

2014-2015
ANNUAL REPORT

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
MUMBAI BRANCH

Auditor's Report on the Financial Statements
[Under Section 30 of the Banking Regulation Act, 1949]

To
The Interim Chief Executive Officer
Industrial and Commercial Bank of China Ltd, Mumbai Branch

Report on the Financial Statements

1. We have audited the accompanying financial statements of the Industrial and Commercial Bank of China Ltd, Mumbai Branch ('the Bank'), which comprise the Balance Sheet as at March 31, 2015 and the Profit and Loss Account and the 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

2. The Bank's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. 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 of the Bank in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. 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 Bank'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, but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 standalone financial statements.

Opinion

5. In our opinion and to the best of our information and according to the explanations given, the said financials statements together with notes thereon give full information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for banking companies and give true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at March 31, 2015;
 - (b) in case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date;
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 6 The Balance Sheet and Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 7 As required by Section 30(3) of the Banking Regulation Act, 1949, we report that:
- I. we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - II. the transactions of the Bank, which have come to our notice have been within the powers of the Bank;
- 8 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 purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

- (c) the Balance Sheet, the Profit and Loss Account and the 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;
- (e) reporting requirement pursuant to provision of Section 164 (2) of the Companies Act, 2013 are not applicable considering the Bank is a branch of Industrial and Commercial Bank of China incorporated in China with limited liability;
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i the Bank does not have any pending litigations which would impact its financial position;
 - ii the Bank has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii the Bank is currently not liable to transfer any amount to the Investor Education and Protection Fund.

For **Khimji Kunverji & Co**
Chartered Accountants
FRN: 105146W

Gautam V Shah
Partner (F-117348)

Date: June 12, 2015
Place: Mumbai

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
BALANCE SHEET AS ON MARCH 31, 2015

| | Schedule No. | As at 31-Mar-15 (₹ in Thousands) | As at 31-Mar-14 (₹ in Thousands) |
|--|--------------|--|--|
| CAPITAL AND LIABILITIES | | | |
| Capital | 1 | 4,554,480 | 4,554,480 |
| Reserves and Surplus | 2 | 812,878 | 494,599 |
| Deposits | 3 | 4,096,921 | 2,255,173 |
| Borrowings | 4 | 4,100,000 | 1,639,632 |
| Other Liabilities and Provisions | 5 | 299,504 | 132,598 |
| Total | | 13,863,783 | 9,076,482 |
| ASSETS | | | |
| Cash and Balances with Reserve Bank of India | 6 | 411,417 | 233,119 |
| Balances with Banks and Money at Call and Short Notice | 7 | 270,454 | 2,979,349 |
| Investments | 8 | 2,522,329 | 1,377,379 |
| Advances | 9 | 10,531,002 | 4,356,264 |
| Fixed Assets | 10 | 12,042 | 20,524 |
| Other Assets | 11 | 116,539 | 109,847 |
| | | 13,863,783 | 9,076,482 |
| Contingent Liabilities | 12 | 23,027,690 | 20,429,855 |
| Bills for Collection | | - | - |
| Significant Accounting Policies | 17 | | |
| Notes to Accounts | 18 | | |

The schedules referred above form an integral part of the Balance Sheet

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg. No: 105146W

Gautam V. Shah
Partner

Place: Mumbai
Date: June 12, 2015

For and on behalf of
**INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED**
MUMBAI BRANCH

Luo Zan
Interim Chief Executive Officer

He Hu
Deputy General Manager

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

| | Schedule No. | Year ended 31-Mar-15 (₹ in Thousands) | Year ended 31-Mar-14 (₹ in Thousands) |
|---|--------------|---|---|
| INCOME | | | |
| Interest Earned | 13 | 1,097,931 | 861,250 |
| Other Income | 14 | 192,012 | 103,592 |
| Total | | 1,289,943 | 964,842 |
| EXPENDITURE | | | |
| Interest Expended | 15 | 334,447 | 209,553 |
| Operating Expenses | 16 | 325,174 | 271,389 |
| Provisions and Contingencies | 18.6.1 | 312,043 | 252,744 |
| Total | | 971,664 | 733,686 |
| Net Profit for the Year after tax | | 318,279 | 231,156 |
| | | 318,279 | 231,156 |
| APPROPRIATIONS | | | |
| Transfer to Statutory Reserve | | 79,570 | 57,789 |
| Transfer to/(from) Investment fluctuation Reserve | | - | (1,668) |
| Transfer to Investment Reserve Account | | 26,006 | - |
| Transfer to Remittable Surplus retained in India for CRAR | | 212,703 | 175,035 |
| Balance carried over to Balance Sheet | | - | - |
| | | 318,279 | 231,156 |
| Significant Accounting Policies | 17 | | |
| Notes to Accounts | 18 | | |

The schedules referred above form an integral part of the Profit and Loss Account

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg. No: 105146W

Gautam V. Shah
Partner
Membership No. F-117348

Place: Mumbai
Date: June 12, 2015

For and on behalf of
**INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED**
MUMBAI BRANCH

Luo Zan
Interim Chief Executive Officer

He Hu
Deputy General Manager

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

| | Current Year (₹ in Thousands) | Previous Year (₹ in Thousands) |
|---|----------------------------------|-----------------------------------|
| A Cash flow from operating activities: | | |
| Profit / (Loss) Before Tax | 618,991 | 411,952 |
| Adjustment for | | |
| Provision for Standard Assets | 73,379 | 8,456 |
| Depreciation on assets | 9,708 | 11,981 |
| (Increase)/decrease in investments | - | - |
| Unrealised gain on Advances | - | - |
| Unrealised gain on Borrowings | - | - |
| Unrealised Loss on Margin Deposits | - | - |
| Operating Profit/(Loss) before Working capital changes | 702,078 | 432,389 |
| Adjustment for | | |
| Increase/(decrease) in deposits | 1,841,748 | 484,157 |
| Increase/(decrease) in other liabilities and provisions | 85,624 | (400) |
| (Increase)/decrease in other assets | (7,662) | (30,937) |
| (Increase)/decrease in investments | (1,144,950) | (339,604) |
| (Increase)/decrease in advances | (6,174,738) | (984,157) |
| Cash generated / (used) from Operating activity | (4,697,900) | (438,552) |
| Taxes Paid | (291,839) | (166,675) |
| Net cash used in operating activity | (4,989,739) | (605,227) |
| B Cash flow from investing activity | | |
| Purchase of fixed assets | (1,226) | (1,581) |
| Payments for in Capital WIP | - | - |
| Proceeds from sale of fixed assets | - | - |
| Proceeds from sale of investment | - | - |
| Interest Income | - | - |
| Dividend received | - | - |
| Net cash (used) in investing activity | (1,226) | (1,581) |
| C Cash Flow from financing activities | | |
| Amount Received | - | - |
| Increase/(decrease) in Borrowings | 2,460,368 | 553,932 |
| Issue of fresh capital | - | - |
| Preliminary expenses | - | - |
| Net Cash inflow from financing activities | 2,460,368 | 553,932 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (2,530,597) | (52,876) |
| Cash and Cash equivalents (Opening Balance) | 3,212,468 | 3,265,344 |
| Cash and cash equivalent (Closing Balance) | 681,871 | 3,212,468 |

- Cash and Cash equivalents represents cash and balances with banks as disclosed in Schedule 6 and 7
- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statements issued by the Institute of Chartered Accounts of India

This is the Cash Flow Statement referred to in our Report on even date

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg. No: 105146W

Gautam V. Shah
Partner
Membership No. F-117348

Place: Mumbai
Date: June 12, 2015

For and on behalf of
**INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED,
MUMBAI BRANCH**

