ICICI Prudential Pension Funds Management Company Limited

Financial Statements together with Auditor's Report for the year ended March 31, 2016

INDEPENDENT AUDITORS' REPORT

To the members of **ICICI Prudential Pension Fund Management Company Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **ICICI Prudential Pension Fund Management Company Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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

Management is responsible for 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 the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes design, implementation and maintenance of adequate internal controls 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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, on a test basis, about the amounts and the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required 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:
a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the 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 the section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. We have inquired into the matters specified under section 143(1) and based on the information and explanations given to us, there is no matter to be reported under this section.

3. As required by Section 143(3) of the Act, we report that:

a) We have 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, the Statement of Profit and Loss, 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) In our opinion and based on the information and explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the company.

f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

g) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.

h) The company has adequate internal financial controls system in place and there is an operating effectiveness of such controls. A report giving our responsibilities and opinion has been annexed herewith.

i) Such other matters as are prescribed by Companies (Audit and Auditors) Rules, 2014 namely:

i. the Company does not have any pending litigations which would impact its financial position.
ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
Firm Registration No. 105049W

(CHIRAG DOSHI)
PARTNER
Membership No.119079

Place: Mumbai
Date: April 25, 2016

Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our report of other Legal and Regulatory requirement of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

2. The activities of the Company and the nature of its business do not involve the use of inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable.

3. The Company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.

4. In our opinion and according to the information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security provisions, complied with section 185 and 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public and hence paragraph 3 (v) of the Order is not applicable.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1)of section 148 of the Act.

7. In respect of statutory dues:

(a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues wherever applicable, with the appropriate authorities.

(b) According to the information and explanation given to us, there are no cases of non-deposit of disputed Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess with the appropriate authority.

8. The Company has not borrowed any amounts from banks, financial institutions or by issue of debentures. Accordingly paragraph 3 (viii) of the Order is not applicable.

9. As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) nor have any fresh tem loans been taken by the company during the year. Hence the provisions of clause (ix) are not applicable to the company.

10. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

11. According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

12. The Company is not a Nidhi Company, hence the provision of clause (xii) are not applicable to the company.

13. All transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. According to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence the provision of clause (xiv) are not applicable to the company.

15. According to the information and explanation given to us and the books of accounts verified by us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
Firm Registration No. 105049W

(CHIRAG DOSHI)
PARTNER
Membership No.119079

Place: Mumbai
Date: April 25, 2016

Annexure to the Independent Auditor's Report of even date on the financial statements of ICICI Prudential Pension Fund Management Company Limited as on 31st March, 2016

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

To the members of **ICICI Prudential Pension Fund Management Company Limited**

We have audited the internal financial controls over financial reporting of **ICICI Prudential Pension Fund Management Company Limited ("the Company")**, as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 authorizations of management and directors of company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
Firm Registration No. 105049W

(CHIRAG DOSHI)
PARTNER
Membership No.119079

Place: Mumbai
Date: April 25, 2016

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED
BALANCE SHEET AT MARCH 31, 2016

(In ₹)

Particulars	Note No.	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1	270,000,000	270,000,000
Reserves and surplus	3.2	(14,433,736)	(11,282,107)
		255,566,264	258,717,893
Non-current liabilities			
Deferred tax liabilities (net)	3.3	146,751	204,872
Current liabilities			
Other current liabilities	3.4	7,469,335	6,039,949
Total		**263,182,350**	**264,962,714**
ASSETS			
Non-current assets			
Fixed assets	3.5		
Tangible assets		113,131	177,450
Intangible assets		502,649	837,715
		615,780	1,015,165
Non-current investments	3.6	50,000,000	50,000,000
Other non-current assets	3.7	206,221,620	199,107,020
Current assets			
Current investments	3.8	465,334	8,036,675
Trade receivables	3.9	149,362	86,037
Cash and bank balances	3.10	2,725,897	3,505,759
Short-term loans and advances	3.11	76,439	88,210
Other current assets	3.12	2,927,918	3,123,848
		6,344,950	14,840,529
Total		**263,182,350**	**264,962,714**
Refer accompanying significant accounting policies and other explanatory information			

