

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED

16TH ANNUAL REPORT AND ACCOUNTS 2008-2009

Directors

K. V. Kamath, *Chairman (upto April 21, 2009)*
 Chanda D. Kochhar, *Chairperson (w.e.f. April 22, 2009)*
 Dileep Choksi
 N. S. Kannan
 Swati A. Piramal
 H. N. Sinor
 Barry Stowe
 Vijay Thacker
 Vikram Trivedi
 Nimesh Shah, *Managing Director*
 Nilesh Shah, *Deputy Managing Director*

Auditors

B S R & Associates.
 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

Saurabh Gangrade
 Company Secretary

directors' report

to the members

Your Directors have pleasure in presenting the Sixteenth Annual Report, together with the audited statement of accounts of your Company, for the year ended March 31, 2009.

Financial Results

The salient features of the Company's financial results for the financial year ended March 31, 2009 are as follows:

	<i>Fiscal 2008</i>	(Rs. in 000's) Fiscal 2009
Gross Income	4,393,111	3,218,911
Expenses	3,150,425	3,215,544
Profit/(Loss) before Tax	1,242,686	3,367
Provision for Taxation	421,640	(3,743)
Profit/(Loss) after Tax	821,047	7,110
Profit/(Loss) brought forward from previous year	30,809	295,006
Profit available for appropriation	851,855	302,116
APPROPRIATIONS		
Transfer to General Reserve	82,105	711
Transfer to Contingency Reserve	41,052	—
Interim Dividend	282,433	141,217
Dividend (Final)	88,260	—
Dividend Tax	62,999	24,000
Balance Profit Carried Forward	2,95,006	1,36,188

DIVIDEND

An Interim dividend at the rate of Rs. 8 per share was paid to those members whose name was registered in the register of members of the Company as on the record date i.e. September 22, 2008.

In view of the market conditions and financial results for the year, the Directors of your Company have not recommended any further dividend.

OPERATIONS DURING THE YEAR

Your Company acts as an Investment Manager to ICICI Prudential Mutual Fund which as on March 31, 2009 was amongst the top three Mutual Funds in the country.

a. **Average Assets Under Management:** During the year under review, the Average assets under management of ICICI Prudential Mutual Fund stood at Rs. 514,561,112 thousand as on March 31, 2009 as compared to Rs. 543,551,300 thousand as on March 31, 2008.

b. **Awards bagged by ICICI Prudential Mutual Fund (the Fund):** Your Directors are pleased to notify that during the period under review, the following awards were won by the Fund: -

(i) NDTV Profit Business Leader Award 2008

ICICI Prudential Mutual Fund won Business Leader award for the year 2008 under Mutual Fund Category

(ii) ICRA Awards

- ICICI Prudential Gilt Fund Investment Plan was ranked as Seven Star Fund and awarded the ICRA 7-Star Gold Award in the category of "Open Ended Gilt – One Year performance" till December 31, 2008.

- ICICI Prudential Gilt Fund Investment Plan was ranked as Seven Star Fund and awarded the ICRA 7-Star Gold Award in the category of "Open Ended Gilt – Three Year performance" till December 31, 2008.
- ICICI Prudential Short Term Plan was ranked as Seven Star Fund and awarded the ICRA 7-Star Gold Award in the category of "Open Ended Debt – Short Term - Three Year performance" till December 31, 2008.

(iii) Lipper Awards

- ICICI Prudential Dynamic Plan was awarded the 'Best Fund in the category "Growth (Asset Class-Mixed Asset INR Flexible) 3 year performance" ending on December 31, 2008
- ICICI Prudential Gilt Fund Investment Plan – PF Option was awarded the 'Best Fund' in the category 'Growth (Asset Class-Bond Indian Rupee - Government) 3 year performance ending on December 31, 2008
- ICICI Prudential Gilt Fund Investment Plan – PF Option was awarded the 'Best Fund' in the category 'Growth (Asset Class-Bond Indian Rupee - Government)' 5 year performance ending on December 31, 2008.
- ICICI Prudential Infrastructure Fund was awarded the 'Best Fund in the category 'Growth (Asset Class-Equity)' 3 year performance ending on December 31, 2008.

(iv) Morning Star India Awards 2008

- ICICI Prudential Mutual Fund was awarded as 'Best Debt Fund House of the year' for a three year performance ending on December 31, 2008
- ICICI Prudential Gilt Fund Treasury Plan was awarded as 'Best Fund' in India Short Term Government' category over 1 year and 3 year.
- ICICI Prudential Short Term Plan was awarded as Best Fund in the 'Short Term Bond' category for 3 years performance ending on March 31, 2008.

(v) CNBC TV 18 - CRISIL Mutual Fund of the Year Award for 2008

- ICICI Prudential Infrastructure Fund was awarded as "CNBC TV18- CRISIL Mutual Fund of the Year Award" in the Category 'Equity Diversified Funds'
- ICICI Prudential Flexible Income Plan was awarded as "CNBC TV18 - CRISIL Mutual Fund of the Year Award" in the Category 'Liquid Plus Funds'

c. **Operations and Consumer Service:** The Company has been rendering timely and efficient services to its customers through its 170 branches located at various locations across the country. During the year your Company has extended support to various schemes of the Mutual Fund for an aggregate amount of Rs. 838 million with a view to safeguard investor and business interests in the current financial environment, thereby impacting the profits of the year by an equivalent amount.

d. **Personnel:** Your Company continues to place emphasis on attracting and recruiting quality manpower and takes a lot of effort in training and retaining them.

The total strength of the Company as on March 31, 2009 stood at 714 against 699 as on March 31, 2008.

UPDATE ON NEW PRODUCTS

During the Financial year 2008-2009, your Company has launched the following new schemes under ICICI Prudential Mutual Fund.

Sr. No.	Name of Scheme	Scheme Type	Date of Allotment	Funds Mobilised during NFO (Rs. in 000's)
1	ICICI Prudential Fixed Maturity Plan Series 42 - Six Months Plan C	Close Ended Debt Fund	17-Apr-08	31,832
2	ICICI Prudential Fixed Maturity Plan Series 42 - Fifteen Months Plan	Close Ended Debt Fund	17-Apr-08	1,221,020
3	ICICI Prudential Fixed Maturity Plan Series 42 - Thirteen Months Plan D	Close Ended Debt Fund	24-Apr-08	1,291,490
4	ICICI Prudential Fixed Maturity Plan Series 43 - 14 Months Plan B	Close Ended Debt Fund	29-Apr-08	380,137
5	ICICI Prudential Fixed Maturity Plan Series 44 - Three Months Plan A	Close Ended Debt Fund	22-May-08	3,767,970
6	ICICI Prudential Focused Equity Fund	Open Ended Equity Fund	23-May-08	5,904,350
7	ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan B	Close Ended Debt Fund	23-May-08	805,200
8	ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan A	Close Ended Debt Fund	29-May-08	2,311,160
9	ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan C	Close Ended Debt Fund	03-Jun-08	145,200
10	ICICI Prudential Fixed Maturity Plan Series 44 - Three Months Plan B	Close Ended Debt Fund	03-Jun-08	2,352,870
11	ICICI Prudential Fixed Maturity Plan Series 44 - Three Months Plan C	Close Ended Debt Fund	10-Jun-08	1,952,130
12	ICICI Prudential Fixed Maturity Plan Series 44 - One Month Plan A	Close Ended Debt Fund	11-Jun-08	10,217,720
13	ICICI Prudential Fixed Maturity Plan Series 44 - Fifteen Months Plan	Close Ended Debt Fund	13-Jun-08	117,200
14	ICICI Prudential Fixed Maturity Plan Series 44 - One Month Plan B	Close Ended Debt Fund	20-Jun-08	4,063,680
15	ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan D	Close Ended Debt Fund	24-Jun-08	965,360
16	ICICI Prudential Fixed Maturity Plan Series 44 - Three Months Plan D	Close Ended Debt Fund	25-Jun-08	4,426,870
17	ICICI Prudential Fixed Maturity Plan Series 44 - One Month Plan C	Close Ended Debt Fund	27-Jun-08	5,444,900
18	ICICI Prudential Fixed Maturity Plan Series 44 - One Month Plan D	Close Ended Debt Fund	11-Jul-08	6,468,620
19	ICICI Prudential Fixed Maturity Plan Series 46 - One Year Plan A	Close Ended Debt Fund	22-Jul-08	1,211,750
20	ICICI Prudential Fixed Maturity Plan - Series 44 - Three Months Plan E	Close Ended Debt Fund	23-Jul-08	2,324,190
21	ICICI Prudential Interval Fund III - Monthly Interval Plan	Debt Oriented Interval Fund	29-Jul-08	4,176,860
22	ICICI Prudential Fixed Maturity Plan Series 46 - One Year Plan C	Close Ended Debt Fund	5-Aug-08	729,370
23	ICICI Prudential Fixed Maturity Plan Series 46 - One Year Plan B	Close Ended Debt Fund	14-Aug-08	1,102,530
24	ICICI Prudential Income Opportunities Fund	Open Ended Income Fund	18-Aug-08	50,185
25	ICICI Prudential Banking and Financial Services Fund	Open Ended Equity Fund	22-Aug-08	925,410
26	ICICI Prudential Interval Fund IV - Quarterly Interval Plan A	Debt Oriented Interval Fund	28-Aug-08	380
27	ICICI Prudential Fixed Maturity Plan Series 45 - Three Years Plan	Close Ended Debt Fund	01-Sep-08	5,476,500
28	ICICI Prudential Fixed Maturity Plan Series 47 - Three Months Plan B	Close Ended Debt Fund	02-Sep-08	4,455,920
29	ICICI Prudential Interval Fund V - Monthly Interval Plan A	Debt Oriented Interval Scheme	05-Sep-08	32,990
30	ICICI Prudential Fixed Maturity Plan Series 47 - Three Months Plan C	Close Ended Debt Fund	09-Sep-08	1,883,640

