54.3)	(0.2)	(—)	(54.5)
OTHERS				
SWAP (Notional Principal)	5,500.0	—	—	5,500.0
	(5,500.0)	(—)	(—)	(5,500.0)
Letter of comfort (utilized)	12,363.0	—	—	12,363.0
	(12,486.1)	(—)	(—)	(12,486.1)
Bank loan taken earlier and repaid during the period	1,376.0	—	—	1,376.0
	(1,376.0)	(—)	(—)	(1,376.0)
FD placed with ICICI Bank matured	750.0	—	—	750.0
	(—)	(—)	(—)	(—)
Sale of Bond	—	50.0	—	50.0
	(—)	(250.0)	(—)	(250.0)
Equity dividend	1,065.8	—	—	1,065.8
	(1,182.3)	(—)	(—)	(1,182.3)

*Figures in bracket pertain to March 31, 2016

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

Particulars	Name of the Related Party	(₹ in million)	
		As at March 31, 2017	As at March 31, 2016
ASSETS			
Asset Purchased	ICICI Bank Limited	—	11.9
Fee receivable	ICICI Bank Limited	1.4	127.8
	ICICI Lombard General Insurance Company Limited	1.7	—
Other receivable	ICICI Bank Limited	26.4	9.4
LIABILITIES			
Equity share capital	ICICI Bank Limited	10,987.5	10,987.5
Loan from holding company	ICICI Bank Limited	4,472.0	5,848.0
Bonds	ICICI Prudential Life Insurance Company Limited	1,000.0	—
Bank overdraft	ICICI Bank Limited	266.6	—
Book overdraft (Including bank balance as per books and interest outstanding on Fixed Deposit)	ICICI Bank Limited	1,149.3	1,059.9

Particulars	Name of the Related Party	As at March 31, 2017	As at March 31, 2016
Accrued interest on bond	ICICI Prudential Life Insurance Company Limited	3.7	—
Fee Payable	ICICI Bank Limited	6.9	7.2
	ICICI Securities Limited	5.9	7.5
Amount payable (including on account of expenses)	ICICI Bank Limited	27.3	113.6
	ICICI Lombard General Insurance Company Limited	5.5	—

Particulars	Name of the Related Party	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
PSG fee	ICICI Bank Limited	3.4	—
Valuation fee	ICICI Bank Limited	343.6	600.7
Other Fee income	ICICI Lombard General Insurance Company Limited	22.2	21.2
	ICICI Bank Limited	—	—
Interest on fixed deposit	ICICI Bank Limited	0.8	2.8
Rent received	ICICI Bank Limited	40.5	37.0
Expense recovery	ICICI Bank Limited	26.5	23.2
Servicing fee	ICICI Bank Limited	0.1	0.2

EXPENDITURE			
Interest & other finance expenses	ICICI Bank Limited	556.3	771.3
DMA Commission	ICICI Bank Limited	13.0	19.1
Fee Expenses	ICICI Bank Limited	24.1	47.0
	ICICI Securities Limited	23.0	31.8
Insurance premium	ICICI Lombard General Insurance Company Limited	11.3	10.1
Rent paid	ICICI Bank Limited	4.2	4.6
	ICICI Lombard General Insurance Company Limited	16.5	15.7

Particulars	Name of the Related Party	Year ended March 31, 2017	Year ended March 31, 2016
Servicing fee	ICICI Bank Limited	6.2	7.8
Collection Cost	ICICI Bank Limited	178.3	150.9
Travel Cost	ICICI Bank Limited	25.1	29.3
IT Cost	ICICI Bank Limited	68.1	85.9
Remuneration to KMP	Rohit Salhotra	10.5	15.2
Miscellaneous	ICICI Bank Limited	72.9	54.3
OTHERS			
SWAP (Notional Principal)	ICICI Bank Limited	5,500.0	5,500.0
Letter of comfort (utilized)	ICICI Bank Limited	12,363.0	12,486.1
Bank loan taken earlier and repaid during the period	ICICI Bank Limited	1,376.0	1,376.0
FD placed with ICICI Bank matured	ICICI Bank Limited	750.0	—
Sale of Bond	ICICI Securities Primary Dealership Limited	50.0	250.0
Equity dividend	ICICI Bank Limited	1,065.8	1,182.3

27. Additional disclosures as per NHB circular no. NHB/ND/DRS/PoI-No. 35/2010-2011 dated October 11, 2010 and NHB Notification-No.-NHB.HFC.CG-DIR.1-MD&CEO-2016 dated February 9, 2017 are as under:

(i) Capital to Risk Assets Ratio (CRAR)

Sr. No.	Items	Year ended March 31, 2017	Year ended March 31, 2016
1)	CRAR %	26.96%	26.06%
2)	CRAR - Tier I capital %	24.61%	23.11%
3)	CRAR - Tier II capital %	2.35%	2.95%
4)	Amount of subordinated debt raised as Tier-II Capital	-	-
5)	Amount raised by issue of Perpetual Debt Instruments	-	-

During the previous year ended March 31, 2016, the Company 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 and Capital Risk Assets ratio decreased by 0.07%.