Luo Zan
Interim Chief Executive Officer

He Hu
Deputy General Manager

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

| | (₹ in Thousands) As on 31-Mar-15 | (₹ in Thousands) As on 31-Mar-14 |
|---|--|--|
| SCHEDULE 1 - CAPITAL | | |
| HEAD OFFICE ACCOUNT | | |
| Opening balance | 4,554,480 | 4,554,480 |
| Additions during the year | - | - |
| Closing balance | <u>4,554,480</u> | <u>4,554,480</u> |
| Amount (Face Value) of deposit kept in form of securities with RBI under section 11(2)(b) of the Banking Regulation Act, 1949 | 130,000 | 70,000 |
| | <u>130,000</u> | <u>70,000</u> |
| SCHEDULE 2 - RESERVES AND SURPLUS | | |
| I STATUTORY RESERVES | | |
| Opening balance | 123,650 | 65,861 |
| Additions during the year | 79,570 | 57,789 |
| Closing balance | <u>203,220</u> | <u>123,650</u> |
| II CAPITAL RESERVES | | |
| Opening balance | - | - |
| Additions during the year | - | - |
| Closing balance | - | - |
| III INVESTMENT FLUCTUATION RESERVE | | |
| Opening balance | - | 1,668 |
| Additions during the year | - | - |
| Transfer to Profit and Loss Account | - | (1,668) |
| Closing balance | - | - |
| IV INVESTMENT RESERVE | | |
| Opening balance | - | - |
| Additions during the year | 26,006 | - |
| Transfer to Profit and Loss Account | - | - |
| Closing balance | <u>26,006</u> | - |
| V REVENUE AND OTHER RESERVES | | |
| Opening balance | - | - |
| Additions during the year | - | - |
| Closing balance | - | - |
| VI Remittable Surplus Retained in India for CRAR | | |
| Opening balance | 370,949 | 195,914 |
| Addition during the year | 212,703 | 175,035 |
| Closing balance | <u>583,652</u> | <u>370,949</u> |
| VII Balance in Profit and Loss Account | - | - |
| | <u>812,878</u> | <u>494,599</u> |

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

| | (₹ in Thousands) As on 31-Mar-15 | (₹ in Thousands) As on 31-Mar-14 |
|--|--|--|
| SCHEDULE 3 - DEPOSITS | | |
| A In India | | |
| I. DEMAND DEPOSITS | | |
| From banks | - | - |
| From others | 601,890 | 732,393 |
| II. SAVINGS BANK DEPOSITS | 6,753 | 2,591 |
| III. TERM DEPOSITS | - | - |
| From banks | - | - |
| From others | 3,488,278 | 1,520,189 |
| | <u>4,096,921</u> | <u>2,255,173</u> |
| B. (i) Deposits of branches in India | 4,096,921 | 2,255,173 |
| (ii) Deposits of branches outside India | - | - |
| | <u>4,096,921</u> | <u>2,255,173</u> |
| SCHEDULE 4 - BORROWINGS | | |
| I. BORROWINGS IN INDIA | | |
| Reserve Bank of India | - | - |
| Other banks | 2,600,000 | - |
| Other institutions and agencies | - | - |
| II. BORROWINGS OUTSIDE INDIA | 1,500,000 | 1,639,632 |
| | <u>4,100,000</u> | <u>1,639,632</u> |
| SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS | | |
| I. Bills payable | - | - |
| II. Inter-office adjustments (net) | - | - |
| III. Interest accrued | 89,677 | 29,281 |
| IV. Others [includes provision toward standard assets(including provision on unheadege foreign currency exposure) Rs.95,264 thousand (Previous year Rs.21,876 thousand)] | 190,540 | 91,933 |
| V. Provison for Tax (net of advance tax) | 19,287 | 11,384 |
| | <u>299,504</u> | <u>132,598</u> |
| SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA | | |
| I. Cash in hand (including foreign currency notes) | 834 | 301 |
| II. Balances with Reserve Bank of India | | |
| i) In current account | 410,583 | 232,818 |
| ii) In other accounts | - | - |
| Total I and II | <u>411,417</u> | <u>233,119</u> |

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

| | (₹ in Thousands) As on 31-Mar-15 | (₹ in Thousands) As on 31-Mar-14 |
|--|--|--|
| SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE | | |
| I. In India | | |
| Balances with banks | | |
| i) In current accounts | 21,091 | 9,162 |
| iii) In other deposit accounts | - | - |
| Money at call and short notice | | |
| i) With banks | - | 2,310,000 |
| ii) With other institutions | - | - |
| | <u>21,091</u> | <u>2,319,162</u> |
| II. Outside India | | |
| i) In current accounts | 249,363 | 60,687 |
| ii) In other deposit accounts | - | 599,500 |
| iii) Money at call and short notice | - | - |
| | <u>249,363</u> | <u>660,187</u> |
| | <u>270,454</u> | <u>2,979,349</u> |

SCHEDULE 8 - INVESTMENTS

| | | |
|--|------------------|------------------|
| I. Investment in India in | | |
| i) Government Securities * | 2,522,329 | 1,377,379 |
| ii) Other approved securities | - | - |
| iii) Shares | - | - |
| iv) Debentures and Bonds | - | - |
| v) Subsidiaries and/or joint ventures | - | - |
| vi) Others | - | - |
| | <u>2,522,329</u> | <u>1,377,379</u> |
| II. Investment outside India in | | |
| i) Government Securities (including local authorities) | - | - |
| ii) Subsidiaries and/or joint ventures abroad | - | - |
| vi) Others | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>2,522,329</u> | <u>1,377,379</u> |
| III. Gross value of Investment | 2,522,329 | 1,438,490 |
| Less: Aggregate of Provisions / Depreciation | - | (61,111) |
| Net Investments | <u>2,522,329</u> | <u>1,377,379</u> |

* includes investment with RBI under section 11(2)(b) face value of Rs.130,000 thousand.(Previous Year Rs.70,000 thousand.)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

| | (₹ in Thousands) As on 31-Mar-15 | (₹ in Thousands) As on 31-Mar-14 |
|--|--|--|
| SCHEDULE 9 - ADVANCES | | |
| A. | | |
| i) Bills purchased and discounted | 20,970 | 122,387 |
| ii) Cash credits, overdraft and loan repayable on demand | 4,709,521 | 1,797,459 |
| iii) Term loans | 5,800,511 | 2,436,418 |
| | <u>10,531,002</u> | <u>4,356,264</u> |
| B. | | |
| i) Secured by tangible assets | 6,450,511 | 2,986,418 |
| ii) Covered by bank/governments guarantees | 344,142 | 886,887 |
| iii) Unsecured | 3,736,349 | 482,959 |
| | <u>10,531,002</u> | <u>4,356,264</u> |
| C. | | |
| I. Advances in India | | |
| i) Priority sector | 1,410,491 | 1,150,440 |
| ii) Public sector | - | - |
| iii) Banks | - | - |
| iv) Others | 9,120,511 | 3,205,824 |
| | <u>10,531,002</u> | <u>4,356,264</u> |
| II. Advances Outside India | | |
| i) Due from banks | - | - |
| ii) Due from others | | |
| (a) Bills purchased and discounted | - | - |
| (b) Syndicated loans | - | - |
| (c) Others | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>10,531,002</u> | <u>4,356,264</u> |