Sr. No.	Name of Scheme	Scheme Type	Date of Allotment	Funds Mobilised during NFO (Rs. in 000's)
31	ICICI Prudential Fixed Maturity Plan Series 45 - Twenty Months Plan	Close Ended Debt Fund	17-Sep-08	130,440
32	ICICI Prudential Fixed Maturity Plan Series 46 - Six Months Plan A	Close Ended Debt Fund	18-Sep-08	1,018,600
33	ICICI Prudential Fixed Maturity Plan Series 47 - One Year Plan B	Close Ended Debt Fund	19-Sep-08	5,326,490
34	ICICI Prudential Interval Fund IV - Quarterly Interval Plan B	Debt Oriented Interval Fund	24-Sep-08	1,943,610
35	ICICI Prudential Fixed Maturity Plan Series 46 - Six Months Plan B	Close Ended Debt Fund	26-Sep-08	26,830
36	ICICI Prudential Fixed Maturity Plan Series 48 - One Month Plan A	Close Ended Debt Fund	26-Sep-08	959,560
37	ICICI Prudential Fixed Maturity Plan Series 47 - One Year Plan C	Close Ended Debt Fund	03-Oct-08	644,480
38	ICICI Prudential Interval Fund IV - Quarterly Interval Plan C	Debt Oriented Interval Fund	07-Oct-08	1,386,800
39	ICICI Prudential Fixed Maturity Plan Series 48 - Three Years Plan A	Close Ended Debt Fund	16-Oct-08	1,700,890
40	ICICI Prudential Fixed Maturity Plan Series 44 - Eighteen Months Plan	Close Ended Debt Fund	17-Oct-08	170,640
41	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series C - 24 Months	Close Ended Debt Fund	20-Oct-08	1,694,980
42	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series F - 36 Months	Close Ended Debt Fund	20-Oct-08	1,347,950
43	ICICI Prudential Fixed Maturity Plan Series 47 - Three Months Plan D	Close Ended Debt Fund	23-Oct-08	573,660
44	ICICI Prudential Interval Fund IV - Quarterly Interval Plan D	Debt Oriented Interval Fund	29-Oct-08	280
45	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series A - 15 Months	Close Ended Debt Fund	11-Nov-08	622,510
46	ICICI Prudential Fixed Maturity Plan Series 47 - Three Months Plan E	Close Ended Debt Fund	19-Nov-08	441,930
47	ICICI Prudential Interval Fund V - Monthly Interval Plan D	Debt Oriented Interval Fund	21-Nov-08	139
48	ICICI Prudential Fixed Maturity Plan Series 47 - One Year Plan D	Close Ended Debt Fund	03-Dec-08	1,185,650
49	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series D - 24 Months	Close Ended Debt Fund	05-Dec-08	379,160
50	ICICI Prudential Interval Fund V - Monthly Interval Plan B	Debt Oriented Interval Fund	10-Dec-08	375
51	ICICI Prudential Fixed Maturity Plan Series 48 - Three Years Plan B	Close Ended Debt Fund	11-Dec-08	141,860
52	ICICI Prudential Interval Fund V - Monthly Interval Plan C	Debt Oriented Interval Fund	17-Dec-08	2,310
53	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series H - 36 Months	Close Ended Debt Fund	19-Dec-08	64,620
54	ICICI Prudential Interval Fund IV - Quarterly Interval Plan E	Debt Oriented Interval Fund	19-Dec-08	139
55	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series G - 36 Months	Close Ended Debt Fund	22-Dec-08	137,470
56	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series B - 15 Months	Close Ended Debt Fund	06-Jan-09	83,990
57	ICICI Prudential S.M.A.R.T (Structured Methodology Aiming at Returns over Tenure) Fund Series E - 24 Months	Close Ended Debt Fund	06-Jan-09	87,738
Total				94,310,535

PERFORMANCE OF THE SCHEMES OF ICICI PRUDENTIAL MUTUAL FUND

Your Company is acting as the Investment Manager for Sixteen close-ended schemes and Thirtytwo open-ended schemes of ICICI Prudential Mutual Fund. The Net Asset Value of the Schemes are given below:

Open Ended Schemes:

Scheme Name	Date of Allotment	Average Net Assets as on March 31, 2009 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2009 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2009 - For Growth option
ICICI Prudential Power	01-Oct-94	4,626,998.69	55.36	12.52%
ICICI Prudential Liquid Plan	24-Jun-98	130,185,894.55	21.4544	7.30%
ICICI Prudential Growth Plan	09-Jul-98	2,320,128.57	72.94	20.17%
ICICI Prudential Income Plan	09-Jul-98	38,314,542.63	27.7341	9.97%
ICICI Prudential FMCG Fund	31-Mar-99	423,641.51	31.25	12.06%
ICICI Prudential Tax Plan	19-Aug-99	4,679,380.13	56.88	19.80%
ICICI Prudential Gilt Fund - Investment Plan	19-Aug-99	8,300,836.53	29.9311	12.07%
ICICI Prudential Gilt Fund - Treasury Plan	19-Aug-99	2,776,896.85	23.1245	9.10%
ICICI Prudential Balanced Fund	03-Nov-99	2,095,358.04	26.38	10.85%
ICICI Prudential Technology Fund	03-Mar-00	437,760.11	6.01	-5.45%
ICICI Prudential Monthly Income Plan	10-Nov-00	2,069,992.22	20.6251	9.01%
ICICI Prudential Child Care Plan - Gift Plan	31-Aug-01	707,399.82	24.82	12.73%
ICICI Prudential Child Care Plan - Study Plan	31-Aug-01	255,311.38	20.5299	9.95%
ICICI Prudential Short Term Plan	25-Oct-01	11,167,935.55	17.8947	8.14%
ICICI Prudential Index Fund	26-Feb-02	351,797.67	27.9650	15.60%
ICICI Prudential Sweep Plan	06-Mar-02	48,408.57	14.6724	5.57%
ICICI Prudential Long Term Plan	28-Mar-02	81,452.94	18.5695	9.23%
ICICI Prudential Flexible Income Plan	27-Sep-02	157,609,430.38	16.2971	7.79%
ICICI Prudential Dynamic Plan	31-Oct-02	9,843,422.86	49.5564	28.32%
Sensex Prudential ICICI Exchange Traded Fund	10-Jan-03	5,080.06	101.8965	19.71%
ICICI Prudential Floating Rate Plan - Plan B	28-Mar-03	23,470,460.65	14.7045	6.62%
ICICI Prudential Gilt Fund - Investment Plan- PF Option	19-Nov-03	1,100,379.30	16.9259	10.30%
ICICI Prudential Gilt Fund - Treasury Plan-PF Option	11-Feb-04	460,410.82	14.7193	7.82%
ICICI Prudential Advisor Series- Aggressive Plan	18-Dec-03	52,080.44	17.4573	11.11%
ICICI Prudential Advisor Series- Cautious Plan	18-Dec-03	34,991.21	13.6181	6.01%
ICICI Prudential Advisor Series- Moderate Plan	18-Dec-03	61,917.74	16.0593	9.37%
ICICI Prudential Advisor Series- Very Aggressive Plan	18-Dec-03	54,337.80	18.9043	12.80%
ICICI Prudential Advisor Series- Very Cautious Plan	18-Dec-03	32,767.00	13.9895	6.56%
ICICI Prudential Income Multiplier Fund	30-Mar-04	1,775,720.03	14.5670	7.80%
ICICI Prudential Discovery Fund	16-Aug-04	1,828,861.32	16.63	11.63%
ICICI Prudential Long Term Floating Rate Plan - Plan B	15-Sep-04	981,424.54	13.6185	7.40%
ICICI Prudential Emerging S.T.A.R. (Stocks Targeted At Returns) Fund	28-Oct-04	2,199,606.79	13.61	7.21%
ICICI Prudential Blended Plan - Plan A	31-May-05	1,098,066.15	13.5322	8.21%
ICICI Prudential Blended Plan - Plan B	31-May-05	108,067.88	13.2044	7.52%

