

INDEPENDENT AUDITORS' REPORT

To the Members of ICICI Prudential Life Insurance Company Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of ICICI Prudential Life Insurance Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or the "Non-Technical Account") and the Receipts and Payments Account for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, net surplus, profit and receipts and payments of the Company in accordance with the accounting principles generally accepted in India, including the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") in this regard, and Accounting Standards specified under Section 133 of the Act, to the extent applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, orders/ directions/ circulars issued by the IRDAI, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of standalone financial statements 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 misstatement.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 in accordance with the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Act to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- in the case of Revenue Account, of the net surplus for the year ended on that date;
- in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

OTHER MATTERS

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 has been duly certified by the Appointed Actuary and in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the standalone financial statements of the Company. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated April 24, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDA Financial Statements Regulations, read with 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 and have found them to be satisfactory;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/ directions/ circulars issued by IRDAI in this regard;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements comply with the Accounting Standards specified under Section 133 of the Act to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/ directions/ circulars issued by IRDAI in this regard;

- (g) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standard referred to in Section 133 of the Companies Act and with the accounting principles as prescribed in the IRDAI Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
- (h) On the basis of written representations received from the directors, as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (i) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (j) With respect to the other matters to be included in the Auditors' 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer schedule 16 note 3.45 to the financial statements;
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer schedule 16 note 3.46 to the financial statements; and
 - c) There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - d) The disclosure requirement as envisaged in Notification G.S.R 308(E) dated March 30, 2017 is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

For **Walker Chandio & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No. 42423

Place: Mumbai
Date: April 24, 2018

ANNEXURE A

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Independent Auditors' 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 Life Insurance Company Limited

We have audited the internal financial controls over financial reporting of ICICI Prudential Life Insurance Company Limited (the "Company") as of March 31, 2018 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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 the company's 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 Act.

AUDITORS' 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 and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 over financial reporting.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Venkataraman Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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, 2018, 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 issued by the ICAI.

OTHER MATTER

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2018 has been certified by the Appointed Actuary as per the IRDA Financial Statements Regulations, and has been relied upon by us, as mentioned in "Other Matter" of our audit report on the standalone financial statements for the year ended March 31, 2018. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation. Our opinion is not modified in respect of the above matter.

For **Walker Chandio & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No. 42423

Place : Mumbai
Date : April 24, 2018

INDEPENDENT AUDITORS' CERTIFICATE

To,
The Board of Directors,
ICICI Prudential Life Insurance Company Limited,
ICICI Pru Life Towers,
1089, Appasaheb Marathe Marg,
Prabhadevi,
Mumbai - 400 025.

Dear Sirs,

(Referred to in paragraph 1 of our Independent Auditors' Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 24, 2018)

1. This certificate is issued in accordance with the terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company"), wherein we are requested to issue certificate for compliance with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, (the "IRDA Financial Statements Regulations") read with regulation 3 of the IRDA Financial Statements Regulations.

MANAGEMENT'S RESPONSIBILITY

2. The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act 2015) (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring the aforesaid and applying an appropriate basis of preparation.

AUDITORS' RESPONSIBILITY

3. Pursuant to the requirements, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulations read with Regulation 3 of IRDA Financial Statements Regulations.

4. We audited financial statements of the Company as of and financial year ended March 31, 2018 on which we issued an unmodified audit opinion vide our report dated April 24, 2018. Our audits of these financial statements were conducted in accordance with the Standards on

Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. In accordance with information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended March 31, 2018, we certify that:
 - (a) We have reviewed the attached Management Report to the financial statements for year ended March 31, 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
 - (b) Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDAI;
 - (c) We have verified the cash balances, to the extent considered necessary and securities relating to the Company's loans and investments as at March 31, 2018, by actual inspection or on the basis of certificates/confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be. As at March 31, 2018, the Company does not have reversions and life interests;
 - (d) The Company is not a trustee of any trust; and
 - (e) No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investments of the Policyholders' Funds.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Venkataraman Vishwanath
Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

For **Walker Chandik & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No. 42423

Place : Mumbai
Date : April 24, 2018

INDEPENDENT AUDITORS' CERTIFICATE

To,
The Board of Directors,
ICICI Prudential Life Insurance Company Limited,
ICICI Pru Life Towers, 1089, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025.

Independent Auditors' Certificate in accordance with Schedule I(B)(11)(d) of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016.

1. This certificate is issued in accordance with terms of our engagement letter with ICICI Prudential Life Insurance Company Limited (the "Company") and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 (the "Regulations"), wherein we are requested to issue certificate regarding applicable Net Asset Value ("NAV") for applications received as at March 31, 2018 in terms of Schedule I(B)(11)(d) to the Regulations.

MANAGEMENT'S RESPONSIBILITY

2. The preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal controls relevant to the applicability of NAV for applications received as at March 31, 2018.
3. The Company's management is responsible for complying with conditions stated in the Regulations.

AUDITORS' RESPONSIBILITY

4. Pursuant to the requirements of this certificate, it is our responsibility to provide reasonable assurance as to whether:
 - (a) The applications received on Saturday, March 31, 2018 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2018 is applied for applications received upto 3.00 p.m.;
 - (b) The applications received on Saturday, March 31, 2018 after 3.00 p.m. have been stamped and that the NAV of April 02, 2018 is applied for applications received after 3.00 p.m.; and
 - (c) The Company has declared NAV for March 31, 2018 which is a business day, on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2018.
5. In this connection, we have performed the following procedures:
 - (a) Obtained the list of applications for New Business, Renewal premium, Top up, Surrender, Free – Look Cancellation, Fund Switches, Withdrawal and Partial Withdrawal received in respect of Unit Linked Products on March 31, 2018 (together referred to as "Application Forms"), from the Company;
 - (b) Selected samples of application forms from listing mentioned in paragraph 5(a) above and verified whether:
 - i) The applications received on Saturday, March 31, 2018, upto

3.00 p.m. have been appropriately stamped and the NAV of March 31, 2018 is applied for such applications for the selected samples; and

- ii) The applications received on Saturday, March 31, 2018, after 3.00 p.m. have been appropriately stamped and the NAV of April 2, 2018 is applied for such applications for the selected samples.
- (c) We have read the certificate dated April 13, 2018 of the concurrent auditors of the Company, M/s. Chokshi and Chokshi LLP, Chartered Accountants which has been furnished to us certifying compliance with Regulation 5 of Schedule I (B);
 - (d) Obtained representation from the management that the Company has declared March 31, 2018 as a business day for accepting application forms and that it has declared NAV for March 31, 2018.
6. We have examined other relevant records of the Company, to the extent necessary for the purpose of issuing this certificate and have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
 7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination, as above and information, explanations and representations given to us by the Company's management, we report that:
 - (a) The applications received on Saturday, March 31, 2018 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2018 is applied for applications received upto 3.00 p.m.;
 - (b) The applications received on Saturday, March 31, 2018 after 3.00 p.m. have been stamped and that the NAV of April 2, 2018 is applied for applications received after 3.00 p.m.; and
 - (c) The Company has declared NAV for March 31, 2018 which is a business day, on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2018.

RESTRICTION ON USE

9. This certificate is addressed to and provided to Board of Directors of the Company, solely for inclusion in the annual accounts of the Company as per Schedule I(B)(11)(d) of the Regulations and should not be used by any other person or for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Venkataramanan Vishwanath

Partner
Membership No. 113156

Place: Mumbai
Date: April 24, 2018

For **Walker Chandiook & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

per **Khushroo B. Panthaky**

Partner
Membership No. 42423

Place : Mumbai
Date : April 24, 2018