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

| | (₹ in Thousands) As on 31-Mar-15 | (₹ in Thousands) As on 31-Mar-14 |
|--|--|--|
| SCHEDULE 10 - FIXED ASSETS | | |
| I. PREMISES | | |
| At cost as on 31 March of the preceding year | 24,339 | 24,339 |
| Additions during the year | - | - |
| Deductions during the year | - | - |
| | <u>24,339</u> | <u>24,339</u> |
| Depreciation to date | 17,448 | 12,572 |
| Total Net Book Value I | <u>6,891</u> | <u>11,767</u> |
| II. OTHER FIXED ASSETS (Including Furniture and Fixtures) | | |
| At cost as on March 31 of the preceding year | 26,443 | 24,862 |
| Additions during the year | 1,226 | 1,581 |
| Deductions during the year | - | - |
| | <u>27,669</u> | <u>26,443</u> |
| Depreciation to date | 22,518 | 17,686 |
| Total Net Book Value II | <u>5,151</u> | <u>8,757</u> |
| Net Book Value I and II | <u>12,042</u> | <u>20,524</u> |
| SCHEDULE 11 - OTHER ASSETS | | |
| I. Inter-office adjustments (net) | - | - |
| II. Interest accrued | 86,562 | 79,513 |
| III. Advance Tax (net of provision for tax) | - | - |
| IV. Stationery and Stamps | - | - |
| V. Non-banking assets acquired in satisfaction of claims | - | - |
| VI. Deferred Tax Asset (Net) | 6,018 | 6,988 |
| VII. Others | 23,959 | 23,346 |
| | <u>116,539</u> | <u>109,847</u> |
| SCHEDULE 12 - CONTINGENT LIABILITIES | | |
| I. Claims against the bank not acknowledged as debts | - | - |
| II. Liability for partly paid investments | - | - |
| III. Liability on account of outstanding forward exchange contracts | 10,499,511 | 11,543,944 |
| Liability on account of outstanding Derivative Contract (including spot) | - | 59,950 |
| V. Guarantees given on behalf of constituents | | |
| a) In India | 11,806,173 | 8,303,178 |
| b) Outside India | - | - |
| VI. Acceptances, endorsements and other obligations | 722,006 | 522,783 |
| VII. Other items for which the bank is contingently liable | - | - |
| | <u>23,027,690</u> | <u>20,429,855</u> |

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

| | (₹ in Thousands) Year Ended 31-Mar-15 | (₹ in Thousands) Year Ended 31-Mar-14 |
|--|---|---|
| SCHEDULE 13 - INTEREST EARNED | | |
| Interest/discount on advances/bills | 898,275 | 575,928 |
| Income on investments | 135,092 | 113,373 |
| Interest on balances with the Reserve Bank of India and other inter-bank funds | 63,004 | 171,949 |
| Others | 1,560 | - |
| | <u>1,097,931</u> | <u>861,250</u> |
| SCHEDULE 14 - OTHER INCOME | | |
| Commission, exchange and brokerage | 161,693 | 125,776 |
| Net Profit/(Loss) on sale of investments | - | - |
| Net Profit/(Loss) on revaluation of investments | - | - |
| Profit on sale of land, building and other assets | - | - |
| Less: Loss on sale of land, building and other assets | - | - |
| Net profit/(Loss) on exchange transactions | 30,319 | (24,313) |
| Income earned by way of dividends etc. from subsidiaries, companies and/ or joint ventures abroad/in India | - | - |
| Miscellaneous Income | - | 2,129 |
| | <u>192,012</u> | <u>103,592</u> |
| SCHEDULE 15 - INTEREST EXPENDED | | |
| Interest on deposits | 274,633 | 194,751 |
| Interest on Reserve Bank of India/interbank borrowings | 59,814 | 14,802 |
| Others | - | - |
| | <u>334,447</u> | <u>209,553</u> |
| SCHEDULE 16 - OPERATING EXPENSES | | |
| Payments to and provisions for employees | 240,062 | 186,794 |
| Rent, taxes and lighting | 45,750 | 41,608 |
| Printing and stationery | 529 | 654 |
| Professional Fees | 4,465 | 2,154 |
| Advertisement and publicity | 2,038 | 3,180 |
| Bank Charges | - | - |
| Depreciation on Bank's property | 9,708 | 11,981 |
| Director's fee, allowances and expenses | - | - |
| Auditors' fees and other expenses | 1,089 | 1,065 |
| Law charges | - | - |
| Postage, telegram, telephones etc. | 7,908 | 7,715 |
| Repairs and maintenance | 2,239 | 2,177 |
| Insurance | 2,800 | 2,691 |
| Other expenditure | 8,586 | 11,370 |
| | <u>325,174</u> | <u>271,389</u> |

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MUMBAI BRANCH
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

Schedule – 17 - Significant Accounting Policies

I. Background:

Industrial and Commercial Bank of China Limited (“The Bank”) has been granted licence by Reserve Bank of India (RBI) to carry on banking business in India. The Bank’s Mumbai branch has commenced its operation from September 2011. The bank engages in comprehensive banking business including Corporate Banking, Retail banking and Investment Banking. The Bank’s name has been included in the Second Schedule to The Reserve Bank of India Act, 1934 vide Notification DBOD IBD.No.8137/23.03.026/2011-12 dated December 01, 2011 published in the Gazette of India (part III – section 4).

II. Significant Accounting Policies:

1. Basis of preparation

The accompanying financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by Reserve Bank of India (RBI), notified Accounting Standards (AS) specified under section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounting) Rules 2014 to the extent applicable and current practices prevailing within the banking industry in India.

2. Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates and these differences are recognized prospectively in the current and future periods.

3. Investments

(i) Classification

In accordance with Reserve Bank of India (‘RBI’) guidelines, all investments are categorised as ‘Held to Maturity’, or ‘Held for Trading’ or ‘Available for Sale’.

Investments that the Bank intends to hold to maturity are classified as ‘Held to Maturity’. Investments that are held principally for resale within ninety days from the date of purchase are classified as ‘Held for Trading’. All other investments are classified as ‘Available for Sale’. An Investment is classified as ‘Held to Maturity’, ‘Available for Sale’ or ‘Held for Trading’ at the time of its purchase.

(ii) Valuation

Investments classified as ‘Held to Maturity’ are carried at their acquisition cost. The premium paid on acquisition of debt instruments, if any, is amortised over the period remaining to maturity. Investments classified as ‘Available for Sale’ are marked to market at quarterly intervals based on market price of the scrip as available from the trades/ quotes on the stock exchanges, SGL account transactions, price list of RBI, prices declared by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA) periodically. The net depreciation, if any, on a transaction basis is recognized in the Profit and Loss account and the net appreciation, if any, is not recognized.

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Investments classified as 'Held for Trading' are marked to market on monthly basis and depreciation, if any, on a transaction basis is recognized in the Profit and Loss account. The net appreciation, if any, is not recognized.

Treasury Bills, being discounted instruments are valued at carrying cost. Discount to face value of the instrument is recognised over remaining period to maturity.

(iii) Acquisitions Cost

- Brokerage, commission, etc., paid at the time of acquisition of securities are charged to Profit and Loss Account.
- Broken period interest on debt instruments is treated as revenue item.

(iv) Disposal of Investments

Profit / Loss on sale of investments under the aforesaid three categories is recognised in the Statement of Profit and Loss. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Statement of Profit and Loss to "Capital Reserve" in accordance with the RBI Guidelines.

4. Advances

Advances are classified as performing and non-performing based on management's periodic internal assessment as RBI prudential norms. Specific provision for 'Non Performing Advances' is made on the basis of provisioning requirement under the prudential norms as laid down by the RBI, and is deducted from Advances. The Bank also maintains a general loan loss provision on Standard Advances and Derivative Exposures at rate as prescribed by RBI and provision for country risk in accordance with RBI guidelines and are included in Schedule 5 ("other Liabilities and provision").

General provision on Standard assets also cover the provision requirement toward unhedged foreign currency exposure introduced vide RBI circular DBOD No. BP.BC.85/21.06.200/2013-14 dated January 15, 2014 effective April 1, 2014.

5. Foreign Currency transactions and balances

Transactions denominated in foreign currencies are accounted for at the rates prevailing on the dates of transactions. Monetary foreign currency assets and liabilities are translated at the balance sheet date at the exchange rate notified by Foreign Exchange Dealers Association of India (FEDAI). All profits and losses resulting from the year end revaluation and exchange differences arising on the transactions settled during the year are recognised in the Profit and Loss Account.

Contingent Liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at rates of exchange as notified by FEDAI as at the Balance Sheet date.

Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts

The income recognition is done as per AS-11 on "The Effects of changes in Foreign exchange Rates " and the guidelines issued by RBI/FEDAI from time to time.

The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability. Derivative contracts designated as hedges are not marked to market unless their underlying asset or liability is marked to market. In respect of derivative contracts that are marked to market, changes in

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the market value are recognised in the Statement of Profit and Loss in the relevant period. Gain or losses arising from hedge ineffectiveness, if any, are recognised in the Statement of Profit and Loss.