Scheme Name	Date of Allotment	Average Net Assets as on March 31, 2009 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2009 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2009 - For Growth option
ICICI Prudential Infrastructure Fund	31-Aug-05	25,069,935.89	17.48	16.86%
ICICI Prudential Services Industries Fund	30-Nov-05	2,387,613.36	8.21	-5.74%
ICICI Prudential Equity & Derivatives Fund - Income Optimiser Plan	30-Dec-06	2,536,673.01	12.11	8.87%
ICICI Prudential Equity & Derivatives Fund - Wealth Optimiser Plan	30-Dec-06	3,856,381.50	8.38	-7.55%
ICICI Prudential Interval Fund - Monthly Interval Plan - I	12-May-07	39,827.67	11.6647	8.50%
ICICI Prudential Interval Fund - Quarterly Interval Plan - I	15-May-07	75,899.28	11.8342	9.37%
ICICI Prudential Interval Fund Quarterly Interval Plan - II	15-Jun-07	43,433.80	11.7276	9.29%
ICICI Prudential Interval Fund Quarterly Interval Plan - III	20-Jul-07	19,082.19	11.5426	8.81%
ICICI Prudential Interval Fund Annual Interval Plan I	17-Aug-07	484,858.97	11.5719	9.42%
ICICI Prudential Interval Fund - Annual Interval Plan II	05-Oct-07	71,244.47	11.4128	9.29%
ICICI Prudential Interval Fund - Half Yearly Interval Plan I	12-Oct-07	1,429.41	11.3765	9.18%
ICICI Prudential Interval Fund - Annual Interval Plan III	18-Oct-07	39,211.23	11.4514	9.78%
ICICI Prudential Indo Asia Equity Fund	18-Oct-07	3,460,453.35	5.2500	-35.84%
ICICI Prudential Interval Fund - Annual Interval Plan IV	24-Oct-07	62,165.41	11.3082	8.98%
ICICI Prudential Interval Fund - Quarterly Interval Plan A	24-Oct-07	59,359.08	11.4345	9.79%
ICICI Prudential Interval Fund - Half Yearly Interval Plan II	07-Nov-07	9,814.84	11.3555	9.52%
ICICI Prudential Interval Fund - Quarterly Interval Plan B	07-Nov-07	20,757.70	11.3621	9.57%
ICICI Prudential Interval Fund II - Quarterly Interval Plan C	23-Nov-07	32,248.25	11.3525	9.83%
ICICI Prudential Interval Fund II - Quarterly Interval Plan D	05-Dec-07	17,794.64	11.5859	11.79%
ICICI Prudential Interval Fund II - Quarterly Interval Plan E	13-Dec-07	8,591.15	11.2785	10.02%
ICICI Prudential Interval Fund II - Quarterly Interval Plan F	27-Dec-07	55,982.76	10.2397	2.40%
ICICI Prudential Focused Equity Fund	23-May-08	4,448,754.70	7.50	-25.00%*
ICICI Prudential Interval Fund III - Monthly Interval Plan	29-Jul-08	6,312.42	10.5981	5.98%*
ICICI Prudential Income Opportunities Fund	18-Aug-08	246,596.98	11.4877	14.88%*
ICICI Prudential Banking and Financial Services Fund	22-Aug-08	655,976.78	7.17	-28.30%*
ICICI Prudential Interval Fund IV - Quarterly Interval Plan A	28-Aug-08	338.17	10.4981	4.98%*
ICICI Prudential Interval Fund V - Monthly Interval Plan A	05-Sep-08	3,080.14	10.5504	5.50%*
ICICI Prudential Interval Fund IV - Quarterly Interval Plan B	24-Sep-08	2,288,602.50	10.5424	5.42%*
ICICI Prudential Interval Fund IV - Quarterly Interval Plan C	01-Oct-08	15,016.68	10.6073	6.07%*
ICICI Prudential Interval Fund V - Monthly Interval Plan D	20-Nov-08	146.21	10.2100	2.10%*
ICICI Prudential Interval Fund V - Monthly Interval Plan B	10-Dec-08	187.41	10.2126	2.13%*
ICICI Prudential Interval Fund IV - Quarterly Interval Plan E	19-Dec-08	129.01	10.0907	0.91%*

*Absolute returns

directors' report



Continued

Close-ended Schemes:

Scheme Name	Date of Allotment	Average Net Assets as on March 31, 2009 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2009 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2009 - For Growth option
ICICI Prudential Fusion Fund	25-Mar-06	2,539,860.52	6.60	-12.86%
ICICI Prudential Fusion Fund Series II	31-Mar-07	4,493,074.26	5.88	-23.29%
ICICI Prudential Fixed Maturity Plan Series 38 - 2 Year Plan	03-Aug-07	1,068,315.60	11.5175	8.88%
ICICI Prudential Fixed Maturity Plan Series 39 - 24 Months Plan B	13-Aug-07	924,261.58	11.5148	9.02%
ICICI Prudential Fixed Maturity Plan Series 41 - 19 Months Plan	19-Oct-07	3,333,324.00	11.2397	8.40%
ICICI Prudential Fixed Maturity Plan Series 39 - 18 Months Plan A	26-Oct-07	516,855.87	11.8687	12.73%
ICICI Prudential Fixed Maturity Plan Series 39 - 18 Months Plan B	10-Nov-07	1,308,337.35	11.0555	7.49%
ICICI Prudential Fixed Maturity Plan Series 41 - 18 Months Plan	20-Nov-07	589,858.63	11.1756	8.51%
ICICI Prudential Fixed Maturity Plan Series 41 - 17 Months Plan	04-Dec-07	441,383.33	11.1296	8.42%
ICICI Prudential Fixed Maturity Plan Series 42 - 18 Months Plan	12-Dec-07	103,421.41	12.0774	15.61%
ICICI Prudential Fixed Maturity Plan Series 41 - 16 Months Plan	28-Dec-07	826,868.79	11.1796	9.27%
ICICI Prudential Real Estate Securities Fund	31-Dec-07	3,374,875.50	9.4647	-8.89%
ICICI Prudential Fixed Maturity Plan Series 42 - 16 Months Plan	18-Jan-08	624,387.61	11.0571	8.73%*
ICICI Prudential Fixed Maturity Plan Series 41 - 14 Months Plan	18-Feb-08	936,837.19	11.0191	9.09%*
ICICI Prudential Fixed Maturity Plan Series 41 - 15 Months Plan	28-Feb-08	280,254.68	11.0174	9.32%*
ICICI Prudential Fixed Maturity Plan Series 33 - Plan A	28-Feb-08	1,454,106.17	8.6462	-12.34%*
ICICI Prudential Fusion Fund Series - III	15-Mar-08	3,580,108.41	6.17	-37.04%*
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan A	18-Mar-08	894,810.75	10.9637	9.29%*
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan B	25-Mar-08	771,081.05	11.0056	9.89%*
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan D	27-Mar-08	1,613,926.21	10.9729	9.62%*
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan C	31-Mar-08	1,397,537.77	10.9892	9.81%*
ICICI Prudential Fixed Maturity Plan Series 43 - 14 Months Plan A	31-Mar-08	212,118.62	10.9099	9.10%*
ICICI Prudential Fixed Maturity Plan Series 42 - 15 Months Plan	17-Apr-08	1,211,089.97	10.8068	8.07%*
ICICI Prudential Fixed Maturity Plan Series 42 - 13 Months Plan D	24-Apr-08	1,146,488.43	10.9000	9.00%*
ICICI Prudential Fixed Maturity Plan Series 43 - 14 Months Plan B	29-Apr-08	332,607.33	10.8899	8.90%*

Scheme Name	Date of Allotment	Average Net Assets as on March 31, 2009 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2009 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2009 - For Growth option
ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan B	23-May-08	818,736.95	10.7749	7.75%*
ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan A	29-May-08	2,105,426.70	10.7571	7.57%*
ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan C	03-Jun-08	149,069.75	10.6859	6.86%*
ICICI Prudential Fixed Maturity Plan Series 44 - 15 Months Plan	13-Jun-08	106,227.41	10.8187	8.19%*
ICICI Prudential Fixed Maturity Plan Series 44 - One Year Plan D	24-Jun-08	802,150.64	10.6850	6.85%*
ICICI Prudential Fixed Maturity Plan Series 46 - One Year Plan A	22-Jul-08	975,531.61	10.7312	7.31%*
ICICI Prudential Fixed Maturity Plan Series 46 - One Year Plan C	05-Aug-08	654,187.71	10.7432	7.43%*
ICICI Prudential Fixed Maturity Plan Series 46 - One Year Plan B	14-Aug-08	988,558.36	10.7817	7.82%*
ICICI Prudential Fixed Maturity Plan Series 45 - Three Year Plan	01-Sep-08	5,306,982.66	10.6870	6.87%*
ICICI Prudential Fixed Maturity Plan Series 48 - Three Years Plan A	01-Sep-08	1,689,312.78	10.6576	6.58%*
ICICI S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund Series A - 15 Months	11-Sep-08	631,461.54	10.4623	4.62%*
ICICI Prudential Fixed Maturity Plan Series 47 - One Year Plan C	16-Sep-08	664,207.46	10.5391	5.39%*
ICICI Prudential Fixed Maturity Plan Series 45 - 20 Months Plan	17-Sep-08	109,604.51	10.6793	6.79%*
ICICI Prudential Fixed Maturity Plan Series 47 - One Year Plan B	19-Sep-08	4,199,854.37	10.6319	6.32%*
ICICI Prudential Fixed Maturity Plan Series 46 - Six Months Plan B	23-Sep-08	21,377.50	10.5656	5.66%*
ICICI Prudential Fixed Maturity Plan Series 44 - Eighteen Months Plan	01-Oct-08	156,817.99	10.8053	8.05%*
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed At Returns over Tenure) Fund - Series C - 24 Months	20-Oct-08	1,700,405.90	10.3531	3.53%*
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed At Returns over Tenure) Fund - Series F - 36 Months	20-Oct-08	1,308,265.29	10.0852	0.85%*
ICICI Prudential Fixed Maturity Plan Series 47 - One Year Plan D	03-Dec-08	1,194,343.77	10.2763	2.76%*
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund - Series D - 24 Months	05-Dec-08	358,059.04	10.4687	4.69%*
ICICI Prudential Fixed Maturity Plan Series 48 - Three Years Plan B	11-Dec-08	147,481.70	10.4381	4.38%*
ICICI S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund- Series H - 36 Months	19-Dec-08	62,237.85	9.9918	-0.08%*

Scheme Name	Date of Allotment	Average Net Assets as on March 31, 2009 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2009 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2009 - For Growth option
ICICI S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund - Series G - 36 Months	22-Dec-08	128,098.53	9.9515	-0.49%*
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund - Series B - 15 Months	06-Jan-09	82,538.77	10.1220	1.22%*
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund - Series E - 24 Months	06-Jan-09	85,843.57	10.1532	1.53%*

*Absolute returns

For Fixed Maturity Plans, NAV is declared once a week, i.e, every Wednesday.

During the period from April 1, 2008 to March 31, 2009, the Nifty and SENSEX changed as set out below:

INDICES VALUE & PERFORMANCE

Index	March 31, 2008	March 31, 2009	% Change
BSE Sensex	15,644.44	9,708.50	- 37.94%
S & P CNX Nifty	4,734.50	3,020.95	- 36.19%

STATUTORY NOTES

- The price and redemption value of units and income therefrom can go up or down with fluctuations in the market values of the underlying investments.
- On written request, the present and prospective unitholders/investors can obtain copies of the trust deed, the annual report and the text of the relevant scheme.