(ii) Exposure to Real estate sector

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(₹ in million)		
a) Direct exposure		
i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (Individual Housing Loans up to ₹ 15 Lakhs –March'17 - ₹ 16,881.0 million, March'16 - ₹ 14,679.3 million)	69,345.4	61,798.2
ii) Commercial real estate		
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.	20,380.9	25,420.1
iii) Investments in mortgage backed securities (MBS) & other securitised exposures		
a) Residential	—	—
b) Commercial real estate	—	—
iv) Others (These contains exposures not covered above)	—	1.3
b) Indirect exposure		
Fund based & non fund based exposures on National Housing Bank (NHB) & Housing Finance Companies (HFC's)		

(iii) Exposure to Capital Market

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(₹ in million)		
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	543.8	543.8
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	—	—
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	—	—
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	—	—
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	—	—
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	—	—
(vii) bridge loans to companies against expected equity flows / issues;	—	—
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	6.5	165.6
Total Exposure to Capital Market	550.3	709.4

forming part of the accounts

(iv) Asset Liability Management

Maturity pattern of certain types of items of Assets & Liabilities*

(₹ in million)

	1 Day to 30-31 Days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Over 10 Years	Total
Liabilities											
Borrowings from banks	2,490.3	604.2	826.4	1,454.7	5,338.8	11,159.2	3,687.7	140.5	210.8	253.8	26,166.4
Market borrowing	238.2	3,719.8	1,990.2	3,973.1	4,474.3	29,718.2	1,000.0	—	—	—	45,113.8
Fixed Deposit	101.8	32.5	146.7	197.1	430.6	1,736.2	265.0	—	—	—	2,909.9
Foreign Currency Liabilities	—	—	—	—	—	—	—	—	—	—	—
	2,830.3	4,356.5	2,963.3	5,624.9	10,243.7	42,613.6	4,952.7	140.5	210.8	253.8	74,190.1
Assets											
Advances	1,644.9	1,746.1	1,426.1	4,646.5	14,079.9	18,694.4	13,603.1	11,848.4	10,608.6	11,428.3	89,726.3
Investments	525.8	—	—	250.6	—	107.6	—	52.5	—	543.8	1,480.3
Fixed Deposit	—	—	—	—	—	—	—	—	—	—	—
Foreign Currency Assets	—	—	—	—	—	—	—	—	—	—	—
	2,170.7	1,746.1	1,426.1	4,897.1	14,079.9	18,802.0	13,603.1	11,900.9	10,608.6	11,972.1	91,206.6

* Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumption as used by the Company for compiling the return submitted to NHB.

(v) Customers Complaints

Particulars	As at March 31, 2017	As at March 31, 2016
a) No. of complaints pending at the beginning of the year	3	—
b) No. of complaints received during the year	330	406
c) No. of complaints redressed during the year	333	403
d) No. of complaints pending at the end of the year	—	3

The Company has Customer Grievance Redressal Mechanism (CGRM) for convenience of customers to register their complaints and for the Company to monitor and redress them.

(vi) The Company does not have any Overseas Assets.

(vii) The Company has paid ₹ Nil as penalty to NHB and other regulators during the year ended March 31, 2017 (March 2016 — ₹ Nil).

(viii) The Company is registered with the following other financial sector regulators :

a) National Housing Bank

b) Insurance Regulatory & Development Authority of India

28. Additional disclosure as per MCA Notification No. GSR 308(E) [F.NO.17/62/2015-CL-V- (VOL-II)], dated March 30, 2017 is as under :

Details of Specified Bank Notes (SBN) held and transacted by the Company during the period 08/11/2016 to 30/12/2016

	(₹ in million)		
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	—	—	—
(+) Permitted receipts	—	—	—
(-) Permitted payments	—	—	—
(-) Amount deposited in Banks	—	—	—
Closing cash in hand as on 30.12.2016	—	—	—

In the ordinary course of business, loan customers of the Company have directly deposited cash as part of their Loan repayments in the collection accounts of the Company through various bank branches of its Banks, aggregating to ₹ 83.0 million during the period November 08, 2016 to December 30, 2016, the denominationwise details of which are currently not available with the Company. Such amount is accounted

against the customer's regular loan obligations and not included in the above.

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 ₹ Nil foreign currency exposures as at March 31, 2017 (March 2016 - ₹ Nil).

31. The Company has income tax matters pending assessment for various years of ₹ 7,800.0 million (March 2016 - ₹ 6,972.0 million). The Company has paid advance tax (net of such provision) of ₹ 360.2 million (March 2016 - ₹ 427.4 million) (Refer Note 10(d) (i) and 14(c)). Further, in case of pending legal matters, the Company has additional provision of ₹ 5.5 million (March 2016 - ₹ 6.3 million).

32. 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 at March 31, 2017. In respect of obligations which are possible, the contingent liabilities are as follows:

- (i) Income tax matters in appeal - ₹ 416.3 million (March 2016 - ₹ 461.0 million)
- (ii) Service tax matters in appeal - ₹ 0.7 million (March 2016 - ₹ 0.7 million)
- (iii) The contingent liability on account of claims filed against the company not acknowledged as debt is ₹ 11.2 million (March 2016 - ₹ 9.3 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 - ₹ 1.9 million (March 2016 - ₹ 8.5 million) (Net of advances - ₹ 1.8 million, March 2016 - ₹ 6.9 million)
- (ii) Commitment towards investment in Emerging India Fund ₹ Nil (March 2016 - ₹ 80.9 million)
- (iii) Commitment towards part disbursement and non-disbursed sanctions amount to ₹ 1,529.5 million (March 2016 - ₹ 2,346.8 million) and ₹ 1,321.0 million (March 2016 - ₹ 1,147.7 million) respectively.

33. 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

ANUP BAGCHI
Chairman

ROHIT SALHOTRA
Managing Director & CEO

For S. R. BATLIBOI & CO. LLP
Firm Registration No.: 301003E/ E300005
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.:102102

PANKAJ JAIN
Chief Financial Officer

Place: Mumbai
Dated: April 18, 2017

PRATAP SALIAN
Company Secretary