6. Fixed Assets & Depreciation

Fixed assets are stated at cost less accumulated depreciation. The Bank capitalizes all costs relating to acquisition and installation of fixed assets. However, fixed assets costing less than Rs.5,000/-are expensed out.

Carrying amounts of cash generating assets are reviewed at each balance sheet date to determine whether there is any impairment. Impairment loss, if any, is recognised in the profit and loss account whenever the carrying amount exceeds the recoverable amount.

Depreciation on fixed assets is provided on pro-rata basis over the period of the estimated useful life of the asset on Straight Line Method.

The fixed assets are depreciated as per the rates given in the table below:

| Assets | Depreciation |
|------------------------|-------------------------------|
| | Rate |
| Furniture & Fixtures * | 20% |
| Office Equipment | 20% |
| Computers Hardware | 33.33% |
| Leasehold Improvement | Over the primary lease period |

The useful lives of fixed assets marked with * above are different than those specified under schedule II of Companies Act 2013. The Management believes that useful life of fixed assets currently considered for the purpose of depreciation fairly reflect its estimate of the useful lives and residual values of Fixed Assets.

7. Revenue Recognition

- (i) Interest Income on Advances is recognised on accrual basis except in case of Non-Performing Assets, where income is recognized on actual realisation as per RBI guidelines.
- (ii) Arrangement fee is accounted for on completion of the agreed service and when right to receive is established.
- (iii) Other Fees and Commission income including commission on Bank Guarantee/Letter of Credit is recognised Upfront on realisation basis.

8. Employee benefits
Gratuity

The Bank operates a Gratuity Fund Scheme and the contributions are remitted to the Trust established for this purpose. The trust in turn deploys majority of the funds with the Life Insurance Corporation of India, which also administers the scheme and determines the contribution premium required to be paid by the Bank. The benefit is in the form of lump sum payments to vested employees on retirement, resignation, death while in employment or on termination of employment for an amount equivalent to 15 days salary for each completed years of service subject to maximum limit specified in the Payment of Gratuity Act amended from time to time. The contribution payable/paid is charged to the Profit and Loss Account.

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Leave encashment / compensated absences

The staff shall be entitled to 30 paid leaves other than public holidays in the state of Maharashtra and under the Negotiable Instruments Act, 1881.

Any unavailed annual leave gets encashed to employee at the end of year. However, due to work requirement or any other special circumstances, the unavailed annual leave can be postponed and availed before the end of the 1st quarter of next calendar year only after obtaining the prior approval of the CEO.

Provident Fund

The Bank contributes an amount equal to the employees' contribution on a monthly basis to the Regional Provident Fund Commissioner (RPFC). The Bank has no liability for future provident fund benefits apart from its monthly contribution which is charged to the Profit and Loss Account.

9. Accounting for Leases

Lease where the lessor effectively retains substantially all the risk and benefits of ownership of the leased assets are classified as Operating Leases. Operating Lease payments are recognised as an expense in Profit and Loss Account over the lease term accordance with AS-19, Leases.

10. Taxation

Income Tax expense is the aggregate amount of the current tax provision (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability in the year.

Deferred Income taxes reflects the impact of the current year timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets is recognized, 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. The impact of changes in the deferred tax assets and liabilities are recognised in the Profit & Loss Account.

11. Impairment of assets

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

12. Provision and Contingencies

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognized when the Bank 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 determined based on management's estimate required to settle the obligations at the balance sheet date, supplemented by experience of similar. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonable estimated, a disclosure is made in the financial statements. In case of remote possibility, neither provisions nor disclosure is made in the financials.

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Schedule 18: NOTES TO ACCOUNTS

18.1 Capital Adequacy Ratio

As per the RBI guidelines on capital adequacy issued, banks are required to compute their capital requirement under Basel III effective June 30, 2013.

In terms of the RBI guidelines on New Capital Adequacy Framework, the Bank is required to maintain a minimum Capital to Risk-weighted Asset Ratio (CRAR) of 9%.

The capital adequacy ratio of the Bank, calculated as per RBI guidelines Basel III capital Regulations generally referred to as Basel – III is set out below:

| Sr. No. | Particulars | 2014-15 | 2013-14 |
|----------------|--|----------------|----------------|
| i) | Common Equity Tier 1 capital ratio (%) | 27.10% | 47.64% |
| ii) | Tier 1 capital ratio (%) | 27.10% | 47.64% |
| iii) | Tier 2 capital ratio (%) | 0.62% | 0.23% |
| iv) | Total Capital ratio (CRAR) (%) | 27.72% | 47.87% |
| v) | Percentage of the shareholding of the Government of India in public sector banks | - | - |
| vi) | Amount of equity capital raised | - | - |
| vii) | Amount of Additional Tier 1 capital raised; of which PNCPS: PDI: | - | - |
| viii) | Amount of Tier 2 capital raised; of which Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)] | - | - |

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18.2 Investments

(Amount in '000)

| Sr.No. | Particulars | 2014-15 | 2013-14 |
|-------------|---|-----------|-----------|
| I | Value of Investments | | |
| i. | Gross Value of Investments | | |
| (a) | In India | 2,522,329 | 1,438,490 |
| (b) | Outside India | - | - |
| ii. | Provision for Depreciation | | |
| (a) | In India | - | 61,111 |
| (b) | Outside India | - | - |
| iii. | Net Value of Investments | | |
| (a) | In India | 2,522,329 | 1,377,379 |
| (b) | Outside India | - | - |
| II | Movement of provision held toward depreciation on investments. | | |
| i. | Opening balance | 61,111 | - |
| ii. | Add: Provision made during the year | - | 61,111 |
| iii. | Less: Write-off/write back of excess provision during the year | 61,111 | - |
| | Closing balance | - | 61,111 |

18.2.1 Repo Transactions (in face value terms)

(Amount in '000)

| | Minimum outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | Outstanding as on March 31,2015 |
|---|-------------------------------------|-------------------------------------|---|---------------------------------|
| Securities sold under repo | | | | |
| i) Government securities | NIL | NIL | NIL | NIL |
| ii) Corporate debt securities | NIL | NIL | NIL | NIL |
| Securities purchased under reverse repo | | | | |
| i) Government securities | 83,200 | 1,196,000 | 20,316 | NIL |
| ii) Corporate debt securities | NIL | NIL | NIL | NIL |

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18.3 Derivative

18.3.1 Forward Rate Agreement/Interest Rate Swap as on March 31, 2015

(Amount in '000)

| Particulars | 2014-15 | 2013-14 |
|--|---------|---------|
| The notional principal of swap agreement | NIL | NIL |
| Losses which be incurred if counter party failed to fulfill their obligations under the agreements | NIL | NIL |
| Collateral required by the bank upon entering the swaps | NIL | NIL |
| Concentration of credit risk arising from the swaps | NIL | NIL |
| The fair value of the swap book | NIL | NIL |

18.3.2 The nature and terms of foreign currency CCS as on March 31, 2015 are set out below

(Amount in '000)

| Nature | No. | Notional Principal | Benchmark | Terms |
|--------|-----|--------------------|-----------|-------|
| - | - | - | - | - |

18.3.3 Exchange Traded Interest Rate Derivatives

The Bank does not deal in Exchange Traded Interest Rate Derivatives. Hence the disclosure on the same is not applicable.

18.3.4 Disclosures on risk exposure in derivative

a) Qualitative Disclosure

“Derivative” means an instrument, to be settled at a future date, whose value is derived from change in interest rate, foreign exchange rate, credit rating or credit index, price of securities (also called “underlying”), or a combination of more than one of them and includes interest rate swaps, forward rate agreements, foreign currency swaps, foreign currency-rupee swaps, foreign currency options, foreign currency-rupee options or such other instruments as may be specified by the Bank from time to time.

Structure and organization for management of risk in derivatives, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants:

Bank has a management approved Derivative Policy as part of the Investment Policy. It contains the detailed guidelines on dealing with the derivatives, which define the overall framework within which derivatives activities should be conducted and the risks controlled. The management of derivative activities are integrated into the bank’s overall risk management system using a conceptual framework common to the bank’s other activities. The framework covers the following aspects:

- Establish the overall appetite for taking risk and ensure that it is consistent with its strategic objectives, capital strength and management capability to hedge or transfer risk effectively, efficiently and expeditiously.
- Define the approved derivatives products and the authorized derivatives activities.
- Detail requirements for the evaluation and approval of new products or activities.