PORTFOLIO MANAGEMENT SERVICES

As you are aware, the Company is offering Portfolio Management Services since October 2000, for discretionary, non-discretionary, and advisory services across both equity and fixed income assets. As on March 31, 2009, AMC has been rendering portfolio management services to 5,073 clients having assets to the extent of Rs. 404,376,430.61 thousands under its Discretionary, Non-discretionary and Advisory services.

The Directors are pleased to inform you that, your Company has been selected for offering Investment Management Services to Employee Provident Fund Organisation (EPFO). The Company is managing the portfolio of EPFO under the banner of its Portfolio Management Services.

SALES OFFICES

Your Company has established a wide reach to the retail customers through its 170 well-equipped sales offices.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

Your Company has earned Rs. 264,687 thousand as foreign exchange income and has incurred of Rs. 80,485 thousand towards foreign exchange expenditure. Since the Company does not own any manufacturing facility, the other requirements of 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 requirements of 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

In terms of the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Vijay Thacker and Vikram Trivedi, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year Dileep Choksi and H. N. Sinor were appointed as Additional Directors with effect from July 23, 2008. K. V. Kamath stepped down as the Chairman & Director with effect from close of business hours on April 21, 2009. Your Directors place on record their appreciation and gratitude for the guidance offered by K. V. Kamath during his tenure as a Director and Chairman of the Company. Chanda D. Kochhar has been appointed as the Chairperson of the Board with effect from April 22, 2009.

CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

As on March 31, 2009, the Audit Committee consists of the following Directors:

Vijay Thacker

Vikram Trivedi

Dileep Choksi

During the Financial year 2008-09 four meetings of the Audit Committee were held.

CONSTITUTION OF GOVERNANCE COMMITTEE OF DIRECTORS

As on March 31, 2009, the Governance Committee consists of the following Directors:

Chanda D. Kochhar

Barry Stowe

Vijay Thacker

During the Financial year 2008-09 one meeting of the Governance Committee was held.

AUDITORS

The Auditors, B S R & Associates (erstwhile B S R & Company), Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

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

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to the investors for their continued support and patronage to the products of ICICI Prudential Mutual Fund.

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

Your Directors thank Computer Age Management Services Private Limited - the Registrar and Transfer Agents to the Schemes of the Fund and the Custodians 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 employees, Agents and Distributors of the products of the Company 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

K. V. KAMATH
Chairman

April 21, 2009

auditors' report



to the members of ICICI Prudential Asset Management Company Limited

We have audited the attached balance sheet of ICICI Prudential Asset Management Company Limited ('the Company') as at March 31, 2009 and the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. 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 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 misstatement. 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 ('Order') 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 paragraphs 4 and 5 of the said Order.

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

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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 those books;
- (iii) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;

- (iv) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the Directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
 - b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For B S R & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner

Membership No.: 042070

Mumbai, April 21, 2009

annexure to the auditors' report

Annexure referred to in paragraph 3 of our report of even date

With reference to the annexure referred to in paragraph 3 of the Auditors' report to the members of ICICI Prudential Asset Management Company Limited ('the Company') on the financial statements for the year ended March 31, 2009, we report the following:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. The Company is a service company, primarily rendering asset management services to ICICI Prudential Mutual Fund and portfolio management services to its customers. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from, any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets and with regards to the sale of services. The activities of the Company do not involve the purchase of inventory and sale of goods. We have not observed any major weaknesses in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

8. The Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Service Tax, Provident Fund, Wealth Tax and other material statutory dues during the year with the appropriate authorities. As explained to us the Company did not have any dues on account of Investor Education and Protection Fund, Sales Tax, Excise Duty and Customs Duty.
There were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax, Wealth tax and other material statutory dues were in arrears as at March 31, 2009 for a period of more than six months from the date they became applicable.
- (b) According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5,353,554	A.Y 2004-05	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	3,118,230	A.Y 2005-06	Commissioner of Income Tax

According to the information and explanation given to us, in April 2009, the CIT(A) has issued orders in favour of the position taken by the Company. Moreover, the company has received refund orders in respect of the above disputes.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any

annexure to the auditors' report

Continued

- financial institutions. The Company did not have any outstanding debentures during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
 14. Based on information and explanations provided by the management, in respect of dealing and trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
 16. According to the information and explanations given to us, the Company has not availed of long term loans. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
 17. According to the information and explanations given to us and based on overall examination of the balance sheet of the Company, the Company has not used any funds raised on short-term basis for long-term investment.
 18. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 19. According to the information and explanations given to us, the Company has not issued any debentures during the year.
 20. The Company has not raised any money by public issues during the year.
 21. According to the information and explanations given to us, no significant frauds on or by the Company has been noticed or reported during the course of our audit.

For B S R & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No.: 042070

Mumbai, April 21, 2009

balance sheet

profit and loss account



as at March 31, 2009

for the year ended March 31, 2009

	Schedule	March 31, 2009	(Rs. in 000's) March 31, 2008		Schedule	March 31, 2009	(Rs. in 000's) March 31, 2008
SOURCES OF FUNDS				INCOME			
Shareholders' funds							
Share capital	3	176,521	176,521	Management fees	12	3,167,441	4,336,600
Reserves and surplus	4	533,927	692,034	Dividend	13	22,344	18,754
TOTAL		710,448	868,555	Profit on sale of investment (net)	14	15,995	37,201
APPLICATION OF FUNDS							
Fixed assets				EXPENDITURE			
Gross block	5	732,866	616,302	Operating Expenses	16	3,080,352	3,077,120
Less: Accumulated depreciation		(409,497)	(321,737)	Diminution/(reversal in diminution) in value of Current Investments		(7,371)	7,505
Net block		323,369	294,565	Depreciation	5	142,563	65,800
Add: Capital work-in-progress		2,696	40,209			3,215,544	3,150,425
		326,065	334,774	Profit before tax		3,367	1,242,686
Investments	6	481,332	753,693	Less: Provision for Tax:		513	405,912
Deferred tax asset		93,716	80,732	- Provision for current tax			
Current assets, loans and advances				- Deferred tax (credit)/expense		(12,984)	1,301
Cash and bank balances	7	19,589	28,357	- Fringe benefit tax		8,600	14,322
Sundry debtors	8	261,476	392,929	- Wealth tax		128	105
Loans and advances	9	978,520	580,836	Net Profit after tax		7,110	821,046
		1,259,585	1,002,122	Balance in profit and loss account brought forward		295,006	30,809
Less: Current liabilities and provisions				Amount available for appropriation		302,116	851,855
Current liabilities	10	1,391,290	864,915	Appropriations			
Provisions	11	58,960	437,851	Final dividend proposed		—	88,260
		(1,450,250)	(1,302,766)	Interim Dividend		141,217	282,433
Net current assets/(liabilities)		(190,665)	(300,644)	Tax on dividend		24,000	62,999
TOTAL		710,448	868,555	Transfer to general reserve		711	82,105
Significant accounting policies	2			Transfer to contingency reserve		—	41,052
Notes to the accounts	17					165,928	556,849
				Balance in profit and loss account carried forward		136,188	295,006
				Earnings per share of face value of Rs. 10 each – Basic and Diluted (in Rs.)	17(4)	0.40	46.51
				Significant accounting policies	2		
				Notes to the accounts	17		

The schedules referred to above form an integral part of this balance sheet. As per our report attached.

For B S R & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No. 042070

Mumbai, April 21, 2009

For and on behalf of the Board of Directors of
ICICI Prudential Asset Management Company Limited

K. V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

cash flow statement

for the year ended March 31, 2009

	March 31, 2009	(Rs. in 000's) March 31, 2008
Cash flows from Operating Activities		
Net profit before tax for the year	3,367	1,242,686
<i>Adjustments for:</i>		
Depreciation	142,563	65,800
Diminution/(reversal in diminution) in value of current investments	(7,371)	7,505
Interest income	(533)	(173)
Dividend income	(22,344)	(18,754)
Unrealised Exchange Losses/(Gain)	(782)	(353)
Profit on sale of investments (net)	(15,995)	(37,201)
Loss on sale of fixed assets (net)	84	1,720
Operating profit before working capital changes	98,989	1,261,230
(Increase)/decrease in sundry debtors	131,453	(144,441)
(Increase)/decrease in loans and advances	(73,798)	(176,497)
Increase/(decrease) in current liabilities and provisions	266,526	555,886
Cash generated from working capital changes	423,170	1,496,178
Interest received on loans to employees	237	173
Income tax paid net of income tax refunds (including FBT & Wealth Tax)	(332,831)	(459,805)
Net cash generated from/(used) in operating activities (A)	90,576	1,036,546
Cash Flow from investing activities		
Purchase of fixed assets	(134,381)	(269,589)
Advance for purchase of fixed assets	(2,696)	(23,766)
Proceeds from sale of fixed assets	3,140	3,696
Dividend income	22,344	18,754
Purchase of investments	(3,413,482)	(4,655,555)
Proceeds from sale of investments	3,709,208	4,328,953
Net cash generated/(used) from investing activities (B)	184,133	(597,507)
Cash Flow from financing activities		
Final dividend paid	—	(88,261)
Interim dividend paid	(229,477)	(282,433)
Tax on dividend paid	(54,000)	(56,665)
Net cash generated/(used) in financing activities (C)	(283,477)	(427,359)
Net (decrease)/increase in cash and cash equivalents ((A) + (B) + (C))	(8,768)	11,680
Cash and cash equivalents at beginning of year		
Cash and bank balances	28,357	77,456
Book overdraft	—	(60,779)
	28,357	16,677
Cash and cash equivalents at end of year		
Cash and bank balances	19,589	28,357
	19,589	28,357

As per our report attached.

