

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To The Members of DHFL Pramerica Asset Managers Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting

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INDEPENDENT AUDITORS' REPORT

To the Members of DHFL Pramerica Asset Managers Private Limited

Report on the Financial Statements

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estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 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) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) 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 knowledge and belief and according to the information and explanations given to us:



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Chartered Accountants

INDEPENDENT AUDITORS' REPORT

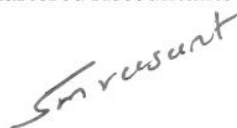
To the Members of DHFL Pramerica Asset Managers Private Limited

Report on the Financial Statements

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- i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 31.
- ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2016.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership Number: 101119

Place: Mumbai
Date : April 28, 2016

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of DHFL Pramerica Asset Managers Private Limited on the financial statements for the year ended March 31, 2016

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of DHFL Pramerica Asset Managers Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (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 its business, including adherence to 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

3. 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 deemed to be prescribed 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 both 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of DHFL Pramerica Asset Managers Private Limited on the financial statements for the year ended March 31, 2016

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Meaning of Internal Financial Controls Over Financial Reporting

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

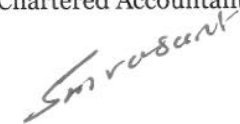
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Sharad Vasant
Partner
Membership Number 101119

Place: Mumbai
Date: April 28, 2016

Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of DHFL Pramerica Asset Managers Private Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The Company does not own any immovable properties as disclosed in Note 11 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, wealth tax, service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service-tax or cess which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|----------------|--------------|------------------------------------|------------------------------------|
| Income Tax Act, 1961 | Penalty | 4,378,359 | Assessment Year 2012-13 | Commissioner of Income Tax Appeal |

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the



Price Waterhouse

Chartered Accountants

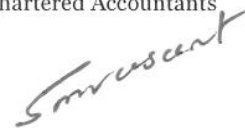
Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of DHFL Pramerica Asset Managers Private Limited on the financial statements as of and for the year ended March 31, 2016

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- Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Sharad Vasant
Partner
Membership Number: 101119

Place : Mumbai
Date : April 28, 2016

DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED
(Formerly Pramerica Asset Managers Private Limited)

Balance Sheet

(All amounts in Rupees, unless otherwise stated)

| | Note | As at | |
|--|------|----------------------|--------------------|
| | | March 31, 2016 | March 31, 2015 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 3,122,727,200 | 2,872,727,200 |
| Reserves and Surplus | 4 | (2,491,505,684) | (2,165,339,484) |
| Share application money pending Allotment | 5 | 6,000,000,000 | - |
| Non-current Liabilities | | | |
| Other Long-term Liabilities | 6 | 5,501,425 | 13,347,859 |
| Long-term Provisions | 7 | 3,306,569 | 10,061,187 |
| Current Liabilities | | | |
| Trade Payables | 8 | | |
| Total outstanding dues of micro enterprises and small enterprises and | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 17,129,995 | 8,268,096 |
| Other Current Liabilities | 9 | 96,091,340 | 50,117,528 |
| Short-term Provisions | 10 | 2,619,412 | 2,844,046 |
| TOTAL | | 6,755,870,257 | 792,026,432 |

ASSETS

Non-Current Assets

| | | | |
|------------------------------|----|---------------|------------|
| Fixed Assets | | | |
| Tangible Assets | 11 | 35,191,302 | 6,332,944 |
| Intangible Assets | 12 | 5,860,326,639 | 166,890 |
| Non-current Investments | 13 | 113,184,000 | 4,970,050 |
| Long-term Loans and Advances | 14 | 45,967,479 | 33,293,760 |

Current Assets

| | | | |
|-------------------------------|----|-------------|-------------|
| Current Investments | 15 | 577,518,663 | 727,617,924 |
| Trade Receivables | 16 | 101,258,947 | 10,141,753 |
| Cash and Cash Equivalents | 17 | 4,761,157 | 307,380 |
| Short-term Loans and Advances | 18 | 17,662,070 | 9,195,731 |

| | | | |
|--------------|--|----------------------|--------------------|
| TOTAL | | 6,755,870,257 | 792,026,432 |
|--------------|--|----------------------|--------------------|

The notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

S. Vasant
Sharad Vasant
Partner
Membership No: 101119

Place : Mumbai
Date : April 28, 2016

For and on behalf of Board of Directors of
DHFL Pramerica Asset Managers Private Limited

Suresh Soni
Chief Executive Officer

Director
DIN- 28528
KAPIL WADHAWAN

Director
DIN- 20054325
Place: Mumbai
Date : April 27, 2016
C.P. PHILIP

Suresh Kumar
Company Secretary
M.No.- A17520



DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED
(Formerly Pramerica Asset Managers Private Limited)

Statement of Profit and Loss

(All amounts in Rupees, unless otherwise stated)

| | Note | Year ended | |
|---|------|----------------------|----------------------|
| | | March 31, 2016 | March 31, 2015 |
| Income: | | | |
| Revenue from Operations | 19 | 182,251,335 | 82,728,421 |
| Other Income | 20 | 90,814,095 | 59,193,524 |
| Total Revenue | | 273,065,430 | 141,921,945 |
| Expenses: | | | |
| Employee Benefits Expense | 21 | 308,342,928 | 283,929,241 |
| Finance Cost | 22 | 28,767,123 | - |
| Depreciation and Amortisation Expense | 23 | 47,622,062 | 4,846,658 |
| Other Expenses | 24 | 214,499,517 | 163,713,825 |
| Total Expenses | | 599,231,630 | 452,489,724 |
| Loss before tax | | (326,166,200) | (310,567,779) |
| Tax Expense: | 25 | | |
| - Current Tax | | | |
| Loss for the year | | (326,166,200) | (310,567,779) |
| Basic Loss per equity share [Nominal Value per share : Rs.10 (March 31, 2015: Rs. 10)] | 33 | (1.09) | (1.23) |

The notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant

Sharad Vasant
Partner

Membership No: 101119

Place : Mumbai

Date : April 28, 2016

**For and on behalf of Board of Directors of
DHFL Pramerica Asset Managers Private Limited**

Suresh Soni
Chief Executive Officer

Director
DIN-28528
KAPIL WAHAWAN

Director
DIN-00054322

Place: Mumbai
Date : *Apr 27, 2016*

C. P. PHILIP

Suresh Kumar
Company Secretary
M.No.- *A17520*



Cash Flow Statement

(All amounts in Rupees unless otherwise stated)

| | Year ended March 31, 2016 (Amount) |
|---|---|
| Cash flow from Operating Activities | |
| Loss before tax | (326,166,200) |
| Adjustments for: | |
| Depreciation | 47,622,062 |
| Loss on sale / disposal of fixed assets | (1,000) |
| Profit on sale of current investments | (88,400,740) |
| Reversal of Provision for diminution in value of current investments | (30,000) |
| Reversal of excess provision for Compensated absences | 1,126,430 |
| Provision no longer required <i>written back</i> | 226,190 |
| Interest paid on Long Term Borrowings | 28,767,123 |
| Non-current investments written off | 50 |
| Foreign exchange fluctuation (net) | (9,789) |
| Operating profit before working capital changes | (336,865,874) |
| Changes in Working Capital: | |
| Decrease in Long-term provisions | (7,881,048) |
| Increase in Trade payables | 8,871,688 |
| Increase in Other current liabilities | 45,973,812 |
| Decrease in Short-term provisions | (450,824) |
| Decrease in Other long term liabilities | (7,846,434) |
| Increase in Long-term loans and advances | (9,259,132) |
| Increase in Trade receivables | (91,117,194) |
| Increase in Short-term loans and advances | (8,466,339) |
| Cash from Operating Activities | (407,041,345) |
| Taxes paid (net of refunds) | 3,414,586 |
| Net cash from Operating Activities (A) | (410,455,931) |
| Cash flow from Investing Activities | |
| Purchase of tangible and intangible assets | (5,936,640,169) |
| Sale of tangible and intangible assets | 1,000 |
| Proceeds from sale of current investments | 2,707,716,471 |
| Purchase of current investments | (2,469,216,471) |
| Purchase of long-term investments | (108,184,000) |
| Net cash used in Investing Activities (B) | (5,806,323,169) |
| Cash flow from Financing Activities | |
| Proceeds from Subscription and allotment of Share Capital | 250,000,000 |
| Share Application Money received pending allotment | 6,000,000,000 |
| Interest paid on Borrowings | (28,767,123) |
| Proceeds from borrowings | 3,000,000,000 |
| Repayment of borrowings | (3,000,000,000) |
| Net cash from Financing Activities (C) | 6,221,232,877 |
| Net Increase/(Decrease) in Cash And Cash Equivalents (A + B + C) | 4,453,777 |
| Cash and Cash equivalents at the beginning of the year | 307,380 |
| Cash and Cash equivalents at the end of the year | 4,761,157 |
| Cash and cash equivalents include the following | |
| Balances with banks in current account | 4,761,157 |
| | 4,761,157 |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of the Companies Act, 1956 on a voluntary basis.

The notes are an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Sharad Vasant
Partner
Membership No: 101119

For and on behalf of Board of Directors of
DHFL Pramerica Asset Managers Private Limited

Suresh ~~Shri~~
Chief Executive Officer

Director
DIN- 29578
KAPIL J. WALBHAWAN

Director
DIN- *00054325*
Place: Mumbai
Date: *Apr 27, 2016*
C. P. PHILIP

Company Secretary
M.No. *A17520*

Place : Mumbai
Date : April 28, 2016



Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

1. General information

DHFL Pramerica Asset Managers Private Limited (Formerly Pramerica Asset Managers Private Limited) (the "Company") was incorporated on September 24, 2008 as a private limited company under the Companies Act, 1956 and a limited company within the meaning of Companies Act, 2013 of India (the "Act").

The Company is registered as an investment manager with Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. The principal business of the Company is to provide management advisory and administrative services to the DHFL Pramerica Mutual Fund (the "Fund") in accordance with the Investment Management Agreement dated July 30, 2009, as amended from time to time, between DHFL Pramerica Trustees Private Limited (formerly known as Pramerica Trustees Private Limited) and the Company.

The Company is also a SEBI registered Portfolio Manager. The Company has received a certificate from SEBI which is valid up to September 15, 2016 and to be renewed thereafter. It provides discretionary, advisory portfolio management services (PMS) to its clients.

Pursuant to the SEBI's grant of no-objection for change in the controlling interest, Company has become a joint venture between Prudential Financial, Inc (PFI) and Dewan Housing Finance Corporation Limited (DHFL), with PGLH of Delaware, Inc (PGLH) along with Pramerica Financial Asia Limited (PFAL) holding 50% of the paid-up share capital of the Company and DHFL holding remaining 50% of the paid-up share capital (as on March 31, 2016). The share transfer between PGLH and DHFL was completed on August 11, 2015.

The Company and DHFL Pramerica Trustees Private Limited, i.e. the asset management company and trustee company of the Fund and PGLH and PFI, the co-sponsor of the Fund had entered into definitive agreements with Deutsche Asset Management (India) Private Limited ("DB AMC"), Deutsche Trustee Services (India) Private Limited, i.e. the asset management company and trustee company of Deutsche Mutual Fund ("DB MF") and Deutsche India Holdings Private Limited, sponsor of DB MF together with other Deutsche entities, on August 7, 2015, with support from DHFL, co-sponsor of the Fund, for acquisition of the schemes of DB MF and the portfolio management accounts of DB AMC, and the corresponding change in the sponsorship, trusteeship, management and administration of schemes of DB MF, upon the completion of the transaction, subject to receipt of regulatory approvals. On receipt of relevant regulatory approvals this transaction was consummated on March 04, 2016 and accordingly the trusteeship, management and administration of the schemes of DB MF was transferred to the Fund and portfolio management accounts of DB AMC was transferred to the Company.

2. Summary of Significant Accounting Policies

a. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.



Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The Company is a Small and Medium sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards as applicable to SMC, to the extent applicable.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016.

b. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

c. Tangible Assets

- i) Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any expected loss is recognised immediately in the Statement of Profit and Loss.
- iv) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost or revalued amount are recognised in the Statement of Profit and Loss.
- v) The depreciation on tangible assets is provided on a pro-rata basis using straight line method over the estimated useful lives of the assets as prescribed in Schedule II of the Companies Act, 2013 except in case of office equipments which is higher than the rate prescribed under Schedule II of Companies Act, 2013, in order to reflect the actual usage of the assets. The estimate of useful life of the office equipments based on the technical evaluation, have not undergone a change on account of transition to the Companies Act, 2013. The following useful life has been considered:



Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

| Assets | Useful life |
|------------------------|-------------------------------|
| Leasehold Improvements | Over the primary lease period |
| Furniture and Fixtures | 10 Years |
| Computers | 3 Years |
| Servers | 6 Years |
| Office Equipments | 3 Years |
| Vehicles | 8 Years |

Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

d. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an Intangible asset will not exceed ten years from the date when the asset is available for use is considered by the Management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The following useful life has been considered.

| Assets | Useful life |
|------------------------------|--------------------|
| Computer Software | 3 Years |
| Investment Management Rights | 10 Years |

e. Borrowing Cost

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

f. Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit'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 an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those



Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

g. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually. Gains and losses on sale of investments are determined using the first in first out cost method.

h. Foreign Currency Translation

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

i. Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection. Investment management and advisory fee is recognised at using proportionate completion method at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, fixed deposits, where applicable, and investments made by the Company in the respective scheme), and in accordance with SEBI (Mutual Funds) Regulations, 1996, as amended.