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No. 105049W

For and on behalf of the Board of Directors

Chirag Doshi
Partner
Membership No. 119079

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Place: Mumbai
Date: April 25, 2016

Meghana Baji
Chief Executive Officer

Harvinder Jaspal
Chief Financial Officer

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(In ₹)

Particulars	Note No.	March 31, 2016	March 31, 2015
Revenue from operations			
Investment management fees	3.13	469,738	1,913,032
Other income			
Interest on fixed deposits		17,846,823	17,410,744
Interest on non-convertible debentures		4,700,131	2,726,959
Interest on income tax refund		20,383	69,724
Gain on sale of investments		663,659	7,022,854
Total revenue (A)		**23,700,734**	**29,143,313**
Expenses			
Employee benefits expense	3.14	16,285,892	18,455,658
Other expenses & provisions	3.15	9,158,515	8,717,003
Depreciation and amortisation expense	3.5	399,385	856,795
Total expenses (B)		**25,843,792**	**28,029,456**
Profit/(Loss) before tax (A-B)		(2,143,058)	1,113,857
Tax expense			
Current tax	3.20	1,066,692	103,500
Deferred tax charge/(credit)	2.7	(58,121)	9,046
Profit/(Loss) for the period		**(3,151,629)**	**1,001,311**
Earnings/(losses) per equity share:			
Basic and diluted earnings/(losses) per equity share (₹)	3.16	(0.12)	0.04
Refer accompanying significant accounting policies and other explanatory information			

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No. 105049W

For and on behalf of the Board of Directors

Chirag Doshi
Partner
Membership No. 119079

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Place: Mumbai
Date: April 25, 2016

Meghana Baji
Chief Executive Officer

Harvinder Jaspal
Chief Financial Officer

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(In ₹)

Particulars	March 31, 2016	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Management fees received	425,166	2,805,438
Expenses paid	(24,069,012)	(54,179,829)
(Payment)/Refund of income tax - net	370,537	2,748,416
Interest on income tax refund	20,383	69,724
Net cash used in operating activities (A)	**(23,252,927)**	**(48,556,251)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	19,135,000	262,909,061
Purchase of investments	(10,900,000)	(274,522,650)
Maturity proceeds of fixed deposit	12,533,498	250,394,739
Placement of fixed deposit	(2,500,000)	(195,277,077)
Interest on fixed deposit	509,567	5,010,852
Interest on NCD	4,695,000	-
Net cash from investing activities (B)	**23,473,065**	**48,514,925**
CASH FLOWS FROM FINANCING ACTIVITIES		
Nil	-	-
Net cash used in financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (A+B+C)	220,138	(41,326)
Cash and cash equivalents at the beginning of the year	5,759	47,085
Cash and cash equivalents at the end of the period	**225,897**	**5,759**
Notes to the cash flow statement:		
Cash and cash equivalents at the end of the period	225,897	5,759
Other bank balances	2,500,000	3,500,000
Cash and bank balances at the end of the period	**2,725,897**	**3,505,759**
Components of cash and cash equivalents:		
Balance in current account	225,897	5,759

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No. 105049W

For and on behalf of the Board of Directors

Chirag Doshi
Partner
Membership No. 119079

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Place: Mumbai
Date: April 25, 2016

Meghana Baji
Chief Executive Officer

Harvinder Jaspal
Chief Financial Officer

Significant accounting policies and other explanatory information

1 Corporate information

ICICI Prudential Pension Funds Management Company Limited (`the Company') is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited (`the Sponsor'), incorporated on April 22, 2009 as a company under the Companies Act, 1956 (`the Act'). The Company is licensed by the Pension Funds Regulatory and Development Authority (`PFRDA') for acting as a Pension Fund Manager for the management of the pension funds under the National Pension System. The license is in force at March 31, 2016.