For B S R & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No. 042070

Mumbai, April 21, 2009

For and on behalf of the Board of Directors of
ICICI Prudential Asset Management Company Limited

K. V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

Schedules



to financial statements for the year ended March 31, 2009

1. BACKGROUND

ICICI Prudential Asset Management Company Limited ('the Company') was incorporated on June 22, 1993.

The principal shareholders of the Company as at March 31, 2009 are ICICI Bank Limited (51%) ('the Holding Company') and Prudential Plc (49%) (through its wholly owned subsidiary Prudential Corporation Holdings Limited).

The Company's principal activity is to act as an investment manager to ICICI Prudential Mutual Fund ('the Fund'), to provide portfolio management services ('PMS') to clients under SEBI (Portfolio Managers) Regulations, 1993 and advisory services to clients. The Company is registered with Securities and Exchange Board of India ('SEBI') under SEBI (Mutual Funds) Regulations, 1996. The Company manages the investment portfolios of the Fund and provides various administrative services to the Fund and ICICI Prudential Trust Limited as laid down in the Investment Management Agreement dated December 3, 1993.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with accounting principles generally accepted in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the financial statements are presented in Indian rupees rounded off to the nearest thousand.

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use. Depreciation is charged over the estimated useful life of a fixed asset on a straight line basis.

In order to be consistent with the significant accounting policies of the Holding Company, during the previous year ended March 31, 2008 the Company has changed the accounting policy of charging depreciation on fixed assets other than leasehold improvements, software development and licensing costs from Written down value (WDV) to Straight-line method (SLM). The change has been affected with retrospective effect as required by Accounting Standard (AS) – 6 on Depreciation, due to which there has been depreciation write back of Rs. 25,002 relating to periods prior to March 31, 2007. Further, due to the above change, depreciation for the previous year is lower by Rs. 27,463.

The depreciation rates prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the estimated useful life of the fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule XIV, depreciation is charged at a higher rate based on the management's estimate of the estimated useful life/remaining useful life of the fixed asset. Pursuant to this policy, depreciation is charged at the following rates that are higher than the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

In order to be consistent with estimates of useful life of fixed assets used by the Holding Company, the estimated useful life of fixed assets of the Company have been revised as below effective April 1, 2007

Class of Assets	Useful Life
Furniture & fixture	6
Office equipments	10
Computer	3
Vehicles	5
Software	3

Leasehold improvements are amortised over the primary period of the lease on straight-line basis or rates specified in Schedule XIV of the Companies Act, 1956, whichever is higher.

Intangible assets comprising software purchased/developed and licensing costs are depreciated on straight line basis over the useful life of the software up to a maximum of three years commencing from the month in which such software is first utilised.

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase/acquisition.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

2.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or of the cash generating unit to which the asset belongs to or the cash generating unit. If such estimated recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.5 Investments

Investments are classified as long term or current based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Purchase and sale of investments are recorded on trade date. The gains/losses on sale of investments are recognised in the profit and loss account on the trade day. Profit or loss on sale of investments is determined on the basis of First In First Out ('FIFO') basis.

2.6 Revenue recognition

Management fees

Investment management and portfolio management fees (inclusive of service tax) are recognised on an accrual basis in accordance with the respective terms of contract between the Company and ICICI Prudential Trust Limited/Portfolio Management Scheme ('PMS') Clients and Regulations of Securities Exchange Board of India ("SEBI").

Advisory Fees

Advisory Fees are recognised on an accrual basis in accordance with the respective terms of contract with counter parties.

Other Income

Interest income is accounted on an accrual basis.

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

2.7 Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at the closing exchange rates on that date and the resultant exchange differences, if any, are recognised in the profit and loss account.

2.8 Retirement benefits

Provident Fund

The Company's contribution to the Statutory Provident Fund, a defined contribution scheme, made at 12% of the basic salary of each employee is charged to the profit and loss account as incurred.

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognised immediately in the profit and loss account.

Superannuation

The Company contributes to an approved superannuation fund which is a defined

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contribution scheme for all its eligible employees who have opted for the scheme. The Company's contributions to the Superannuation Fund with the Life Insurance Corporation of India (LIC) are charged to the profit and loss account as incurred.

Leave encashment

The Company provides for leave encashment liability based on actuarial valuation of the leave encashment liability as at the balance sheet date, carried out by an independent actuary.

2.9 Initial public offer expenses

Expenses relating to initial public offer for no load schemes of the Fund are charged to profit and loss account of the Company in the year in which these expenses are incurred. Similarly, expenses incurred by the Company for initial public offers for load schemes in excess of the entry load collected by the fund are charged to the profit and loss account of the Company in the year in which such expenses are incurred.

2.10 Fund expenses

Expenses incurred (inclusive of advertisement/brokerage expenses) on behalf of schemes of ICICI Prudential Mutual Fund are recognised in the profit and loss account of the Company unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

2.11 Brokerage and incentives

Brokerage on closed ended products are amortised over the lock-in period for the investors. The unamortised portion of the brokerage is carried forward as prepaid expense.

All other brokerage and incentive payments are charged to profit and loss account when incurred.

2.12 Pru points

The Company has accounted for the Pru points (included under administrative and other expenses) compiled by each agent on sales generated by them during the year on an accrual basis.

2.13 Long term incentive plan ('LTIP')

The Company has initiated Long Term Incentive Plan 2008 ('LTIP 2008') during the year. The LTIP's issued in the prior years comprise of LTIP 2005, LTIP 2007, LTIP Special Grant and LTIP Series 2 which are partly vested. These plans are based on bonus points, which are encashable, after they are held for a specified period i.e. the holding period at a determined price. The determined price is arrived at based on the trailing four quarter earnings per share and the price earning ('P/E') multiple.

Provision for the bonus points is made in the books for the value of the points over the holding period. The outstanding bonus points are revalued at the end of each reporting period and the difference is adjusted over the holding period. Further, in respect of bonus points not encashed beyond the holding period, full provision is made for appreciation/depreciation in value at the end of each reporting period.

The schemes are launched only after approval of the Board of Directors of the Company.

2.14 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating Lease rentals are recognised as an expense in the profit and loss account on straight line basis over the lease term.

2.15 Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

Current tax

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future: however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Fringe benefit tax (FBT)

The provision for fringe benefit tax is made on the basis of applicable FBT on the taxable value of eligible expenses of the Company as prescribed under the Income Tax Act, 1961.

2.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.17 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements.

	March 31, 2009	(Rs. in 000's) March 31, 2008
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SCHEDULE - 3

SHARE CAPITAL

Authorised share capital

25,000,000 (Previous year: 25,000,000) equity shares of Rs. 10 each.	<u>250,000</u>	<u>250,000</u>
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Issued, subscribed and paid-up capital

17,652,090 (Previous year: 17,652,090) equity shares of Rs. 10 each, fully paid up	<u>176,521</u>	<u>176,521</u>
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Note: Of the above, 9,002,573 (Previous year: 9,002,573) equity shares of Rs. 10 each are held by ICICI Bank Limited, the Holding Company.

SCHEDULE - 4

RESERVE AND SURPLUS

Capital Redemption Reserve

Balance at the beginning of the year	8,690	8,690
Balance at the end of the year	<u>8,690</u>	<u>8,690</u>

Share Premium

Balance at the beginning of the year	33,517	33,517
Balance at the end of the year	<u>33,517</u>	<u>33,517</u>

General Reserve

Balance at the beginning of the year	251,789	169,684
Add: Transfer from profit and loss account	711	82,105
Balance at the end of the year (A)	<u>252,500</u>	<u>251,789</u>

Contingency Reserve¹

Balance at the beginning of the year	103,032	61,980
Add: Transfer from profit and loss account	—	41,052
Balance at the end of the year (B)	<u>103,032</u>	<u>103,032</u>

Total (A+B)

	<u>355,532</u>	<u>354,821</u>
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Surplus in Profit and Loss Account

Balance at the end of the year	<u>136,188</u>	<u>295,006</u>
Total Reserves & Surplus	<u>533,927</u>	<u>692,034</u>

Note: ¹ The Contingency Reserve is a free reserve, created voluntarily by the Company, by transferring up to 5% of the profits.

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SCHEDULE – 5

FIXED ASSETS

								(Rs. in 000's)
Description	Leasehold Improvements	Furniture and fixtures	Office equipments	Computers	Intangible Assets	Vehicles	Total	Previous Year
Gross Block								
As at April 1, 2008	122,579	38,200	85,674	239,056	107,470	23,323	616,302	356,501
Additions during the year	29,539	35,891	22,684	41,151	25,729	19,597	174,591	269,589
Deletions during the year	(19,210)	(197)	(423)	(9,949)	(22,401)	(5,847)	(58,027)	(9,788)
As at March 31, 2009	132,908	73,894	107,935	270,258	110,798	37,073	732,866	616,302
Accumulated Depreciation								
As at April 1, 2008	73,400	14,507	41,407	131,212	53,200	8,009	321,737	260,309
Charge for the year	29,251	15,431	7,476	56,292	27,770	6,343	142,563	65,800
On deletions during the year	(19,210)	(117)	(289)	(9,870)	(22,401)	(2,915)	(54,803)	(4,372)
As at March 31, 2009	83,441	29,821	48,594	177,634	58,569	11,438	409,497	321,737
Net Block								
As at March 31, 2009	49,467	44,073	59,341	92,624	52,229	25,638	323,369	294,565
As at March 31, 2008	49,179	23,693	44,266	107,844	54,270	15,314	294,565	—