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- Provide for sufficient staff resources and other resources to enable the approved derivatives activities to be conducted in a prudent manner;
- Ensure appropriate structure and staffing for the key risk control functions, including internal audit;
- Establish management responsibilities;
- Identify the various types of risk faced by the bank and establish a clear and comprehensive set of limits to control these;
- Establish risk measurement methodologies which are consistent with the nature and scale of the derivatives activities;
- Require stress testing of risk positions; and
- Detail the type and frequency of reports which are to be made to the board (or committees of the board). The derivative reporting includes the indication on the levels of risk being undertaken, the degree of compliance with policies, procedures and limits, and the financial performance of the various derivatives activities.

Bank undertakes derivative transactions to hedge - specifically reduce or extinguish an existing identified risk on an on-going basis during the life of the derivative transaction - or for transformation of risk exposure, as specifically permitted by RBI. Bank does not do trading of derivatives. During the year Bank has done forex forward contracts which are fully back to back covered. On account of these forward contracts, bank is not running any open and gap positions as on March 31, 2015

The derivative transactions are originated by Treasury Front Office as per the banks policy and the RBI guidelines. The mid office independently identifies measures and monitors the market risks associated with derivative transactions and appraises the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) on the compliance with the risk limits.

Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

- The income recognition is done as per AS-11 on “The Effects of changes in Foreign exchange Rates “ and the guidelines issued by RBI/FEDAI from time to time. The integrated Treasury Policy also prescribes various limits such as Client Level Limits, Trading Member Level Limits, Net Open position Limits for credit risk mitigation.
- Identification of underlying hedge items for hedging / mitigating credit risk, operational risk and market risk arising out of derivative transactions is done in accordance with Integrated Treasury Policy. The customer related derivative transactions are covered with counter party banks, on back to back basis for identical amounts and tenure and the bank does not carry market risk for such transactions.
- The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability. Derivative contracts designated as hedges are not marked to market unless their underlying asset or liability is marked to market. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Statement of Profit and Loss in the relevant period. Gain or losses arising from hedge ineffectiveness, if any, are recognised in the Statement of Profit and Loss.

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b) Quantitative Disclosure
(Amount in '000)

| Sr. no. | Particular | 2014-15 | | 2013-14 | |
|---------|--|-----------------------|---------------------------|---------------------|---------------------------|
| | | Currency Derivative * | Interest Rate Derivatives | Currency Derivative | Interest Rate Derivatives |
| i. | Derivative (Notional Principal Amount) | - | - | - | - |
| (a) | For Hedging | - | - | - | - |
| (b) | For trading | 10,499,511 | - | 11,543,944 | - |
| ii. | Marked to Market Positions | - | - | - | - |
| (a) | Assets (+) | 65,177 | - | 17,180 | - |
| (b) | Liability (-) | (64,929) | - | (14,777) | - |
| iii. | Credit Exposure | 275,167 | - | 233,148 | - |
| iv. | Likely impact on one percentage change in interest rate (100*PV01) | - | - | - | - |
| (a) | On Hedging derivatives | - | - | - | - |
| (b) | On Trading derivatives | - | - | - | - |
| v. | Maximum and Minimum of 100*PV01 observed during the year | - | - | - | - |
| (a) | On Hedging | - | - | - | - |
| (b) | On Trading | - | - | - | - |
| vi. | Minimum of 100*PV01 observed during the year | - | - | - | - |
| (a) | On Hedging | - | - | - | - |
| (b) | On Trading | - | - | - | - |

*This represents balance of Outstanding Forward Contracts

18.4 Asset Quality
18.4.1 Business/Information Ratios:

| Particulars | 2014-15 | 2013-14 |
|--|----------|----------|
| Interest income as a percentage to working funds (%) \$ | 9.34% | 8.76% |
| Non-interest income as a percentage to working funds (%) | 1.63% | 1.05% |
| Operating profit as a percentage to working funds (%) \$ | 4.74% | 4.19% |
| Return on assets (%) @ | 2.71% | 2.35% |
| Business (deposits plus advances) per employee (Amount in INR ,,000) # * | 4,43,270 | 2,27,981 |
| Profit per employee (Amount in INR ,,000) * | 9,645 | 7,971 |

\$: Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

@: Return on Assets would be with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

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#: For the purpose of computation of business per employee (deposits plus advances) inter -bank deposits may be excluded.

*: No of employees as at year end has been considered.

18.4.2 Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits:

(Amount in '000)

| Particulars | 2014-15 | 2013-14 |
|---|----------------|----------------|
| Total Deposits of twenty largest depositors | 4,079,792 | 2,247,605 |
| Percentage of Deposits of twenty largest depositors to the total deposits of the bank | 99.58% | 99.66% |

b) Concentration of Advances

(Amount in '000)

| Particulars | 2014-15 | 2013-14 |
|--|----------------|----------------|
| Total Advances of twenty largest borrowers | 21,560,691 | 12,865,758 |
| Percentage of Advances of twenty largest borrowers to Total Advances of the bank | 93.50% | 97.60% |

Advances comprise credit exposure (funded and non-funded credit limits) including derivative transactions computed as per Current Exposure Method in accordance with RBI guidelines.

c) Concentration of Exposures

(Amount in '000)

| Particulars | 2014-15 | 2013-14 |
|---|----------------|----------------|
| Total Exposure of twenty largest borrowers | 21,560,691 | 12,865,758 |
| Percentage of Exposures of twenty largest borrowers to Total Advances of the Bank | 93.50% | 97.60% |

Exposures comprise credit exposure and investment exposure as prescribed in Master circular on Exposure Norms.

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18.4.3 Sector-wise Advances

(Amount in '000)

| Sr. No. | Sector | Current year | | | Previous year | | |
|----------|---|----------------------------|------------|---|----------------------------|------------|---|
| | | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector |
| A | Priority Sector | | | | | | |
| 1 | Agriculture and allied activities | - | - | - | - | - | - |
| 2 | Advances to industries sector eligible as priority sector lending | 1,410,491 | - | - | 1,150,440 | - | - |
| 3 | Services | - | - | - | - | - | - |
| 4 | Personal loans | - | - | - | - | - | - |
| | Sub-total (A) | 1,410,491 | - | - | 1,150,440 | - | - |
| B | Non Priority Sector | | | | | | |
| 1 | Agriculture and allied activities | - | - | - | - | - | - |
| 2 | Industry | 7,450,511 | - | - | 2,031,418 | - | - |
| | Construction | 2,470,927 | - | - | 741,818 | - | - |
| | Power | 2,209,584 | - | - | 1,124,600 | - | - |
| | Roads, Rails, Bridges etc. | 1,200,000 | - | - | - | - | - |
| | Telecommunication | 1,200,000 | - | - | - | - | - |
| | Plastic | 180,000 | - | - | - | - | - |
| | Pharmaceuticals | 100,000 | - | - | - | - | - |
| | Engineering | 90,000 | - | - | - | - | - |
| | Chemicals | - | - | - | 165,000 | - | - |
| 3 | Services | 1,670,000 | - | - | 1,174,406 | - | - |
| | NBFC | 1,670,000 | - | - | 1,170,000 | - | - |
| | Banking | - | - | - | 4,406 | - | - |
| 4 | Personal loans | - | - | - | - | - | - |
| | Sub-total (B) | 9,120,511 | - | - | 3,205,824 | - | - |
| | Total (A+B) | 10,531,002 | - | - | 4,356,264 | - | - |

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18.4.4 Unhedged foreign currency exposure

The bank has in place policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The Objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion.

In accordance with RBI Circular DBOD No. BP.BC. 85/21.06.200/2013-14 dated 15th January 2014 effective 1st April, 2014, the Bank has maintained incremental provision of Rs. 42,481 ('000) and additional capital of Rs. 117,307 ('000) on account of unhedged foreign currency exposure of its borrowers as at March 31, 2015.