2 Statement of accounting policies

2.1 Basis of preparation

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India, in compliance with the Accounting Standards (`AS') notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory authorities.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that the Company's management makes estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure relating to contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

2.3 Revenue recognition

2.3.1 Investment management fees

Investment management fee is recognised on an accrual basis in accordance with the terms of contract between the Company and the National Pension System Trust, established by the PFRDA.

2.3.2 Income earned on investments

Interest income on investments is recognised on accrual basis. Premium or discount on debt securities is amortised or accreted respectively over the holding/maturity period on a straight-line basis. Dividend income is recognised when the right to receive dividend is established.

Profit or loss on sale/redemption of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.

Profit or loss on sale of equity shares/mutual fund units is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

2.4 Investments

Investments that are readily realisable and intended to be held for not more than a year from the Balance Sheet date are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost or fair value determined on an individual security basis. Non-current investments are carried at cost. Provision for diminution in value is made to recognise other than temporary decline in the value of investments.

2.5 Fixed assets and Depreciation/Amortisation

Tangible assets

Fixed assets are stated at acquisition cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on fixed assets is expensed out except where such expenditure increases the future benefits from the existing assets beyond its previously assessed standard of performance. Depreciation is provided using Straight-Line Method ('SLM') prorated from the date of being put to use, upto the date of sale, based on estimated useful life. Assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

Asset	Useful life
Office equipments	5 years

Intangible assets

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Software expenses are amortised using SLM over a period of 4 years from the date of being put to use.

2.6 Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset unit is made. Impairment occurs where the carrying value of the asset exceeds the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.7 Income taxes

Direct taxes

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

Deferred tax is measured based on the tax rates enacted or substantively enacted at the Balance Sheet date. 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; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of such assets.

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.

Minimum Alternate Tax is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Indirect taxes

Service tax liability on output services is set-off against the service tax credits available from tax paid on input services. Unutilised service tax credits, if any, are carried forward for future set-off, where there is reasonable certainty of utilisation.

Provision is made for unutilised service tax credit where the utilisation is uncertain.

2.8 Provisions and contingencies

Provisions are recognised in respect of present obligations as a result of a past event and it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc are recorded when it is possible that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are neither recognised nor disclosed in financial statements since this may result in the recognition of income that may never be realised.

2.9 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.10 Cash flow statement

Cash flow statement is reported using the "Direct method" prescribed under Accounting Standard 3 – Cash Flow Statements which requires major classes of gross receipts and gross cash payments to be disclosed.

2.11 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3 Notes to accounts

3.1 Share capital

The following table sets forth, for the dates indicated, the details of outstanding share capital.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Authorised:		
35,000,000 (At March 31, 2015: 35,000,000) Equity shares of ₹ 10 each	350,000,000	350,000,000
Issued, subscribed and fully paid up:		
27,000,000 (At March 31, 2015: 27,000,000) Equity shares of ₹ 10 each (All the above equity shares of ₹ 10 each are held by the holding company, ICICI Prudential Life Insurance Company Limited and it's nominees)	270,000,000	270,000,000
Total	**270,000,000**	**270,000,000**

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. A reconciliation of the shares outstanding at the beginning and at the end of the period is as follows:

Equity shares	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
At the beginning of the period	27,000,000	270,000,000	27,000,000	270,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	27,000,000	270,000,000	27,000,000	270,000,000

3.2 Reserves and surplus

The following table sets forth, for the periods indicated, the details of reserves and surplus.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Surplus - Opening balance	(11,282,107)	(12,283,418)
Add: Profit/(Loss) for the period	(3,151,629)	1,001,311
Surplus – Closing balance	**(14,433,736)**	**(11,282,107)**

3.3 Deferred taxes

Deferred tax asset/liability is recognised on timing differences arising between taxable and accounting income using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future. Deferred tax credit of ₹ 58,121 is recognised during the year ended March 31, 2016. (Previous period: Deferred tax charge of ₹ 9,046).