		(Rs. in 000's)			(Rs. in 000's)
		March 31, 2009	March 31, 2008		
SCHEDULE – 6					
INVESTMENTS					
A. Long term investments					
Non trade, Quoted (at cost)					
Mutual Fund units of Face Value of Rs.10 each 20,250,000.000 Units (Previous Year 42,000,000 Units) in ICICI Prudential Fixed Maturity Plan (Market Value Rs. 230,020,050 (Previous Year Rs. 436,390,275))		202,500	420,000	94,385,000 equity shares of face value Rs. 10 each (Previous Year Nil) DSK Southern Projects Pvt Ltd OCD ¹	9,438
Nil Units (Previous Year 771,377.000) in ICICI Prudential Interval Fund II Quarterly Plan-A-Retail Dividend Reinvest Dividend (Market Value Rs. Nil (Previous Year Rs. 7,825,622))		—	7,712	676,000 equity shares of face value Rs. 10 each (Previous Year Nil) DSK Southern Projects Pvt Ltd ¹	7
Nil Units (Previous Year 150,000.000) in ICICI Prudential Interval Fund Annual Plan –IV Retail Cumulative (Market Value Rs. Nil (Previous Year Rs 1,544,550))		—	1,500	270,000 equity shares of face value Rs. 10 each (Previous Year Nil) DSK Southern Projects Pvt Ltd Class A equity shares ¹	3
Nil Units (Previous year 1,500,000.000units) in ICICI Prudential Interval Half Yearly Plan1-Retail Dividend (Market Value Rs Nil (Previous Year Rs 15,568,200))		—	15,000	Total Long Term Investments	230,691
Nil (Previous year 7,000,000.000 Units) in ICICI Prudential Interval Fund Annual Plan-III Institutional Cumulative (Market Value Rs Nil (Previous Year Rs 72,524,900) ¹		—	70,000	B. Current investments (valued at cost or net realisable value whichever is lower)	541,761
Nil Units (Previous Year 133,269.000) in ICICI Prudential FMP SR 42 - 3 Months Plan B Retail Dividend (Market Value Rs Nil (Previous Year Rs 1,334,969) ¹		—	1,333	Non trade, Quoted	
Nil Units (Previous Year 1,782,565.000) in ICICI Prudential Institutional Fund-Qty Interval Plan 1 Retail Dividend (Market Value Rs Nil (Previous Year Rs 17,844,192) ¹		—	17,826	Mutual Fund Units of Face value of Rs.10 each	
Non trade, Unquoted (at cost)				15,000,000 Units (Previous Year Nil Units) in ICICI Prudential Fixed Maturity Plan (Market Value Rs Nil (Previous Year Rs Nil))	150,000
458,831.000 equity shares of face value Rs. 10 each (Previous Year 449,834.000) Sabari Inn Private Ltd ¹		8,661	8,390	7,016,519.62 units (Previous Year Nil) in ICICI Prudential Flexible Income Plan Dividend Daily	74,189
2705.000 equity shares of face value Rs. 10 each (Previous Year Nil) Sabari Realtors Pvt Ltd ¹		1,352	—	2,644,712 Units (previous Year Nil) in ICICI Prudential Floating Rate D Daily Dividend ¹	26,452
7202.000 equity shares of face value Rs. 10 each (Previous Year Nil) OMR Mall Developers Pvt Ltd Convert ZCB ¹		7,202	—	Nil Units (Previous Year 3,584,200.387) in ICICI Prudential Infrastructure Fund - Growth	—
19,088.000 equity shares of face value Rs. 10 each (Previous Year Nil) OMR Mall Developers Pvt Ltd ¹		1,528	—	Nil Units (Previous Year 9,30,131.159) in ICICI Prudential Growth Plan - Growth	—
				Nil Units (Previous Year 1,662,847.000) in ICICI Prudential Liquid Plan - Super Institutional Growth Option	—
				Total Current Investments	250,641
				Total Investments	481,332
				The aggregate book value of Unquoted Investments & the book value and market value of Quoted Investments are as follows:	753,693
				Aggregate Book Value of Unquoted Investments	28,191
				Aggregate Book Value of Quoted Investments	453,141
				Aggregate Market Value of Quoted Investments	492,504
				1 Investments made with Portfolio Manager, ICICI Prudential AMC Ltd. – A/c PMS.	8,390
					745,303
					764,965

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Scheme	2009		2008	
	Purchase	Redeemed	Purchase	Redeemed
Long Term Investments				
ICICI Prudential Fixed Maturity Plan	—	21,750,000	42,000,000	36,293,9401
ICICI Prudential Interval Fund II Quarterly Interval Plan A - I Retail Dividend-Reinvest	46,270	817,648	771,377	—
ICICI Prudential Interval Fund Annual Interval Plan-IV Retail Cumulative	—	150,000	150,000	—
ICICI Prudential Interval Half Yearly Interval Plan I – Retail Dividend	50,430	1,550,430	1,500,000	—
ICICI Prudential Interval Fund Annual Interval Plan-III Institutional Cumulative	—	7,000,000	7,000,000	—
ICICI Prudential Interval Fund II Qtr Interval Plan E –Retail Dividend -Reinvest	—	—	2,558,900	2,558,900
ICICI Prudential Interval Fund Plan II – Retail – Dividend Reinvest ¹	—	133,269	133,269	—
ICICI Prudential Interval Fund Quarterly Interval Plan I Retail Dividend (PMS) ¹	—	1,782,565	1,782,565	—
Sabari Inn Pvt. Ltd (PMS) ¹	8,997	—	449,834	—
Sabari Realtors Private Ltd. ¹	2,705	—	—	—
DSK Southern Projects Pvt. Ltd. OCD ¹	94,385	—	—	—
DSK Southern Projects Private Limited ¹	676	—	—	—
DSK Southern Projects Private Limited Class A ¹	270	—	—	—
OMR Mall Developers Pvt. Ltd. Convert ZCB ¹	7,202	—	—	—
OMR Mall Developers Pvt. Ltd. ¹	19,088	—	—	—
Current Investments				
ICICI Prudential Sweep Plan	—	—	—	3,307,582
ICICI Prudential Liquid Plan – Super Institutional Weekly Dividend	55,001,526	55,001,526	107,222,769	107,222,769
ICICI Prudential Flexible Income Plan	206,746,955	199,730,435	240,272,279	240,272,279
ICICI Prudential Fixed Maturity Plan	21,000,000	6,000,000	—	—
ICICI Prudential Infrastructure Fund	—	3,584,200	3,584,200	—
ICICI Prudential Growth Fund	—	930,131	930,131	—
ICICI Prudential Income Opportunities Fund – Institutional Dividend Quarterly	1,941,220	1,941,220	—	—
ICICI Prudential Income Opportunities Fund – Institutional Growth	5,000,000	5,000,000	—	—
ICICI Prudential Interval Fund III Monthly Interval Plan – Institutional Growth	4,025,245	4,025,245	—	—
ICICI Prudential Interval Fund III Monthly Interval Plan – Retail Divided	4,025,245	4,025,245	—	—
ICICI Prudential Liquid Plan – Super Institutional Growth Option ¹	—	1,662,847	1,662,847	—
ICICI Prudential Floating Rate -D - Dividend Daily ¹	2,644,712	—	—	—

*Statement showing purchases and redemption of investments (in units)

**Purchases includes dividend re-invested in units.

1 Investments made with Portfolio Manager, ICICI Prudential AMC Ltd. – A/c PMS.

	March 31, 2009	(Rs. in 000's) March 31, 2008
SCHEDULE – 7		
CASH IN HAND	—	—
Balance with scheduled banks		
- in current accounts	14,589	25,812
- in fixed deposits	5,000	—
- others ¹	—	2,545
	<u>19,589</u>	<u>28,357</u>
1 Cash held in Pool Account of Portfolio Manager, ICICI Prudential AMC Ltd. – A/c PMS.		
SCHEDULE – 8		
SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
a) Considered good	1,031	4,246
b) Considered doubtful	843	843
Other debts		
Considered good*	260,445	388,683
Less :-Provision for doubtful debts	(843)	(843)
	<u>261,476</u>	<u>392,929</u>
* Includes an amount of Rs. Nil (Previous year Rs. 110) due from a Director. Maximum amount due by the Director at any time during the year Rs. Nil (Previous year Rs.118).		
SCHEDULE – 9		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	334,745	244,820
Staff loans	5,911	4,018
Prepaid expenses	125,742	146,121
Sundry deposits	129,859	127,500
Advance tax (net of provision)	382,263	58,377
Advances considered doubtful or bad	2,770	2,770
Less: Provision for doubtful advances	(2,770)	(2,770)
	<u>978,520</u>	<u>580,836</u>
SCHEDULE – 10		
CURRENT LIABILITIES		
Sundry creditors	88,907	144,443
Statutory dues	17,774	32,547
Accrued expenses	1,284,609	687,925
	<u>1,391,290</u>	<u>864,915</u>
SCHEDULE – 11		
PROVISIONS		
Proposed final dividend	—	88,260
Tax on dividend	—	30,000
Provision for Gratuity	14,682	6,973
Provision for Leave encashment	5,331	5,178
Provision for Other employee cost	38,947	307,440
	<u>58,960</u>	<u>437,851</u>
SCHEDULE – 12		
MANAGEMENT FEES		
Fees from mutual fund operations (Tax Deducted at Source Rs. 241,906 (Previous year Rs. 343,884))	2,358,162	3,195,353
Fees from PMS operations (Tax Deducted at Source Rs. 1,914 (Previous year Rs. 17,361))	544,592	941,675
Fees from Advisory Services (Tax Deducted at Source Rs. 18,159 (Previous year Rs. 8,004))	264,687	199,572
	<u>3,167,441</u>	<u>4,336,600</u>

