



PRUDENTIAL ICICI TRUST LIMITED

13TH ANNUAL REPORT AND ACCOUNTS 2005-2006

Directors

E.B. Desai, *Chairman*
Nagesh Pingre
S. P. Subhedar
D.J. Balaji Rao
M.S. Parthasarathy

Auditors

N. M. Raiji & Company
Chartered Accountants

Registered Office

12th Floor, Narain Manzil
23, Barakhamba Road
New Delhi - 110 001

Corporate Office

8th Floor, Peninsula Tower
Peninsula Corporate Park
Ganpatrao Kadam Marg
Off Senapati Bapat Marg
Lower Parel
Mumbai 400 013

directors' report

to the members

Your Directors have pleasure in presenting the Thirteenth Annual Report, together with the audited accounts of your Company, for the year ended March 31, 2006.

FINANCIAL RESULTS

The salient features of the Company's financial results for the year ended March 31, 2006 are as follows:

	(Rs. in '000s)	
	Year ended March 31, 2006	Year ended March 31, 2005
Gross Income	4,363.25	3,685.14
Profit before Tax	977.32	1,342.63
Provision for Taxation	282.16	449.03
Profit after Tax	695.16	893.60
Balance brought forward	5,838.58	5,608.46
Profit available for appropriation	6,533.74	6,502.05
Proposed Dividend	503.50	503.50
Tax on Dividend	70.62	70.62
Transfer to general reserve	69.52	89.36
Balance carried to Balance Sheet	6,533.74	6,502.05

FINANCIAL PERFORMANCE OF THE COMPANY

Dividend

Your Directors are pleased to recommend payment of dividend at the rate of Rs. 5 per share on 100,700 equity shares of Rs.10 each amounting to Rs. 5,03,500 for the year ended March 31, 2006 (Previous year dividend was at the rate of Rs. 5 per share).

Mutual Fund Initiatives

During the Financial year 2005-2006, Prudential ICICI Mutual Fund (the Fund), to which your Company has been acting as the Trustee has launched the following schemes

Name of Scheme	Scheme Type	Date of Allotment	NFO (Rs. in '000s)
Prudential ICICI Blended Plan – Plan A	Open ended Equity Fund	May 31, 2005	9,637,992
Prudential ICICI Blended Plan – Plan B	Open ended Debt Fund	May 31, 2005	3,650,681
Prudential ICICI Infrastructure Fund	Open ended Equity Fund	August 31, 2005	13,979,242
Prudential ICICI Services Industries Fund	Open ended Equity Scheme	November 30, 2005	6,565,651
Prudential ICICI Fixed Maturity Plan – Series 28 – 4 Months Plan	Closed ended debt Scheme	January 23, 2006	1,676,831

Name of Scheme	Scheme Type	Date of Allotment	NFO (Rs. in '000s)
Prudential ICICI Fixed Maturity Plan – Series 28 – 16 Months Plan	Closed ended debt Scheme	January 27, 2006	1,352,090
Prudential ICICI Fixed Maturity Plan – Series 27 – Monthly Plan	Closed ended debt Scheme	March 21, 2006	6,359,164
Prudential ICICI Fusion Fund	Closed ended Equity Scheme	March 25, 2006	5,879,412
Prudential ICICI Fixed Maturity Plan – Series 28	Closed ended debt Scheme	March 30, 2006	6,741,313
Prudential ICICI Fixed Maturity Plan – Series 31 – 4 Months Plan	Closed ended debt Scheme	March 31, 2006	358,147
Total			56,200,523

These schemes raised an aggregate amount of Rs. 56,200,523 thousand during the New Fund Offer period.