A net deferred tax liability of ₹ 146,751 is carried forward as detailed below:

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Deferred tax liabilities - Difference in amortisation/depreciation on fixed assets as per tax books and accounting books	146,751	204,872
Net deferred tax liabilities	**146,751**	**204,872**

3.4 Other current liabilities

The following table sets forth, for the dates indicated, the details of other current liabilities.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Other payables		
- Payable to holding company	5,062,584	4,635,751
- Tax deducted at source payable	523,095	494,887
- Payable to others for expenses	295,103	334,668
Provision for other expenses	1,588,553	574,643
Total	**7,469,335**	**6,039,949**

3.5 Fixed assets

The following table sets forth, for the dates indicated, the details of fixed assets.

(In ₹)

Particulars	Gross block			Depreciation and amortisation				Net block	
	Balance at April 1, 2015	Additions/ (Disposals)	Balance at March 31, 2016	Balance at April 1, 2015	For the year	On Disposals	Balance at March 31, 2016	Balance at March 31, 2016	Balance at March 31, 2015
Tangible assets									
Office equipment	351,664	-	351,664	174,214	64,319	-	238,533	113,131	177,450
Intangible assets									
Computer software	4,660,901	-	4,660,901	3,823,186	335,066	-	4,158,252	502,649	837,715
Total	**5,012,565**	**-**	**5,012,565**	**3,997,400**	**399,385**	**-**	**4,396,785**	**615,780**	**1,015,165**
At March 31, 2015	4,865,131	147,434	5,012,565	3,140,605	856,795	-	3,997,400		

3.6 Non-current investments

The following table sets forth, for the dates indicated, the details of non-current investments.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Other investments: Investments in debentures or bonds – quoted instruments - 9.39% LIC Housing Finance Limited (Maturity: August 23, 2024) (At March 31, 2016: 50 units of face value ₹ 1,000,000 each) (At March 31, 2015: 50 units of face value ₹ 1,000,000 each)	50,000,000	50,000,000
Total	**50,000,000**	**50,000,000**
Aggregate amount of investments in debentures or bonds at market value	52,350,050	52,571,000

3.7 Other non-current assets

The following table sets forth, for the dates indicated, the details of other non-current assets

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Service tax unutilised credit	8,228,003	5,713,234
Less: Provision for service tax unutilised credit	(8,228,003)	(5,713,234)
Bank deposit with residual maturity of more than 12 months	184,300,000	192,777,077
Accrued interest on bank deposit with residual maturity of more than 12 months	21,860,689	5,042,839
Advance income tax (Net of provision for tax at March 31, 2016: ₹ 150,126; At March 31, 2015: ₹ 103,500)	60,931	1,287,104
Total	**206,221,620**	**199,107,020**

3.8 Current investments

The following table sets forth, for the dates indicated, the details of current investments.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Investments in mutual funds - quoted (at lower of cost or market value):		
- IDFC Cash Fund – Growth (At March 31, 2016: 258 units and 389 fractions) (At March 31, 2015: 4,914 units and 463 fractions)	465,334	8,036,675
Total	**465,334**	**8,036,675**
Aggregate amount of mutual fund investments at market value	475,906	8,357,446

3.9 Trade receivables

The following table sets forth, for the dates indicated, the details of trade receivables.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Trade receivables outstanding for a period less than six months from the date they are due for payment - Unsecured considered good o Investment management fees receivable	149,362	86,037
	149,362	**86,037**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good	-	-
- Unsecured considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	**-**
Total	**149,362**	**86,037**

3.10 Cash and bank balances

The following table sets forth, for the dates indicated, the details of cash and bank balances

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Cash and cash equivalents Balances with banks - Balance in current account	225,897	5,759
Other bank balances - Term deposit with original maturity of more than 3 months (Refer note 3.20)	186,800,000	196,277,077
Sub-total	**187,025,897**	**196,282,836**
Amount disclosed under other non-current assets*	**(184,300,000)**	**(192,777,077)**
Total	**2,725,897**	**3,505,759**

* Term deposits with residual maturity of more than 12 months have been disclosed under non-current assets

3.11 Short-term loans and advances

The following table sets forth, for the dates indicated, the details of short term loans and advances.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Others (Unsecured, considered good) Prepaid expenses	76,439	88,210
Total	**76,439**	**88,210**

3.12 Other current assets

The following table sets forth, for the dates indicated, the details of other current assets.