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	March 31, 2009	(Rs. in 000's) March 31, 2008
SCHEDULE – 13		
DIVIDEND INCOME		
Dividend on Long term Investments	8,896	703
Dividend on Current Investments	13,448	18,051
	<u>22,344</u>	<u>18,754</u>
SCHEDULE – 14		
PROFIT ON SALE OF INVESTMENT (NET)		
Profit on sale of Long term Investments	15,435	35,259
Profit on sale of on Current Investments	560	1,942
	<u>15,995</u>	<u>37,201</u>
SCHEDULE – 15		
MISCELLANEOUS INCOME		
Interest on loans to employees	237	173
Interest on bank deposits	297	—
Foreign exchange gain	12,597	383
	<u>13,131</u>	<u>556</u>
SCHEDULE – 16		
OPERATING EXPENSES		
A. Employee costs		
Salaries, bonus and allowances	622,338	751,691
Contribution to provident and other funds	39,469	27,105
Staff welfare	15,405	17,257
	<u>677,212</u>	<u>796,053</u>
B. Fund expenses		
Fund expenses (net) (Refer note 17 (10))	1,011,346	72,969
	<u>1,011,346</u>	<u>72,969</u>
C. Administrative and other expenses		
Brokerage and incentives	417,077	666,202
Service tax	314,161	446,679
Rent	134,133	93,170
Communication expenses	53,576	47,860
Travelling and conveyance	59,077	69,284
Fund accounting expenses-PMS	80,151	180,127
Legal and professional fees	81,118	71,393
SEBI fees	16,360	50,310
Information technology	29,746	20,644
Electricity	29,414	24,540
Insurance	17,261	13,077
Books, periodicals and subscriptions	12,922	9,628
Repairs and maintenance		
– Equipment	13,761	12,441
– Others	8,361	8,099
Marketing advertisement and publicity	21,277	381,664
Printing and stationery	21,678	22,743
Training	5,327	17,135
Recruitment and consultancy services	7,250	21,073
Entertainment	7,190	8,335
Motor car expenses	5,095	3,902

	March 31, 2009	(Rs. in 000's) March 31, 2008
Provision for bad and doubtful debts and advances	—	—
Loss on sale of Fixed Assets (net)	84	1,720
Rates and taxes	5,114	3,622
Auditors remuneration:	—	—
– Audit fees (including interim audits)	1,300	1,292
– Tax matters	180	163
– Other matters	120	112
– Reimbursement of out of pocket expenses	32	—
Directors sitting fees	49,386	520
Miscellaneous expenses	49,386	32,364
	<u>1,391,794</u>	<u>2,208,298</u>

SCHEDULE – 17

NOTES FORMING PART OF THE ACCOUNTS

The following disclosures have been made taking into account the requirements of Accounting Standards and Companies Act, 1956 in this regard.

1. OPERATING LEASES

Generally the Company takes premises on lease for tenure of 36 months. As per the term of the lease all maintenance charges and municipal levies are borne by the lessee. All lease agreements have a clause for renewing the lease for a similar tenure.

The total future minimum lease payments under non-cancellable operating leases for each of the periods is given below:

	2009	2008
Total future minimum lease payments		
In less than a year	59,343	44,723
In 1 year to 5 years	31,904	52,871
In more than 5 years	—	—

The total lease payments recognized in the profit and loss account amount to Rs. 139,550 (Previous year Rs. 99,479) which includes Rs. 64,000 (Previous year Rs. 40,000) provision towards straight lining of lease rentals.

The Company has not sub-leased any of the above lease premises, There are no provisions relating to contingent rent,

The terms of renewal/purchase option and escalation clauses are those normally prevalent in similar agreements, and There are no undue restrictions or onerous clauses in the agreements.

2. SEGMENTAL REPORTING

The Company's operations predominantly relate to providing asset management services. It acts as an investment manager to schemes launched by ICICI Prudential Mutual Fund. As part of asset management service, it also provides portfolio management services (PMS) to corporate and high net worth individuals. Accordingly, the asset management business can be split into Mutual Funds, Portfolio Management Services and Advisory Services as primary reporting segments.

Secondary segment reporting does not require separate disclosure as all activities of the Company are within India.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments. These are set out in the Schedule 2 to the financial statements.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as depreciation are not specifically allocable to specific segments as the underlying services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to such items, and accordingly they are separately disclosed as "unallocable expenses" and directly charged against total income.

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Current assets and current liabilities to the extent directly identifiable to a segment have been categorized, others have been shown as "unallocable" in the total column. Other balance sheet items such as investments, secured loan and deferred tax asset are similarly not allocated to segments.

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to financial statements for the year ended March 31, 2009

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	(Rs. in 000's)							
	Mutual Fund		Portfolio Management		Advisory		Total	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Segment Revenue								
Management fees	2,358,162	3,195,353	544,592	941,675	264,687	199,572	3,167,441	4,336,600
Inter Segment revenue	—	—	—	—	—	—	—	—
Total Segment revenue	2,358,162	3,195,353	544,592	941,675	264,687	199,572	3,167,441	4,336,600
Identifiable operating expenses	(2,078,899)	(1,486,847)	(402,317)	(644,922)	(2,666)	(2,825)	(2,483,882)	(2,114,594)
Segmental operating income	2,79,262	1,728,506	142,275	296,753	262,021	196,747	683,559	2,222,006
Unallocable expense							739,035	(1,035,831)
Operating income							55,476	1,186,175
Other income net of other expenses							58,843	56,512
Net Profit before taxation and prior period items							3,367	1,242,686
Provision for income tax							(513)	(405,912)
Deferred tax credit							12,984	(1,301)
Fringe benefit tax							(8,600)	(14,322)
Wealth Tax							(128)	(105)
Net profit after tax							7,110	821,046
As at	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Segment assets and liabilities								
Unallocable fixed assets	—	—	—	—	—	—	323,369	294,565
Allocable current assets	449,684	333,767	66,321	196,562	56,482	82,273	572,487	612,602
Unallocable current assets	—	—	—	—	—	—	687,098	389,520
Total current assets	449,684	333,767	66,321	196,562	56,482	82,273	1,259,585	1,002,122
Current liabilities and provisions	1,202,097	476,281	60,930	89,063	8,446	—	1,271,473	565,344
Unallocable current liabilities and provisions							178,777	737,422
Total current liabilities and provisions	1,202,097	476,281	60,930	89,063	8,446	82,273	1,450,250	1,302,766

3. RELATED PARTY INFORMATION

- Related parties where control exists
ICICI Bank Limited – Holding Company.
- Other related parties with whom transactions have taken place during the year
Prudential Plc, England – Holds significant influence in the Company.
ICICI Prudential Trust Limited – Fellow Subsidiary
ICICI Lombard General Insurance Company Limited – Fellow Subsidiary
ICICI Prudential Life Insurance Company Limited – Fellow Subsidiary
ICICI International Limited – Fellow Subsidiary
ICICI Securities Limited – Fellow Subsidiary

Key management:

Nimesh Shah – Managing Director
Nilesh Shah – Deputy Managing Director and Chief Investment Officer

Nature of Transactions	(Rs. in 000's)					
	Holding company	Fellow subsidiary companies	Party with Significant influence	Key management personnel	Relatives of Key management personnel	Total
Dividend paid	117,033		112,444			229,477
Previous Year	189,039		181,640			370,679
Common Cost, Brokerage & Marketing expenses incurred by the Company	51,971	568				52,539
Previous Year	89,897	-				89,897
Insurance Premium paid		26,547				26,547
Previous Year		10,515				10,515
Remuneration paid				72,547		72,547
Previous Year				54,041		54,041
Management Fees Earned		12,609				12,609
Previous Year		5,855			69	5,924
Expenses incurred by Company		28,725				28,725
Previous Year		4,102				4,102
Balance O/s: Receivable/ (Payable)	(9,220)	(292)				(9,512)
Previous Year	37,338	(733)	(2,207)			34,398

- Provision for contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded from the disclosure above. Bonus for the period up to March 31, 2009 and Long Term Incentive Plan ('LTIP') to the extent actually paid up to March 31, 2009 have been included in the above figures.
- The remuneration paid to Key Management Personnel referred above includes 49% (Previous year 52%) paid to Deputy Managing Director and Chief Investment Officer and 51% (Previous Year 14%) paid to Managing Director and Nil (Previous year 34%) paid to ex-Managing Director.
- An amount of Rs. 51,971 (Previous year Rs. 89,897) was incurred by ICICI Bank Limited towards usage of their network/facilities, Pru Chairman awards, brokerage and reimbursement of expenses incurred on the Company Rs. 9,220 (Previous year Rs. 7,692) is payable to ICICI Bank Limited.
- An amount of Rs. 45,012 (Previous year Rs. 45,009) was paid to ICICI Bank Limited, towards final dividend FY 2007-08 and Rs. 72,021 towards interim dividend for the FY 2008-2009.
- An amount of Rs. 43,248 (Previous year Rs. 43,248) was paid to Prudential Corporation Holding Limited, England towards Final dividend for FY 2007-08. An amount of Rs. 69,196 (Previous year Rs. 1,38,392) was paid to Prudential Corporation Holdings Limited, England towards interim dividend for the FY 2008-2009.
- The Company has paid Rs. 21,257 (Previous year Rs. 5,345) to ICICI Lombard General Insurance Company Limited towards employee medical and asset insurance. An amount of Rs. 209 (Previous year Rs. 923 receivable) is payable to ICICI Lombard General Insurance Company Limited.
- An amount of Rs. 5,290 (Previous Year Rs. 5,170) was paid to ICICI Prudential Life Insurance towards Insurance premium and Rs. 1,336 (Previous year Rs. Nil) has been prepaid towards Insurance premium. An amount of Rs. 5,290 (Previous year Rs. Nil) has been incurred by ICICI Prudential Life Insurance Company limited on behalf of the Company. An amount of Rs. 83 has been paid in advance to ICICI Prudential Life Insurance Company Limited as at March 31, 2009
- The Company has earned Advisory fees of Rs. 12,609 (Previous year Rs. 5,855) from ICICI International Limited. An amount of Rs. 6,790 is receivable from ICICI International Limited.
- An amount of Rs. 21,552 (Previous year Rs. Nil) has been paid to ICICI Securities Limited towards marketing & distribution support during the year and Rs. 2,729 (Previous year Rs. Nil) has been provided for the same. An amount of Rs. 3,000 has been paid in advance.
- An amount of Rs. 4,443 (Previous year Rs. 4,102) has been incurred towards expenses on behalf of ICICI Prudential Trust Limited. An amount of Rs. 6,348 (Previous year Rs. 5,605) is receivable from ICICI Prudential Trust Limited.
- The Company maintains a bank balance of Rs. 14,589 (Previous year Rs. 25,812) and Rs. 5,000 in fixed deposit (Previous year Rs. Nil) with its holding company, ICICI Bank Limited as at March 31, 2009. Interest accrued and receivable on fixed deposit Rs. 297 (Previous year Rs. Nil).
- Banking transactions in the normal course of business with related parties have not been considered.