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Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

Portfolio Management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective clients using proportionate completion method.

Investment Advisory fees – Offshore are recognised on an accrual basis as per the terms of the contract using proportionate completion method.

j. Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognised when the right to receive dividend is established.

k. Employee Benefits

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

The Company's contribution to the above Plan is charged to the Statement of Profit and Loss as incurred.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company has taken a Group Gratuity Policy with Kotak Mahindra Old Mutual Life Insurance Limited ("Insurer"). Gratuity Fund is administrated through Trustees of DHFL Pramerica Asset Managers Private Limited Employees Group Gratuity Trust ("Gratuity Trust") and/or Insurer and is a recognised fund under the Income Tax Act, 1961. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Actuarial gains/losses are charged to the Statement of Profit and Loss in the year in which they arise.

Compensated absences: Company has policy of carry forward of 10 days un-availed leave to next calendar year. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.



Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

Long Term Employee Benefits: Company's certain eligible employees are entitled to Long term incentive benefits as per the company's policy. The liability in respect of the same is determined based on actuarial valuation provided by independent actuary as at the year end and the cost is recognized over the tenure of the plan. The actuarial method used by the independent actuary for measuring the liability is Projected Unit Credit Method.

I. Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Deferred tax assets arising from unabsorbed depreciation and losses carried forward, is not recognized unless there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax can be recognized.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

m. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



A handwritten signature in black ink, consisting of a stylized 'D' followed by a flourish.

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

n. Leases

As a lessee:

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight- line basis over the period of the lease.

o. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, current account balances with banks, demand deposits with banks, other short -term highly liquid investments with original maturities of three months or less.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the period after deducting preference dividend and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of the potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

q. Fund Expenses

Annual recurring expenses related to the schemes of DHFL Pramerica Mutual Fund which are in excess of internal expense limits are borne by the Company.

The Company also absorbs the expenses relating to the launch of the schemes of DHFL Pramerica Mutual Fund.

Upfront brokerage on close ended fixed tenure schemes is amortised over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortised over 3 Years. The unamortized portion of the brokerage is carried forward as prepaid expense. Any other brokerage is charged to Statement of Profit and Loss in the year in which it is incurred.



| | As at | |
|--|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 3 Share Capital | | |
| Authorised: | | |
| 1,025,000,000 (March 31, 2015: 300,000,000) equity shares of Rs. 10 each | 10,250,000,000 | 3,000,000,000 |
| Total | 10,250,000,000 | 3,000,000,000 |
| Issued: | | |
| 312,272,720 (March 31, 2015: 287,272,720) equity shares of Rs. 10 each | 3,122,727,200 | 2,872,727,200 |
| Total | 3,122,727,200 | 2,872,727,200 |
| Subscribed and Paid Up: | | |
| 312,272,720 (March 31, 2015: 287,272,720) equity shares of Rs. 10 each (fully paid-up) | 3,122,727,200 | 2,872,727,200 |
| Total | 3,122,727,200 | 2,872,727,200 |

(a) Reconciliation of number of shares

Equity shares :

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance as at the beginning of the year | 287,272,720 | 2,872,727,200 | 238,288,720 | 2,382,887,200 |
| Add : Shares issued during the year | 25,000,000 | 250,000,000 | 48,984,000 | 489,840,000 |
| Balance as at the end of the year | 312,272,720 | 3,122,727,200 | 287,272,720 | 2,872,727,200 |

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share . Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|------------------------------|--------|------------------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| PGLH of Delaware, Inc. | 156,136,359 (49.9999999%) | | 287,272,719 (99.9999997%) | |
| Dewan Housing Finance Corporation Limited (DHFL) | 156,136,360 (50%) | | Nil | |

Refer note 36 on significant subsequent events.

4 Reserves and Surplus

| | As at | |
|--|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| Deficit in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | (2,165,339,484) | (1,854,771,705) |
| Loss for the year | (326,166,200) | (310,567,779) |
| Balance as at the end of the year | (2,491,505,684) | (2,165,339,484) |

5 Share Application Money pending Allotment represents applications received from investors towards subscription

| | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|----------------------|----------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares of face value Rs.10 each proposed to be issued | 600,000,000 | 6,000,000,000 | - | - |
| | 600,000,000 | 6,000,000,000 | - | - |

The equity shares have been allotted against the share application money on April 07, 2016. (Refer note 36)



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Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

6 Other Long-term Liabilities

| | As at | |
|---------------------------|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| Rent equalisation | 729,650 | 1,532,782 |
| Employee benefits payable | 4,771,775 | 11,815,077 |
| Total | 5,501,425 | 13,347,859 |

7 Long-term Provisions

Provision for employee benefits:

| | As at | |
|--|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| Provision for gratuity [net of funding of Rs. 12,527,865 (March 31, 2015 Rs. Nil)] (Refer Note 21) | - | 8,944,759 |
| Provision for compensated absences (Refer Note 21) | 82,564 | 1,116,428 |
| Provision for long term employee benefits | 3,224,005 | - |
| Total | 3,306,569 | 10,061,187 |

8 Trade Payables

| | As at | |
|--|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| (a) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| (i) Acceptances | - | - |
| (ii) Others | 17,129,995 | 8,268,096 |
| Total | 17,129,995 | 8,268,096 |

9 Other Current Liabilities

| | As at | |
|--|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| Employee benefits payable | 33,908,300 | 27,614,847 |
| Statutory dues including provident fund and tax deducted at source | 46,581,902 | 7,213,675 |
| Payable to DHFL Pramerica Mutual Fund (Formerly Pramerica Mutual Fund) | 14,200,000 | 14,605,177 |
| Current portion of rent equalisation | 1,401,138 | 683,829 |
| Total | 96,091,340 | 50,117,528 |

There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

10 Short-term Provisions

Provision for Employee benefits:

| | As at | |
|--|----------------------------|----------------------------|
| | March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| Provision for gratuity (Refer Note 21) | 555,288 | 742,170 |
| Provision for compensated absences (Refer Note 21) | 1,996,766 | 2,089,332 |
| Provision for long term employee benefits | 67,358 | - |