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Interest accrued on fixed deposit	21,966,476	5,349,687
Less: Amount disclosed under other non-current assets	(21,860,689)	(5,042,839)
Net interest accrued on fixed deposit	105,787	306,848
Interest accrued on debenture/bonds	2,822,131	2,817,000
Total	**2,927,918**	**3,123,848**

3.13 Investment management fees

The Investment Management Fees is charged on closing funds under management on daily basis for all the schemes. In terms of the PFRDA's letter no. PFRDA/6/PFM/9/2 dated July 31, 2014, the Company has started charging investment management fee of 0.01% per annum, with effect from August 01, 2014. The investment management fee charged upto July 31, 2014 was 0.25% per annum.

3.14 Employee benefit expenses and cost sharing arrangement

Salaries and wages

The employees are on deputation from the Sponsor and their remuneration is paid by the Company as per the terms of employment with the Sponsor.

Cost sharing arrangement

Given the size of its operations, the Company has entered into an arrangement with the Sponsor for sharing employees and infrastructure while maintaining adequate firewalls between the two entities. Under this arrangement, all the appropriate costs attributable to the Company like employee remuneration, rent, utilities, depreciation on computers/hardware and other technology and software related expenses are transfer priced by the Sponsor to the Company. All such costs are charged to the Company on arm's length basis as per the Transfer Pricing Policy with the Sponsor. The expenses cross charged to the Company under such agreement have been shown as transactions with related parties under note 3.18.

The details of salary cross charged to the company is as follows:

(In ₹)

Particulars	**Year ended March 31, 2016**	**Year ended March 31, 2015**
Salary cross charged (Net of service tax)	16,158,512	17,953,882
Add: Cenvat unavailed on current period outstanding net of cenvat availed pertaining to previous financial year	127,380	501,776
Net salary expense as per statement of Profit and Loss	**16,285,892**	**18,455,658**

3.15 Other expenses

The following table sets forth, for the periods indicated, the details of other expenses.

(In ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Provision for unutilised service tax credit	2,514,769	2,360,312
Rent and utilities charges	1,444,771	2,066,358
Legal and professional fees	1,355,985	1,285,522
Information technology expenses	1,303,643	1,479,347
Brokerage expenses	1,046,692	313,368
PFRDA annual license fees	1,000,000	687,500
Payments to the auditor as:		
- auditor	130,147	99,514
- for reimbursement of expenses	5,618	4,416
Travelling and conveyance expenses	209,353	317,061
Miscellaneous charges	147,537	103,605
Total	**9,158,515**	**8,717,003**

3.16 Earnings per equity share

(In ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net profit/(loss) after tax as per statement of profit and loss available for equity shareholders for both basic and diluted earnings per equity share of ₹ 10 each (in ₹)	(3,151,629)	1,001,311
Weighted average number of equity shares for earnings per equity share		
(a) For basic earnings per equity share	270,000,000	270,000,000
(b) For diluted earnings per equity share	270,000,000	270,000,000
Earnings per equity share		
Basic and Diluted (in ₹)	(0.12)	0.04

3.17 Details of related parties and transactions with related parties

Related parties and nature of relationship:

Nature of relationship	Name of the related party
Ultimate holding company	ICICI Bank Limited
Holding company (Sponsor)	ICICI Prudential Life Insurance Company Limited
Fellow subsidiaries of holding company and entities jointly controlled by ultimate holding company	ICICI Securities Limited ICICI Securities Inc. ICICI Securities Holding Inc. ICICI Securities Primary Dealership Limited ICICI Venture Funds Management Company Limited ICICI Home Finance Company Limited ICICI Trusteeship Services Limited ICICI Investment Management Company Limited ICICI International Limited ICICI Bank UK PLC. ICICI Bank Canada ICICI Lombard General Insurance Company Limited ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited
Consolidated under AS-21 by ultimate holding company	ICICI Strategic Investments Fund
Key management personnel	Meghana Baji, Chief Executive Officer and Chief Investment Officer

The following represents transactions between the Company and its related parties.