18.4.5 Asset Liability Management - Maturity Pattern

(Amount in '000)

| As at March 31, 2015 | 1 Day | 2 to 7 days | 8 to 14 days | 15 to 28 days | 29 days to 3 months | Over 3 months and upto 6 months | Over 6 months and upto 12 months | Over 1 year and upto 3 years | Over 3 year and upto 5 years | Over 5 years | Total |
|------------------------------|----------|-------------|--------------|---------------|---------------------|---------------------------------|----------------------------------|------------------------------|------------------------------|--------------|-------------|
| Deposits | 6,08,643 | 30,000 | 5,50,135 | 4,72,982 | 15,95,562 | 2,01,599 | 6,38,000 | | - | - | 40,96,921 |
| Advances | - | - | 14,175 | 10,048 | 25,47,494 | 18,55,234 | 9,23,541 | 19,95,926 | 9,75,000 | 22,09,584 | 1,05,31,002 |
| Investments | - | - | - | - | 5,78,582 | 97,854 | 4,07,404 | 1,47,375 | 1,20,957 | 11,70,157 | 25,22,329 |
| Borrowings | - | 5,00,000 | 5,62,500 | 62,500 | 29,75,000 | - | - | - | - | - | 41,00,000 |
| Foreign Currency Assets | 2,49,363 | - | 14,175 | 10,048 | 7,07,494 | 6,78,775 | - | - | - | - | 16,59,855 |
| Foreign Currency Liabilities | - | - | 62,500 | 62,500 | 13,75,000 | - | - | - | - | - | 15,00,000 |

(Amount in '000)

| As at March 31, 2014 | 1 Day | 2 to 7 days | 8 to 14 days | 15 to 28 days | 29 days to 3 months | Over 3 months and upto 6 months | Over 6 months and upto 12 months | Over 1 year and upto 3 years | Over 3 year and upto 5 years | Over 5 years | Total |
|------------------------------|---------|-------------|--------------|---------------|---------------------|---------------------------------|----------------------------------|------------------------------|------------------------------|--------------|-----------|
| Deposits | 110,248 | 644,289 | - | 360,800 | 130,100 | 385,000 | - | 624,736 | - | - | 2,255,173 |
| Advances | - | - | - | - | 800,141 | 305,205 | 814,500 | 620,000 | 741,818 | 1,074,600 | 4,356,264 |
| Investments | - | - | - | - | - | - | - | 145,375 | 24,554 | 1,207,450 | 1,377,379 |
| Borrowings | - | - | - | - | 1,190,007 | 449,625 | - | - | - | - | 1,639,632 |
| Foreign Currency Assets | 64,436 | 59,950 | 359,700 | 179,850 | 226,461 | 328,886 | 599,500 | - | - | - | 1,818,783 |
| Foreign Currency Liabilities | 21,120 | - | - | - | 1,190,007 | 449,625 | - | - | - | - | 1,660,752 |

Classification of assets and liabilities under the different maturity buckets are compiled by management based on the guidelines issued by the RBI and are based on the same assumptions as used by the Bank for compiling the return submitted to the RBI and which have been relied upon by the Auditors.

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18.5 Lending to Sensitive Sector

18.5.1 Exposure to Real Estate Sector

(Amount in '000)

| Category | 2014-15 | 2013-14 |
|---|------------------|----------------|
| a)Direct exposure | - | - |
| (i)Residential Mortgages | - | - |
| (ii)Commercial Real Estate | 2,470,927 | 741,818 |
| (iii)Investments in Mortgage Backed Securities(MBS) and other | - | - |
| b)Indirect Exposure | - | - |
| Total Exposure to Real Estate Sector | 2,470,927 | 741,818 |

18.5.2 Exposure to Capital Market

Exposure to Capital Market is NIL (Previous Year NIL)

18.5.3 Risk Category wise Country Exposure

(Amount in '000)

| Risk Category* | Exposure (net) as at March 31, 2015 | Provision held as at March 31, 2015 | Exposure (net) as at March 31, 2014 | Provision held as at March 31, 2014 |
|----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Insignificant | 225,408 | 564 | 599,557 | 374 |
| Low | 352,370 | 881 | 917,171 | 2,007 |
| Moderate | - | - | - | - |
| High | - | - | - | - |
| Very High | - | - | - | - |
| Restricted | - | - | - | - |
| Off-credit | - | - | - | - |
| Total | 577,778 | 1,445 | 1,516,728 | 2,381 |

18.5.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank:

The RBI has prescribed credit exposure limits for banks in respect of their lending to single / group borrowers. The exposure limits prescribed are 15% of the capital funds of banks in case of single borrowers (SBL) and 40% of the capital funds of banks in case of group borrowers (GBL). In case of infrastructure projects, an additional exposure upto 5%/10% of the capital funds is allowed for SGL/GBL respectively. SBL/GBL can also be increased by a further 5% of the capital fund with the approval of the bank's local management committee and provided the borrower consent's to the bank making appropriate disclosures in the Bank's statutory accounts.

During the year the following customers were sanctioned an additional 5% limit in accordance with aforesaid RBI's Guideline. The borrowers consent was been duly obtained by the bank.

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| Name of Borrower | During the year 2014-15 | As on 31.03.2015 | As on 31.03.2014 |
|---------------------------------------|----------------------------|------------------|---------------------|
| Single Borrower Limits | | | |
| Adani Power Rajasthan Limited | 23.69% | 23.69% | - |
| IL&FS Transportation Networks Limited | 23.69% | 23.69% | - |
| Reliance Tech Services Limited | 23.69% | 23.69% | - |
| Adani Power Maharashtra Limited | 19.93% | 19.93% | 22.24% |
| Wadhwa Residency Private Limited | 19.24% | 19.24% | - |
| Alok Industries Limited | 18.48% | 18.48% | - |
| Raghuleela Builders Private Limited | 15.71% | 15.71% | 15.35% |
| Group Borrower Limits | | | |
| Adani Group | 43.62% | 43.62% | - |

18.5.5 Unsecured Advances

The total amount of advances outstanding as at the year-end for which intangible securities (such as charge over the rights, licenses, authority etc.) has been taken as also the estimated value of such intangible collateral is Rs. Nil (P.Y. 2014- Rs. Nil)

18.5.6 Intra-Group Exposures

The Intra-group exposure comprises of bank's transactions and exposures to the entities belonging to the bank's own group (group entities). The Bank's exposure to their Head Office and overseas branches of the parent bank, except for proprietary derivative transactions undertaken with them, are excluded from intra-group exposure.

The bank has the following exposures towards Intra-group

- Total amount of intra-group exposures *– Rs. 275,167 ('000)
- Total amount of top-20 intra-group exposures – Rs. 275,167 ('000)
- Percentage of intra-group exposures to total exposure of the bank on borrowers / customers – 1.19%
- Details of breach of limits on intra-group exposures and regulatory action thereon, if any - NIL

*represents derivative exposure using current exposure method i.e current credit exposure and potential future credit exposure.

18.6 Miscellaneous Disclosures

18.6.1 Provisions and Contingencies: Break-up of Provisions and Contingencies

(Amount in '000)

| Particulars | 2014-15 | 2013-14 |
|--|----------------|----------------|
| Provision for depreciation on Investment | (61,111) | 61,111 |
| Provision towards Standard Assets | 73,379 | 8,456 |
| Provision for Country Risk | (937) | 2,381 |
| Provision made towards Income tax | 300,712 | 180,796 |
| Total | 312,043 | 252,744 |

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18.6.2 Floating Provisions

The floating provisions as on 31st March 2015 is Nil (Previous year Nil).

18.6.3 Disclosure of Penalties imposed by RBI

No penalties were imposed on the Bank by RBI under the provisions of section 46 (4) of the Banking regulation Act, 1949.