Others:

| | | |
|---|------------------|------------------|
| Provision for wealth tax [net of advance tax of Rs. 61,403 (March 31, 2015 Rs. 48,859)] | - | 12,544 |
| Total | 2,619,412 | 2,844,046 |



DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED
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Notes to the Financial Statements

Note 11 - Tangible Assets

(All amounts in Rupees, unless otherwise stated)

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|------------------------|------------------------|-------------------|----------------|-------------------|--------------------------|------------------|------------------------|-------------------|-------------------|----------------|
| | April 1, 2015 | Additions | Disposals | March 31, 2016 | April 1, 2015 | For the Year | Disposals/ Adjustments | March 31, 2016 | March 31, 2016 | March 31, 2016 |
| | Leasehold Improvements | 25,413,827 | 12,351,645 | - | 37,765,472 | 25,134,817 | 633,402 | - | 25,768,219 | 11,997,253 |
| Furniture and Fixtures | 5,506,668 | 2,697,315 | - | 8,203,983 | 5,500,579 | 34,208 | - | 5,534,787 | 2,669,196 | |
| Office Equipments | 6,311,310 | 2,359,679 | 93,984 | 8,577,005 | 6,169,899 | 309,423 | 93,984 | 6,385,338 | 2,191,667 | |
| Computers and Servers | 20,238,324 | 15,406,482 | 339,034 | 35,305,772 | 18,464,989 | 2,318,435 | 339,034 | 20,444,390 | 14,861,382 | |
| Vehicles | 5,640,464 | - | - | 5,640,464 | 1,507,365 | 661,295 | - | 2,168,660 | 3,471,804 | |
| TOTAL | 63,110,593 | 32,815,121 | 433,018 | 95,492,696 | 56,777,649 | 3,956,763 | 433,018 | 60,301,394 | 35,191,302 | |

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|------------------------|------------------------|----------------|------------------|-------------------|--------------------------|------------------|------------------------|-------------------|------------------|----------------|
| | April 1, 2014 | Additions | Disposals | March 31, 2015 | April 1, 2014 | For the Year | Disposals/ Adjustments | March 31, 2015 | March 31, 2015 | March 31, 2015 |
| | Leasehold Improvements | 25,413,827 | - | - | 25,413,827 | 22,953,151 | 2,181,666 | - | 25,134,817 | 279,009 |
| Furniture and Fixtures | 5,506,668 | - | - | 5,506,668 | 5,499,684 | 895 | - | 5,500,579 | 6,089 | |
| Office Equipments | 6,270,300 | 48,960 | 7,950 | 6,311,310 | 6,018,835 | 159,014 | 7,950 | 6,169,899 | 141,411 | |
| Computers and Servers | 19,587,916 | 759,915 | 109,507 | 20,238,324 | 17,530,043 | 1,030,365 | 95,419 | 18,464,989 | 1,773,335 | |
| Vehicles | 7,867,795 | - | 2,227,331 | 5,640,464 | 2,665,056 | 687,360 | 1,845,051 | 1,507,365 | 4,133,099 | |
| TOTAL | 64,646,506 | 808,875 | 2,344,788 | 63,110,593 | 54,666,769 | 4,059,300 | 1,948,420 | 56,777,649 | 6,332,944 | |

Note 12 - Intangible Assets

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|-------------------------------|-------------------|----------------------|-----------|----------------------|--------------------------|-------------------|------------------------|-------------------|----------------------|----------------|
| | April 1, 2015 | Additions | Disposals | March 31, 2016 | April 1, 2015 | For the Year | Disposals/ Adjustments | March 31, 2016 | March 31, 2016 | March 31, 2016 |
| | Software | 11,632,688 | 4,990,848 | - | 16,623,536 | 11,465,798 | 851,180 | - | 12,316,978 | 4,306,558 |
| Investment Management Rights* | - | 5,898,834,200 | - | 5,898,834,200 | - | 42,814,119 | - | 42,814,119 | 5,856,020,081 | |
| TOTAL | 11,632,688 | 5,903,825,048 | - | 5,915,457,736 | 11,465,798 | 43,665,299 | - | 55,131,097 | 5,860,326,639 | |

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|--------------|-------------------|------------|-----------|-------------------|--------------------------|----------------|------------------------|-------------------|----------------|----------------|
| | April 1, 2014 | Additions | Disposals | March 31, 2015 | April 1, 2014 | For the Year | Disposals/ Adjustments | March 31, 2015 | March 31, 2015 | March 31, 2015 |
| | Software | 11,632,688 | - | - | 11,632,688 | 10,678,440 | 787,358 | - | 11,465,798 | 166,890 |
| TOTAL | 11,632,688 | - | - | 11,632,688 | 10,678,440 | 787,358 | - | 11,465,798 | 166,890 | |

* During the year, the Company along with its group affiliates, has acquired the business undertaking of the Deutsche Entities (For details refer note 1) which inter alia, includes right to manage the schemes of Deutsche Mutual Fund. The Company has paid consideration amounting to Rs. 5,898,834,200 (March 31, 2015; Rs. Nil) and the same is capitalised as per Accounting Standard 26 "Intangibles Assets" as Investment Management rights. The useful life of the Investment Management Rights has been determined as 10 years (120 Months). For the year ended March 31, 2016, an amount of Rs. 42,814,119 (March 31, 2015: Rs. Nil) has been amortized. Balance life of Investment Management Rights is 119 months.

Pursuant to the enactment of the Companies Act 2013, effective 1st April 2014, the management has evaluated and reassessed the useful life of its fixed assets. Consequent to such change, the charge on account of depreciation for the previous year is lower by Rs. 896,726 and loss for the previous year is lower by an equivalent amount.