(In ₹)

Nature of transaction	Year ended March 31, 2016	Year ended March 31, 2015
ICICI Bank Limited		
Conference room charges	5,000	-
Total	**5,000**	**-**

(In ₹)

Nature of transaction	Year ended March 31, 2016	Year ended March 31, 2015
ICICI Prudential Life Insurance Company Limited		
Employee benefits expenses	16,158,512	17,953,882
Rent and utilities	1,414,234	2,025,378
Information technology expense	143,302	487,091
Travelling & conveyance	204,500	229,714
Miscellaneous charges	136,803	103,345
Total	**18,057,350**	**20,799,410**

Balances with related parties are as follows:

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
ICICI Prudential Life Insurance Company Limited	5,062,584	4,635,751
ICICI Bank Limited	2,000	-
Total	**5,064,584**	**4,635,751**

3.18 Contingent liabilities

(In ₹)

Particulars	At March 31, 2016	At March 31, 2015
Bank guarantee given on behalf of Company Issued in favour of PFRDA	1,000,000	1,000,000

The Company has deposited with PFRDA an unconditional and irrevocable performance bank guarantee (PBG) for the due performance and fulfillment of the terms and conditions of the Letter of appointment under the new RFP (Request for proposal) dated July 23, 2014 and the Investment Management Agreement (IMA). In the event of the Sponsor or the Company being unable to service the IMA or the terms and conditions of the Letter of appointment under the new RFP for whatever reason, PFRDA may invoke the PBG submitted by the Company.

3.19 Encumbrances of assets

The assets of the Company are free from all encumbrances at March 31, 2016, except for fixed deposits of ₹ 3,500,000 (at March 31, 2015: ₹ 3,500,000). Of this, ₹ 1,000,000 (at March 31, 2015: ₹ 1,000,000) pertains to a deposit made with State Bank of Travancore as a security towards guarantee issued by the bank on behalf of the

Company in favour of PFRDA (Refer Note 3.19 Contingent Liability). Balance of ₹ 2,500,000 (at March 31, 2015: ₹ 2,500,000) (Refer Note 3.11 Cash and Bank Balances) pertains to a deposit made with Corporation Bank towards margin requirement for equity trade settlement pertaining to Scheme E Tier I and II issued in favour of National Securities Clearing Corporation Limited. The margins are imposed by clearing houses on equity cash segment transactions for enabling settlement on T+2 basis. The physical custody of the mentioned fixed deposits is with the respective clearing houses, however the income accrued on the fixed deposits shall be passed on to the Company on encashment of the mentioned deposits.

3.20 Direct taxes

Current tax of ₹ 1,066,692 (Previous period: ₹ 103,500) includes tax provision of ₹ 916,566 (Previous period: nil) towards provision for unutilised cenvat credit pertaining to earlier year.

3.21 The Micro, Small and Medium Enterprises Development Act, 2006

Based on current information available with the Company, there are no dues payable to suppliers who are registered under the Micro, Small and Medium Enterprise Development Act, 2006, at March 31, 2016 (At March 31, 2015: Nil).

3.22 Previous period comparatives

Previous period amounts have been regrouped and reclassified wherever necessary to conform to current period's presentation.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No. 105049W

For and on behalf of the Board of Directors

Chirag Doshi
Partner
Membership No. 119079

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Place : Mumbai
Date : April 25, 2016

Meghana Baji
Chief Executive Officer

Harvinder Jaspal
Chief Financial Officer