OPERATIONS DURING THE YEAR

Mutual Fund Business

- Assets Under Management (AUM):** During the year under review, the assets under management of Prudential ICICI Mutual Fund crossed Rs. 235,595,956 thousand as on March 31, 2006 as compared to Rs. 152,009,210 thousand as on March 31, 2005.
- Awards bagged by Prudential ICICI Mutual Fund (the Fund):** Your Directors are pleased to record that during the period under review, the following awards were won by the Mutual Fund-
 - The Fund has been ranked by CRISIL Fund Services as the Best performing Mutual Fund of the year 2005 based on its performance in CRISIL - CPR.
 - Prudential ICICI Long Term Plan- Cumulative has featured as Best Fund over Three years by Lipper Fund Awards India 2006.
 - Prudential ICICI Dynamic Plan has been ranked ICRA-MFR 1, and has been awarded the Silver Award for 'Second Best Performance' in category of "Open Ended Diversified Equity Scheme - Defensive" for one-year period ending December 31, 2005.
 - CRISIL CNBC BNP Paribas Fund House of the Year 2005 Award
- Operations and Consumer Service:** With a view to rendering timely and efficient customer service, the Investment Manager of the Fund has been making good progress in networking its 30 branches. The service levels at these branches have been consistently maintained to cope with the continuously increasing client base.

directors' report



Continued

Performance of the schemes of Prudential ICICI Mutual Fund

Your Company is acting as the Trustee for seven close-ended scheme and the twenty-three open-ended schemes of Prudential ICICI Mutual Fund. The Net Asset Value of the schemes is given below

Close-ended Fund

Scheme Name	Date of Allotment	Net Assets as on March 31, 2006 (Rs. in '000s)	Net Assets Value per unit as on March 31, 2006 (Rs.) – For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2006 – For Growth option
Prudential ICICI Fixed Maturity Plan – Series 28 – 4 Months Plan	January 23, 2006	1,694,172	10.1211	1.21
Prudential ICICI Fixed Maturity Plan – Series 28 – 16 Months Plan	January 27, 2006	1,352,589	10.0013	0.06
Prudential ICICI Fixed Maturity Plan – Series 27 – Monthly Plan	March 21, 2006	6,375,159	10.0253	0.25
Prudential ICICI Plan 1	March 24, 2005	1,713,769	10.5635	5.53
Prudential ICICI Fusion Fund	March 25, 2006	6,155,687	10.47	0.047
Prudential ICICI Fixed Maturity Plan – Series 28	March 30, 2006	6,748,232	10.0111	0.11
Prudential ICICI Fixed Maturity Plan – Series 31 – 4 Months Plan	March 31, 2006	358,147	—*	—*
Total		24,397,755		

* NAV and absolute return is not calculated as the units were allotted on March 31, 2006.

Open-ended Funds

Scheme Name	Date of Allotment	Net Assets as on March 31, 2006 (Rs. in '000s)	Net Assets Value per unit as on March 31, 2006 (Rs.) – For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2006 – For Growth option
Prudential ICICI Power	October 1, 1994	10,942,101	69.1600	18.31
Prudential ICICI Liquid Plan	June 24, 1998	56,610,870	17.1693	5.22
Prudential ICICI Growth Plan	July 9, 1998	3,350,348	80.9400	31.06
Prudential ICICI Income Plan	July 9, 1998	2,704,294	20.3646	5.79
Prudential ICICI FMCg Fund	March 31, 1999	1,216,243	39.4600	21.65
Prudential ICICI Tax Plan	August 19, 1999	3,962,173	86.7900	38.61
Prudential ICICI Gilt Fund - Investment Plan	August 19, 1999	1,876,350	20.9255	11.80
Prudential ICICI Gilt Fund – Treasury Plan	August 19, 1999	931,066	17.1382	6.00
Prudential ICICI Balanced Fund	November 3, 1999	3,711,270	30.6400	34.57
Prudential ICICI Technology Fund	March 3, 2000	1,327,299	11.2300	1.93
Prudential ICICI Monthly Income Plan	November 10, 2000	4,481,706	17.7312	10.77
Prudential ICICI Child Care Plan – Gift Option	August 31, 2001	837,479	36.8100	34.40
Prudential ICICI Child Care Plan – Study Option	August 31, 2001	289,562	18.4898	14.11
Prudential ICICI Short Term Plan	October 25, 2001	5,252,636	13.2706	6.29
Prudential ICICI Index Fund	February 26, 2002	46,539	29.9125	30.69
Prudential ICICI Sweep Plan	March 6, 2002	3,795,933	11.8720	4.30
Prudential ICICI Long Term Plan	March 28, 2002	1,601,350	14.5665	9.45
Prudential ICICI Flexible Income Plan	September 27, 2002	301,571	12.7624	7.23
Prudential ICICI Dynamic Plan	October 31, 2002	9,038,853	53.3568	63.25
Prudential ICICI SPICE Plan	January 10, 2003	9,044	114.8451	46.46
Prudential ICICI Floating Rate Plan	March 28, 2003	20,083,388	11.6497	5.20
Prudential ICICI Gilt Fund - Investment Plan- PF Option	November 19, 2003	791,157	10.9025	3.72