18.6.4 Liquidity Coverage Ratio

A Quantitative Disclosures

(Amount in '000)

| | | Current year | |
|-----------------------------------|--|--|--|
| | | Total Unweighted Value (INR '000) (Average) | Total Weighted Value (INR '000) (Average) |
| High Quality Liquid Assets | | | |
| 1 | Total High Quality Liquid Assets (HQLA) | 1,983,090 | 1,983,090 |
| Cash Outflows | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | | |
| (i) | Stable deposits | | |
| (ii) | Less stable deposits | 5,807 | 581 |
| 3 | Unsecured wholesale funding, of which: | | |
| (i) | Operational deposits (all counterparties) | 2,481,778 | 992,711 |
| (ii) | Non-operational deposits (all counterparties) | | |
| (iii) | Unsecured debt | | |
| 4 | Secured wholesale funding | | |
| 5 | Additional requirements, of which | | |
| (i) | Outflows related to derivative exposures and other collateral requirements | | |
| (ii) | Outflows related to loss of funding on debt products | | |
| (iii) | Credit and liquidity facilities | | |
| 6 | Other contractual funding obligations | 2,067,605 | 2,067,605 |
| 7 | Other contingent funding obligations | | |
| 8 | Total Cash Outflows | 4,555,190 | 3,060,897 |
| Cash Inflows | | | |
| 9 | Secured lending (e.g. reverse repos) | | |
| 10 | Inflows from fully performing exposures | 320,754 | 282,953 |
| 11 | Other cash inflows | 2,050 | 2,050 |
| 12 | Total Cash Inflows | 322,804 | 285,003 |
| 21 | TOTAL HQLA | Total Adjusted Value | Total Adjusted Value 1,983,090 |
| 22 | Total Net Cash Outflows | | 2,775,894 |
| 23 | Liquidity Coverage Ratio (%) | | 71.44% |

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In computing the above information, certain estimates and assumption have been made by the management which are relied upon by the auditors

B. Qualitative disclosure around LCR

(a) The main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time; The Bank measures and monitor the LCR in line with the Reserve Bank of India's circular dated 9th June, 2014 on "Basel III Framework on Liquidity Standards-Liquidity Coverage Ratio(LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standard". The LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets(HQLAs) that can be converted in to cash to meet its liquidity needs for a 30 calendar day time horizon under a significant severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

(b) Intra-period changes as well as changes over time;

The maintenance of LCR, both on end of period and on an average basis has been on account of increase in excess of CRR and SLR

(c) The composition of HQLA;

Bank is maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and regulatory dispensation allowed upto 7% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and facility to avail liquidity for LCR. Bank does not hold any Level 2A or Level 2B Assets.

(d) Concentration of funding sources;

Funding sources include accepting term deposits from corporates, swap funding, call/notice/term borrowing from financial institutions and issuing certificate of deposits. Bank also borrows from ICBC's Head Office, subsidiaries and branches in compliance with RBI guidelines.

(e) Derivative exposures and potential collateral calls;

Bank has not yet started offering derivatives products to clients. During the year bank has done forex swap to hedge currency risk on its foreign currency borrowings. Bank has also done forex forward contracts which are fully back to back covered and on account of these forward contract, bank is not running any open and gap positions as on March 31, 2015.

(f) Currency mismatch in the LCR;

Majority of bank's asset and liabilities are in Indian Rupees. Presently all Foreign Currency Assets/Loans are backed by Foreign Currency Liabilities/Borrowing. Banks borrows in FCY within the ICBC Group.

(g) A description of the degree of centralisation of liquidity management and interaction between the group's units;

ICBC Mumbai branch's liquidity management is centralized with treasury. It co-ordinates with respective department for efficient fund management.

(h) Bank does not expect any cash outflow regarding Guarantees and Letter of Credit in the next 30 days period.

(i) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

There is no other material inflow and outflow not capture in LCR common template. Bank's LCR of 71.44% is higher than minimum requirement of 60% and as such bank is in compliance with RBI guidelines.

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18.6.5 Disclosures of Remuneration

In terms of guidelines issued by RBI vide circular no. DBOD No. BC. 72/29.67.001/2011-12 dated 13th Jan 2012 on Compensation of Whole Time Directors/Chief Executive Officers/Risk takers and Control function staff, etc., the Bank has submitted a declaration received from its Head Office to RBI to the effect that the compensation structure in India, including that of CEO's, is in conformity with the FSB principles and standards.

18.6.6 The Bank has no disclosure to make in respect of the following items as the relevant items are either Nil or Not Applicable

| | | |
|----|--|---|
| 1 | Investments | Non-SLR Investment Portfolio Sale and Transfers to/ from HTM Category |
| 2 | Asset Quality | Particulars of Accounts Restructured Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction. Details of non-performing financial assets purchased / sold. Disclosure on Assets quality/NPA Movement of NPAs Concentration of NPAs/ Sector-wise NPAs Provisioning Coverage Ratio Overseas Assets,NPAs and Revenue Off-Balance Sheet sponsored Special Purpose Vehicles (SPVs) |
| 3 | Awards passed by the Banking Ombudsman | |
| 4 | Letter of Comforts issued by the Bank | |
| 5 | Off-Balance Sheet SPVs sponsored | |
| 6 | Draw down from Reserves | |
| 7 | Bancassurance Business | |
| 8 | Overseas Assets, NPAs and Revenue | |
| 9 | Non Banking Assets acquired in satisfaction of claims | |
| 10 | Off-balance Sheet SPVs sponsored | |
| 11 | Disclosure for customer complaint | |
| 12 | Unamortised Pension and Gratuity Liabilities | |
| 13 | Disclosures relating to Securitisation | |
| 14 | Credit Default Swaps | |
| 15 | Transfers to Depositor Education and Awareness Fund (DEAF) | |

18.7 Disclosure Requirements as per Accounting Standard (AS)

18.7.1 AS -15 Employee Benefit

Provident Fund

The Bank contributes an amount equal to the employees' contribution on a monthly basis to the Regional Provident Fund Commissioner (RPF). The Bank has no liability for future provident fund benefits apart from its monthly contribution which is charged to the Profit and Loss Account amounting to Rs. 9,796 ('000)

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Gratuity

The following table sets out the status of the defined benefit Gratuity Plan as required under AS 15 (Revised 2005):

(Amount in '000)

| Particulars | 2014-15 | 2013-14 |
|--|----------|----------|
| Change in the present value of defined benefit obligation | | |
| Present value of defined benefit obligation at the beginning of year | 282 | 1,017 |
| Interest Cost | 26 | 81 |
| Current Service Cost | 237 | 1,091 |
| Benefit Paid | - | - |
| Actuarial (Gain)/loss on obligations | 188 | (1,907) |
| Closing value of defined benefit obligation at the end of the year | 733 | 282 |
| Change in Plan Assets | | |
| Opening Fair value of plan assets at the beginning of year | 216 | - |
| Expected Return on plan assets | 19 | - |
| Contribution by Employer | 334 | 215 |
| Benefit Paid | - | - |
| Actuarial Gain/(loss) on obligations | (12) | 2 |
| Closing Fair value of plan assets at the end of the year | 557 | 216 |
| Actural Return on Plan Assets | | |
| Expected Return on plan assets | 19 | - |
| Actuarial Gain/(Loss) on plan assets | (12) | 2 |
| Actual Return on Plan Assets | 7 | 2 |
| Amount Recognised in the Balance Sheet | | |
| Fair Value of Plan Assets | 557 | 216 |
| Present value of benefit obligation as at end of the period | (733) | (282) |
| Fund status | (176) | (66) |
| Unrecognised past service cost at the end of the period | - | - |
| Unrecognised transitional liability at the end of the period | - | - |
| Net (Liability)/Assets Recognised in the Balance Sheet | (176) | (66) |
| Net Cost recognised in the Profit and Loss Account | | |
| Current service cost | 237 | 1,091 |
| Interest Cost | 7 | 81 |
| Actuarial (Gain)/Loss | 200 | (1,908) |
| Expense Recognised in P&L | 444 | (736) |

Principal Actuarial Assumption:

| Valuation Assumptions | 2014-15 | 2013-14 |
|-----------------------|---|---|
| Future Salary Rise | 6.00% | 6.00% |
| Rate of Discounting | 8.07% | 9.29% |
| Attrition Rate | 10.00% | 10.00% |
| Mortality Rate | India Assured Lives Mortality (2006-08) Ultimate | India Assured Lives Mortality (2006-08) Ultimate |

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18.7.2 AS 17-Segment Reporting

Segment Information – Basis of Preparation

In line with the RBI guidelines, the Bank has identified “Treasury Operations” and “Corporate Banking Operations” as the primary reporting segments.