4. EARNINGS PER SHARE ('EPS')

Basic and diluted earnings per equity share is computed in accordance with Accounting Standard on 'Earnings Per Share' (AS-20) prescribed by The Companies (Accounting Standards) Rules, 2006. The computation of earnings per share is given below:

	Rs. in 000's except per share data	
	2009	2008
Net Profit/(Loss) after tax	7,110	821,046
Weighted Average Number of equity shares outstanding during the year (in units)	17,652,090	17,652,090
Basic and diluted EPS of face value Rs. 10 each (in Rs.)	0.40	46.51

5. DEFERRED TAX

As on March 31, 2009, the Company has net deferred tax asset of Rs. 93,716 (Previous year Rs. 80,732). The composition of deferred tax asset and liabilities is as follows:

	(Rs. in 000's)	
	2009	2008
Deferred tax asset		
Depreciation	9,698	7,470
Gratuity	4,990	2,370
Leave encashment	2,138	2,079
Long term incentive plan	12,234	22,655
Lease rentals	3,535	1,360
Long term loyalty plans	—	2,719
Bonus	42,079	42,079
Current loss carried forward	19,042	—
Total Deferred tax asset (net)	93,716	80,732

Schedules



to financial statements for the year ended March 31, 2009

6. PROVISION FOR EMPLOYEE RELATED COST

The details of the provision are as under:

	(Rs. in 000's)	
	2009	2008
Opening Balance	312,618	174,127
Additional provision during the year	328,133	357,529
Amount used/reversed during the year	(596,474)	(219,038)
Closing Balance	44,277	312,618

The above provisions include long term incentive plan, bonus and leave encashment based on current estimates and may vary in future depending upon pending leave balances or the number of employees exiting the scheme and profitability of the Company based on which value of the units is determined as applicable.

7. PROVISION FOR GRATUITY

The following disclosures have been set out in accordance with the requirement of Accounting Standard 15 (revised 2005) on "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006.

A) Amount recognised in balance sheet

	(Rs. in 000's)	
	2009	2008
Present value of funded obligations	28,849	13,051
Fair value of plan assets	(10,727)	(6,078)
Unrecognised past service cost	(3,440)	—
Net liability	14,682	6,973
Amounts in the Balance Sheet		
Liabilities	14,682	6,973
Net Liability	14,682	6,973

B) Expense recognized in the profit and loss account

	(Rs. in 000's)	
	2009	2008
Current service cost	4,570	2,865
Interest on defined benefit obligation	1,289	750
Expected return on plan assets	(527)	(560)
Net actuarial losses/(gains) recognized in year	(2,045)	3689
Past service cost	9,729	—
Total, included in "Employee Benefit Expenses"	13,016	6,744
Actual return on plan assets	(3,42)	1136

C) Reconciliation of opening and closing balances of PV of defined benefit obligation and fair value of plan assets for the year ended March 31, 2009

	(Rs. in 000's)	
	2009	2008
Change in present value of defined benefit obligation		
Opening defined benefit obligation as at April 1	13,051	9,873
Current service cost	4,570	2,865
Interest cost	1,289	750
Actuarial losses/(gains)	(2,915)	4,266
Past service cost	13,169	—
Liabilities assumed on acquisition	1,881	—
Benefits paid	(2,196)	(4,702)
Closing defined benefit obligation as at March 31	28,849	13,051
Change in the fair value of plan assets		
Opening fair value of plan assets as at April 1	6,078	7,217
Expected return on plan assets	527	560
Actuarial gain/(losses)	(870)	577
Contributions by employer	5,307	2,426
Assets acquired on acquisition	1,881	—
Benefits paid	(2,196)	(4,702)
Closing fair value of plan assets as at March 31	10,727	6,078

D) Asset information

Category of Assets	March 31, 2009	March 31, 2008
Insurer managed funds	100%	100%
Total	100%	100%

The approximate full value of the assets as at March 31, 2009 as advised by the insurer is as follows:

Category of Assets	(Rs. in 000's)
Insurer managed funds	10,727
Total	10,727

E) Summary of actuarial assumptions

Financial assumptions at the valuation date:

	March 31, 2009	March 31, 2008
Discount Rate	7.25% p.a.	7.55% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	6.00% p.a.	8.00% p.a.

a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

b) Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

c) Salary Escalation Rate:

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions at the valuation date:

d) Retirement Age:

The employees are assumed to retire at the age of 58 years.

e) Mortality:

Published rates under the LIC (1994-96) mortality tables.

f) Leaving Service:

We have assumed 18% per annum withdrawal rate at all ages in this valuation.

g) Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph (f) above).

8. CAPITAL COMMITMENTS

As at March 31, 2009, the Company had capital commitments amounting to Rs. 9,895 (Previous year Rs. 75,969) for which no provision is required to be made.

9. CONTINGENT LIABILITIES

During the year ended March 31, 2007 the Company had received an order under Section 220(6) of the I.T.ACT, 1961 disallowing exemption u/s 14 A and IT authorities had raised a demand of Rs. 10,707. The Company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the said order under Section 143(3) for AY 2004-05.

Similarly, during the year ended March 31, 2008 the Company received an order under Section 220(6) of the I.T.ACT, 1961 disallowing exemption u/s 14 A and IT authorities had raised a demand of Rs. 6,236 for AY 05-06. The Company has preferred appeal before the Commissioner of Income Tax (Appeals) against the said order under Section 143(3) for AY 2005-06.

The Company has, in April 2009, received the order giving effect to the above mentioned CIT (A)'s orders. The Company has since received subsequent refunds amounting to Rs. 15,540 in respect of the aforementioned orders.

Outstanding guarantee in favour of Employee Provident Fund Organisation Rs. 5,000 (Previous year: Rs. Nil)

10. OPERATING EXPENSES

Fund expenses include scheme support expense of Rs. 920,192. The Scheme support expense consists of support given to (a) Fixed Maturity Plans for Rs. 26,770 towards yield shortfall (b) Money Market Schemes for Rs. 55,175 towards liquidity crisis management (c) Equity funds for Rs. 838,247 as a special compensation against diminution in value of certain investments.

Schedules

to financial statements for the year ended March 31, 2009

Continued

11. SUNDRY CREDITORS

Sundry Creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Principal amount remaining unpaid to any supplier as at the year end	Nil
Interest due thereon	Nil
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil

12. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
Investment advisory services	264,687	199,572

13. EXPENDITURE IN FOREIGN CURRENCY (ON CASH BASIS)

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
Training	481	1,135
Advertisements	—	553
Communication expenses	1,385	2,384
Information technology	17,064	28,024
Travelling	—	34
Stipend	—	—
Distribution support expenses	6,585	6,847
Guarantee fees	54,632	152,270
Consultancy fees	339	—
	<u>80,485</u>	<u>191,247</u>

An amount of Rs. Nil (Previous year Rs. 39,492) was remitted towards capital expenditure.

14. UNHEDGED FOREIGN CURRENCY EXPOSURE

The unhedged foreign currency exposure as on March 31, 2009 is given below (in 000's)

	March 31, 2009		March 31, 2008	
	Foreign Currency	INR	Foreign Currency	INR
Payables				
SGD	409	14,064	403	11,636
USD	29	1,495	—	—
HKD	437	2,942	437	2,242
		<u>18,501</u>		<u>13,878</u>
Receivables				
USD	935	47,437	1,630	65,203
TWD	—	—	9,133	17,070
		<u>47,437</u>		<u>82,273</u>

15. MANAGERIAL REMUNERATION

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
Remuneration to Whole time Director:		
Salary and allowances	68,889	48,374
Company's contribution to provident fund	1,147	1,103
Perquisites	2,511	4,564
	<u>72,547</u>	<u>54,041</u>

Provision for contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded above. Bonus and Long Term Incentive Plan ('LTIP') to the extent actually paid during the year ended March 31, 2009 have been included in the above figures.

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been given since no commission is payable.

16. REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON-RESIDENT

Shareholders

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
Amount Remitted	43,248	43,248
No. of non-resident shareholders	1	1
No. of shares held on	86,49,517	86,49,517
Final Dividend for the year	2007-08	2006-07
Amount Remitted	69,196	138,392
No. of non-resident shareholders	1	1
No. of shares held on	86,49,517	86,49,517
Interim Dividend for the year	2008-09	2007-08

17. TRANSFER PRICING

The Company has developed a system of maintaining of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

18. DISCLOSURE UNDER PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Company.

19. PRIOR YEAR COMPARATIVES

Prior year comparatives have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of
ICICI Prudential Asset Management Company Limited

K. V. KAMATH
Chairman

CHANDA D. KOCHHAR
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