Scheme Name	Date of Allotment	Net Assets as on March 31, 2006 (Rs. in '000s)	Net Assets Value per unit as on March 31, 2006 (Rs.) – For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2006 – For Growth option
Prudential ICICI Advisor Series - Aggressive Plan	December 18, 2003	87,503	18.3381	28.41
Prudential ICICI Advisor Series - Cautious Plan	December 18, 2003	129,206	12.4859	9.59
Prudential ICICI Advisor Series - Moderate Plan	December 18, 2003	107,405	15.4815	19.75
Prudential ICICI Advisor Series - Very Aggressive Plan	December 18, 2003	79,822	21.8619	38.07
Prudential ICICI Advisor Series - Very Cautious Plan	December 18, 2003	184,750	11.1635	4.64
Prudential ICICI Gilt Fund - Treasury Plan - PF Option	February 11, 2004	369,185	10.9080	4.16
Prudential ICICI Fixed Maturity Plan - Yearly- Series 24	March 20, 2004	8,475,032	11.1469	5.46
Prudential ICICI Income Multiplier Fund	March 30, 2004	2,564,958	13.0860	14.37
Prudential ICICI Fixed Maturity Plan - Series 25 – 15 months	August 10, 2004	2,512,258	10.6998	4.21
Prudential ICICI Discovery Fund	August 16, 2004	11,032,100	25.2300	76.93
Prudential ICICI Fixed Maturity Plan - Yearly - Series 25	September 10, 2004	6,300,505	10.1688	1.69
Prudential ICICI Long Term Floating Rate Plan	September 15, 2004	5,143,036	10.8027	5.60
Prudential ICICI Emerging S.T.A.R. (Stocks Targeted At Returns) Fund	October 28, 2004	6,064,893	24.7600	89.20
Prudential ICICI Fixed Maturity Plan - Yearly - Series 12	December 14, 2004	4,217,999	10.7347	5.64
Prudential ICICI Fixed Maturity Plan - Yearly - Series 5	December 31, 2004	1,334,188	10.6961	5.55
Prudential ICICI Blended Plan - Plan A	May 31, 2005	7,682,124	10.5365	5.36*
Prudential ICICI Blended Plan - Plan B	May 31, 2005	2,054,734	10.4731	4.73*
Prudential ICICI Infrastructure Fund	August 31, 2005	14,390,031	14.8400	48.40*
Prudential ICICI Services Industries Fund	November 30, 2005	5,321,196	11.7600	17.60*
Total		211,212,157		

*Absolute returns

During the period from April 1, 2005 to March 31, 2006, the Nifty and SENSEX changed as set out below:

Indices Value & Performance

Index	March 31, 2006	April 1, 2005	% Change
BSE Sensex	11,279.96	6,605.04	70.78%
S & P CNX Nifty	3,402.55	2,067.65	64.56%

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

Your Company has neither incurred any expenditure nor earned any income in foreign exchange. Since the Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are also not applicable.

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public under Section 58-A of the Companies Act, 1956.

directors' report

Continued

Directors

In terms of the provisions of the Articles of Association, D. J. Balaji Rao is liable to retire at the forthcoming Annual General Meeting and being eligible has offered himself for reappointment.

Auditors

The Auditors, N.M. Raiji and Company, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

Employees

The Company has no employees on its roles. The provisions of Section 217 (2A) of the Companies Act, 1956, are therefore, not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed. No material departures have been made during the year under review;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this

Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the support and cooperation received from the Securities and Exchange Board of India, the Reserve Bank of India, Prudential plc. and the Company's bankers, ICICI Bank Limited.