Treasury activities include foreign exchange, fixed income, money market and derivative transactions. The corporate banking segment consists of lending to corporate client relationships and trade finance. Other Banking Operations comprises activities other than Treasury and corporate Banking.

The Bank does not have overseas operations and operates only in domestic segment.

(Amount in '000)

| Segmentation | 2014-15 | | | | 2013-14 | | | |
|-------------------------------|----------------|---------------|--------------|-------------------|----------------|----------------|-------|------------------|
| | Corporate | Treasury | Other | Total | Corporate | Treasury | Other | Total |
| Segment revenue | 1,059,968 | 228,415 | 1,560 | 1,289,943 | 526,696 | 438,146 | - | 964,842 |
| Segment result | 549,354 | 71,684 | 1,560 | 622,598 | 142,138 | 269,814 | | 411,952 |
| Unallocated expenses | | | | 3,607 | | | | - |
| Operating Profits | | | | 618,991 | | | | 411,952 |
| Income taxes | | | | 300,712 | | | | 180,796 |
| Extraordinary profit / (loss) | - | - | - | - | - | - | - | - |
| Net profit (loss) | | | | 318,279 | | | | 231,156 |
| Other information : | | | | | | | | |
| Segment assets | 10,615,372 | 3,229,648 | - | 13,845,020 | 5,067,662 | 3,981,307 | - | 9,048,970 |
| Unallocated assets (Taxes) | | | | 18,763 | | | | 27,512 |
| Total assets | | | | 13,863,783 | | | | 9,076,482 |
| Segment liabilities | 4,326,165 | 4,130,585 | - | 8,456,750 | 2,376,387 | 1,639,632 | - | 4,016,019 |
| Unallocated liabilities | | | | 39,675 | | | | 11,384 |
| Total liability | | | | 8,496,425 | | | | 4,027,403 |

In computing the above information, certain estimates and assumption have been made by the management which are relied upon by the auditors

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18.7.3 AS-18 Related Party Disclosures

In the terms of the Accounting Standard 18 on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India and the related guideline issued by the RBI, the details pertaining to related parties are as under

Related Party Relationship

a) Parent

The Industrial and Commercial Bank of China, Beijing is the Head Office of the Bank.

b) Branch Office

Branch offices comprise all branches of The Industrial and Commercial Bank of China Limited outside India.

c) Fellow subsidiaries

Fellow subsidiaries comprise companies, which have a common ultimate holding company, These are as follows:

Industrial and commercial bank of china (asia) limited, Icbc international holdings limited, Industrial and commercial bank of china (macau) limited, Industrial and commercial bank of china (malaysia) berhad, pt. bank icbc indonesia, Industrial and commercial bank of china (thai) public company limited, Industrial and commercial bank of china (almaty) joint stock company, Industrial and commercial bank of china (new zealand) limited, Industrial and commercial bank of china, (london) plc, Industrial and commercial bank of china (europe) s.a., zao Industrial and commercial bank of china (moscow), , Industrial and commercial bank of china (usa) na, industrial and commercial bank of china financial services llc, industrial and commercial bank of china (canada), Industrial and commercial bank of china (argentina) s.a., Industrial and commercial bank of china (brasil) s.a., icbc peru bank, Icbc credit suisse asset management co., ltd., Icbc financial leasing co., ltd., Icbc-axa assurance co., ltd.

d) Key Management personnel

Sun Xiang, CEO of Industrial and Commercial Bank of China Limited, Mumbai Branch.

Note:

Related parties are identified by the Management and relied upon by the auditors.

Transactions with Related Parties:

The Bank’s related party balances and transactions for the year ended March 31, 2015 and March 31, 2014 are summarized as follows:

(Amount '000)

| Items/Related Party | 2014-15 | 2013-14 |
|----------------------------|--------------|--------------|
| | Subsidiaries | Subsidiaries |
| Borrowings as on March 31 | - | - |
| <i>Maximum Outstanding</i> | 287,500 | - |
| Lending as on March 31 | - | 359,700 |
| <i>Maximum Outstanding</i> | 437,500 | 359,700 |
| Receivables as of March 31 | - | 62 |
| Interest Paid | 2 | 799 |
| Interest received | 244 | 111 |

In terms of the RBI circular guidelines regarding disclosure of related party transactions where there is only one entity in any category of related parties, particulars of such transactions have not been disclosed.

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18.7.4 AS-19 Leases

The Company's significant leasing arrangement is in respect of operating leases for office premises. These lease agreements, which are non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

(Amount '000)

| Description | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| Payable within one year | 39,029 | 38,602 |
| Payable later than one year and not later than five year | 3,252 | 42,281 |
| Lease payment charged to Profit and Loss account | 38,603 | 33,911 |

18.7.5 AS-22 Accounting for taxes on income

As on March 31, 2015 the Bank had a net deferred tax asset of Rs. 970 thousands which has been shown under other assets. The major components giving rise to the deferred tax assets and liabilities are as under:

(Amount '000)

| Description | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|
| Deferred Tax Assets | | |
| Provision for Gratuity | 91 | 35 |
| Provision for advances | 625 | 6,084 |
| Fixed Asset | 5,302 | 869 |
| Total Deferred Tax Liabilities | 6,018 | 6,988 |
| Net Deferred Tax Liability / (Asset)- P&L Impact | (970) | (1204) |

18.7.6 AS-29 Contingent Liabilities :

The following table describes the nature of contingent liabilities of Bank.

| Contingent Liability | Brief Description |
|--|---|
| 1. Liability on account of outstanding Foreign Exchange Contracts. | The Bank enters into foreign exchange contracts with inter Bank participants on its own account and for customers. Forward Exchange contracts are commitments to buy / sell foreign currency at a future date at the contracted date. |
| 2. Guarantees and Acceptances, endorsements and other obligations | As a part of its normal Banking activity, the Bank issues guarantees on behalf of its customers, correspondence Banks and Head office. Guarantees generally represent irrevocable assurance that the Bank will make payments in the event of the customers failing to fulfil its financial or performance obligation. |

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18.8 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

To the extent of the information received by the Bank from its vendors, there are no transactions with “suppliers” as defined under the Micro, Small and Medium Enterprises Development Act, 2006 during the financial year, hence the disclosures as required under the said Act are not applicable. This has been relied upon by the Auditors.

18.9 Transfer Pricing

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The management is of the opinion that international transactions are at arm’s length so that the above legislation will not have martial impact on the financial statements, particularly on the amount of tax expense and that of provision of taxes.

18.10 Corporate Social Responsibility

The Bank has a global policy on Corporate Social Responsibility (CSR) programmes that support art, children and education. In India, Bank has separate committee for CSR.

As per required under provision of Companies Act, 2013, the Bank is required to contribute 2% of average profit before tax of 3 immediately preceding financial years which work out to Rs. 5867 (‘000). During the year, the Bank has contributed as amount of Rs. 1240 (‘000) toward OXFAM and Prime Ministers National Relief Fund included under Other Expenditures of Schedule 16. Out of the amount indicated above, Rs.1,000 (‘000) was a part disbursement in respect of a two-year project for “Economic empowerment of tribal women farmers through vegetable cultivation, in Orissa” ,wherein the total cost of the project is Rs. 3,200 (‘000).

18.11 Comparative figures

Previous year’s figures have been regrouped /rearranged wherever necessary to conform to current year’s presentation.

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg. No: 105146W

Gautam V. Shah
Partner
Membership No. F-117348

Place: Mumbai
Date: June 12,2015

For and on behalf of
**INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED**
MUMBAI BRANCH

Luo Zan
Interim Chief Executive Officer

He Hu
Deputy General Manager