| | March 31, 2016 (Amount) | As at March 31, 2015 (Amount) |
|--|----------------------------|-------------------------------------|
| 13 Non-current Investments (Long-term Investments) | | |
| Other investments (valued at cost unless stated otherwise) | | |
| <i>Unquoted</i> | | |
| <u>Investments in commercial papers</u> | | |
| Deccan Chronicle Holdings Ltd - 90 Days (matured on June 25, 2012) (nil (March 31, 2015 : 500) units) [Net of provision for other than temporary diminution Rs. Nil (March 31, 2015: Rs. 249,999,975)] | - | 25 |
| Deccan Chronicle Holdings Ltd - 364 Days (matured on March 14, 2013) (nil (March 31, 2015 : 500) units) [Net of provision for other than temporary diminution Rs. Nil (March 31, 2015: Rs. 232,707,975)] | - | 25 |
| <u>Investments in Mutual Funds</u> | | |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Diversified Equity Fund - Direct Plan - Growth Option (500,000.000 (March 31, 2015 : 500,000.000) units) | 5,000,000 | 4,970,000 |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Large Cap Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Large Cap Equity Fund) (35,376.129 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Short Term Floating Rate Fund-Direct Plan- Growth Option (319,206.958 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Income Advantage Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Dynamic Monthly Income Fund) (269,032.626 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Dynamic Bond Fund - Direct Plan - Growth Option (2,927.460 (March 31, 2015 : NIL) units) | 3,911,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Credit Opportunities Fund - Direct Plan - Growth Option (458,831.304 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Balanced Advantage Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Dynamic Asset Allocation Fund) (87,397.202 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Premier Bond Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Income Fund) (203,656.733 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Short Maturity Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Short Term Income Fund) (258,744.026 (March 31, 2015 : NIL) units) | 6,683,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Midcap Opportunities Fund - Direct Plan - Growth Option (305,810.398 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Tax Savings Fund - Direct Plan - Growth Option (400,000.000 (March 31, 2015 : NIL) units) | 4,000,000 | - |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Liquid Fund) (27,468.565 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Low Duration Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Ultra Short Term Bond Fund) (261,284.387 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Equity Income Fund- Direct Plan- Growth Option (137,799.205 (March 31, 2015 : NIL) units) | 3,590,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Arbitrage Fund- Direct Plan- Growth Option (441,442.635 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Ultra Short Term Fund- Direct Plan- Growth Option (274,125.813 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Medium Term Income Fund- Direct Plan- Growth Option (400,631.395 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Gilt Fund- Direct Plan- Growth Option (308,293.718 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Banking & PSU Debt Fund- Direct Plan- Growth Option (382,657.942 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Inflation Indexed Bond Fund- Direct Plan- Growth Option (449,850.65 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Top Euroland Offshore Fund- Direct Plan- Growth Option (423,011.844 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Global Agribusiness Offshore Fund- Direct Plan- Growth Option (361,532.899 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| DHFL Pramerica Mutual Fund - DHFL Pramerica Interval Fund-Annual Plan-Series 1- Direct Plan- Growth Option (402,103.807 (March 31, 2015 : NIL) units) | 5,000,000 | - |
| Total | 113,184,000 | 4,970,050 |
| Aggregate amount of unquoted investments | 113,184,000 | 487,678,000 |
| Aggregate provision for diminution in value of Investments | - | 482,707,950 |



Notes to the Financial Statements

(All amounts in Rupees, unless otherwise stated)

14 Long-term Loans and Advances

Secured, considered good:

Loans to employees against hypothecation of vehicles

Unsecured, considered good:

Deposits

Advance tax and tax deducted at source [net of provision for income tax Rs. 2,261,149 (March 31, 2015: Rs. 2,261,149)]

Capital advances

Prepaid expenses

Total

| | As at March 31, 2016 (Amount) | As at March 31, 2015 (Amount) |
|--|-------------------------------------|-------------------------------------|
| Loans to employees against hypothecation of vehicles | - | 211,218 |
| Deposits | 16,873,084 | 15,840,964 |
| Advance tax and tax deducted at source [net of provision for income tax Rs. 2,261,149 (March 31, 2015: Rs. 2,261,149)] | 20,578,397 | 17,163,813 |
| Capital advances | 7,504,265 | - |
| Prepaid expenses | 1,011,733 | 77,765 |
| Total | 45,967,479 | 33,293,760 |

15 Current Investments

(At Cost or Market Value / Fair Value whichever is lower)

Mutual Funds (Unquoted)

DHFL Pramerica Mutual Fund - DHFL Pramerica Low Duration Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Ultra Short Term Bond Fund) (Nil (March 31, 2015: 144,168.179) units)

DHFL Pramerica Mutual Fund -DHFL Pramerica Insta Cash Plus Fund-Direct Plan -Growth Option (formerly DHFL Pramerica Liquid Fund) (2,954,160.694 (March 31, 2015 : 366,530.613) units)

Total

Aggregate amount of unquoted investments

| | As at March 31, 2016 (Amount) | As at March 31, 2015 (Amount) |
|--|-------------------------------------|-------------------------------------|
| DHFL Pramerica Mutual Fund - DHFL Pramerica Low Duration Fund - Direct Plan - Growth Option (formerly DHFL Pramerica Ultra Short Term Bond Fund) (Nil (March 31, 2015: 144,168.179) units) | - | 193,569,536 |
| DHFL Pramerica Mutual Fund -DHFL Pramerica Insta Cash Plus Fund-Direct Plan -Growth Option (formerly DHFL Pramerica Liquid Fund) (2,954,160.694 (March 31, 2015 : 366,530.613) units) | 577,518,663 | 534,048,388 |
| Total | 577,518,663 | 727,617,924 |
| Aggregate amount of unquoted investments | 577,518,663 | 727,617,924 |

16 Trade Receivables

Unsecured, considered good

Outstanding for a period exceeding 6 months from the date they are due for payment

Others

Total

| | As at March 31, 2016 (Amount) | As at March 31, 2015 (Amount) |
|--|-------------------------------------|-------------------------------------|
| Outstanding for a period exceeding 6 months from the date they are due for payment | - | - |
| Others | 101,258,947 | 10,141,753 |
| Total | 101,258,947 | 10,141,753 |

17 Cash and Cash Equivalents

Bank balances

- In current account

Total

| | As at March 31, 2016 (Amount) | As at March 31, 2015 (Amount) |
|----------------------|-------------------------------------|-------------------------------------|
| Bank balances | 4,761,157 | 307,380 |
| - In current account | 4,761,157 | 307,380 |
| Total | 4,761,157 | 307,380 |

18 Short-term Loans and Advances

Secured, considered good:

Current portion of Loans to employees against hypothecation of vehicles

Unsecured and considered good:

Deposits

Prepaid expenses

Recoverable from DHFL Pramerica Mutual Fund

Recoverable from DHFL Pramerica Trustees Private Limited

Service tax input credit

Balance with statutory/Government Tax authorities

Others

Total

| | As at March 31, 2016 (Amount) | As at March 31, 2015 (Amount) |
|---|-------------------------------------|-------------------------------------|
| Current portion of Loans to employees against hypothecation of vehicles | - | 311,244 |
| Deposits | 3,398,730 | 10,800 |
| Prepaid expenses | 5,866,280 | 5,506,304 |
| Recoverable from DHFL Pramerica Mutual Fund | - | 449,097 |
| Recoverable from DHFL Pramerica Trustees Private Limited | 1,006,667 | - |
| Service tax input credit | 4,499,813 | 2,918,286 |
| Balance with statutory/Government Tax authorities | 1,628,726 | - |
| Others | 1,261,854 | - |
| Total | 17,662,070 | 9,195,731 |



DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED
(Formerly Pramerica Asset Managers Private Limited)

Notes to the financial statements

(All amounts in Rupees, unless otherwise stated)

19 Revenue from operations

Investment management and advisory fees (Net of Service Tax)
Portfolio management fees (Net of Service Tax)
Investment advisory services - Offshore

Total

| Year ended | |
|----------------------------|----------------------------|
| March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 166,073,237 | 73,867,981 |
| 14,170,721 | 8,860,440 |
| 2,007,377 | - |
| 182,251,335 | 82,728,421 |

20 Other Income

Profit on sale of current investments (net)
Reversal of Provision for diminution in value of current investments
Interest on fixed deposit with bank
Interest on loan to employees
Provision no longer required written back
Reimbursement of Compensation of Seconded Employee
Profit on sale of fixed assets (net)
Reversal of excess provision for Compensated absences (Refer note 21(b) below)

Total

| Year ended | |
|----------------------------|----------------------------|
| March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 88,400,740 | 54,983,942 |
| 30,000 | - |
| 294,690 | 2,491,509 |
| 25,541 | 62,400 |
| 226,190 | - |
| 709,504 | - |
| 1,000 | 318,630 |
| 1,126,430 | 1,337,043 |
| 90,814,095 | 59,193,524 |

21 Employee Benefits Expense

Salaries and bonus
Contribution to provident and other funds (Refer note (a) below)
Gratuity (Refer note (b) below)
Long term incentive benefits and retention bonus
Long term service awards
Staff welfare expenses

Total

| Year ended | |
|----------------------------|----------------------------|
| March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 282,412,367 | 269,579,092 |
| 10,394,533 | 9,694,636 |
| 3,469,028 | 2,475,042 |
| 6,243,025 | - |
| 2,573,424 | - |
| 3,250,551 | 2,180,471 |
| 308,342,928 | 283,929,241 |

(a) Defined Contribution Plan

| Particulars | Year ended | |
|---|-------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Amount recognised in the Statement of Profit and Loss | | |
| (i) Provident fund paid to the authorities | 7,490,901 | 7,295,415 |
| (ii) Pension fund paid to the authorities* | 2,303,652 | 1,641,113 |
| (iii) EDLI & Others* | 599,980 | 758,108 |
| | 10,394,533 | 9,694,636 |

* Included in Contribution to provident and other funds (Refer Note 21)

(b) Defined Benefit Plan

Gratuity

Every employee is entitled to a benefit equivalent to 15 days (30 days upto March 31, 2014) salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Gratuity liability is a defined benefit obligation and is funded (unfunded upto March 31, 2015).

Compensated absences

Every employee is entitled to a carry forward of 10 days un-availed leave to next calendar year.

Compensated absences is a defined benefit obligation and is wholly unfunded.



Actuarial Assumptions

| Particulars | Year ended | | Year ended | |
|--------------------------------|--|--|--|--|
| | 31-Mar-16 | | 31-Mar-15 | |
| | Gratuity | Compensated absences | Gratuity | Compensated absences |
| Discount Rate | 8.00% | 8.00% | 7.75% | 7.75% |
| Expected Return on Plan Assets | 8.00% | 0.00% | 0.00% | 0.00% |
| Salary Growth Rate | 7.00% | 7.00% | 5.00% | 5.00% |
| Attrition Rate | 10.00% | 10.00% | 10.00% | 10.00% |
| Mortality Table | India Assured Lives Mortality (2006-08) Ultimate | India Assured Lives Mortality (2006-08) Ultimate | India Assured Lives Mortality (2006-08) Ultimate | India Assured Lives Mortality (2006-08) Ultimate |
| Retirement Age | 60 yrs | 60 yrs | 60 yrs | 60 yrs |

The estimates of future salary increases, considered in the actuarial valuation take account of inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Recognised under :

| | | | | |
|--------------------------------------|----------------|------------------|------------------|------------------|
| Long-term provision (Refer Note 7) | - | 82,564 | 8,944,759 | 1,116,428 |
| Short-term provision (Refer Note 10) | 555,288 | 1,996,766 | 742,170 | 2,089,332 |
| | 555,288 | 2,079,330 | 9,686,929 | 3,205,760 |

22 Finance Cost

Interest on borrowings
Total

| Year ended | |
|----------------------------|----------------------------|
| March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 28,767,123 | - |
| 28,767,123 | - |

23 Depreciation and Amortisation Expense

Depreciation on tangible assets
Amortisation on intangible assets
Total

| Year ended | |
|----------------------------|----------------------------|
| March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 3,956,763 | 4,059,300 |
| 43,665,299 | 787,358 |
| 47,622,062 | 4,846,658 |

24 Other Expenses

Rent and other expenses
Electricity
Rates and taxes
Travelling and conveyance
Business promotion
Advertising and marketing
Brokerage and scheme related expenses (Refer note 34 below)
Legal and professional fees
Membership and subscription
Payment to auditors:
- As auditor
- Audit fees
- Tax audit fee
- Reimbursement of expenses
Communication
Computer consumables
Printing and stationery
Books and periodicals
Insurance
Directors' sitting fees
Foreign exchange fluctuation (net)
Provision for diminution in value of investments
Non-current investments written off
Less:- Provision for diminution in value of investments made in earlier years
Other administration charges
Miscellaneous expenses
Total

| Year ended | |
|----------------------------|----------------------------|
| March 31, 2016 (Amount) | March 31, 2015 (Amount) |
| 31,159,523 | 27,249,190 |
| 3,805,012 | 3,152,491 |
| 20,059,058 | 6,073,588 |
| 31,021,871 | 12,327,197 |
| 20,682,714 | 9,210,507 |
| 10,271,178 | 11,443,067 |
| 28,282,970 | 48,345,425 |
| 32,469,760 | 15,950,103 |
| 8,003,055 | 6,334,349 |
| 1,100,000 | 800,000 |
| 150,000 | 100,000 |
| 21,754 | 17,040 |
| 16,341,796 | 13,272,905 |
| 1,093,254 | 911,631 |
| 2,257,115 | 1,372,711 |
| 200,835 | 73,745 |
| 96,779 | 95,427 |
| 500,000 | 400,000 |
| 746,765 | 810,372 |
| - | 30,000 |
| 482,708,000 | |
| 482,707,950 | 50 |
| 5,741,926 | 5,434,964 |
| 494,102 | 309,113 |
| 214,499,517 | 163,713,825 |



Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

25. Current Tax

No provision for current income tax has been made in view of taxable loss for the year as well as earlier years.

26. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure are as under:

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|---------------------------------|-----------------------------|---------------------------------------|-----------------------------|---------------------------------------|
| | Transaction Value in Rupees | Transaction Value in Foreign Currency | Transaction Value in Rupees | Transaction Value in Foreign Currency |
| Employee benefits payable (USD) | 3,664,517 | 55,336.43 | 4,825,796 | 77,112.49 |
| Communication Charges (USD) | 651,163 | 9,832.96 | - | - |
| Offshore Advisory Fee (Euro) | 2,007,377 | 26,730.98 | - | - |

27. Earnings in foreign Currency

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|-------------------------------------|---------------------------|---------------------------|
| Investment Advisory fees – Offshore | 2,007,377 | - |

28. Expenditure in foreign Currency

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|-----------------------------|---------------------------|---------------------------|
| Salaries and Bonus | 5,652,937 | 12,449,494 |
| Membership and subscription | 71,457 | 75,432 |
| Travelling and conveyance | 227,229 | 979,068 |
| Communication Charges | 663,992 | - |

29. Related Party Transactions

Refer Annexure I for disclosure.

30. Operating Lease

- a) The Company has taken various offices and residential premises under operating lease or leave and license agreements. These lease arrangements range for a period between 11 months and 60 months, which include both cancellable and non-cancellable lease. Few of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|---------------------------|---------------------------|
| With respect to all operating leases: Lease payments recognised in Statement of Profit and Loss during the year | 31,106,258 | 27,249,190 |



DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED

(Formerly Pramerica Asset Managers Private Limited)

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

- b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|---|------------------------------|------------------------------|
| Not later than one year | 9,435,653 | - |
| Later than one year and not later than five years | 6,000,000 | - |
| Later than five years | - | - |

31. Contingent Liabilities

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--------------------|------------------------------|------------------------------|
| Income tax Matters | 4,378,359 | - |

32. Capital Commitments

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|---|------------------------------|------------------------------|
| Estimated amounts of contracts remaining to be executed | 2,923,650 | - |

33. Earnings per Share (EPS)

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|------------------------------|------------------------------|
| Loss after tax (Rupees) (A) | 326,166,200 | 310,567,779 |
| Weighted average number of equity shares outstanding (B) | 299,362,884 | 252,245,805 |
| Basic Loss per share (Rupees) (A/B) | (1.09) | (1.23) |
| Face value per share (Rupees) | 10 | 10 |

34. Brokerage and Scheme related expenses

Brokerage and Scheme related expenses includes Rs. 14,200,000 (March 31, 2015: Rs. 28,874,579) towards such excess expenses relating to the schemes of DHFL Pramerica Mutual Fund which are in excess over the internal expenses limit and the brokerage incurred on the mobilisation for the various schemes during New Fund Offer Rs. 197,229 (March 31, 2015: Rs. 12,795,043).

35. Transfer Pricing

The Company will be carrying out a transfer pricing study for the year ended March 31, 2016 in accordance with the transfer pricing rules, issued by the Central Board of Direct Taxes and will obtain an accountant's report. Adjustment towards provision for taxation, if any, on completion of the transfer pricing study is currently not ascertainable. On the basis of self-assessment of the operations of the Company during the year, the management does not expect any significant deviations from the requirement of the Legislation.



DHFL PRAMERICA ASSET MANAGERS PRIVATE LIMITED

(Formerly Pramerica Asset Managers Private Limited)

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

36. Significant subsequent Event

Pursuant to further capital requirements, the Company has raised money from its existing shareholders and has made a right issuance of equity shares in accordance with Section 62(1)(a) of the Companies Act, 2013. One of the existing shareholders, Dewan Housing Finance Corporation Limited ("DHFL") has renounced its right to subscribe to the right issue in favour of its wholly owned subsidiary, DHFL Advisory & Investments Private Limited ("DAIPL"). Accordingly, PGLH of Delaware, Inc (PGLH) and DAIPL subscribed to the equity shares of the Company, such that Company remains a 50:50 joint venture between the DHFL Group and Prudential Financial, Inc (PFI). SEBI has, pursuant to its letter no OW/P/8987/2016 dated March 28, 2016, granted its no-objection to the above mentioned restructuring of the shareholding of the Company. Company has allotted the shares on April 07, 2016 to DAIPL and PGLH. Shareholding pattern of Company after this transaction has changed and is as follows:

| S.N | Name of Shareholder | % Holding |
|-----|---|----------------|
| 1. | Dewan Housing Finance Corporation Limited (DHFL) | 17.12% |
| 2. | DHFL Advisory & Investments Private Limited (DAIPL) | 32.88% |
| 3. | PGLH of Delaware Inc. (PGLH) | 50.00% |
| 4. | Pramerica Financial Asia Limited (PFAL) | ~0.00% |
| | Total | 100.00% |

~ Insignificant as PFAL holds 1 equity share of face value Rs. 10.

37. Previous Years Figures

Previous year figures have been reclassified to conform to this year's classification.

Signature to notes 1 to 37 forms part of the financial statements and to the above notes

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants


Sharad Vasant**Partner**

Membership No: 101119

Place: Mumbai

Date: April 28, 2016

For and on behalf of the Board of Directors of**DHFL Pramerica Asset Managers Private Limited****Suresh Soni****Chief Executive Officer****Sumesh Kumar****Company Secretary**

Place: Mumbai

Date: April 28, 2016

Director

DIN-28528

KAPIL WADHAWAN

Director

DIN 00054325

C.P. PHILIP



Annexure I - Related Party Disclosures (Refer Note 29)

(i) Where control exists:

| Nature of relationship | Related Party |
|--|---|
| Ultimate Holding Company | Prudential Financial Inc. upto August 10, 2015* |
| Holding Company | PGLH of Delaware, Inc. (Holding 99.99% of equity share capital) upto August 10, 2015 |
| Venturer in respect of which the Company is a joint venture. | PGLH of Delaware, Inc. (Holding 49.99% of equity share capital) with effect from August 11, 2015 |
| Venturer in respect of which the Company is a joint venture. | Dewan Housing Finance Corporation Limited (DHFL) (Holding 50% of equity share capital) with effect from August 11, 2015 |