Your Directors thank Computer Age Management Services Private Limited, 3i Infotech Limited (erstwhile ICICI Infotech Services Limited) and Citibank N.A. – the Registrar and Transfer Agents to the Schemes of the Fund, and HDFC Bank Limited – the Custodian to the Fund, for the support provided by them in carrying out the operations in an efficient manner.

The Directors would also like to express their sincere thanks and appreciation to all the Agents and Distributors for the products of the Fund for their contribution during the year. Finally, the Directors wish to express their gratitude to the Members for their continued support.

On behalf of the Board

E.B. Desai
Chairman

Mumbai, April 18, 2006

auditors' report



to the members of Prudential ICICI Trust Limited

We have examined the attached Balance Sheet of Prudential ICICI Trust Limited as at March 31, 2006 and also the annexed Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.

3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt herewith comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
5. On the basis of the written representations received from the Directors and taken on records by the company, we report that none of the Directors are disqualified, as at the balance sheet date, from being appointed as Directors in terms of Section 274 (1) (g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2006;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For N. M. Raiji & Co.
Chartered Accountants

J. M. Gandhi
Partner

Place: Mumbai
Date: April 18, 2006

Membership No. : 37924

annexure to auditors' report

Annexure to Auditors' Report of even date for the year ended - March 31, 2006.

With reference to the annexure to in paragraph 1 of the auditor's report to the members of Prudential ICICI Trust Limited on the financial statements for the year ended March 31, 2006 we report the following:

- i. The Company does not own any fixed assets and hence no comment is called for in respect of clause i of the Order;
- ii. The nature of the Company's activities is such that, the provisions relating to inventories as mentioned in clause ii of the said order are not applicable;
- iii. During the year, the Company has not granted or taken any loans to / from parties listed in the register maintained under Section 301 of the Companies Act, 1956;
- iv. In our opinion and according to the information and explanations provided to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the services rendered by it;
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements referred to in Section 301 of the Act during the year that need to be entered in the register maintained under that section;
- vi. The Company has not accepted any deposits from the public;
- vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business;
- viii. The nature of the Company's activities is such that, the provisions relating to clause (d) of sub-section (1) of Section 209 of the Act is not applicable;
- ix. A) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, income tax, service tax and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2006 for a period of more than six months from the date they became payable;
B) As at the Balance Sheet date, the Company does not have any unpaid disputed dues of sales tax, income tax, service tax, excise duty, custom duty, wealth tax, cess;

- x. The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding financial year;
- xi. The Company has not taken any loans from financial institutions or banks or debenture holders and hence no question of default in repayment;
- xii. According to the information and explanations given to us and based on our examination of records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii. The Company is not a chit fund/ nidhi / mutual benefit fund / society and hence, clause xiii of the Order is not applicable;
- xiv. The Company does not have dealing or trading in shares, securities, debentures and other investments;
- xv. On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions;
- xvi. Based on the information and explanations given to us, the company has no borrowed funds and hence clause xvi and xvii of the order are not applicable;
- xvii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956;
- xviii. The Company has not issued any Debentures; hence the clause xix of the order is not applicable;
- xix. During the year the Company has not raised funds by way of public issue, hence the clause xx of the order is not applicable;
- xx. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported.

For N. M. Raiji & Co.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, April 18, 2006

Membership No. : 37924

balance sheet

profit and loss account

as at March 31, 2006				for the year ended March 31, 2006			
	Schedule	(Rs. in '000s)	March 31, 2005		Schedule	(Rs. in '000s)	March 31, 2005
I. SOURCES OF FUNDS :				Income			
(1) Shareholder's Fund				Income from Operations	8	3,857	3,500
Share Capital	1	1,007	1,007	Other Income	9	215	185
Reserves and Surplus	2	7,180	7,059	Profit on sale of investment		291	—
(2) Loan Funds						4,363	3,685
Secured Loans		—	—	Less : Expenditure			
Unsecured Loans		—	—	Establishment Expenses & Other Expenses	10	3,386	2,342
TOTAL		8,187	8,066			3,386	2,342
II. APPLICATION OF FUNDS:				Profit Before Taxation			
(1) Fixed Assets	—	—	—			977	1,343
(2) Investments	3	6,447	8,817	Less Provision for Taxation - Current		282	449
(3) Current Assets, Loans & Advances				Profit After Tax		695	894
a) Current Assets	4	5,171	1,534	Add : Balance brought forward		5,839	5,608
b) Loans & Advances	5	600	383	Profit Available for Appropriation		6,534	6,502
(A)		5,771	1,918	Appropriations			
Less : Current Liabilities & Provisions				Dividend @ 50%		504	504
a) Current Liabilities	6	2,759	1,591	Corporate Dividend Tax		70	70
b) Provisions	7	1,272	1,078	Transfer to General Reserve		70	89
(B)		4,031	2,669	Balance carried to Balance Sheet		5,890	5,839
Net Current Assets (A-B)		1,740	(751)			6,534	6,502
TOTAL		8,187	8,066	Earnings per Share of face value of Rs. 10 each - Basic and Diluted		6.90	8.87

As per our report of even date attached

For N. M. RAJI & CO.
Chartered Accountants
J. M. GANDHI
Partner
Membership No. 37924
Mumbai, April 18, 2006

For and on behalf of the Board of
Prudential ICICI Trust Limited
E. B. DESAI
Chairman

D. J. BALAJI RAO
Director
S. P. SUBHEDAR
Director

schedules



Schedules forming part of financials for financial year ended March 31, 2006

	(Rs. in '000s)	March 31, 2005		(Rs. in '000s)	March 31, 2005
SCHEDULE 1			SCHEDULE 5		
SHARE CAPITAL			LOANS AND ADVANCES		
Authorised			Advance Income Tax (Net of Provisions)	Nil	Nil
10,00,000 Equity Shares of Rs 10 each	10,000	10,000	Others	600	383
	10,000	10,000		600	383
Issued, Subscribed and Paid up					
100,700 Equity Shares of Rs. 10 each, fully paid up	1,007	1,007			
(Out of the above 50,657 Equity Shares are held by ICICI Bank Limited - the Holding Company).	1,007	1,007			
			SCHEDULE 6		
			CURRENT LIABILITIES		
			Amount due to Prudential ICICI Asset Management Company Limited	2,402	1,590
			Miscellaneous Creditors	Nil	1
			Service Tax Payable	357	—
				2,759	1,591
SCHEDULE 2					
RESERVES AND SURPLUS			SCHEDULE 7		
General Reserve			PROVISIONS		
Opening Balance	1,220	1,131	Provision For Taxation(Net of Provisions)	537	208
Add Transfer from Profit & Loss Account	70	89	Proposed Dividend	504	504
	1,290	1,220	Provision for Dividend Tax	70	70
Profit & Loss Account Balance	5,890	5,839	Provision for Expenses	161	296
	7,180	7,059		1,272	1,078
SCHEDULE 3			SCHEDULE 8		
INVESTMENTS			INCOME FROM OPERATIONS		
Long Term - (At Cost)			Trusteeship Fees	3,857	3,500
Quoted				3,857	3,500
35,259.022 units (Previous Year - 205,270.256 Units) in Prudential ICICI Liquid Plan-Growth Option	560	3,069			
226,238.202 units(Previous Year - 226,238.202 Units) in Prudential ICICI Short erm Plan-Cumulative Option	2,500	2,500			
319,390.145 units(Previous Year - 306,437.193 Units) in Prudential ICICI Short Term Plan-Dividend Option	3,387	3,248	SCHEDULE 9		
Total Market Value:Rs 7,060,067.00 (Previous Year-Rs 94,68,977.00)	6,447	8,817	OTHER INCOME		
			Interest on Bank deposits	73	70
			Dividends from Mutual Fund	139	115
			Interest on Income tax refund(AY:2004-2005)	3	—
				215	185
Details of Purchases and Redemptions (Units)					
Purchases:			SCHEDULE 10		
Prudential ICICI Short Term Plan-Dividend Option	13	11	ESTABLISHMENT & OTHER EXPENSES		
Prudential ICICI Liquid Plan	Nil	94	Director Fees	300	463
Redemptions:			Auditor's Remuneration	17	17
Prudential ICICI Liquid Plan	170	Nil	Professional and Consultancy	2,420	1,332
Schedule 4 : Current Assets (Considered Good)			Car Hire Charges	12	58
Interest Accrued on Term Deposits	63	60	Bank Charges	1	5
Balance with Scheduled banks	1,424	1,354	Service Tax Charges	357	259
in Term Deposits	43	120	Other Expenses	279	208
in Current Account	3,641	Nil		3,386	2,342
Sundry Debtors - Less than Six Months	5,171	1,534			

schedules

forming part of the financial statements

Continued

(Rs. in '000s)