* No transactions during the year

(ii) Other Related Parties with whom transactions have taken place during the year:

| Nature of relationship | Related Party |
|--|--|
| Fellow Subsidiary | DHFL Pramerica Trustees Private Limited (Formerly Pramerica Trustees Private Limited) upto August 10, 2015 |
| Mutual Fund managed by the Company | DHFL Pramerica Mutual Fund (Formerly Pramerica Mutual Fund) |
| Subsidiary of Ultimate Holding Company | Prudential International Investment LLC upto August 10, 2015 |
| Key Management Personnel | Glenwyn Peter Baptist (Director)* Ravi Kumar (Director) upto January 18, 2016; (Chief Executive Officer) upto March 07, 2016 Richard DiDio (Director) upto November 04, 2015* Kapil Wadhawan (Director) with effect from January 14, 2016* Suresh Mahalingam (Director) with effect from January 14, 2016* Jan Van Den Berg (Director) with effect from January 18, 2016* Rajiv Dubey (Director) with effect from January 14, 2016* Suresh Soni (Chief Executive Officer) with effect from March 08, 2016 |

* No transactions during the year

| Nature of Transactions | Name of Related Party | Holding Company | Venturer in respect of which the Company is a joint venture | Subsidiary of Ultimate Holding Company | Key Management Personnel | Fellow Subsidiary | Mutual Fund Managed by Company |
|---|--|-----------------|---|--|--------------------------|-------------------|--------------------------------|
| a TRANSACTIONS DURING THE YEAR | | | | | | | |
| Share Capital | | | | | | | |
| Issuance of shares | PGLH of Delaware, Inc. | - | 125,000,000 | - | - | - | - |
| Issuance of shares | Dewan Housing Finance Corporation Limited | (489,840,000) | - | - | - | - | - |
| Issuance of shares | Dewan Housing Finance Corporation Limited | - | 125,000,000 | - | - | - | - |
| Share application money | | | | | | | |
| Share application money pending Allotment | PGLH of Delaware, Inc. | - | 3,000,000,000 | - | - | - | - |
| Share application money pending Allotment | DHFL Advisory & Investments Private Limited | - | - | - | - | - | - |
| Investments | | | | | | | |
| Purchase/Subscription of Units | DHFL Pramerica Mutual Fund | - | - | - | - | - | 2,577,400,471 |
| Sale/Redemption of Units | DHFL Pramerica Mutual Fund | - | - | - | - | - | (1,155,439,387) |
| Sale/Redemption of Units | DHFL Pramerica Mutual Fund | - | - | - | - | - | 2,707,716,471 |
| Sale/Redemption of Units | DHFL Pramerica Mutual Fund | - | - | - | - | - | (1,027,311,207) |
| Short-term Borrowings | | | | | | | |
| Loan taken | Dewan Housing Finance Corporation Limited | - | 3,000,000,000 | - | - | - | - |
| Repayment of Loan | Dewan Housing Finance Corporation Limited | - | 3,000,000,000 | - | - | - | - |
| Income and Expenses | | | | | | | |
| Investment Management and Advisory Fees | DHFL Pramerica Mutual Fund | - | - | - | - | - | 166,073,237 |
| Portfolio management fees | Vijai Mantri | - | - | - | (49,706) | - | (73,867,981) |
| Portfolio management fees | Ravi Kumar | - | - | - | 200,285 | - | - |
| Portfolio management fees | Ravi Kumar | - | - | - | (145,431) | - | - |
| Remuneration** | - | - | - | - | - | - | - |
| Salaries and Bonus | Vijai Mantri | - | - | - | - | - | - |
| Contribution to Provident and Other Fund | Vijai Mantri | - | - | - | (45,089,423) | - | - |
| Salaries and Bonus | Ravi Kumar | - | - | - | (744,484) | - | - |
| Contribution to Provident and Other Fund | Ravi Kumar | - | - | - | 42,664,789 | - | - |
| Salaries and Bonus | Suresh Soni | - | - | - | (48,184,977) | - | - |
| Contribution to Provident and Other Fund | Ravi Kumar | - | - | - | 2,402,561 | - | - |
| Salaries and Bonus | Suresh Soni | - | - | - | (2,332,666) | - | - |
| Contribution to Provident and Other Fund | Suresh Soni | - | - | - | 3,384,764 | - | - |
| Contribution to Provident and Other Fund | Suresh Soni | - | - | - | 60,658 | - | - |
| Brokerage and scheme related expenses | DHFL Pramerica Mutual Fund | - | - | - | - | - | 24,359,877 |
| Rent and other expenses | Dewan Housing Finance Corporation Limited | - | 53,000 | - | - | - | (29,843,809) |
| Interest on borrowings | Dewan Housing Finance Corporation Limited | - | 28,767,123 | - | - | - | - |
| Other Expenses | Dewan Housing Finance Corporation Limited | - | 10,000 | - | - | - | - |
| Reimbursement of expenses received | Dewan Housing Finance Corporation Limited | - | 2,500,000 | - | - | - | - |
| Reimbursement of expenses received | DHFL Pramerica Trustees Private Limited | - | - | - | - | 1,040,837 | (495,658) |
| Reimbursement of expenses received | Prudential International Insurance Service Company LLC | - | - | - | - | - | - |
| Reimbursement of Employee benefits paid | Prudential International Investment LLC | - | - | (2,744,677) | - | - | - |
| Reimbursement of expense paid | PGLH of Delaware, Inc. | - | 654,980 | 1,343,489 | - | - | - |
| Reimbursement of expense paid | PGLH of Delaware, Inc. | - | 654,980 | (11,745,516) | - | - | - |
| b BALANCES AS AT YEAR END | | | | | | | |
| Trade Receivables | DHFL Pramerica Mutual Fund | - | - | - | - | - | 93,265,876 |
| Trade Receivables | Ravi Kumar | - | - | - | - | - | (6,373,242) |
| Employee benefits payable | Suresh Soni | - | - | - | (55,412) | - | - |
| Short-term Loans and Advances | DHFL Pramerica Mutual Fund | - | - | - | - | 2,206,875 | - |
| Trade Payables | DHFL Pramerica Mutual Fund | - | - | - | - | - | - |
| Trade Payables | Dewan Housing Finance Corporation Limited | - | 60,685 | - | - | - | (449,097) |
| Other Current Liabilities | Ravi Kumar | - | - | - | - | - | 14,200,000 |
| Other Current Liabilities | Prudential International Investment LLC | - | - | - | (1,064,257) | - | (14,605,177) |
| Other Current Liabilities | PGLH of Delaware, Inc. | 242 | - | (4,825,296) | - | - | - |
| | | (242) | - | - | - | - | - |

Figures in brackets related to previous period

** As gratuity and compensated absences are computed for all employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