SCHEDULE 11

SIGNIFICANT ACCOUNTING POLICIES

- The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 and generally accepted accounting principles and practices in India.
- Revenue recognition
 - Trusteeship fees are recognised on accrual basis as per the Trusteeship Agreement.
 - Interest income is accounted on accrual basis
- Preliminary Expenses are being amortised in accordance with Section 35 D of the Income Tax Act, 1961, i.e., written off over a period of 10 years.
- Investments are stated at cost less any permanent diminution in value.
- EPS is computed in accordance with AS20 issued by the Institute of Chartered Accountants of India ('ICAI').

	March 31, 2006	March 31, 2005
Profit after taxation	695,159	893,598
Number of equity shares issued and paid (in units)	100,700	100,700
Basic and diluted EPS of face value Rs 10 each (In Rs)	6.90	8.87

Other Notes

- During the year the Board of Directors of the Company have proposed a final dividend of 50% (Previous year 50%). The amount transferred to general reserve is 10 % of the profits for the year.

- Auditors' remuneration for the current year has been provided as follows:

	2005-2006	2004-2005
Audit Fees	17,000	16,530
Tax matters	—	—
Others	—	—
Total	17,000	16,530

- Previous Year's figures have been re-grouped wherever necessary.

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924
Mumbai, April 18, 2006

For and on behalf of the Board

E. B. DESAI
Chairman

D. J. BALAJI RAO
Director
S. P. SUBHEDAR
Director

Balance Sheet Abstract and the Company's General Business Profile

1. Registration Details

Registration number

5	4	1	3	4
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 State code

5	5
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Balance Sheet Date

3	1
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0	3
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2	0	0	6
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Date Month Year

2. Capital raised during the Period

Public Issue

						N	I	L
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 Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

3. Position of mobilisation and Deployment of funds

Total Liabilities

					8	1	8	7
--	--	--	--	--	---	---	---	---

 Total Assets

					8	1	8	7
--	--	--	--	--	---	---	---	---

Sources of Funds

Paid-up Capital

					1	0	0	7
--	--	--	--	--	---	---	---	---

 Reserves and Surplus

					7	1	8	0
--	--	--	--	--	---	---	---	---

Secured Loans

					N	I	L
--	--	--	--	--	---	---	---

 Unsecured Loans

					N	I	L
--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

					N	I	L
--	--	--	--	--	---	---	---

 Investments

					6	4	4	7
--	--	--	--	--	---	---	---	---

Net Current Assets

					1	7	4	0
--	--	--	--	--	---	---	---	---

 Miscellaneous Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

4. Performance of the Company

Turnover

					3	8	5	7
--	--	--	--	--	---	---	---	---

 Total Expenditure

					3	3	8	6
--	--	--	--	--	---	---	---	---

Profit before Tax

					9	7	7
--	--	--	--	--	---	---	---

 Profit after Tax

					6	9	5
--	--	--	--	--	---	---	---

Earnings Per Share in Rs. (actuals)

					6	.	9	0
--	--	--	--	--	---	---	---	---

 Dividend Rate %

						5	0
--	--	--	--	--	--	---	---

5. Generic names of three principal products/services of Company

Item cose no (ITC code)

N	O	T		A	P	P	L	I	C	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---

Produce description

T	R	U	S	T	E	E	S		F	O	R		M	U	T	U	A	L		F	U	N	D	S
---	---	---	---	---	---	---	---	--	---	---	---	--	---	---	---	---	---	---	--	---	---	---	---	---

Mumbai, April 18, 2006

NOTE :

[illegible]

NOTE :

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings on the page.